

GREENVILLE REDEVELOPMENT COMMISSION MINUTES

August 7, 2007
Greenville, NC

The Greenville Redevelopment Commission held a meeting on the above date at 5:30 p.m. in the third floor conference room of the City Hall Building located at 200 Martin Luther King, Jr. Drive.

COMMISSION MEMBERS PRESENT:

Minnie Anderson, Chair
Don Edwards, Vice-Chair
Melissa Hill

Max R. Joyner, Jr.
Britt Laughinghouse
Dennis Mitchell

Robert Thompson

STAFF MEMBERS PRESENT: Sandra Anderson, Senior Planner; Sandy Gale Edmundson, Secretary; Merrill Flood, Director of Community Development; Dave Holec, City Attorney; and Carl Rees, Urban Development Planner

OTHERS PRESENT: Steve Kirkman, Robert Robinson, and Vince Taylor

APPROVAL OF AUGUST 7, 2007 AGENDA: APPROVED

Motion was made by Mr. Robert Thompson and seconded by Mr. Dennis Mitchell to approve the August 7, 2007 agenda. Motion carried unanimously.

APPROVAL OF MINUTES OF JUNE 5, 2007: APPROVED

Motion was made by Mr. Robert Thompson and seconded by Mr. Dennis Mitchell to approve the June 5, 2007 minutes. Motion carried unanimously.

PUBLIC COMMENT PERIOD

Ms. Anderson introduced Robert Robinson of the Raleigh Business and Technology Center and Vince Taylor of the Capstone Civil Group which is an engineering firm.

Mr. Bob Robinson, the Executive Director of the Raleigh Business and Technology Center (RBTC), said his center provides business education, training, and technical assistance to entrepreneurs. The center also provides technical assistance to another layer of business owners and those are the prime contractors. In our community, a lot of prime contractors are looking for job ready entrepreneurs and business owners. That is where we come in. When business owners come into the RBTC, they are directly assessed. We identify their strengths, their weaknesses and then we prepare their remediation package, so there is not a long period of time before these individuals are approaching procurement opportunities. Once individuals have completed that phase, we place them in an environment where they are actually paired up with mentors. As

these businesses grow and do their business, they are also being identified as protégé. They are taken into these firms and they are actually taught how to handle the backroom at a level where they can grow and handle these projects. Many of our other relationships are with the state government. We have a direct relationship with the Department of Administration and the North Carolina Department of Transportation, the UNC System and the City of Raleigh and Wake County. We also operate a Plan Room and in that Plan Room, the architects bring those plans to us. We have relationships not only with the architects but with the next level estimators with the larger primes. The reason that we do this is because it is our response to economic development. At the end of the day, a lot of our firms are going to hire folks and they are going to hire folks from certain census tracts that we have deemed important. In our area, it is southeast Raleigh. We have teamed up with the Community College System. We know that they are focused on human capital development, and we spend a great deal of time stepping into their arena teaching them exactly what the employers expect, so that they know exactly what that employer expects, so by the time they show up at that job interview they actually understand that at the end of the day they are going to do this job well and do it to the best of their ability, because they know it is not social work, but it is business.

Mr. Vince Taylor: I am with the Capstone Civil Group which is an engineering firm. We are a small business, but a very fast growing business. We have actually gone to the larger firms to talk to them about relationships and what a real relationship is between a small firm and a large firm. What it is about is economic development and growing that firm and actually making them exercise out there. What we want to show some of the smaller firms is that we are just like you. We follow a process that has to be done. We look for economic development and the tools that are needed and we have been blessed that we have been able to have an audience with largest firms who believe the same way. We are looking at several projects in Greenville.

Mr. Rees thanked Mr. Robinson and Mr. Taylor for helping Staff when researching Small Business Centers and Incubators and have been a tremendous help. We have some mutual knowledge about some development firms that they have worked with and some things that could grow out of those relationships.

Discussion of Statutory Property Disclosure Procedures

Mr. Rees: City Attorney Dave Holec will brief you on the conflicts of interest, the disclosure form and closed session.

Mr. Holec shared the following with the Commission.

CONFLICTS OF INTEREST

G. S. 14-234 – Director of Public Trust Contracting for his Own Benefit; Participation in Business Transactions Involving Public Funds, Exemptions

Applicability

- All public agencies
- All officials and employees
- All contracts

Prohibition against deriving a direct benefit from a contract in which the public officer or employee is involved in making or administering on behalf of the public agency.

