

DURHAM CITY COUNCIL WORK SESSION
Thursday - March 10, 2016 @ 1:00 p.m.
2nd Floor Committee Room – 101 City Hall Plaza

Present: Mayor William V. “Bill” Bell, Mayor Pro Tempore Cora Cole-McFadden and Council Members Eddie Davis, Jillian Johnson, Don Moffitt, Charlie Reece and Steve Schewel. Absent: None.

Also present: Deputy City Manager Wanda Page, City Attorney Patrick Baker and City Clerk D. Ann Gray.

Mayor Bell called the meeting to order welcoming all in attendance.

Mayor Bell recommended that the City Council hold a special meeting in the very near future to discuss affordable housing.

The Mayor and Mayor Pro Tempore stated they would be departing the work session early to attend a campaign rally by Democratic presidential candidate Hillary Clinton at Hillside High School.

Mayor Pro Tempore Cole-McFadden announced that the Holiday Parade Committee met and suggested having the holiday parade on December 10th at 10 a.m.; the route being staged at the Human Services Building; proceeding on Main Street to Roxboro; merging onto Morgan; then right onto Foster; ending at the ballpark.

Council Member Moffitt referenced several entities that needed to be involved in the process of having a Holiday Parade.

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

Deputy City Manager Page referenced the following items:

- Agenda Item #27 – Gloria De Los Santos – supplemental item added
- Agenda Item #29 – Resolution in Support of the Right of Non-Tenure Track Faculty at Duke University – supplemental item added

The Council accepted the priority items from the Deputy City Manager.

There were no priority items from the City Attorney and City Clerk.

After the Mayor announced each item on the printed agenda, the following items were pulled for comments; further discussion and/or action by the Council:

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SUBJECT: RESOLUTION IN SUPPORT OF NON-TENURE TRACK FACULTY AT DUKE UNIVERSITY

MOTION by Council Member Schewel seconded by Council Member Reece to suspend the rules of the City Council and take action on the resolution was approved at 1:16 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Davis, Johnson, Moffitt, Reece and Schewel. Noes: None. Absent: None.

MOTION by Council Member Schewel seconded by Council Member Reece to adopt a Resolution In Support of the Right of Non-Tenure Track Faculty at Duke University to Form a Labor Union and Bargain Collectively was approved at 1:16 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Davis, Johnson, Moffitt, Reece and Schewel. Noes: None. Absent: None.

RESOLUTION #9961

SUBJECT: HARVEY ANN GOODWIN

To receive comments from Harvey Ann Goodwin regarding her property and Clairmont at Hillandale North.

Ms. Harvey Ann Goodwin addressed the Council regarding the construction of the Clairmont Apartments at Hillandale North; and stated she was not given notice of the apartments which are located directly behind her residence. Also, Ms. Goodwin referenced the rezoning of the property Zoning Case P02-50 (American Cancer Society – Hope Lodge; Bertland Avenue East of Hillandale) approved October 21, 2002; and stated she was not notified of the public hearing.

Mayor Bell asked Ms. Goodwin to leave her handouts with the City Clerk.

SUBJECT: JOHN HAYWOOD

To receive comments from John Haywood regarding a request from the residents of Cornwall Road to replace, at their expense, the 30-inch gravel street border installed by the City in December 2015 with sod.

Speaking on behalf of the residents of Cornwall Road, Mr. Haywood asked the Council to give consideration, at the residents' expense, to replace a 30-inch gravel street border installed by the City in December 2015. He stated a section of the street failed last year due road ponding; and stated an additional part of the street was extremely steep which prevented proper drainage. Mr. Haywood stated the only permanent resolution to preserving the street and their property values was to allow the restoration of a resident provided maintained vegetation along the street. Mr. Haywood stated he had left messages with the Public Works Director regarding the matter.

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Deputy City Manager Wanda Page referenced the response from the Public Works Director; which was made available as part of the agenda item.

Public Works Director Marvin Williams referenced the staff employee who had been in contact with Mr. Haywood; stated if Mr. Haywood wanted to restore the area with vegetation on the side, a process needed to be followed; right-of-way improvement thru the Public Works Department; submitting plans for review which they would approve. He noted in his memo dated February 29, 2016 they were not in agreement with placement of any irrigation system within the shoulder of the roadway.

Mayor Bell suggested that the Public Works Director share the department's response dated February 29th with Mr. Haywood; also meeting to see if the matter could be resolved; and if a resolution was not reached, coming back before the Council providing a status report.

Mr. Haywood referenced the upcoming spring and summer rains they would be coming furthering the erosion.

