

**MINUTES
CENTRAL CITY REVITALIZATION AND HOUSING COMMITTEE
APRIL 20, 2010 AT 10:00 A.M.
COUNCIL CONFERENCE ROOM – 2ND FLOOR CITY HALL**

The Central City Revitalization & Housing Committee met on Tuesday, April 20, 2010 at 10:00 a.m. The following members were present:

Chairman Walker Reid
Councilman John Howren
Councilman Dale Burkett

Chairman Reid welcomed everyone and called the meeting to order. Chairman Reid addressed Jim Palenick, City Manager, to begin staff's presentation.

ITEM 1: Proposal to Gain Development Control of Property at 121 South Marietta Street (Kress Building):

Mr. Palenick addressed Chairman Reid and requested a recess to tour the Kress Building. Chairman Reid consented and recessed the meeting at 10:04 a.m. for the Committee and Staff to tour the Kress Building. The meeting was reconvened at 10:35 a.m. after the tour.

Mr. Palenick stated the City of Gastonia is currently in the process of a major revitalization of its Central-City core area. At the epicenter of this core area is the historically-significant, 37,000 square-foot, vacant and privately-owned Kress Building. The Kress Building has frontage and entrances on both Marietta Street and Main Avenue, and is directly opposite the Carriage Company Condos. The Kress Building also backs up to the conference center/parking deck site. The primary goal of the City in acquiring the Kress Building would be to gain control over the property to facilitate its optimal redevelopment. Since this is vital to Downtown revitalization, staff proposes that the City enter into a Lease with Option to Purchase for the property at 121 South Marietta Street consistent with the terms and conditions contained in the Letter of Intent signed by the property Owner(s)/Seller(s).

Committee Recommendation:

The Committee voted unanimously (3-0) to take to full Council the Letter of Intent to enter into a Lease with Option to Purchase the 121 South Marietta Street site.

Necessary Council Action:

Accept or reject the Committee recommendation.

ITEM 2: License Agreement for Exclusive Use of 16 Parking Spaces in Support of Carriage Company Condo Development:

The Craig and Wilson Building is currently being renovated and when completed will contain 16 owner-occupied, residential units. This development will do much to contribute to the revitalization of Gastonia's Center-City core. The developer, Revitalize Main, LLC, has approached the City to request exclusive use of 16 parking spaces (12 of which have been created new as part of the project) at a recurring fee of \$5 per-space, per-month to serve the prospective property owners. Staff recommends approval of this agreement.

Committee Recommendation:

The Committee voted unanimously (3-0) to take to full Council the license agreement for 16 parking spaces at the Craig & Wilson Building.

Necessary Council Action:

Accept or reject the Committee recommendation.

ITEM 3: Highland Gateway Redevelopment -- Retail Grocery Financing Plan for Site Improvements:

To further enhance the Highland Gateway Redevelopment Project, a proposal to purchase property for the First Legacy Community Credit Union site was brought before the Committee. The Credit Union has submitted a purchase offer, with specific time commitments for construction, at \$2,000 subject to the "Upset Bid Process". Also, staff proposed the financing of site improvements for the Highland Retail Grocery site. In order to finance site improvement, the following revenues are available: proceeds remaining from 2002 HUD 108 Economic Development Loan; unspent 2/3 Bond Funds (2008) after completion of Grace Street/Beatrice Costner Avenue; and a portion of 108 Guaranteed Loan Funds due to the General Fund from FY 2003 – FY 2009. Staff recommends the Committee sanction and approve the sale of property to First Legacy Credit Union, subject to the Upset Bid Process. Also, staff recommends approval for the financing proposal that would allow site improvements dedicating these three sources of revenues described, including a budget amendment.

Committee Recommendation:

The Committee voted unanimously (3-0) to take to full Council the financing plan for sale of property to allow construction of the Credit Union, and the proposal for financing site improvements for a Retail Grocery Store as a part of Highland Gateway Redevelopment.

Necessary Council Action:

Accept or reject the Committee recommendation.

ITEM 4: Webb Theater Redevelopment Financing Plan:

A feasibility study was recently completed for the Conference Center/Parking Deck, which stated there is a lack of Downtown activities and amenities to support the Conference Center. In light of the proximity of the Webb Theater and in order to spur economic development and enhance the City-Center core, staff proposed the Webb Theater as a viable option for an entertainment/restaurant venue. A reputable developer has expressed an interest in the redevelopment of the Webb Theater as an upscale restaurant. In order to accomplish this redevelopment, a financial proposal was presented to the Committee. Staff recommended the Committee endorse a proposed Lease-to-Own Financing Plan to accommodate a restaurant in the Webb Theater Building.

Committee Recommendation:

The Committee voted unanimously (3-0) to bring the plan, with greater details as to developer's commitment, including nature and substance of personal guarantees, to the May 18th City Council Meeting for Final Action.

Necessary Council Action:

Accept or reject the Committee recommendation on May 18, 2010.

ITEM 5: 2011 CDBG Budget and 5-year Consolidated Plan:

Staff presented the Annual Budget Narrative Statement for Community Development Block Grant Funds (CDBG) for FY 2010-2011. Also presented was the 5-Year Consolidation Plan for FY 2010-2015, including the proposed 2010-2011 Community Development Action Plan. Staff recommended the Committee approve the CDBG Budget and 5-Year Consolidated Plan.

Committee Recommendation:

The Committee voted unanimously (3-0) to take to full Council the Budget Narrative Statement for Community Development Block Grant Funds (CDBG) for FY 2010-2011 and 5-Year Consolidation Plan for FY 2010 – 2015, which includes the FY 2010-2011 Community Development Action Plan.

Necessary Council Action:

Accept or reject the Committee recommendation.

Having no other items of business to discuss, the meeting was adjourned.