

DURHAM CITY COUNCIL WORK SESSION
Thursday, December 21, 2017 @ 1:00 p.m.
2ND Floor Committee Room – 101 City Hall Plaza

Present: Mayor Steve Schewel, Mayor Pro Tempore Jillian Johnson and Council Members Vernetta Alston, DeDreana Freeman, Mark-Anthony Middleton and Charlie Reece. Absent: None.

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

Mayor Schewel called the meeting to order welcoming all in attendance; and stated this was the final work session meeting City Clerk Gray would be attending due to her upcoming retirement effective January 1, 2018.

Mayor Schewel asked if there were any priority items from the City Manager, City Attorney and City Clerk.

City Manager Bonfield referenced the following items:

- Agenda Item #11 – Contract Amendment with Mid-Atlantic Associates, Inc. for Professional Services Related to Management and Execution of the 2014-17 United States Environmental Protection Agency Community-Wide Brownfield Assessment Grant (**requested Council suspend the rules and vote on the item**)
- Agenda Item #12 – Recycling Services for Electric Equipment Agreement with Powerhouse Recycling, Inc. (**item needs to be referred back to the administration/Solid Waste Management Department**)

MOTION by Council Member Middleton seconded by Council Member Reece to approve the City Manager's priority items.

The motion was approved unanimously.

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

Mayor Schewel announced that Deputy City Clerk Diana Schreiber has been appointed Acting City Clerk effective January 2, 2018; and expressed his gratitude for her agreeing to act until a permanent Clerk was appointed.

Mayor Schewel announced the items printed on the agenda; and the following items were pulled for comments; discussion and/or action by the City Council:

SUBJECT: MAYOR'S COUNCIL FOR WOMEN APPOINTMENTS

To appoint six members to the newly established Mayor's Council for Women to represent Civil Rights/Justice Sector, Fair Housing/Economic Development Sector, Ward 1, Ward 2 and At-Large; with three terms expiring on June 30, 2020 and three terms expiring on June 30, 2021.

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Mayor Schewel requested that the City Clerk republicize the vacancies; noted they did receive good applicants; stated this was a newly established committee; and noted republicizing would allow an even broader pool of persons to choose from.

The members of the Council concurred with Mayor Schewel's recommendation to republicize the vacancies.

**SUBJECT: CONTRACT AMENDMENT WITH MID-ATLANTIC ASSOCIATES, INC.
PROFESSIONAL SERVICES RELATED TO MANAGEMENT & EXECUTION OF
THE 2014-2017 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
COMMUNITY-WIDE BROWNFIELD ASSESSMENT GRANT**

The staff report recommended that the City Council authorize the City Manager to execute a contract amendment between the City of Durham and Mid-Atlantic Associates, Inc, in the amount of \$4,000.00 to conduct additional site inventory and assessment activities (Phase 1 and Phase II environmental site assessments) in association with the City of Durham's 2014-17 U. S. Environmental Protection Agency Brownfield Assessment Grant.

Earlier in the meeting, City Manager Bonfield requested that the City Council suspend the rules and vote on the item at the work session.

MOTION by Council Member Reece seconded by Council Member Freeman to suspend the rules of the City Council was approved at 1:09 p.m. by the following vote: Ayes: Mayor Schewel, Mayor Pro Tempore Johnson and Council Members Alston, Freeman, Middleton and Reece. Noes: None. Absent: None.

MOTION by Council Member Reece seconded by Council Member Middleton to authorize the City Manager to execute a contract amendment with Mid-Atlantic Associates, Inc. increasing the contract amount by \$4,000.00 for a total contract amount not to exceed \$358,999.00 for continued implementation of the 2014-2017 Brownfield Assessment Grant was approved at 1:09 p.m. by the following vote: Ayes: Mayor Schewel, Mayor Pro Tempore Johnson and Council Members Alston, Freeman, Middleton and Reece. Noes: None. Absent: None.

SUBJECT: CITIZEN'S MATTER – ROBIN JACOBS

Robin Jacobs, representing the Eno River Association, extended holiday greetings to the Council; and distributed the 2018 Eno River Association calendars to the Council and administration. In addition, Milo Pyne addressed the Council stating the association appreciated working with the Council as a partnership protecting Durham's drinking water.

Mayor Schewel thanked Ms. Jacobs and Mr. Pyne for their work with the Eno River Association protecting one of Durham's most valuable natural treasures.

SUBJECT: CITIZEN'S MATTER – CHRIS TIFFANY

Chris Tiffany spoke on having free speech; revising council's rules of decorum and civility making clear that public officials are not exempt; and asked the Council to listen to the citizens' complaints.

