



City of Greensboro

Melvin Municipal Building
300 W. Washington Street
Greensboro, NC 27401

Meeting Minutes - Draft City Council Special Meeting

Friday, March 15, 2019

10:00 AM

Council Chamber

I. Call To Order

This Special City Council meeting of the City of Greensboro was called to order at 10:00 a.m. on the above date in the Council Chamber of the Melvin Municipal Office Building with the following members present:

- Present 7 - Councilmember Marikay Abuzuaiter, Mayor Nancy Vaughan, Councilmember Sharon Hightower, Mayor Pro-Tem Yvonne Johnson, Councilmember Michelle Kennedy, Councilmember Tammi Thurm, and Councilmember Goldie Wells
- Absent 2 - Councilmember Nancy Hoffmann, and Councilmember Justin Outling

Also present were City Manager David Parrish, Deputy City Attorney Terri Jones, and City Clerk Angela Lord.

Mayor Vaughan confirmed that Councilmember Kennedy and Councilmember Wells were participating by phone.

Mayor Vaughan asked for motion to excuse Councilmember Hoffmann and Councilmember Outling.

Moved by Councilmember Abuzuaiter, seconded by Mayor Pro-Tem Johnson to excuse Councilmembers Hoffmann and Outling from the meeting. The motion carried by voice vote.

II. Recognition of Courier

City Manager David Parrish recognized Kym Smith of the Transportation Department who served as Courier for the meeting.

III. Public Hearing Agenda

ID 19-0173 Resolution Authorizing an Economic Development Incentive to Centric Brands, Inc. in an Amount Not Exceeding \$426,000

Mayor Vaughan stated this was the time and place set for a public hearing to consider a resolution authorizing an Economic Development Incentive to Centric Brands, Inc. in an amount not exceeding \$426,000.

City Manager Parrish spoke to the need for the special meeting; and recognized Economic Development and Business Support Manager Kathi Dubel.

Ms. Dubel made a PowerPoint Presentation (PPP); spoke to a job-based incentive for Centric Brands, Inc.; to an investment of approximately \$2,000,000; to requirements, agreements, and Minority/Women Business Enterprise (M/WBE) compliance; outlined incentive criteria; spoke to average wages; expected return on investments; to tax revenue; highlighted the project location on South Elm Street; and spoke to a target for industry clusters.

Mayor Pro-Tem Johnson asked for confirmation on incentives for new or existing jobs to which Ms. Dubel confirmed a portion of the incentive would be for approximately 213 new positions to Greensboro.

Ms. Dubel continued the PPP; outlined the recommendations for the performance-based incentive; spoke to Economic Development (ED) incentive grant agreements; and to authorization of a \$25,000 Building Reuse Grant.

Councilmember Hightower inquired about the type of jobs that would be offered; asked about skills sets and

training; if Workforce Development would be involved in the process; and if the company invested in second chance opportunities for ex-offenders.

City Manager Parrish recognized Centric Brand representatives and Chris Rivera of Workforce Development in attendance.

Greensboro Chamber of Commerce President and Chief Executive Officer Brent Christensen introduced Eddy Corado of Centric Brands.

Mr. Corado explained employment opportunities; spoke to a 3-D design focus, to the core management team; and stated he would research the hiring of ex-offenders.

Discussion ensued regarding an administrative, technical and diverse workforce; an upcoming meeting between Centric and the M/WBE office; goal requirements; the need for minority jobs; and opportunities for inclusion.

Ms. Dubel confirmed the meeting regarding M/WBE participation would take place following the public hearing.

Councilmember Hightower requested an update at next Tuesday's City Council meeting on the M/WBE goals.

Councilmember Kennedy echoed concerns regarding M/WBE goals; asked for confirmation of the number of local positions available; asked about the acquisition and job rollover from Global Brands; and voiced the need for clarity on the transition.

Mr. Christensen spoke to assets purchased by Centric Brands; to jobs in the downtown area; confirmed local hiring; spoke to other cities being considered; and clarified the full extent of job rollovers would be determined based on the decision today.

Councilmember Abuzuaiter spoke to the history of the item; to job incentives; to support for downtown small businesses, colleges and universities; to economic contributions; voiced the need for incentive approval prior to working out the details of the project; highlighted development in Greensboro; annual salaries and benefits; and stated she would support the item.

Councilmember Thurm spoke to pre-determination of M/WBE percentage goals; to empowerment of the M/WBE office; to the need for a commitment prior to setting goals; to business partnerships with local universities; and voiced support of the project.

Councilmember Wells spoke to a minimum of jobs; voiced assurance that goals would be met; confidence in the M/WBE and City Managers offices to monitor the process; appreciation to Andy Zimmerman for his work in east Greensboro; and support for the project.

Mayor Vaughan spoke to high quality jobs for young professionals; competition with Los Angeles and New York; to redevelopment in the area; to InvestEast; to investment in downtown; and voiced support for the item.

Councilmember Kennedy explained her request for M/WBE qualifications and availability.

