Chair Merschel called the meeting to order and stated that without objection, the Committee would first consider the Consent Agenda.

Council Member Clark requested to pull Items C-4(a) and C-7 for discussion.

Council Member Clark made a motion to approve the balance of the Consent Agenda. The motion was duly seconded by Council Member Burke and unanimously carried.

CONSENT AGENDA

Property Matters

4. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:

b. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY FOR COUNTRY CLUB WIDENING BY DEED OR CONDEMNATION – Lot 060E of Block 3905, located at 4843 Country Club Road. [Receipt of $221,045 from GO Bond Funds]

c. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY LOCATED AT 5415 WOODCLIFF DRIVE UNDER THE PROVISIONS OF N.C.G.S. 160A-269. [Receipt of $200,000]

d. RESOLUTION AUTHORIZING THE SALE OF CERTAIN CITY-OWNED PROPERTY ON TWENTY-FIFTH STREET UNDER THE PROVISIONS OF N.C.G.S. 160A-269. [Receipt of $3,500]
Finance/Budget


6. RESOLUTION AUTHORIZING CONTRACT WITH DIXON HUGHES PLLC FOR EXAMINATION OF ANNUAL FINANCIAL STATEMENTS OF THE CITY OF WINSTON-SALEM.

4. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:

a. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY IN THE LIBERTY STREET CORRIDOR REDEVELOPMENT PLAN AREA BY DEED OR CONDEMNATION – Lots 201 and 202 of Block 0305, located at 1533 N. Liberty Street. [$100,000 from COPs Funds]

Council Member Clark inquired if this would be considered an issue of imminent domain and asked if the property had ever been written up for being in violation of the City’s Housing Code.

Mr. Derwick Paige, Assistant City Manager, explained that the property had been certified as a blighted property under the redevelopment plan and the structure would most likely be demolished with the property being used for development purposes in the future. He indicated that the property had been found to be in violation of the Housing Code, however, the violations were of an aesthetic nature and the City has limited enforcement authority over State-governed Commercial Building Codes.

Council Member Burke made a motion to approve the item. The motion was duly seconded by Council Member Clark and unanimously carried.

7. RESOLUTION AWARDING CONTRACT FOR COUNTRY CLUB ROAD WIDENING – Triangle Grading and Paving, Inc. - $2,799,966.55. [General Obligation Bond Funds]

In response to Council Member Clark, Mr. Marshall Mathers, City/County Purchasing Director, explained that this type of job requires a performance bond and the criteria for that bond would be 100% of the contract value.

Council Member Clark asked how large the contract should be to require the bond.

Mr. Mathers responded that the contract must be at least $300,000. He noted that the City had previously worked with Triangle Grading and Paving, Inc.

Council Member Clark made a motion to approve the item. The motion was duly seconded by Council Member Burke and unanimously carried.
GENERAL AGENDA

1. CONSIDERATION OF ITEMS RELATING TO HOMELESS ISSUES: [Held in committee from April 10 meeting.]
   
a. RESOLUTION AUTHORIZING SUBMISSION OF GRANT APPLICATION, ACCEPTANCE OF HOMELESS ASSISTANCE GRANT FUNDS, AND EXECUTION OF SUBGRANTEE AGREEMENTS.

b. RESOLUTION ADOPTING THE WINSTON-SALEM/FORSYTH COUNTY TEN-YEAR PLAN TO END CHRONIC HOMELESSNESS AND AUTHORIZING ACTIONS FOR PLAN IMPLEMENTATION.

Dr. Monica Lett, Housing/Neighborhood Development Director, distributed a revised list of subgrantee allocations for Homeless Assistance Grant Funds.

Mr. Tim West, Housing/Neighborhood Development, explained that the agencies are rated based on performance of existing grants. He noted that some agencies are not ranked because they are new grants, required grants or grants that are automatically renewed by the Department of Housing and Urban Development (HUD).

Council Member Clark asked if a maximum total amount of grants is set by HUD.

Dr. Lett explained that the total amount being requested balances with the allowed maximum, however, she stated that there is a process for ranking the requests to ensure funds are received for larger projects.

