

**HIGH POINT CITY COUNCIL
SPECIAL MEETING
FEBRUARY 13, 2017 – 12:00 P.M.
STRING & SPLINTER**

MINUTES

Present:

Mayor William S. Bencini, Jr., Mayor Pro Tem Jay Wagner (Ward 4); and Council Members Cynthia Davis (At-Large), Jeff Golden (Ward 1), Chris Williams (Ward 2), Alyce Hill (Ward 3), and Jim Davis (Ward 5)

Absent:

Council Members Latimer Alexander (At-Large), and Jason Ewing (Ward 6)

Guilford Delegation Present:

Senator Gladys Robinson
Senator Trudy Wade
Representative Amos Quick
Representative John Blust
Representative John Faircloth
Representative Cecil Brockman
Representative Jon Hardister

Staff Present:

Greg Demko, City Manager; Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; Jeron Hollis, Communications & Public Engagement Director; JoAnne Carlyle, City Attorney; Ryan Ferguson, Marketing Manager; and Lisa Vierling, City Clerk

Others Present:

Fred Baggett, City's Legislative Counsel
Marlene Sanford, Judy Stalder (TREBIC)

News Media:

Pat Kimbrough, *High Point Enterprise*

Mayor Bencini called the meeting to order at 12:10 p.m. and thanked the Legislators for all the financial support for the High Point Furniture Market. He shared that several years ago, the Market funding was in jeopardy, but the State stepped up realizing the financial impact the Market has in the State and Region (a \$5.4 billion impact). He also expressed appreciation for all the local legislation that they have been supportive of.

The Mayor mentioned the Library Plaza project and credited the Guilford Delegation for being able to get enough money to do the project. He reported that staff hopes to have the entire project done before the end of summer.

He also shared that High Point has had some very strong economic development successes in part due to the support that the State offers in trying to recruit new businesses.

The Mayor then turned over the meeting to City Manager Greg Demko to talk about some of the initiatives that the City will be working toward in terms of targeting blight in the Core City.

Mr. Demko felt there is a good blend in High Point as far as expansions and attraction of new businesses. He mentioned the recent announcement that Alorica would be expanding and bringing 800 additional new jobs to High Point. He noted that the city continues to try to grow and regain some of the furniture/manufacturing industry as well. One of the Council's key strategies is how to rebuild the core, with a focus on home ownership. The City has been focusing a lot on home ownership and Mr. Demko announced that the City of High Point has a Down Payment Assistance Program and offers up to \$7,500 for those who qualify to live in the Core City. The objective and challenge is how to change the composition of these housing units and raise the value of the units and home ownership within the Core City to strengthen the neighborhoods.

At this time, Mr. Demko turned the floor over to Randy Hemann, Assistant City Manager, who shared a presentation that staff put together on blight in the Core City and the various tools/strategies for tackling the issue. He shared some of the things that staff has been doing:

- Commissioned a study that was conducted by UNC-G identifying and grading 15,000 parcels in the Core, which resulted in creation of a Heat Map ranking the neighborhoods from very stable to least stable;
 - ✓ 400 homes are in foreclosure
 - ✓ 584 properties have liens attached due to Code Enforcement violations
 - ✓ 20% of the lots are vacant with 9.7% of the homes vacant
- Increased the number of Code Enforcement Officers from two to six to focus more on blight, and as a result the City is doing more demolitions;
- City Attorney is working on revising the Minimum Housing Ordinance
- Council approved the formation of a Community Development Corporation that would be a non-profit arm and would aid in tackling the issues;
- Council has increased the funds in the budget for blight reduction
- Created Community Partnerships (i.e. Bank of North Carolina has put \$5 million in infill program; Operation Inasmuch continues to go into the hardest hit neighborhoods and help with emergency repairs/clean-up/maintenance of homes; Habitat for Humanity
- Working with Guilford County on a partnership for tax and lien collection

Mr. Hemann advised that blight comes at a huge cost with an increase in crime rates and increased calls for police and fire service in these areas. Property values in these neighborhoods continue to drastically decline.

He suggested another tool that would help fight the blight is receivership legislation and noted the City of High Point had local legislation for receivership proposed in 2013. There are currently 17 states that now have some type of receivership legislation.

