

CUMBERLAND COUNTY FINANCE COMMITTEE
NOVEMBER 9, 2009, 8:30AM
MINUTES

MEMBERS PRESENT: Commissioner Kenneth Edge
Commissioner Breeden Blackwell
Commissioner Jimmy Keefe

OTHERS: James Martin, County Manager
Juanita Pilgrim, Deputy County Manager
Amy Cannon, Asst. County Manager
Harvey Raynor, Interim County Attorney
Sally Shutt, Communications Manager
Thanena Wilson, Community Development Director
Howard Abner, Assistant Finance Director
Bob Tucker, Finance Department
Lou Huddleston, Gentry Group, Defense Industry Advisor
Bob Stafford, Gentry Group Manager
Rocky Keim, Gentry Group Manager
Bridgette Chisolm, Gentry Group- Financial Advisor
Brenda Compton, Gentry Group-Corporate Leasing Mgr.
Carl Manning, Kingdom Community Development Corp.
Fran Gilpin, Fayetteville Observer
Marie Colgan, Clerk

Commissioner Edge called the meeting to order and asked Commissioner Blackwell to open the meeting with a prayer.

Commissioner Edge stated that a Closed Session for Economic Development under NCGS 143-318.11 (a)(4) has been requested by the County Manager to be added to the agenda.

MOTION: Commissioner Blackwell moved to approve the addition to the agenda.
SECOND: Commissioner Keefe
VOTE: Unanimous

1. Approve Minutes: October 1, 2009

MOTION: Commissioner Blackwell moved to approve.
SECOND: Commissioner Edge
VOTE: Unanimous

2. Consideration of Designating the County's \$1.7M Allocation of Recovery Zone Facility Bonds

County Manager Martin reminded attendees that at the last meeting of the Finance Committee, the Gentry Group requested \$1.7M of the County's recovery zone facility bonds (RZFB) and Carl Manning with the Kingdom Community Development Corporation was also present at that meeting, but the request now is for dividing the allocation between the two groups - \$1M to the Gentry Group and \$700,000 to the Kingdom Realty Holdings, LLC. Mrs. Cannon explained that there is a requirement on the RZFB which requires that an application be submitted to the Department of Commerce by December 15, 2009 for each project for the initial allocation of \$1.7M, with an opportunity of a reallocation of additional funds which requires an application by December 15, 2009. Therefore, a request would need to go forward to the full Board on November 16 in order to meet this deadline. Mr. Martin added that the possibility of an additional allocation would be in the amount of \$17M and that a further request will be brought to the Board on November 16 in that amount for the Gentry Group with a caveat that it is contingent upon satisfactory completion of a due diligence process to include the determination of credit worthiness. Commissioner Edge questioned whether Mrs. Cannon had received the State guidelines regarding these bonds and she responded that she had and that the bonds must be issued by April 15, 2010. Commissioner Keefe questioned the County's exposure and whether the County would be liable in the event that these groups folded. Ms. Cannon explained that this is not a debt in the County's name as it would be a liability of the private corporations and that the County would not be held liable.

Mr. Manning gave a power point presentation on an Overview of Spring Lake Mixed-Use Retail Development Project. He provided information on their mission statement and organizational chart. The presentation also highlighted the impact on two projects with a combined yearly tax amount of \$29,500. The mixed-use retail development would include Candlewood Suites and IHOP Restaurant and information was provided on both businesses. A project overview was included showing a total project cost, including all predevelopment, would be \$9M on 2.2 acres of land. Funding in the amount of \$7,845,000 has been secured for the project. The total cost of the project is \$8,545,000 which leaves a gap in funding of \$700,000. Ms. Chisolm assured members that all funding sources have been secured except for the gap amount. Mr. Manning concluded the presentation with a project summary pointing out that this is a very strong project. Discussion ensued regarding the difference in this project from other projects that the Commissioners have approved for economic development.

Mr. Stafford gave an update on information that was provided at the last meeting stating that the request that is being made today is \$1M of the \$1.7M that exists and then an additional amount of future reallocations which Mr. Martin spoke of earlier. The Spring Lake Board of Alderman recently sanctioned an Economic Development Commission which he, Mr. Keim and Mr. Manning are serving on. A meeting will be held this afternoon to finalize funds for a master plan for the development and re-development of Spring Lake as a whole which has happened through efforts of the North Carolina Initiative, the BRAC Commission and Spring Lake. All tracts of land in the Business Center are under contract, with water, sewer, and roads all in place. The number one building in the park will be completed in early 2010 and will be occupied. There are

expectations for the park to be a defense contractor park in its entirety. Mr. Stafford explained the duties of other members of the group which were present in the meeting, concluding his presentation with his assurance that the land is secure and the team is in place to finish the project.

MOTION: Commissioner Blackwell moved to recommend designation of the County's initial \$1.7M allocation – as follows - \$1M to the Gentry Group and \$700,000 to Kingdom Realty Holdings, LLC and further requesting a reallocation of up to \$17M of reallocated funds contingent upon a satisfactory completion of a due diligence process, to include a determination of credit worthiness.

DISCUSSION: County Manager Martin informed members that designation of the actual footprint of the recovery zone will need to be included as part of the action when presented at the November 16th full board meeting. Commissioner Keefe asked for an explanation of the reallocation funds mentioned and County Manager Martin explained that it is made up of funds that are not used by other counties and cities. Discussion ensued regarding how the funds are allocated and how counties can issue a resolution to request that their funds, if not used, be reallocated to another county for a particular project.

SECOND: Commissioner Edge

VOTE: Unanimous

MOTION: Commissioner Blackwell moved to go into Closed Session.

SECOND: Commissioner Keefe

VOTE: Unanimous

3. Closed Session: Economic Development Matter pursuant to NCGS 143-318.11 (a)(4)

MOTION: Commissioner Blackwell moved to return to Open Session.

SECOND: Commissioner Edge

VOTE: Unanimous

4. Other Matters of Concern – no items discussed

MOTION: Commissioner Blackwell moved to adjourn.

SECOND: Commissioner Edge

VOTE: Unanimous

MEETING ADJOURNED