

City of High Point

*Municipal Office Building
211 S. Hamilton Street
High Point, NC 27260*



Minutes

Thursday, October 19, 2017

2:00 PM

Council Chambers

Special Called Meeting of City Council

*William S. Bencini, Jr., Mayor
James C. Davis, Mayor Pro Tem
Latimer B. Alexander, IV, Cynthia Y. Davis,
Jason P. Ewing, Jeffrey J. Golden,
Alyce E. Hill, Christopher Williams,
Jay W. Wagner*

Roll Call, Prayer & Pledge of Allegiance

Mayor Bencini called the meeting to order and asked for a moment of silence, which was followed by the Pledge of Allegiance.

Upon call of the roll, the following Council Members were present:

Present (9): Mayor William S. Bencini, Jr., Mayor Pro Tem Jay Wagner (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), James C. Davis (Ward 5) and Jason Ewing (Ward 6).

Present 9 - Alyce Hill, Bill Bencini, Latimer Alexander, James Davis, Jay Wagner, Jason Ewing, Jeffrey Golden, Cynthia Davis, and Christopher Williams

Agenda Items

Following the Pledge of Allegiance, the Mayor welcomed everyone to the meeting and stated that the agenda items today would be dealing with our Catalyst project and downtown. The Mayor then turned the meeting over to City Manager Greg Demko. Mr. Demko stated the first item on the agenda would be to reintroduce our Master Developer for our new downtown and catalyst project area Mr. Tim Elliott. Mr. Elliott will be doing a presentation on the proposed development that surrounds the Multi-Use Stadium area, and following that Mr. Randy Hemann, our Assistant City Manager will be discussing and presenting our proposed agreement with Mr. Elliott so we can move forward with our catalyst project for our new downtown area.

[170361](#)

Presentation - Catalyst Project Master Developer - Tim Elliott

Mr. Tim Elliott, Elliott Sidewalk Communities, will give a presentation on the proposed private development on City owned land around the Multi-Use Stadium area.

Attachments: [Presentation - Tim Elliott - 2017 1018 HighPoint Development Summary re'](#)

City Manager Greg Demko introduced Tim Elliott of Elliott Sidewalk Communities to update City Council on the High Point Stadium Development Study.

Mr. Elliott had a prepared PowerPoint presentation for review by the City Council outlining the stadium foot print and the general phases of development. He stated that with the new development of the stadium, Elm Street will become front and center for development. It will rise up as the real cultural avenue for the City. The purpose of his company, Elliott Sidewalk Communities, is to determine what you do along sidewalks. His company strives to reinvigorate communities with mixes uses and private investment and they do that by working with public/private investments. We fill in something that is not that there and bring in a

walkable, sustainable community. He clarified that his company will not be building the stadium, only the development around the stadium area which will include dining opportunities, shopping, parks, a hotel, office space, housing, etc. This plan is a carefully calibrated effort of private development that will bring people downtown 365 days a year.

Mr. Elliott outlined the five (5) phases of development as follows:

- Phase 1 will include retail (Brewery) and Graduate Student Housing w/retail
- Phase 2 will include Hotel w/retail, an Event Center, Retail and Parking and office space
- Phase 3 will include an Academic Building w/ Retail, Residential & Parking and Office, Residential & Parking
- Phase 4 will include Residential, Senior Housing w/retail and Office w/retail
- Phase 5 will include Residential and an Opportunity Site

Mr. Elliott briefly addressed the “Opportunity site.” High Point has a beautiful train station with passenger rail and Amtrak travel. One of the Residents from Greensboro could hop on the train and come to High Point for entertainment and dinner.

Mr. Elliott stated this is a very exciting project. It has hotel, event space, retail, academic, we have millennial apartments, we have senior housing. There are a lot of This will give High Point a lift and give people jobs. He expects this development will bring approximately 1,200 new jobs to the community. There will be the potential for a lot of economic return that comes with this development.

Following Mr. Elliott’s presentation, the Mayor asked if there were any questions from Council.

Council Member C Davis asked if these drawings were conceptual.

