

**THE BOARD OF COUNTY COMMISSIONERS
DURHAM, NORTH CAROLINA**

Monday, August 13, 2012

7:00 P.M. Regular Session

MINUTES

Place: Commissioners' Room, second floor, Durham County Government Administrative Complex, 200 E. Main Street, Durham, NC

Present: Chairman Michael D. Page, Vice-Chairman, and Commissioners Philip R. Cousin, Brenda A. Howerton, and Pam Karriker

Absent: Ellen W. Reckhow (excused)

Presider: Chairman Page

Opening of Regular Session—Pledge of Allegiance

Chairman Page announced that the Board met in Closed Session prior to the 7:00 pm session, and provided direction to staff. He also announced that Vice Chair Reckhow was excused from the August 13 Board meeting.

Agenda Adjustments

There were no adjustments.

Announcements

Chairman Page read the following announcements:

“In Touch with Durham County,” the Durham County Television show, airs on Cable TV Channel 8 at 8:30 a.m. and 12 noon on Mondays; and 8:30 a.m., 12 noon and 6:30 pm on Tuesday–Sundays. Our County Commissioners’ meetings are also rebroadcast on Thursdays at 2:00 p.m., Saturdays at 9:00 p.m., and Sundays at 9:00 p.m.

The FY2012-2013 Matching Grant Program of the Durham Open Space and Trails Commission application process will begin on August 14, 2012. The grants are to assist nonprofit organizations in preserving open space lands and promoting new or improved recreational opportunities for citizens. All Durham community nonprofits interested in applying for FY2012-13 Matching Grant funds must submit an application by September 14, 2012. The Matching Grant Program application and FY 2012-13 Program Guidelines are available on the County’s website through September 14, 2012. For additional information, contact the Matching Grants Administrator, Bo Gattis, in the Budget and Management Services department at 560-0012.

Durham County needs you! If you have a few hours to commit, Durham County has a number of boards and commissions that can benefit from your participation. We invite you to make a difference in our community. Contact the Clerk's Office at 919-560-0025, visit the County's website, or email Clerk@durhamcountync.gov for more information. Please note that all City and County taxes must be current at the time of application.

The Durham County ABC Board will host a "ribbon cutting" for its newest store on Tuesday, August 14 at 9am. This store is located at 4711 Hope Valley Road at Woodcroft Shopping Center.

South Regional Library Hosts the "Every Child Ready to Read Workshop" on Thursday, Aug. 16 from 7 pm - 8:30 pm. Parents, grandparents and other caregivers will learn why it's important for children to get ready to read starting at birth and the essential role of parents and caregivers in developing early literacy skills.

Minutes

Commissioner Howerton moved, seconded by Commissioner Cousin, to approve the minutes of the July 23, 2012 Regular Session.

The motion carried unanimously.

Celebration of County Fire Marshal's Nomination for a 2012 Freedom Award

Chairman Page recognized County Manager, Mike Ruffin, to introduce the item. Manager Ruffin congratulated Durham County Fire Marshal Chief Jeff Batten for his nomination to receive the 2012 Secretary of Defense Employer Support Freedom Award.

This prestigious award is the highest award given to employers for exemplary support of the Guard and Reserve employers. There are five active Reserve employers under the leadership of Jeff Batten.

Chief Batten thanked the Board and administration for their support. Chairman Page congratulated Chief Batten on his achievements.

Recognition of Finance Department Head for Chief Financial Officer (CFO) Award

County Manager Ruffin announced that George Quick, Finance Officer, was awarded the CFO Award by the *Triangle Business Journal*. The Manager briefed the audience on some of Mr. Quick's accomplishments since coming to Durham County.

Mr. Quick is recognized across the State as an outstanding financial officer. Mr. Ruffin commented that Mr. Quick has saved the County millions of dollars. Other counties across the state have implemented some of Mr. Quick's finance practices.

