

The Washington City Council met in a continued meeting on Monday, February 26, 2007 at 4:30 p.m. in the Council Chambers at the Municipal Building. Present were: Judy Jennette, Mayor; Darwin Woolard, Mayor Pro tem; Richard Brooks, Councilman; Ed Gibson, Councilman; Archie Jennings, Councilman; Mickey Gahagan, Councilman; James C. Smith, City Manager; Rita A. Thompson, City Clerk; and Franz Holscher, City Attorney.

Planning Board members present were: John Tate, Jim Nance, Jane Alligood, Dan McNeil, and Steve Moler.

Also present were: Carol Williams, Finance Director; Allen Lewis, Public Works Director; Jimmy Davis, Fire Chief; Gerald Galloway, Interim Police Chief; Susan Hodges, Human Resources Director; Joey Toler, DWOW Director; and Mike Voss, of the Washington Daily News.

Mayor Jennette called the meeting to order, and Councilman Gibson delivered the invocation.

APPROVAL/AMENDMENTS TO AGENDA

Mayor Jennette asked that an item 2. Carver Machine Works Agreement be added.

On motion of Councilman Gibson, seconded by Councilman Brooks, Council unanimously approved the agenda, as amended.

ADOPT RESOLUTION AUTHORIZING EXCHANGE OF PROPERTY (MOSS PROPERTY)

Councilman Jennings expressed his concern that Council had charged the Planning Board to determine any and all appropriate uses of the Evans property, but some restrictions are still left in the Moss agreement.

Councilman Gibson moved to adopt the Resolution authorizing exchange of property (Moss Property). Mayor Pro tem Woolard seconded the motion. Councilman Jennings voted no. –Motion carried by majority vote.

RESOLUTION AUTHORIZING EXCHANGE OF PROPERTY

WHEREAS, at its meeting on the 22nd day of January, 2007, the City Council of the City of Washington adopted a resolution stating its intent to consider the exchange of certain real property of the City for certain other real property; and

WHEREAS, public notice of the intent of the City of Washington and of the time and place of the meeting was published on the 15th day of February, 2007, as required by law; and

WHEREAS, at its regular meeting on the 26th day of February, 2007, the City of Washington considered the exchange of property, and heard from all interested persons who appeared and expressed a desire to be heard; and

WHEREAS, the City of Washington has determined that the City will receive a full and fair consideration for its property in the exchange;

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Washington, that;

1. The Mayor and City Clerk are hereby authorized to execute such deeds and other necessary documents in order to effect an exchange of real property of the City of Washington described below for the real property of Moss Property Partners, L.L.C., described below, and to deliver and receive

appropriate deeds and other necessary documents in order to effect an exchange of real property, as follows:

Property of the City of Washington to be conveyed to Moss Property Partners, L.L.C. is hereby described in "Exhibit A".

Property of Moss Property Partners, L.L.C. to be conveyed to the City of Washington is hereby described in "Exhibit B".

2. Upon Motion by Councilman Gibson, seconded by Councilman Woolard, the forgoing Resolution received 4 ayes and 1 nay. Councilman Jennings voted no.

Adopted this 26th day of February, 2007.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

**PUBLIC FACILITIES AGREEMENT WITH CARVER MACHINE WORKS,
INC. AND BEAUFORT COUNTY (\$850,000)**

Allen Lewis, Public Works Director, informed Council that this agreement will replace the one Council authorized on December 18, 2006 for \$750,000. The 2006 CDBG funds had already been committed, and as a result of Beaufort County being included in the 21st Century /communities program, they are now eligible for a \$850,000 grant. The Public Facilities Agreement is to indemnify Carver Machine Works, Inc. which places the financial responsibility to repay any grant funds if Carver fails to achieve the job creation goals (50).

On motion of Councilman Gahagan, seconded by Mayor Pro tem Woolard, Council unanimously authorized the Mayor to execute the Public Facilities Agreement and indemnify Carver Machine Works, Inc. for a NC Department of Commerce Community Block Grant in the amount of \$850,000.

LEGALLY BINDING COMMITMENT

STATE OF NORTH CAROLINA

BEAUFORT COUNTY (APPLICANT)

CARVER MACHINE WORKS (COMPANY)

PUBLIC FACILITIES AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into as of the 28th day of December, 2006, by and between Carver Machine Works, a corporation authorized to transact business within the State of North Carolina (hereinafter referred to as the "Corporation") and Beaufort County, North Carolina (hereinafter referred to as the "Applicant"). This Agreement will not become effective until all conditions placed upon the Applicant's funding approval are satisfied and funds are released by the Department of Commerce (hereinafter "DOC") pursuant to a Community Development Block Grant (hereinafter "CDBG") with the Applicant.