Mr. Elliott confirmed that they are conceptual to help everyone envision what makes the most economic sense. He and his staff have invested four months into drafting these plans. There are many facets that need to come together before the final plan is developed. They will be working with civil engineers to determine how this development will affect the water and sewer infrastructure, the storm water runoff, impervious and non-impervious surface and the setbacks in the area. They will also need to determine the architectural design of the buildings and the streetscape. Next step will be to have a map and a model made. And then to get investors.

Council Member Alexander stated that he has talked with North State Communications employees and they are getting ready to demolish two buildings on their property located in the target area. Many property owners within the area are excited about the options being

presented and are very welcoming of this development/project.

At this time Mayor Bencini, recognized Skip Austin, a member of the Guilford County Commissioners, who was in attendance.

(PowerPoint presentation will be attached to these minutes as a permanent part of the record)

170362

Master Developer Initial Agreement - Multi-Use Stadium

Consideration of approval of the initial Master Developer Agreement with Elliott Sidewalk Communities that forms the basis for further coordinating and initiating the proposed private development on City-owned land around the Multi-Use Stadium.

Attachments: [Master Developer Initial Development Agreement 10_19_17](#)
[High Point Downtown ESC Initial Development Contract 10 19 17 with EXHII](#)
[Elliott Sidewalk Communities - signed document](#)

Randy Hemann, Assistant City Manager, presented the Initial Development Agreement with Elliott Sidewalk Communities to City Council. He explained that there has been a lot of work placed in the development of this conceptual plan much of which has not shown up yet. The details of marrying a stadium to area development are very complex. Lots of design work and legal work still need to be done.

Mr. Hemann stated we have talked about \$120 million to \$130 million in private development. Dr. Quebin has talked about his commitment and he has raised \$50 million; we have talked about the children's museum and the events center and all of these things add up to about \$200 million or in excess of that figure. The question becomes - what does it take to get from what you saw in the conceptual plan to what we can build. This is the agreement that is before Council. It takes a lot of design work and legal work. Mr. Hemann apologized to City Council for not getting the information before them prior to the meeting but he had just received it himself.

Council Member C Davis interrupted Mr. Hemann and stated that when Council received the notice of today's Special Called Meeting, she immediately requested that any information be provided to Council. Mr. Hemann just stated that it was just sent to him literally. So why are we being asked to vote on this today. Why were we not given this information prior to this meeting today.

Mayor Bencini ask that Council Member C Davis let Mr. Hemann finish his presentation and then there would be time for questions.

Council Member C Davis asked Mr. Hemann if he was expecting Council to vote on this agreement today.

Mr. Hemann answered that it would be the decision of Council. It would be presented to Council for a vote if they so choose to vote on it today.

Mr. Hemann stated there would be \$200 million worth of development in this project. These agreements will move us from concepts to down to details that result in shovels in the ground. There will be lots of design, engineering and architecture feasibility studies, some of which have already been done, and marketing. Mr. Elliott has agreed to work with us on this and he has the qualifications. This however, calls for agreement, whereby we would continue working with him. We would be the owner of whatever is produced. The contract amount would be \$599,500 and this has been budgeted as part of the Council vote on April 13th for the expenditure of \$15 million for land purchase and design. If we are going to move on this project it is time to finalize the design.

Mr. Hemann presented the City Council with a detailed copy of the Initial Development Agreement with Elliott Sidewalk Communities for the design of the Catalyst project. This contract states that Tim Elliott will be the Master Developer of the project and can be terminated by the City or Mr. Elliott at any time. Mr. Hemann briefly highlighted areas of the contract. The properties are divided up in the contract. On page 4 there are primary properties that are owned by the city (shown in exhibit B) and are part of the 11.5 acres we have put together, 6.5 acres of which will remain or be developed later and about 5 acres which will be the stadium. There are secondary properties which are spelled out in the contract which are parcels owned and controlled by the City and or by Forward High Point which are outside the area for the project. We also have ancillary properties. The rights and obligations are also in the contract stating we are going to have development agreements which will follow this. We have worked with Mr. Elliott on the Master Plan thus far and you have seen the results and this will just be a continuation of what you have seen to date. There may be minor tweaking, but staff feels comfortable in where we are and moving forward with the design of the downtown project. This contract was developed by the law firm of Parker and Poe and our City Attorney JoAnne Carlyle.

