

DURHAM CITY COUNCIL WORK SESSION
Thursday, September 5, 2013 – 1:00 p.m.
Committee Room – 2nd Floor – 101 City Hall Plaza

Present: Mayor William V. “Bill” Bell, Mayor Pro Tempore Cora Cole-McFadden and Council Members Eugene Brown, Diane Catotti and Don Moffitt. Excused Absence: Council Member Steve Schewel. Absent: Council Member Howard Clement III.

Mayor Bell called the meeting to order.

Excuse Council Member Schewel

Motion by Mayor Pro Tempore Cole-McFadden seconded by Council Member Moffitt to excuse Council Member Schewel from the September 5, 2013 work session.

The motion was approved by a vote of 5/0 at 1:03 p.m.

There were no announcements from the Council Members.

Mayor Bell asked for priority items from the City Manager, City Attorney and City Clerk.

City Manager Bonfield stated that Item #21 “Durham County Board of Health Recommendation on Municipal Water Fluoridation” is scheduled to be heard at 2:00 p.m. and Scott Barndt will not be present to speak at the meeting today.

The City Manager’s items were accepted by the council.

City Attorney Baker requested a closed session regarding attorney-client consultation pursuant to G.S. 143.318.11(a)(3).

The City Attorney’s item was accepted by the council.

There were no priority items from the City Clerk.

Council Member Moffitt requested that an item be added to the agenda: To receive comments from Jamie Hahn and Marcia McNally regarding residential parking fees for downtown residents.

Mayor Bell noted that Council Member Moffitt’s request is being added as a citizen’s matter as Item #27.

After the Mayor Bell announced each item on the printed the agenda, the following items were pulled for comments and/or discussion:

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Subject: MoveOn.org and Working People in the City of Durham

To receive comments from Lezley McDouall regarding City Ordinance #11333 “Livable Wage.”

Lezley McDouall addressed the council requesting them to take a leadership role, along with other American cities, in demonstrating that living wages are good for everyone. She said as the “Tastiest Town in the South”, Durham is in a prime position to demonstrate that service economies can be prosperous for all and asked that all of Durham workers be included in City Ordinance #11333, and that doing business in the City of Durham means paying all employees a livable wage.

Subject: Visions Counseling Studio, PLLC

To receive comments from Nanette Matthews regarding the South Side Revitalization Project.

Nanette Matthews stated her question is and has been to members of the Durham Department of Community Development in regards to South Side revitalization project; a Section 3 project - what will members of this community have to do to secure gainful employment on the site. She said she has contacted staff of Community Development and was directed to Right Build who then took several of the client’s names and other demographic information in January 2013. She stated she has not heard from anyone regarding her question and asked that some mechanism be developed that will ensure that people in that community can benefit from those HUD funds; etc. for training and employment opportunities.

Community Development Director Reginald Johnson said that Section 3 residents are defined as persons who live in the service where a HUD-assisted project is located and who have a household income that falls below HUD’s income limits which is defined as 80% or below of the area median income. In an effort to provide better oversight and to create a Section 3 plan for the Southside revitalization, Community Development is working with the Office of Economic & Workforce Development who hired a Section 3 Coordinator for a period of six months to provide outreach to the community, especially Southside and to create a database of Section 3 residents. That individual, now the Southside Outreach Coordinator continues to carry out that activity today with a listing of approximately 45 individuals in the database.

Mr. Johnson said the approved Section 3 plan for Southside states that when employment opportunities arise, the contractors are to access the Section 3 database to see if qualified individuals are available. To provide oversight for this process, HJ Russell, the general contractor for the Southside multi-family development effort entered into an agreement with Right Build International, and they have met with and continue to meet with the contractors to explain and provide oversight for the process.

Currently, there have been 20 new hires as part of the Southside redevelopment effort with five of the new hires being identified as Section 3 residents. Of the five, four of the individuals were from the Southside community. Additionally, two Section 3 residents are working on the multi-

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family site through Omega Industries (staffing firm) but do not currently reside in the Southside community. There have been other opportunities but those individuals that were contacted either did not respond or failed to attend their interview so others were hired to fill the job vacancy.

In all total, through training and employment on the Southside site, 13 Section 3 residents have been offered employment with staff being able to document that 9 of the individuals are currently employed. Of the 13, 10 were Southside residents.

Community Development Director Reginald Johnson said the project is not complete and other trades will become available that are not needed now but will be needed later. He referenced that citizens can go directly to the community center located at South and Enterprise Streets to review the data base.

Mayor Bell asked for clarification on 20 new hires and asked what are the new hires doing.