Mr. Quick acknowledged his support—his wife, Gloria; Deputy Manager, Susan Tezai; and Debt Manager, Jessica Brown-Linton. He thanked the Manager and Board for the support he has received.

The Commissioners applauded and commended Mr. Quick on his achievements.

Proclamation – Bull City Stand Down Day

Chairman Page announced that all veterans in Durham are invited to participate in the 2012 Bull City Stand Down Day on Friday, September 14, from 8:00 am to 3:00 pm. The event will be held at the Durham County Memorial Stadium and National Guard Armory on Stadium Drive.

Chairman Page recognized Lois Harvin-Ravin, Veterans Director, and read the following Proclamation:

Proclamation

WHEREAS, throughout our history, American armed forces have stood tall against tyranny, offering hope to the oppressed and securing the blessings of liberty for our citizens; and

WHEREAS, veterans are brave men and women who answered the call to service in the face of great personal sacrifice, hardship and danger; and

WHEREAS, Durham County is home to over 17 thousand veterans and it is our duty to remember their commitment to service by giving them a myriad of services to assist them, especially in hard times; and

WHEREAS, we are pleased to join communities all over our country that annually provide a “Stand Down” program to assist veterans who are homeless and in need of services and support to maintain their dignity; and

WHEREAS, because these brave warriors have served with dignity and honor to preserve our nations’ freedom, we have a keen responsibility to honor them on this special day with the provision of hot meals, personal hygiene items, healthcare, housing and employment assistance and compassion in a single location; and

WHERE, this year’s “Stand Down” will take place on Friday, September 14 at the National Guard Armory from 8:00am until 3:00pm.

NOW, THEREFORE, I, Michael D. Page, Chairman of the Durham County Board of Commissioners, do hereby proclaim September 14, 2012 as

“2012 Bull City Stand Down Day”

in Durham. I hereby urge all Durham County residents to support this effort with offers of volunteer service to assist coordinators of the event, and to lend heartfelt thanks to our veterans for their valor, courage and sacrifice on behalf of a grateful nation.

This the 13th day of August

Michael D. Page, Chairman

Ms. Harvin-Ravin and Darryl P. Hicklen, Chair of the Durham Stand Down committee, recognized supporters of the project. They thanked the Board and community for serving and supporting the veterans. They also encouraged community partners to come out and assist in serving the veterans on September 14.

Ms. Harvin-Ravin added that the event would be held at the Durham County Memorial Stadium. Lou Washington, former Veterans Director, will be in charge of volunteers. All citizens were encouraged to volunteer.

Commissioners applauded the work of the volunteers in assisting our veterans.

Soil and Water Conservation Awareness Month

Chairman Page recognized Eddie Culberson, Durham Soil & Water Conservation Director, and Danielle Adams, Durham Soil and Water Conservation District Supervisor.

Chairman Page read a Proclamation signed by Governor Beverly Purdue, recognizing August as Soil and Water Conservation Awareness Month.

Mr. Culberson thanked the Board. He remarked that the Durham Soil & Water Conservation District dates back to 1939. In 1965, the Durham Soil & Water Conservation District became an independent district. He and Ms. Adams thanked the Board of County Commissioners and the Soil & Water Conservation Board for their continued support.

Consent Agenda

Chairman Page asked the Board if there were consent items they wished to pull. Item 9b was pulled by a citizen.