Councilmember Hightower spoke to the need to have M/WBE discussions; to be proactive; and to capitalize on opportunities.

Councilmember Wells reiterated her trust in the new M/WBE program to implement the newly adopted plan.

Downtown Greensboro, Inc. President, Zack Matheny voiced appreciation to Council for holding a special hearing; spoke to the project; highlighted previous job opportunities of this caliber; referenced the investment by Mr. Zimmerman in Greensboro; spoke to the historic building; and voiced appreciation for Council support.

Moved by Mayor Pro-Tem Johnson, seconded by Councilmember Abuzuaiter to close the public hearing. The motion carried by voice vote.

(A copy of the PowerPoint Presentation is filed in Exhibit Drawer B, Exhibit No. 7 which is hereby referred to and made a part of these minutes)

Moved by Councilmember Abuzuaiter, seconded by Mayor Pro-Tem Johnson to adopt the resolution. The motion carried on the following roll call vote:

Ayes, 7 - Councilmember Marikay Abuzuaiter, Mayor Nancy Vaughan, Councilmember Sharon Hightower, Mayor Pro-Tem Yvonne Johnson, Councilmember Michelle Kennedy, Councilmember Tammi Thurm and Councilmember Goldie Wells

Absent, 2 - Councilmember Nancy Hoffmann and Councilmember Justin Outling

055-19 RESOLUTION AUTHORIZING AN ECONOMIC DEVELOPMENT INCENTIVE TO CENTRIC BRANDS, INC. IN AN AMOUNT NOT TO EXCEED \$426,000

WHEREAS, on May 17, 2005, the City Council adopted Economic Development Guidelines whereby the City may participate financially in the development of certain private improvements to promote economic development in accordance with the Guidelines and NCGS Section 158-7.1;

WHEREAS, Centric Brands, Inc. (the Company) is considering Greensboro in addition to other cities located in the United States for the location of a new office;

WHEREAS, the Company is considering a new office location in downtown Greensboro at 620 S. Elm Street;

WHEREAS, the Company has requested that the City provide for an economic development incentive grant based on the amount of \$2,000 per job for the creation of 213 new jobs in Greensboro on or before June 30, 2022;

WHEREAS, it is further anticipated that the Company and the property owner will invest nearly \$2,000,000 dollars in equipment and in the up-fit of an existing building in downtown Greensboro;

WHEREAS, but for the City's grant, the Company will not locate in Greensboro;

WHEREAS, the addition of 213 new jobs are expected to generate public benefit by having a significant effect on the revitalization of the downtown central business district, by positively impacting the City's sales and ad valorem tax revenues, and by increasing business prospects for the City and surrounding area; therefore, the City Council will commit to an Economic Development Incentive Grant of up to \$426,000 and not to exceed \$2,000 per new job if the company chooses to locate in the City of Greensboro;

WHEREAS, the City, the Company, and the property owner (ZCDF LLC) are also applying for a Building Reuse Grant from the North Carolina Department of Commerce to support the renovation and up-fit of the building at 620 S. Elm Street in downtown Greensboro. The maximum amount of the potential grant from the State is \$500,000. The grant requires a five percent (5%) local match from the City. Upon completion of this project, the company and the property owner will have expended an estimated \$2,000,000 to renovate and up-fit the building, including the acquisition of new equipment. If approved, up to \$25,000 of the City's economic development incentive will constitute the required local match. No additional appropriations or expenditures are required to qualify for the Building Reuse Grant;

WHEREAS, the project will be subject to the City's Minority/Women's Business Enterprise Program;

WHEREAS, a public hearing was held on March 15, 2019, in accordance with N.C.G.S. 158-7.1 setting out the particulars of the request and the public benefits to be derived from said improvements;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO;

- (1) That in accordance with the City's New Economic Development Incentive Guidelines, and pursuant to N.C.G.S. 158-7.1, a grant reimbursement and participatory agreement between the City of Greensboro and Centric Brands, Inc. for the creation of up to 213 new jobs in an amount not to exceed \$2,000 per job is hereby approved.
- (2) The City Manager and City Clerk are hereby authorized to execute, on behalf of the City of Greensboro, the proper agreement.
- (3) The grant shall be paid as the jobs are created and confirmed with the City in three consecutive installments not to exceed \$142,000 per year and \$426,000 in total. The installments will never exceed \$2,000 per job multiplied by the actual number of new jobs created cumulatively. The company must have created 213 new jobs prior to making its request for the first of three consecutive incentive grant installments.
- (4) The incentive will expire if the jobs are not created by June 30, 2022.
- (5) That the Building Reuse Grant application is authorized and that up to \$25,000 of the economic development incentive is committed as the required 5% local match.

(Signed) Marikay Abuzuaiter

IV. Adjournment

Moved by Councilmember Abuzuaiter, seconded by Mayor Pro-Tem Johnson, to adjourn the meeting. The motion carried by voice vote.

THE CITY COUNCIL ADJOURNED AT 10:40 A.M.

ANGELA R. LORD
CITY CLERK

NANCY VAUGHAN
MAYOR