Referencing the 20 new hires, Richard Valzonis of the Community Development Department, stated so far there has been an opportunity for 20 new people to obtain employment on the site, Southside East. He noted the types of jobs were welders; electricians; carpenters; brick masons; laborers; etc.

Mayor Bell asked what was the diversity of employment on the site.

Richard Valzonis replied there is mention of the minority participation in the report that council has as supporting information. For minority participation, the SDBE goals for the Southside multi-family rental development were 20% minority participation and 10% women owned participation. Based on the August 2013 subcontractor monthly report, minority participation is currently at 30% and women participation is at 11%.

Mayor Pro Tempore Cole-McFadden asked at what time are the forms completed for Section 3 requirements pertaining to the city being in compliance.

Richard Valzonis replied it would be at the end of the project.

Community Development Director Reginald Johnson referenced the steps the city has taken to make certain the south side residents are aware of the availability of services for projects.

Mayor Pro Tempore Cole-McFadden asked the staff to meet with Ms. Matthews and share with her - providing information on what happened to the individuals that she referred and why they were not hired.

Community Development Director Reginald Johnson said he would meet with Ms. Matthews.

Mayor Bell said it was important not to set expectations to hire for persons residing in the community and he understood they would not be able to hire everybody, but the city has to be

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very proactive as much as they can to reach out to those persons in the community to afford them the opportunity at least to be considered for employment which needs to be an ongoing effort.

Council Member Moffitt said one of the things he heard that mostly everyone in the database were helpers and it was difficult to find more highly trained skilled individuals. He said the city has organizations engaging in training citizens for those skills like CET at Golden Belt. He said as part of the outreach efforts he would hope the staff is letting them know about the Section 3 database and anyone having those skills can be placed in that database. Council Member Moffitt said he was meeting with CET next week and he will check with them to see if they are aware of the program.

Community Development Director Reginald Johnson said the City of Durham used some of the federal funds to conduct a training for persons to obtain skills.

Mayor Bell said one of the contractors hired said he felt the process needed to be looked at a little bit differently because persons that he is training unfortunately have not been able to get hired.

It was also mentioned that the Angier-Driver Streetscape project was having problems assessing persons to fill jobs as well.

Subject: Residential Downtown Parking Fees

To receive comments from Jamie Hahn and Marcia McNally regarding residential downtown parking fees.

Jamie Hahn, a resident of downtown Durham, read the following letter dated August 28, 2013:

Dear Mayor Bell and City Council Members:

I am writing to express my concern about the ordinance to change parking fees in downtown Durham. The fee increases are sudden and unreasonable, and I'm disappointed that the opinions and interests of downtown residents, small property landlords, and business people were not fully considered.

I have been a resident of Durham for more than fifteen years, and I recently purchased a condo in downtown Durham. The revitalization of downtown has been incredible to watch, and I appreciate the positive change that continues to occur. However, I have several concerns about the parking fee increases and the process by which they were adopted:

- Downtown residents provided feedback and voiced objections to the proposed parking fee increase during a public meeting hosted by PAC 5 on April 11, 2013. As far as I can tell, this feedback was not provided to the City Council.

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- The ordinance is unfriendly to downtown residents. The majority of the fee increases will be shouldered by residents. Not only does this unfairly burden current residents, it could become a disincentive to potential future downtown residents.
- The two and a half month lag time between the adoption of the ordinance and the letter to the public is absurd, especially given the September 1st deadline to pay [she said she has found out that this has been extended to January 1st which they absolutely appreciate and hope the process between now and then is clear and transparent on how decisions will be made about this].
- The fee increases are still unclear, as the letter indicates certain increases, but a conversation with representatives at Lanier provided different information.

I understand that this is a time of transition for downtown Durham and that changes to parking allocation and fees are unavoidable. However, I ask that downtown residents be considered stakeholders and consulted before decisions of this magnitude are made. Also, I hope that the issue of parking fee increases in downtown will be reconsidered immediately, taking into account the interests of all downtown stakeholders.

Thank you for the opportunity to bring this to your attention.

Marcia McNally, a downtown resident, submitted a sub-sect of letters from downtown residents concerned about the new fee ordinance.

