

The Washington City Council met in a continued session on Monday, February 24, 2014 at 5:30 pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Larry Beeman, Councilman; Brian M. Alligood, City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney.

Also present were: Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Keith Hardt, Electric Utilities Director; John Rodman, Community/Cultural Resources Director; Kristi Roberson, Parks and Recreation Manager; Susan Hodges, Human Resources Director; Gloria Moore, Library Director; Lynn Wingate, Tourism Director; David Carraway, IT Department and Mike Voss, Washington Daily News.

Mayor Hodges called the meeting to order. Mayor Pro tem Roberson delivered the invocation.

APPROVAL/AMENDMENTS TO AGENDA:

Councilman Pitt requested adding under Closed Session NCGS § 143-318.11 (a)(4) Economic Development.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council approved the agenda as amended.

APPROVE: FIRST AMENDMENT TO REAL ESTATE PURCHASE AGREEMENT {INSPECTION PERIOD EXTENSION REQUEST – idX AGREEMENT}

City Manager, Brian Alligood explained that the agenda package included the first amendment to the Real Estate Purchase Agreement with idX. Mr. Alligood stated he received this request late Friday afternoon. The following request was made:

1. The extension date to be March 25th instead of March 24th
2. Requesting permanent easement – Mr. Alligood voiced his position at this time is that we will grant a temporary easement to tract 1, but not a permanent one. Mr. Alligood suggested if they want a permanent easement they will need to purchase tract 1 in its entirety. The City Attorney spoke with them and idX is ok with keeping the temporary easement.
3. A letter of support from the City for a Brownfields application

By motion of Councilman Pitt, seconded by Councilman Mercer, Council approved the First Amendment to Real Estate Purchase Agreement which amends the November 25, 2013 purchase agreement between City and idX, Impressions LLC by extending “Inspection Period” to March 25, 2014.

**FIRST AMENDMENT TO
REAL ESTATE PURCHASE AGREEMENT**

THIS FIRST AMENDMENT TO REAL ESTATE PURCHASE AGREEMENT (this “Amendment”) is made as of the 24th day of February, 2014 by and between idX Impressions, LLC, a Delaware limited liability company (“Purchaser”), and the City of Washington, a body politic and corporate under Chapter 160A of the North Carolina General Statutes (“Seller”), under the following circumstances:

A. Seller and Purchaser entered into a Real Estate Purchase Agreement dated November 25, 2013 (the “Agreement”) whereby Seller agreed to sell and Purchaser agreed to purchase the real estate and improvements located at 234 Springs Rd., Washington, North Carolina 27889.

B. The parties desire to amend the Agreement as set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The first sentence of Section 3.1 is hereby deleted in its entirety and the following is hereby inserted in lieu thereof: “For the period (the “Inspection Period”) commencing on the Effective Date and ending on March 25, 2014 (the “Inspection Period Expiration Date”), Purchaser shall have the right to have performed (i) such physical, mechanical and environmental inspections of the Property as Purchaser deems necessary to determine the physical condition of the Property, and (ii) such inspections of all books and records and financial information pertaining to the Property as Purchaser deems necessary.”
2. Capitalized terms not defined in this Amendment shall have the meaning ascribed to such terms in the Agreement.
3. Except as modified by this Amendment, the Agreement remains in full force and effect.
4. The Agreement, as modified by this Amendment, is hereby ratified and confirmed.

[Signature page follows]

IN WITNESS WHEREOF, this Amendment has been executed by the parties hereto as of the date first written above.

PRE-AUDIT CERTIFICATE

This Agreement has been pre-audited pursuant to North Carolina General Statute § 159-28 in the manner required by the Local Governmental Budget and Fiscal Control Act.

THE CITY OF WASHINGTON


Name: MATT RAUSCHENBACH
Title: C.F.O.

