

City Of New Bern
Redevelopment Commission Meeting
December 14, 2022
303 First Street- Development Services

The following persons were present: Chair Tharesa Lee, Vice Chair Kip Peregoy, Stephanie Lovick, Kip Peregoy, Beth Walker, Leander "Robbie" Morgan Jr., Steve Strickland, and Tabari Wallace

The following persons were absent or excused: Julian "Jay" Tripp (absent) and Julius Parham (excused).

The following Ex Officio members were present: Alderman Hazel Royal and Alderman Rick Prill

The following staff were present: Catrechia McCoy Bowman, Executive Director, Marvin Williams, Assistant City Manager, and D'Aja Filmore, CDBG Coordinator

1. Welcome & Call to Order, Roll Call, Guiding Principles

The meeting was called to order by Chair Lee at 6:05 following the reading of the Guiding Principles.

Vice Chair Peregoy called the roll and confirmed a quorum.

2. Public Comment

No public comments.

3. Approval of Minutes

A motion was made by Vice Chair Peregoy to approve the minutes with a correction "Avolis," not Atlas and seconded by Commissioner Leander Morgan. The motion was unanimously carried (7-0).

Strategic Planning Session (no quorum)

A motion was made by Vice Chair Peregoy to approve the minutes for the Strategic Planning Session and seconded by Commissioner Beth Walker. The motion was unanimously carried (7-0).

4. Discussion of RDC'S Plan For 203 And 207 Jones Street

Commissioner Walker explained that these properties were acquired for the development of quality housing stock. She explained that the housing work group met and recommended that Mr. Frey's offer to purchase be rejected by the Commission. Commissioner Walker stated that the housing work group would be willing to help Mr. Frey find another property in the area.

Commissioner Morgan communicated to the Commission that it would act in good faith to honor Mr. Frey's request as he is already vested in the community. Commission Morgan asked the housing work group if there is a current plan in place for the Jones Street properties.

Commissioner Strickland stated that the future use of the properties is being finalized through a partnership.

Alderman Royal expressed the importance of understanding the housing work group's process.

Chair Lee explained how the housing work groups operate.

Commissioner Walker informed the Commission that the group continuously reports updates and progress to the Commission.

Attorney Mosley provided the following two options; choose to initiate the upset bid process or reject the existing offer to purchase.

Commissioner Walker explained that the Housing Work Group recommends that the two parcels at 203 and 207 Jones Street should not be sold to Mr. Frey. Commissioner Walker informed the housing work group that the two existing lots would be replaced with three single-family homes. The offer did not provide the "highest and most efficient use of the parcel."

Commissioner Strickland states that the Housing Work Group's decision to enter a partnership reflects its highest and best use. Therefore, the housing work group's recommendation is to reject the existing offer to purchase. The reason for this is that they do not believe that it will provide the highest and best use of the land. This is because it would be a single-family residence versus the three homes planned for those parcels.

Commissioner Morgan voiced his concerns about the potential change in the use of the Jones property. As well as confirming that Mr. Frey has a business investment in the redevelopment boundaries.

Vice Chair Peregoy explained how the housing work group evaluated both offers and made the decision to move forward with the partnership. He explained that the first step was to prepare site plans for all the properties that the commission has acquired. Financial backing should be finalized in January.

Commissioner Walker discusses the expiration of funding and the timeliness of the project.

Commissioner Morgan stated that this situation could have been a win-win situation for both the commercial and residential sectors.

Chair Lee thanked everyone for their comments and reaffirmed the Housing Work Group's decision to reject the offer to purchase.

Peter Frey's representative, George Tosato speaks on his behalf regarding his dismay with the Housing Work Group's recommendations.

Alderman Royal expressed her concerns by mentioning a "partnership" and stating that the Commission is a part of the partnership. She expressed concern about the vagueness of the decision. Alderman Royal also stated that her goal was to gain an understanding of how a project was underway four months ago. However, the proposal could not be presented to the entire Commission. In addition, to gain an understanding of the process and why little has been done.

Commissioner Walker stated that the Housing Work Group had done a lot. The monthly meetings are not a secret and work group reports are given every month.

Alderman Prill expressed his concerns regarding the proposal for rental housing instead of homeownership and warned against the commission operating as a housing management agency.

Alderman Prill asked for it to be noted that the Redevelopment Commission doesn't have the expertise and capabilities to become a property management agency.

Chair Lee explained that she understands the concerns and expectations surrounding the Redevelopment rentals, affordable workforce housing, and other types of affordable housing in that community. This community seeks to combine both rental and homeownership.

Mr. George Tosanto's response to Mr. Frey's recommendation outlined concerns and a request for a response and reconsideration. As expressed in prior conversations with the Commission, there were no plans for those two properties. He also explained that Mr. Frey understands how to set restrictions and follow regulations. Mr. Frey encourages you to consider this offer from him as a viable option. This will show good faith towards the community as a business owner as well as a homeowner.

A gentleman from the floor spoke about his past experiences in his attempt to purchase 203 and 207 Jones Street.

