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REDEVELOPMENT



COMMISSION

MEMO

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To: Redevelopment Commission Members

From: Jared Stalling, Economic Developer

Date: October 10, 2018

**SUBJECT: Special Redevelopment Commission Meeting**

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The Redevelopment Commission has scheduled a special meeting on Wednesday, October 24 2018 at 6pm in the City of Greenville City Council Chambers.

The agenda is located in the packet, and includes the sale of a Redevelopment Commission property located at 814 West Fifth Street.

We look forward to seeing you at the meeting. If you have any questions or need additional information, please call me at (252) 329-4514.

**AGENDA**

**Redevelopment Commission of the City of Greenville**

**Special Meeting**

**Wednesday, October 24, 2018**

**6:00 p.m.**

- I. Welcome
- II. Rollcall
- III. Approval of Meeting Minutes from May 1, 2018
- IV. Sale of 814 West Fifth Street
- IV. Public Comments
- V. Commission Members Comments
- VI. Adjournment

**Redevelopment Commission of the City of Greenville**  
**Meeting Minutes**  
**Tuesday, May 1, 2018**  
**Greenville, North Carolina**

**Present:**

- |   |   |                          |
|---|---|--------------------------|
| <input checked="" type="checkbox"/> Judy Wagner   | <input checked="" type="checkbox"/> Kevin Howard  | <input type="checkbox"/> |
| <input type="checkbox"/> Michele Connors          | <input checked="" type="checkbox"/> Sharif Hatoum |                          |
| <input checked="" type="checkbox"/> Patricia Dunn | <input checked="" type="checkbox"/> Alan Brock    |                          |

**Absent:**

- |   |  |                          |
|---|--|--------------------------|
| <input type="checkbox"/> Judy Wagner                | <input type="checkbox"/> Kevin Howard  | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Michele Connors | <input type="checkbox"/> Sharif Hatoum |                          |
| <input type="checkbox"/> Patricia Dunn              | <input type="checkbox"/> Alan Brock    |                          |

**Staff:**

- |   |   |
|---|---|
| <input type="checkbox"/> Will Bell (City Council Liaison) | <input checked="" type="checkbox"/> Betty Moseley |
| <input type="checkbox"/> Kenneth Graves                   | <input checked="" type="checkbox"/> Shyla Boskey  |
| <input type="checkbox"/> Donald Phillips                  | <input type="checkbox"/>                          |
| <input checked="" type="checkbox"/> Christian Lockamy     |   |
| <input checked="" type="checkbox"/> Jared Stalling        |   |
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**I. Welcome**

**II. Roll Call**

**III. Approval of Meeting Minutes from February 7, 2018**

Motion was made by Ms. Wagner and seconded by Mr. Hatoum to approve the meeting minutes from August 1, 2017 as presented. Motion carried unanimously.

**IV. Time for Science Update**

Mr. Stalling introduced Ms. Emily Jarvis, Executive Director for A Time for Science. In April of 2017, the Redevelopment Commission entered into a one year contract with A Time for Science that outlined reports and program benchmarks that must be presented annually.

**Annual Report & Program Benchmarks:**

- Fundraising: Must raise \$60,000 by May 1, 2018.
- On-site Attendance: Monthly average attendance at facility will surpass 300 non-affiliated visitors per month by May 1, 2018.
- Program Participation: Monthly average participation in programs will surpass 300 non-affiliated participants per month by May 1, 2018.

- CPA Compilation Statement (audit): Depicting financial statements for previous 12 months of operations.

#### Results for Annual Report & Program Benchmarks

- Fundraising: Raised \$71,688.26 to date.
- On-site Attendance: Average attendance of 947 per month.
- Program Participation: Average attendance of 627 per month.
- CPA Compilation Statement (audit): CPA report by Page & Smith was presented as requested.

Ms. Jarvis stated that the \$71,688.26 was for programmatic revenue for 2017. In 2017 \$176,912 was received in grants, \$13,395 in sponsorships, and \$33,933 from personal contributions.

So far, in 2018 \$53,940 has been received in personal contributions, \$4,550 in sponsorships, \$14,923 in the bank, \$22,000 in grants, and \$12,480 programmatic income.

Mr. Hatoum commented that he was pleased with the accomplishments and was happy Ms. Jarvis was leading the charge.

Ms. Dunn asked how many field trips were received from schools.