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SUBJECT: MUNICIPAL RECORDS RETENTION AND DISPOSITION SCHEDULE AMENDMENTS

To approve statewide amendments to the Municipal Records and Disposition Schedule adopted by the City Council on January 7, 2013; and as issued by the North Carolina Department of Cultural Resources Division of Archives and Records.

At the request of Council Member Reece, City Clerk Gray stated the retention schedule was formally adopted by the City Council January 7, 2013; and noted periodically amendments are made by Department of Cultural Resources Division to ensure record series are created and/or updated. For the specific amendments being recommended for approval, she was uncertain why the Department of Cultural Resources recommended approval.

SUBJECT: FISCAL YEAR 2018-19 BUDGET DEVELOPMENT SCHEDULE

To adopt the FY18-19 Budget Development Schedule.

The staff report noted that the budget schedule provided represented the proposed dates and times for major events related to the development of the FY2018-19 budget. Two planning retreats with City Council were included on the schedule. It was noted for the first time, the City would join with Durham County and Durham Public Schools at three additional engagement events which will be promoted as "Community Conversations." The goal of these meetings is to have conversations with the community about community issues and trends. Each meeting will cover a different topic to provide more structure and allow residents to attend the meeting(s) that are of most interest to them.

Budget & Management Services Director Bertha Johnson stated they had spoken with the PACs about the new process in September with the hope to transition the Coffee with Council sessions to a broader discussion with three meetings around three specific topics; Public Safety, Affordable Housing/Transportation & Human Services; and Education and Economic Development. She referenced the second communication with the PACs on November 29th providing a more detailed proposal; noted PACs 1 and 2 did not want to transition to the larger meetings; even though PACs 1 and 2 had no problem supporting the larger community meetings, Budget Director Johnson stated representatives of PACs 1 and 2 also wanted to have the Coffee with Council Session at their PAC meetings.

Budget Director Johnson stated they shared with the PACs they would transition their resources to the three larger meetings allowing the residents to engage with all three governing bodies (City Council, Durham County and Durham Public Schools); noted several options were discussed; not having any additional Coffee with Council Sessions; having the Coffee with Council Sessions in conjunction with the Community Conversations; which staff stated would not be feasible; and the third option was to have new council members attend PAC meetings, not exclusive of the other council members, sharing their priorities with the PACs. Ms. Johnson stated it was their hope to conduct the three larger meetings having a cross section of the community providing input; which would also be valuable for the strategic plan update.

City Manager Bonfield interjected that PAC meetings were not city meetings; noted it was not the city's intention to provide formal presentations at PAC meetings; and stated the administration would prefer transitioning presentations to the three community conversation meetings.

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Budget Director Johnson referenced the County's process with the PACs, sending out an invitation asking if they would like to have an elected official attend one of their meetings.

Mayor Schewel referenced why he was in favor of the three community meetings; and stated to address the concerns of PACs 1 & 2, the Council could make themselves available attending one of their meetings; issuing an invitation to them. He suggested that staff not list the Coffee with Council Sessions on the revised budget schedule for adoption; which he felt would be confusing to the residents if listed.

Council Member Freeman stated she did not want the PACs to feel as if the Council was disassociating themselves completely.

Mayor Schewel stated he understood Council Member Freeman's concern; and voiced that the Council needed to be very cognizant that PACs 1 and 2 wanted to communicate with the Council at their PAC meetings.

Budget Director Johnson referenced that the NIS staff and community engagement liaisons were present at the PAC meetings every month to bring service concerns back to the departments and/or the management teams.

SUBJECT: FY2017-2018 GRANT PROJECT ORDINANCE AMENDMENTS FOR U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT COMMUNITY DEVELOPMENT GRANT, HOME INVESTMENT PARTNERSHIPS AGREEMENT, EMERGENCY SOLUTIONS GRANT AND HOUSING OPPORTUNITIES FOR PERSONS WITH HIV/AIDS PERFORMANCE GRANT

The staff report indicated that the proposed Community Development Block Grant, Home Program Investment Agreement, Emergency Solutions Grant, and Housing Opportunities for Persons with HIV/AIDS Performance Grant Project Ordinance amendments were intended to supersede ordinances that were adopted June 19, 2017 using anticipated grant award amounts and estimated program income. The U. S. Department of Housing and Urban Development has now finalized the actual grant awards to be received with adjustments to the CDBG, HOME, ESG and the HOPWA grant awards; appropriations of grant awards and estimated program income would be allocated to activities represented in the annual action plan.

The Community Development Department recommended that the City Council adopt the three grant project ordinance amendments.