Ms. McNally said her specific concerns were noted in a letter to council dated September 2, 2013 about the public process and the due process issues. She said the draft parking study was released to the public and policy makers in March, the public read it and attended a public meeting where it was discussed in April and at which time they were told by staff that the Ninth Street constituents would also have a chance to respond because it concerns the two areas. She said the City Manager reviewed the report, Kimley-Horne would make revisions and the Transportation staff would submit the report to the council and ask for direction. Ms. McNally said at no time were they told that the staff planned to push forward with a parking fee ordinance in May, and she considered that to be a violation of what the city staff did tell them, yet the City Council voted for this cross the board parking fee increase in June without having the benefit of the findings from the parking study, in affect piece mill policy making. She said within the last few weeks they have tracked the study down and have heard it is not final and the council has never seen it. Ms. McNally said the council has to fix this problem and asked for a commitment from the council to take the following steps:

- Rescind the ordinance passed in June
- Receive the final study and announce to the public that it has been released
- Hold a public forum to discuss the parking study
- Propose policy recommendations and hold another public forum to discuss your proposals and adopt as appropriate

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Ms. McNally said obviously they are frustrated and angry at the moment; but wanted the council to remember that over the long haul that the residents are good problem solvers; they are good civic participants; they are a young neighborhood and they are now being tested. She said they were a critical component of the downtown success and the city needs to create a real space at the table for everyday residents and the small property owner.

Mayor Bell said if you are going to solve a problem, you need to first admit that you have a problem, and for him the starting point is for the residents to define for him what they considered the problem so he could understand it clearly before trying to find a solution. He said he has not seen the parking study and once he has seen it, that would be the time for him to comment on it.

Council Member Brown said more residents were needed in the downtown area to breathe life into the community. Mr. Brown asked Ms. McNally and Ms. Hahn what was the parking agreement between them and the sellers, did they not provide you with parking spaces.

Marcia McNally replied that GreenFire Development was the developer and they were told as were a lot of other people that they would be given a free parking space as a resident and all that was needed from them was to go to Lanier the company that operates the parking and provide them with addresses, fill out a form and they would receive a parking pass. She stated and that is what they have done for a long time.

Council Member Brown asked what was Lanier telling them now.

Marcia McNally said they are very friendly and helpful and they have received two different letters from them, one of the letters very confusing and the second one not as confusing.

Council Member Brown said going back to the Mayor's question, are we talking about an increase over free.

Ms. McNally replied yes, they are talking about – if you are parking in a surface lot it is \$55 or \$65 per month being proposed and if you are parking in a garage it is up to \$90.

Jamie Hahn said some people have opted instead of getting a free pass parking - to park wherever they can find a space and some people chose at the outset to have a designated space, and there is a 20% increase for that and for the people who were parking free it goes between \$0 and \$90.

Council Member Brown asked Ms. McNally and Ms. Hahn, when they bought their condos, how long was it stated they would receive a free parking space. He asked was it to go on in perpetuity, did GreenFire put that in writing or Lanier.

Ms. McNally and Ms. Hahn replied no it was not put in writing, it was verbalized and honored because they were given the parking card.

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Council Member Moffitt said in June 2013 council did pass a new fee parking ordinance and Lanier did send out a letter which everyone has acknowledged was poor communication and as a result almost all of the parking fee increase was delayed until January 2014 – at this point downtown residents have the option of getting a \$10 per month permit which allows them to park until January 1st. Looking at the memo, he said the parking study should come to council around the end of October and he would hope the public would have an opportunity to make comments on the study because downtown is not the only area where concerns have been raised about parking.

Ms. McNally said she could not speak to whether or not everyone thought they would have a free ride forever and that real estate would maintain at some flat value forever. She said some of their questions/concerns were due process issues and some of them are policy issues. She said when they went to the meeting in April a lot of the concerns had nothing to do with the cost whatsoever and they would like it all to be addressed together.

Council Member Moffitt said Council Member Brown raised some good question; however, the time for those to be addressed is when the parking study is received to carefully consider the path forward.

A resident of downtown said he would like to address Mr. Brown's question about the original agreement. He said he was a resident downtown and said when Andrew Whitmark, of Mark Realty, first began developing condominiums in the early 90's in downtown Durham, at that point he realized he could not sell them or bring residents downtown without parking. He said his understanding from Mr. Whitmark is that he went to the City and obtained an agreement from the City for downtown residents to obtain free parking and no one has questioned whether it existed in writing, parking at that time was operated by the City, granted by them and said he was not aware of a terminal date put on that.

Mayor Bell said it sounds like we have an unwritten policy which turned into a practice which people assumed it was policy. He thanked the citizens for coming and speaking and said the council has received a number of emails which have not gone unnoticed.

Mayor Pro Tempore Cole-McFadden asked if city employees have to pay to park.

City Manager Bonfield replied yes they do and the amount depends on where they park.

Council Member Brown said Duke also charges their employees to park.

