

**Planning Session - February 2 & 3, 2006
Civic Center**

The Washington City Council met in a continued session on Thursday, February 2, 2006 at the Civic Center at 8:30 a.m. for a Planning Session. Present were: Judy Jennette, Mayor; Ed Gibson, Councilman; Richard Brooks, Councilman; Archie Jennings, Councilman; Mickey Gahagan, Councilman; James Smith, City Manager; Fred Holscher, City Attorney; and Rita A. Thompson, City Clerk. Mayor Pro Woolard was absent came in at 11:00 a.m.

Also present were: Carol Williams, Finance Director; Jimmy Davis, Fire Chief; Bobby Roberson, Community Development Planning Director; Joe Stringer, Police Chief; Allen Lewis, Public Works Director; Julie Hicks, Library Director; Philip Mobley, Parks & Recreation Director; Keith Hardt, Electric Director; Lynn Lewis, Tourism Director; Steve Tanner, DWOW Director; Susan Hodges, Human Resources Director; Harriet Tregoing, Facilitator; and Mike Voss, of the Washington Daily News.

Mayor Jennette called the meeting to order and thanked everyone for coming.

Councilman Gibson delivered the invocation.

AMENDMENTS TO AGENDA

Mayor Jennette stated that we might need to change the agenda as we go along.

HARRIET TREGOING – PRESENTATION ON SMART GROWTH

Mayor Jennette introduced Harriet Tregoing with Smart Growth Leadership Institute, Facilitator, for today's meeting.

Mrs. Harriet Tregoing stated with the aging of America, we are confronted with how it grows. Mrs. Tregoing presented a power point presentation on "Smart Growth, More Chances, Better Places," as follows:

- Impacts on Traffic
- Impacts of Growth Patterns on the Environment
- Impacts on Growth Patterns
- Health Impacts Physical Activity
- Impacts on Budget
- Transportation Costs
- Infrastructure Costs
- Water Infrastructure

Review of Smart Growth Principles:

- Mix land uses
- Take advantage of compact building design
- Create a range of housing opportunities and choices
- Create walkable neighborhoods
- Foster distinctive, attractive communities with a strong sense of place
- Preserve open space, farmland, natural beauty and critical environmental areas
- Strengthen and direct development towards existing communities
- Provide a variety of transportation choices
- Make development decisions predictable and cost effective
- Encourage community and stakeholder collaboration in development decisions

Mr. Smith stated that we will soon have two schools that will be closing and

moving to their new location. He stated we need to make some kind of reasonable uses for those sites, keep those buildings institutional until they can be reused. He stated that we need overall goals in what we want to accomplish in making decisions.

KEY ITEMS TO DISCUSS

James Smith, City Manager, asked Council to review the agenda and check off key items we need to discuss today. Items suggested were:

- Downtown
- Economic Development
- Recreation
- Airport

WARREN FIELD AIRPORT

Mr. Smith stated that our Airport is a valuable asset. One issue to look at is whether we want an FBO or Airport Manager. One option is to have an Airport Commission. In smaller communities, people interested in being on the commission are people who have their own planes, and are more interested in private aviation, etc. Also, there is the possibility to have people who have an outlook that builds the Airport in a direction for business. Another option is to hire a company that manages Airports, primarily a decision maker for the business and has relationships with other aircrafts, fuel dealers, etc. The key is whatever pattern you take, an Airport Manager is focused on operating the Airport. You have to grow the airport vs. a place for the flying club to operate, and Council needs to decide which direction they want to go.

Mayor Jennette stated that we had an FBO for years running the Airport, but you still need a Manager to run the every day operations, or you can do a combination.

Councilman Gahagan stated that the Airport is under utilized and he would like to see the land turned over to the Economic Development Commission to build hangars. Councilman Gibson stated that the Airport had no management and we don't need to go through what we did before with a Commission. Councilman Jennings stated that a lot of people don't think we need an Airport. He stated he would like to be shown the economic benefit of investing more dollars in the Airport.

Councilman Gahagan asked what is a successful model for a town our size? Mr. Smith stated that we could recruit a company that operates more than one Airport, that's probably the more successful model.

Councilman Jennings stated we need to go towards a professional managed situation. Mr. Smith stated we could put out a RFP for an "Airport Management" and Council would have the authority.

Council generally agreed not to create a commission at this time, it might come later.

