

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

Monday, April 3, 2000

9:00 A.M. Worksession

**MINUTES**

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

Present: Chairman MaryAnn E. Black, Vice-Chairman Ellen W. Reckhow, and Commissioners William V. Bell, Joe W. Bowser, and Becky M. Heron

Absent: None

Presider: Chairman Black

**Discussion of the Propriety of the Last Closed Session**

County Attorney Chuck Kitchen said he wanted to address the Board. The newspapers have raised several issues concerning the propriety of the last closed session.

Attorney Kitchen distributed to the Commissioners a copy of the open meetings law that pertains specifically to closed sessions. The open meetings law that applies to the last closed session were Nos. 2, 3, and 4. Number 4 provides that the Board can go into closed session to discuss the location or expansion of industries or other businesses in the area served by the public body, including an agreement on a tentative list of economic development incentives that may be offered by the public body in the negotiations.

Mr. Kitchen wanted to ensure the Board that he reviewed what was done at the last meeting and compared it to existing law. Nothing was done illegally. What was done was clearly within the scope of this exception to the open meetings requirement.

**Resolution Supporting Senate Bill 368 Which Provides Public Access to Rivers and Streams**

Senate Bill 368 is an act to authorize the Department of Transportation to construct off-road access parking for vehicles adjacent to rivers and streams. This bill would aid in eliminating the need for roadside parking for recreational purposes along North Carolina's rivers and streams. The Bill has passed the Senate and is going to the House for consideration.

Resource Person: Commissioner Becky Heron

County Manager's Recommendation: Receive presentation on the resolution and consider for action at the April 10, 2000 regular session.

Commissioner Heron led the discussion on this agenda item.

The resolution was on the agenda for Board approval. It would be sent our representatives and to the North Carolina Association of County Commissioners.

After the other counties adopt the resolution, the North Carolina Association of County Commissioners will lobby in the legislature for passage of this bill. The access areas will get the vehicles off the highway.

Commissioner Heron requested the Board consider the resolution for action at the April 10, 2000 Regular Session.

Commissioner Heron introduced Cleo Smith and Don Moffiett to answer questions about the resolution.

Chairman Black moved the agenda item to the April 10, 2000 Regular Session consent agenda.

### **Presentation on Countywide EMS System**

When the Board of County Commissioners entered into the lease agreement for Durham Regional Hospital with Duke University Health System, it was acknowledged that the Emergency Medical Service (EMS) system transferred to the County was in need of additional resources. In FY 99-00, the Board began to address these needs through the provision of additional funds to the County EMS system. A second component of our County's EMS system is the service provided by the County volunteer fire departments. This presentation is designed to educate and inform the Board about how the Volunteer Fire/EMS system operates and the issues they currently face.

For the past 20 years, Durham County EMS, the five volunteer fire departments, and the City of Durham Fire Department have worked together in utilizing available resources to design an EMS system capable of providing the optimum in pre-hospital care and transportation. Durham County EMS, the core of the County system, provides paramedic-level services from four sites within the City limits. The five volunteer fire departments provide station sites, ambulances, and personnel to assist the County paramedics assigned to their stations twelve hours/day. The City Fire Department provides first responder assistance within the City limits from its 13 stations.

Over the years, the following key factors have arisen that have stretched resources to the point that the quality of service has been severely affected: development, population

growth, annexation, and inadequate funding. Even though recent studies indicate that the Durham County system is one of the most efficient and effective systems in North Carolina, all available resources have been maximized. It is now time to consider several enhancement/expansion options in order to maintain the current level of service. Timely growth of the core system was severely hampered by inadequate funding during its tenure with the Hospital Corporation. The volunteer departments helped address this by agreeing to expand their EMS coverage beyond their established fire districts. Annexation hampered this process by further reducing those tax districts, resulting in an undue financial burden on the taxpayers in those districts. Currently, a significant portion of the volunteer EMS responses are outside their tax districts. Although EMS provides some supplies and minor equipment as well as 50 percent of transportation fees collected for transports provided by the departments, the net result is a substantial shortfall in revenue for those departments.

