

**MINUTES  
CITY OF DUNN  
DUNN, NORTH CAROLINA**

**The City Council of the City of Dunn held a Special Call Meeting on Wednesday, October 13, 2010, at 8:30 a.m. in the Dunn Municipal Building. Present was Mayor Oscar N. Harris, Mayor Pro Tem N. Carnell Robinson, Council Members Buddy Maness, Bryan Galbreath, Billy Tart, Chuck Turnage and Joey Tart. Also present was City Manager Ronnie Autry, Finance Director Mark Stephens, Police Chief B.P. Jones, Lt. Rodney Rowland, Planning & Marketing Director Steven Neuschafer, Chief Building Inspector Mike Blackmon, Recreation Director Perry Hudson, City Engineer Ed Powell, City Attorney P. Tilghman Pope, City Clerk Debra West and Daily Record Reporter Brian Haney.**

**Council Member Galbreath arrived at 8:55 am.**

**INVOCATION**

Mayor Harris opened the meeting at 8:30 a.m. and gave the invocation. Afterwards the Pledge of Allegiance was repeated.

**ITEMS FOR DISCUSSION AND/OR DECISION**

**Evaluate the 21<sup>st</sup> Century PAL Grant and the Location of the proposed greenhouse project for PAL**

Manager Autry referenced the information included in their agendas.

The 21<sup>st</sup> Century Community Learning Center (CCLC) Grant funds are to assist schools, local education agencies (LEAs), and faith-or community-based organizations to provide before school, afterschool, and summer services through the establishment of 21<sup>st</sup> CCLCs. The purpose of the program is to establish 21<sup>st</sup> CCLC programs that provide students with academic enrichment opportunities along with activities designed to complement the students' regular academic program. 21<sup>st</sup> CCLCs must also offer families of participating students educational development opportunities. Centers (which may be located in schools, community and/or faith-based facilities) provide a range of high-quality services to support student learning and development. These services include but are not limited to tutoring and mentoring, homework assistance, academic enrichment (such as hands-on science or technology programs) community service opportunities, music, art, sports, and cultural activities. Centers also provide safe environments for students during non-school hours.

Total amount of the first grant is \$202,998.00 which includes personnel, teachers, tutors, management staff and computers. There is no match requirement in the 1<sup>st</sup> year of the four year grant. If awarded a 2<sup>nd</sup> year, there is no match requirement. Since the September 14, 2010 Council meeting, there has been discussion with Dr. Ed Bell, Education consultant, about the 3<sup>rd</sup> and 4<sup>th</sup> years of the 21<sup>st</sup> CCLC Grant. He stated that a match of 20% and 40% respectively, would not be required. Each year a new budget would be presented for approval and the 3<sup>rd</sup> and 4<sup>th</sup> years would be reduced from the 1<sup>st</sup> year's budget by 20% and 40% respectively.

Manager Autry explained that the grant would require the hiring of 12 employees. They would be considered part-time employees per the City of Dunn personnel policy, but if they work enough quarters, they could be eligible for unemployment compensation when they leave.

Manager Autry stated that PAL currently has three (3) grants that employs 10 part-time personnel and if the 21<sup>st</sup> Century Grant is accepted, then that number would increase to a total of 25 personnel in this department. He questioned what they will do when the current grants expire; will they pursue additional grants or will they focus solely on the 21<sup>st</sup> Century Grant.

Manager Autry questioned what they will do during the 3<sup>rd</sup> year of this grant. There is a limit on the staffing that can be supervised by City staff.

Mayor Harris asked if this grant is coordinated through and by the Harnett County School system and he asked who will supervise this program. Lt. Rowland responded that they work with the school system and they will be aware of what this program is doing but ultimately he will have to report to the state with regard to this grant.

Mayor Harris asked Lt. Rowland if there are any funds allocated for the City administration of this program. Lt. Rowland responded no, it will basically be a continuation of what they are already doing.

Mayor Harris asked Lt. Rowland where he will find a director to head this program and supervise 12 people for \$14.00 per hour. Lt. Rowland responded he already has a staff member who is in charge of after-school tutoring that can take on this role.

Mayor Harris asked Lt. Rowland is he saying this is a continuation of an ongoing program. Lt. Rowland responded this is a continuation of their after-school program.

Mayor Harris asked Lt. Rowland how these students will be transported from their school to PAL and back home. Lt. Rowland responded the local schools, except Dunn Middle, has bus transportation through the

school system whereby they will take them to PAL, some students will walk and some parents will bring them. Students will either walk home or have a parent pick them up.

Mayor Harris asked Lt. Rowland how many children he anticipates participating in this program. Lt. Rowland responded up to one-hundred children per day. They already have 40 children and are at the maximum with the personnel they have. Mayor Harris asked would the 21<sup>st</sup> Century Grant allow them to expand the number of children from 40 to 100. Lt. Rowland responded yes, and they potentially could go beyond one-hundred.

