

**City Council Special Meeting
June 30, 2014**

A Special Meeting of the City Council was called and duly advertised for Monday, June 30, 2014 at 6 p.m. in Council Chambers, located on the 2nd floor of the Municipal Administration Building, 306 E. Colonial Avenue, Elizabeth City, NC.

MEMBERS PRESENT: Mayor Joe Peel
Councilwoman Jean Baker
Councilman Ray Donnelly
Mayor Pro Tem Anita Hummer
Councilman Michael Brooks
Councilman Kem Spence
Councilman Darius Horton

MEMBERS ABSENT: Councilman Tony Stimatz
Councilman Montravias King

OTHERS PRESENT: City Manager Rich Olson
City Attorney Bill Morgan
Planning Director June Brooks
Assistant to the City Manager Angela Cole
City Clerk Vivian White

The Special Meeting of the City Council was called to order by Mayor Joe Peel at 6:00 p.m. Mayor Peel welcomed everyone to the meeting and recognized Councilman Darius Horton to give the invocation, after which all in attendance recited the Pledge of Allegiance.

1. Agenda Approval:

Mayor Peel called for approval of the agenda.

Motion was made by Mayor Pro Tem Anita Hummer, seconded by Councilman Darius Horton, to approve the agenda as presented. Those voting in favor of the motion were: Baker, Donnelly, Hummer, Brooks, Spence and Horton. Against: None. The motion carried unanimously.

2. Statement of Disclosure:

The City Clerk read the Statement of Disclosure. No conflict of interest disclosures regarding the agenda were made.

3. Public Hearing – To receive public comment on a proposal to provide certain economic development incentives to Thompson Thrift Development, Inc. (or its assignees).

Mayor Peel announced that prior to beginning the public hearing, a short review of the project would be appropriate to assure that everyone is “on the same page” regarding where the matter stands and has an opportunity ask any questions. Using a PowerPoint presentation as his guide, Mayor Peel advised that the project, entitled Tanglewood Pavilions, is a three phase commercial development on 72 acres. He stated that Phase I of the project, which is a 26-acre site, is the subject of the present consideration. He advised that Phase I of the project will include Hobby Lobby, TJ Maxx, Kay Jewelers and other retail establishments.

Mayor Peel stated that the project is an estimated \$25 million - \$28 million total investment. He said that it is a difficult site to develop since the elevation of the property will have to be raised. He reported that there will be real estate and construction-related jobs at the outset of the project, which will help the community; and that approximately 250 new jobs with wages ranging between \$30,000 and \$75,000 will be created. He expressed that, in view of the fact that the community has a very high unemployment rate, both these statistics are very important to consider.

Mayor Peel pointed out that the jobs that will be added will generate additional personal property tax revenue; and in 2024 when the Business Investment Program Agreement ends, the City and County will enjoy the increase in property tax revenue from the development. Mayor Peel stated that it is estimated that the development will generate between \$587,868 and \$696,960 in additional sales tax per year, with the City receiving a distribution of 23.77% or up to \$165,667 per year and the County receiving 76.23% or up to \$531,292 per year. He proposed that over the next ten years, the City would receive \$1,431,843 in additional sales tax revenue from the project and the County would receive \$4,590,833 during the same period.

Mayor Peel detailed the roadway improvements that will be required as a result of the project, which are improvements to Tanglewood Parkway North, the signalization of Tanglewood Parkway North, the construction of Conlon Way, which is located in Phase II, bike path improvements and the signalization of Mt. Everest Way and Halstead Boulevard Extended. He reported that the Memorandum of Agreement being considered for approval during this meeting will provide for the City and County to each contribute \$182,500 toward these infrastructure improvements, with Thompson Thrift contributing \$144,000. In addition, Wal-Mart developer, WRS, will be asked to contribute \$65,000 and the Stockbridge development will be asked to contribute \$115,000, pursuant to the Traffic Impact Analyses performed for these two developments. Mayor Peel pointed out that getting Phase I of the project completed sets up the additional phases of the project, with no additional costs. He stated that all of the improvements being made are actually outside the scope of Phase I.

Mayor Peel declared the public hearing open and requested that the City Clerk announce any speakers wishing to be heard.

Johnnie Walton, 401 New York Avenue, Elizabeth City, NC said that he thought he was the only person opposed to this project from its onset. He said that he thought that after a while the City would be “paying them to come here.” He stated that the City would be providing property tax incentives to this company; and he cited two citizens at previous Council meetings who had appealed condemnation of their properties to say that “we are running people out of Elizabeth City every day, but now we want to bring other people in.” He stated that “it is all for naught, because if there’s nobody here to spend money, why are you trying to bring in a big industry?” Mr. Walton stated that “we are hurting our own, because the people that built this City on the backs of their parents and grandparents – we are running them out of here. We don’t care anything about them.” He declared that he would “rather give up the 250 jobs so that the people that have lived here all their lives could have a decent living and not have to worry about being run out of town”. He submitted that the Council did not think on a personal note; that they only make policy and spend money any way they want.

George Hague, 2321 Delia Drive, Elizabeth City, NC stated that he is a former employee of the US Coast Guard Aircraft Repair and Supply Center and worked in the business department managing many contracts. He said that his overall position was that he supported the shopping center development and bringing new industry in; but has mixed emotions like many in the public have. He said small business owners feel that there is a hint of unfairness and wonder when the City and County will get around to assisting them. He stated that the matter feels like a last minute negotiation with the company now requesting more funding without additional consideration. He said that he felt there should be a clause in the Memorandum of Agreement requiring the developer to buy construction materials locally and hire locally whenever possible. He stated that he recognized that jobs will be created and declared that he hoped that Elizabeth City would return to being a shopping hub for northeastern North Carolina. He expressed that small businesses would like the City to streamline its regulations to make it less onerous to do business and thereby enable them to thrive. He suggested that the City and County should develop a small business plan to help them expand and create new jobs.

Mayor Peel called for discussion by Council.

Councilman Donnelly stated that a vote against the agreement is akin to a vote against jobs; and he said that he hoped that the Council recognized that fact and makes the correct decision.

Motion was made by Councilwoman Jean Baker, seconded by Councilman Ray Donnelly, to approve the Memorandum of Agreement for the Thompson Thrift Development Phase I. Those voting in favor were: Baker, Donnelly, Hummer, Brooks, Spence, and Horton. Against: None. The motion passed unanimously.

4. Adjournment:

There being no further business to be discussed, Mayor Peel adjourned the meeting at 6:18 p.m.

Joseph W. Peel
Mayor

Vivian D. White, NCCMC
City Clerk