Mayor Bell encouraged Mr. Haywood to review the recommendation in writing and sitting down with the public works staff to see if an agreement could be reached; and if not bringing the item back to the Council.

SUBJECT: GLORIA DE LOS SANTOS

To receive comments from Melvin Whitley regarding the Medicaid Expansion Resolution.

On behalf of Gloria De Los Santos, Melvin Whitley provided the Council with a Resolution Regarding Expanding Medicaid in North Carolina. Mr. Whitley referenced how Medicaid expansion would benefit Durham County residents; and asked the Council to approve the Resolution.

Pertaining to the second paragraph in the Resolution, Mr. Whitley stated he was unsure of the notation "33,600 low-income people in Durham County would be guaranteed health coverage" if Medicaid expansion was approved.

The Council thanked Gloria De Los Santos and Melvin Whitley for the resolution; and suggested paragraph 2 to read as follows "expanding Medicaid would extend guaranteed health coverage to thousands of low-income people in Durham County."

MOTION by Council Member Schewel seconded by Mayor Pro Tempore Cole-McFadden to suspend the rules of the Council and take action on the Resolution was approved at 1:37 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Davis, Johnson, Moffitt, Reece and Schewel. Noes: None. Absent: None.

MOTION by Council Member Moffitt seconded by Council Member Schewel to adopt a Resolution Regarding Expansion of Medicaid was approved at 1:37 p.m. by the following vote:

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Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Davis, Johnson, Moffitt, Reece and Schewel. Noes: None. Absent: None.

RESOLUTION #9962

**SUBJECT: DEPENDENT ELIGIBILITY VERIFICATION PERFORMANCE AUDIT
DECEMBER 2015**

The staff report noted that the Department of Audit Services completed the report on the Dependent Eligibility Verification Performance Audit dated December 2015; and the purpose of the audit was to verify that dependents enrolled for health and dental benefits through the City were eligible for coverage.

The administration recommended that the Council receive and accept the Dependent Eligibility Verification Performance Audit dated December 2015 which was approved at the January 25, 2016 Audit Services Oversight Committee meeting.

Due to the fact that only 10 people were found to be ineligible and this was the first audit on the subject matter, Council Member Johnson raised concern with Recommendation 2 pertaining to checking eligibility of all dependents enrolled in the city's medical benefits during each annual benefits enrollment period starting with FY2017. She stated she was concerned it would cost more to audit every year than it would cost in the benefits being paid.

Audit Services Director Germaine Brewington stated Council Member Johnson's concern was discussed; referenced the rationale for the number being so low of ineligible dependents discovered; stated the executive team was of the opinion that the audit should be conducted every year having a sampling of about 50% of persons enrolled in health care; and stated she concurred. Ms. Brewington stated the results of the audit were very favorable due to all of the upfront work that was done.

Deputy City Manager Page also spoke on the audit being conducted yearly on a sample basis.

**SUBJECT: FY2015-16 AMENDMENTS TO THE BUDGET ORDINANCE, GRANT
PROJECT ORDINANCES AND A GRANT RESOLUTION**

The staff noted in the course of the fiscal year, certain adjustments to the operating budget ordinance are necessary; and this is the third such amendments for FY2015-16. The primary purpose of the amendment is to account for the sale of the North Parking Garage which was approved by City Council at the February 15, 2016 meeting. In addition to the amendment, the item includes some other minor technical corrections, grant project ordinance amendments, and a grant resolution.

Regarding the Grant Project Ordinance for High Intensity Drug Trafficking Areas, Council Member Johnson stated because of the mass incarceration of people in the country driven by

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misguided national drug control and enforcement policies; and persons impacted by the policies are disproportionately black and brown people; she stated a reduction in drug enforcement activity was needed in Durham and moving toward a public health model to deal with drug addiction in the community. Council Member Johnson stated she would like the City to evaluate whether continuing to accept drug enforcement monies was moving the Durham community in a positive direction.

Deputy City Manager Page stated she would ensure that Council Member Johnson's comments were duly noted.

The administration will provide additional information on what the grant money would be used for prior to the March 21st City Council Meeting.

SUBJECT: SITE PREPARATION AND PUBLIC IMPROVEMENTS AGREEMENT WITH MCCORMACK BARON SALAZAR DEVELOPMENT, INC. FOR SITE PREPARATION AND INFRASTRUCTURE ACTIVITIES IN SOUTHSIDE EAST PHASE II

The staff report indicated that on November 1, 2015, the City along with McCormack Baron Salazar Development issued a bid package for the site preparation and infrastructure improvements for the second phase of development for the Lofts at Southside. The improvements will support the construction of 85 rental units with 58 of the units being made available to households earning 60% or below of the area median income.

