

MINUTES
FACILITIES COMMITTEE MEETING
COUNCIL CHAMBERS—CITY HALL
SEPTEMBER 23, 2008

The Facilities Committee met on Tuesday, September 23, 2008, at 5:45 PM in the City Council Chambers, City Hall, and reports the following items for City Council's consideration:

Council Members Present: John Howren, Chairman
 Councilman Dave Kirlin
 Councilman James Watson

Chairman Howren called the meeting to order.

Item 1: Lease of City-owned Property for Sale of Christmas Trees

Mr. James P. Morris requested to lease City-owned property at the Southeast corner of Fern Forest Drive and Garrison Boulevard from November 20 through December 31, 2008. Mr. Morris has leased this lot annually since 2002. He is offering to pay \$600 for the lease period and will provide liability insurance coverage of \$1,000,000.

Councilman Howren recognized Ms. Susan Hinely, Community Improvement Director, for the purpose of staff's presentation.

Ms. Hinely said that Mr. Morris had leased the property for the purpose of selling Christmas trees since 2002. The lease amount at that time was \$500. It was increased to \$550 in 2003 and to \$600 in 2004. The lease amount remained the same since 2004.

Ms. Hinely said it cost the City \$130 per month for six months (\$780 annually), for lawn mowing. She said stone had been added three times during the past five years, at a total cost of approximately \$1,000.

Councilman Kirlin asked if the proposal was open for negotiations.

Ms. Hinely stated that based upon her calculations with respect to the expenses incurred, a lease rate of \$650 would be a fair price.

Councilman Watson asked if the lot could be cleared and graveled to replace the grass and that the cost associated therewith be recouped.

Ms. Hinely stated that such an option had been considered, and would be revisited again.

The Committee voted unanimously to lease the property to Mr. Morris for an increased amount of \$650 for the lease period in both 2008 and 2009.

Item 2: Update on City GIS Property Maps

Councilman Howren said that he asked for the opportunity to provide an update on the City's GIS Property Maps for the Committee. He recognized Ms. Dee Dee Gillis, Deputy Director of Neighborhood and Community Resources, for the purpose of staff's presentation.

Ms. Gillis said that Myra Messer, Real Estate Administrator, was the one working on this project, with Ray Kurtiak and other staff members. She said Ms. Messer had a prior commitment and asked that Ms. Gillis provide the presentation.

Ms. Gillis showed the Committee how the City's properties were being logged in and how they could be located on the map. She said that City facilities such as the Farmers' Market, Fire Stations, and Parks and Recreation would be color-coded. Ms. Gillis said that out of more than 500 properties logged so far, 100 properties had been identified as possible "surplus." Ms. Gillis also demonstrated how to locate properties that would not be for sale at the present time, because they were included in redevelopment areas that had been previously designated by the City for such purpose.

Councilman Howren thanked Ms. Gillis for the presentation. No action was required for this item and was accepted by the Committee for information only.

Item 3: Begin Negotiations to Purchase Rear Portion of 407 Stevens Street

The rear property located at 407 Stevens Street abuts Ferguson Park and has been used by the public for parking since 1972. The property was sold in 2004 and the new owner made the City aware of the situation by providing a survey. The current owner has presented the property to the City for purchase in the amount of \$4,790. Two options to rectify the situation were presented. 1. Negotiate the purchase of the property. 2. Install fencing for approximately \$1,800 and divert the traffic.

Councilman Howren recognized Ms. Hinely for the purpose of staff's presentation.

Ms. Hinely said that the property address had been shown as 407 Stevens Street but that the correct address was 409 Stevens Street. She said that the current owner purchased the property in 2004 and that he had provided the City with a survey that showed the property that had been used by the City for parking at Ferguson Park did not belong to the City but rather to the owner of 409 Stevens Street. She said the fence at that address had been placed on the inside of the property line. She said the owner offered the property for sale to the City for the sum of \$4,790. Ms. Hinely said that based on the value of the lot and the small portion that the City had been offered to purchase, \$4,790 was a fair price. Ms. Hinely repeated the two options: 1) to negotiate the purchase of the property; or, 2) install fencing that would cost approximately \$1,800 in order to divert traffic from the property.

Ms. Hinely said that she spoke with Mr. Chuck Dellinger, Director of Parks and Recreation and he said that Parks and Recreation could use the property abutting

Ferguson Park. She said staff recommended beginning negotiations with the owner to purchase the rear portion of 409 Stevens Street.

The Committee voted unanimously to grant staff permission to start negotiations to purchase the rear portion of the property located at 409 Stevens Street.

Item 4: Presentation of Project “BIG SPLASH”

Councilman Howren recognized Mr. Jim Palenick, City Manager, for the purpose of staff’s presentation.