PURCHASER:

IDX IMPRESSIONS, LLC
a Delaware limited liability company

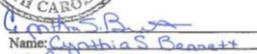

By: Fritz Baumgartner
Name: Fritz Baumgartner
Title: Chief Financial Officer

SELLER:

THE CITY OF WASHINGTON
a North Carolina municipal Corporation


By: Mac Hodges
Name: Mac Hodges
Title: Mayor




Name: Cynthia S. Bennett
Title: City Clerk

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council denied the request for permanent easement and agreed to grant idX a temporary easement for that portion of the parking lot which extends onto tract 1 until such time as the City has a need for tract 1.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved having the Mayor or the Manager write a letter supporting the application for the Brownfields program to the state of North Carolina.

DISCUSSION: EAST CAROLINA WILDLIFE ARTS FESTIVAL UPDATE

Tourism Director, Lynn Wingate reviewed a press release with Council which provided an update on the success of the Festival. Ms. Wingate thanked the City for their support of the show stating that staff in every department had been great to work with throughout the whole event.

FOR IMMEDIATE RELEASE (handout)

Early indications show that the recent 19th Annual East Carolina Wildlife Arts Festival (ECWAF) was another successful event. The show featured the North Carolina Decoy Carving Championships. The 2014 show was presented by the Washington Tourism Development Authority, in coordination with the East Carolina Wildfowl Guild, the originators of the show. Tourism Director and Show Chairman Lynn Wingate credited the additional stakeholders as a reason for the recent success. “By engaging more partners and individuals, we were able to introduce some new ideas and attract some new audiences.”

Among the successes of the 2014 show were the return of the VantageSouth Bank Sportsman Tent and the Waterfowl Calling Competition. Both of these activities have attracted an audience, but were not a part of the 2013 event. The location of the Sportsman Tent at Festival Park allowed for additional outdoor activities like a boatbuilding demonstration by Jimmy Amspacher and Archery Alley. The re-opening of the Turnage Theater provided the perfect venue for the Waterfowl Calling Competition.

The East Carolina Wildfowl Guild coordinated the carving competition, the centerpiece of the show since its conception. Other consistent elements of the show included the Art Show and Sale at the Washington Civic Center, the North Carolina Duck Stamp competition, dinner and auction, and children’s decoy painting workshop at the NC Estuarium. Each part of the show attracted a unique audience from near and far.

The WTDA’s involvement was not just in the interest of presenting the annual event. In keeping with its mission, the WTDA was interested in bringing more tourists to Washington. A combination of additional marketing outside of the immediate area and using multiple venues in the harbor district proved successful. Merchants saw the additional traffic in the downtown area during the weekend, and visitors were able to see the scenic waterfront.

Information was collected from show attendees to help better understand audience demographics. From that data, the WTDA reports having visitors from Virginia, Georgia, South Carolina, Connecticut, Massachusetts, New York, Maryland, and Ohio. This does not include the demographics of show exhibitors, which added five additional states to the list. North Carolina produced the most show attendance with 69 counties represented. An estimated 2,000 people attended the show.

Feedback and comments from exhibitors, attendees, and event volunteers are being considered as plans are made for a 2015 show that would mark the 20th anniversary of one of Washington’s signature events.

Mayor Hodges congratulated Ms. Wingate on having a successful event.

Councilman Mercer noted he would be interested in seeing the financials because if it is not a break even deal then it would mean the City would have to put money into the event. Also, he suggested Ms. Wingate release the hand-out to all news media.

DISCUSSION: GRANT UPDATES

City Manager, Brian Allgood stated this is the second presentation regarding grant updates. Staff is here to answer any questions Council may have regarding the grant update.

Councilman Mercer commented that if appears some grants have either been recalled or terminated do we need to continue to show that as an active program. Mr. Allgood explained that staff continues to show those because there are things we need to complete to close out and we wish to keep it out in front to stay on top of it.

Mayor Pro tem Roberson expressed concern with the estimated completion date noting some are a little behind.