Council Member Burke inquired if the agencies had been consulted regarding the issue of overlapping responsibilities and how recipients of services through the Winston-Salem/Forsyth County (WS/FC) Schools are determined to be self-sufficient.

Mr. West explained that WS/FC Schools focuses mainly on education issues with families receiving services. He noted that their success is graded based on placement into permanent housing, their ability to assist recipients in improving their skills and income, and increasing parent/teacher communications. In response to Council Member Burke, he stated that overall with the subgrantee agencies, 25% of recipients exit the programs as employed, and pointed out that the agencies continue to work with recipients for six months to assist with housing and employment issues.

Dr. Lett pointed out that a portion of the individuals being served have been determined to likely never be self-sufficient due to mental health and substance abuse issues. In response to Chair Merschel’s question, she indicated that The Bethesda Center’s scope of work had changed in response to need for services after the closing of The Lighthouse center.

Chair Merschel requested staff provide detailed information on the process of enacting changes at The Bethesda Center, including any possible zoning or classification requirements.

Responding to Chair Merschel’s question, Dr. Lett stated that Family Services, Salvation Army and
Experiment in Self-Reliance are the three agencies serving women and families.

Chair Merschel expressed a concern that some agencies are providing duplicate services and they should be reviewed based on outcome for clients.

Council Member Burke asked if accountability standards could be put in place for the agencies and reports made to City Council regarding standards and success rates.

Dr. Lett suggested beginning with United Way since they have expressed an interest in addressing homelessness and have begun relationships with some agencies.

Mr. West responded to Council Member Besse’s question, stating that a Request for Proposals (RFP) was executed and of the four responses, two were selected.

Council Member Besse inquired about the details of the ranking system used to score subgrantee agencies.

Mr. West provided a list of 11 factors on which the agencies are rated on a scale from 0 to 3, for a total possible score of 33. He explained that the rating panel is appointed by the Council on Services for the Homeless and is composed of five individuals who are not associated with the subgrantee agencies.

Council Member Besse inquired if there is a minimum rating that must be received to be considered for funding.

(Council Member Johnson entered the meeting at 4:37 p.m.)

Mr. West explained that all of the agencies are eligible regardless of their rating. He noted that the lower ratings are indicative of agencies that serve a smaller group of individuals due to specialized needs.

Council Member Besse expressed a concern that lower-rated agencies may need to be integrated for efficiency and questioned the effectiveness of the rating system.

Chair Merschel questioned if the rating criteria should be weighted to discern those agencies addressing more vital issues under the Ten-Year Plan.

Dr. Lett indicated that the only funding being requested of the City is for the Ten-Year Plan in the form of $40,000 in Community Development Block Grant (CDBG) funds over a three-year period.

Mayor Joines noted that the Commission would be providing updates to the City Council and stated that the plan should be used as a guide.

Council Member Clark made a motion to approve Items G-1(a) and (b). The motion was duly seconded by Council Member Burke.

In response to Council Member Clark’s concerns, Mayor Joines stated that the new Commission would be made up of businesses, realtors, etc. to mirror successful programs throughout the United
States, as opposed to continuing with groups involved in advocacy for the homeless.

Chair Merschel expressed support for the plan, but cautioned against the possibility of clustering of housing for the homeless.

Council Member Johnson suggested that prior to awarding an RFP for grant assistance, the scope of the mission of the agency should be thoroughly investigated.

The motion to approve Items G-1(a) and (b) was unanimously carried.

2. ORDNANCES AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY AND PROJECT BUDGET ORDINANCES FOR THE CITY OF WINSTON-SALEM FOR FY 2005-2006 FOR BOWMAN GRAY FIELD HOUSE CONSTRUCTION.

Mr. Lee Garrity, Assistant City Manager, presented the staff report, pointing out that a detailed cost estimate had been obtained for a total cost of $205 per square foot, representing a 15% increase from the original project budget. He noted that although reductions had been made in the project, there is still a need for an additional $700,000.

Mr. Carlos Espinosa, 155 Sunnymoll Court, spoke on behalf of the architect. He explained that reductions were made mostly to the scope of interior finishes and noted that the building would be comprised of brick and stucco which is the most economical design. Changes include transition from rubber sports flooring to concrete, which may be changed through future sports sponsorships, and a recessed concrete spa had been replaced with a simple whirlpool.