Commissioner Howerton moved, seconded by Commissioner Cousin, to approve the following consent agenda items:

- a. Approve the receipt of a grant offer from the Federal Aviation Administration (FAA) to be utilized at the Raleigh-Durham International Airport (RDU);
- c. *Approve Budget Ordinance Amendment No. 13BCC000005 to amend the budget as indicated to increase the budget by \$2,000 for Durham Cooperative Extension Family and Consumer Science and Agricultural and Environmental Service;
- d. *Approve Capital Project Amendment No 13CPA0000012 reducing the County Facility Light Replacement Project by \$403,163. These available funds are to be transferred to the Debt Service Fund (already approved as part of the FY 2012-13 BOCC Approved budget) to support FY 2012-13 capital project debt service needs;
- e. Receive the Risk Management Office's report. The report recognizes the continuing effort of the County administration to decrease the costs associated with the operations of the Government;
- f. Appoint Commissioner Pam Karriker as voting delegate and for the North Carolina County Commissioners' Conference in August, 2012;
- g. *Approve Budget Ordinance Amendment No. 13BCC000006 in the amount of \$6,206 from the NC Department of Health and Human Services for the Health Education Division;
- h. *Approve Budget Ordinance Amendment No. 13BCC000007 appropriating \$4,770 of county fund balance (NC Department of Agriculture and Consumer Services Spray/Neuter Program) to be disbursed to AnimalKind (through the Sheriff's office) for additional Durham County animals to be provided low cost spay and neutering services;

- i. Authorize the County Manager to execute the Utility Contracts for these additions to the County sanitary sewer system;
- j. *Approve Budget Ordinance No. 13BCC000008 in the amount of \$720,588 to recognize additional revenue subsequent to adoption of the FY2012-2013 Budget;
- k. Approve the acquisition of 1003 Santee Road for \$625,000 from Capital Bank NA, authorize the Manager to sign a Purchase Contract subject to the Purchase Terms listed above, and to convey mutually agreeable restrictions on the property in exchange for UNCWI funds of up to \$300,000;
- l. *Adopt the attached Resolution; award the Guaranteed Energy Savings Performance Contract to Trane U.S., Inc., subject to LGC approval and successful financing, and authorize the County Manager to execute the Contract, subject to non-substantive changes by the County Attorney;
- m. *Approve Budget Ordinance Amendment No. 13BCC000004 to appropriate restricted fund balance (e.g., previously classified in prior years as deferred revenue or reserved funds) in the amount of \$1,500;
- n. Approve the attached Bond Order authorizing the issuance and sale of not to exceed \$14,000,000 Enterprise System Revenue Refunding Bond, Series 2012 and authorize the execution and delivery of certain documents in connection therewith.

The motion carried unanimously.

Consent Item 9c.

**DURHAM COUNTY, NORTH CAROLINA
FY 2012-13 Budget Ordinance
Amendment No. 13BCC000005**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2012-13 Budget Ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
Intergovernmental	\$47,352,959	\$2,000	\$47,354,959

Expenditures:

<u>Function</u>			
<u>GENERAL FUND</u>			
Economic and Physical Development	\$ 4,077,717	\$2,000	\$ 4,079,717

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 13th of August, 2012.

Consent Item 9d.

**DURHAM COUNTY, NORTH CAROLINA
 2012-2013 Capital Project Ordinance
 Amendment No 13CPA000002**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY:

That the 2012-13 capital project ordinance is hereby amended to reflect budget adjustments for the following projects:

Expenditures	Current Budget	Increase/Decrease	Revised Budget
Facility Light Replacement Project (4190DC070)	\$474,601	(\$403,163)	\$71,438

Adopted this the 13th of August, 2012.

Consent Item 9g.

**DURHAM COUNTY, NORTH CAROLINA
 FY 2012-13 Budget Ordinance
 Amendment No. 13BCC000006**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2012-13 Budget Ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u> Intergovernmental	\$47,354,959	\$6,206	\$47,361,165

Expenditures:

<u>Function</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u> Human Services	\$79,494,416	\$6,206	\$79,500,622

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 13th of August, 2012.

Consent Item 9h.

**DURHAM COUNTY, NORTH CAROLINA
 FY 2012-13 Budget Ordinance
 Amendment No. 13BCC000007**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2012-13 Budget Ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			

Other Financing Sources	\$16,507,835	\$4,770	\$16,512,605
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Expenditures:

<u>Function</u> <u>GENERAL FUND</u>			
Public Safety	\$45,864,742	\$4,770	\$45,869,512

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 13th of August, 2012.

