

**DURHAM, NORTH CAROLINA
MONDAY, AUGUST 19, 2013
7:00 P.M.**

The Durham City Council met in regular session on the above date and time in the Council Chambers at City Hall with the following members present: Mayor William V. Bell, Mayor Pro Tempore Cora Cole-McFadden and Council Members Diane Catotti, Howard Clement, III, Don Moffitt and Steve Schewel. Excused Absence: Council Member Eugene Brown.

Also present: City Manager Thomas J. Bonfield, City Attorney Patrick Baker, City Clerk D. Ann Gray and Deputy City Clerk Linda Bratcher.

Mayor Bell called the meeting to order with a moment of silent meditation followed by the pledge of allegiance led by Council Member Clement.

Mayor Bell presented the following Durham YouthWork Internship Program Businesses with a certificate of appreciation and presented a Kindle to Ronald Bethea for participating in the DollarWise Summer Youth Campaign sponsored by the United States Conference of Mayors - Financial Literacy program.

- Kelly Sizemore representing Kimley-Horn
- Theresa Stocking representing The Durham Bulls Baseball Club
- Steven Williams representing Sensus (he is also the Chairman of the Durham Workforce Development Board)
- Tommy McNeil representing Gail's Hair Salon
- Kathryn McKinley representing Durham Technical Community College
- Marilyn Cash representing MS Designs
- Drew Isenhour representing Republic Services Inc.
- Rita Foley representing Regency Cleaners
- Kara Taff representing Blue Cross Blue Shield of NC
- Janis Clark representing Measurement Inc. (Member of the Durham Workforce Development Board)
- Melody Little representing Hayti Heritage Center
- Rishado Robinson representing Walmart
- Mary Ann Black representing Duke University Health System
- Seth Gross representing Bull City Burger and Brewery

Council Member Clement congratulated Mayor Pro Tempore Cole-McFadden, Attorney Kenneth Spaulding and Dr. John Harding Lucas for being honored by the Durham Committee on the Affairs of Black People.

Mayor Bell asked for priority items by the City Manager, City Attorney and City Clerk. There were no priority items.

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Mayor Bell explained that the Consent Agenda is approved with a single motion and items pulled from that agenda by any citizen or council member will be discussed at the end of the agenda. No items were pulled from the Consent Agenda.

Regarding Consent Agenda Item #9 [Parks and Recreation Master Plan] Council Member Schewel thanked staff for their tremendous amount of work in preparing this plan in-house and the citizens for their input.

MOTION by Council Member Moffitt seconded by Mayor Pro Tempore Cole-McFadden to approve the Consent Agenda was approved at 7:23 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Catotti, Clement, Moffitt and Schewel. Noes: None. Excused Absence: Council Member Brown.

[CONSENT AGENDA]

SUBJECT: HUMAN RELATIONS COMMISSION - APPOINTMENT

MOTION by Council Member Moffitt seconded by Mayor Pro Tempore Cole-McFadden to appoint Girija Mahajan to the Human Relations Commission representing an Other Racial Minority Group Female with the term expiring on June 30, 2015 was approved at 7:23 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Catotti, Clement, Moffitt and Schewel. Noes: None. Excused Absence: Council Member Brown.

SUBJECT: CITIZENS ADVISORY COMMITTEE - APPOINTMENT

MOTION by Council Member Moffitt seconded by Mayor Pro Tempore Cole-McFadden to appoint a Kevin W. McLaughlin to the Citizens Advisory Committee with the term expiring on June 30, 2014 was approved at 7:23 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Catotti, Clement, Moffitt and Schewel. Noes: None. Excused Absence: Council Member Brown.