The volunteer fire chiefs have worked diligently over the past year to define the issues and search for alternative solutions. The result is a report which explains the countywide EMS service and makes recommendations to begin to improve the system.

Resource Person(s): J.M. Tezai, EMS Director; representatives from the five volunteer fire departments; and Captain Scot Roberts, EMS Coordinator, Durham Fire Department.

County Manager's Recommendation: Receive the report and provide direction to staff. During the budget process, staff will come forward with a specific recommendation regarding funding of the EMS system.

Interim County Manager Carolyn P. Titus made opening remarks concerning the countywide EMS system. She called on Mr. Tezai to introduce the volunteer fire representatives.

Mr. Tezai said in May 1999, former County Manager David F. Thompson asked the EMS providers to develop recommendations to improve the EMS system.

Mr. Tezai began the presentation by describing the current system. The main purpose for being here today is to be sure everyone's questions have been answered and everyone clearly understands how the system has been designed and what we have been able to do. We would also like to explain what we need your assistance with.

The Commissioners asked questions and made remarks about the EMS system to which Mr. Tezai responded.

Chairman Black brought up the funding considerations that were explained in the report.

Interim County Manager Titus commented she has reviewed the recommendations from the fire chiefs and the funding has been discussed. The chiefs have given a lot of thought

to assist us in how the County might be able to increase its support of EMS. Their first priority to provide paramedic services throughout the county on a 24-hour basis. They are asking the County to provide resources for paramedic coverage from 7:00 p.m. to 7:00 a.m. These are budget considerations. We will bring a staff recommendation for the Board's consideration.

Mr. Tezai said something must happen with the EMS district funding issue. These people are not being funded for what they do. The tax district cannot continue to bear the burden of providing services to outside the district.

Chairman Black said the EMS could be funded out of the "Duke Trust Fund." Staff can look there for possible funding. She referred the matter to staff to bring back an EMS funding plan for Board consideration.

### **Tax Administrator Matters**

William Steven Crysel was previously appointed as Tax Assessor and as Acting Tax Collector. In order for him to take office, the Board must approve his bond. Following approval of the bond, the oath of office will be administered to Mr. Crysel.

Since the appointment of Mr. Crysel, the Tax Collector, Charles Clark, has retired effective April 1, 2000. The position of Tax Collector is now vacant. The two positions of Tax Collector and Tax Assessor may be combined into one position of Tax Administrator.

Resource Person(s): Wendell Davis, Deputy County Manager, and Chuck Kitchen, County Attorney

County Manager's Recommendation: The Board should take the following actions which will install Steve Crysel into office as Tax Administrator:

- 1) Combine the offices of Tax Collector and Tax Assessor into one position of Tax Administrator.
- 2) Approve the Tax Administrator's bond.
- 3) Have the oath of office administered by the Clerk.

Chairman Black said the Board must create the Tax Administrator position and then vote to have Mr. Crysel placed into that position. When the Board interviewed him, he was not offered that position.

Deputy County Manager Wendell Davis introduced Mr. Crysel to the Commissioners and highlighted Mr. Crysel's professional experience.

Commissioner Heron moved, seconded by Vice-Chairman Reckhow, to approve the position of Tax Administrator and to appoint William Steven Crysel as the Tax Administrator.

The motion carried unanimously.

Vice-Chairman Reckhow moved, seconded by Commissioner Heron, to set Mr. Crysel's bond at \$250,000.

Garry E. Umstead, Clerk to the Board, administered the Oath of Office to Mr. Crysel.

