

**THE BOARD OF COUNTY COMMISSIONERS
DURHAM, NORTH CAROLINA**

Monday, August 7, 2000

9:15 A.M. Worksession

MINUTES

Place: Commissioners' Room, second floor, Durham County Government Administrative Complex, 200 E. Main Street, Durham, NC

Present: Chairman MaryAnn E. Black, Vice-Chairman Ellen W. Reckhow, and Commissioners William V. Bell, Joe W. Bowser, and Becky M. Heron

Absent: None

Presider: Chairman Black

Citizen Comments—Ralph McKinney

Mr. Ralph McKinney, 500 Fairfield Road, requested time on the agenda to speak to the County Commissioners.

Chairman Black said that in the future, Mr. McKinney should make an official request to appear before the Commissioners. The request should be in the form of a letter.

Mr. McKinney talked about hate, violence, fear, and racism.

Golden Belt Center—Durham Housing Authority

James Tabron, Executive Director of the Durham Housing Authority, made a brief presentation to the County Commissioners regarding the Golden Belt Center renovation project. The Housing Authority requested that the County grant a historic tax credit, as well as provide financial support in the amount of \$30,000 per year for a five-year period.

In early June, Mr. Tabron met with the Deputy County Manager, County Attorney, and the Tax Administrator. In the course of the meeting, Mr. Tabron was apprised that the request for financial assistance would be characterized as an economic development incentive. He also learned of the County's limitations regarding economic development incentives for non-industrial projects. Therefore, on behalf of the Durham Housing Authority, Mr. Tabron requested that the Board of County Commissioners consider granting financial assistance for the Golden Belt effort.

Resource Person(s): James R. Tabron, Director of DHA, and Wendell Davis, Deputy County Manager

County Manager's Recommendation: Receive the presentation for information and decision-making purposes. Staff has worked with Mr. Tabron to attempt to identify mechanisms for financial support of the project. A proposal to grant Historic Property Designation is being recommended by staff and will come before the Board within the next 30 days. This Historic Property Designation would allow the Golden Belt Center to enjoy a 50-percent reduction in County taxes. However, after fully exploring all options, staff has been unable to determine a mechanism to offer further financial support of the project under the County's current mission and Economic Development Incentive Policy.

Mr. Tabron thanked the Commissioners for allowing time on the agenda to discuss the Golden Belt project located on Alston Avenue.

Mr. Tabron shared that the Durham Housing Authority had been given a HOPE 6 grant of \$35 million to help revitalize the Few Gardens area.

Mr. Tabron introduced Charlie Smith, Deputy Director for Economic and Community Affairs, Durham Housing Authority.

Mr. Tabron also introduced Murray F. Gould representing Historic Preservation Advisors, LLC of Raleigh. Mr. Gould worked with Durham Housing Authority to develop a financial strategy and plan to develop the Golden Belt project.

Mr. Gould discussed the financial strategy and the plan. The rent rate of the area had been established at a lower rate than in other neighborhoods. A full service rate for office space was projected at \$11.00 per square foot. That is very realistic and very achievable. The development budget of \$7.6 million and other financing sources does not provide enough initial cash to pay the mortgage. A financial gap exists. A plan has been developed to partially close the financial gap through a commitment of funds from the City of Durham. Application was made to the Durham Historic Landmark Commission to obtain local landmark status to provide a 50-percent deferral of property taxes. After considering that deferral, the joint City and County property taxes would be \$50,000 per year--\$30,000 to the County and \$20,000 to the City. The County could assist by "rolling back" its property tax for a specified period of time to allow the project to meet its financing need. The County would be revenue neutral under this program. As the market place becomes comfortable with the neighborhood, rent rates would increase. This financial shortfall will not exist forever. The financial gap could last for five to seven years.

Mr. Gould said only one building (Employment Training) is currently being renovated for the center. The project can go no further until the financial gap is closed. The entire plan must be established prior to moving forward with the project.

The Commissioners asked questions to which the Interim County Manager, Deputy County Manager, and County Attorney responded. Mr. Gould also assisted with the questions.

Vice-Chairman Reckhow suggested that staff consider the proposal from the job training aspect. She does not wish to change the County's Economic Development Incentive Policy.

Commissioner Bowser suggested that staff work with the Durham Housing Authority to make the proposal work and to bring it to the Commissioners for consideration.

Commissioner Heron did not want to change the Economic Development Incentive Policy in order to assist this request.

Chairman Black instructed Interim County Manager Titus to look at this proposal relative to job training through the Social Services Department.

No official action was taken on this agenda item.

Closed Session

The Board was requested to adjourn to closed session pursuant to G.S. 143-318.11(a)(6) to consider the qualifications or conditions of initial employment of a public officer.

Commissioner Heron moved, seconded by Vice-Chairman Reckhow, to adjourn to closed session pursuant to G.S. 143-318.11(a)(6) in order to consider the qualifications or conditions of initial employment of a public officer.

The motion carried unanimously.

Reconvene Into Public Session

Chairman Black said the Board met in Closed Session and gave direction to staff to follow through with contacting applicants for telephone consults.

Adjournment

Chairman Black adjourned the meeting at approximately 11:00 a.m.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board