

**FAYETTEVILLE CITY COUNCIL
SPECIAL JOINT MEETING WITH
NORTH CAROLINA GENERAL ASSEMBLY STATE LEGISLATIVE DELEGATION
LAFAYETTE ROOM
JANUARY 5, 2015
1:00 P.M.**

Present: Mayor Nat Robertson

Council Members Kathy Jensen (District 1); Kady-Ann Davy (District 2); H. Mitchell Colvin, Jr. (District 3); 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, Jr. (District 9) (arrived at 1:23 p.m.)

Delegation Present: State Senators: Wesley Meredith (19th District) (arrived at 1:20 p.m.); Ben Clark (21st District)

Representatives: Rick Glazier (44th District); Elmer Floyd (43rd District); Marvin W. Lucas (42nd District); John Szoka (45th District)

Others Present:

Theodore Voorhees, City Manager
Kristoff Bauer, Deputy City Manager
Rochelle Small-Toney, Deputy City Manager
Jay Reinstein, Assistant City Manager
Karen McDonald, City Attorney
Lisa Smith, Chief Financial Officer
Brian Meyer, Assistant City Attorney
Rebecca Rogers-Carter, Strategic Initiatives Manager
Pamela Megill, City Clerk
Members of the Press

CALL TO ORDER

Mayor Robertson called the meeting to order at 1:00 p.m. and welcomed the Legislative Delegation.

Mr. Theodore Voorhees, City Manager, introduced the current topics of interest.

Reinstatement of Privilege License Tax Revenue

Mr. Voorhees stated Fayetteville should feel the budgetary impact of this bill beginning July 1, 2015, consistent with the start of our new fiscal year. No official decision has been made at this point as to how the City will address the loss in revenue moving forward. Any decision will likely occur during the budget preparation process. Fayetteville is losing in excess of \$1 million a year because of this law.

Discussion ensued.

Local Option Sales Tax

Mr. Voorhees stated the City requests the Cumberland County Delegation advocate for a local sales tax option. The recommendation is for a quarter cent sales tax to help lower the property tax rate. Council Member Mohn has requested that a local bill be filed in the State Legislature's Long Session. In 2008, Cumberland County voters approved a local-option sales tax increase of a quarter cent (Article 46) after it was authorized by the State Legislature. The State also authorized a 1 percent tax on prepared food and beverages in Cumberland County.

Discussion ensued.

Reinstatement of Historic Tax Credits

Ms. Rochelle Small-Toney, Deputy City Manager, stated this bill will continue to help encourage the preservation of historic properties, reduce blight and vandalism, and return the properties to contributing uses in the City of Fayetteville. The State Historic Tax Credits returned an investment of \$24.2 million in 17 projects in and around the downtown area from January 1976 to December 2013. Further, absent North Carolina's tax credit program, we are at a disadvantage to compete for redevelopment projects because developers will seek development opportunities in neighboring states that continue to fund their state's historic tax credit program.

Reinstating the tax credit will assist the City of Fayetteville in attracting redevelopment and support the preservation of historic properties throughout the City.

Discussion ensued.

Wrap up remarks and comments were made from the Council and State Delegation members.

ADJOURNMENT

There being no further business, the meeting adjourned at 2:39 p.m.