Subject: Durham County Board of Health Recommendation on Municipal Water Fluoridation

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To receive a report from the Durham County Board of Health on Municipal Water Fluoridation; and

To adopt the Board of Health recommendation to continue fluoridation of Durham's municipal water supply at the current levels as deemed effective for the prevention of tooth decay and for promotion of good oral health by the US-DHHS and Centers of Disease Control and Prevention.

Gail Harris, Director of the Board of Health, said the board took the council's request very seriously and worked on it for almost a year. Also, she acknowledged board members present.

Dr. Teme Levbarg, a member of the Durham County Board of Health, addressed the council on their research for studying fluoridation of the municipal water in Durham and said their recommendation is to continue adding fluoride to the water. She referenced the public process that was held and said they listened, responded carefully, respectfully and with a lot of deliberation. She said the citizens that oppose fluoridation of the water, left them with a lot of materials to read and the board did read the information and they formed a sub-committee to dig deeper to understand of all the issues to be well educated. Dr. Levbarg said they hosted a discussion in March of 2013 on fluoride at their board meeting, specifically fluoride in the water in Durham, and she referenced the members of the panel.

The Board of Health fluoridation subcommittee met on May 24, 2013 to consider all information, research, presentations, and public comments gathered on fluoridation of municipal water supplies. Based on research evidence and literature review as well as testimony from reputable panelists and considering public comments, the ad hoc committee recommended to the Durham County Board of Health that fluoridation of Durham's Municipal water supply be continued at the current levels, as deemed effective for prevention of tooth decay and for promotion of good oral health by the US-DHHS, Centers for Disease Control and Prevention.

A regular session of the Durham County Board of Health was held on June 13, 2013. During the Committee Reports section of the agenda, Dr. F. Vincent Allison III read the above recommendation from the committee. The Board of Health voted unanimously to approve the committee's recommendation.

Mayor Bell asked if any of the persons not supporting fluoride in the water was on the committee.

Dr. Teme Levbarg said they were not on the panel but they were present. She said what they have pursued, as they do with all the decisions they make, pursue it on the on the basis of science and evidence and that is what they were asking for on March 14th rather on the basis of belief.

Health Board Director Gail Harris said while opponents to fluoride were not included on the panel they did have presentations at their September 13th board meeting where those who were

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opposed to adding fluoride listed all of their concerns and provided documentation and in the document forwarded to the City Council, they reviewed information based on the concerns they listed.

Council Member Moffitt asked what was the bias of the panel as it began its investigation.

Dr. Teme Levbarg replied science. She said actually there was a study that one of the anti-fluoride folks were pushing, a study that was actually done in Durham and they contacted the person who actually published the study and what they learned – it's the Burt Study and they were told in a letter "I do not support the conclusions reached by Mr. Sturmer. The results with respect to Cary's incidence are only in the Durham children for a short period of fluoridation non-exposure, whereas fluoridation has its best affects when children and adults are exposed continually. So I clearly cannot support the twist on our data that is being used in Durham."

Also, Board of Health Director Gail Harris said there is documentation in the report from co-author of the study saying she had no intention to preclude municipal water fluoridation and had no idea it would be perceived to be used in that manner.

Dr. Teme Levbarg said they took every one of the concerns presented to them and dug down to found out what has been said about, what has been researched about it and what seems to be the most solid evidence to support a decision one way or the other, and the decision for them was overwhelming that what we are currently doing in Durham it what we should be doing.

Board of Health Director Gail Harris also said at their March 14th meeting they had public comments prior to the panel and one of the persons in opposition to municipal fluoride spoke passionately about the subject and asked questions and during the panel discussion, board members were very deliberate in making sure they asked the questions that the young man raised because they too wanted to understand why there was such a diversion in total opposites regarding municipal fluoride.

The following citizens spoke on the item.

Katie Haberman said she was present today to recommend clean water for the City of Durham and when addressing this issue the only thing that should be looked at is the facts, the science and pushing aside personal preference and unscientific evidence would not be a logical way to move forward. She said it is a fact that the Supreme Court of Israel has recently ruled that new regulations require all fluoridation of water to end within one year – 2014. She said this is important because if the country of Israel can demand clean water then so can the City of Durham. Ms. Haberman said it is a fact that water fluoridation is neither safe nor effective, and has been shown repeatedly in hundreds of scientific studies around the world supporting this. She said numerous studies published in respected peer-reviewed journals have linked fluoride ingestion to brain damage, reduced IQ in children, reduced fertility in men and women, damage

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to the nervous system, fluorosis of the teeth and skeletal structures, thyroid disease, cardiovascular disease, and certain types of cancers. She said victims of water fluoridation policy are led to believe that a compound that does not occur in nature, called sodium fluoride, and a compound that is naturally occurring, called calcium fluoride, are one and the same. She said they are speaking about two different compounds and she does not know if that is what was researched, but it is very clear that anybody that can read - Scan look up the difference between calcium fluoride and sodium fluoride. Also, Ms. Haberman said over the past two years at least 100 cities in American have done away with water fluoridation because of the recent scientific evidence that has come out debunking this policy that has been carried forward in some areas 50 years, and said Durham should join them and provide clean water, too.