Council discussed allowing outside entities to build hangars. Mayor Jennette stated we should keep this on the fast track. Councilman Gahagan stated we should not close our minds to anything and we should get someone to help us. Councilman Jennings stated his mind is not closed to it but we don't know what a good deal is. Councilman Gibson asked where the money would come from to build hangars? Mayor Jennette stated it would come from the Committee of 100 memberships.

A recap of the Airport discussion is:

- Land for EDC – Distribution of JIT oriented
- Hangars-T-hangars or corporate
- Future Advisory Board
- RFP for Airport operation & management

- Outside entities may build and enter into City approved leases for hangar space

AWARD BID FOR ENGINEERING FIRM FOR AIRPORT

Bids received for qualifying services for engineering for Warren Field Airport were:

Delta Airport consultants, Inc.
The LPA Group Aviation Consultants
Jerry L. Toms Aviation Consultant
Talbert & Bright

On motion of Councilman Gahagan, seconded by Councilman Gibson, Council unanimously awarded the bid for engineering services for the Warren Field Airport to Talbert & Bright, Wilmington, North Carolina.

ECONOMIC DEVELOPMENT

Mrs. Tregoning asked the question, "How is economic development going to be managed in Washington?" Are there changes afoot?

Ms. Tregoning stated that you have to think about quality and place considerations...recreation, education opportunities, etc. Our future is uncertain. Capital investments will be the basis.

Mr. Smith stated there are two identifying players: Economic Development Commission (EDC-manufacturing) and Downtown Washington on the Waterfront (DWOW-downtown). He asked are these the right players or should the City play a bigger role?

Councilman Jennings stated that we should go deal by deal and make sure we understand what the cost is to the City. Mrs. Tregoning stated that the question is from where and what form does it take? She has seen a lot of development happening, viewing the deal like an investment and figuring it out ...it's a different way of looking at a deal. Sometimes it means readjusting impact fees, etc.

Councilman Gahagan stated that we put the Industrial Park way out of town. Mrs. Tregoning stated that a lot of higher growth could be located inside the City. There are other programs such as "Smart Sites Programs" where cities have identified parcels of land for key locations.

Mayor Jennette stated that EDC does a good job, their main focus is on industry. She stated that personally she would like to see more coming out of DWOW. She envisioned property for rent or sale would be on a website. Mr. Smith stated that DWOW needs to focus on it and you could have a committee that represents the whole community. Councilman Gibson stated that real estate companies have web sites to advertise. Mr. Smith stated that there were several companies he was involved with and he could visit them with a portfolio.

Mrs. Tregoning stated that from EDC's prospective, they are used to thinking of lots of land and lots of parcels with utilities.

Mayor Jennette stated she wants the City to be more proactive, we need a non-profit that can help us move quickly. Mr. Smith stated that the downtown merchants need to be involved too, making sure goals and policies are implemented. Councilman Jennings stated he would like to see DWOW brought in closer to the Council. Mr. Smith suggested that the Director of DWOW needs to be at City Hall. Councilman Gahagan pointed out that the City made a commitment to fund DWOW for three years. Mrs. Tregoning stated that it is important to show what is a sign of progress, show whether those projects are on line. Councilman Jennings stated that's what was messed up with the WK Dickson plan...reaching a consensus, no alley cats, no restrooms, etc. Mrs.

Tregoning stated that you should capture the momentum, there are great plans on shelves. Mr. Smith stated we need shorter term objectives. Councilman Jennings stated that a time line should be worked in on projects (example – Moss property).

Mayor Jennette stated we need a policy so developers are not treated differently. Council discussed zoning amendments and comprehensive plan that should coincide together, a shared vision, walkable neighborhoods, and an historic tax credit.

Council discussed having a “score card.” Mrs. Tregoning stated there might be other opportunity areas, not strictly downtown. Mr. Smith stated that Beaufort Community College’s long term goal is to have a branch campus. He stated we need someone who understands historic tax credits. Mrs. Tregoning suggested getting an intern you could get at a relatively low cost. Mayor Jennette asked Bobby Roberson to gear in that direction. Councilman Gibson suggested getting volunteers who have come in from other states who have a lot of talent.

