

**PASQUOTANK COUNTY, NORTH CAROLINA
MARCH 4, 2019**

The Pasquotank County Board of Commissioners met today in a joint meeting with the City Council of Elizabeth City on Monday, March 4, 2019 in the Community Room of the Public Safety Building.

MEMBERS PRESENT: Jeff Dixon, Chairman
Lloyd E. Griffin, III, Vice-Chairman
Cecil Perry
Frankie Meads
Charles Jordan
Barry Overman
Sean Lavin

MEMBERS ABSENT: None

OTHERS PRESENT: Sparty Hammett, County Manager
R. Michael Cox, County Attorney
Sheri Small, Finance Officer
Lynn Scott, Clerk to the Board

Also present were members of the City Council, the Mayor, City Manager, Assistant City Manager, City Attorney, and City Clerk. Chairman Dixon welcomed everyone present. The meeting was called to order at 7:00 PM by Chairman Dixon and Mayor Parker. All attendees gave pause for a moment of silent reflection. Commissioner Meads led in the Pledge of Allegiance to the American Flag.

Chairman Dixon stated that this is a great opportunity for the citizens of Pasquotank County and a great opportunity for the City and County to come together and hopefully move forward with a new Senior Center. He hopes everyone realized the potential of moving this project forward, not only for our senior citizens, but also the impact on downtown.

1. DISCUSSION - PROPERTY ACQUISITION FOR SENIOR CENTER:

County Manager Sparty Hammett and City Manager Rich Olson provided a PowerPoint presentation regarding acquisition of property for a new Senior Center. Mr. Olson stated that both boards agreed at a meeting held on October 29, 2018 we need to do more to meet the needs of our senior citizens. Therefore, both manager's moved forward and started investigating different sites. They looked at a total of four sites in Elizabeth City. Three of the sites were ruled out and the fourth site is the one being brought forward tonight.

Mr. Hammett advised that the City and County entered into an Interlocal Agreement in October 1992 in order to fund the construction of the Senior Center attached to the Knobbs Creek Recreation Center on Ward Street. He noted that since opening in 1993, all senior citizen activities have been centered at this location. In addition, several times a year, the seniors utilize other space in Knobbs Creek Recreation Center for activities. The existing Senior Center consists of 4,500 square feet of space. Pursuant to Section 3 of the 1992 agreement, the City and County each pay half the cost to operate the center. Over the years, we have seen a great deal of growth in utilization of the center. The City's and the County's senior population have outgrown the existing center.

Mr. Olson said the site he alluded to earlier is The Daily Advance Building, which is located at the corner of Water Street and Church Street in downtown Elizabeth City. Mr. Hammett explained that The Daily Advance building is a two-story structure built in 2004. The site is .689 of an acre. The first floor consists of 7,850 square foot and the second floor consists of 8,030 square foot. He said overall the building is in great condition. He noted that it is connected to an emergency generator. He stated that we have the opportunity to purchase it at a very good price. The list price of the building is \$1.3 million, which is the appraised value. The tax value is \$1.5 million. The purchase price is \$1,150,000, which is 12% under the appraised value and 23% under the tax value. In addition to meeting the activity needs for our senior citizens, another positive of the location is that it will bring more people downtown who will potentially eat at restaurants and shop downtown.

Mr. Olson said The Daily Advance building has 29 dedicated parking spaces located on the existing site. It is adjacent to the Church Street parking lot, with over 100 parking spaces. He provided a number of slides showing the layout of the building.

Mr. Hammett stated that the purchase and financing terms must be approved by the City Council of Elizabeth City and the County Commissioners of Pasquotank County. The financing of the purchase must be approved by the North Carolina Government Commission. The City of Elizabeth City and Pasquotank County must approve an Interlocal Agreement regarding the issuance of debt related to the purchase and operation/management of property.

Mr. Olson said the loan will be in the City of Elizabeth City's name and would be backed by the Interlocal Agreement requiring the County to pay ½ of the debt associated with the building and ½ of the operating cost. He estimated total startup costs to be \$1,500,000 (Building cost - \$1,150,000, Remodeling cost - \$240,000, Exercise equipment - \$45,000, Furniture - \$14,500, Kitchen appliances - \$20,000, Gaming - \$15,500, and Office furniture/computer/av - \$15,000). He stated that the City requested bids from three banks. First Citizens declined. BB&T provided a very competitive rate at 2.97%, with a \$5,900 origination fee, and Southern Bank provided a 4% rate, with no origination fee. The yearly debt payment associated with BB&T would be \$173,560.20. He noted that the Interlocal Agreement does not need to be executed tonight. The City attorney drafted an agreement and forwarded it to the County Attorney. He noted that they both need time to review the document. He said it is very similar to all the other Interlocal Agreements between the City and County.

Chairman Dixon stated that he would begin the discussion by allowing each commissioner to ask questions.

Commissioner Overman – He feels this is a great opportunity.

Commissioner Jordan – No comments.

Commissioner Meads – He asked if we have an estimate on utility costs for the building. Mr. Olson said utilities are between \$8,000 and \$20,000. He noted that a generator can be used for peak shaving. He said staffing will need to be increased to handle the building, noting that they are looking at adding a part-time custodian, which will be split between the Senior Center and the Knobb's Creek complex, as well as some additional senior citizen employees. He noted that these costs are all in the business plan provided.

Commissioner Lavin said he appreciates the business plan. He asked for clarification on the maintenance and repair equipment line item decrease, as well as on the significant decrease in the capital outlay for improvement. Mr. Olson said the current facility needs an HVAC replacement. Two years ago they updated the restrooms to make them ADA compliant. The units in The Daily Advance building appear to be newer units. He said they believe that maintenance and repair costs should not be as high. As far as capital improvements, he said that is a "plug number". He said they may need to buy more exercise equipment, etc. Mr. Lavin asked if there will be upgrades associated with accessibility. Mr. Olson noted that there is a handicap ramp on the Water Street side of the building. He said they plan on changing the parking plan on Water Street, and there is the possibility of putting eight additional parking spots next to the handicap ramp. Mr. Lavin asked if the business plan has been reviewed by both the City and County Managers. Mr. Olsen stated that the plan was generated by his staff, but it has been reviewed by both himself and Mr. Hammett.

Vice-Chairman Griffin – No comments.

Commissioner Perry – He asked what year the building was constructed. Mr. Olson answered 2004. Mr. Perry asked if there is a warrantee on the generator at The Daily Advance, to which Mr. Olson responded it does not, but noted that the City has several generators that can be utilized. Mr. Perry asked if a manager will need to be hired. Mr. Olson said we currently have an individual who runs the senior center and she will run the new facility.

City Council members were given the opportunity to make comments.

Chairman Dixon and Mayor Parker asked their respective boards if they were prepared to vote on the matter, to which both boards responded that were.

Motion was made by Lloyd Griffin, seconded by Barry Overman to purchase the Daily Advance building for use as a senior center, draft an Interlocal Agreement, receive approval of financing by the Local Government Commission, and perform all due diligence and inspections required to purchase the building. The motion carried unanimously.

There being no further business, the meeting was adjourned at 7:33 PM.

CHAIRMAN

CLERK TO THE BOARD