Ms. Jarvis replied very few only because the facility is not large enough to house a large group as is done in other locations. Majority of the large groups go to the facility in Grifton. However, to utilize this facility (in Greenville) a grant has been received from Vidant Medical. Every Friday, the Boys & Girls Club of Jarvis Memorial come over in the afternoons for the Get Healthy, Get Outdoors program. Staff teaches about nutrition and takes the children to the Community Gardens where they learn about healthy foods. This space is used for home schooled children. But a bus load of children would be hard to control in the small environment. A grant has been applied for to finish the back section. Once it is complete, large groups will be able to attend.

Mr. Hatoum asked how finishing the back section would impact the facility size-wise.

Ms. Jarvis replied that in Grifton, all the programs are outside. So this will be indoors and a different experience.

Ms. Dunn asked if they had connected with the children at the Intergenerational Community Center.

Ms. Jarvis replied not yet; it is being discussed.

Mr. Hatoum asked when they expected to hear something regarding the grant to finish the building.

Ms. Jarvis replied that the grant will be accepted for review in July. The turnaround is pretty quick. If granted, we should have the funds in one year.

Ms. Jarvis introduced the board members of A Time for Science.

Ms. Wagner asked whom they were speaking to for the grant.

Ms. Jarvis replied that she had submitted the grant to the SECU foundation.

## V. **Discussion on Small Business Plan Competition**

Mr. Lockamy gave a brief history of the Small Business Plan Competition. In 2008 the Small Business Plan Competition was formed. Eligible areas were the Center City Redevelopment Area and the West Greenville Revitalization Area. The purpose was to provide an incentive to small business owners to create or expand businesses within the Center City - West Greenville Redevelopment Areas. There have been 38 recipients since 2008. Of the 38, 15 located in West Greenville, and 23 located in Center City. 25 of the 38 businesses are still operation.

Current Eligibility Guidelines:

- Existing or start-up small businesses that are primarily located, or intend to locate within the boundaries of the Center City - West Greenville Redevelopment Areas.
- For-profit business whose tangible net worth is not in excess of \$7.5 million.
- Average net income after Federal income taxes (excluding any carry-over losses) for the preceding two completed fiscal years is not in excess of \$2.5 million.
- Businesses must be registered with the North Carolina Secretary of State's Office.
- Must meet city code and zoning requirements
- City/County taxes for any business or individual requesting grant funds cannot be delinquent.

Application Rounds & Funding:

- Submissions are typically accepted twice a year with due dates of July 1st and December 1st.
- Awards will typically be made within ninety days of submission.
- Up to four awards of \$15,000, or 10% of the total business investment with a cap of \$30,000 (whichever is greater) may be made at the sole discretion of the Redevelopment Commission in each grant cycle.

Examples of Eligible Uses of Grant Funds:

- Working capital or operating funds
- Purchase of equipment, commercial use vehicles or machinery
- Improvements to owner occupied property
- Leasehold improvements
- Expansion of business services or products
- Other uses considered according to business plan

Mr. Hatoum asked if the requirements could include a lease going in.

Mr. Lockamy replied that currently the applicant is required to produce a lease before getting any money.

Mr. Hatoum stated that from his experience, having the lease prior to awards was helpful because it showed that the applicant understood the conditions of the lease. Often, it is not understanding the responsibility of the leaser that crushes small businesses.

Ms. Wagner agreed that the lease would be helpful information.

#### Application & Submission Process:

- Mandatory enrollment in at least three small business seminars (SBTDC, SBC, or similar business seminars offered by another local organization).
- Each individual owner of 20% or more of the business must sign the application and associated documents.
- If a submitting application is found to be incomplete the applicant will have one week to turn in all missing information.
- Existing companies must submit profit/loss statements, federal income tax statements, 3-year projections, and other financial documents as necessary to demonstrate compliance with small business and other eligibility requirements.
- New companies will be required to provide personal tax records from the previous year, and 3-year projections.
- Fully completed submissions turned in by the deadline will receive an interview by a selection subcommittee made up of City staff and Redevelopment Commission members (sub-committee).
- During this interview, the sub-committee provides general feedback to the applicant.
- After the interviews, the sub-committee will make recommendations to the RDC on which businesses to award.
- All submitting entities will receive notification as to their status.
- First time applicants not selected are required to wait a minimum of six months before applying again.
- If the applicant is not selected upon their second submission, they must wait twelve months before resubmitting.