SUBJECT: ADOPT PRELIMINARY ASSESSMENT ROLLS AND SET PUBLIC HEARINGS FOR CONFIRMATION OF ED COOK ROAD; ARDMORE DRIVE; VALLEY SPRINGS ROAD AND RIVERMONT ROAD AND VALLEY SPRINGS ROAD, ROSE ROAD AND FORRESTDAL ROAD

MOTION by Council Member Moffitt seconded by Mayor Pro Tempore Cole-McFadden to adopt a preliminary resolution adopting the preliminary assessment roll and setting a public hearing for September 3, 2013, for confirmation of each of the following assessment rolls was approved at 7:23 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Catotti, Clement, Moffitt and Schewel. Noes: None. Excused Absence: Council Member Brown.

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Water Main on Ed Cook Road from Hickory Nut Drive to the South Property Line of PIN 0739-02-79-0975;

Water Main on Ardmore Drive from Cook Road to the West property Line of PIN 0820-18-41-3473;

Water Main on Valley Springs Road from Rose of Sharon Road to Rivermont Road and Rivermont Road from Valley Springs Road West to the West Property Line of PIN 0813-01-19-7523; and

Water Main on Valley Springs Road from Rivermont Road North, then West to include PIN 0814-03-10-7214, Rose Road from Valley Springs Road to the North Property Line of PIN 0813-01-19-9957 and Forrestdale Road from Valley Springs Road to the end of the cul-de-sac.

SUBJECT: STREET ACCEPTANCES – MEDICAL PARK DRIVE AND SWANSEA STREET

MOTION by Council Member Moffitt seconded by Mayor Pro Tempore Cole-McFadden to accept the streets as listed for maintenance by the City of Durham was approved at 7:23 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Catotti, Clement, Moffitt and Schewel. Noes: None. Excused Absence: Council Member Brown.

Medical Park Drive

- 1) Medical Park Drive – from the centerline of Technology Drive east then south to the centerline of Ben Franklin Boulevard (869’.)

Swansea Street

- 1) Swansea Street – from the end of existing roadway north to the end of construction (100’.)

SUBJECT: AMENDMENT TO INTERLOCAL AGREEMENT WITH DURHAM COUNTY FOR JOINT DISPARITY STUDY

MOTION by Council Member Moffitt seconded by Mayor Pro Tempore Cole-McFadden to authorize the City Manager to execute an amendment to the Interlocal Agreement between the County of Durham and the City of Durham for a Joint Disparity Study in the amount of \$50,000.00 was approved at 7:23 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Catotti, Clement, Moffitt and Schewel. Noes: None. Excused Absence: Council Member Brown.

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SUBJECT: RESOLUTION AUTHORIZING THE ISSUANCE OF LIMITED OBLIGATION BONDS, SERIES 2013A AND 2013B

MOTION by Council Member Moffitt seconded by Mayor Pro Tempore Cole-McFadden to adopt a Resolution of the City Council of the City of Durham, North Carolina providing for the Issuance of \$20,000,000.00 Limited Obligation Bonds, Series A (Tax-Exempt), \$16,000,000.00 Limited Obligation Bonds, Series 2012B (Taxable) of the City of Durham, North Carolina; and

To authorize the City Manager or his designee to execute other associated legal documents as necessary to complete this transaction, and to make changes to any of the legal documents prior to execution, so long as the changes are consistent with the intent of the agenda item memo and the existing versions of the documents was approved at 7:23 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Catotti, Clement, Moffitt and Schewel. Noes: None. Excused Absence: Council Member Brown.

Resolution #9870

SUBJECT: LICENSE AGREEMENT WITH CAROLINA ARBORS BY DEL WEBB HOMEOWNER'S ASSOCIATION

MOTION by Council Member Moffitt seconded by Mayor Pro Tempore Cole-McFadden to authorize the City Manager to enter into a license agreement with Carolina Arbors by Del Webb Homeowner's Association for specialty signs in the public right-of-way was approved at 7:23 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Catotti, Clement, Moffitt and Schewel. Noes: None. Excused Absence: Council Member Brown.

SUBJECT: PARKS AND RECREATION MASTER PLAN

MOTION by Council Member Moffitt seconded by Mayor Pro Tempore Cole-McFadden to adopt the City of Durham Parks and Recreation Master Plan 2013 was approved at 7:23 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Catotti, Clement, Moffitt and Schewel. Noes: None. Excused Absence: Council Member Brown.

