

January 9, 2018
7:00 p.m.
Public Hearing #2 CDBG

The Town of Pink Hill held a public hearing on Tuesday, January 9, 2018 at 7:00 p.m. in the Town Hall Board Room. Present for the meeting were Mayor Carol Sykes, Commissioners Mike Hill, James Quinn and Penny Murphy, Town Attorney George Jenkins, Public Works Director Timmy Kennedy, Public Works Assistant Phillip Swinson, Police Chief Joey Thigpen, Town Clerk Kimberly Mitchell, and Town Clerk Assistant Shelia Ezzell.

Visitors present for the public hearing were Susan Myers and David Harris.

Mayor Sykes welcomed everyone and opened the public hearing and said it is relative to application by Pink Hill for funding under the NC Community Development Block Grant Broadband Program. She said I would like to open the public hearing. David Harris is here and he is the one helping us with this grant and I am going to turn the meeting over to him.

Davis Harris said thank you Mayor. He said good evening everybody. We had the first required public hearing back in September so everybody could be thinking about the possibility of a community development block grant for broadband services for the schools former media center. In the meantime in looking at different options and possibilities we were fortunate that the community college president had the architect for the college provide an estimate of renovations that would be needed at that facility which far exceeded the grant amount. The maximum grant amount is \$500,000. The thing about it is it is probably not going to be that difficult to actual prioritize some of those because in the community development program there are going to be certain improvements that are going to have to be made regardless of whether the town would want to or not or regardless if it is cost effective or not. It is just the way that it is with using federal money and what we are looking at is a grant that would close to completely renovate that facility. The giving's would be in a renovation project would be removing any and all asbestos. I mean removal and not encapsulating anything. I can't imagine there is any lead based paint not to be a school building but certain there is plenty of asbestos. All of that has got to be removed right down to asbestos floor tile. He said either that or cover it. All the facility would have to be made handicap accessible, bathrooms and so forth. For the public those are the two primary things. Fortunately it is not on the national registry of historic places otherwise there would be other requirements that would kick in. Those are the two prerequisites. And then of course with any renovation project, we start with the roof and make sure the roof is in good condition. You make water repairs that are needed because otherwise anything you spend on the interior is not going to do any good. Some of the plans really didn't call for removing lots of walls and stuff. The architect will have to take a look at that. The layout obviously is more suited for a library or media center than it is a kind of multipurpose center. He said but certainly it is one of the things that we looked at in order to provide dedicated spaces for certain activities and the spaces where there would be some privacy and then of course depending on all the future use of the facility.

The grant is set up for the max at \$500,000 because of all the HUD requirements. The state actually sets aside 10 percent of that grant for the town's administration of that project so the town doesn't have to spend any money. In fact, this is a 100 percent grant, no match required by the town. So you are looking at \$450,000 worth of renovations and then of course \$50,000 for administration for a total price of \$500,000. The application that goes in is really going to be a plan and can identify some of the potential uses of the facility. But when the grant is received and you actually have those funds in place, you can hire an architect and start spending some money in terms of kind putting the core of that together. The plans can be changed based on how the community feels the need is. We may go into it with one thinking that well, I know some of the things we talked about... We have the wellness center but it is possible that

there could be some other health related services that are offered looking at possibly job training, looking at other training aspects for specific kinds of activities. I know some time ago with the Think Tank in the group there it was utilizing the facility for multimedia kinds of training in terms of either printing or video, certainly that would be the case. Part of this is going to be pulling in other agencies that can supplement what the town wants to have done. I mean the town can't take it upon itself all of a sudden to be the sole proprietor and the manager and the programmer for all of that. So certainly community colleges would be a valuable resource in that regard. The Unemployment Security Commission and that in terms of the possibility it could have and the school system, the possibilities of some uses there and then of course any other of the local groups with the town that have kind of a mission and objectives in terms of services, certainly that would be provided. Unfortunately the state doesn't pigeon hole any of these grants into a specific kind of result. It is the town that decides what is going to be the best benefit. One difference about this project and what they didn't look at before in terms of a building reuse, is there is not a jobs component. In other words if you don't create a certain number of jobs, you have to pay the money back kind of a thing. It is under commerce and is going to be looked at as an economic development program but it doesn't have with it that stipulation that if you don't create "X" number of jobs, you have to start paying the money back. It is really to create economic activity that is going to have as a benefit at some point. More services and typically that is going to translate into more people working so that's kind of what the purpose of the project is.