The Oath of Office follows:

OATH

DURHAM COUNTY TAX ADMINISTRATOR  
DURHAM, NORTH CAROLINA

I, WILLIAM STEVEN CRYSEL, do dolemlly swear (or affirm) that I will suppot and maintain the Constitution and laws of the United States, and the Constitution and laws of North Carolina not inconsistent therewith, and that I will faithfully discharge the duties of my office as DURHAM COUNTY TAX ADMINISTRATOR, and that I will not allow my actions as assessor/collector to be influenced by personal or political friendships or obligations, so help me, God.

/s/ WILLIAM STEVEN CRYSEL  
DURHAM COUNTY  
TAX ADMINISTRATOR

Mr. Crysel thanked the Commissioners for the oppportunity to serve Durham County as Tax Administrator.

Chairman Black and Commissioner Heron made remarks to Mr. Crysel and welcomed him to Durham.

**Discussion of Proposed American Tobacco Project**

The proposed American Tobacco Project is a unique combination of offices, retail shops, restaurants, and cultural arts venues that has the potential to revitalize the southern end of downtown Durham.

Resource Persons: Carolyn P. Titus, Interim County Manager  
Mike Hill, Vice President and General Counsel, Capitol Broadcasting Company

County Manager's Recommendation: Receive the presentation and provide direction to staff.

Interim County Manager Carolyn P. Titus introduced Mike Hill, Vice President and General Council, Capital Broadcasting Company, to present to the Commissioners a full presentation of the American Tobacco Historic District project.

Durham County must decide, after consideration of the presentation today, if it wishes to participate in supporting this project. If so, we must move into a process of how we can participate and at what level.

Ms. Titus also introduced Eddie Belk, architect, and Tim Tingle from the Keith Corporation to assist with the presentation.

Mr. Hill made a presentation to the Board of Commissioners, including a detailed explanation of the project. The presentation described the various phases of the American Tobacco project and highlighted the private investment. Mr. Tingle presented a slide presentation. Mr. Belk discussed the project from the display boards.

#### Project Summary

The American Tobacco Historic District is a private-public downtown development project that involves the renovation of the former American Tobacco Factory, new construction on the DATA site, public parking, and planning for the construction of a future entertainment venue.

Upon completion, the project will encompass:

- Approximately 1.0 million square feet (669,000 office, 222,000 retail, 150,000 hotel)
- Approximately \$161 million in private investment
- Approximately \$37 million investment in public parking
- Approximately 4,479 new jobs in downtown
- Approximately \$1.5 to \$2.0 million in new annual City and County tax revenue (real property, personal property and sales)
- 4182 new parking spaces
- Consideration of the development of a 5,000 seat entertainment venue

After Mr. Hill's closing remarks, a question and answer period followed.

The Commissioners asked questions and made remarks about the project to which Mr. Hill, Mr. Tingle, and Mr. Belk responded.

Chairman Black read the following resolution into the record for the Board's consideration:

RESOLUTION IN SUPPORT OF THE AMERICAN TOBACCO DOWNTOWN  
DEVELOPMENT PROJECT

Whereas, the American Tobacco Project, located on the site of the former American Tobacco Factory and several adjacent parcels, consisting of a unique combination of offices, retail shops, restaurants, and other uses, is a proposed \$200 million private-public downtown development project that will benefit all citizens of Durham; and

Whereas, Capitol Broadcasting Company, which has already made a sizable investment in the rebirth of downtown Durham through its Diamond View office building and as the owner of the Durham Bulls baseball team, is the lead developer in this redevelopment initiative; and

Whereas, completion of this project will result in revitalization and redevelopment of a significant and highly visible portion of downtown Durham and will improve the vitality and image of downtown Durham throughout the region; and

Whereas, the project has the potential to spur additional private investment and development in the surrounding area; and

Whereas, this project, as proposed, will create more than 4,000 jobs in downtown Durham and has the potential to assist the Board of County Commissioners in reaching its Work First goals by promoting job opportunities to the unemployed and under-employed citizens of our community; and

Whereas, this project will result in the revitalization of 800,000 square feet of historic property and construction of 250,000 square feet of new class A office space; and