With reference to the 21<sup>st</sup> Century Grant, Mayor Harris stated that he wants to make sure they have a qualified program with a good executive director, tutors and responsible capable people to make sure this program accomplishes what it should with control of the children participating as long as they are under the City care from the time they arrive until the time they leave; that the children have a way to get to PAL and a way to get home.

Lt. Rowland stated that when you administer an after-school program, there is not a mandate that the children attend therefore you want a good staff that the children will get along with.

Discussion was held about accomplishing goals of learning as well as disciplining with the right ratio of staff to children.

Mayor Pro Tem Robinson stated that he has observed the operation of the current after-school program at PAL and it is well-managed with adequate staffing. He spoke of the need to get these children on target. He added that if these children do not make it in the elementary school, there is not a good probability of them making it in high school.

Mayor Harris stated that they do not need to tie Lt. Rowland with a program if he doesn't have adequate resources to carry it out especially when increasing from forty to one-hundred students. He wants adequate staffing and a great program with capabilities of handling one-hundred students.

Lt. Rowland stated that the teachers will actually come from the school system and there should be more than adequate staffing. They will not take in more students than they can handle.

Discussion was held about this program being an after-school program/daycare since the hours of operation extend until 8:00 pm. Lt. Rowland explained that they are open until 8:00 or 9:00 pm each night to offer other activities. He added that the students are required to attend tutoring first before they can participate in other extra-curricular activities such as boxing, wrestling, basketball, etc.

Council Member Maness asked Lt. Rowland if the City will have to fund the cost to pay for transporting these students and could he anticipate the funding cost for transportation. Lt. Rowland responded he is continuously looking for funding sources and hopefully they will have a means in place and if not, then they may have to cut transportation. He added that each year they can adjust the grant with reference to transportation.

Council Member Turnage asked Lt. Rowland how long are the students involved in the program, what are the expectations of the student and are evaluations a part of being in the program or are they evaluated by the grades they receive in school. Lt. Rowland responded yes, it is based on grades in school and whether or not that student is going to the office continually. He added that the student can participate in the program as little as two months or as long as the school year with an option of re-enrolling in the fall.

Lt. Rowland explained that some students may participate in the enrichment part of the program and not the tutoring aspect. Some of the older students may help younger students by peer tutoring.

Discussion was held with regard to benefits for these employees. Manager Autry stated that according to the City Personnel Policy, these employees would fall under the category of part-time and would not qualify for benefits. To receive benefits, they must be a twelve month employee; however, these employees would qualify for unemployment compensation once the grant is over and they have worked enough quarters.

Discussion was held about the total on-going grants, sustainment of these concurring grants and costs to the City to administer these grants.

Mayor Harris asked Chief Jones, Lt. Rowland and Finance Director Stephens if they could handle the tasks before them and can they administer the 21<sup>st</sup> Century Grant.

Chief Jones stated that PAL is a wonderful resource but the program has outgrown one supervisor. He added that it is time to consider an assistant director to help Lt. Rowland manage PAL and this grant. He suggested that the Council consider hiring a civilian that could act as director of the 21<sup>st</sup> Century Grant and eventually train that person to direct the PAL program upon the retirement of Lt. Rowland in a few years.

Mr. Stephens pointed out that the City currently has several grants from different funding sources. This grant is federal education money and the audit paperwork must be retained for nine years, which is five years after the grant ends. This grant will require more work with regard to compliance, than the current grants being administered.

Mayor Harris mentioned the possibility of the PAL organization becoming a 501(c)(3) non-profit in the future which in turn, would qualify PAL for additional grant funding.

Discussion was held about following the correct process before applying for grants, the need for the Council to evaluate each grant available to PAL, associated costs that the City will incur for additional personnel with reference to benefits, unemployment, transportation, facilities, etc. for this grant.

### **Location of Proposed Greenhouse Project for PAL**

Manager Autry stated that he would ask for the consensus of the Council to allow him along with Chief Jones and Lt. Rowland to meet with the Chairman of the 1<sup>st</sup> Baptist Church to decide where to place the greenhouse.

Mayor Harris asked Manager Autry how a greenhouse fits in the PAL program that Lt. Rowland is carrying out. Mayor Harris questioned that if high-risk children are being tutored and daycare is being provided, then how will a greenhouse fit into this program.

Council Member Turnage stated that 1<sup>st</sup> Baptist Church was used only as the vehicle to apply for the greenhouse project and volunteer members of the church would support the greenhouse; however, it will be up to PAL to provide necessities for the greenhouse.

Mr. Rowland stated that a garden program is an enrichment program of PAL. He currently has four students from the FFA program of Triton High School who will work in the greenhouse. He added that he has asked other area churches about volunteering. The students will learn how to grow vegetables and plants.