The City Council disposed of the following agenda items at the August 8, 2013 Work Session:

7. Contract for Fun2ref as Booking Agent

(This item was approved at the 08-08-13 Work Session with a vote of 6/0)

To authorize the City Manager to execute a contract with the booking agents Dan Dunbar and Lynn Dunbar DBA as Fun2Ref in the amount of \$58,164.00.

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13. Comprehensive Plan Amendment, Kent Corner (A1200017)

(This item was deferred to the September 3, 2013 City Council Meeting)

To conduct a public hearing to receive comments on the Kent Corner (A1200017) Plan Amendment; and

To adopt a Resolution to Change the Future Land Use from Medium Density Residential to Commercial.

Recommendations: The Staff recommends approval based on the justification and proposed land use designation meeting the four criteria for plan amendments.

Planning Commission recommended approval, based on information provided in the staff report, the applicant's justification, information heard at the public hearing, and meeting the criteria for plan amendments, 12-0, on July 9, 2013.

14. Zoning Map Change-Kent Corner 2 (Z1300007)

(This item was deferred to the September 3, 2013 City Council Meeting)

To conduct a public hearing to receive comments on the zoning map change for Kent Corner 2 (Z1300007);

To adopt an Ordinance Amending the Unified Development Ordinance by taking the described property in zoning map change case Z1300007 out of Commercial Infill (CI) and Residential Urban-5(2) (RU-5(2)) and placing same in and establishing same as Commercial General with a development plan (CG(D)) and Commercial Infill with a development plan (CI(D)); and

To adopt as support for its action on the proposed zoning map change the determinations that, should the plan amendment be approved, the action is consistent with the Comprehensive Plan and is reasonable and in the public interest in light of information presented in the public hearing and in the accompanying agenda materials; or

Alternatively, in the event that a motion to approve the item fails, the Council adopts as support for its action on the proposed zoning map change the determination that, notwithstanding its consistency with the Comprehensive Plan, the request is neither reasonable nor in the public interest in light of information presented in the public hearing and in the accompanying agenda materials.

Staff Determination: Staff determines that, should the plan amendment be approved, this request is consistent with the Comprehensive Plan and other adopted policies and ordinances.

Planning Commission Recommendation and Vote: Approval, 12 – 0 on July 9, 2013. The Planning Commission finds that the ordinance request is not consistent with the adopted Comprehensive Plan. However, should the plan amendment be approved, the request would be consistent with the Comprehensive Plan. The Commission believes the request is reasonable and

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in the public interest and recommends approval based on comments received at the public hearing and the information in the staff report.

15. Raindownus.org

(Comments were received at the 08-08-13 Work Session)

To receive comments from Anita Woodley requesting support for Health Awareness.

16. Kimley-Horn and Associates, Inc.

(Comments were received at the 08-08-13 Work Session)

To receive comments from Earl Lewellyn regarding their community outreach and corporate involvement efforts.

[GENERAL BUSINESS AGENDA – PUBLIC HEARINGS]

SUBJECT: MINI ASSESSMENT ROLL FOR WATER MAIN ON DONPHIL ROAD

To conduct a public hearing to receive comments on Confirmation of the Mini Assessment Roll for Water Main on Donphil Road; and

To find that the property of Sosha N. Gallego, identified as 1205 Donphil Rd, PIN 0824-01-28-3151, has benefited from the water main improvement and to confirm the assessment in the amounts of \$2,012.50 (in accordance with City policy).

Nathan McHenry, of the Public Works Department, briefed Council on the staff report regarding the confirmation of the mini assessment roll for water main on Donphil Road for the property of Sosha N. Gallego. He asked Council to approve the item as printed on the agenda.

Mayor Bell opened the public hearing. There being no one to speak in support for or against this item, the Mayor closed the public hearing.