WITNESSETH

WHEREAS, the Applicant anticipates receiving a Community Development Block Grant from the Department of Commerce in the amount of \$850,000 to be used primarily to benefit low to moderate-income persons by financing the economic development project to be undertaken by the Applicant and the Corporation (the "Project").

NOW, THEREFORE, in consideration of the promised and the mutual covenants and promises set forth herein, the Corporation and the Applicant hereby agree as follows:

I. AGREED ACTIONS

A. The Corporation shall execute its responsibilities as identified in Corporation's narrative exhibits and the employment profiles contained in the Applicant's CDBG application to DOC. Those exhibits and commitments are incorporated herein by reference, as if set out in full. The Corporation agrees to build and operate the Project in a timely manner. Briefly, those documents describe the construction of a 50,000 square foot manufacturing facility (the "Facility") on a 7 acre site located adjacent to the City of Washington in Beaufort County, North Carolina (the "County"). The Corporation currently has continuing operations in the County that employ 67 people and commit to employ 50 additional people by December 28, 2009 (date). The Corporation can request DOC verify the creation of the additional jobs stated above prior to December 28, 2009, (date) and release the Corporation from further job creation documentation. In addition, the Corporation commits to employ persons whose household income is within low to moderate-income limits in sixty percent (60%) of all jobs stated above at the Corporation's Facility. The Corporation agrees that if it fails to create and maintain 50 jobs prior to December 28, 2009 (date) or verified by DOC, Beaufort County and the City of Washington at a pro rata share of 50%/50% respectively will reimburse DOC \$ 17,000.00 for each job not created. All parties agree that if at the end of the grant agreement the number of prior low to moderate-income people employed at the Facility falls below fifty one percent (51%) of the total employment at the Facility, the entire grant amount will be due and payable to DOC by Beaufort County and the City of Washington. Beaufort County's and the City of Washington's liability under this Agreement shall not exceed the dollar amount of the grant made by the Department of Commerce. If unforeseen calamity, an Act of God or financial disaster is the cause of action under this section of the Agreement, the Corporation and the Applicant may appeal to DOC for an extraordinary modification of this responsibility. Such modification shall be at the discretion of the Secretary of the Department of Commerce. The requirement that persons of low to moderate income must hold a minimum of fifty-one percent (51%) of all jobs created cannot be waived.

B. Each party shall keep and maintain books, records, and other documents relating directly to the receipt and disbursement of grant funds and fulfillment of this Agreement.

C. Each party agrees that any duly authorized representative of the Applicant, DOC, the United States Department of Housing and Urban Development, and the Comptroller General of the United States shall, at all reasonable times, have access to and the right to inspect, copy, audit, and examine all of the books, records, and other documents relating to the grant and the fulfillment of the Agreement for a period of five (5) years following the completion of all close-out procedures respecting the CDBG funds, and the final settlement and conclusion of all issues arising out of the CDBG funds.

D. Notwithstanding anything herein to the contrary, the parties hereto acknowledge the due execution of the CDBG Grant Agreement between the Applicant and DOC and agree that any conflict between the provisions, requirements, duties, or obligations of this Agreement and the CDBG Grant Agreement shall be resolved in favor of the CDBG Grant Agreement.

II. ENFORCEMENT

A. If at the end of the approved project period the Corporation has failed to create the full number of job positions and low to moderate-income job positions presented in Agreed Actions Section I of this Agreement, or to incur the full level of private investment committed to in its grant application, as provided above, then the Corporation will not have to pay to the Applicant any amount calculated in the manner set out in Section I-A of this Agreement.

B. This Agreement constitutes a legally enforceable contract and shall be governed and construed in accordance with the laws of the State of North Carolina.

III. PUBLIC RECORDS LAW

The Corporation acknowledges that it has read and understands North Carolina's laws regarding the treatment of public records and confidential information, and their application to economic development projects, including without limitation, those provisions set forth in Exhibit A.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under Seal as of the date first above written.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

Council then went into the Committee of the Whole Meeting.

JOINT MEETING WITH PLANNING BOARD – BUILDING HEIGHT REQUIREMENTS

Council held a joint workshop with the Planning Board to discuss height requirements.

