

DRAFT
MINUTES OF THE ECONOMIC DEVELOPMENT COMMITTEE
OF THE
CITY OF GREENSBORO, NORTH CAROLINA

COMMITTEE MEETING

9 MAY 2014

The Economic Development Committee of the City of Greensboro met at 10:00 a.m. on the above date in the Plaza Level Conference Room of the Melvin Municipal Office Building with the following members present: Councilmembers Marikay Abuzuaite, Tony Wilkins and Jamal Fox (alternate). Absent: Councilmembers Mike Barber and Zack Matheny.

Also attending: City Manager Jim Westmoreland; Assistant City Manager Andy Scott; Interim City Attorney Tom Carruthers; and Deputy City Clerk Diana Schreiber.

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City Manager Westmoreland welcomed the committee and attendees to the meeting; stated that Councilmember Matheny could not attend the meeting; and stated that Councilmember Wilkins would serve as Chairperson and Councilmember Fox would serve as alternate.

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Moved by Councilmember Marikay Abuzuaite, seconded by Councilmember Jamal T. Fox, to adopt the 4/11/2013 draft Economic Development Committee minutes. Motion carried by voice vote.

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Review of Follow-Up Items

Assistant City Manager Andy Scott introduced the SC2 item; spoke to the memorandum; stated the guidelines had changed but were now stable; noted the program was fully vetted; elaborated on the background of the grant program and structure of the contest; stated the City's share was \$250,000 and the Department of Commerce's, \$1 million; and mentioned there was a lot of positive energy.

Committee members discussed the timeline and expressed their opinions regarding the change in process; and inquired how far the city was committed to the project financially.

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Councilmember Wilkins welcomed Mayor Vaughan to the meeting who was in the audience.

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Assistant City Manager Scott explained that the total spent was \$72,000; clarified the Department of Commerce had spent \$58,000 and the City, \$14,500; and stated there were fifty-one initial applicants of which eighteen were competitive.

City Manager Westmoreland referenced the information in the memorandum; and stated the information would be shared in the IFYI.

Shovel Ready Sites

Economic Development Manager Kathi Dubel provided an update on the Samet property on Campground Road; provided a status of the loan submission and land acquisition; and deferred to Interim City Attorney Carruthers for an update on McConnell Center Partners LLC (MCP) project.

Interim City Attorney Tom Carruthers updated on the McConnell Center Partner transaction; stated Council would need to address the modification in the term of the shovel ready loan rate at the upcoming June 3, 2014 council meeting; stated the shovel ready site loan terms had been tied to a ten-year note but the request for proposal had

indicated the loan would be tied to a five-year note; stated the Partnership wished to revise the terms of the shovel ready site loan to the five-year note at a lower interest instead of the ten-year term; indicated the loan would be repaid when property was sold or leased and was not a forgivable loan or an incentive grant; noted the funds would be coming back to the City; and stated the transaction was guaranteed by a deed of trust and corporate guarantee.

Councilmember Abuzuaiter inquired if the terms could be extended to Samet.

Interim City Attorney Carruthers stated that was a reasonable request but Council would have to make the determination.

Assistant City Manager Scott confirmed that the investors in McConnell Center Partners LLC did not currently owe back property taxes.

City Manager Westmoreland acknowledged the efforts of the legal team to move the transactions forward.

Councilmember Wilkins recognized Mr. Hall of Samet Corporation who commented on the project; and expressed appreciation for the City's support.

Proposal for Small Business Summit and Follow-Up

Assistant City Manager Scott outlined a three tier approach established; first tier, internal work within city with focus groups; second tier, Guilford County infrastructure for small businesses; third tier, to culminate with a small business summit; how to get involved in the contracting process with the City and how to navigate the local government interface.

Councilmember Abuzuaiter expressed concerns about timing of meetings and a desire to advertise the business summit; and suggested utilizing robo-calls to contact businesses.

Piedmont Triad International Airport

Mr. Mark Baker, Executive Director PTIA, presented a single map; referenced a survey conducted regarding the local employment base, planned deliberate growth, and spoke to the airport's ten-year plan; referenced the UNCG study that addressed post-investment impact; spoke to additional land acquisition and grading; emphasized financial priorities that featured completion of a large 1000 acre tract; and stated that once a corporation was identified, that construction phases would be designed to fit the corporate requirements.

City Manager Westmoreland clarified the property tax revenue collections versus employment expansion trade-off when land transfers took place between the City and Airport.

Mr. Baker presented a first preliminary NCDOT design plan for the Interstate 73 project, associated bridge and future taxi-way; and identified potential sites and infrastructure sources.

Councilmember Wilkins inquired about funding sources for construction needs; and inquired about ED bond funds.

City Manager Westmoreland stated he could research the amount of funding available from city and county sources.

Small Business Loan Pool

Jerome Gray, Executive Director of the Greensboro Community Development Fund (GCDF), referenced developmental efforts in Greensboro; spoke to the background of the fund; part of community development financial institute (CDFI); certified in 2012 from the Department of Treasury; opened fund in 2012 and received first award; provide flexible underwriting products for small businesses; served as a micro-lender of loans between \$1000-\$50,000; managed \$2 million; had a loan committee from the local financial industries; possessed diverse board members; and loaned funds to minorities, women and low-income clients.

Assistant City Manager Scott indicated that \$80,000 from targeted loan funding was provided to GCDF in 2012.

Councilmember Fox inquired about the total clients served.

Mr. Gray identified results: total of twelve loans in the amount of \$143,000; created seventeen jobs; stated businesses were required to accept technical assistance from his organization with business readiness certification program; 71 participants in training programs; two moved from home to storefronts; and others had hired employees.

Council inquired about the rationale of why a person would go to GCDF rather than a bank; what was the interest rate of loans; was the program expected to replace a city program; expressed support for in-house programming; asked how was the organization classified; what were the loan rates; how did the GCDF outreach to M/WBE applicants; requested the organization's financial statements; and inquired how GCDF was associated with the Partnership and Chamber.

Mr. Gray responded that banks did not provide technical assistance to its clients but that his organization did; elaborated on collateral development; identified remaining funding from the city's allocation; presented income statement and 2013 balance sheet; stated his organization was a non-profit and was the only one in the Triad; stated the loans interest rates ranged between five and eleven percent; referenced EQ2 programs for CDFIs; and explained that the Chamber and Partnership were oversight agencies.

City Manager Westmoreland stated the presentation was to review past investments made by the City; and from a budgetary perspective, Council may want to allocate resources to the small business loan pool.

Public Comment

Lamont Tyson, 2607 Wendover Avenue, indicated he was a beneficiary of a GCDF loan; that he had established a child care center in East Greensboro; and stated the technical assistance helped him develop financial plans.

Other Items

Staff confirmed that the grant program was open for registration until July 1; and confirmed that \$4.5 million was in the remaining ED Bond funds.

Councilmember Fox requested balance information on two funds: the ED Bond Fund and the fund sourcing the Kotis loan; and background information on the McConnell Center.

Councilmember Wilkins inquired about the future of the folk festival after the three-year commitment.

Next Meeting

To be determined.

Adjournment

Councilmember Abuzuaiter made a motion to adjourn. The motion was seconded by Councilmember Fox and adopted by voice vote of the Committee.

The Committee adjourned at 11:08 a.m.

DIANA SCHREIBER
DEPUTY CITY CLERK

TONY WILKINS
ACTING CHAIR & COUNCILMEMBER

(Copy of the PowerPoint presentation is hereby referenced and made a part of the minutes.)