Council Member Reece asked the Community Development Director to speak more about the item on the December 18th City Council agenda regarding the public hearing on the annual action plan "needs public hearing"; more specifically, what opportunity he had since that time to review the way services were being funded; and inquiring how would the funds referenced today on the agenda be utilized.

Community Development Director Reginald Johnson stated the item on the agenda today was not the funds being discussed at the December 18th council meeting. He stated he has been consulting with the staff and they would be sharing some information with the manager pertaining to the "needs public hearing" held at the December 18th meeting.

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Regarding questions/concerns raised at the annual action plan “needs public hearing”, City Manager Bonfield stated he would be sharing with the council the communication once received from staff.

SUBJECT: MASTER AGREEMENT WITH ALTA PLANNING+DESIGN, INC. FOR BICYCLE FACILITY DESIGN

The staff report noted that the City of Durham’s Transportation Department applied for and received federal funds for construction, but not design, of approximately 8 miles of bicycle facilities. To assist the Department with design services, proposals were solicited by the City; and after reviewing the nine proposals received, Alta was determined to have the qualifications most suited for the needs of the Department.

The administration recommended that City Council authorize the City Manager to execute a master agreement for professional engineering services with Alta Planning; and authorize execution of supplemental agreements pursuant to the executed master agreement so long as the supplemental agreements do not exceed \$500,000 in total.

Mayor Schewel stated the project was exciting and was needed; however, he requested discussion regarding the employment statistics for Alta; referenced there were 17 employees; zero African-American nor Hispanic employees.

An Alta representative addressed the council stating they opened up their Durham office about three years ago with hopes to grow the office within the next few years; referenced their recruitment marketing at colleges; internships; trying to identify persons to employ. He stated engineering and designing was not a high growth field at the present; and stated they were actively trying to pursue diversity when hiring.

Mayor Schewel referenced diversity in employment being a priority in Durham; and stated the City needed employers to be aware of that; and referenced the need for recruitment at black colleges/universities. The Mayor suggested also that Alta participate in the City’s summer youth internship program.

The Alta representative stated he would like to participate in the City’s summer youth internship program.

SUBJECT: OPTION CONTRACT AND COMMITMENT OF SUBORDINATE FINANCING FOR THE JACKSON/PETTIGREW STREET DEVELOPMENT WITH SELF HELP VENTURES FUND AND DHIC, INC.

The staff report noted that in mid-January 2018, Self Help Ventures fund and DHIC, intend to submit a pre-application to the North Carolina Housing Agency for Low Income Housing Tax Credits for the Jackson/Pettigrew Street redevelopment effort. A requirement of the pre-application submittal is that the applicant must provide evidence of site control which can be demonstrated through a valid option contract.

Additionally, in support of the pre-application, staff recommended the addition of a resolution from the City committing to subordinate financing in support of the development. Submittal of

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the resolution and letter showing the City's support of the development will be included as part of the pre-application package to the NCHFA.

A Powerpoint presentation was presented providing an update on the development; the financial analysis; including the council action needed to meet the January 2018 Low-Income Housing Tax Credits deadline.

Tucker Barlett, of Self-Help, commented on the background of the Jackson/Pettigrew Street Development from January 2017 thru October 2017; noted that in October 2017 the City Council approved: 80 units of affordable housing; 62,000 square feet office space; 260 parking spaces; and 12,000 square feet commercial; stated additional work has focused on residential building details refining the parking count; unit count & designs; and exterior finishes and plaza details. He stated the development team has also conducted a second pricing exercise on the refined schematic designs for more accurate pricing estimates.

Mr. Barlett referenced the refined schematic design which consisted of 82 total units, all affordable; 61,500 square feet commercial; 11,930 square feet (gross) retail; and 278 parking spaces in structured podium parking.

Michael Rodgers, of DHIC, provided schematic sample designs for the project (39 total, one bedroom, one bath unit; 20 two bedrooms; one bath unit; and 23 two bedrooms, two bath units); including the costs of the units. He referenced the elevated plaza, located between the residential and commercial buildings; the required playground, picnic shelter and seating areas; key features from the Willard Street Elevation and the view from the Durham Station.

Mr. Rodgers stated given the urban location, tight site boundaries, and UDO requirements, there were several design elements that added cost, including: forecourts on Willard Street; flat roof (vs. shingled roof); HVAC located on roof; upgraded siding; storefront windows; elevators; elevated plaza space; and increased staging costs during construction. It was noted estimated premium for urban project = ~\$1.2 million (*not including podium parking and related costs).