Representative John Blust believed there is already receivership law in North Carolina and asked for clarification as to the context of the City of High Point's request. Fred Baggett, the City's Legislative Counsel, explained in this context it would be for the repair of housing with Minimum Housing Code violations that are not addressed and further explained an investor would work with the City after the City files the action in court and the Superior Court Judge would be authorized to appoint a person (the receiver/investor), who would take over the property, rehab it, sell it, rent it, use it, etc....In other words, it takes the property from the hands of the owner for the purposes of the rehabilitation and sale.

Council Member J. Davis questioned the criteria used to make the determination as to if and when a house would go into receivership. Mr. Baggett explained it would have had to have gone through the entire enforcement procedures by the City and after a period of time if steps have not been taken to improve the property, then the court steps in after the action is filed by the City.

Senator Gladys Robinson expressed concerns that there would be elderly people who may have owned property who may not have been able to properly maintain it or the property has been passed on to heirs who many not be aware of the actions taken against the property. Mr. Baggett advised that the property owner would be a party to the court action and would be aware of it. He agreed that this is a common occurrence for families owning houses that have become dilapidated over the years and no family members step up or have the funds to continue maintaining it.

Council Member Golden also expressed concerns because many times the property owners have passed away and all of the heirs cannot be located. He did not agree because he felt investors with money could take advantage of these opportunities and potentially buy up entire blocks. Council Member Wagner clarified that there was something in the statute that would require that the receiver who is appointed would need to be a builder or someone with the financial wherewithal to improve the property. He reiterated that it would not even go to court until all enforcement procedures have been exhausted. Mr. Baggett advised that the court appointed receiver could expend money to fix the property and they would be entitled to sell it and make a certain percentage with any remaining proceeds going back to the homeowner.

Senator Robinson stated she fully supports the Furniture Market and shared that her concern has always been to ensure that the gateways to the community were presentable; however, at the same time she cautioned that every property owner should be treated fairly. Council Member Williams confirmed there have been on-going efforts to clean up areas and mentioned Project Inasmuch that has been a big, positive effort in the hardest hit neighborhoods. He reported that he happens to be the representative for the 27260 zip code and has residents constantly asking him to do something about the dilapidated homes before they deteriorate the neighborhood further.

Council Member C. Davis suggested also including commercial properties in the receivership legislation because the dilapidated commercial structures also need to be targeted and addressed. She pointed out there are also commercial properties in the gateways and also suggested that the brownfields be considered and addressed in the same legislation due to the City's responsibility for it after it is demolished. She felt the municipal government should not be responsible for conditions that are already existing prior to demolition of a structure.

Representative John Faircloth asked Mr. Baggett to expound on what happened to the receivership bill that was introduced in 2013. Mr. Baggett advised that he and Representative Marcus Brandon worked on the bill, which got one hearing in the House Finance Committee where the bill was explained, questions were asked, but with very little discussion. He explained it never made it to a vote. It started as a local bill, but the lawyers at the Legislature concluded under the State Constitution, it should be a statewide bill—not a local bill. When it became a statewide bill, other cities voiced support for it and during the brief hearing in the House Finance Committee, it was not rejected, nor was any strong opposition voiced at that time. All in all, Mr. Baggett advised it received a pretty lukewarm reception with some interest from other cities and it also received some support from the League of Municipalities.

Representative Blust inquired about how the legislation would treat liens. Mr. Baggett pointed out it would extinguish the liens and that most of these properties have some sort of liens attached. City Attorney JoAnne Carlyle explained for the most part the liens would continue to be unpaid, and felt specific language addressing the release of the liens would be needed because of the way they are also collectible as unpaid taxes.

Mr. Demko felt Senator Robinson's point about making sure the gateways into the Core City are presentable was right on target and stated that neighborhoods would be built and strengthened through this type of receivership program, which is key. He acknowledged that the receivership program is a tool that the City of High Point has desperately needed for over twenty-five years. Mr. Hemann pointed out the first legislative bill was rolled out as a local bill, but later determined to be more appropriate statewide. He asked if it does need to be statewide legislation, or have restrictions on it and a determination should be made as to who the legislation would be the most appropriate for. Mr. Demko added that along with the receivership, another consideration would be how to put catalyst projects in areas that could use help.