MOTION by Council Member Moffitt seconded by Council Member Catotti to conduct a public hearing to receive comments on Confirmation of the Mini Assessment Roll for Water Main on Donphil Road; and

To find that the property of Sosha N. Gallego, identified as 1205 Donphil Rd, PIN 0824-01-28-3151, has benefited from the water main improvement and to confirm the assessment in the amounts of \$2,012.50 (in accordance with City policy) was approved at 7:24 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Catotti, Clement, Moffitt and Schewel. Noes: None. Excused Absence: Council Member Brown.

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**SUBJECT: MINI ASSESSMENT ROLL FOR SEWER MAIN ON EAST
CORNWALLIS ROAD**

To conduct a public hearing to receive comments on Confirmation of the Mini Assessment Roll for Sewer Main on East Cornwallis Road;

To find that the properties of Jerome Ramsey, identified as 1604 E. Cornwallis Rd, PIN 0729-02-97-9394 and 1602 E. Cornwallis Road, PIN 0729-02-97-9498, have benefited from the sewer main improvement and to confirm the assessments in the amounts of \$1,250.00 and \$13,241.50, respectively (in accordance with City policy); and

To reconsider the assessment against the property of U.D.I. Community Development Corporation and to find that the property, identified as 4601 Industry Lane, PIN 0729-02-97-7530, has benefited from the sewer main improvement and to confirm the assessment in the amount of \$13,990.00 (in accordance with City policy).

Mayor Bell asked to be excused from participating in the discussion on this item since it impacts his place of employment at UDI, CDC.

Nathan McHenry, of the Public Works Department, briefed Council on the confirmation of the Mini Assessment Roll for the sewer main on East Cornwallis Road. He reported the assessment roll was originally confirmed at the November 5, 2012 Council Meeting with the exception of properties at 4601 Industry Lane, 1602 and 1604 E. Cornwallis Road that were pulled for further review. He stated that staff reviewed these items and determined that there were no grounds under Council's current relief criteria that would qualify these properties for relief of these assessments. He reported staff is recommending that Council confirm assessments for these properties at its original amounts.

Mayor Pro Tempore Cole-McFadden opened the public hearing.

Ed Stewart, President of UDI, CDC asked the City to waive the assessment against UDI because they did not receive a public notice of the public hearing. He stated that UDI closed its postal box and was receiving mail at its office. Also, he referenced the land swap to accommodate a necessary easement for the extension of a sewer outfall in response to a request by the Durham County Health Department because of a failed septic system on Cornwallis Road. He indicated that he asked Jeff Lecky with the Public Works Department if UDI agrees to the land swap would there be a cost to UDI and would there be certain values accruing to the City and was told no. He referenced e-mail received from Public Works Director Marvin Williams concerning the sewer improvement.

Nathan McHenry, of the Public Works Department, addressed the notification issue raised by Mr. Stewart. He reported that the original notice to advise of the public hearing ordering the project was sent out on October 25, 2010, project was ordered on November 15, 2010 and a November 23, 2013 notice was sent out ordering the project and none of these notices were returned to the City by the Post Office. He discussed how addresses are determined referencing the land record data base which is the address of record at UDI. He stated the tax bill was

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recently checked and it still has the same address. He reported the only letter that was returned was the letter that was sent regarding the original assessment hearing and as a result Mr. Stewart was notified via e-mail and telephone.

Jeff Lecky, with the Public Works Department, stated there was a discussion about the land swap about a year and a half ago and he made it clear that he had no authority to waive any fees.

Ed Stewart, representing UDI/CDC, read a letter he received from Mr. Marvin Williams regarding the sewer assessment.

Nathan McHenry said the sewer main was built at the request of the Durham County Health Department due to a failing septic system. He made comments on the sewer design and identified all properties, including UDI, that now have the benefit of sewer service which benefits the property as well as increases the value. He reported all other properties did not have access to a sewer system except for the UDI property which had sewer service through a sewer outfall to the rear of the property. He made comments regarding the requirement when a project has been ordered.

