

SUMMARY OF MINUTES

FINANCE COMMITTEE

4:00 P.M., MONDAY, APRIL 10, 2006

COMMITTEE ROOM

ROOM 239, CITY HALL

MEMBERS PRESENT: Council Member Wanda Merschel, Chair
Council Member Robert C. Clark, Vice Chair
Council Member Vivian H. Burke
Council Member Joycelyn V. Johnson

ALSO PRESENT: Mayor Allen Joines
Council Member Molly Leight
Council Member Dan Besse (In at 4:25 p.m.)

Chair Merschel called the meeting to order and stated that the committee would first consider the Consent Agenda. She asked if anyone would like to remove any items for discussion. No items were removed from the Consent Agenda.

Council Member Burke made a motion for approval of all items on the Consent Agenda. The motion was duly seconded by Council Member Clark and unanimously carried.

CONSENT AGENDA

9. CONSIDERATION OF ITEMS RELATING TO THE SALE OF CITY PROPERTY:
 - a. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY UNDER THE UPSET BID PROCEDURE N.C.G.S. 160A-269 - 4336 *Indiana Avenue. [Receipt of \$75,000]*
 - b. RESOLUTION AUTHORIZING THE FINAL DISPOSITION OF PROPERTY LOCATED AT 5470 WOODCLIFF DRIVE THROUGH A PUBLIC AUCTION AS PERMITTED IN N.C.G.S. 160A-270. *[Receipt of \$130,000]*
 - c. RESOLUTION AUTHORIZING THE DISPOSITION OF SURPLUS PROPERTY LOCATED AT 4120 OAK RIDGE DRIVE THROUGH A PUBLIC AUCTION AS PERMITTED IN N.C.G.S. 160A-270 AND AUTHORIZATION FOR ACCEPTANCE OF A FLAT \$500 BID DEPOSIT. *[Receipt of \$82,000]*

Finance/Budget

10. RESOLUTION APPROVING A LEASE WITH CLEARWIRE, INC. FOR TOWER SPACE FOR WIRELESS SERVICES.

11. RESOLUTION AWARDED CONTRACT FOR PARKLAND PARK SWIMMING POOL RENOVATIONS – *Alpine Construction Co., Inc. - \$160,000. (Estimated Amount).*
12. RESOLUTION AUTHORIZING PAYMENT FOR SIDEWALK COMPLETION ON FOURTH STREET IN FRONT OF THE NISSEN BUILDING. [*\$125,700 from Fourth Street Streetscape Improvements Capital Project Fund.*]

GENERAL AGENDA

1. RESOLUTION APPROVING FINANCIAL ASSISTANCE TO THE CLEARING HOUSE PAYMENTS COMPANY.

Assistant City Manager Derwick Paige made the staff presentation on this item. He explained that this item is a request from the Clearing House Payments Company for economic development assistance totaling \$356,209 to be disbursed over a seven-year period. The payments would range from a high of \$71,756 in year one down to a low of \$37,103 in year seven. The company would create 80 jobs at an average annual starting salary of \$80,000. The company will make an initial investment of \$22 million. Mr. Paige explained that the State of North Carolina and other governmental units are considering economic assistance to this company.

Council Member Burke stated that she continues to have a concern about tax dollars being used for economic development and then companies bring in their own people. She asked how many employees of the company would be hired from the local community.

Mr. Paige responded that the company is not certain of those numbers at this point; however, they are committed to hiring people locally and expect that a large percentage of their workforce will be local.

Council Member Burke urged them to do so because local hiring has a major impact on the local economy.

Council Member Johnson asked if Forsyth County has offered any incentives to this company.

Mr. Paige responded that the County has not yet considered the item.

Council Member Clark made a motion for approval of the item. The motion was duly seconded by Council Member Johnson and unanimously carried.