Consent Item 9j.

**DURHAM COUNTY, NORTH CAROLINA
 FY 2012-13 Budget Ordinance
 Amendment No. 13BCC000008**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2012-13 Budget Ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
Contributions & Donations	\$80,023	\$720,588	\$750,611

Expenditures:

<u>Function</u> <u>GENERAL FUND</u>			
Human Services	\$79,500,622	\$720,588	\$80,221,210

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 13th of August, 2012.

Consent Item 9l.

Resolution

A regular meeting of the Board of Commissioners for the County of Durham, North Carolina, was held in the County Commissioners' Meeting Room on the 2nd Floor of the Durham County Government Administrative Complex at 200 East Main Street, in Durham, North Carolina, the regular place of meeting, at 7:00 P.M., on August 13, 2012.

Present: Chairman Michael D. Page, presiding, and Commissioners Philip R. Cousin, Brenda A. Howerton, and Pam Karriker.

Absent: Ellen W. Reckhow.

Commissioner Page introduced the following resolution, a copy of which had been made available to each Commissioner and which was read by its title:

RESOLUTION AUTHORIZING AND APPROVING A GUARANTEED ENERGY SAVINGS CONTRACT AND AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF THE GUARANTEED ENERGY SAVINGS CONTRACT

WHEREAS, Durham County, North Carolina (the "County") desires to enter into a guaranteed energy savings contract authorized by North Carolina General Statute Section 143-64.17B in the form of an Energy Services Agreement with Trane U.S., Inc. (the "Contract") to install certain energy and water conservation measures (the "Project") so as to reduce energy and water consumption and/or energy-related operating costs; and

WHEREAS, the County desires to finance the Project by the use of an installment contract authorized by North Carolina General Statute Section 160A-20; and

WHEREAS, the term of the Contract does not exceed fifteen (15) years from the date of the installation and acceptance by the County of the energy and water conservation measures provided for under the Contract; and

WHEREAS, the energy and water savings resulting from the performance of the Contract will equal or exceed the total cost of the Contract pursuant to an evaluation performed by Heery International on behalf of the County; and

WHEREAS, the energy and water conservation measures to be installed under the Contract are for existing buildings; and

WHEREAS, certain findings and determinations by the Board of Commissioners for the County (the "Board of Commissioners") must be made to enable the North Carolina Local Government Commission to make its findings and determinations pursuant to North Carolina General Statute Section 159-151 prior to approval of the Contract; and

WHEREAS, there has been available at this meeting a draft of the Contract, including all schedules, attachments and exhibits thereto; and

WHEREAS, the Board of Commissioners wants to approve the Contract and to authorize certain related action at this time;

NOW, THEREFORE BE IT FOUND, DETERMINED AND RESOLVED by the Board of Commissioners, as follows:

1. The Contract is necessary or expedient because the heating, ventilation and air-conditioning systems to be improved as a part of the Project are outdated with inefficient technologies and are extremely expensive to maintain. Equipment maintenance is costly and occupant comfort levels are difficult to maintain with

the present equipment. In addition, other improvements to be made as a part of the Project will conserve energy or water and are necessary or expedient.

2. The Contract is preferable to a bond issue for the same purpose because the guaranteed energy and water savings from the Project will offset the expense of the debt service on funds borrowed to finance the cost of the Project.

3. The sums to fall due under the Contract are adequate and not excessive for the proposed purpose because the energy and water savings over the period of the Contract are guaranteed to equal or exceed the total cost of the Project.

4. The County's debt management procedures and policies are good and are managed in strict compliance with the law.

5. An increase in taxes is not necessary because the guaranteed energy and water savings equal or exceed the sums to fall due under the Contract and the related financing.