The Department of Community Development recommended that City Council:

- Authorize the expenditure of up to \$1,700,108.00 in Community Development Block Grant funds for site preparation and infrastructure activities,
- Authorize the expenditure of \$1,767,755.00 in Housing Bond Program Income funds for site preparation and infrastructure activities,
- Authorize the expenditure of \$991,866.00 from the Dedicated Housing Fund for site preparation and infrastructure activities,
- Authorize the City Manager to execute a Community Development Block Grant Agreement with McCormack Baron Salazar, Inc. in an amount up to \$1,700,108.00,
- Authorize the City Manager to execute a Housing Bond Program Income Grant Agreement with McCormack Baron Salazar, Inc. in an amount up to \$1,767,755.00,
- Authorize the City Manager to execute a Dedicated Housing Fund Grant Agreement with McCormack Baron Salazar, Inc. in an amount up to \$991,866.00,
- Establish within the Dedicated Housing Fund amount of \$991,866.00, a contingency fund in the amount of \$525,000.00;
- Authorize the City Manager to negotiate change orders provided that the cost of all change orders does not exceed \$525,000.00 and the total amount of the project costs do not exceed \$4,459,729.00; and
- Adopt an ordinance amending the General Capital Improvement Project Ordinance, Fiscal Year 2015-2016, as amended, the same being Ordinance # 14778 for the purpose of adding fund.

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Council Member Reece referenced the total cost of the Southside Phase II Project being just in excess of \$4.4 million; and stated that was about \$52,000 per unit for the 85 units that would be constructed.

Community Development Director Reginald Johnson defined infrastructure costs; vacant land that does not have water and sewer that needs to be put in; new streets; and preparing the land for construction. He stated the City used federal dollars to prepare the land so the contractor could make a successful project.

Mayor Bell referenced the condition of the property when acquired; and the steps the City had to undertake to actually build on it before construction.

**SUBJECT: DEPARTMENT OF WATER MANAGEMENT MIST LAKE FACILITY
EXPANSION PROGRAM – HEERY INTERNATIONAL, INC.**

The staff report noted that in September 2015, the Department of Water Management in conjunction with the General Services Department issued a Request for Qualifications for Professional Consulting Services for Mist Lake Facility Expansion project. The Department will be relocating the Water & Sewer Maintenance Division from the Public Works Operations Center to the Mist Lake Facility and constructing a new laboratory facility at the South Durham Water Reclamation Facility.

The Department of Water Management recommended that the City Council authorize the City Manager to execute a contract with Heery International not to exceed \$2,360,000.00 for the Department of Water Management Mist Lake Facility Program management augmentation services; establish a contingency fund for the contract not to exceed \$250,000.00; and authorize the City Manager to negotiate change orders for the contract provided that the cost of all change orders do not exceed \$250,000.00 and the total project cost of \$2,610,000.00.

At the request of Council Member Reece, Assistant Director of General Services Jina Propst; commented on the Mist Lake Master Plan presentation presented at the October 22, 2015 work session; and stated it was an overall review of the project with no specific action taken by the Council.

Jerry Morrone of the General Services Department stated that the master plan had been developed/finalized and stated the design would occur during the CMAR stage.

Deputy City Manager Bo Ferguson also noted that last year the Council saw the concept plans of how the new facility would appear on the site; and stated there was no formal adoption; just direction to proceed; and the item before the Council today was the next step. He stated there would be future opportunities for the Council to see more detail design as the process moved forward.

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SUBJECT: ACQUISITION OF DURHAM CONVENTION AND VISITORS FACILITY

The staff report noted that the Department of Water Management and General Services completed an evaluation of the Durham Convention and Visitors Bureau facility for the potential use by DWM Customer Billing Services division. As of December 31, 2015, DCVB moved to Main Street and the site at 101 East Morgan Street is currently vacant. The site would provide ease of access to water account customers and free up space within City Hall for additional programming.

The administration recommended that the City Council authorize the City Manager and the General Services Department to negotiate with Durham County for the purchase of the Durham Convention and Visitors Bureau site.

Council Member Johnson stated acquiring the building was a great idea for the City; however, inquired why would it cost \$1.7 to \$2.3 million to expand/remodel the building.

Assistant Director of General Services Jina Propst stated they were exploring having discussions with the County about the vacant property; referenced their work with Heery to develop potential options to accommodate the billing functions for water management; and stated the up-fit they currently had for the modifications for the expansion came from the consultant.

Jerry Morrone, of Water Management, referenced the location would allow for parking for people who need to pay their water bills; and stated the current parking near City Hall was limited.