Recap on Economic Development:

- Smart Sites targeted
 - De(re)development sites
- City role in process
 - marketing
 - use of web site
 - working with commercial realtors
- Location of DWOW Director
 - Meet and give direction to DWOW Board
- Project Score Card (i.e. Austin, Texas) (see SCI website)

Mr. Smith wrote on the board:

EDC – okay
City needs larger role
Targeted Incentives

Targeted Incentives

- Applied Downtown
- Identify buildings to be re-used
- Health Care industry
- Educational Industry
- Market Street Corridor
- 3rd Street
- Downtown
- Bridge Street Corridor
- Hospital
- Community College
- West 5th Street

Rehab Code

- Need a person (Score) who understands Historic Tax Credits

ANNEXATION POLICY

Mr. Smith asked should we have residential development? He made a comparison of what it takes to service a resident (city’s cost - \$1750) compared to the taxes paid, \$360. Mr. Smith stated that Mr. John Wehrenberg believes that Council promised to assist him in another phase for Treeshade subdivision. Councilman Jennings stated that we are taking in things voluntarily, that we need to take it in once we decide it will be advantageous.

Mr. Smith stated that River Road wants sewer, and it would already be in their deal to annex them.

Council agreed that the City needs an annexation policy.

Council convened at 12:30 p.m. for lunch and reconvened at 1:25 p.m.

W. K. DIXON PLAN

Kent Fulton, Chairman of DWOW, presented a power point presentation on the W.K. Dickson Study for downtown.

Highlights of the Dixon Plan – “A Vision for the City of Washington” include:

What is a “Vision” – “Someone is sitting in the shade today because someone planted a tree along time ago” – Warren Buffett

DWOW is Recommending:

- The establishment of a Vision for the future
- The adoption of a Strategy for getting there
- Execution via an Implementation Program

Vision, Strategy & Implementation

- Introduction-
 - How we Got Here Today
 - Quick Review
 - Component I – Economic Repositioning
 - Component II – Revitalization Strategy**
- Rationale for Acting
- Cost/Benefit & Funding Source Discussion
- Implementation
- Conclusion

Introduction – History

- NCDDA
- DWOW
- W.K. Dickson
 - Component I – Economic Repositioning
 - Component II – Revitalization Strategy
- Today

Introduction – Review Component I

- Conclusions
 - Vacant & under utilized space
 - 150,000 – 200,000 sq. ft.
- Current City & County population/income
 - Will not support growth
- **Strengths (we have no single asset)**
 - Waterfront
 - Estaurium/Ecology
 - Turnage – Performing Arts
 - Artisan Community – Visual Arts
 - Historic/Cultural Resources
- **Weaknesses**
 - Lack of Unified Vision or Approach to Implementation
 - No “Front Doors” (Gateways) to Central Business District
 - Lack of Waterfront Activities Lack of Connectivity to Waterfront
 - Appearance of Buildings & Facades in Central Business District
 - Lack of CDB Overnight Lodging & Meeting Space
 - Lack of Main Street Residential Housing

○ Limited Marina Space & Support Facilities

- **Opportunities**

- Waterfront & Boating Activities
- Greenville MSA
- Baby Boomers Retiring
- Eco-tourism
- Cultural/Heritage Tourism

- **Threats**

- Other Communities Seeking the Same Visitor
- Highway 17 By-Pass
- US Economy/Inflation/Natural Disasters
- Greenville Development
- Lack of Common Vision or Commitment for Implementation

- **Strategies for Success**

- Promotion of the Arts
- Creation of CDB Permanent & Transient Housing
- Establish Washington as a Destination with:
 - Mixed-use Retain Businesses
 - Lifestyle Centers
 - Entertainment Activities

Review Component II

- Implement “Smart Growth” fundamentals
 - Connect the street network into a walkable grid
 - Strengthen the CDB by encouraging new, mix-use development
 - Revitalize historic neighborhoods
 - Provide streetscapes & trails linking to neighborhoods to the CBD
 - Create multiple destinations along the waterfront and in the CBD
- Physical Revitalization Strategy Components
 - Create Waterfront Plaza & Greenspace
 - Develop Activity Nodes Along the Waterfront
 - Improve Streetscapes, Gateways & Pedestrian Connectors & Pathways
- 3 Rationales for Taking Action
 1. Economic Growth
 2. Aesthetics
 3. Sense of Place
- **First Rationale for Taking Action: Economic Growth**
 - 150,000 – 200,000 sq. ft. of CDB vacant/under-utilized space cannot be supported by the local retail public

Therefore:

- Washington must market OUTSIDE of the local area

This produces a “Sense of Place” – a place where people can shop, live, work, visit, play and invest!