Mr. Harris said this is a pilot program for the current funding cycle. There is three projects that he is going to be looking at in terms of funding. Each one actually takes on a little bit different character. This one is looking at facility where the other one is looking at actually extending lines in the ground in order to improve broadband service in some of the areas. The state is looking at kind of a mixture and this, I think, probably provides a unique combination of being able to get broadband services in that facility and then taking it and enhancing it in terms of services, possible some businesses, and hopefully training. Things that would benefit the community. If the town decides to apply, I know there has been interest expressed, the steps would be to adopt the resolution after the public hearing, authorizing the mayor and the town clerk to sign the necessary documents, and you adopt the second resolution. You are probably seeing that list of all the compliance plans and policies, your guidelines that are mandatory with any CDBG program now. You would have a resolution that would prove those as part of your application and when funded they would be used as part of your guidelines for administrating the program as well. So you start at the very beginning kind of acknowledging yes we will follow all state and federal laws that relate to community development funding. Those would be the two actions the board would need to take. After that it is going to be a matter of putting the final pieces of the puzzle together, having the mayor sign the documents, and submitting them to the Department of Commerce. Mr. Harris stated he would be glad to answer any questions.

Mayor Sykes asked if we got in there and thought you know what, and no one has mentioned this it is just coming from me, instead of doing this media center thing what if, and don't go out and say this or you can go out and say this if you want to, what if we wanted to redo it for a library. She asked is that a different scenario and no one has mentioned this to me so when you get out Bill Turner is going to be here the next day wanting to know why I said that and I am just saying it because I want to say it. Mr. Harris said because it is a pilot program it is hard to predict the reaction but based on the objectives that the state has established, they are not looking for a traditional public facility for which services are already being provided. He said like a public library, town hall, or something else. Mayor Sykes said okay. Mr. Harris said they are looking at taking money and adding broadband into a facility that is then going to be used for multiple kinds of services and programs that would benefit a broad range in the community. Mayor Sykes said okay I understand. Mr. Harris said but specifically what the community would need. So I can't tell you that it would be an absolute no, but it doesn't fit the objective that they have established and certainly it narrows the benefit that would be achieved. Now granted you could have the multimedia aspect of it, you could have the other things but as far as a public library it would

probably be a stretch. Mayor Sykes said well what I was thinking about if we could have some of the other aspects in it to satisfy the grant requirements because it is big enough. Isn't there enough room over there to do some of that? Mr. Harris said no not really. Mayor Sykes said there is not, okay. Mr. Harris said if you are looking at different programs that would typically operate at a facility then you have got to have the areas that are large enough for groups or meetings. You have got to have some areas where you are going to have equipment and things. They are going to be utilizing computers or media, those sorts of things that could be locked. It is just if you want to provide as many different services that you can, then you are going to utilize most of that facility to do it. Mayor Sykes said right, okay. Mr. Harris said you are not going to have book storage. Mayor Sykes said it was a thought that just came to me. Mr. Harris said of course now if you turned it into a hundred percent E-library or electronic library, I don't know but it might take on a whole different look. Mayor Sykes asked what an E-library was. Mr. Harris said there is no books, everything is electronic.

Timmy asked if we put in for a grant and we acquire the monies to rebuild it or rehab it, where does the money come from to keep it up. Mayor Sykes said that has been the main source of opinion. Timmy said because the way I am understanding it is with the broadband and the classes and things like that, would you charge for such things so that you could set aside some monies. Mayor Sykes said we would have to do something to keep it up. Commissioner Hill said there would have to be some kind of charge. Mayor Sykes said yes there would have to be some kind. Timmy said because somebody would actually have to be paid to man it, am I correct or not. Mayor Sykes said well the town would be responsible for it. Commissioner Quinn said so would we have to hire somebody to be there. Mayor Sykes said let me get the answer to this. Mayor Sykes said did you hear that David what he said? I mean we would have to hire, I mean somebody has got to manage it. Mr. Harris said the Preservation Society obviously is still connected with it, they still own the building. Mayor Sykes said yes. Mr. Harris said you have got volunteer groups that could participate that basically partner with the town. He said yes you are now going to have a facility that you are going to be responsible for. If there is a storm and something has got to be fixed, you are going to fix it. You are going to pay the utilities every month for the facility. There can be some charges within a CDBG kind of a program and in a lot of cases depending again on your services that are being provided, it is possible that some of that space could be leased. If it is a private business and they are doing something out of that, I am not saying you could turn it into an incubator kind of facility, but there is no reason not to have some of that space possibly for a startup business. The ones that are providing services could perhaps pay some rent. He said but when you say with the community college when you are trying to get them to provide as much as they can for free, it is going to be kind of hard to negotiate a real strong charge per month for them doing it because again they are in the public business too. Mayor Sykes said yes. Mr. Harris said it is kind of a catch 22 but the bottom line is the town is going to incur greater cost as a result of accepting responsibility for a building of that size. Mayor Sykes said and that is something that we are going to really think about because it is something to think about.

