

MINUTES
October 24, 2018
SPECIAL MEETING OF THE CITY COUNCIL
CITY HALL – COUNCIL CHAMBERS
3:30 p.m.

Present: Mayor Barbara G. Volk, Mayor Pro Tem Ron Stephens and Council Members: Jeff Miller, Steve Caraker and Jerry Smith

Staff Present: City Manager John F. Connet, City Attorney Samuel Fritschner, City Clerk Tammie Drake, Budget Analyst Adam Murr

1. Call to Order: Mayor Volk called the special meeting to order at 3:30 p.m. and welcomed those in attendance. A quorum was established with five members in attendance.

2. Conduct a Public Hearing to Consider Revisions to the Grey Hosiery Mill Development Agreement (Continued from September 25, 2018): City Manager John Connet presented a resolution to the Council for their consideration that would authorize the changes to the previously-approved agreement with Grey Mill Ventures, LLC, respecting the sale of the Grey Mill building. Mr. Ken Reiter and Matt Springer were in attendance.

Mr. Connet reviewed the terms associated with the transfer of the property to Grey Mill ventures, LLC necessary to build apartments in the former hosiery mill. Terms include:

- Transfer of the property for \$700,000
- Multi-family project – 35 units
- Amend Original \$1,000,000 Promissory Note to \$200,000 for the following consideration:
 - 20% of units at 80% AMI for 15 Years (approximately seven units)
 - Grey Hosiery Mill is restored in accordance with the Secretary of Interior’s Standards for the Treatment of Historic Properties
 - The developer will apply for local historic landmark status. City Council approval is required.
 - A second loan for \$500,000 utilizing CDBG funds the developer will pay back to the City for a total repayment of \$700,000.
- Payment Structure:
 - \$100,000 at closing (plus expenses for tax credit application per MOU) – Year 1
 - \$250,000 - Year 8
 - \$350,000 - Years 9 – 15, (\$50,000/year x 7 years)
 - 15-year commitment with 20% of units at 80% AMI.
 - If the property is sold, the developer may make a balloon payment on the outstanding balance. However, the 15-year AMI requirement must remain in place for the full term.

Mayor Volk reopened the public hearing at 3:36 p.m. The following addressed the Council:

Ken Fitch, 1046 Patton Street, commented circumstances have brought an adaptive reuse to preserve the mill building. It will be designed to serve as housing for the skilled workforce. The agreement calls for seeking designation as an official landmark. He supported the amendment to the agreement stating a structural remnant will be preserved.

No one else expressed a desire to speak. The public hearing was closed.

Council Member Caraker moved Council to adopt the Resolution Authorizing Changes to Previous Understandings and Agreements with Grey Mill Ventures, LLC Respecting the Grey Mill Building. A unanimous vote of the Council followed. Motion carried.

RESOLUTION #18-1070

A RESOLUTION AUTHORIZING CHANGES TO PREVIOUS UNDERSTANDINGS AND AGREEMENTS WITH GREY MILL VENTURES, LLC RESPECTING THE GREY MILL BUILDING

WHEREAS the City of Hendersonville and Grey Mill Ventures, LLC have heretofore entered into arrangements for the sale by the City and the purchase by Grey Mill Ventures of real property situated at the northeast corner of Fourth Avenue and Grove street, often referred to as the “Mill Building”; and

WHEREAS the City through its authorized agents has executed certain documents to confirm and effect the understandings of the parties, including among other documents a deed, a promissory note, a deed of trust, and a lease; and

WHEREAS the City Council has previously approved by resolution the conveyance to Grey Mill Ventures of additional lots to adjoin the properties originally sold pursuant to the foregoing arrangements, and

WHEREAS for reasons satisfactory to both the City and Grey Mill Ventures, the parties have come to a tentative understanding involving a change to the nature of the proposed use of Mill Building structure as renovated; and

WHEREAS the new proposed use of the Mill Building is for residential use, including an undertaking by Grey Mill Ventures to provide, among other things, moderate income housing for a minimum of fifteen years;

NOW, THEREFORE, BE IT THEREFORE RESOLVED that the City Council does hereby approve the proposed new transactions between the parties, including at a minimum:

1. An amendment to the original development agreement;
2. A revision to the payment and interest and other terms of the existing promissory note;
3. Extension of a loan in the amount of \$500,000.00 respecting Mill Building restoration in connection with a Community Development Block Grant received by the City;

BE IT FURTHER RESOLVED that the city manager and the city attorney are hereby authorized to take necessary steps to complete the above transactions, including specifically the drafting and execution of the aforementioned and other documents under such terms as the city manager, in consultation with the city attorney, deems reasonably necessary.