- Washington must market to 100 miles beyond the City in order to draw enough transient and overnight visitors

But,

- In order to draw in these visitors, Washington must become a DESTINATION!

- And, in order to become that destination, Washington:

1. Must establish a common VISION
 2. We must adopt a STRATEGY
 3. A Plan must be IMPLEMENTED
- **2nd Rationale for Taking Action: Aesthetics**
 - When it comes to “Aesthetics”, a picture is worth a thousand words
 - **3rd Rationale for Taking Action: “Sense of Place”**
 - A “Sense of Place” makes one want to shop, live, work, play, visit or invest here
 - The facets of a City’s character which help create a “Sense of Place” may be intangible or tangible
 - Public art is one tangible facet of a City’s character which creates “Sense of Place”
 - Did you know that there is not a single piece of Public Artwork in the CDB?

Mr. Tom Richter, a member of DWOW, presented information on the cost/benefit & funding sources, as follows:

Costs & Benefits of Revitalization of the Central Business District

- **Costs**
 - Private Investments
 - Disruption
 - Public Investments
 - Sewer
 - Water
 - Streets
 - Parking
 - Gas
 - Electric
 - Open Spaces/Improvements
 - River’s Edge Improvements
 - Gateways
- **Benefits**
 - Jobs
 - New Construction/Renovation
 - Tax Revenues – Ad-valorem & Sales Taxes
 - Enhancement of the Washington “Brand”
 - i.e., the perception that is held by people in local, regional, state & national markets.
 - Multiplier Effect of Retail Sales
 - Seize the Harbor Potential
 - Washington is today & always has been about the Pamlico

Mr. Richter presented charts on Revitalization Statistics of North Carolina Main Street Communities, Washington’s accomplishments in 1980 designated as a Main Street Community: 89 Facades, 25 building renovations, 184 new jobs, 77 new businesses, 6 business expansions, public new investments \$1,514,533, private new investments \$2,522,655, a total of \$4,037,188.

Mr. Richter reviewed new development projects with a total value of \$118,744,000. The revitalization strategy construction phasing totals \$36,000,000.

\$36 Million is a Lot!

- A District (whether or not formally defined as a “TIF” entity) can pay for the improvements through the incremental taxes the district will generate above the “base.”
- Not all projects need to be funded by the City or the “District” County....DOT....LWCF....CDBG
- The County can participate in a TIF...e.g., at 30%
- Not all projects need to be undertaken....or undertaken according to the “schedule” in the Construction Phase chart

Revenue & Debt Service

- What is the Annual & Cumulative Revenue Stream?
 - It’s based only upon:
 - Current property Tax Revenues and
 - Value of Development Projects Known Today and
 - Projected Debt Service

Mr. Richter shows Cost-Benefit Analysis charts with comparison of tax revenues to annual debt service.

Financials are Conservative

- Figures are conservative with respect to projected increases in property values
 - 3% annual inflation is assumed
 - 105% annual appreciation is assumed
 - No 8-year property revaluations are included
- Figures are conservative with respect to projects in the next 10 years
 - Only 12 known, one-million dollar plus private sector projects that are coming on-line in the next 10 years are included in the financials
 - No big projects are projected beyond the first 10 years, YET, it is all but certain that additional big projects will come on-line both during and after the initial 10 years

Summary & Observations

- The Revitalization Strategy construction schedule is a long-range, multi-decade undertaking that will span many City Councils
- The construction elements are of greater and lesser “criticality”. They can be advanced or delayed as needed, as opportunities occur, or as the financial climate warrants
- The incremental increases in property values will not be confined to any given TIF District (regardless of how broadly the District may be defined)
 - The increases will occur throughout the City.
 - The TIF can be formal or informal
 - We think that the principles of openness and transparency work in favor of a formal TIF District
 -

•Downtown is special:

- It is an engine of growth and commerce
- It will appreciate faster than the City as a whole
- Therefore, the extraordinary increases in property value (and tax revenues) can & should be plowed back into the district

Mr. Steve Tanner made the Implementation of Strategy presentation:

