

**FAYETTEVILLE CITY COUNCIL
SPECIAL MEETING MINUTES
COUNCIL CHAMBER
JULY 28, 2014
6:00 P.M.**

Present: Mayor Nat Robertson

Council Members Kathy Jensen,(District 1); Kady-Ann Davy (District 2); Chalmers McDougald (District 4); Robert T. Hurst, Jr. (District 5); William J. L. Crisp (District 6); Larry O. Wright, Sr. (District 7); Theodore Mohn (District 8); James W. Arp (District 9)

Absent: H. Mitchell Colvin, Jr., District 3)

Others Present:

Theodore L. Voorhees, City Manager
Karen McDonald, City Attorney
Kristoff Bauer, Deputy City Manager
Rochelle Small-Toney, Deputy City Manager
Jay Reinstein, Assistant City Manager
Tracie Davis, Corporate Communications Director
Pamela Megill, City Clerk
Members of the Press

1.0 CALL TO ORDER

Mayor Robertson called the meeting to order.

2.0 INVOCATION

The invocation was offered by Council Member McDougald.

3.0 APPROVAL OF AGENDA

MOTION: Council Member Mohn moved to approve the agenda.

SECOND: Council Member Wright

VOTE: UNANIMOUS (9-0)

4.0 OTHER ITEMS OF BUSINESS

4.1 BCBS Lease of Festival Park Plaza

Mr. Kristoff Bauer, Deputy City Manager, presented this item and stated staff presented information regarding a potential tenant for space in the third floor of the Festival Park Plaza (FPP) building to the Council during a closed session on June 23, 2014. Staff has completed the negotiation of the lease consistent with Council direction. A copy of the lease was provided to Council on July 27, 2014.

Discussion ensued.

MOTION: Council Member McDougald moved to approve the Lease of Festival Park Plaza as presented by staff.

SECOND: Council Member Hurst

VOTE: UNANIMOUS (9-0)

4.2 Festival Park Plaza Budget Ordinance Amendment

Mr. Kristoff Bauer, Deputy City Manager, presented this item and stated staff has completed the negotiation of the lease agreement for Blue Cross and Blue Shield (BCBS) for space in the Festival Park Plaza (FPP) building as presented. The key terms of the lease includes eight months of rent abatement as a signing incentive and in recognition of the build-out costs to be borne by the tenant. As a result, limited revenue will accrue to the City during the FY15 budget period from the execution of this lease agreement. The City will incur, however, a number of directly related costs that were not included in the FY15 budget. These include commissions for agents, building security upgrades, and increased maintenance and utility costs due to the increased occupancy and use. Most of these costs will be covered by existing budget appropriation, but the attached budget ordinance provides resources that exceed current budget authority. Approving the proposed budget ordinance amendment is necessary in order to allow the City's Finance Officer to pre-audit the lease agreement also on tonight's agenda. The amendment appropriates some additional revenue from the lease payments estimated to come

due in the last month of the year and appropriates the balance of the \$57,225 required from General Fund – Fund Balance. Staff recommends that Council adopt the budget ordinance amendment.

There was no discussion.

MOTION: Council Member Mohn moved to adopt 2014-15 Budget Ordinance Amendment Change 2015-1

SECOND: Council Member Hurst

AMENDED MOTION: Council Member Mohn moved to adopt 2014-15 Budget Ordinance Amendment Change 2015-1, also noting a typographical error and changing environmental services to read engineering and infrastructure.

SECOND: Council Member Hurst

VOTE: UNANIMOUS (9-0)

5.0 ADJOURNMENT

There being no further business, the meeting adjourned at 6:25 p.m.