Deputy City Manager Bo Ferguson stated there was no dedicated parking at the present near City Hall; the current space in City Hall for the staff was smaller than the city standard; plus there would be more space for the public, lobby area; and restrooms. He stated it would not be a doubling of space for the staff, but improved space for the public.

Martha Ziegler, of Water Department, noted also they needed to include the cashiers.

Council Member Reece inquired if proximity to City Hall was necessary for the particular service.

Deputy City Manager Ferguson stated the function could go in a number of places around the City; however, they wanted to ensure access to the location by transit and by vehicles; noted transit was critical; walk-in customers are generally lower-income, they sometime need to setup payment plans; persons who need to enact with staff in person; and the staff was very mindful in trying to make this as convenient and accessible location as possible for the needed citizenry.

Council Member Moffitt referenced emails received from persons about the location; noted one person suggested utilizing Northgate Mall; and stated since the City was in the process of fast tracking the new parking deck with retail, suggested the parking deck site might do well for the use being discussed.

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Deputy City Manager Ferguson stated they considered the deck with pros and cons; agreed it was viable, stated the purchase of the DCVB building was not considered to be long term permanent; noted the purchase of the building would give the City an opportunity to control a gateway for future development; noted if the City utilized space in the deck, they would be paying a much higher premium for those spaces than the building; noted the schematic of the garage was at 15,000 square feet of office or retail space; and noted water management would need about 8,500 square feet.

Mayor Pro Tempore Cole-McFadden and Council Member Davis voiced support for the purchase of the DCVB facility space as recommended.

SUBJECT: REVISED ORDINANCE TO PROMOTE EQUAL BUSINESS OPPORTUNITIES IN CITY CONTRACTING

The staff report noted that Griffin & Strong of Atlanta, Georgia completed a Disparity Study for the City of Durham and Durham County in December 2014. The administration was charged with conducting a thorough review of the Disparity Study analysis and each recommendation and developing an implementation strategy. The first step is implementation of the recommendations necessitated revisions to the current Ordinance to Promote Equal Business Opportunities in City Contracting.

The Department of Equal Opportunity/Equity Assurance recommended that the City Council adopt an ordinance to revise the Equal Business Opportunity Program; and approve the minority and women business participating goals.

Council Member Johnson inquired about the diversity of firms that did not qualify as minority firms; which the EO/EA Director Deborah Giles spoke to and referenced legal implications currently in place.

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A 2ND NOTICE OF EXTENSION TO THE DPAC DEED OF TRUST TO EXTEND THE LIEN TO ADDITIONAL PREMISES

The staff report noted that on September 16, 2013, the City Council authorized the City Manager to execute a development agreement with Blackwell Street Management and its affiliates for the development and construction of the Diamond View Hotel Condominium to be constructed adjacent to, and connecting to the Durham Performing Arts Centers. According to the terms of the Development Agreement, the project required a certain minimum private investment from the Developer in exchange for certain public investments in the project, which required the conveyance of certain real property rights between the parties.

The staff recommended adopting a Resolution authorizing the execution and delivery of a second notice of extension to the deed of trust to additional property and execution of a collateral

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assignment of lease; and authorizing the City Manager to execute a collateral assignment of lease in the DPAC Club Unit to U. S. Bank National Association.

At the request of Council Member Reece, Senior Assistant City Attorney Fred Lamar provided background information on the purpose of the item; explained the City agreeing to pay for public improvements which included the restroom unit of the condo unit which would be utilized by the DPAC facility; and stated there was a need for additional restroom space at the DPAC; which provided the City an opportunity to enter into a public-private partnership agreement.

**SUBJECT: SMALL SCALE RESIDENTIAL STORMWATER CONTROL MEASURES
IN DURHAM - CONTRACT WITH BIOHABITATS, INC.**

The staff report noted that requests for qualifications were solicited for professional services for the implementation of small-scale, green infrastructure-type, stormwater control measures in residential neighborhoods throughout the City. Four responses were received; and the staff recommended that the City Manager be authorized to execute a contract with Biohabitats, Inc. for the implementation of small scale residential stormwater control measures in the amount of \$132,882.00; establish a contingency fund in the amount of \$13,288.00; and authorize the City Manager to negotiate change orders provided that the cost of all change orders and the contract do not exceed the total project cost of \$146,170.00.

Mayor Pro Tempore Cole-McFadden inquired about the staff's recommendation to contract with a firm from Raleigh vs. contracting with a Durham company; such as Durham Soil and Water Conservation.

Lance Fontaine, of the Public Works Department, noted the process for a RFQ; stated Durham Soil and Water did provide a proposal and referenced their proposal did not address what the city contract needed.

