

**HIGH POINT CITY COUNCIL  
SPECIAL MEETING  
June 18, 2015 – 9:00 A.M.  
COUNCIL CHAMBERS  
HIGH POINT MUNICIPAL BUILDING**

**MINUTES**

**ROLL CALL and MOMENT OF SILENCE**

Upon call of the roll, the following Council Members were present. Mayor Bencini called for a moment of silence and asked everyone to please remember the families and victims of the senseless violence that happened at the Emmanuel AME Church in Charleston, S.C.. The Pledge of Allegiance followed.

***Present:*** *Mayor William S. Bencini, Jr.; Mayor Pro Tem James Davis (Ward 5); and Council Members Cynthia Y. Davis (At-Large); Latimer Alexander (At-Large); Jeffrey Golden (Ward 1); Christopher Williams (Ward 2); Alyce Hill (Ward 3); Jay Wagner (Ward 4); and Jason Ewing (Ward 6).*

**PROSPERITY & LIVABILITY COMMITTEE** - *Council Member Ewing, Chair*  
*Members: Alexander, Hill and Wagner*

[all were present]

**PUBLIC HEARINGS**

**150212      Municipal Service Districts - Public Hearing**

Thursday, June 18, 2015 at 9:00 a.m. is the date and time established by Council to receive public comments on the designation of four (4) Municipal Service Districts. 1) Downtown; 2) Uptowne; 3) Washington Street; and 4) South Main Street.

*Chairman Ewing announced that this was the date and time established by the City Council to receive public comment on the designation of four Municipal Service Districts: 1) Downtown; 2) Uptowne; 3) Washington Street; and 4) South Main Street.*

*He opened the public hearing and asked if there was anyone present to speak in support of or in opposition to any of these Municipal Service Districts. There being no one present to comment, he closed the public hearing.*

*City Attorney JoAnne Carlyle advised Council that each of the four districts would require separate votes. She also noted that the Core City Administrator has provided a Certification Notice to Property Owners (service of notice for each of the MSDs) that were placed at the dais and asked Council to acknowledge receipt of these certifications for the record.*

***Note: The certifications will be attached in Legistar as a permanent part of these proceedings.***

*Council Member Alexander noted for the record that these districts were place holders and fluid and pointed out boundary lines and conditions were subject to change.*

*Council Member C. Davis then read the following statement into the record (statement applies to all four districts):*

*"These areas have already been identified through various plans and do not need to be additionally identified, other than the attempt to use tax payer dollars above and beyond the already available incentives available through our EDC. The city may choose to add to these incentives, on a case by case basis, dependent upon job creation of livable wage jobs being created.*

*The documents mention incentives, but these incentives/grants are not included within the document. The incentives that have been discussed are tax abatement in reverse disguised as a grant to avoid the obvious tax abatement intentions. I am aware that this method has been used by a few cities within NC and there has not been a court case against this method, but just because you go around the mountain in disguise you are still allocating dollars for what is the obvious responsibility of maintenance or up keep by the property owner, by the name of Grant instead of the obvious intent of Tax Abatement.*

*The proposed incentives discussed but not included in the packet covers a 5 year period at 100% year 1, 80% year 2, 60% year 3, 40% year 4 and 20% year 5, which gives back property taxes paid by the owner for such improvements. If you must consider this avenue then consider 50% year 1, 40% year 2, 30% year 3, 20% year 4 and 10% year 5, which allows the city to retain a higher portion of the tax revenues collected on these improved upon properties.*

*The Facade Grants should be open to the entire city, not just portions of the city, not limited to any one district, if implemented. It should, also, specify an exact amount the city is willing to allow for this purpose within the budget. I do not think that the applicants should be allowed to come back to take advantage of additional funds for 3 years on any additional property, thus allowing opportunities by other interested applicants.*

*The ability to tax the districts at \$1.50 per \$100 valuation if agreed upon by the majority of those within the district concerns me as well, as some of the owners of these properties may reside outside of the city limits, even out of the country, subjecting them*

*to the decisions of a majority vote, without any real input. How will this vote be taken, at the polls or in council chambers, by petition? Those within the districts not agreeing to the additional tax cannot be excused if they do not want to participate leaving some of them to relocate outside of the district, which means selling their property.....simply said forcing them out. Let's not forget the Mom & Pop businesses that may want to develop in these districts, as well as limiting the new small businesses/entrepreneur that may desire one of these districts would not be able to compete or successfully grow their business."*

*Council Member C. Davis then read the following excerpt from the County and Municipal Government in North Carolina Second Edition 2014 Edited by Frayda S. Bluestein on page 485 Tax Abatements and Cash Incentive Policies into the record:*

*"One form of industrial and commercial development recruitment often used in other states is not directly available in the State of North Carolina. Offering special property tax breaks to new industry or business under Article 5, Section 2 of the State Constitution, property tax exemptions and classifications may be made by the General Assembly and then only on a statewide basis. A local government may not constitutionally offer a special classification of property owner if it is not available statewide. The Legislature has not enacted any special classification for new industrial or commercial development. Therefore, none can be offered by local economic development officials. In recent years, however, a number of counties and cities in those counties have developed a cash grant incentive policy that very much resembles tax abatements. These policies follow a common pattern the local government offers to make annual cash grants over a number of years, typically five, to industrial companies that make investments of certain minimum amounts in that county or city. The investment might be either a new facility or the expansion of an existing facility. The amount of cash granted is specifically tied to the amount of property tax paid by the company. For example, a company that made an investment of at least \$5,000,000 might be eligible for a cash grant in the amount of up to 50% of the property taxes it has paid on the resulting property. Larger investments would make a company eligible for a grant that represented a larger percentage of property taxes paid. These policies closely approach tax abatements, with one important difference: the company receiving the cash incentive has paid the property taxes. No court has addressed whether this sort of policy is unconstitutional at this time."*