Whereas, this project will generate new County tax revenue; and

Whereas, redirection of high density growth into the downtown is a fundamental "Smart Growth" strategy; and

Whereas, the project, as proposed, incorporates Transportation Demand Management (TDM) strategies and pedestrian friendly design; and

Whereas, the project is in close proximity to the City's new multi-modal site, making use of public transportation easily accessible; and

Whereas, the Board of County Commissioners has adopted a Master Facility Plan which demonstrates a vision for the investment in downtown Durham through the preservation of historic buildings and construction of new facilities such as a Human Services Complex and Judicial Complex; and

Whereas, the proposed American Tobacco Project campus is in close proximity to the proposed Judicial Complex and existing County Detention Facility; and

Whereas, the Board of County Commissioners agrees that the provision of public parking is part of the necessary public infrastructure to promote downtown growth and redevelopment; and

Whereas, the Board of County Commissioners acknowledges that public parking and/or economic development incentives will be necessary to complete the American Tobacco Project:

NOW, THEREFORE, BE IT RESOLVED:

1. That the members of the Board of County Commissioners do hereby lend enthusiastic support to the collaborative efforts to bring the American Tobacco Project to fruition.
2. That the Board of County Commissioners hereby authorizes the Interim County Manager to continue to work with the City of Durham and Capitol Broadcasting Corporation to negotiate and develop a final proposal; and
3. If such a proposal is successfully negotiated, to bring back said proposal for the Durham County Board of Commissioners' consideration no later than May 22, 2000.

This the 3rd day of April, 2000.

Commissioner Bell moved, seconded by Vice-Chairman Reckhow, for the Board of County Commissioners to adopt the resolution as presented.

The motion carried unanimously.

After the resolution was adopted, Commissioner Bell asked Mr. Hill several questions about the proposal.

Commissioner Bell said the County could best participate in this project by doing its share of public parking decks. If we can provide public parking for the new courthouse and the American Tobacco Complex, I think it will work for the American Tobacco Complex and the County. I don't see the County participating in cash incentives. Cash incentives are best left to the City. The City and County could share the parking deck (American West). If the parking deck is not built, the University Ford site could provide surface parking. The County would take the responsibility for looking at the parking decks on the DATA site. The County should have control over the DATA sight. I don't want the Commissioners to get involved in any cash incentives.



Vice-Chairman Reckhow said the County should consider many options and keep things as flexible as possible. We may want to initiate the expansion with surface parking on the DATA site and allow the County to get its act together on the judicial complex. We may end up building a parking deck across Mangum Street to serve the judicial complex, various office buildings, and the entertainment complex. Risks should be reduced as much as possible so we can respond in the most cost-effective manner when the opportunity rises.

Commissioner Heron said the parking deck to serve the judicial complex should be a priority for the County.

Commissioner Bowser commented that parking for the judicial center on the U-Haul site is most feasible.

Chairman Black distributed the public project goals. These goals came from the City. The Commissioners should look at these and give any feedback to the Interim County Manager. Staff would work on the public project goals for the County.

Chairman Black stated all five Commissioners are interested in participating in the project, but the level which we will participate has not been specified yet. The direction appears to be in terms of participating in the parking decks.

Commissioner Heron wished to know how much federal and state money is available for this type of project.

Vice-Chairman Reckhow agreed with Commissioner Heron's request.

### **Multi-Family Housing Revenue Bonds for Alston Village, L.P.**

Durham County received a request to issue tax-exempt housing bonds for NRP Alston Village, LP. Housing bonds are tax-exempt bonds, which are paid by the developer, not the County. The County issues the bonds in order for the developer to receive the tax-exempt status for the bonds.

The proposed project would be located in Research Triangle Park at 5400 South Alston Avenue. It will consist of 312 apartments. The intent of the tax-exempt issue will be to provide affordable housing for the residents of Durham County. The amount of the bonds is \$21,275,000. The fee for the issuance of the bonds, which will be paid to Durham County, is 1 percent of the issuance amount.