Mayor Bencini pointed out one of the City's key strategic objectives is to deal with the blight and reiterated that providing services in these blighted areas certainly becomes far more expensive than elsewhere. He welcomed any support that could be built towards eliminating blight.

At this point, the Mayor asked the delegation to share their concerns or to share with Council what they need to be on the lookout for coming out of Raleigh.

Crime in High Point

Representative Amos Quick brought up concerns by pastors and others regarding all the criminal activity in High Point with several recent fatalities (murders). He asked what the City was doing to help combat this. Mr. Demko replied that the people need to open up, communicate and cooperate with the Police on the active, on-going investigations. The first faith-based prayer vigil was held last night and Council Member C. Davis reported that it was very well attended with over 100 participants. She advised that the people in the neighborhoods are tired of people not talking because holding information back does not offer any protection to the families.

Senator Robinson shared on of the issues that was brought to her attention was the gangs that were coming into High Point from other areas because increased criminal activity, drug activity, etc.....tends to follow the poverished areas.

Mr. Demko brought up the heroin epidemic in High Point and how the distributors are now cutting the heroin with fetnyl making it deadlier than ever. He attributed the spikes in crime, drug activity, addictions to no mental health funding and no mental health facilities. He personally asked the Guilford County Legislative Delegation to please support any legislation proposals to ramp up mental health services. Senator Robinson suggested that High Point talk with Sandhills Mental Health about specific needs and ways to bring some of these services back to the community.

Food Insecurity & Heroin Issues

Council Member J. Davis advised that nationwide, High Point scored very high in food insecurity due to the numerous food deserts and mentioned the big heroin problem in High Point and in other cities across the nation. He asked the legislators if they have had any discussion on the State level as to how they could help High Point in these situations because the food insecurity ties back into the crime level and socio-economic conditions. Regarding the heroin problem, Representative Faircloth reiterated that this is a Statewide problem and mentioned discussions would continue in some upcoming meetings that are scheduled. He admitted there still is a lot of work that has to be done and no one seems to have any answers and they wrestle with what to do. Council Member C. Davis suggested providing mental health services for them while in jail so they would possibly have a better fighting chance when they get out. Representative Faircloth agreed that mental health is definitely a great problem and it needs to be addressed.

Senator Robinson pointed out that the food insecurity issue is also a Statewide problem although studies do show that food insecurity in High Point is rated at the top in terms of poverty and food insecurity. She explained that in terms of a community that has come together and pulled in various resources, High Point has done a much better job to address it. Council Member J. Davis agreed, but felt a long-term solution is needed. Representative Brockman shared that the Legislature did pass a "corner stores and fresh food" State Grant which has also helped. Council Member J. Davis suggested they look at tax credits for re-use of buildings to help entice grocers to go into the food deserts.

Senator Wade spoke to the issue. She pointed out the program has not yet started because they are getting all the details worked out as far as who would administer the money, etc..... She asked if anyone from High Point has applied for those grants.

Library Project

Senator Wade mentioned that the Legislators did assist High Point in getting some funding for revitalizing the Library and asked if the City was able to buy the buildings for the project. Mr. Demko replied in the affirmative and expressed great appreciation to them for securing the funding and making the renovations at the Library possible. Mayor Bencini added that the project should be completed by the end of the summer.

High Point Funding Requests

Senator Wade complimented High Point on always supplying a match when requesting funding from the General Assembly. She conveyed that is an excellent way to receive matching monies/funding from the State for projects. She asked if High Point had any specific asks for funding. Mayor Bencini pointed out the biggest one was the whole receivership concept that would help High Point more effectively address the blight.

Blight Remediation & Tax Liens

Mayor Pro Tem Wagner recently attended a session on blight remediation and mentioned one of the things that St. Louis is doing with community development corporations. He explained the community development corporations are the owner of last resort in the event of a tax foreclosure on blighted property, so if the county has a tax foreclosure without a buyer for the property, the title is automatically transferred to the community development corporation. He advised that he has not yet had an opportunity to look into the legality of whether it would even be legal in North Carolina, but it did seem to be an effective tool. Mr. Baggett asked what would happen to the liens and Mayor Pro Tem Wagner replied that the liens would be extinguished. Ms. Carlyle was uncertain as to how this would work here because of the procedures already in place that have to be followed regarding liens attached to foreclosed properties. Mr. Baggett felt this would take some major changes to the law because generally in a tax lien sale, it is the high bidder, which is usually the county.