Marcus Hill addressed the council stating he was present to also recommend clean water. He said while it is obvious that the fluoridating chemicals Durham adds to the water are derived from the toxic waste of the phosphate fertilizer industry, it is probably a surprise to individuals to learn that the very sodium fluoride that is added to the water is actually considered a chemical weapon. Mr. Hill said the UK Independent and numerous respected European news outlets recently decried the laxity of security over an export license for chemicals used in the nerve-gas attacks in Syria. The chemicals named by the Independent include sodium fluoride, the very chemical weapon Durham adds to the water. He said sodium fluoride is clearly a chemical weapon if one looks at the myriad adverse health effects linked with the compound. A systematic review focused on the safety and efficacy of water fluoridation from the National Health and Research Center of Australia lists some of the greatest harms on pages 107 to 109, which include: Alzheimer's disease, impaired mental functioning, primary degenerative dementia, cognitive impairment, anemia during pregnancy, Down's Syndrome, infant mortality, sudden infant death syndrome, skeletal fluorosis, and mental retardation. He said fluoridating chemicals in the water supply, no matter who recommends them, can harm people. More than 40 studies clearly link fluoride exposure with reduced intelligence, neurodegenerative, and neurotoxic effects, and asked why would this Council put so many people at risk. Also, Mr. Hill referenced when clean water was actually a product of Durham from 1990-1991 when an 11-month moratorium on the use of fluoridating chemicals was conducted in Durham, North Carolina, and in 2000, the University of Michigan published the findings that, while incidences of cavities in children did not increase, the number of cases of dental fluorosis showed a significant drop as a result of even temporarily halting the practice of fluoridating the water.

Mayor Bell said he would like to see the Michigan Study, the 11 months the City of Durham was not fluoridating the water.

Corey Sturmer said he was present to appeal the recommendation made by the Durham Board of Health to continue drugging our water supply with a neurotoxic poison called hydrofluorosilicic acid. "Why should the recommendation be appealed?" He said because in March 2012, he appeared before the council and requested the city provide scientific evidence to substantiate the

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public claim that drinking these chemicals through our water supply prevents tooth decay. Mr. Sturmer said in response to his request, the county formed an ad-hoc committee and eventually held a hearing in March 2013, and said one can only assume the purpose of the hearing was to produce the evidence he requested otherwise what purpose does the hearing serve? During the hearing, Mr. Sturmer said they heard from 4 experts who were invited to give their expertise on the subject as if it was a substitute for the sound, scientific evidence which he had requested in the first place, instead he said they got 4 individuals who were directly affiliated with the government and admitted to being pro-fluoride and not a single expert disagreed with the City's current practice. He said in response to another citizen's appeal of this recommendation, Council Member Schewel said: "at the city council we are trying to make our decisions based on the best evidence of experts that we trust, I am not a scientist or engineer, and so I have to choose whom to trust on these issues." Mr. Sturmer said isn't it disturbing that all experts the city council blindly trust state they are biased towards the practice of mass-fluoridation, isn't it disturbing that all experts that Council Member Schewel and the council make their decision based solely on the evidence provided by their experts, but their experts did not actually provide any. This is because there is no evidence to substantiate the claim that drinking toxic waste from the fertilizer industry prevents tooth decay, and in fact the majority of the science which does exist on this subject is in direct contradiction of the recommendation made by the Board of Health. He said the whole country of Israel banned water fluoridation last month, Portland, Oregon voted not to add it to their water in May, Albuquerque, the most populous city in New Mexico voted to remove it from their water in 2012, and Graham, North Carolina, which is not too far away, voted to remove the chemical this February because of its risks. In summary, he said let me assure you all, that you do not need to rely on an ad-hoc committee of fluoride cheerleaders to make up your mind on this issue. Mr. Sturmer also presented a bottle of water containing the residue collected in his home distiller, which boils the tap water and collects all of the pure water vapor into a pitcher. He said what is left-over in the distiller is all the sediment, chemicals and medications that exist in the public water supply normally, had he not distilled the water off of it. Mr. Sturmer demanded that the City Council appeal this recommendation and immediately stop poisoning our drinking water.