### **CSX Proposal to Close Pearsall Street at-grade Crossing**

Mr. Danny Gilbert, Rail Safety Consultant, gave a proposal at the September 14, 2010 Council meeting with regard to closing the Pearsall Street at-grade crossing. At this time, CSX Transportation and NCDOT Rail Division are prepared to offer the City \$57,500 in exchange for closing this crossing.

Mr. Gilbert also advised that CSX and NCDOT Rail would consider other closing options that the Council would offer in place of the Pearsall Street crossing.

Council Member Turnage presented a power-point presentation of the current railroad crossings in town. He also presented pictures of the current railroad closings to include Pope Street, Vance Street, and Cleveland Street and the blighted condition of these closings.

Manager Autry explained that stimulus funding monies were made available for CSX and NCDOT to offer municipalities on the basis of traffic safety. There is not a demand to close the crossing.

Council discussed the negative aspect of closing another crossing in Dunn.

Council consensus was to place this item of business on the November agenda for decision.

*9:55 a.m. – 5 minute recess*

### **Proposal from Consultant to Convert the Rosenwald School (old Harnett High School Building) into Senior Apartments**

Housing consultant and developer Scott Redinger of Scott A. Redinger, Inc., in Wilmington, presented a power-point presentation to outline the development process necessary to move forward to investing in improvements to the old Harnett High School campus and the possibility of using the school for housing for seniors and improving the adjoining buildings.

Mr. Redinger presented an outline of the development process and the development mechanisms to use as they go through this process. He stated that there are many resources available to not only improve the school but to improve the adjacent properties that will benefit the community and town.

Mr. Redinger presented pictures of schools that he has converted to senior housing. He stated that schools make excellent senior housing and the reason for that is that old historic schools have large classrooms which convert well to one bedroom apartments.

Mr. Redinger stated that the Harnett Training school is rather small but fortunately there is a senior center building adjacent to the training school which could serve as community space. There is another building adjacent that has a part of it being used for an after-school program that could also be renovated. Having the senior center adjacent is a strong positive for the location of this development.

Mr. Redinger summarized the following process to develop the property:

- Establish neighborhood support for the development
- Obtain cooperation for revitalization of the buildings from senior center and other tenants
- Confirm available Section 8 Project Based Rental Assistance for the development
- Prepare a supportive services plan for residents with local senior service agencies and health care providers

He provided an estimate for the Planning and Application Phase which includes the cost to submit the North Carolina Housing Finance Agency (NCHFA) application, site analysis/due diligence/preliminary

plans at a cost of \$78,000.00. This process may take several months. Due to the competitiveness of this process, funding is usually allocated to one out of four applicants. Awards are based on applications that score the most points.

Additional costs if funded to be paid before closing include allocation fee based on 64% of qualified basis (paid if funded) at an estimated cost of \$35,000 and architect and engineer fees at an estimated cost of \$125,000.

He explained the following process required to move forward:

- Identify a qualified non-profit developer (owner/managing member)
- Qualify the building for historic tax credits
- Qualify the surrounding neighborhood as a Community Revitalization Area
- Housing Authority must amend the Annual Administrative Plan to allow Section 8 Project Based Assistance (PBA) and advertise for PBA for Elderly

Mr. Redinger stated that this school is located in a qualified census tract which will allow additional tax credits to make improvements to the PAL or senior center building. They will want to qualify the building for historic tax credits which will raise additional equity that can be used to renovate the building from the equity investor.

Housing consultant and developer William Farris spoke about tax credits (low-income housing tax credits, historic preservation tax credits, community resource center tax credits):

- The property must be on the National Register of Historic Places in order to qualify for state and federal historic preservation tax credits
  - Property is already on NC SHPO's "Study List"...need to confirm that entire campus is on list.
  - Prepare and submit National Register Nomination to SHPO's National Register Advisory committee...special researcher. May take up to 9 months for a decision.
  - Recommendations from NC SHPO go to National Park Service (NPS) and the final decision for listing. Another 90 days.
- Prepare Historic Preservation Certification Application – Part 2...to SHPO and NPS. Confirms rehabilitation meets Secretary of Interior's Standards. (90 days)
- Historic Preservation Certification Application – Part 3...shows NPS that proper work was done. (90 days)

The preliminary application will need to be submitted by January of 2011.

Mr. Redinger and Mr. Farris entertained questions from the Council.

Mayor Harris asked the Council to absorb the information given today and suggested the Council provide questions to the City Manager for Mr. Redinger to answer.