- Making a contract
 - Participate in development of specifications or terms
 - Participate in preparation or award
 - Even if awarded by the public agency and the member does not participate.
- Administering a contract
 - Oversees the performance of the contract
 - Has authority to make decisions regarding the contract
 - Has authority to interpret the contract
- Direct benefit exists if the public officer or employee or his or her spouse either
 - Has more than a 10% ownership or other interest in an entity which is a party to the contract; or
 - Derives income or commission directly from the contract; or
 - Acquires property under the contract.

Prohibition against influencing or attempting to influence any person who is involved in making or administering a contract by a public officer or employee who will derive a direct benefit from the contract with the public agency.

Prohibition against soliciting or receiving any gift, reward, or promise of reward in exchange for recommending, influencing, or attempting to influence the award of a contract by the public agency.

- Does not require a direct benefit from the contract.

G. S. 14-234.1 – Misuse of Confidential Information

Applicability

- All public agencies
- All officials and employees

Prohibition against acquiring a pecuniary interest in any property, transaction or enterprise or gaining any pecuniary benefit which may be affected by information or official action which is known by the public officer or employee and which has not been made public.

- Also prohibition to intentionally aid another to do so

G. S. 160A-511 – Interest of Members or Employees

Applicability

- Redevelopment Commission members and employees
- Property in redevelopment areas
- Redevelopment projects in redevelopment areas

Prohibition against acquiring any interest, direct or indirect, in:

- Any redevelopment project
- Any property included or planned to be included in any redevelopment area
- Any area which he may have reason to believe may be certified as a redevelopment area

Prohibition against having any interest, direct or indirect, in:

- Any contract or proposed contract for materials or services to be furnished or used by the Commission;
- Any contract with a redeveloper or prospective redeveloper relating, directly or indirectly, to any redevelopment project.

Exception for acquiring property in residential development area for principal residence

Requirement to disclose in writing the fact that:

- Own or control within the preceding two (2) years any interest, direct or indirect, in any property included or planned to be included in any redevelopment project, under the jurisdiction of the Commission; or
- Have an interest in any contract for material or services to be furnished or used in connection with any redevelopment project.

Consideration of Amendment to By-Laws

Mr. Rees: There was a simple change to the By-Laws of the Redevelopment Commission and that was a street name change for the Municipal Building to 201 West Fifth Street from Martin Luther King, Jr. Drive.

Motion was made by Mr. Robert Thompson and seconded by Mr. Max Joyner to approve the amendment to the By-Laws.

Discussion on Building Block Grant Program

At the June meeting, the Commission approved a couple of Building Block Grants and tabled another one. The one that you tabled was for additional information and further clarification on the economic development benefit for that grant application. We have made that request several times, but we have not received any follow-up. The Commission gave a direction that all Building Block Grants be scored and then there was some discussion that there should be a minimum threshold for these applications to reach. In the office, we have not been able to come up with a resolution to the minimum threshold issue. There was some discussion at your meeting that perhaps over a period of time that we had received enough applications and having scored them to be able to figure out what a good application was and what a not so good application was. Our concern is that our office is only receiving two to three per cycle. This program has a limited life and it will last as long as the bond funds. We could not bring the Commission anything on a recommended threshold, but what we did do is we have made some proposals and adjustments to the grant program. Originally, it was a \$1,500.00 direct grant up to a dollar match of \$3,500.00. On page 4 at the bottom of the West Greenville Redevelopment Area Building Blocks Grant Program handout under 4.0 Funding, staff is proposing:

Building Block grants are made as funding is available with the first \$2,500.00 made as a direct grant, followed by a dollar for dollar match of up to an additional \$7,500.00.

Mr. Rees: Staff has added into these guidelines four examples of hypothetical Building Block Grant projects and how the grant funding would be applied according to total project costs. This will give the applicants a better idea of how to go about this program.

Example #1

Total Project Costs = \$2,500

- ✧ Grant recipient would be reimbursed for the full amount of project costs, \$2500, upon completion of all work; in this scenario, the grant recipient has "maxed out" that portion of the grant award that requires no contribution from the recipient.

Example #2

Total Project Costs = \$4,000

- ◇ Grant recipient would be reimbursed \$2500 in the form of a direct grant upon completion of the work
- ◇ The City of Greenville and the grant recipient would share the costs of the remaining \$1,500 in project costs; thus the City would contribute an additional \$750 in matching funds to the project, while the recipient would match that amount with \$750 of his/her own money.