Mr. Garrity noted that minimal changes were made to ensure quality of the structure.

Council Member Burke expressed a concern that the resulting building would be of high quality and become a source of pride for the City.

Council Member Johnson made a motion to approve the item. The motion was duly seconded by Council Member Clark.

In response to concerns expressed by Council Member Clark regarding a rise in construction costs, Mr. Garrity indicated that staff would review estimates for all Capital projects.

The motion to approve the item was unanimously carried.

3. CONSIDERATION OF ITEMS REGARDING PROPERTY LOCATED AT 1525 N. LIBERTY STREET:

   a. REQUEST FROM FIRETREE, LTD. TO DELAY CITY ACQUISITION OF PROPERTY AT 1525 N. LIBERTY STREET.

Mr. Paige explained that as a result of the Redevelopment Plan for the Liberty Street area, the City offered to purchase this property based on appraisals in the amount of $145,000. He explained that a Request for Proposals (RFP) has gone out from the Bureau of Prisons for a halfway house in
Winston-Salem to be used for housing individuals being released from prison as a transition residence. Firetree, Ltd. and the Salvation Army are responding to the RFP. Firetree, Ltd. has offered $172,500 to purchase this property to be used as the proposed halfway house. Mr. Paige explained that Firetree, Ltd. is in the process of having the Planning Board review the halfway house to allow the use by right in the current zoning district. He noted that staff is concerned that the request is not compatible with recommendations for revitalization of the area and Firetree, Ltd. has not yet been awarded the RFP and if unsuccessful, the blighted property would remain on Liberty Street.

Council Member Clark inquired if there is a contract between the City and the Baldwin family to purchase the property.

Mr. Kirk Bjorling, Real Estate Director, explained that the Baldwin family rejected the City’s original offer of $145,000 and there is an agreement to offer $165,000 contingent upon the property owners’ ability to get out of their contract with Firetree, Ltd. He stated that if the City had to ultimately pursue condemnation of the property at $145,000, the amount has already been rejected and if the case went into mediation, the contract with Firetree, Ltd. would be a factor in determining the amount.

Mr. Steve Calaway, 1330 Ashley Square, an attorney representing Firetree, Ltd., explained that his client had assessed the property for needed repairs and signed a contract for $172,500. He stated that City staff has indicated that if Firetree, Ltd. obtains a permit and repairs the driveway entrance throat, repairs the sidewalks and provide parking, they would receive Planning Board approval for the site plan. Mr. Calaway noted that the contingencies Firetree, Ltd. has placed on their contract are: Planning Board approval, approval by the government for use of the facility to happen on or before July 31, 2006, completion of an environmental study and to close on the property within 15 days after other contingencies are met.

Council Member Johnson inquired about the success rate of programs offered by Firetree, Ltd.

Mr. Calaway stated that Firetree, Ltd. receives high ratings in inspections from U.S. Prisons. He stated that upon responding to the RFP, Firetree, Ltd. investigated possible sites in Winston-Salem and this property was presented to them by a local realtor. Mr. Calaway explained that it is his understanding that if they do not receive the RFP, Firetree, Ltd. will not pursue purchase of the property.

Mr. Paige noted that the contract language is misleading and he was informed by the realtor that Firetree, Ltd. intends to purchase the property regardless of the RFP.

Council Member Johnson stated that although the use is admirable, it does not fit into plans for the Liberty Street corridor and there is currently a concentration of service industries in the area.

Council Member Burke expressed an interest in receiving input from the Liberty Community Development Corporation (CDC).
Mr. Don Nielsen, Chair, Liberty CDC, noted that the use proposed by Firetree, Ltd. does not fit in with the plans of the CDC or the Redevelopment Plan. He noted that Liberty CDC had previously attempted purchase of the same property but was unable to reach an agreement with the owners.

Mr. Jim Shaw, 3471 Cumberland Road, representing the CDC, explained that they had offered the Baldwin family $115,000 which was verbally accepted. He noted that the owners ultimately raised the price to $140,000 and the CDC rescinded their offer.