Implementation of Strategy

•Importance of an implementation Plan

- Encourages private investment
- Positive impact on small projects
- Provides mechanism for management of phases

- Maximizes community's efforts
- **Makeup of the Steering Committee**
 - City of Washington
 - Elected Officials
 - Staff (City Manager, Planning, Public Utilities, Electric, DWOW Executive Director)
 - As needed (Finance, Recreation, Police, Fire, City Attorney)
 - County (As needed)
 - County Manager
 - Elected Official
 - Tax Assessor
 - Finance Director
 - DWOW Board (2) & Citizen Appointed by Council
- **Function of Steering Committee**
 - Review and make recommendations on the phases, design elements, etc. to appropriate groups and Council(s)
 - Develop and manage funding strategy – TRI, grants, fund-raisers, etc. Technical assistance and direction for design team before and during construction, i.e., manage the project
 - Develop the Design & Construction Process
 - Liquidated damages/bonus for early completion
 - Project signage
 - Periodic meetings w/property owners & merchants affected by the project
 - Traffic control plan prior to “Notice to Proceed”
 - Periodic meetings w/project administrator, staff & contractors
 - Track work days & inclement weather days – number of workers, general or subcontractor(s)
 - Construction scheduling
- **Project Start and Finish**
 - Celebrate both the project ground-breaking & project completion
- **Update**
 - Update or recommit to the plan at least every two years
- **Problems**
 - Significant unproductive CBD building space
 - Slow local economic & population growth
 - Low per capita income of local population
 - Infrastructure that needs “remodeling”
 - Uncoordinated, independent efforts by many groups
 - Lack of a “roadmap” (vision) to the future
- **What Else is Required for Success?**
 - The City and the Community must embrace the vision, strategy and organization
 - All the diverse groups in the community must work together
 - Communications between all interested parties must flow freely, frequently and without exclusion
- **And if all this comes to past?**
 - The City will have a vibrant & robust downtown
 - Downtown will become more than a shopping areas...it will become a focus for the entire community
 - Washington will become a destination and engender a “Sense of Place” for both visitors and local citizens
 - Washington will be the “Heart of the Inner Banks”

Council thanked Mr. Richter, Mr. Tanner and Mr. Fulton for their presentation.

Mr. Smith stated that you need to have a contract with a developer that requires an investment by a certain time, a commitment letter from the bank. Then you have a safe point when the City can use bonds to do public improvements. Those are the kinds of things that other people can see...that's the kind of things we need to kick this off with.

Council discussed tax increment financing (TIF).

Mr. Holscher pointed out that not one town in North Carolina has done Tax Increment Financing (TIF).

Mr. Richter stated that it creates a permanent revenue stream and places no additional tax burden on property owners in that district. He stated that the tax revenue derived from rising property values in a TIF district must be spent in that district and nowhere else.

Mr. Smith stated that the details could be discussed at a later time. He stated that once you get a commitment on a project, other forms of financing will come along. Council mutually agreed to study proposed economic development projects on a case by case basis to determine what assistance, if any, the City may provide to a specific project. That assistance may or may not include tax increment financing

Mrs. Tregoning stated that immediate projects need to be lined up, something that is visible.

Mr. Smith asked if Council wants the Moss Project to be the DWOW signature project? Mayor Jennette stated that everybody has a different feel about projects on the table.

Dr. Padgett stated that you have had someone tell you if you do this you will get this kind of return. He stated that Council has not approved the W.K. Dixon Plan, that Council needs to sign in on this and then set up the Steering Committee.

Mr. Smith recapped, as follows:

- Adopt Dixon Plan in principle
- Planning Board
- City Council
- Expand DWOW Board to include
 - Merchants
 - Tourism
 - Chamber of Commerce
 - Functional expertise
- Proceed with a "beta" public improvement
- Select the most likely public/private project to push forward with

Public Facilities

- Wetlands and other critical environments should be protected
- Bank land for future recreation and open space
- Recreation Department should focus on athletic facilities
- Potential for Civic Center/TDA
- Marginal cost of serving County residents (merger)
- Branding
- Are there grants, etc. available to support youth/senior health

RECREATION FEES

Council discussed recreation rates and not pricing kids out of the program because the County won't contribute their share. It was also discussed that parents will not help with concession stands since the fees have gone up and they think they have done their share. Council then talked about reducing recreation fees and bringing more children in to compensate for the difference in cost. Philip will get these figures together, cutting County residents from \$60 to \$30 and City residents from \$20 to \$15. (This was brought back on Friday for action).