#### Disbursement of Grant Funds:

- Those applicants selected for the business plan award will be required to accept the grant award via the signing of a promissory note within thirty days of award notification.
- Funds must start to be utilized for the purpose described in the business plan within six months of grant acceptance.
- A 3-year compliance period for this program begins with the date on which the funds are accepted.
- Following the disbursement of funds, recipients will be required to certify each year on or near the anniversary of grant acceptance that they continue to use the granted funds in accordance with their business plan proposal.
- The RDC will not make awards to the same business enterprise within a thirty-six month period.
- Applicants who are awarded the grant are asked to attend the next month's Redevelopment Commission meeting to present their project and officially accept the grant.

Ms. Dunn requested more detail regarding the three year compliance period.

Mr. Lockamy explained that the SBP was initially started with bonds funds. Once those funds were expended, the City found an opportunity to use HUD funds. SBP guidelines are changed to accommodate the requirements of CDBG HUD funds.

Ms. Wagner asked how staff determined which business to report on each year.

Mr. Lockamy replied that on the application was a list of ways to report. Originally, staff monitored the usage of the funds closely, however, due to the guidelines having such a broad level of usage, there has not been a lot of scrutinizing.

Application Scoring Criteria:

- Cash flow – Evidence that the business venture is or will bring in more revenue than expenditures.
- Credit History – Demonstration of responsible use of credit either as individuals or for their business ventures. Applicant/s should not have any active liens or judgments.
- Equity - Level of equity brought by applicant/s to the project. Includes cash, real estate, equipment or inventory.
- Employees - The number of full-time or part-time, low and moderate income employees that the proposed business intends to hire. Income includes any employees whose total annual income in the previous tax year did not exceed 80% of the area median income.
- Experience - Applicant's level of experience with the specific business type as well as other general employment, educational and management experience.

Mr. Hatoum asked if businesses had to have a certain number of employees to get the \$30,000 award.

Mr. Lockamy replied that it may have been a rule earlier in the program, but he is not familiar with it.

Mr. Hatoum stated that he loved this program and wished there were more funds.

Mr. Lockamy stated that at this ten year juncture, we are in a pivotal moment in time. We are looking for ways to move it forward.

Ms. Wagner asked if HUD money was still available.

Mr. Lockamy replied no. HUD funds were used during the recession when the City was low on money. HUD has too many strings attached to their funding for it to be practical for small business use. For example, to use HUD funds, staff had to monitor hiring restrictions, such as low income residents or people living in certain areas.

Ms. Wagner stated that she was excited to see what's happening in the Dickinson Avenue area. She hopes City Council will continue to approve this program.

**VI. Report from Secretary**

Mr. Lockamy stated that there were no expenses to report.

**VII. Public Comment Period**

No comments were received.

**VIII. Commission Member Comments**

Ms. Dunn asked about the status of the theatre.

Mr. Lockamy replied that they are saying it may be end of May or June for completion.

Mr. Hatoum asked if the \$100 per day penalty was going to be waived.

Mr. Lockamy replied that the manager would have to answer that question. There was a 120 day grace period. The City Manager will revisit the issue at the end of the grace period.

Ms. Wagner asked when funds would be available for the small business plan completion.

Mr. Lockamy replied that the July 1<sup>st</sup> cycle will be delayed for two months for revisions to the guidelines. The revisions will go to City Council in August.

**IX. Adjournment**

Motion was made by Mr. Hatoum and seconded by Ms. Wagner to adjourn the Redevelopment Commission meeting at 5:55 pm. Motion carried unanimously.

Respectfully submitted,

Signature on file

Jared Stalling,  
Economic Development Project Coordinator

**STATE OF NORTH CAROLINA  
COUNTY OF PITT**

**LEASE WITH OPTION TO  
PURCHASE AGREEMENT**

**THIS LEASE AGREEMENT** made and entered into this 9th day of December, 2010, by and between the Redevelopment Commission of Greenville, a North Carolina corporation with its principal office in Greenville, North Carolina, (hereinafter “Lessor”), and Arthur Wallace, (hereinafter “Lessee”);

WITNESSETH

In consideration of the mutual covenants and promises herein contained, the Lessor does hereby let and lease unto the Lessee the following described real property now situated or hereafter to be located upon said property under the terms and conditions hereafter recited:

All of the land and improvements located at 814 West Fifth Street, further identified as being tax parcel number 19523

To Have and to Hold said premises upon these conditions and with those privileges herein set forth for the term stated and pursuant to the covenants herein contained, said covenants and conditions as follows:

1. TERM. The term of this Lease Agreement shall commence at 12:01 a.m. on the 10th day of December, 2010, and, unless sooner terminated by the prior sale and purchase of said premises as herein provided, shall exist and continue until 12:01 a.m. on the 9th day of December, 2020. Lessee, at his option, may terminate this Lease Agreement at any time by the provision of written notice to the Lessor at least ten (10) days prior to the effective date of termination.