2. RESOLUTION APPROVING LEASE OF CIVITAN PARK TO WINSTON-SALEM STATE UNIVERSITY FOR A TERM OF 33 YEARS. [*Continued from March 10 committee meeting.*]

Mr. Paige explained that this is a project that has been in development for more than a year. Winston-Salem State University Chancellor Martin addressed the committee in September of 2004 regarding the University's desire to have access to both the field house at Bowman Gray as well as Civitan Park as the university moved forward with its plans for expansion. This agreement between the City and the university would permit the university to lease 33 acres of Civitan Park for an initial amount of \$15,000, which will be used to convert some existing open space on the east side of

Martin Luther King, Jr. Drive to be used as passive recreation space or soccer fields. In addition, WSSU will pay the City \$5,200 per year for the term of the 33-year lease. At the end of the 33-year lease, the improvements made to Civitan Park will become assets of the City. WSSU plans to invest approximately \$2 million to create new athletic fields: a new football field, a half football field (both being practice fields), a regulation softball field, and NCAA standard track, as well as a practice baseball field. Mr. Paige stated that the public would have access to some portion of the park for at least 50 percent of daylight hours based on an annual average. He pointed out that the football fields would not be open for public use but could be scheduled for special events. The agreement provided that the name "Civitan Park" cannot be changed without the permission of the City Council. The agreement also acknowledges that NCDOT is looking to widen the Salem Creek Connector or build the Salem Creek Connector through that property. If the Salem Creek Connector has to take a portion of the improvements, the City would not be held liable for any portion of the improvements that may be lost. Staff is still not certain at this point where the connector is going, but WSSU is willing to take that risk to move forward with the project.

Council Member Johnson asked Mr. Paige what happens at the end of 33 years.

Mr. Paige responded that at the end of the 33-year lease, the property and all of its improvements reverts to the City.

Council Member Johnson asked if the City should not engage in conversations with WSSU regarding the opportunity for extending the lease or considering an option to purchase the property if both parties are in agreement.

Mr. Paige stated that this was discussed but it was not included in the item as it went to the Planning Board and the Recreation and Parks Commission. He commented that it would be appropriate if the Council wants to add certain conditions in the lease with the concurrence of WSSU.

Speaking on behalf of WSSU was Mr. Jorge Quintal. Based on conversations of which he has been a part, Mr. Quintal stated that at the end of the 33-year period, the University would probably elect to renew the lease.

Council Member Johnson made a motion for approval of the item with the additional condition that the City allow for the renewal of the lease at the end of the 33-year term.

Council Member Burke seconded the motion.

Chair Merschel asked if a renegotiation after the 33-year lease would trigger another public hearing process.

Mr. Bryce A. Stuart, City Manager, responded that a public hearing is only required if the Council at that time has the same resolution regarding park land in place that it follows now in terms of public notice and hearing for the disposition or lease of park land.

Mr. Ron Seeber, City Attorney, pointed out that the City and the University would have the authority to renegotiate the terms of the lease without adding this as a condition of the lease.

Chair Merschel stated that she would just want to make sure that there would be an opportunity for citizen input if and when the lease is renegotiated.

Council Member Clark asked if it would be a good idea to include a provision in the agreement that the City would discuss an extension clause with WSSU at some point before the end of the lease.

Mr. Seeber advised that all of this could be accomplished by adding language to the effect that at the end of the 33-year term, the City intends to negotiate a renewal of the lease with WSSU and hold a public hearing.

The motion for approval as amended was unanimously carried.

3. RESOLUTION AUTHORIZING A PRE-DEVELOPMENT LOAN TO THE NORTH CAROLINA HOUSING FOUNDATION FOR PROPERTY ACQUISITION AND ENVIRONMENTAL CLEANUP FOR REDEVELOPMENT OF FORMER CITY HOSPITAL SITE AT 1500 EAST FIFTH STREET.

(Council Member Besse entered the meeting at 4:25 p.m.)

Dr. Monica Lett made the staff presentation on this item. She stated that this property is the southeast corner of Fifth Street and Dunleith Avenue, upon which many commercial businesses have operated. The Housing Foundation has an option to purchase that corner and has requested a pre-development loan. The long-term reuse plan has yet to be developed. Staff has recommended a five-year deferred loan to clean-up the property while the reuse plan is being developed. If the reuse plan is not finalized or transferred or sold it within the time period, then the Housing Foundation would be required to begin amortization.

In response to Council Member Clark, Dr. Lett stated these funds would cover both the study and the remediation costs.

Dr. Lett replied yes.

Council Member Johnson commented that she serves as a volunteer on the Housing Foundation Board, but she did not believe there would be a conflict of interest in her voting on this item. She made a motion for approval of this item.

Council Member Clark seconded the motion and it was unanimously carried.

Chair Merschel asked to take Item G-7 up at this time.

7. CONTINUATION OF DISCUSSION REGARDING THE REQUEST OF REPRESENTATIVE DALE FOLWELL TO ADDRESS THE COMMITTEE REGARDING HOUSE BILL 1764. *[Continued from March 20 committee meeting.]*

Chair Merschel advised that Representative Folwell could not attend the committee meeting today and there is additional information for review. She requested that this item be kept in committee until the May meeting.