Council Member Clark inquired as to how long the property had been vacant.

Council Member Burke indicated that a barber shop had previously occupied the site but it had been vacant for approximately 10 years.

In response to Chair Merschel’s question, Mr. Paige stated that the property is zoned PB and this use would be allowed by right under that zoning district.

In response to Council Member Burke’s inquiry, Mr. Ruben Gonzales, Development Office and staff representative for Liberty CDC, indicated that many individuals have made large investments in redevelopment of the Liberty Street Corridor.

Chair Merschel inquired about the amount of taxpayer’s money that had been spent for revitalization efforts in the area.

Mr. Paige stated that public infrastructure improvements along the Corridor had been made in the amount of $2.7 million and an additional $500,000 is planned. He also noted that façade programs, small business loans, target area business assistance had been provided in the amount of $1.5 million.

Council Member Johnson asked about the proximity of this property to other family and group homes in the vicinity.

Mr. Paige stated that if the site is chosen, Firetree, Ltd. would have to submit a Request for Reasonable Accommodation because of the proximity of Samaritan Inn at the corner of Patterson Avenue and Northwest Boulevard.

Council Member Burke made a motion to deny the delay of the City’s acquisition of the property. The motion was duly seconded by Council Member Johnson.

Council Member Besse indicated that it would be a reasonable inference that the contingency in Firetree’s contract for governmental approval refers to award of the RFP.

Council Member Clark expressed a concern that the City should refrain from taking action on the property pending outcome of the contract between the Baldwin family and Firetree, Ltd.

In response to Chair Merschel’s question, Mr. Chuck Green, Assistant City Attorney, stated that if needed, the Request for Reasonable Accommodation would be reviewed by the City Council.
Council Members Leight and Besse expressed their concern over the uncertainty of the agreement for the City to purchase the property contingent upon the failure of the contract between Firetree, Ltd. and the Baldwin family.

Council Member Burke called for the question of the motion.

The motion to deny delaying the City’s acquisition of the property was carried on a vote of three in favor and one opposed. Those voting in favor of the motion were Council Members Burke, Johnson and Merschel, with Council Member Clark voting in opposition.

b. RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY IN THE LIBERTY STREET CORRIDOR REDEVELOPMENT PLAN THROUGH A NEGOTIATED SETTLEMENT.

In response to concerns expressed by the Committee, Mr. Green indicated that the contract offer made by Firetree, Ltd. would be relevant to the value if the City has to pursue court proceedings. He noted that since the City’s appraisal did not include environmental issues, that contingency would not be an issue in court.

Council Member Johnson expressed a concern that there was no representative present for the property owners. She made a motion to forward the item to the full Council without a recommendation, pending staff request the presence of the property owners or a representative at the City Council meeting, further information regarding requirements for the City to purchase the property, and a report from the Planning Board on its review of the site plan.

The motion was duly seconded by Council Member Burke.

Council Member Clark asked if the City is putting contingencies on the purchase for an environmental inspection of the interior and exterior of the property.

Mr. Paige stated that there are no contingencies since the City intends to demolish the property. He noted that there may be issues with asbestos and lead paint, but there should be no subsurface environmental issues.

Mr. Shaw indicated that during Liberty CDC’s negotiations, they were quoted a price of $30,000 to remove asbestos and $21,000 for a new roof.

Mr. Bjorling explained that the City’s agreement with the owner is to pay $165,000 if they are released from their agreement with Firetree, Ltd. If the owners are not released and this resolution is approved, the City could revert back to acquisition by condemnation at $145,000.

The motion to forward the item to the City Council without a recommendation carried on a vote of three in favor and one opposed. Those voting in favor of the motion were Council Members Johnson, Burke and Merschel, with Council Member Clark voting in opposition.

In response to Mr. Calaway’s question, Council Member Besse suggested that he attend the Community Development/Housing/General Government Committee for consideration of this item.
since the Chair of that Committee and one other member were not present for today’s meeting. He indicated that he would most likely vote against the $165,000 contract offer.

ADDITIONAL ITEM

Council Member Johnson pointed out Item G-1 on the Public Works Committee Agenda and asked for special consideration of the item.

ADJOURNMENT:  5:50 p.m.