6. The County is not in default in any of its debt service obligations.

7. Subject to the approval of the related installment contract by the County and the Local Government Commission of North Carolina, the Contract, in substantially the form submitted to this meeting, is hereby approved and the County Manager, the Finance Director and the County Attorney of the County are each hereby authorized and directed to execute and deliver the Contract, on behalf of the County, with such changes, insertions or omissions as each may approve, the execution thereof by any of them to constitute conclusive evidence of such approval.

8. The County Attorney of the County has rendered an opinion that the Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

9. The County Manager, the Finance Director and the County Attorney of the County and their designees are each hereby authorized to act on behalf of the County to file an application for approval of the Contract and the related financing with the Local Government Commission of North Carolina and to take such other actions as may be advisable in connection with the authorization of the Contract and the related financing; and all actions heretofore taken by any of such persons or any other officer of the County relating to such matters on behalf of the County are hereby approved, ratified and confirmed.

10. This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner Howerton, seconded by Commissioner Cousin, the foregoing resolution was passed by the following vote:

Ayes: Commissioners Cousin, Howerton, Karriker and Page.

Noes: None.

* * * *

I, V. Michelle Parker-Evans, Clerk to the Board of Commissioners for the County of Durham, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board at a regular meeting held on August 13, 2012 as relates in any way to the passage of the resolution described therein and that said proceedings are recorded in Minute Book No. ____ of the minutes of said Board, beginning on page ____ and ending on page ____.

I HEREBY FURTHER CERTIFY that a schedule of regular meetings of said Board, stating that regular meetings of said Board are held in the County Commissioners' Meeting Room on the 2nd Floor of the Durham County Government Administrative Complex at 200 East Main Street, in Durham, North Carolina, on the second and fourth Mondays of each month at 7:00 P.M., except that regular meetings scheduled to be held on a holiday will be held on the next succeeding day that is not a holiday at the same place and time, has been on file in my office as of a date not less than seven days before the date of said meeting in accordance with G.S. §143-318.12.

WITNESS my hand and the corporate seal of said County, this _____ day of August 2012.

Clerk to the Board of Commissioners

Consent Agenda No. 9m

**DURHAM COUNTY, NORTH CAROLINA
FY 2012-13 Budget Ordinance
Amendment No. 13BCC000004**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2012-13 Budget Ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
Other Financing Sources	\$16,506,335	\$1,500	\$16,507,835

Expenditures:

<u>Function</u>			
<u>GENERAL FUND</u>			
Economic and Physical	\$ 4,076,217	\$1,500	\$ 4,077,717

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 13th of August, 2012.

Consent Agenda No. 9n.

A regular meeting of the Board of Commissioners for the County of Durham, North Carolina, was held in the County Commissioners' Meeting Room on the 2nd Floor of the Durham County Government Administrative Complex at 200 East Main Street, in Durham, North Carolina, the regular place of meeting, at 7:00 P.M., on August 13, 2012.

Present: Chairman Michael D. Page, presiding, and Commissioners Philip R. Cousin Jr., Brenda A. Howerton, and Pam Karriker.

Absent: Ellen W. Reckhow.

* * * * *

Commissioner Page introduced the following resolution, a copy of which had been made available to each Commissioner and which was read by its title:

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A
GUARANTEED ENERGY SAVINGS CONTRACT AND A RELATED INSTALLMENT
CONTRACT

WHEREAS, Durham County, North Carolina (the "County") desires to enter into a guaranteed energy savings contract authorized by North Carolina General Statute Section 143-64.17B with Trane Comfort Solutions Inc. (the "Contract") to install certain energy and water conservation measures (the "Project") so as to reduce energy and water consumption and/or energy-related operating costs; and

WHEREAS, the County desires to finance the Project by the use of an installment contract authorized by North Carolina General Statute Section 160A-20; and

WHEREAS, the term of the Contract does not exceed fifteen (15) years from the date of the installation and acceptance by the County of the energy and water conservation measures provided for under the Contract; and