Mayor Sykes asked Mr. Harris how soon do we need to do this resolution. Mr. Harris said the states filing program started with the July 1 budget. It is going to end this fiscal year, although I think the state is anticipating all three projects. He said I think Bertie County project was submitted in December already and I am not sure about the other one. The state is not looking at people just waiting or not doing anything because if you get to the end of the year and decide not to do something, then that is not going to give another unit of government a chance to take advantage of it. Mayor Sykes said I was just thinking that I would really still like for us to have a big discussion with the preservation committee and make sure we're all on the same page. Don't you think that would be...Mr. Harris said that would be fine, I mean it is not an urgency, you could submit it tomorrow. Mayor Sykes said okay because we haven't discussed this anymore with the preservation committee not in depth. So I would like for us to at least have some conversation with them and look at this. Certainly we are considering it but if we don't have to do it

tonight, I would like for us to have some conversation with them. Mayor Sykes said now let Susan say what she wanted to say, I am sorry.

Susan Myers said well I think you are right. You will need to come up with a budget and maybe the money could come out of your economic development money that y'all have tucked away. What we talked about in the Think Tank was using this primarily for two things: (1) Lenoir Community College and they have places they can find money to help with the maintenance. Rusty can be creative so they may help some. The other area what you used to call an incubator but what we now call a co-working space or maker space. One thing nice is the co-working and maker spaces tend to be bigger open spaces like the media center is instead of breaking up into little incubator offices. One of the things that we discussed was a 24/7 entrance. Some of us on the Think Tank have been to the co-working spaces all over the country including Roanoke, Austin Texas, Memphis, New Orleans, and St. Petersburg and most of these co-working spaces are 24/7 access. The people pay a membership or fee based on what there usage is. In my estimate it would take 2 years for a co-working/maker space to break even to pay all of the cost, so y'all would need to carry that cost for 2 years. Mayor Sykes said yes we know that. Susan said you wouldn't have to have somebody there 24/7. Mayor Sykes said but you have got to pay the bills 24/7. Susan said you wouldn't even have to have somebody there during the day because once somebody joins and they came over here and talked to Kim and y'all and they join and they pay their fee, and then you would put in an access and you would have cameras there. That is the way these things are run. You would have to back in. I say it would probably take you 2 years for your membership fees to cover your cost and then you have to back in what LCC could do to help. Mayor Sykes said well you wouldn't have membership fees would you. Mr. Harris said you could depending on how you intend to use the space. Susan said and then LCC talked about using the co-working space and providing a lot of the equipment needed that you all could generate income off of. That is another way that could help. One more thing is one of the ideas for this grant is if you bring in businesses that need that high speed internet and that would create more opportunities here. A sample of one of those businesses is an agricultural data processor and what that means is all these farmers are getting data off their tractors and their drones and instead of buying their own drones and all those, they are hiring a whole new industry of people starting out and that person will do the data processing. He would need to go to somewhere that had really high speed internet such as a gigabit and really have a very small office space or just a co-working open space to download and deposit that data and he would spend most of the time out in the field. That would be the type of new business that could be there. Mayor Sykes asked well what about the broadband that is already there and they are using that to...which that is a whole different problem let's not even get into that. We just need to talk about. We need to talk to the preservation board first. Susan said you need to work up some numbers so y'all have set aside how much money you will need. Mayor Sykes said well we know we have got to have money to support it but before we go any further...What is y'all's opinion. Say what you want to. Commissioner Hill said I kind of agree with you that we need to talk to the preservation club and see whether we are going to get some money to fund this thing until we can start getting some income coming in. Mayor Sykes said we have got to talk about that.

Commissioner Quinn said say if it takes off and it does good but if something happens and it doesn't do so well and then the economy goes kind of sour, who is going to be responsible for that money. Mayor Sykes said I have asked for comments from the public and thank you for your comments. Does anybody else have any?

Mayor Sykes asked for a motion to close the public hearing. Commissioner Hill made a motion to close the public hearing. Commissioner Murphy seconded the motion. Mayor Sykes said thank you to Susan for your ideas but we have just got to go a little further along. Susan said I agree. Mayor Sykes said okay I have a motion and a second is there any discussion, if not, all in favor say "Aye" and the motion carried unanimously.