Mayor Bell stated the health department has done what has been requested in terms of giving the council their opinion on this matter. He said he would also like to review some of the other information that has been presented and at the appropriate time he might have some other questions. The Mayor said he was definitely interested in having a better understanding as to why some of the major cities mentioned have decided not to use fluoride.

Council Member Brown asked what percentage of the major cities in the country are still using fluoride.

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It was stated that 96% of North Carolinians live in communities that have fluoridated water. Also, it was stated that Graham, North Carolina changed their decision after Alamance County (Mebane) voted for fluoridation and they share that water supply.

Mayor Bell thanked everyone for their comments.

Subject: Funding for Permanent Housing for Persons with Special Needs

To approve advertising the availability of the dedicated funding source fund balance and approve the application threshold requirements and evaluation criteria as set forth in the agenda memo.

The staff reported indicated in the updated multi-year funding strategy for housing and community development, up to \$1,142,172.00 is potentially available as match/gap financing for the development for permanent housing for persons with special needs. This figure includes the current dedicated funding fund balance. To provide potential applicants with sufficient time to perform due diligence and obtain required site control, the department proposes to issue applicant guidelines and instructions subject to Council's approval of the recommended threshold requirements and evaluation criteria.

The Department of Community Development recommended that the council approve advertising the availability of the dedicated funding source fund balance and approve the application threshold requirements and evaluation criteria.

Larry Jarvis, of the Community Development Department, referenced questions from Council Member Schewel which he answered.

1. Concerning the \$288,000 allocated for Housing for New Hope, how do we regard that now? The Durham Housing Authority has issued an RFQ for partners to develop a housing development that would include low-income home ownership, affordable rental housing, and housing for homeless people with special needs, and Housing for New Hope is applying to be a partner with the Housing Authority through that RFQ. If Housing for New Hope is successful in that RFQ process, I know they are interested in moving that \$288,000 allocated to them over to that project for housing for homeless people with disabilities. How does the department regard the status of that money?

Staff Response: That was a conditional award to Housing for New Hope subject to them getting the other sources of private financing by the end of June 2013 and since they did do that it will go back into the fund balance and the recommendation is that those funds be made available for someone to apply for them again. It could very well be that Housing for New Hope or some other entity that was proposing this type of housing could apply for those funds.

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2. With these criteria issued, does this essentially constitute an RFP? That is, are we now looking for groups to apply for this money according to the criteria, or is there some other process that needs to ensue? Will there be some kind of formal RFP coming forth laying out these criteria and asking for applicants and proposals? What is the next step?

Staff Response: They will issue the application guidelines and instructions in the next few weeks setting out the deadline for which organizations could submit those applications to community development which would then come back to council as a part of the annual action plan process.

3. What about the Housing Finance Agency and the results of the 2013 award process for tax credits.

Staff Response: The council has been given a background memo; the upcoming 2014 QAP process and others who did not get results in 2013 might weigh in and try to influence the 2013 QAP. Also, he referenced the initial comment letter signed by the Mayor.

Council Member Catotti said Council Member Schewel noted that these are excellent criteria, and a good explanation of the difficulty of the dollar for dollar match situation and he really liked this plan a lot and thanked the Community Development Department for it.

Mayor Pro Tempore Cole-McFadden asked how would the availability of the funds be advertised.

Larry Jarvis said typically they will have an advertisement in the Herald Sun; Carolina Times; send out by way of listserv, and most of the organizations that typically applied for funds from the department are on that listserv and it will also be posted on the city's website.

Mayor Pro Tempore asked if that included organizations serving veterans.

Larry Jarvis replied yes.

Subject: Contract with the North Carolina Institute for Minority Economic Development of Durham, North Carolina

To authorize the City Manager to execute a contract with the North Carolina Institute for Minority Economic Development for September 1, 2013 to August 31, 2014 to provide project management services for the Telecommunications and Energy Jobs Training Pilot Demonstration Grant.

The staff report indicated that on June 14, 2013, OEWD received a Notice of Fund Availability from the N. C. Department of Commerce Division of Workforce Solutions in the amount of \$162,356.00. This grant is provided in Workforce Investment Act funds to support the Telecommunications and Energy Jobs Training Pilot Demonstration Grant that was submitted by

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OEWD. Specifically, these funds will be utilized to engage 50 Durham residents in a comprehensive jobs training program that will address specific training needs by addressing barriers to employment for under/unemployed individuals; recruiting; screening, and enrolling individuals into an occupational skills classroom training course; providing intermediary employment support through subsidized on-the-job training opportunities; and creating linkages with targeted industries to strongly consider hiring graduates of the program through the use of local networks.