It was also noted that a meeting would take place with Durham Soil and Water and other unsuccessful proposals submitted to discuss how their proposal were ranked and the issues associated with their proposals.

**SUBJECT: PRESENTATION ON AFFORDABLE HOUSING GOALS PREPARED BY
ENTERPRISE COMMUNITY PARTNERS, INC.**

The staff report noted that on September 1, 2015, the City of Durham entered into a contract with Enterprise Community Partners, Inc. to provide consulting and technical assistance engagement services. One of the major tasks to be undertaken by Enterprise was the creation of proposed affordable housing goals and strategies for Durham. Goals were created for both the Department of Community Development and citywide. Based on City Council's feedback on the City of Durham's affordable housing goals presentation, the staff will prepare recommendations for Council approval.

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The Department of Community Development recommended that the City Council receive a presentation from Enterprise Community Partners, Inc. concerning the City of Durham affordable housing goals.

Community Development Director Reginald Johnson introduced the item; stated the presentation scheduled today consisted of several months of work revolving around the range of affordable housing goals and options to pursue for creating affordable housing in Durham.

Mayor Pro Tempore Cole-McFadden recognized the following citizen for comments prior to the presentation:

Christine Westfall, of Coalition for Affordable Housing and Transit, referenced a letter they had shared with the Council containing recommendations which they felt dovetailed with the Enterprise report; stated their committee was ready to present the City with some planning tools to incentivize developers to build affordable housing in the compact neighborhood tier; and it had been shared with the School of Government. She stated the tools would only be effective if implemented before densities are increased in the compact neighborhood tier; and asked the City to consider suspending any decisions on making comprehensive plan amendments to the compact neighborhood tier allowing a chance to review and implement some of the tools.

Mayor Pro Tempore Cole-McFadden suggested that Ms. Westfall share with the Community Development Department her organization's recommendations.

Karen Lado, of Enterprise Community Partners, presented seven goals for affordable housing to be considered by the Department of Community Development; and estimated it could take \$47.8 million to implement the first seven goals to meet the city's five-year subsidy targets:

- Produce affordable rental housing to meet highest need populations, particularly households at or below 50% AMI
- Strengthen the homelessness housing system
- Preserve existing affordable rental housing serving households at or below 50% AMI
- Preserve affordable homeownership serving in appreciating neighborhoods
- Expand homeownership for low-income households citywide
- Finish Southside redevelopment
- Launch a new neighborhood initiative focused on a subarea to be defined of Northeast Central Durham

Ms. Lado also presented four additional City goals:

- Increase resources for affordable housing and neighborhood revitalization
- Develop a closer alignment with the Durham Housing Authority
- Leverage public resources to build an inclusive downtown
- Explore the possibility of incorporating an enhanced density bonus as part of compact design districts

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In addition, the consultant provided supporting documents as follows: City of Durham Housing Profile; Strategies for Affordable Housing Development, Preservation and Neighborhood Revitalization; Estimate of City Subsidy Required for housing goals; Analysis of federally and locally-subsidized affordable housing; and Durham Downtown Rental Housing Subsidy Program draft program guidelines.

Council Member Moffitt referenced restructuring the Community Development Department being between the director and city manager.

Council Member Reece stated the City needed to be realistic about affordability in Durham and the ability to place resources behind it; he thought the options provided were achievable and helped further the goal of keeping Durham affordable for working families; stated the City was going to continue to experience growth, going to continue to experience additional real estate development in the City that was not an affordable nature; and stated there was need to fund the goals or some version of them in as vigorous a manner as possible.

Council Member Davis inquired about models of small groups of people forming co-ops not to purchase homes to flip.

Council Member Schewel comments were centered around how the city partners with developers to create affordable housing; referenced the recent approval of Briar Green and inquired if there were ways the City could act to incentivize more of that; asked if capacity building was anything more than staff; referenced the inability of utilizing DHA vouchers because landlords aren't accepting them; and referenced mini-grants to people due to property tax valuations going up significantly.

The City Council thanked the consultant for the report.

Settling the Agenda – March 21, 2016 City Council Meeting

Deputy City Manager Page announced the following items for the March 21, 2016 City Council meeting agenda: Consent Items 1-19; and Item 28; and Public Hearings Items 21 thru 24.

MOTION by Council Member Reece seconded by Council Member Davis to settle the agenda for the March 21st Council Meeting as stated by the Deputy City Manager was approved at 4:20 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Davis, Johnson, Moffitt, Reece and Schewel. Noes: None.

There being no further business to come before the Council, the meeting was adjourned at 4:20 p.m.

D. Ann Gray, MMC, NCCMC
City Clerk