This resolution shall be effective upon its adoption.

Adopted this twenty-fourth day of October 2018.

/s/Barbara G. Volk, Mayor

Attest: /s/Tammie K. Drake, City Clerk

Mr. Ken Reiter expressed appreciation for staff's time and stated they spent some time finetuning their commitment. They are anxious to begin on this amenity for the City and expects closing documents in the near future.

3. Consideration of NCDOT Options for Roundabouts Design Review at White Street from Willow Road to U.S. 176 and NC 225 from S. King Street to U.S. 176: Mr. Connet stated the Council heard a presentation from NCDOT Project Engineer Jonathan Woodard, PE, on this project at their October meeting. Council was presented with options and requested drawings showing the impact of a roundabout at the Kanuga Road/White Street intersection versus a signalized intersection.

Mayor Volk explained NCDOT would like input on all of the affected intersections. The Council reviewed the drawings and discussed the impacts.

Willow/Hebron Road Intersection: Although there were some questions, **Council Member Caraker moved Council to endorse mini roundabout at the Willow/Hebron Road intersection. A unanimous vote of the Council followed. Motion carried.**

S. Main Street/King Street/Church Street: Discussion included the need for a U-turn northbound, the optional one-lane southbound traffic lane, expandable in the future. Council Member Smith voiced opposition to the one-lane southbound option. Mr. Woodard stated ultimately, it will need to be two lanes and will help during heavy traffic times: festivals, etc. Mayor Volk asked if funding is available for two lanes. Mr. Woodard stated yes, it is an option available.

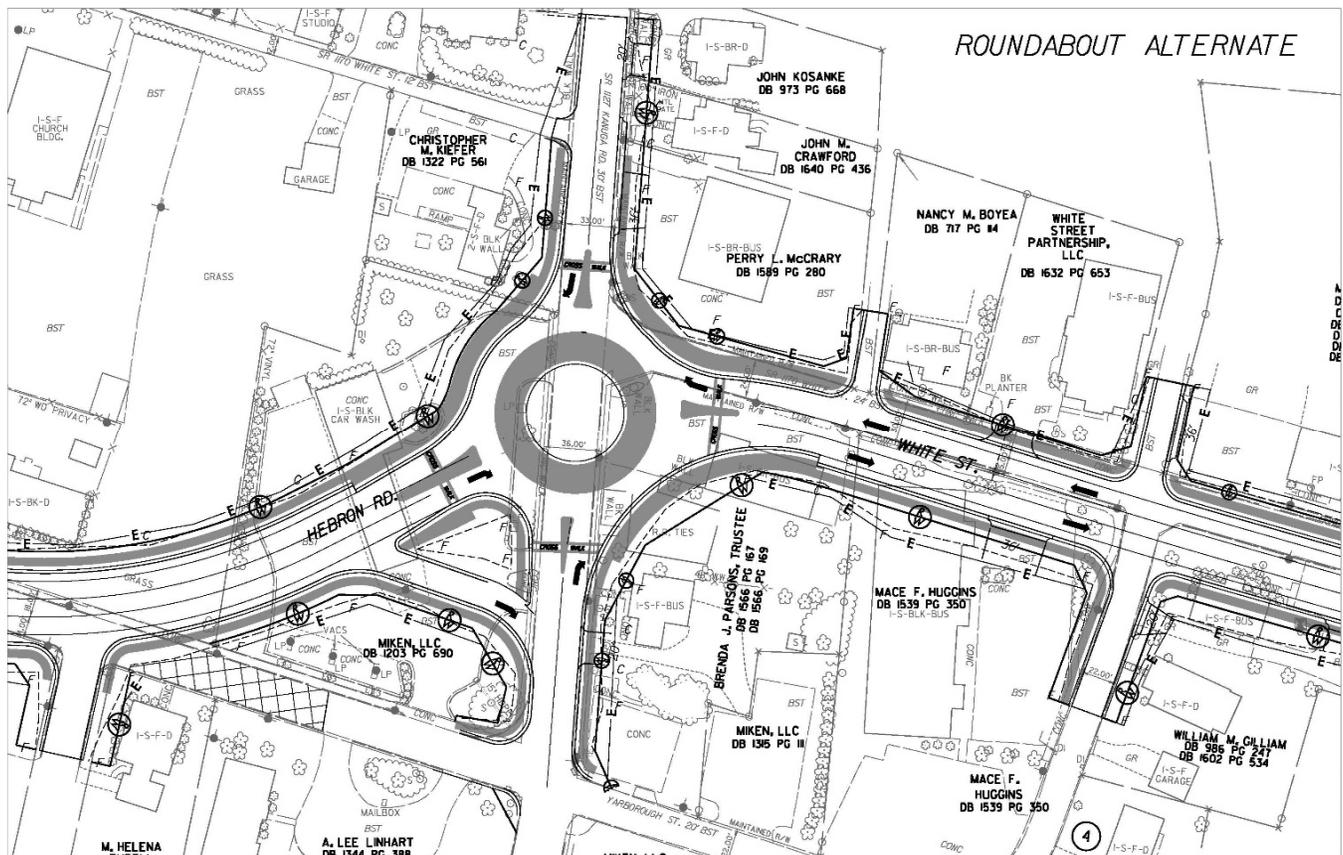
After discussion, **Council Member Smith moved Council to approve the roundabout at the end of Main and Church Street intersection with the accommodation for two lanes southbound on Church Street. A unanimous vote of the Council followed. Motion carried.** Mr. Connet suggested sending a letter to NCDOT stating Council's official position as part of the project.