*Council Member C. Davis expressed concerns that there has not been a case and should one individual come back and say they live over here in x, y, z, but wasn't available to take advantage of whatever was being offered in the other districts.*

*Mayor Pro Tem J. Davis shared that although he supports the MSD Districts, he does have concerns regarding the language that is being used that alludes to a tax not being assessed. He wanted some assurance that this would just be a place holder and would not bind any future councils from the ability of not being able to assess a special tax in the MSD District. Mayor Bencini pointed out there was nothing in the language that would do this. City Attorney JoAnne Carlyle confirmed that it would not be binding for future Councils and that it could be changed. Council Member C. Davis noted she read a section in the document that other Councils could not undo the agreement. Council Member Hill explained that reference was to a specific grant proposal that is not before Council for consideration at this time.*

*Council Member C. Davis felt the packets and information submitted to Council are incomplete because it makes references to incentives/grants, but these are not part of the packet itself, so she would not be supporting it due to a lack of pertinent information.*

*Mayor Bencini asked if there were any additional comments from the Council. Council Member Golden offered support for the MSDs and the identification of the districts, but asked for clarification that there would be additional dialogue in the future by Council regarding the incentive percentages. City Attorney Carlyle confirmed this and noted the incentive programs including the facade grants would be coming back to Council.*

*There being no further discussion, Mayor Bencini called for a vote on the four districts, which will be voted on individually.*

**Downtown High Point Business Improvement District**

***Motion by Council Member Ewing, seconded by Council Member Alexander to adopt the RESOLUTION ESTABLISHING THE DOWNTOWN HIGH POINT BUSINESS IMPROVEMENT DISTRICT and TO ACKNOWLEDGE RECEIPT OF THE CERTIFICATION NOTICE TO PROPERTY OWNERS. The motion carried by the following 8-1 vote:***

*Aye (8): Mayor Bencini, Mayor Pro Tem J. Davis, and Council Members Alexander, Golden, Williams, Hill, Wagner and Ewing.*

*Nay (1): Council Member C. Davis*

**Resolution No. 1461/15-32  
Introduced 6/18/2015; Adopted 6/18/2015  
Resolution Book, Volume XIX, Page 32**

**Uptowne High Point Business Improvement District**

***Motion by Council Member Ewing, seconded by Council Member Wagner to adopt the RESOLUTION ESTABLISHING THE UPTOWNE HIGH POINT BUSINESS IMPROVEMENT DISTRICT and TO ACKNOWLEDGE RECEIPT OF THE CERTIFICATION NOTICE TO PROPERTY OWNERS. The motion carried by the following 8-1 vote:***

*Aye (8): Mayor Bencini, Mayor Pro Tem J. Davis, and Council Members Alexander, Golden, Williams, Hill, Wagner and Ewing.*

*Nay (1): Council Member C. Davis*

**Resolution No. 1463/15-34**

**Introduced 6/18/2015; Adopted 6/18/2015**

**Resolution Book, Volume XIX, Page 34**

**Washington Street High Point Business Improvement District**

***Motion by Council Member Ewing, seconded by Council Member Wagner to adopt the RESOLUTION ESTABLISHING THE WASHINGTON STREET HIGH POINT BUSINESS IMPROVEMENT DISTRICT and TO ACKNOWLEDGE RECEIPT OF THE CERTIFICATION NOTICE TO PROPERTY OWNERS. The motion carried by the following 8-1 vote:***

*Aye (8): Mayor Bencini, Mayor Pro Tem J. Davis, and Council Members Alexander, Golden, Williams, Hill, Wagner and Ewing.*

*Nay (1): Council Member C. Davis*

**Resolution No. 1464/15-35**

**Introduced 6/18/2015; Adopted 6/18/2015**

**Resolution Book, Volume XIX, Page 35**

**South Main Street High Point Business Improvement District**

***Motion by Council Member Ewing, seconded by Council Member Alexander to adopt the RESOLUTION ESTABLISHING THE SOUTH MAIN STREET HIGH POINT BUSINESS IMPROVEMENT DISTRICT and TO ACKNOWLEDGE RECEIPT OF THE CERTIFICATION NOTICE TO PROPERTY OWNERS. The motion carried by the following 8-1 vote:***

*Aye (8): Mayor Bencini, Mayor Pro Tem J. Davis, and Council Members Alexander, Golden, Williams, Hill, Wagner and Ewing.*

*Nay (1): Council Member C. Davis*

**Resolution No. 1462/15-33**  
**Introduced 6/18/2015; Adopted 6/18/2015**  
**Resolution Book, Volume XIX, Page 33**

**ADJOURNMENT**

*There being no further business to come before Council, the meeting adjourned at 9:20 a.m. upon motion duly made by Council Member Ewing and seconded by Council Member C. Davis.*

*Respectfully Submitted,*

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*William S. Bencini, Jr., Mayor*

*Attest:*

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*Lisa B. Vierling, MMC*  
*City Clerk*