Resource Person(s): Chuck Kitchen, County Attorney; Mary Nash Rusher, Hunton & Williams; Brad Parker, NRP Alston Village, LP

County Manager's Recommendation: Receive the information from bond counsel as to the purpose and process of issuance of Housing Revenue Bonds. The revenue received and duties imposed by the County's issuance of the bonds should also be considered.

County Attorney Chuck Kitchen gave a brief introduction about the agenda item.

Ms. Rusher, bond counsel for these bonds, gave a presentation explaining the use of tax-exempt bonds.

The Commissioners asked questions and made remarks about the proposal to which Ms. Rusher and Mr. Parker responded.

Vice-Chairman Reckhow moved the agenda item forward to the April 10, 2000 Regular Session agenda for action. The item can be placed on the consent agenda.

Mr. Parker talked about the proposed project.

### **Midway Airlines Letter**

Chairman Black announced that she asked Interim County Manager Carolyn P. Titus to write a letter on behalf of the County Commissioners in support of Midway Airlines. Research Triangle Regional Partnership made the request on behalf of Midway Airlines relative to action needed as it relates to the support for Midway Airline in its efforts to preserve critical RDU-New York air service to LaGuardia Airport.

Commissioner Bell commented the Board needs clarification on this request. It is one thing to lose a slot and another thing for Midway Airline to lose the slot. If we are going to lose a slot, we need to support it.

Vice-Chairman Reckhow said the letter could be written to support that it is critical for Raleigh-Durham to retain the slot to LaGuardia. That is what the letter needs to emphasize.

Commissioner Bell said that is the way I would support the letter being written.

Interim County Manager Titus said the letter could be written the way the Commissioners have requested.

Chairman Black said she wanted to support Midway having the two slots.

Ms. Titus was instructed to find out if any other airline would get the two slots.

Chairman Black said she wanted the two slots retained for the business community regardless of what airline gets the two slots.

Chairman Black said we support the two slots being retained, but we are not supporting Midway. However, if another airline does not get the slots, we would support Midway keeping the slots with the same departure and arrival times.

**Results of the Study to Determine the Accuracy of Coding for Subdivisions Annexed by the City of Durham**

During the months of November and December 1999, the County discovered that Lakehurst and Chancellor's Ridge Subdivisions had not been properly recorded and/or coded for taxation purposes. After these discoveries, the County Manager and the BOCC requested that staff conduct an outside review of the tax parcel codings in order to determine if there were other subdivisions that had not been properly recorded within the City boundaries. JCH GeoInfo Solutions Inc. was contracted to conduct the study and has completed its findings.

In addition, a status report on Lakehurst and Chancellor's Ridge Subdivisions was provided along with corrective actions that have been implemented for the administrative procedures associated with the annexation process.

Resource Person (s): Wendell Davis, Deputy County Manager/Acting Tax Assessor  
Jim Henry, JCH GeoInfo Solutions Inc.  
Kim Simpson, Administrative Officer

County Manager's Recommendation: The Manager recommends that the Board receive the findings of the audit.

Wendell Davis, Deputy County Manager/Acting Tax Assessor, presented the agenda item to the Commissioners.

Mr. Davis said that in the light of the Lakehurst and Chancellor's Ridge tax situations, the County Manager and the Board appointed me as Acting Tax Assessor and tasked me with five specific objectives. These objectives were to:

- Investigate the coding error for the Chancellor's Ridge Subdivision and just as importantly, its untimely communication to management.
- To establish verification procedures to ensure that clerical errors are caught and corrected.
- To oversee an independent review of the correct coding of annexed city properties for tax billing purposes.
- To prepare and deliver a report to the Board; and
- To provide proactive interim leadership until a new Tax Assessor is on board.

Mr. Jim Henry of JCH GeoInfo Solutions was retained to oversee an independent review of the correct coding of annexed city properties for tax billing purposes. He presented his findings to the Board after having reviewed 85,800 tax parcels.