Example #3

Total Project Costs = \$9,000

- ◇ \$2500 direct grant
- ◇ The remaining \$6,500 in project costs would be split down the middle, with the City paying \$3,250 and the recipient paying \$3,250; in this scenario, the recipient's \$3,250 investment will have leveraged \$5,750 in grant funds.

Example #4

Total Project Costs = \$19,000

- ◇ \$2500 direct grant
- ◇ The maximum amount of façade grant funds that can be awarded in a grant cycle is \$10,000 (\$2,500 direct grant + \$7,500 in matching funds); therefore, in this scenario, the recipient would be reimbursed \$10,000 from the City and would cover the remainder of the \$9,000 in project costs.

Mr. Rees: On page 7, Staff is proposing to adjust the scoring criteria.

7.0 SCORING

7.1 All completed applications submitted prior to the expiration of any applicable deadline will be considered for funding. All applications will be scored based on the following general and special criteria, with the highest scoring applications receiving grants as funding is available.

7.2 General Criteria

- ◇ Economic Impact (0-15 Points) - Will the planned improvements provide an economic benefit to the West Greenville Redevelopment Project Area through the provision of expanded or new services or through the creation of jobs? Examples of questions you might consider in evaluating and stating your case for why a proposed project will have an economic impact on the Project Area:
 - How many persons currently work in the business or non-profit operation(s) located on the property? Does the business or non-profit purchase services and/or products from other businesses based in

West Greenville? Will any jobs be added at the location in conjunction with the proposed Building Blocks Grant or related improvements?

- What types of services or products does the business or non-profit deliver to the public? In what ways does it generate financial and/or human capital (e.g. job training, child care, business networking) in West Greenville?
- What is your 5-10 year plan for improving the property and/or business/non-profit operation and how would a Building Blocks Grant help to realize those goals?

✧ Visual and Architectural Impact (0-15 Points) – Are the proposed improvements visible from an adjoining street or public parking area; do they add to the aesthetic quality of the West Greenville Redevelopment Project Area; and will they help to remove a blighting influence? Do the proposed improvements conform to the spirit and intent of the Construction & Material Design Guidelines as well as to any applicable historic design standards?

✧ Project Design (0-10 Points) - Does the project appear to be well thought out? Is the project description clear and concise and does it include well labeled diagrams and photos?

✧ Project Budget (0-10 Points) – Does the applicant provide an accurate budget that realistically details the expenses of the project and includes a minimum of two contractor estimates?

7.3 Special Criteria (10 Point Bonus)

✧ The proposed project is located within the boundary of the West Greenville – 45 Block Community Development Block Grant Project Area as depicted in Map 4

Mr. Rees: These are the recommendations that Staff has for the Commission at this time.

Mr. Thompson: Scoring will build trust and fairness.

Mr. Joyner: I like the idea of increasing the dollar amounts.

Motion was made by Mr. Britt Laughinghouse and seconded by Mr. Robert Thompson to approve the changes proposed and include scoring. Motion carried unanimously.

Discussion on West Greenville Business Plan Competition

Mr. Rees distributed a handout of the program guidelines of the West Greenville Business Plan Competition plus some backup to those. Staff is not asking for the Commission's adoption. We are just asking for your comments and consideration.

Staff would like to bring this information back to the September Commission for adoption, so Staff can go ahead and get the program going.

West Greenville Redevelopment Area
Business Plan Competition
Program Outline

- ✧ Application eligibility limited to existing or start-up small businesses that are primarily located, or intend to locate within the boundaries of the West Greenville Certified Redevelopment Area.
- ✧ Applicants must be a for-profit business entity whose tangible net worth is not in excess of \$7.5 million, and whose average net income after Federal income taxes (excluding any carry-over losses) for the preceding two completed fiscal years is not in excess of \$2.5 million. (SBA small business definition)
- ✧ Entries for the competition received two times per year, in the spring and in the fall. (First competition to commence in September 2007)
- ✧ Up to two (2) awards made each round in the amount of \$15,000 each
- ✧ Funds are distributed as a zero interest loan forgivable over a three (3) year period at \$5,000 per year for each year that the business operates within the West Greenville Redevelopment Area.
- ✧ Post grant business counseling through SBTDC is required during the three (3) year grant compliance period.
- ✧ Business must start up or expand operations according to business plan within nine (9) months of grant award.
- ✧ Grant funds may be used for:
 - Working capital or operating funds
 - Purchase of equipment, commercial use vehicles or machinery
 - Improvements to owner occupied commercial property
 - Leasehold improvements
 - Expansion of business services or products