Robert Joyner, of the Public Works Department, noted that the UDI property did have access to sewer; therefore, extending sewer across the property does not require any additional benefit to that property. He made comments about the City's policy.

Council Member Moffitt requested additional information –map, land swap, what land/property is being assessed.

Council Member Schewel requested that this item be referred back to the administration for further information.

For clarification, Council Member Catotti asked staff to bring back information whether UDI is eligible for relief until tap on.

MOTION by Council Member Catotti seconded by Council Member Clement to receive comments on Confirmation of the Mini Assessment Roll for Sewer Main on East Cornwallis Road;

To find that the properties of Jerome Ramsey, identified as 1604 E. Cornwallis Rd, PIN 0729-02-97-9394 and 1602 E. Cornwallis Road, PIN 0729-02-97-9498, have benefited from the sewer main improvement and to confirm the assessments in the amounts of \$1,250.00 and \$13,241.50, respectively (in accordance with City policy); and

To continue the public hearing on the property of the U.D.I. Community Development Corporation to the September 16, 2013 City Council Meeting was approved at 7:40 p.m. by the following vote: Ayes: Mayor Pro Tempore Cole-McFadden and Council Members Catotti, Clement, Schewel and Woodard. Noes: None. Abstention: Mayor Bell. Excused Absence: Council Member Brown.

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**SUBJECT: ECONOMIC DEVELOPMENT AND HISTORIC PROPERTY
HOSPITALITY PRESERVATION AGREEMENT WITH CONCORD
ENTERPRISES COMPANY FOR CAPITAL INVESTMENTS AND
HISTORIC PROPERTY PRESERVATION OF 1108 WEST MAIN
STREET**

To conduct a public hearing to receive comments on the proposed economic development and historic property preservation agreement between Concord Hospitality Enterprises Company and the City of Durham; and

To authorize the City Manager to execute an economic development and historic preservation agreement between the City of Durham and Concord Hospitality Enterprises Company for capital investment and historic property preservation of 1108 West Main Street, for a total payment amount not to exceed \$1,332,266.00.

Economic and Workforce Development Director Kevin Dick gave the following power point presentation on the Economic Development Incentive Agreement with Concord Hospitality Group:

Residence Inn Hotel Project - Recommendation to Enter into Economic Development Incentive Agreement with Concord Hospitality Group

About Concord Hospitality Enterprises

- In business for 25 years
- Provides management services for over 90 hotels and 12,600 guestrooms and suites throughout the United States and Canada
- Contributor to local civic causes including Durham Rescue Mission and Oakwood Park Renovation

Aerial View of Location

Aerial View of Proposed Site

View From the West

Frontal View

Why An Incentive is Being Proposed

- Helps offset financial gap caused by increased construction costs associated with historical rehabilitation
- Project will not be completed without proposed incentive and property would likely be sold
- It would continue to deteriorate in the interim, and likely cost more in the future to rehabilitate

How the Project Benefits Durham

- 143 rooms, advancing to goal of 700 rooms in downtown
- Upscale select service property

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- Incorporates the historical design into hotel structure; consistent with image and historical characteristic of Trinity Park neighborhood
- The hotel is being built on the McPherson Hospital site, Eye and Ear hospital constructed in 1895
- The Bull City Connector stops directly in front of the hotel
- Short drive from convention center

Job Creation and Business Development

- 31 full time benefits paying jobs with approximately 50% of those above living wage, including 8 salaried positions
- 14 part time positions
- Brings Concord closer to Durham JobLink Career Center and NCCU Hospitality Program – OEWD is facilitating contact
- OEWD will connect Concord with Durham-based businesses

Why is This Is a Good Deal for Durham Tax Payers

- At a property tax rate of .5675 per \$100, property taxes are estimated at \$640,736 over 8 years
- Occupancy tax rate of 6% and a sales tax rate of 7.5%, the hotel is projected to produce \$1.138M over 8 years in revenues to the City(based upon the city's share of each)
- Incentive at \$1.33M yields \$446,634 over 8 years
- Project cannot be done without incentive; therefore, the incentive is an investment that will yield the projected returns listed above
- Creates hospitality positions and possible business opportunities for local businesses

Mayor Bell opened the public hearing.