Grant Executive Summary
as of 1/31/2014

Fund	Grant Description	Dates			Financials				Deliverable				Compliance Reporting Status	Notes
		Award	Expiration	Completion	Revenue		Expense		Metric	Total	Achieved	Bal.		
					Budget	Actual	Budget	Actual						
50	CDBG Affordable Housing	04/09/10	12/31/13	10/31/14	227,700	185,719	227,700	185,719	LMI homes	10	5	5	01/31/14	Performance extension to 10/31/14, City Hall promotional event
51	Blue Goose	03/01/13	03/01/15	02/01/15	350,000	265,707	350,000	241,707	Jobs (60%LMI)	16	16	0		Job creation targets met, facility renovations continue
52	Comprehensive Bicycle Plan	05/26/11	12/31/13	06/30/14	35,000	30,430	35,000	30,863				0		DOT reviewing draft, distribute for Council review in March
55	idX/Impressions NC One Grant	09/30/13	09/30/16		300,000		300,000		Jobs/Investment	143		143	01/31/14	Grant agreements executed 2/11/14
57	CDBG for Job Creation	07/06/12	01/16/15	07/06/14	200,000	114,926	200,000	145,920	Jobs(7 new/1 ret.)	8	6	2		All equip procured, request Comm. Devl. Academy approval
61	Pedestrian Plan Grant	05/20/13	09/30/13	12/31/14	10,000	10,000	10,000	-				0		Start delayed for bike plan adoption, committee meets in Feb.
	Adopt a Trail Grant			n/a	10,000	-	10,000	-				0		Grant not funded, re-apply if funding becomes available
65	Econ. Development- Spinrite	01/07/12	01/07/15	01/07/15	90,000	90,371	90,000	67,500	Jobs	100	76	24		75% of job target met and reimbursed
66	Airport Terminal Grant	04/04/13	07/01/15	08/31/15	1,255,902	400,028	1,255,902	174,945				0		Waiting on NCDOA agreement, construction begins in March
67	Facade Grant Program	07/01/13	06/30/14	06/30/14	20,090	20,109	20,090	16,910				0		\$10,090 add'l authorized in Jan, GF transfer in February
68	Old City Hall Rehab	04/10/12	02/23/15		200,000	-	200,000	-				0		Re-conveyance decision extended to 4/11/14, explore alternative
70	Parks & Rec Master Plan	05/20/13	09/30/13	02/28/14	50,000	50,000	50,000	47,500				0		Draft review presented 2/10/14, Council agenda 3/10/14
76	EDA Water Projects	09/11/13	03/11/17	02/28/17	1,428,262	-	1,428,262	-				0		Eng. bid awarded, topo surveys begun, award const. Dec 2014
77	EDA Sewer Grants	09/11/13	03/11/17	02/28/17	1,423,894	-	1,423,894	183				0		Eng. bid awarded, topo surveys begun, award const. Dec 2014
78	Light House RR & Boater Facility	01/17/12	01/17/15	06/30/14	344,397	94,397	344,397	13,175				0		Construction begun, on schedule to complete June 2014
	CDBG Keyville Rd.	2005	6/4/2013	06/30/16	320,000	320,000	320,000	320,000				0	01/31/14	Constr. & add'l \$ to complete TBD, progress meetings w/MEC

CLOSED SESSION: UNDER NCGS § 143-318.11 (a)(6) PERSONNEL AND NCGS § 143-318.11 (a)(4) ECONOMIC DEVELOPMENT

By motion of Councilman Pitt, seconded by Councilman Brooks, Council agreed to enter closed session under NCGS § 143-318.11(a) (6) Personnel; and (a)(4) Economic Development at 5:45 pm.

By motion of Councilman Beeman, seconded by Councilman Brooks, Council agreed to come out of Closed Session at 6:20 pm.

ADJOURN – UNTIL MONDAY, MARCH 10, 2014

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adjourned the meeting at 6:20pm until Monday, March 10, 2014 at 5:30 p.m. in the Council Chambers at the Municipal Building.

Cynthia S. Bennett, CMC
City Clerk