IMPACT FEES

Council briefly discussed impact fees. Mr. Holscher stated that local developers are the ones who question our impact fees. Hydrants are paid for by the General Fund and should be added in the impact fees. Impact fees are paid for at the time building permits are acquired.

PRESBYTERIAN CHURCH PARKING LOT

This matter was put on hold because the church would not pay the \$34,605 as discussed in the agreement for the swap of the land.

At 5:30 p.m, on motion of Mayor Pro tem Woolard, seconded by Councilman Gibson, Council unanimously adjourned the meeting until Friday, February 3rd at 8:30 a.m.

Friday, February 3, 2006

8:30 a.m.

Civic Center

The Washington City Council met in a continued session on Friday, February 3, 2006 at the Civic Center at 8:30 a.m. for a Planning Session. Present were: Judy Jennette, Mayor; Ed Gibson, Councilman; Richard Brooks, Councilman; Archie Jennings, Councilman; Mickey Gahagan, Councilman; James Smith, City Manager; Fred Holscher, City Attorney; and Rita A. Thompson, City Clerk. Mayor Pro tem Woolard came in at 9:20 a.m.

Also present were: Carol Williams, Finance Director; Jimmy Davis, Fire Chief; Bobby Roberson, Community Development Planning Director; Joe Stringer, Police Chief; Allen Lewis, Public Works Director; Julie Hicks, Library Director; Philip Mobley, Parks & Recreation Director; Keith Hardt, Electric Director; Lynn Lewis, Tourism Director; Steve Tanner, DWOW Director; Susan Hodges, Human Resources Director; and Mike Voss, of the Washington Daily News at the beginning of the meeting.

Mayor Jennette opened the meeting.

PLANNING

Vacant Lots

Bobby Roberson, Planning Director, passed out copies of a list of property owned by the City. Some of the property listed was FEMA and CDBG property (indicated that). Mr. Smith asked if we had a policy regarding residential lots, giving them to someone to maintain? Mr. Roberson answered yes, we have done that. There are about 20% CDBG parcels.

Council discussed selling any property that the City owns and does not need. Mr. Roberson will bring a list to Council at the March or April meeting.

Recap:

- Bobby will e-mail list to Department Heads and Council
- Identify CDBG lots and bring to Council for disposal, determine cost of advertising, notify property owners abutting the property.
- Get copy of demolition lots
- Work towards getting Bill to allow City to dispose of FEMA lots by sale

Northgate Repayment

Mr. Roberson stated that by the time Northgate Subdivision was finalized, Floyd flood victims already had been relocated. The agreement was that 81 residential dwellings had to be sold by April 2007. He stated that five or six have been sold and another five under construction. He stated we are looking at \$810,000 to be paid back for the grant agency.

Mayor Pro tem Woolard came in at 9:20 A.M.

Mr. Roberson stated that the Brileys borrowed \$1.6 million and would be paying back \$810,000 if the lots are not sold.

Mr. Smith questioned why such few lots are sold? Mr. Roberson stated that the Governor restricted the money for nine months, and then funded again. Mayor Jennette suggested getting Representative Williams to help. Councilman Jennings stated rather than enterceed with that, to reserve our contact where it might be enforced. Let the Briley work through their commitment, then let it get back to us. Mr. Holscher stated a Resolution was adopted and a letter written asking that the Floyd victims restriction be released. Councilman Gibson stated that we should not wait until March 2007 to do something about it when it has to be completed April 2007.

Mr. Smith stated that we need to get someone to move on it.

The George Hotel and Other Projects

Mr. Roberson stated The George is on hold, they have run into a problem with historic tax credits along with having to do an Urban Redevelopment Plan. A Urban Redevelopment Plan will be presented in March or April to designate the area. Mr. Roberson stated they are six months behind.

Councilman Jennings asked if the main development doesn't come about, is there opportunity to reallocate to other participants? Mr. Roberson answered yes, with a program amendment. Mr. Smith stated that Steve Tanner can help.