Mayor Pro Tempore Cole-McFadden expressed a concern about 50 percent of jobs paying below the livable wage.

Since the developer is asking for a considerable amount of dollars for this project from the City, Mayor Bell asked the developer to address wages and participation by minorities and women for this project.

Kevin Dick, with the Office of Economic and Workforce Development, responded to a question raised by Council Member Catotti regarding the expected number of guaranteed positions. He stated the anticipated number of positions would be based upon the size of the hotel.

Council Member Clement asked for clarification on the City's livable wage policy. He thought it was his understanding that the livable wage would apply to any employee group that sought work with the City government using public monies and why this item does not apply to this project.

Kevin Dick, with the Office of Economic and Workforce Development, addressed concern raised by Council Member Clement. He made comments on past incentive projects brought before the Council. He referenced whenever there has been a job creation incentive-- there is a stipulation in the policy that all jobs would be a livable wage and that is not the case with this project, nor

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has it been the case with other hotel projects that Council has agreed to incentivize in the past. He made comments on the market rate for retail, hospitality and tourism positions stating that they do not always pay a livable wage.

City Attorney Baker made comments about the livable wage ordinance.

City Manager Bonfield stated that the City contracts with many entities and they do not enforce a livable wage and addressed when the living wage is imposed.

Mayor Pro Tempore Cole-McFadden stated the question [do you plan to pay all positions a livable wage] should be asked to anybody now and in the future who is asking money from the City.

Council Member Moffitt noted he does not recall any questions being posed for incentive projects regarding the livable wage since he has been on the Council, commented that some grants through the Economic and Workforce Development Office are not tied to the livable wage. He said to make sure that all applicants pay a living wage that should be a stipulation in the policy and made clear from the beginning. He asked staff if some of the programs do not require a living wage.

Kevin Dick, with the Office and Economic and Workforce Development, responded that's correct. He made comments on the policy approved by Council in April 2011 and outlined what programs have or do not have that living wage stipulation.

Council Member Clement stated he is uncomfortable supporting this proposal excluding certain positions from a living wage.

City Manager Bonfield addressed Council Member Clement's question if it's too late to revisit proposal to see if a livable wage standard could be incorporated into this proposal.

Julia Borbely-Brown, representing the Trinity Park Neighborhood Association, spoke in support of this item. She stated this project would be a good investment for the City of Durham, the hotel will enhance the gateway into downtown Durham with an attractive building, provide jobs in an accessible location, boost business in the Main Street corridor, provide other job opportunities as well as needed hotel rooms. She urged Council to consider this project since other projects have come to Council in the past year without the livable wage criteria.

Wendy Hillis, representing Preservation Durham, spoke in favor of this project. She stated that they are convinced that this is the last chance to save this important building and outlined why this building is so important referencing its history, culture and architectural benefits. She urged Council to approve this incentive.

Attorney Kenneth Spaulding, representing the applicant, responded to some of the questions raised by Council. He noted there has not been this requirement of other hotels in this same situation. He made comments on the discussion held with the developer regarding jobs and living wage. He mentioned the importance of moving forward with this item tonight since there

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is a possibility of interest rates rising based on the economy and timing is of the essence regarding this project. He made comments on the livable wage and minority participation discussion held with the developer.

In response to questions raised by Council, Mark LaPort, CEO of Concord Hospitality, stated that this project would generate \$11 million in salaries and wages through the construction of this hotel as well as high paying jobs for many members of the community. He made comments regarding the eight full-time salaried positions and positions that would be starting below the livable wage. He referenced that many people that have been with them for years move up quickly through seniority and receiving raises overtime. He made comments regarding their focus being on benefits for their employees.