Council Member Brown asked when the contract is over, would the city have paid them over \$3.1 million.

OEWD Director Kevin Dick replied yes that is correct since 2010.

Council Member Brown asked how many dislocated workers have been employed.

OEWD Director Kevin Dick said the numerical amounts he needed to review to get that information. He said they based the contract on the percentage of people that come into the program and leave the program during a given period of time. He said the percentage of those people who actually find employment is how the contractor's performance is measured and he would get the specific amounts of people per year to the council, but again it is not a sub-sect of everyone they serve, a sub-sect of people that come in and exit over a period of time.

Council Member Brown also requested information on the number of individuals still employed. He said this contract was a lot of money and council needed to make certain that this firm is doing the job for Durham.

Also, Kevin Dick stated General Management Solutions has no direct connection regarding this item and commented on their role in the community.

Kevin Dick said they would revise the agenda memo to answer the questions raised by Council Member Brown.

Subject: Durham County Tax Administration Annual Tax Settlement

To receive a presentation from the Tax Collector on the tax settlement for FY 2013.

Durham County Tax Administrator Kimberly Simpson presented a power point presentation on this item.

Per N. C. General Statute 105-373 the Tax Collector must make a report of settlement for the fiscal Year 2012-2013 and prior years. The Tax Collector has delivered a list of persons owing taxes to the Clerk to the Board of County Commissioners.

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Tax Administrator Kimberly Simpson presented a power point presentation commenting on the following:

- 2012 City Levy
- Total City Levy (Total Billed - \$135,058,514.28) (Actual Collections - \$133,481,375.18) (Percent Collected – 98.83%)
- How Durham City ranks with other cities
- 2012 County Levy
- Total County Levy (Total Billed - \$230,429,506.90) (Actual Collections - \$227,946,536.67) (% Collected - 98.92%)
- How Durham County ranks in the top ten counties

The council thanked Ms. Simpson for the positive report.

Subject: Development Agreement with The Blackwell Street Management Company for the Construction of a Wrapper Building Adjacent to Durham Performing Arts Center

To adopt a Capital Improvement Plan Ordinance for the Durham Performing Arts Center;

To adopt a Resolution requesting the release of certain premises related to an installment purchase contract and authorizing the execution and delivery of a notice of extension to the deed of trust related thereto in order to extend the lien to additional property;

To authorize the City Manager to execute a development agreement with The Blackwell Street Management Company for the Wrapper Building adjacent to the Durham Performing Arts Center and DPAC amenities;

To authorize the City Manager to execute the project property conveyance required pursuant to the development agreement with Blackwell Street Management Company including the New Dumpster Easement, Mechanical Equipment Easement, One Building Agreement, Easement for Cross Access, Easement for Footings, Easement for Utilities, Temporary Construction Easement, and the Air Rights Easements;

To authorize the City Manager to execute the purchase contract with Hotel Commercial, LLC, for the condominium unit consisting of 942 square feet on the second floor of the Wrapper Building in an amount of \$641,338.00 pursuant to the terms and conditions outlined in the development agreement; and

To authorize the City Manager to execute the lease agreement with Hotel Commercial, LLC for the DPAC President's Club (lounge) consisting of 4,024 square feet, on the first and second floor of Wrapper Building, for \$9,054.00 per month, for the initial term of 7 years with options to renew up to an additional 22 years, pursuant to the terms and conditions outlined in the development agreement.

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The staff reported indicated that at the time of construction of the Durham Performing Arts Center, it was contemplated that future development would occur on the property surrounding the DPAC. Blackwell Street Management Company, LLC (“Blackwell”) proposes to construct a mixed-used development that will “wrap” around part of the DPAC and East Parking Deck, known as the “Wrapper Building”. The “Wrapper Building” will be comprised of approximately 90,000 square feet of commercial hotel space and approximately 7,500 square feet of retail and commercial space. As part of the proposed development, Blackwell proposes to construct additional restroom facilities for the DPAC and construct a DPAC President’s Club directly accessible from the 2nd floor of the DPAC, known as “DPAC amenities”. The City would purchase the restroom facilities (942 SF) as a condominium, in the wrapper building, in the amount of \$641,338.00. The City would lease the President’s Club lounge (4,024 SF) for the initial base rent amount of \$9,054.00 per month for the initial term of 9 years, with options for renewal for additional 22 years. The DPAC operator will be responsible all costs associated with the lease through the DPAC Operating Agreement. The lease term plus options for renewal coincides with the recently approved term of the DPAC operator agreement. As part of the development agreement, and in order to enable the construction on the site as planned, several real estate transactions must occur wherein the City and Blackwell agree to project property conveyances. The project property conveyances includes: a new dumpster easement, a mechanical equipment easement, one building agreement, easement for cross access, easement for footings, easement for utilities, temporary construction easement and air rights. These easements are required to effectuate the development of the Wrapper Building and DPAC amenities, described above and further ensure that each party’s use and operations and future use are appropriately addressed.