Council Member J Davis asked Mr. Hemann about the language in Section 8 of the agreement - Initial Work Fees and monthly payment. Council Member J Davis asked about the allocation of these fees for land parcels. If we are paying monthly payment as this thing progresses, what is the difference is between the monthly payment and how those fees are allocated to each land parcel assuming the Master Developer is purchasing each property as it gets developed at fair market value.

Mr. Hemann explained that these fees will be prorated based on a percentage basis on the parcels. The parcels will be sold at fair market value and the fees will be added into the selling price allowing the City to recoup these expenses.

Council Member Alexander stated that the Council met with Mr. Elliott several weeks ago and this is pretty much what was discussed at that time so it is not new information to City

Council.

Council Member C Davis asked City Attorney Carlyle if there have been any revisions or amendments to the agreement since that time.

Ms. Carlyle stated that there some minor changes as we have to make it legal, but nothing major. There is good coverage and protection for the city.

Upon motion by Council Member Alexander and seconded by Mayor Pro Tem Wagner, the Council approved the Initial Development Agreement with Tim Elliott Sidewalk Communities on the following vote:

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

No: Council Member C Davis

Council Member C Davis stated Council has not had an opportunity to read this. Those that were here on time for the meeting saw that Council was handed the packet just moments after they took their seats at the dais, and she will not be supporting something that she has not had an opportunity to properly read and or vet.

**A motion was made by Alexander, seconded by Wagner, that this matter be approved.
The motion carried by the following vote:**

Aye, 8 - Hill,Bencini,Alexander,Davis,Wagner,Ewing,Golden, andWilliams

Nay, 1 - Davis

170366

Incentives Agreement - Multi-Use Stadium - Elliott Sidewalk Communities

Consideration of approval of the Incentives Agreement with Elliott Sidewalk Communities for development of the land around the proposed Multi-Use Stadium.

Attachments: [Master Developer Incentives Agreement 10 17 17](#)
[High Point Downtown ESC Incentives Contract 10 19 17 with EXHIBITS](#)
[Master Developer Incentives Agreement - signed document](#)

Randy Hemann, Assistant City Manager presented the Incentives Agreement with Elliott Sidewalks and Communities to the City Council.

He stated that properties will be sold at fair market value and the Master Developer will not be receiving funds from the sale. The Incentives Agreement with Mr. Elliott incents him to encourage construction much as we do other companies. He will be paid as things are constructed. This is much like any other incentive that the city does. Unless there is performance the incentive is not paid.

This is a \$130 million private development project. Total incentives will be total around \$1.289 million and will be funded by the sale of the properties. This will be based on a number of factors. There is a chart on the last page of the document (Exhibit C - Incentives Compensation Plan) that outlines the incentives. (Agreement is attached as a permanent part of this record.)

Mr. Hemann stated that the developer is incentivized to go out and purchase property. He may want to assemble some additional properties, that's what this agreement is designed to do. That would be part of his master plan and the project.

Council Member J Davis asked if these incentives are paid once the buildings have been finished.

Mr. Hemann stated that is correct Mr. Elliott gets paid once the buildings are completed.

Council Member J Davis asked where the dollars will come from.

Mr. Hemann stated the funds would come from the sale of the property. We have about 6.5 acres of developable property and we are in for about \$1 million per acre. We will some common area also and we are going sell at fair market value and that will fund these incentives.

Council Member Ewing asked if there are exclusions on commitments that have already been made such as the hotel.

Mr. Hemann answered yes that is part of the agreement. Anything that Mr. Elliott brings to the table and puts together is part of his package. That will be part of his master plan and the project.

Council member J Davis asked is any incentives will be paid on the non-profit development.