Attorney Mosley explained that the Commission cannot sell the property to Mr. Frey. In accordance with the statute, it is prohibited. Due to this, bids will be accepted from the highest bidder. Also, it is possible to adopt the recommendations of the Housing Work Group and clarify the procedural history. This property was purchased by the commission last year as part of I ts financial investment.

Vice-Chair Peregoy made a motion to reject Mr. Frey's offer, per the recommendation of the housing work group was seconded by Commissioner Strickland. The motion was carried out (4-3).

5. Consider Resolution Authorizing Payment for Full Asbestos Inspection at 908 Bloomfield Street

Attorney Mosley explained that the Commission must vote on the resolution to authorize asbestos testing. Public Works was approved to inspect and work on asbestos. As well as authorizing payment, the invoice amount of \$945 is reflected in the payment amount. In January, a budget amendment request will be submitted to the Board of Aldermen requesting the abatement amount.

Vice Chair Peregoy made a motion to approve an invoice in the amount of \$945 for asbestos testing at 908 Bloomfield Street the motion was seconded by Commissioner Wallace.

The motion was unanimously carried (7-0).

6. Approve Resolution Authorizing ED To Approve Invoices Up To \$1,000.00.

Chair Lee moved the item to January. Commissioner Tabari Wallace asked why this item was tabled rather than approved now. The Chairperson explained that the item would be tabled until after the board's recommendation and after the upcoming alderman meeting in January. This is because the budget ordinance amendment approving the transfer of funds is voted upon.

Attorney Mosley provided information about the legality of amending the budget ordinance to comply with transfer requirements. Attorney Mosley provided information that may assist in clarifying the recommendation. The RDC will be responsible for preparing an annual budget as part of the city's budget. In your capacity as an independent entity, you are subject to the city's regulations relating to financing and local government.

A motion to table this item of business until the January meeting was made by Commissioner Wallace and seconded by Vice-Chair Peregoy. The motion was unanimously carried (7-0).

7. Authorized Payment to UF Strategies LLC And Discussion of Tentatively Rescheduling in January 2023 (Wednesday or Saturday)

Discussion as the board members reviewed the supporting documents of the invoice which authorizes payment of \$905 to UF Strategies LLC.

Chair Lee discussed the importance of having a quorum.

Commissioner Wallace and Commissioner Strickland expressed concerns about having sessions during the weekday. According to Commissioner Wallace, the board previously voted that Saturday would be the most convenient time for the meeting.

Chair Lee asked the Executive Director to coordinate with UF Strategies and reschedule the Strategic Planning Session for January 11th, 25th, and February 4th, 2023.

Commissioner Walker made a motion to approve a payment to UF Strategies LLC in the amount of \$905. This motion was seconded by Vice Chair Peregoy. The motion was unanimously carried (7-0).

8. Report from the Executive Director

The Executive Director provided the Commission with a 30-day report. She explained that the next 90 days would be more intentional and geared towards developing a plan of action to address issues and foster partnerships.

9. Proposed Budget Ordinance Amendment

Chair Lee led the discussion of the Bloomfield and Eubanks properties and pending projects that require a proposed budget ordinance amendment. Chair Lee communicated that the process and policies holding the commissioners accountable make us better stewards. Everyone should keep an eye on tax money, regardless of whether they agree or disagree. Thus, suggesting that the city, county, state, and federal governments need to partner with the community. As representatives of the community, we should remember that “patience is a virtue.”

Commissioner Wallace asked if the commission is considering spending a quarter of \$1,000,000 on a 1300-square-foot house.

Commissioner Walker begins to examine CDBG funding allocations for 2020 and 2021.

Commissioner Strickland presented the scenario of the potential CBDG allocation and the money we've already spent. He also listed the pros and cons of walking away from the property right now. CDBG money remains unused, and we lose money on the property. Commissioner Strickland also advised the Executive Director to provide a detailed accounting of expenditures presented to the entire board supporting the request for a \$55,000 budget transfer.

Commissioner Walker provides a brief overview of Eubanks' property bid received from Mr. Munford.

Attorney Mosley advised on the legality of the budget amendment. She explained that the Munford contract will not be signed until the Board of Aldermen approves the budget. Funds can be transferred from the fund balance to project deliverables through this method. Thus, amending the budget ordinance, and now starting to check the boxes on some purchasing policy procedures while addressing the \$8000 deficit.

Commissioner Steve Strickland made a motion to adopt the resolution approving the transfer of \$55,000 from the Commission's general fund balance. Vice-Chair Peregoy seconded the motion. The motion was unanimously carried (7-0).

10. New business

Chair Lee proposed the Strategic Planning Session happen on January 21st, January 28th, or February 4th. Chair Lee told commissioners to check their calendars and reach out to the Executive Director with a response.

11. Adjourn

Commissioner Strickland motioned to adjourn. Co-Chair Peregoy Seconded This Motion. The motion was unanimously carried.

This meeting adjourned at 7:40 PM

Date approved: _____

Theresa Lee, Chair

Attest: _____
Catrechia McCoy Bowman, Executive Director