City Attorney Pope asked Mr. Redinger to outline what the City must accomplish before submitting the preliminary application in mid January, 2011. According to Mr. Redinger, the following would be required:

- City must create a CDC – not required to have 501(c)(3) status at this point
- If the City hired Mr. Redinger and Mr. Farris, they would be the applicants
- Ownership entity in place
- Establish a Community Revitalization area
- Other items can be accomplished between January and May
- Will expend approximately \$30,000-\$40,000 to get the pre-application submitted

Mr. Redinger stated they can offer the City two agreements. The first agreement retains Mr. Redinger and Mr. Farris as consultants on an hourly rate basis plus their out-of-pocket expenses. Once a decision has been made to move forward with the development, they will offer an actual development agreement.

He informed the Council that at this point in time, they may want to submit an application next year in order to allow the Council sufficient time to accomplish all that is required for this sequential methodical process.

Mayor Harris asked Mr. Redinger to forward to the City Manager, a plan of action, consultant agreement and development agreement for the Council to review.

### **Establishment of a CDC (Community Development Corporation)**

Mr. Redinger stated that a CDC must be a 501(c)(3) non-profit and will have to be proved at the time of their application. The CDC must materially participate in the acquisition development ownership and ongoing operation of the property for the entire compliance period and have as one of its exempt purposes, the fostering of low-income housing. This means that as a managing member of any property, there is an overall responsibility for the operation of that property (ex. Following the requirements of funding processes, adopting an annual budget, comply with the compliance of lenders, annual audit). The CDC must have a board of directors with the capacity to manage this asset on behalf of the City.

Mr. Redinger stated that advantages to the community in using a CDC instead of a private developer include the development fee, cash flow and control over the property and the use of the property.

Mr. Redinger stated that he and Mr. Farris would be willing to work and guide a CDC if the Council decides to form this non-profit corporation.

He stated that a CDC can be a tremendous economic engine for the City of Dunn. It must have capital. The equity investor can determine the amount of money that must be on hand given the estimates of the project cost. The City cannot guarantee the debt of the CDC.

**Award Contract for  
Updated Recreation Master Plan  
PARTF Grant Application**

Manager Autry stated that Davis-Martin-Powell & Associates has conferred with the state and to acquire necessary points for approval of the PARTF grant, an updated Recreation Master Plan and System-wide Comprehensive Plan must be completed before January, 2011.

City Engineer Ed Powell explained that the PARTF application that was submitted was based upon an outdated comprehensive plan and the City needs to update this plan before re-submitting the PARTF application in January, 2011.

City Engineer Powell stated that the current Master Plan is 15 years old; it was completed in 1995. They anticipate holding a public hearing in December to adopt an updated Master Plan and updated System-Wide Comprehensive Plan; a specific plan for Tyler Park to become eligible for points.

Mr. Autry stated that he would have to appropriate funds from fund balance if approved. This contract in the amount of \$23,000 has not been appropriated in the current budget.

Mayor Harris suggested that this item of business be placed on the November agenda.

It was suggested that funding be requested from the Booster Club, ABC Board or from within the Recreation department budget.

*11:52 am – Council consensus to excuse Council Member Joey Tart from the remainder of the Council meeting.*

Motion by Council Member Maness and seconded by Council Member Turnage to award contract to Davis-Martin-Powell & Associates in the amount of \$23,000 to update the Recreation Master Plan and System-Wide Comprehensive Plan for the PARTF Grant application and to appropriate monies from fund balance with the understanding to replace these funds back in fund balance prior to June 30, 2011. **Motion unanimously approved.** *A copy of the contract between DMP and the City of Dunn is incorporated into these minutes as Attachment #1.*

**USDA Loan Update and  
Proposal of How to Proceed  
with Downtown Revitalization**

During the August 10, 2010 Council meeting, the Council took action to accept a loan offer not to exceed \$2,589,000 and a grant not to exceed \$400,000 from the USDA for the purpose of performing the Downtown Dunn Revitalization Project.

Mr. Garland Burnette, USDA representative, summarized the terms in the letter of conditions during the August meeting and advised the Council that USDA had not yet committed to a firm loan or grant amount.

Since the August meeting, the City has been advised that this project was not funded in the USDA FY 09-10 budget.

Manager Autry stated that Mr. Burnette advised him that funding requests far exceeded the monies available. Funds will be appropriated in the USDA FY 10-11 budget which begins October 1<sup>st</sup>. According to Mr. Burnette, the City of Dunn's project/application is at the top of the list for funding; however he could not give a firm timeline.

Manager Autry informed the Council that since he was made aware that the City did not receive funding, he suspended all engineering work to avoid further expenditures. He stated that they need to proceed with the underground coordination with Progress Energy, cable, communications and signal controls to finalize the plans to be ready for bid and he asked the Council for direction. Mayor Harris responded he is not willing to proceed further until the City receives a firm commitment from USDA.

With no further business to discuss, Mayor Harris adjourned the meeting at 12:09 pm.

---

Oscar N. Harris  
Mayor

Attest:

---

Debra G. West  
City Clerk