2. MONTHLY RENT. The Lessee agrees to pay rent in monthly installments of One hundred thirty-three and no/100ths dollars (\$133.00), with each monthly installment being due on the first calendar day of the month for the then current month.

3. OPTION TO PURCHASE. It is agreed that so long as all rental payments theretofore due have been paid, Lessee may at any time during the term of this Lease Agreement elect to purchase said property for the sum of Fourteen thousand five-hundred and no/100ths dollars (\$14,500.00), to be paid as follows:

- (a) All lease payments made under this Lease Agreement by Lessee shall be credited against the agreed to purchase price of \$14,500.00 with any remaining balance due to Lessor at the time of real estate closing. At such time Lessor will deliver to Lessee a good and sufficient deed, free from encumbrances, with general warranty and the following restrictions:
  - i. The large tree in the south-east corner of the parking lot in proximity to the right-of-way of West 5th Street shall not be removed unless by act of God or in the event that there is a determination by an arborist that the tree is diseased

and poses a threat to the public or to adjoining property.

- ii. A vegetative hedge shall be planted along the property boundary between the subject property and the adjoining property (Parcel # 22377) immediately to the east. The hedge shall be planted by the Lessee and maintained by the Lessee or his successors in perpetuity.

- (b) If the entire term of the Lease is fulfilled during which time Lessee has made all required lease payments to Lessor, then Lessee shall have full rights to the land and any improvements and the Lessor shall be required to deliver to Lessee in a timely manner a good and sufficient deed, free from encumbrances and with general warranty.

4. IMPROVEMENTS BY LESSEE. Lessee shall have the right at his expense during the term of this Lease Agreement, with the written consent of the Lessor, to make such alterations, additions and improvements to the premises as desired, but said improvements (except for trade fixtures and personal property placed upon the premises by Lessee) shall be and become a part of the realty and shall be the sole and absolute property of the Lessor upon the termination of this Lease Agreement. No improvements so made by Lessee shall give right to any lien against the demised premises on account thereof, it being understood that the liability therefore shall be the sole responsibility of the Lessee. Upon the termination of this Lease Agreement for whatever reason, Lessee at his expense shall return the demised premises to Lessor in as good condition as existed upon occupancy by Lessee, ordinary wear and tear excepted.

5. AD VALOREM TAXES. All ad valorem taxes imposed by any city or county or other taxing authority upon the demised premises and the improvements or equipment placed thereon shall, during the term of this Lease Agreement, be the responsibility of and shall be paid for by the Lessee. Lessee shall be responsible for and pay all ad valorem taxes imposed upon any personal property located at the demised premises.

6. INSURANCE. Lessee shall at all times during the term of this Lease Agreement maintain and keep in effect, at his expense, insurance on the leased premises against claims for personal injury or property damage under a policy of general liability insurance with a combined single limit of not less than \$1,000,000 with the Lessor named as an additional named insured, written by an insurance company or companies authorized to do business in the State of North Carolina. The Lessee shall provide the Lessor with a certificate of insurance evidencing said coverage.

7. INDEMNITY. The Lessor shall not be liable to the Lessee, to the employees or visitors thereof, or to any other person for any damage to person or property caused by any negligent act or omission of the Lessee, its agents, employees, or invitees, and the Lessee agrees to indemnify and hold the Lessor harmless from all claims for any such damage. The Lessee agrees to indemnify and hold harmless the Lessor and its officers and employees from and against any and all claims and demands whether from injury to person, loss of life, or damage to property, associated with the use or occupation of the demised premises during the term of this Lease Agreement.

8. USE OF PREMISES. Any use of the premises for purposes other than as a surface parking area associated with the Lessee's nearby office building and adjoining restaurant shall be prohibited without the prior written consent of Lessor. Additionally, Lessee shall comply with the following:

- a. The large tree in the south-east corner of the parking lot in proximity to the right-of-way of West 5th Street shall not be removed unless by act of God or unless approved by the Lessor.
- b. A vegetative hedge shall be planted along the property boundary between the subject property and the adjoining property (Parcel # 22377) immediately to the east. The hedge shall be planted by the Lessee and maintained during the term of this Lease Agreement.

9. ASSIGNMENT AND SUBLETTING. The Lessee shall make no assignment of this Lease Agreement or sublease of the premises or any portion thereof except with the written consent of the Lessor, provided, that such assignment or subletting shall not relieve Lessee of the obligations for monthly rent herein provided unless said obligations are discharged by Lessor in writing.