Attorney Kenneth Spaulding, representing the applicant, spoke in support of this item. He stated staff has been working through a plan that benefits the Durham city taxpayers and provides a business opportunity that plans to invest \$29.5 million in the Durham community. He thanked the Trinity Park Community for their patience and perseverance in helping this project to protect and preserve the historic character of this area and the County of Durham for assisting this effort with a grant to help secure the success of this venture. He stated this opportunity would bring numerous construction and operational jobs to the City and would enhance the City's tax base.

Victoria Peterson wanted to know if Duke is involved with this project and if not, can they be involved as well as putting some dollars into this project. Regarding minorities, she raised a concern that there are very few African Americans working on construction jobs, but other minorities are. She stated if City dollars are being used, the public should receive on-going reports stating how many of those jobs have Durham residents and sub-contractors that live in Durham.

For clarification, Mayor Bell stated if Council approves this agreement, quarterly reports are required to be made to the administration.

Linda Wilson, of Watts Street, stated the neighborhood has worked with the developers for quite some time and they are happy with the project that will be appropriate to the neighborhood in use, space and appearance. She urged Council to support this project.

Vince Taylor, representing Taylors Construction/CET, spoke about his volunteering time to teach construction skills at CET. He found out that after students graduate they do not have any hope of getting a job. He stated that he would like see when companies come to Durham asking for CDBG dollars to complete a project that they give these graduates [men and woman] a gleam of hope.

Mayor Bell closed the public hearing.

Mayor Bell stated that he shared with the City Manager that there should be a requirement [good faith effort] that developers provide opportunities for local and minority businesses to participate in construction projects when City dollars are being invested. Also, he wanted the public to

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know that he raised questions about the livable wage and minority participation in other projects, but maybe he should have done it publically.

Mayor Pro Tempore Cole-McFadden explained why she supports this project.

For clarification, Mark LaPort, the developer, responded to question raised by the Mayor Pro Tem regarding employees receiving raises. He stated that the lowest wage would be \$8 and some change, but through time and one's success on the job, they give raises.

Council Member Clement stated that he would be voting against this item due to the livable wage concern.

Council Member Schewel made comments about the City and County's investment expressing a concern about the County's investment and return on projects.

Attorney Kenneth Spaulding, representing the developer, made comments about the County's \$400,000 grant investment.

Kevin Dick responded to question raised by Council Member Schewel--what happens if this project is not approved. He reported that there would be a strong possibility that the building would be sold and deteriorate.

Council Member Schewel asked the City Manager to include an item regarding the County's investment/return on projects for discussion at a Joint City/County Meeting. Also, he explained why he would support this proposal reluctantly.

Wendy Willis responded to Council Member Moffitt's question regarding the designation/protection of structure. She replied that the structure has no historic designations or no protections.

Council Member Moffitt asked are there stipulations in the agreement that provide for protections of the existing structure and for local hiring.

Kevin Dick replied that's correct.

Council Member Moffitt stated that it would be great if all the jobs were livable wage. He noted there should be a conversation regarding the livable wage stipulation in the incentive policy for future investments.

Council Member Catotti stated that she shares the livable wage concern and suggested that the incentive policy be revisited.

MOTION by Council Member Moffitt seconded by Council Member Schewel to receive comments on the proposed economic development and historic property preservation agreement between Concord Hospitality Enterprises Company and the City of Durham; and

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To authorize the City Manager to execute an economic development and historic preservation agreement between the City of Durham and Concord Hospitality Enterprises Company for capital investment and historic property preservation of 1108 West Main Street, for a total payment amount not to exceed \$1,332,266.00 was approved at 8:52 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Catotti, Moffitt and Schewel. Noes: Council Member Clement. Excused Absence: Council Member Brown.

There being no further business to come before the City Council, the meeting was adjourned at 8:52 p.m.

Linda E. Bratcher, CMC
Deputy City Clerk

D. Ann Gray, MMC, NCCMC
City Clerk