Mr. Hemann stated that no incentives will be paid on the non-profit development. It is not covered in the agreement. The event center, the children's museum are not part of this agreement and are not eligible for incentives.

Upon motion by Council Member Alexander, seconded by Mayor Pro Tem Wagner, the Incentives Agreement with Elliott Sidewalk Communities was approved on the following vote:

Aye: Mayor Bencini, Mayor Pro Tem Wagner, Council Members, Alexander, J. Davis, Ewing, Golden, Hill, Williams.

No: Council Member C Davis

Council Member C Davis reiterated her previous statement. I will not be voting on something we have not had time to read. We have just received the information and many of you noticed that we got it right after we sat down and I do not think it is fair for Council or staff to expect us to vote on something that has not been read by this body.

**A motion was made by Alexander, seconded by Wagner, that this matter be approved.
The motion carried by the following vote:**

Aye, 8 - Hill, Bencini, Alexander, Davis, Wagner, Ewing, Golden, and Williams

Nay, 1 - Davis

170363

Financing Plan for Multi-Use Stadium

Presentation and consideration of a Financing Plan for the Multi-Use Stadium.

Attachments: [City of High Point NC - Update Materials 10.19.17 - Davenport](#)

Jeff Moore, Financial Services Director, presented the financing plan for the proposed Multi-Use Stadium to City Council. Mr. Moore stated that the purpose of today's meeting was to update the Council on the proposed financing strategy. Today is an answer of the "what" to the Council's established goal: a downtown project that produces 500 private sector jobs; 15-20 new restaurants and shops; 250 new residential units and a centralized gathering space. Mr. Moore distributed copies of a financial plan with charts and graphs on projected catalyst project area development prepared by Davenport & Company the city's financial advisors. This report includes a chart showing the development of the Multi-Use Stadium with the shared use financing proposal made to the Guilford County Commissioners with their participation and a chart showing the Stadium with the City financing the project without the Guilford County Commissioners participation.

The "Plan B" for building the Multi-Use Stadium, which is the anchor of a \$200 million economic development plan for downtown does not include the County participation. The City would still borrow \$30 million to \$35 million to build the stadium. This can be done without raising property taxes to cover the debt. The project timeline to become cash flow positive extends to nine (9) years (from five) and will take about twenty-two (22) years to pay for itself (FY 2039 - 40).

City Manager Greg Demko stated that we are looking at this option (Plan B) in order to amend the LGC application and stated Council needs to move forward to meet the deadline.

Council Member J Davis asked the question about the CVB as they are a contractor of the City of High Point. Doesn't the money pass through the City to the CVB as a part of their contract. What do we have to protect that \$250,000 per year as leadership changes over the years.

Mr. Moore stated this is an excellent question and that the details of this arrangement have not

been finalized at this time.

Council Member J Davis asked should we wait until this is finalized to protect ourselves over the next fifteen (15) years.

City Manager Demko stated that we are currently in the process of preparing an contract with the CVB.

Mayor Pro Tem Wagner asked if this information (report) came from Davenport.

Mr. Moore answered that it was prepared by Davenport and it was built on conservative principles.

Council Member Golden asked if the City can still issue \$38 million for future needs.

Mr. Moore stated that is correct and we will be bringing to City Council in the future for a GO Bonds discussion.

Council Member J Davis asked if the revenues don't start until 2019 where does the revenue to pay for the bonds come from because we will have debt over the next twenty (20) years.

Mr. Moore stated that the details are in the numbers but we will need to appropriate \$1.7 million in the first years for project until revenue starts coming in.

City Manager Demko stated that this has been piece of the plan since the beginning. We have a firm debt service policy and can appropriate the \$1.7 million from the debt service fund fund balance.

Council Member J Davis asked if the fund balance will go down to 8%.

Mr. Moore answered no because we can take the money from the refundings and buy into the catalyst project.

Council Member Ewing asked that as to the debt capacity, is the \$38 million strictly GO and do we have room for revenue bonds.

Mr. Moore stated yes that is correct, we will have room for revenue bonds.