Alley Work (Turnage Theater)

Mr. Roberson stated that we received a \$150,000 USDA grant for utilities for the Turnage Theater improvement project. There is about \$25,000 to \$30,000 not spent and Garland Burnette, with the Rural Center has agreed for the money to be used for alley work.

Mayor Jennette suggested bringing Allison Platt in for a design.

On motion of Councilman Jennings, seconded by Mayor Pro tem Woolard, Council unanimously approved getting Allison Platt to create a design and to converse with all the stakeholders on that design, because it will be the standard for other alley ways, as soon as possible.

Keysville Housing

Mr. Roberson stated that this grant is a \$250,000 for first time homebuyers. Rev. Moore will be back before Council about the program.

Land Use and Comprehensive Plan

Mr. Roberson stated it will take six months or more. The process is funded through the Coastal Management Act.

Councilman Jennings inquired about the expansion of the Thoroughfare Plan. Mr. Roberson stated he is checking with DOT. Councilman Jennings stated he is concerned as land value increases and creating a loop around Washington.

Amendment to City Code

Mr. Smith stated Mr. Holscher is reviewing this and including a notice. This will be on the February agenda.

Grant Seeking

Mr. Roberson stated there are a lot of grants out there and they can go after any type of grant Council wants them to. Councilman Jennings asked that we go back to do the bathrooms on the waterfront. Mayor Jennette stated we need to get a better vision and give better direction. Mr. Smith stated that there are more grants than we have staff to execute.

Communications

Mr. Smith stated that we don't have current events on the website and it can be expensive to do. Carolyn Stroud stated that we do, as a link to the Tourism Development website. Mayor Jennette asked Carolyn Stroud to reevaluate the way it is designed...looking at agendas, etc. for it to be more user friendly.

Councilman Jennings stated he would like for Council to get more in the community and recruit more volunteers and get their involvement in City government.

Council discussed Department Heads talking about the services they offer.

Reports produced by Department Heads will be reviewed to see if they are necessary or need to be reduced to what Council needs to get. (This will be done at the next Management Team meeting).

Update on Second Fire Station

Jimmy Davis, Fire Chief, shared with Council what they had encountered after the borings were done at the proposed site at the Industrial Park. The present location looked at in the Industrial Park would require digging out and filling, approximately \$61,580.

Chief Davis stated that Doug Causey, with USDA, would like for the City to look at another site. Chief Davis passed out a map and reviewed alternative sites that were being looked at:

- Site 1: \$250,000 - \$300,000
- Site 2: \$250,000 - \$300,000
- Site 3: \$250,000 (Recommended site by Chief)
- Site 4: Closest to Page Road

All sites cover the five mile radius requirement. Chief Davis stated that the further you go out, the less help it is to the main Fire Station.

After discussion, Council directed Chief Davis to gather information and present it at the February 13th Council meeting:

- Map showing sites
- Map showing Hwy 17 Bypass

- Any site between Page Road and 15th Street
- Five (5) mile radius

Council convened for lunch at 12:45 p.m. and reconvened at 1:25 .m.

Recreation

Philip Mobley, Recreation Director, handed out figures on reducing the recreation fees. Loss in revenue for the present year would be \$9,865. The overall loss in all programs for FY 06-07 would be \$21,070.

Councilman Gahagan stated that the difference could be made up by increased participation.

After discussion, on motion of Councilman Gahagan, seconded by Councilman Jennings, Council unanimously reduced the Recreation fees beginning February 6, 2006 \$15.00 City participants and \$30 County participants.

Councilman Jennings stated that we need to standardize the leagues, i.e. controlling schedules.

Mr. Mobley pointed out that when tournaments come to town, someone has to pay the costs associated with that tournament, staffing time, materials, etc. Mayor Jennette stated that this is a great educational tool, to put the money in the budget. Mr. Mobley stated that all profits go back to the League.

Boat Docks

Mr. Mobley stated they spent \$98,000 on boat docks and brought in \$48,000. Mr. Mobley stated that we have 18 permanent boaters; if we had 26, it would pay for the docks. He stated he is working on a grant.

Skate Park

Mr. Mobley stated that the bids came in at \$160,000. Bids will be resubmitted February 13th.

Beebe Park

Mr. Mobley stated we have \$125,000 and work will be done by the end of June.

P.S. Jones Ball Field

Mr. Mobley stated that with the new school being built, he is afraid we will lose this field.