General Services Director Joel Reitzer provided a power point presentation on this item commenting on the following topics:

- New aloft hotel
- View of President’s Club Lounge and DPAC Entry Plaza
- Agreements (development agreement-roadmap for DPAC Wrapper development & DPAC amenities)
- Lease Agreement – President’s Club Lounge
- Condominium Purchase-Additional restrooms
- Various property conveyances and one building agreement
- Development agreement with Blackwell (102,000 square feet of improvements; hotel 134 rooms; retail; new elevator attached to East Parking Deck; President’s Club Lounge and additional restrooms)
- Development site plan
- Overview of DPAC amenities
- Public /Private Investment
- Existing President’s Club Lounge
- President’s Club Lounge Lease
- New Restrooms for DPAC
- Restroom Condominium Purchase

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- Property Conveyances
 - DPAC Annual Cash Flow Analysis
 - Funding
1. Upfront costs of \$641,338 associated with one time condo purchase for restrooms and \$200,000 in FFE for President's Club Lounge funded from revenues accumulated in DPAC facility fund
 2. Lease fees will run through DPAC operator
 3. As if June 30, 2013 – fund balance of approximately \$3.4 million
 4. All revenues and expenses associated with new DPAC amenities considered as operating revenues/expenses of operator and subject to newly updated revenue sharing provision of the operating agreement

Bob Klaus, General Manager of the DPAC, commented on the president's club projections.

Discussion was held on the amount of green space that will remain and the cash flow analysis.

Mayor Bell said this was a great addition and felt it would really enhance, not only the DPAC, but the whole issue of hotel rooms in the downtown area.

Subject: FY 12-13 Fourth Quarter Financial Report

To receive the FY 12-13 Fourth Quarter 2013 Financial Report.

The administration presented a power point presentation on the fourth quarter financial report for FY 2012-13. The report is based on twelve months of financial information.

Summary Results: Departmental expenditures projected to be under budget by approximately \$5.5 million; all departments projected to be within budget; revenue shortfall of \$2.3 million; and other financing sources – appropriation from fund balance budgeted at \$3.5 million – actual required projected at \$0.3 million (savings \$3.3 million).

Settling the Agenda – September 16, 2013

City Manager Bonfield referenced the following items for the September 16, 2013 City Council agenda: Consent Items 1 – 17; GBA Item 20 and Public Hearings Items 22 and 23.

Council Member Moffitt asked what happened with Item #21 (Durham County Board of Health Report on Fluoridation).

City Manager Bonfield said agenda Item 21 was presentation/report.

Council Member Catotti responded to adopt the report.

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Council Member Moffitt replied so no action by council.

Council Member Catotti said she reviewed the handouts some of the opponents provided and some talk about fluorine and some talk about fluoride and said it would be good to have maybe just a reminder of what the city puts in the water. She said the presentation from the health board had a lot of research contained in it and she did not see any research presented by the opponents.

Council Member Brown said they mentioned the Michigan study that the Mayor asked for.

Mayor Bell said I heard them say that for 11 months during a certain period of time the City did not fluoride our water and he thought he heard the opponents say the Michigan study showed a drop in....., he said he would like to understand why the city stopped putting fluoride in the water and what happened.

Motion by Council Member Catotti seconded by Mayor Pro Tempore Cole-McFadden to approve the September 16, 2013 City Council agenda as stated by the City Manager.

The motion was approved by a vote of 5/0 at 3:25 p.m.

Closed Session – 3:30 p.m.

Motion by Council Member Moffitt seconded by Council Member Catotti to hold a closed session for attorney-client consultation, pursuant to G. S. 143.318.11(a)(3).

The motion was approved by a vote of 5/0 at 3:30 p.m.

City Clerk Gray was excused from the closed session discussion.

D. Ann Gray, MMC, NCCMC
City Clerk