Council Member Alexander stated that what we end up with is that we have a plan A that was the original plan submitted to Guilford County Commissioners. Now we have a and Plan B so when we get to December we will take either plan that is appropriate at that time and move forward. Is there is need for public hearing on plan B.

Mr. Moore answered no on this part of the project. The public hearing was for proposed debt on the stadium and the purchase of land and how to underwrite that does not include financing of the project.

Upon motion by Council Member Alexander, seconded by Mayor Pro Tem Wagner, the Financing Plan (Option B) was approved on the following vote:

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

No: Council Member C Davis

Council Member C Davis reiterated her previous statement. I will not be voting on something we have not had time to read. We have just received the information and many of you noticed that we got it right after we sat down and I do not think it is fair for Council or staff to expect us to vote on something that has not been read by this body. I add that constituents have not had an opportunity to see these figures as we see them today, as they have not been put out for them to even view even though we don't need their approval, so to speak, to move forward this. I also have a problem with the fact that we are not asking them whether or not they want this debt. Frankly, I cannot support this.

**A motion was made by Alexander, seconded by Wagner, that this matter be approved.
The motion carried by the following vote:**

Aye, 8 - Hill, Bencini, Alexander, Davis, Wagner, Ewing, Golden, and Williams

Nay, 1 - Davis

[170364](#)

Budget Ordinance Amendment - Crime Scene Technicians

Council is requested to adopt a budget ordinance amending the 2017-2018 Annual Budget to appropriate funds in the amount of \$120,000.00 for addition of two Crime Scene Technicians positions in the Police Department.

Attachments: [Budget Ordinance Amendment - Police Crime Scene Technicians](#)

Eric Olmedo, Budget and Evaluations Manager, stated that at a recent Manager's Briefing the need for the addition of two crime scene technicians and equipment in the amount of \$170,796 was discussed. Because of the delay in the hiring process, these positions will not be filled until January so we only need to appropriate \$120,000 or salaries for six months.

Upon motion by Council Member Alexander, seconded by Mayor Pro Tem Wagner, this budget ordinance was adopted to approve the two new positions and equipment for the Police Department. The motion carried by a unanimous 9-0 vote.

Ordinance No. 7341/17-83

Introduced 10/19/2017; Adopted 10/19/2017
Ordinance Book, Volume XIX, Page No. 223

**A motion was made by Alexander, seconded by Wagner, that this matter be adopted.
The motion carried by the following vote:**

Aye, 9 - Hill, Bencini, Alexander, Davis, Wagner, Ewing, Golden, Davis, and Williams

[170365](#)

Closed Session of City Council

Pursuant to N.C. General Statute 143-318.11(a)(3) for Attorney-Client privilege to discuss litigation regarding Seaboard Chemical; and pursuant to NCGS §143-318.11(5)(i) to establish or instruct City staff concerning negotiations on material terms relating to the acquisition of real property by purchase, option, exchange, or lease.

**Motion was made by Council Member Alexander, seconded by Mayor
Pro Tem Wagner to suspend the rules to go into closed session**

pursuant to N.C. General Statute 143-318.11(a)(3) for Attorney-Client privilege to discuss litigation regarding Seaboard Chemical; and pursuant NCGS §143-318.11(5)(i) to establish or instruct City staff concerning negotiations on material terms relating to the acquisition of real property by purchase, option, exchange, or lease. Motion carried by a unanimous 9-0 vote.

At 3:00 p.m. Council Member Alexander MOVED to go into Closed Session for Attorney-Client privilege to discuss litigation regarding Seaboard Chemical; and establish or instruct City staff concerning negotiations on material terms relating to the acquisition of real property by purchase, option, exchange, or lease purposes. Mayor Pro Tem Wagner made a SECOND to the MOTION, which carried by a unanimous 9-0 vote.

Upon reconvening into Open Session at 3:15 p.m., Mayor Bencini announced there would be no action taken as a result of the Closed Session. A motion was made by Council Member Alexander and seconded by Council Member Ewing to adjourn the meeting. Motion carried by a unanimous 9-0 vote.

Adjournment