10. DEFAULT. Should the Lessee neglect to make any payment of rent when due or neglect to do or perform any covenant hereof binding on Lessee and any such default continues for a period of ten (10) days after written notice by the Lessor calling attention to such default, the Lessor may declare this Lease Agreement terminated and take possession of the said premises without prejudice to any other legal remedy on account of such default. In addition, any amounts owed by Lessee to Lessor under and by virtue of any provisions of the Lease Agreement shall bear interest at the rate of 5% per annum from the date of default or nonpayment until paid. Should the Lessor neglect to do or perform any covenant hereof binding on Lessor and any such default continues for a period of ten (10) days after written notice by the Lessee calling attention to such default, the Lessee may declare this Lease Agreement terminated and vacate the said premises without prejudice to any other legal remedy on account of such default.

11. QUIET ENJOYMENT. Upon payment of the rental herein provided and upon performance of all the covenants, terms and conditions hereof applicable to the Lessee, the Lessee shall peaceably and quietly hold and enjoy the leased property for the term hereof without hindrance or interruption by the Lessor or any other person or persons rightfully claiming by, through or under the Lessor, subject nevertheless to the terms and conditions of this lease.

12. COMPLIANCE WITH LAWS. Lessee shall observe all federal, state, and local laws and regulations as they pertain to Lessee's use and occupation of the demised premises. Lessee shall indemnify and hold harmless the Lessor from and against any liability arising from such laws or regulations caused by Lessee's use or occupation of the leased premises.

13. ACCESS BY OWNER. The Lessor or representatives thereof shall have the right to enter the leased property, with notice to the Lessee and when accompanied by an employee of the Lessee, at any and all reasonable times for the purpose of inspecting the same or for the purpose of

ensuring that all repairs required of the Lessee under the terms hereof are made.

14. WAIVER. No waiver of the rights of the Lessor hereunder shall be implied from the acceptance of rental payments subsequent to a default by the Lessee, nor shall any waiver of such rights be deemed applicable to a like subsequent default.

15. NOTICES. Any notice or other communication required or permitted hereunder shall be delivered in person or sent by United States certified mail, postage prepaid, to the party to whom directed addressed as follows:

TO LESSOR:  
Chairman  
Redevelopment Commission  
of the City of Greenville  
P.O. Box 7207  
Greenville, NC 27835

TO LESSEE:  
Arthur Wallace  
  
6164 NC 33 E  
Grimesland, NC 27837

16. LESSOR'S COVENANTS. Lessor covenants and agrees that it is seized and possessed of the demised premises, and has the right without limitation or claim by any third party to enter into this Lease Agreement or any extension thereof, and will defend and save Lessee harmless against the claims of all other persons in and to the demised premises save and except for deeds of trust and easements and restrictions of record.

17. BINDING EFFECT. This Lease Agreement shall be binding upon and inure to the benefits of all parties, their legal representatives, successors and assigns.

18. CHOICE OF LAW. This Lease Agreement shall be construed in accordance with the laws of the State of North Carolina. The parties further designate the Superior Court of Pitt County, North Carolina, as the forum for the resolution of any dispute arising under the terms of this Lease or otherwise between the parties hereto.

19. AMENDMENT. This Lease Agreement shall not be altered, amended or modified except by an agreement in writing executed by the Lessor and Lessee.

20. ENTIRE AGREEMENT. This Lease Agreement is the only agreement between the parties hereto with respect to the subject matter hereof and contains all of the terms agreed upon, and there are no other agreements, oral or written, between the parties hereto with respect to the subject matter thereof.

IN WITNESS WHEREOF, the parties hereto have executed duplicate originals of this instrument, each party retaining one thereof, the day and year first above written.

REDEVELOPMENT COMMISSION  
OF GREENVILLE

BY: \_\_\_\_\_

Robert Thompson, Chairman

BY: \_\_\_\_\_

Arthur Wallace

**NORTH CAROLINA  
PITT COUNTY**

I, \_\_\_\_\_, a Notary Public in and for the aforesaid County and State, do hereby certify that Robert Thompson, Chairman for the Redevelopment Commission of Greenville, personally appeared before me on this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial Seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_.

**NORTH CAROLINA  
PITT COUNTY**

I, \_\_\_\_\_, a Notary Public in and for the aforesaid County and State, do hereby certify that Arthur Wallace, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial Seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_.

The property that will be transferred is located at 814 West Fifth Street and is the vacant lot next to the Gold Post Café.

See Below:

