

**MINUTES OF SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF SANFORD
SANFORD, NORTH CAROLINA**

The City Council met at the Buggy Company Building, 115 Chatham Street, Sanford, on Tuesday, November 1, 2016, at 5:30 p.m., in the First Floor Conference Room. The following people were present:

Mayor Pro Tem Sam Gaskins
Council Member Jimmy Haire
Council Member James Williams
City Manager Hal Hegwer
City Attorney Susan Patterson

Council Member Byron Buckels
Council Member Norman Charles Post, III
Council Member Rebecca Wyhof
City Clerk Bonnie Davis

Absent:

Mayor Chet Mann

Council Member Charles Taylor

Mayor Pro Tem Gaskins called the meeting to order.

City Attorney Susan Patterson introduced attorney Albert Benschhoff (of the Brough Law Firm), who has worked on implementation of the new requirements and standards for Municipal Service Districts (“MSD”) resulting from changes made by the General Assembly in September 2015, and in June 2016.

Attorney Benschhoff shared background on the city’s history of downtown redevelopment and noted how recent legislative changes have resulted in procedural changes, including:

- Requesting input from residents and property owners about how MSD taxes are to be used;
- Creating a Request for Qualifications (summarized on Exhibit A);
- Advertising the Request for Qualifications and selection criteria;
- Drafting a contract for provision of services;
- Holding a public hearing on the proposed contract and identifying the contractor, if already selected; and
- Awarding the contract.

Mr. Benschhoff stated that Long-Range Planner David Montgomery sent a survey out to business and property owners in May and received responses from approximately 22 percent of them (an excellent response rate compared to a typical rate of only five percent for similar surveys). Approximately 70 percent of the respondents were property owners, business owners, or both, indicating an accurate reflection of what those who pay the special tax would like to see in the future. Respondents indicated they would like to see more parking, more security, more “quality-of-life” improvements (murals, sidewalks, streetscape, landscaping), and ultimately, more customers.

Requests for Qualifications were sent out on August 19 and the only response received was from Downtown Sanford, Inc. (“DSI”). Mr. Benschhoff then worked with staff, DSI members

and Board to develop a contract, which must be presented at a public hearing and approved by Council. He closed his presentation by stating that he, along with staff members, recommends Council approve the resolution and contract.

CASE FOR PUBLIC HEARING

Public Hearing Regarding Proposed Municipal Service District Contract with Downtown Sanford, Inc.

Mayor Pro Tem Gaskins opened the public hearing.

Council Member Williams questioned whether new regulations will change the process through which DSI has requested funds in the past. City Attorney Susan Patterson explained that DSI's budget, including funds collected through the MSD special tax, will still be presented to Council for approval as in the past and that any expenditures not included in the original budget will still require Council approval (through a budget amendment). She noted, however, that new regulations also require a public hearing, which must be advertised twice (once weekly, for two weeks prior to the hearing). She confirmed that some public hearings may be held during City Council meetings (including the hearing required for the original budget), provided that they can meet advertising requirements.

Council Member Buckels stated that he supported the proposed contract and resolution, but reminded everyone of the two residential properties in the MSD and encouraged good communication with them on any issues affecting them. Steve Brewer, a property owner, business owner and DSI board member, acknowledged the importance of good communication and confirmed that DSI is working diligently on it, including email, personal notifications, and some type of emergency text.

Council Member Williams questioned whether new regulations would result in additional expenses to the City. Mr. Brewer confirmed that advertising each hearing will cost approximately \$300. Attorney Patterson stated that most of the expenses would be paid from MSD funds, but some would be paid from the city's General Fund. Mr. Brewer stated that he supports the agreement and looks forward to continued work with the city.

Mayor Pro Tem Gaskins closed the public hearing.

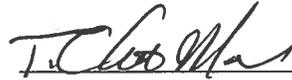
- **Consider Resolution Approving the Agreement for Municipal Service District Services with the Downtown Sanford Redevelopment Corporation, doing business as Downtown Sanford, Inc. (Exhibit B)**
- **Consider Agreement for Downtown Municipal Service District Services (Exhibit C)**
Council Member Buckels made a motion to approve the Resolution Approving the Agreement for Municipal Service District Services with the Downtown Sanford Redevelopment Corporation, doing business as Downtown Sanford, Inc., and the Agreement for Downtown Municipal Service District Services. Seconded by Council Member Wyhof, the motion carried unanimously.

ADJOURNMENT

Council Member Wyhof made the motion to adjourn the meeting; seconded by Council Member Buckels, the motion carried unanimously.

ALL EXHIBITS CONTAINED HEREIN ARE HEREBY INCORPORATED BY REFERENCE AND MADE A PART OF THESE MINUTES.

Respectfully Submitted,



T. CHET MANN, MAYOR

ATTEST:



BONNIE DAVIS, CITY CLERK