Transportation Issues

Senator Wade asked if High Point had any transportation issues they would like to discuss. Mr. Demko mentioned Lexington Avenue because it is a key gateway into the City and improvements would certainly open up a core economic development area. He shared that there is a feasibility/engineering study going on from Highway 74 down Lexington Avenue to Centennial with talk about expanding it out to Main Street. He pointed out currently this corridor project is on the TIP list and stressed that it is a high priority and needs to be stepped up quickly as the City tries to improve the Core. Senator Wade encouraged those in the delegation that have ties, to transportation contacts, etc.. to make note of this request.

Representative Blust suggested adjusting the stoplight signals for easier access into the City from the gateways.

Location of Affordable Housing to a Grocery Store

Council Member C. Davis expressed concerns that affordable housing has to be located within a mile of a grocery store. She asked the Legislators if they could do anything to possibly stretch the one mile further to open up more affordable housing areas where the housing is actually needed.

Furniture Market Support

Senator Wade shared a rumor that she recently heard that High Point might not keep supporting the Furniture Market and would fully rely on the State to do it. Mayor Bencini stated that rumor was 100% wrong. The Mayor reported that everything is good with the Furniture Market and admitted that there is always an on-going need for marketing dollars. He shared that the funding received for the software program has been a huge success and they eventually hope to get the blue dot technology accessible in all 180 buildings.

Mr. Demko expressed great appreciation for the State's support with the Furniture Market because of the huge financial impact to the State, City and Region. He stressed that the support for the Furniture Market is absolutely critical and this was one of the reasons the City is working on blight, the gateways and transportation as well. He reiterated that the City strongly supports the Furniture Market, not just with dollars, but with in-kind services as well.

Economic Development

Senator Wade provided a heads-up on some questions that came about during a recent Commerce meeting with stakeholders. She shared the following questions that might be asked and encouraged the City to be ready with a response:

1. When you recruit someone to come, what do you have in your particular City to compete with other cities that would bring that business here (businesses from out of the state).
2. If you were recruiting someone here and they decide to go elsewhere besides High Point, why do they do that and have you actually visited the city to see why they might have gotten the project and what they offered that High Point was not able to offer.

She discouraged competition within North Carolina and felt the competition should be outside of North Carolina. The Mayor relayed that one of the tougher States that North Carolina reckons with is South Carolina and pointed out South Carolina has tax abatement tools and are able to do things that North Carolina cannot do making it very difficult for North Carolina to compete with those types of tax credits. Council Member J. Davis felt the formation of the Guilford County Economic Development Alliance was definitely a step in the right direction because High Point and Greensboro is now working together as a region.

Senator Wade asked High Point to come up with responses to these questions and make those available to her because it helps them when looking at the State budget to bring businesses in. Council Member J. Davis felt the Piedmont Triad International Airport is a hindrance to economic development because there are no non-stop flights that depart from Greensboro and pointed out an airport is certainly a big factor in attracting a global company.

More on Blight

Representative Hardister stated he totally agrees with High Point's concerns on the blight issues and has seen first-hand much lower appraisals in effected neighborhoods because of the blight. He offered to work with Representative Faircloth on this issue.

More on Mental Health and Drug Addiction

Representative Hardister agrees that the mental health and drug addictions are a major issue and definitely ties into High Point's major blight problem. He suggested there should be some way for the State and Local government to provide the necessary resources for these people that are affected.

Vehicle Registration/Parking Ticket Citations

Representative Hardister asked if there was any interest in High Point for some type of vehicle registration and mentioned that Greensboro had asked him to look into this for them because of the number of outstanding collections for parking tickets. Mayor Bencini declined and pointed out High Point generates a very low number of parking tickets.

There being no further business to come before Council, the meeting adjourned at 1:45 p.m. upon motion duly made and seconded.

Respectfully Submitted,

William S. Bencini, Jr., Mayor

Attest:

Lisa B. Vierling, MMC
City Clerk