Financial Analysis

- Subsidy estimate is currently \$3.6 million (\$42,879 per unit for 82 units) following refined architectural drawings and construction pricing estimates
- Factors resulting in the increase in subsidy request include: inclusion of a realistic cost escalator for 2019 construction; better understanding of expenses associated with meeting UDO requirements; additional podium parking under property's northern portion
- Factors mitigating a further increase in subsidy request include: greater estimated subsidy contribution by the office building; assuming \$0 in annual real estate taxes; reduced operating expenses allows for property to carry higher debt; less conservative financing assumptions; increased equity pricing from \$0.89 to \$0.91 per credit.

Richard Valzonis, of the Community Development Department, briefed the Council on the next steps as follows:

- January 2nd Council Meeting: Approval of (1) Option Contract, (2) Resolution and (3) Letter of Support
- Mid-January 2018: Development Team to submit preliminary LIHTC application to NCHFA
- January – April 2018: Continue to refine concept, design and construction costs

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- April 2018: City Council approval of development agreement and financing commitment
- May 2018: Full application due to NCHFA
- August 2018: Anticipated credit awards announcement
- First Quarter 2019: If awarded credits, construction begins
- By December 31, 2020: Required completion (“placed-in-service”) date for residential building

After the presentation, discussion was held on the subsidy estimate of \$3.6 million and when it would be needed; if other affordable housing projects would be applying for tax credits; the proposal to use dedicated housing fund dollars to fund the gap in addition to some funds programmed for Durham Housing Authority that would need to be replenished; and in the future the Council and administration exploring other funding source options.

City Manager Bonfield stated the staff was currently working on the dedicated housing fund five year extended plan.

The City Council thanked the administration, representatives from Self Help and DHIC for the presentation.

Deputy City Manager Wanda Page introduced the newly hired City/County Youth Initiative Manager.

Settling the Agenda – January 2, 2018 Meeting

City Manager Bonfield referenced the following items for the January 2, 2018 City Council meeting agenda: Consent Items 1 & 3 thru 10. He noted items 2; 11; and 12 were disposed of.

MOTION by Council Member Middleton seconded by Council Member Reece to settle the agenda for the January 2, 2018 Council Meeting as stated by the City Manager.

The motion was approved unanimously.

There being no further business to come before the Council, the Work Session meeting was adjourned at 2:42 p.m.

Mayor Schewel requested that the Council take a five minutes break before convening the special meeting regarding the City Council At-Large Vacancy process.

Pursuant to the proper notification, and immediately following the Work Session, the Durham City Council held a special meeting on Thursday, December 21, 2017 in the Committee Room located on the 2nd Floor in City Hall with the following members present: Mayor Steve Schewel, Mayor Pro Tempore Jillian Johnson and Council Members Vernetta Alston, DeDreana Freeman, Mark-Anthony Middleton and Charlie Reece. Absent: None.

Also present: City Manager Thomas J. Bonfield, City Attorney Patrick W. Baker, City Clerk D. Ann Gray and Deputy City Clerk Diana Schreiber.

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SUBJECT: CITY COUNCIL AT-LARGE VACANCY

Mayor Schewel called the special meeting to order noting the purpose of the meeting was to discuss the process for appointing a new council member to the at-large vacancy and determining if the applicants met the initial criteria publicized. He thanked City Clerk Gray for providing the council members with the 23 applications received by the deadline Tuesday, December 19, 2017.

City Clerk Gray stated that 22 applicants met the publicized criteria; residing within the corporate city limits; registered voter with Durham County; no delinquent taxes; and at least 21 years of age. Per the Board of Elections, City Clerk Gray stated that one applicant was not registered to vote in Durham County.

The City Council held discussion on what materials to post on the city's website from the 22 applicants. It was the consensus of the Council to have the City Clerk post on line the applications and other pertinent information received.

The City Clerk was directed to provide the approved questionnaire to the 22 applicants who met the criteria. The deadline for receiving the questionnaire was set for Tuesday, January 2, 2018 at 5 p.m.

A special meeting was scheduled on Thursday, January 4th whereby the Council will utilize the process of rank choice voting to narrow the pool of applicants to be interviewed, no more than 7 applicants will be interviewed.

The Council scheduled a special meeting on Wednesday, January 10th at 7 p.m. to receive public comments on the seven finalists; and will hold a special meeting on Thursday, January 11th starting at 5 p.m. to interview the finalists; with a final decision for selecting its newest member at a special meeting on Tuesday, January 16, 2018 at 5:30 p.m.

There being no further business to come before the Council, the special meeting was adjourned at 4:05 p.m.

D. Ann Gray, MMC, NCCMC
City Clerk

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