WHEREAS, the energy and water savings resulting from the performance of the Contract will equal or exceed the total cost of the Contract pursuant to an evaluation performed by Heery International on behalf of the County; and

WHEREAS, the energy and water conservation measures to be installed under the Contract are for existing buildings; and

WHEREAS, certain findings and determinations by the Board of Commissioners for the County (the “Board of Commissioners”) must be made to enable the North Carolina Local Government Commission to make its findings and determinations pursuant to North Carolina General Statute Section 159-151 prior to approval of the Contract; and

WHEREAS, it is necessary to take certain related action at this time;

NOW, THEREFORE BE IT FOUND, DETERMINED AND RESOLVED by the Board of Commissioners, as follows:

1. The Contract is necessary or expedient because the heating, ventilation and air-conditioning systems to be improved as a part of the Project are outdated with inefficient technologies and are extremely expensive to maintain. Equipment maintenance is costly and occupant comfort levels are difficult to maintain with the present equipment. In addition, other improvements to be made as a part of the Project will conserve energy or water and are necessary or expedient.
2. The Contract is preferable to a bond issue for the same purpose because the guaranteed energy and water savings from the Project will offset the expense of the debt service on funds borrowed to finance the cost of the Project.
3. The sums to fall due under the Contract are adequate and not excessive for the proposed purpose because the energy and water savings over the period of the Contract are guaranteed to equal or exceed the total cost of the Project.
4. The County’s debt management procedures and policies are good and are managed in strict compliance with the law.
5. An increase in taxes is not necessary because the guaranteed energy and water savings equal or exceed the sums to fall due under the Contract and the related financing.
6. The County is not in default in any of its debt service obligations.
7. The County Attorney of the County has rendered an opinion that the Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.
8. The County Manager, the Finance Director and the County Attorney of the County and their designees are each hereby authorized to act on behalf of the County to file an application for approval of the Contract and the related financing with the Local Government Commission of North Carolina and to take such other actions as may be advisable in connection with the authorization of the Contract and the related financing; and all

actions heretofore taken by any of such persons or any other officer of the County relating to such matters on behalf of the County are hereby approved, ratified and confirmed.

9. This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner Howerton, seconded by Commissioner Cousin, the foregoing resolution was passed by the following vote:

Ayes: Commissioners Cousin, Howerton, Karriker, and Page.

Noes: None.

* * * *

I, Yvonne R. Jones, Deputy Clerk to the Board of Commissioners for the County of Durham, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board at a regular meeting held on August 12, 2012 as relates in any way to the passage of the resolution described therein and that said proceedings are recorded in Minute Book No. ____ of the minutes of said Board, beginning on page ____ and ending on page ____.

I HEREBY FURTHER CERTIFY that a schedule of regular meetings of said Board, stating that regular meetings of said Board are held in the County Commissioners' Meeting Room on the 2nd Floor of the Durham County Government Administrative Complex at 200 East Main Street, in Durham, North Carolina, on the second and fourth Mondays of each month at 7:00 P.M., except that regular meetings scheduled to be held on a holiday will be held on the next succeeding day that is not a holiday at the same place and time, has been on file in my office as of a date not less than seven days before the date of said meeting in accordance with G.S. §143-318.12.

WITNESS my hand and the corporate seal of said County, this 14th day of August 2012.

Deputy Clerk to the Board of Commissioners

Public Hearing to Consider Allocating Economic Development Investment Funds to 21c Durham, LLC

Chairman Page recognized Deputy County Manager Marqueta Welton. Ms. Welton stated that the Board was requested to hold a public hearing to consider allocating economic development investment funds to 21c Durham, LLC, dba 21c Museum Hotel.