Kanuga/White Street Intersection: Council Member Caraker asked if the new configuration of the roundabout will effect less property owners than a signalized intersection. Mr. Woodard responded yes. There was an explanation of the temporary easements. Council Member Miller commented he was adamantly opposed to the roundabout until he learned the alternate plan uses less property than a signalized intersection. Mayor Pro Tem Stephens agreed stating he had also been opposed until the revised alternate was presented. Mr. Connet commented on property "takes" and impacts for turn lanes. Council Member Caraker asked if there are any other design options. Mr. Woodard stated the project will either be a signal or roundabout and is needed to move traffic efficiently. He stated there another option would align the roadway at Hebron instead of White but that would be more impactful. He stated the roundabout alternate will be sufficient until the year 2040.

Mayor Volk voiced support of the roundabout alternate as presented because not doing anything is not an option. She stated Council has to deal with the issues that impacts the residents and visitors in the future. She stated neither is an easy choice. Mayor Pro Tem Stephens voiced support because it has less impact. Council Member Caraker stated he is sorry for the Gordon's because they will be losing a major investment. He hopes the business can be moved and they can recover. He agreed not doing anything is the wrong thing to do and it is a difficult decision. Mayor Pro Tem Stephens stated there was opposition to Four Seasons Boulevard and other projects. Council Member Caraker stated he has received a lot of e-mails and letters as have the other Council members. Council Member Miller commented he has received a lot of good input and Council has listened to concerns. He stated the alternate roundabout is better than how it started because of impact.

Council Member Smith stated drawings such as these would be helpful from the beginning to see the actual impact. He stated this is the fastest growing county in western North Carolina and he doesn't see the growth trend changing. Mayor Volk expressed appreciation to NCDOT's for their willingness to work with the City and trying to accommodate the needs of the community and concerns of the City and its citizens. Council Member Caraker echoed his appreciation for their sensitivity to local needs.

Council Member Miller moved Council to accept the amended roundabout alternate proposal for the Kanuga/White Street intersection. A unanimous vote of the Council followed. Motion carried.



Mr. Woodard stated right-of-way acquisition will begin in mid-2019, and construction in mid-2021. There was discussion about adequate compensation, moving expenses, and assistance in finding a suitable location. Values are determined based on certified appraisals in case of businesses, a negotiation process for a settlement agreement. He stated tax records are also taken into account.

4. Consideration of an Agreement for the Sponsorship of a Public Park with Four Seasons

Rotary Club: Mr. Connet reported the City received request from Four Seasons Rotary Club to renew an agreement for the sponsorship of the park. He explained the City's Sponsorship Policy allows for contributions to parks and receive naming rights for a period.

Mr. Connet reported the agreement includes a contribution of \$1,500 annually for a term of 10 years. The Rotary Club formally requested to designate the playground area inside the park on Allen Street as the "Dr. James V. Volk Playground" in honor of his numerous contributions to the community through his involvement in Rotary and in recognition of his special relationship with his grandchildren. A similar agreement with the Four Seasons Rotary Club was approved in 1999.

Council Member Caraker moved Council to approve the sponsorship agreement with Four Seasons Rotary Club and playground in memory of Dr. James Volk, husband of Mayor Barbara Volk who passed away Saturday, October 20, 2018. A unanimous vote of the Council followed. Motion carried. [The agreement is on file in the office of the City Clerk.]

5. Adjournment: The meeting adjourned at 4:16 p.m. upon unanimous assent of the Council.

Barbara G. Volk, Mayor

Tammie K. Drake, City Clerk