Bobby Roberson, Planning Director, passed out information on heights requirements from North Carolina Coastal Cities which included New Bern, Wilmington, Beaufort, Jacksonville, Morehead City, Elizabeth City, Carolina Beach, Brunswick County, Emerald Isle, Oak Island, Ocean Isle Beach, Topsoil Beach, Sunset Beach, Surf City, Kitty Hawk, Nags Head and Pender County, with each having their own guidelines. Some coastal communities measure height from the ground up, and some other coastal communities use other criteria. The B1 zone rules restrict a building's height to 96 feet, an overlay zone for the central business district in the B1H zone takes precedent over the B1H zone regulations.

Mr. Roberson passed out a list of the tallest buildings the City of Washington currently has and reviewed it with Council:

- Tom Howard & Mac Hodges
140 -156 Water Street
39 feet
- Buoy Tender
419 West Main Street
40 feet

- NC Estuarium
223 Water Street
42 feet
- Whit Blackstone
222 Stewart Parkway
51 feet
- Louise Hotel
163-169 West Main Street
55 feet
- Bank of America Building
192 West Main Street
58 feet
- Oasis Building
106 West Main Street
58 feet
- John Havens Moss
319 West Main Street
64 feet

Mr. Roberson passed out and reviewed height requirements in Washington. The B1 zone rules restrict a building's height to 95 feet, an overlay zone for the central business district in the B1H zone takes precedent over the B1H zone regulations. The City's existing height controls have been in place since 1950.

Options the Council and Planning Board discussed were:

1. Extend historic overlay district to extend south of the river
2. Place a maximum height for property that is adjacent to any river or stream in our jurisdiction
3. Change each zoning classification with a maximum height limit
4. Does the City want to protect water resources with a higher-density development?
5. Place a moratorium on new construction that has a proposed building height greater than 65 feet?

Council members and Planning Board members agreed there should be regulations to keep the waterfronts in view and not clutter the shoreline with tall structures. There was concern also to not deter development.

Council asked the Planning Board to study the issue more and come back with recommendations to the City Council.

JOINT MEETING WITH PLANNING BOARD – SHORELINE ACCESS

Mr. Roberson passed out a handout on shoreline access site selection to expand shorelines access to the waterways for recreational use. Council reviewed the priority list of sites:

1. Formerly Moss Planing Mill Property
2. Causeway Property, south end of US 17 bridge, on west side of Highway US 17
3. John Haven Moss Mill
4. Castle Island
5. Greenway System
6. Canoe Trail Access Point at Tranters Creek/US 264 West and Runyon Creek/US 264 East

Council and the Planning Board discussed the different sites. The proposed site improvements include paved parking area, wooden bulkhead, shoreline walkway, boat access ramp, rest rooms, gazebo, fishing pier, lighting, picnic tables/benches, and trash receptacles. This will be brought back to Council after more studying.

EXTEND MEETING TIME

Since the City Council's for the second meeting in the month limits the time to end at 6:00 p.m., Mayor Jennette asked if there is a motion to extend the time 15 minutes.

On motion of Mayor Pro tem Woolard, seconded by Councilman Gibson, Council unanimously agreed to extend the time for an additional fifteen (15) minutes.

CUSTOMER SERVICE COMMITMENT

Laura Smithwick, a member of the Customer Service Commitment Committee, reported on the Committee's study of the Customer Service Commitment posed by the City Council in 2006. Training will be tied into the annual emergency preparation training.

The Customer Service Commitment will be on the March 12th agenda for adoption.

INITIATIVES LIST

Mr. Smith passed out a form for the initiatives list as requested by Councilman Jennings. Councilman Jennings requested that the information be grouped by Advisory Board and color coded.

STAFF VACANCY LIST

A list of staff vacancies were passed out to the Council. Mr. Smith stated that Council needs to consider whether to place a hold on these positions. Recommendations from department heads on each position will be presented at the March 12th meeting.

REPORT ON 7TH AND MARKET STREETS

Interim Police Chief Gerald Galloway told Council that the suspect in the recent murder case at 7th and Market Streets turned himself in Saturday morning as a result from pressure and working with other counties. Patrol has been increased in this area to help move out loitering in this area. Their challenge is to target areas where crimes prevail, but it usually moves to other areas. They are working with property owners, particularly rental property owners. Arresting people doesn't usually solve social problems; usually it's a combination of community spirit.

Councilman Jennings asked that Mr. Galloway to come back and give Council a state of the city presentation. Mr. Galloway answered yes. He also told Council that it is not unusual for a homicide to happen every two years, but we have had two so close together.

Councilman Brooks asked about people standing on the corner and in the streets. Mr. Galloway stated that any neighborhood who doesn't want that kind of activity usually calls and eliminates it.

Council thanked Mr. Galloway for his report.

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously adjourned the meeting at 6:20 p.m.

**Rita A. Thompson, CMC
City Clerk**