Ms. Welton gave the following account of the project. The 21c Museum Hotels group is based in Louisville, Kentucky where its flagship hotel was founded in 2006 by philanthropists and arts patrons who had a vision for supporting the revitalization of Louisville's downtown and engaging the public with contemporary art in a new way. The hotel group includes properties scheduled to open in Cincinnati, Ohio late 2012 and Bentonville, Arkansas early 2013. The hotel group combines boutique hotels with contemporary art museums and award-winning restaurants

in historic buildings. 21c Museum Hotel was voted one of the top 10 hotels in the world by *Conde Nast Traveler* magazine readers.

21c will invest \$45M to renovate and re-purpose the Hill Building, an iconic historic Durham landmark property that has been mostly empty in the upper floors for years. The renovation will yield a 125 room luxury boutique hotel, a museum and restaurant. The hotel rooms are vital to the success of the 33,000 square foot Durham Convention Center which needs more than 500 additional rooms to support the facility. A unique feature of the hotel will be its contemporary art museum with approximately 5,000 square feet of gallery/event space that will showcase curated, rotating exhibitions of museum-quality contemporary art, that when not in use for special events will be free and open to the public. The restaurant will be chef-driven and will generally be operated in accordance with the principles of the “farm to table” movement. 21c will create at least 150 new permanent jobs in Durham by July 2015, as well as more than 200 new construction jobs. Company officials have stated that incentives from the local government are a key consideration in its final decision on locating the hotel in Durham.

Staff recommends that the County participate in this economic development project by providing up to two million (\$2,000,000.00) for the \$45 million project. Funds would be furnished over a ten year period through an economic development incentive fund performance contract. Payments would not begin until after completion of the construction project and opening of the hotel.

Chairman Page opened the public hearing.

Mr. Craig Greenberg, President of 21c Museum Hotel, expressed his excitement about bringing the project to Durham and to be a part of the growth that Durham is experiencing. 21c prides itself on working with the community, especially nonprofits that may need a venue for the arts.

The following individuals spoke in support of the 21c Museum Hotels and asked the Board to approve the investment fund request:

Ms. Alice Sharpe, resident of Downtown Durham
Mr. Bill Kalkhof, Director, Downtown Durham Inc.
Mr. Patrick Byker, Chair, Convention Center Authority
Ms. Shelly Green, Director, Durham Convention & Visitors Bureau
Ms. Heather Wagner, Preservation Durham
Mr. Ted Conner, Durham Chamber of Commerce
Mr. Chuck Watts, Chair, Parrish Street Advocacy Group

Ms. Victoria Peterson expressed concerns about the project, specifically the lack of jobs going to the African-American community. She requested to have the Minority Institute called in to oversee the project.

Ms. Welton commented that the developer has committed to make as many opportunities available to the community as possible. 21c will be working with the Department of Social Services, Hospitality schools, and the Employment Security Commission.

Chairman Page asked that the person be identified who is responsible for making sure the workforce is diversified in contracting construction projects.

Commissioner Howerton mentioned an upcoming meeting to discuss the forecast for construction in Durham. The meeting will entail the forecast for Durham County, Durham City, and the State.

Chairman Page closed the public hearing.

Commissioner Howerton moved, seconded by Commissioner Cousin to approve entering into an economic development incentive contract between the County of Durham and 21c Durham, LLC, in the maximum amount of \$2,000,000.

The motion carried unanimously.

Public Hearing for Community Development Block Grant Funds Application to State

Chairman Page recognized Assistant County Manager, Drew Cummings, and Community Development Project Coordinator, Warren Wooten, to introduce the item.

Mr. Cummings stated that the Board was required to hold this public hearing prior to applying to the North Carolina Department of Commerce for Small Cities Community Development Block Grant (CDBG) funds. The purpose of the public hearing is to explain the funding categories of the 2012 CDBG Program and to allow the citizens of the County an opportunity to express their views concerning community development needs and priorities. The County has received word from the Dept. of Commerce that we may apply for "Urgent Needs" funding that would potentially help fund a solution to the Rougemont groundwater pollution problem. A second public hearing will be held that deals more specifically with that application.