Council Member Johnson asked if Representative Folwell had a representative that could come to the committee meeting since the General Assembly would be back in session in May.

Chair Merschel asked staff to make contact with Representative Folwell and ask if someone else could attend that meeting.

Council Member Clark asked that the information regarding Payment In Lieu of Taxes (PILOT) contained in Exhibit B be provided to Wake Forest University Baptist Medical Center.

Council Member Clark made a motion to continue this item to the May 8 committee meeting. The motion was duly seconded by Council Member Johnson and unanimously carried.

4. CONSIDERATION OF ITEMS RELATING TO THE CONSOLIDATED HOUSING AND COMMUNITY DEVELOPMENT PLAN:
 - a. RESOLUTION APPROVING THE FEDERAL FY 07 HOUSING AND COMMUNITY DEVELOPMENT PROGRAM AND AUTHORIZING SUBMISSION OF THE 2006-2007 ANNUAL PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.
 - b. RESOLUTION AUTHORIZING AN APPROPRIATION OF FUNDS FOR A SUMMER YOUTH EMPLOYMENT PROGRAM TO BE ADMINISTERED BY THE URBAN LEAGUE OF WINSTON-SALEM/FORSYTH COUNTY, INC.
 - c. RESOLUTION AUTHORIZING SUBMISSION OF GRANT APPLICATION, ACCEPTANCE OF HOMELESS ASSISTANCE GRANT FUNDS, AND EXECUTION OF SUBGRANTEE AGREEMENTS.
 - d. RESOLUTION ADOPTING THE WINSTON-SALEM/FORSYTH COUNTY TEN-YEAR PLAN TO END CHRONIC HOMELESSNESS AND AUTHORIZING ACTIONS FOR PLAN IMPLEMENTATION.

Dr. Lett made the staff presentation on these items. She explained that July 1 will begin the fourth year of the City's current five-year housing plan. In spite of fund reductions, the City was successful in being able to address projected demand for on-going programs such as rehabilitation through carryover of prior uncommitted funds, through reducing and eliminating some previously funded activities for which the current market demand and conditions do not justify, such as new multi-family and large scale retail projects. Homeownership assistance was also reduced since the City has adequate appropriated funds to cover current commitments for all assisted subdivisions and the HOPE VI homeownership component. Dr. Lett advised that she expected to have some amount of surplus program income from this year to be reappropriated after June 30. She stated that the result is that the City can meet its projected rehab program demand and can increase funding for

homeownership production, specifically acquisition and infrastructure for Habitat and other new initiatives. There will be funds for neighborhood revitalization of inner-city neighborhoods, an increase in the construction training program and some public service activities, including funds for a summer youth employment program. Dr. Lett stated that the application deadline for continuum of care funds is slightly earlier this year, so there is an item for consideration of funding of 15 projects for which the City is the conduit of funds for homeless assistance provided through nine subgrantee agencies. Finally, the last item for committee consideration is the ten-year plan to end chronic homelessness, on which presentations were made to the Finance and Community Development/ Housing/General Government Committees in January. This item includes authorization for the Mayor to appoint a steering committee for the creation of a commission, and authorization of an agreement with United Way to provide oversight for the initial three-year period. A budget for this program is included with the item.

Council Member Burke asked if there was any data on the total number of homeless people in Winston-Salem.

Dr. Lett responded that homeless shelters and programs serve approximately 1,800 persons over the course of a year. Approximately 200 of those persons are deemed to be chronically homeless.

Council Member Burke expressed a concern about the number of persons who appear to permanently loiter at the intersection of Northwest Boulevard and Patterson Avenue. She stated that this was a serious problem for the area residents and churches who work so hard to improve their community.

Discussion ensued regarding homeless outreach programs and an annual census conducted by the Partnership for Drug Free North Carolina. Mr. Tim West of the Housing/Neighborhood Development Department responded to questions regarding population of various shelters and the supportive services that are required to place and keep homeless persons in permanent housing.

Mayor Joines asked if it would be feasible for the City to reconsider its continuum of care thrust, and perhaps consider moving transitional housing programs into more permanent housing. He asked if there was time to delay the continuum of care application for additional review.