Council discussed talking to Superintendent Moss about swapping the impact fees for the ball field.

Civic Center

Mr. Mobley stated that we need to replace the heating and air conditioning system at the Civic Center, there are no more parts. Also, the Tourism Development Authority wants the building brought up to standards before they would take over management the building.

Bathrooms on Waterfront

Mr. Mobley stated that we were supposed to have these within a year on the waterfront and we are working on the fifth year.

Tennis Courts

FEMA will not repair the tennis courts destroyed by floods.

Aquatic Center

Need to replace a heater this year.

Hamilton Beach

Hold for discussion later.

LIBRARY

- Need to address higher speed internet (talk to Cox Communications)
- Staffing issues, need more fulltime people, reclass one person
- Need to paint exterior of building
- Need to replace wood
- Movement to merge with BHM

POLICE

911

- No active negotiations
- Feel strongly to continue to have communications because of non-emergency calls

- Mayor Jennette and Chairman McRoy to begin discussion about consolidation (recommended by Councilman Jennings)
- Police Department will not be closed (recommended by Mr. Smith)
- Department to reflect racial makeup (recommended by Mayor Jennette)

Issues:

- facilities
- pay (salaries)
- put facility study in budget this year

PUBLIC WORKS

Stormwater Ordinance

Allen Lewis, Public Works Director, stated the ordinance is in the process of being finalized (it was supposed to be adopted in August, 2005). Adam Waters asked that Council adopt the ordinance immediately because it will impose consequences. We are waiting for a response from Raleigh on the proposed changes. It will on the March agenda.

Doug Mercer spoke about the stormwater ordinance, namely:
unincorporated county area not included
no provisions for penalties
going to adopt their language?

Mr. Adams stated they are still trying to get input on the ETJ issue between the City and County

Flooding

Iron Creek

Used city crew to push up debris

**Minute Man Lane
Trying to trap beavers**

Reed Drive

Airport
Had cement removed, not holding

Brown Street Bridge
-Asking for Dot help
- Looking at closing street and not replacing bridge

Pamlico Street Paving

-Petition received
-Policy City 60% Residents 40%
-\$115,000 to pave this portion

Water & Sewer
-Meters have 10 year life
-\$200 per meter – 3800 meters
-AMR Conversion Update – costs prohibited

Parallel Water Transmission Line from WTP

-Allen Lewis looking into grants
-Additional line can push water into town quickly if there is an emergency

WWTP I&I Study/Work
-Will try to work in budget; if not, get grant
-Smaller scale of same type work

Water & Sewer Extension Cost Sharing

-Council/Manager level
- No reduction on impact fees for new subdivisions
- Give credit for reuse

Alternate Disinfectant stems – W & WW

-Currently using chlorine gas
-A lot of time spent on training and maintenance on handling gases
-Safety issue (affects 2 mile radius around each plant)
-Looking at switching to chlorine bleach
-Cost \$200,000 for Water - \$125,000 WWP
-Need to quantify the figures (Adam Waters getting figures)

Upgrade Pen/Haven Pump Station
-Pump running at capacity
-Any type of rainfall, runs 24 hours a day
-\$60,000 to \$100,000 costs
-Will restrict growth on east side of town
-Go after alternative funding

Extension Policy

-Stokes – Water
-Bath – W water - Bath looking at building a 100 gal. per minute WTP. Discussed City of Washington to supply water
-Washington Park WW

-Opening up dialogue

Fuel Depot

- No markup
- Need to cover cost for providing
- Admin fee

HUMAN RESOURCES

Pay & Classification Study

- 4.6% CPI this year or go with 3.5% (whatever we can afford)
- Employees received no COLA last year
- Need software for tracking records-do a lot manually
- Need to look at better benefits (dental) Delta Dental – Manger & Susan Hodges to look into
- Evaluations
- Form benefit committee or get someone to look at it to make sure employees are not over insured

FINANCE

Fixed Assets

- Change fixed asset from \$500 to \$5000
- Bring Ordinance to Council

Utility Billing

- Look into system to allow for re-billing

Business License Fee

- Give Council a list of how it works (downtown merchants request)
- Councilman Jennings will talk with merchants

Council discussed setting an evening meeting to finish the Planning Session items.

On motion of Councilman Jennings, seconded by Councilman Gibson, Council unanimously adjourned the meeting at 3:30 p.m.

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