Mr. Cummings clarified that the State prefers that the County apply under the contingency infrastructure program, which would offer several options for resolving the Rougemont groundwater pollution problem.

Mr. Wooten read information about community development block grant funding. The City is not eligible under the category of "small cities." Eligible areas must be outside of the City limits.

Mr. Cummings stated that the County was required by the State to request assistance in filling out the application. The Wooten Company is assisting the County in the process.

Commissioner Howerton asked for further clarification about the groundwater pollution problem. Mr. Cummings responded that the initial intention was to help with a water line extension from the City of Roxboro. Additional studies have indicated that a community well might provide a solution. If a community well system is feasible, grant funds would be used to address the water issue.

Chairman Page asked if the Citizens Advisory Committee had been involved in the application process. Mr. Cummings responded that he had attempted to contact the Chair of the Citizens Advisory Committee. Chairman Page asked that contact be made with the Citizens Advisory Committee prior to the application deadline. Chairman Page reminded staff that the Board

should be involved in the process. He also requested to know who has been involved in the community development funding process.

Chairman Page opened the public hearing.

Ms. Victoria Peterson requested the dollar amount of the funding. \$600,000 was the maximum amount per Mr. Cummings. Mr. Cummings verified that the funding was for a specific project—the Rougemont groundwater pollution problem. He clarified that the joint City/County projects were under a Consortium agreement which was different from the project before the Board.

Chairman Page closed the public hearing.

A second public hearing will be held prior to the October deadline.

Public Hearing – Installment Purchase Financing for Performance Energy Savings Contract

The Board is requested to (1) pass a resolution making certain determinations concerning a proposed installment contract and providing for certain related matters and (2) hold a public hearing and if appropriate, approve the following financing related to the Guaranteed Energy Savings Performance Contract with Trane U.S., Inc., pursuant to G.S. §160A-20.

Chairman Page recognized George Quick, Finance Director. Mr. Quick gave a brief summary of the performance contracting. The initiative ties in to Goal 4 of the Strategic Plan to create efficiencies in operating the County's buildings. The savings will pay for the loans secured with Trane. There should be a zero impact on the County's budget.

Chairman Page opened the public hearing. There were no citizens signed up to speak. Chairman Page closed the public hearing.

Commissioner Howerton moved, seconded by Commissioner Karriker, that the Board approve the contract with Trane U.S., Inc.

The motion passed unanimously.

Appointment to Durham Hospital Board of Trustees

The Board of County Commissioners was requested to appoint an individual to fulfill an unexpired term of Dr. Barbara Griffith on the Durham County Hospital Corporation Board of Trustees to begin on date of appointment by the Commissioners and to expire June 30, 2014.

Dennis Diaz, M.D. and Randy Cruel, M.D. applied to fill the unexpired term.

The Deputy Clerk distributed ballots. The Board selected Dennis Diaz, M.D.

Reserved for Items Removed from Consent Agenda

Consent Item 9b. Appoint Kimberly Shaw as Chair of the Durham County ABC Board thru July 31, 2013.

This item was pulled by a citizen. Ms. Victoria Peterson requested to address the Board regarding the number of facilities that sell alcohol beverages. She referenced the number of “death by motor vehicles” in the community. She requested that the ABC Board have public meetings with the community. She felt the number of ABC Law Enforcement officers was not sufficient to serve the number of places that served alcohol. She felt that monies should be set aside for children who lost their parents due to alcohol-related deaths.

Commissioner Karriker moved, seconded by Commissioner Cousin, to approve the appointment of Kimberly Shaw as Chair of the ABC Board thru July 31, 2013.

The motion carried unanimously.

Adjournment

There being no further business, Chairman Page adjourned the meeting at 8:40 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michelle", with a long horizontal flourish extending to the right.

V. Michelle Parker-Evans
Clerk to the Board