Dr. Lett replied that the transitional housing component also provides services. It may be possible for the service providers to provide those same services to persons in permanent housing. The only issue would be the ability of the provider to work with as many persons if they are scattered throughout the City instead of in one or two transitional shelter locations.

Mayor Joines stated, however, that in the long term, it would be a better situation to have persons located in permanent housing. He noted that there were eight case management programs and he hoped that efforts are not being duplicated.

Mr. West stated that the City has been moving away from a transitional services approach to a more permanent housing opportunity for persons who are being served. However, it would be difficult to completely halt transitional services since there are many who are currently being served and are not prepared to move into a more permanent environment.

Discussion ensued regarding the deadline by which continuum of care applications have to be submitted, and it was determined that the committee could hold this item until its May meeting for consideration by the Council on May 15 and still meet the deadline.

Several committee members commented on the problems being encountered by JKS Motorsports on Liberty Street due to its proximity to the Bethesda Center. Chair Merschel stated that she would like to see some commitment on the part of the Bethesda Center to address some of these on-going problems, perhaps through improved case management. Council Member Leight noted that some homeless people are unable to function without assistive services, even in permanent housing.

Council Member Besse questioned what is attracting the homeless to this particular area. Could some of the problems being encountered by the local businesses be addressed by a tightening of the City's panhandling ordinance.

Council Member Clark commented that this effort is a noble one, but he would not want to see this become another layer of bureaucracy. He stated that he did not know if the chronically homeless would be able to be served by these programs because some simply cannot function independently. He noted that emphasis should be placed on accountability for the use of whatever funds come through the City.

Council Member Johnson spoke regarding the need for focus on project re-entry for those persons who are being released from prison. Work needs to be done to prepare them to come back into a working society.

Chair Merschel stated that if the committee was in agreement, staff would continue with the due diligence process and bring items c and d back to committee in May. This was agreed by consensus of the committee.

Chair Merschel suggested that of the six members on the Ten-Year Plan Commission on Homelessness to be appointed by the City, that one be affiliated with the Winston-Salem Neighborhood Alliance or a neighborhood organization and that one have an accounting or CPA background.

Mayor Joines requested that the resolution be changed to indicate that the Council will make the six appointments upon recommendation of the Mayor.

Council Member Clark made a motion for adoption of resolutions a and b. The motion was duly seconded by Council Member Burke and unanimously carried.

5. CONSIDERATION OF ITEMS RELATED TO THE DEMOLITION OF CITY-OWNED BUILDINGS FOR ADDITIONAL FOURTH STREET PARKING:
 - a. RESOLUTION AUTHORIZING ACTIONS RELATED TO THE DEMOLITION OF CITY-OWNED BUILDINGS FOR ADDITIONAL FOURTH STREET PARKING.

- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR FY 2005-2006.

Mr. Paige made the staff presentation on this item. He explained that the three buildings between the Strollway to the west and the pedestrian bridge to the east will be taken down.

Council Member Burke: Motion for approval.

Council Member Clark: Second. Unanimous.

6. REPORT ON FUEL CONSERVATION AND AIR QUALITY IMPROVEMENT STRATEGIES THAT INCLUDE STANDARDS FOR CITY FLEET PURCHASES.
[Remanded to committee by Council on March 27.]

Mr. Lee Garrity, Assistant City Manager, gave the staff report on this item. In the fall of 2005, the City Manager implemented a strict fuel conservation program in response to escalating fuel prices and short supplies. City departments have been able to achieve almost an eight percent reduction in fuel usage without any reduction in service levels. As part of the fuel conservation management plan, staff has included information and guidelines with regard to vehicle acquisitions and fleet utilization.

Council Member Besse thanked Mr. Garrity for his work on this, and expressed his support of the policy as proposed. He requested that staff continue monitoring this effort and take steps to enforce the policy when violations are reported. He emphasized the use of smaller vehicles when appropriate, and recommended the elimination of Grand Ams from the City's fleet due to their size/fuel consumption ratio.

Council Member Burke commented that she has been encouraging the conservation of fuel for years and she was glad to see this policy.

Mr. John Calhoun, Vice Chair of the local Foothills group of the Sierra Club, expressed his appreciation to the City for making fuel and energy conservation a priority.

8. REPORT ON REVITALIZATION OF URBAN COMMERCIAL AREAS.

Chair Merschel suggested that this item be held for the May Finance Committee or committee members could attend tomorrow's Community Development/Housing/General Government Committee meeting since this is also an item on that agenda.

ADJOURNMENT: 5:34 p.m.