- ✧ All applicants will be required to submit a business plan that meets the specifications of the program. (See attachment)
- ✧ It is recommended that applicants enroll in the three-session small business seminar provided free of charge by the Greenville office of the North Carolina Small Business and Technology Development Center (SBTDC). The SBTDC also offers free counseling to start up's and other small businesses and can assist them with preparation of a business plan that will meet the specifications of this program.
- ✧ In addition to developing a business plan, applicants will be required to complete an application, make certain financial certifications, and to provide personal and or business credit information. (See attached)
- ✧ Scoring criteria for the program can include:
 - Quality/viability of the business plan (see attached)
 - Credit worthiness of applicants
 - Personal equity devoted to business
 - Number of low/moderate employees to be hired by the business enterprise
- ✧ Staff completes basic review of submission to ensure completeness and basic eligibility; Redevelopment Commission judges submissions and makes awards.
- ✧ Awards made to highest scoring submissions, but there is no guarantee that awards will be made each competition cycle.

Mr. Rees: There is a 2007 Training Schedule of the Small Business Technology Development Center, an outline for a business plan, a glossary of terms for Business Plan, a Business Plan Evaluation Criteria, and an application for the West Greenville Business Plan Competition attached to the program outline.

Mr. Thompson: How did Staff come up with \$15,000.00 as the amount?

Mr. Rees: Staff began thinking about what a bank might require, so Staff talked to bankers and that is where the \$15,000.00 figure came from.

Ms. Anderson: Commission members should look the information over and bring any suggestions back for Staff.

Mr. Rees: Staff will bring the West Greenville Business Plan Competition Program Outline back for approval at the September Commission meeting.

Consideration of Lease to Landmark Asset Services, Inc.

Mr. Rees: In May 2007, the Commission approved a lease for thirty-five years at \$1.00 per year for the land. We subsequently had to go through an upset bid process over the summer. There were no upset bids. At this time, the Commission needs to approve the lease for thirty-five years at \$1.00 per year to Landmark Asset Services, Inc.

Motion was made by Mr. Dennis Mitchell and seconded by Mr. Max Joyner to approve the lease to Landmark Asset Services, Incorporated. Motion carried unanimously.

Report from Secretary

Expenditure Report

Mr. Rees distributed the Expenditure Reports for West Greenville and the Center City.

Wayfinding Project

Mr. Rees: Representatives of Hillier Architecture and Gannett Fleming who was awarded the contract for the Wayfinding Project were in town on July 17 and 18, 2007 to obtain wayfinding information. Gannett Fleming, who is the transportation engineer, is doing some of the field research. Hillier and Gannett Fleming should be back in town at the end of September to provide a preliminary report as to what they have found.

Mr. Joyner: On Charles Boulevard the railroad truss has been painted and it looks good. Can the railroad truss at Dickinson Avenue be painted?

Mr. Rees: Staff will find out.

West Fifth Street Gateway Project

Mr. Rees: Staff and the Redevelopment Subcommittee reviewed the five submissions for the West Fifth Street Gateway Project. Four of the five did a good enough job to be interviewed. Four firms will be interviewed on August 22, 2007. A recommendation will be brought before the Commission for approval at the September meeting.

Comments from Commission Members

There were no comments from Commission Members.

Closed Session

Mr. Rees: The purpose of the Closed Session is to establish or instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease.

Approval of Closed Session Minutes for June 5, 2007

Ms. Anderson told the Commission that she would have to leave prior to closed session, so she asked Mr. Don Edwards to conduct the meeting.

Motion was made by Mr. Robert Thompson and seconded by Mr. Dennis Mitchell to move into closed session. Motion carried unanimously.

Motion was made by Mr. Robert Thompson and seconded by Mr. Max Joyner to approve the June 5, 2007 minutes. Motion carried unanimously.

Motion was made by Mr. Robert Thompson and seconded by Mr. Max Joyner to move into open session. Motion carried unanimously.

ADJOURNMENT

Motion was made by Mr. Max Joyner and seconded by Mr. Robert Thompson to adjourn the August 7, 2007 meeting. Motion carried unanimously.

Respectfully submitted,

Carl Rees, Urban Development Planner
The City of Greenville Community Development Department