Mr. Palenick formally presented a Downtown Revitalization Catalyst Investment Project referred to as Project “B.I.G. S.P.L.A.S.H.” **B**ringing **I**nvestment to **G**astonia in **S**upport of a **P**roject **L**inking **A**quatics, **S**ports, and **H**ospitality.

Mr. Palenick gave a breakdown of the plan that included the facilities and functions, aquatics, recreation, fitness and conference center including a 50 meter competition pool, warm-water practice and therapy pool, leisure/play area, gymnasium, running track, fitness center, weight and cardiovascular space, exercise room, concessions and locker rooms and restrooms.

Mr. Palenick stated that the Conference/Meeting facility would accommodate a grand ballroom that could be broken into smaller training/meeting room, multiple breakout rooms, a pre-function area, restrooms and a catering facility.

Mr. Palenick said that there were a number of well-known athletes that came from this area and that the facility could house the Gaston County Sports Hall of Fame with a permanent wall of enshrinement.

Mr. Palenick reviewed the total project cost of \$21,633,200 and gave a breakdown of the City’s portion and pointing out that \$400,000 was omitted from Revenues and that an adjustment would be made to the Expenditures side which would become clear later.

Mr. Palenick said that \$10M would come from other stakeholders and reviewed a list of those that were immediately identified. He stressed the importance of others buying into the project in order to make it happen identifying those most likely to join forces with the City and others to become part of the project. Mr. Palenick said there would be numerous ways to participate, from naming rights and sponsorships to varying levels of contribution.

Mr. Palenick said that the financial model must provide for a separate, non-profit foundation or a combination public/private effort to assure no long-term subsidy by the City. He said possibly the YMCA could function as the management entity for a portion or all of the facility. Mr. Palenick said he believed that some portion of the County Hotel Occupancy Tax (equal to that of the City’s) should be pledged against any possible yearly operating shortfalls and that the subsidy for this type of facility would probably be around

\$300,000 yearly. Mr. Palenick said that schools and colleges also needed to contribute to the operating and programming costs for use by students, athletes, and competitions.

Councilman Kirlin said that this was a very exciting project and that he had not heard anything negative regarding this proposal. He asked Mr. Palenick about the need for parking and said that he did not see a parking deck included like the one proposed when the Council reviewed the Hotel/Conference Center project.

Mr. Palenick said that parking demand would not be an issue early on, and that the primary space was needed for the facilities. He said that when parking demand rose dramatically, a deck could then be financed and constructed to meet the demand.

Councilman Kirlin said that handicapped parking as well as ingress and egress would be needed for buses and vans to load and unload for events.

Mr. Palenick said that those issues would be addressed during the planning stage.

Councilman Watson said he had heard Mr. Palenick say the subsidy would be around \$300,000 but he had talked with others familiar with this type of facility and that they told him the operating cost would be approximately \$1.5M.

Mr. Palenick agreed but noted that the actual subsidy should not “net-out” more than \$300,000 to \$400,000. He said most of the operating costs would be covered by revenues generated from the fees, sponsorships, etc.

Councilman Howren asked if there was anyone in the audience that would like to address the Committee.

Mr. Tony Sigmon, Executive Director for the YMCA, said that he had met with Mr. Palenick to discuss this project and that the YMCA Board Members were excited about the project and supported it.

Mr. Jerry Clemmons, Chairman of Gastonia Downtown Development Corporation, said he spoke with other local Downtown business owners. He said that he had not heard anything negative about this type of project and that the GDDC was in support of it.

Mr. Lee Taylor, Board member for Gaston Gators, said that he met with Mr. Palenick and Ms. Rachel Bagley and heard the presentation. He said that the Gators had tried for a long time to get an aquatics center here in the area and this was very exciting. He said that a 501(c) non-profit account had been established for the purpose of this project.

Mr. Barry Wright, past Chair of GDDC, said that the GDDC Board would do what they could to support and help with the project.

The Committee voted unanimously to approve the concept of the Aquatics/Conference Center, and to forward it on for further discussion by the full City Council at its October 7, 2008, meeting.

Item 5: Other Business

Councilman Howren recognized Mr. Palenick for other business.

Mr. Palenick stated that he had continued negotiations with Fidelity Bank representatives in furtherance of the City's desire to purchase the bank property located at 145 S. Marietta Street. He said that the City received two appraisals on the property and that they were dramatically different. Mr. Palenick said that he spoke with Mr. Billy Woodard, Chairman of the Board of Fidelity Bank, and Mr. Woodard has offered the property to the City for \$725,000.

The Committee voted unanimously to recommend that the full City Council approve an offer of \$725,000 for purchase of the Fidelity Bank property located at 145 S. Marietta Street.

Having no other business, Councilman Howren adjourned the meeting at 6:55 PM.