The Commissioners asked questions and made remarks about the audit to which Mr. Henry responded.

Chairman Black called on Mr. Davis to report on the corrective measures put into place.

Investigation of the Chancellor's Ridge coding error and its untimely communication

Because this matter involved the performance of a public employee, Mr. Davis would address it in Closed Session.

Verification Procedures to identify and correct clerical errors

In respect to corrective actions, the initial problem identified in the discovery of Chancellor's Ridge Subdivision was the lack of a documented quality control check before and after records were forwarded to the billing section of the Tax Office. The lack of quality control checks was specifically in the mapping and data entry operations of the Land Records division. It is important to note that this was a County function and that the City played no role in the making of this error.

In order to prevent this problem from reoccurring, new quality review checks have been implemented at three different stages of the process. The first check now occurs in the Land Records division. The Mapper is responsible for making each of the boundary changes. After the boundary changes are made, the Land Records Manager performs a quality review check. The second quality review check is done after data entry. The Land Records Manager also performs this check. The Billing Coordinator conducts the third quality review check. The Billing Coordinator compares annexation information to Land Records data entry to ensure that the district codes have been entered correctly prior to billing.

Results of the Independent Review

As indicated by the independent review, which examined 85,800 parcels, there were 69 questionable parcels identified that may not have been included in the City boundary. In addition, 74 other questionable parcels were mentioned as possibly being coded in the City when they were in fact, located in the County. After having staff research these parcels, the following has been determined. Fifty-five parcels have coding problems. This represents less than 1/10 of 1 percent of the 85,800 parcels that were examined.

- Of the 69 identified as questionable, 22 are fully exempt properties. This means that they are owned by the County, the City, Federal, or State Government. Ten others are either split districts, incorrect boundaries, or had not been processed as a result the effective date being December 31, 1999.
- Of those remaining, 37 other parcels are incorrectly coded.

The total amount of back taxes owed on these 37 parcels is \$79,674.92. Once all of the work is completed in order to process the billing, staff will be working with individual property owners to set up payment plans as we have done in the past. Staff will be certain to do everything it can to accommodate these taxpayers in rectifying this situation.

In regards to the 74 questionable properties that may have been coded to the City but were, in fact, located in the County, the following has been determined:

- Of the 74, there are 18 property owners who were billed for City taxes but should have been billed for County taxes only. Therefore refunds are due to these citizens in the amount of \$101,315.91.
- The net effect for the City is a reduction in revenue in the amount of \$21,640.99.

Staff is determining the impact of these refunds and additional billings for fire districts and solid waste fees. This information will be included in the corrected billing, which will be mailed this week.

The appraisal staff is hand delivering letters to each of these property owners to notify them about this tax situation. For those who owe additional taxes, we will work with these taxpayers to set-up payment plans, go to their place of residence or business, and certainly be as accommodating as possible in bringing these matters to closure.

Though this has been a painstaking effort, the reality is that all 85,800 of our parcels are now properly coded and operation improvements have been made to avoid future coding/billing inaccuracies. The new quality control procedures should identify and correct coding errors before bills are sent to our residents.

No action was taken on this agenda item.

### **Closed Session**

The Board was requested to adjourn to Closed Session pursuant to N.C.G.S. § 143-318.11(a)(3) & (6) in order to consult with an attorney and to preserve the attorney-client privilege and to discuss a personnel matter.

Commissioner Heron moved, seconded by Vice-Chairman Reckhow, to adjourn to closed session pursuant to N.C.G.S. § 143-318.11(a)(3) & (6) in order to consult with an attorney and to preserve the attorney-client privilege and to discuss a personnel matter.

The motion carried unanimously.

**Adjournment**

Chairman Black adjourned the meeting at 12:35 p.m.

Respectfully submitted,

Garry E. Umstead, CMC  
Clerk to the Board