

**FAYETTEVILLE CITY COUNCIL
WORK SESSION MINUTES
COUNCIL CHAMBER, CITY HALL
MAY 6, 2024
2:00 P.M.**

Present: Mayor Mitch Colvin (departed at 3:30 p.m., returned at 6:03 p.m.)

Council Members Katherine K. Jensen (District 1); Malik Davis (District 2); Mario Benavente (District 3); D. J. Haire (District 4); Lynne Greene (District 5) (departed at 7:26 p.m.); Derrick Thompson (District 6); Brenda McNair (District 7); Courtney Banks-McLaughlin (District 8); Deno Hondros (District 9)

Others Present: Douglas J. Hewett, City Manager
Lachelle Pulliam, City Attorney
Kelly Olivera, Assistant City Manager
Jeffrey Yates, Assistant City Manager
Jodi Phelps, Assistant City Manager
Kimberle Braden, Police Chief
Kevin Dove, Fire Chief
Loren Bymer, Marketing & Communications Director
Jerry Clipp, Human Resource Development Director
Rob Stone, Construction Management Director
Sheila Thomas-Ambat, Public Services Director
Gerald Newton, Development Services Director
Lisa Harper, Senior Assistant City Attorney
Joshua Hall, Police Attorney
Erin Swinney, Police Attorney
Chris Cauley, Economic and Community Development Director
Will Deaton, Planning and Zoning Manager
Craig Harmon, Senior Planner
Byron Reeves, Assistant Public Services Director
Pamela Megill, City Clerk
Members of the Press

1.0 CALL TO ORDER

Mayor Colvin called the meeting to order at 2:00 p.m.

2.0 INVOCATION

The invocation was offered by Council Member Thompson.

3.0 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by City Council.

3.0 APPROVAL OF AGENDA

MOTION: Council Member Benavente moved to approve the agenda, moving Item 4.08 before Item 4.07.

SECOND: Council Member Davis

VOTE: UNANIMOUS (10-0)

MOTION: Council Member Haire moved to excuse Mayor Colvin from the meeting at the appropriate time.

SECOND: Council Member Hondros

VOTE: PASSED by a vote of 9 in favor to 1 in opposition (Council Member Benavente)

4.0 OTHER ITEMS OF BUSINESS

4.01 Crime Deterrent Opportunities in Partnership with Fayetteville Metropolitan Housing Authority

Ms. Erin Swinney, Police Attorney, presented this item and stated during the special meeting on public safety held on August 16, 2023, the Mayor requested that the City Attorney's Office explore opportunities to partner with the Fayetteville Metropolitan Housing Authority (FMHA) to determine ways that the City could require the FMHA to monitor crime and put stipulations in place if the FMHA receives government funding. Peer city research found that the City of Wilmington partners with a local housing authority to use parking enforcement on the housing authority properties as a crime deterrent tool. Wilmington's program utilizes a parking pass system that requires anyone parking at housing authority properties to register and display a pass. Vehicles without passes are then ticketed or towed.

The City of Fayetteville Police Department currently has a partnership with the FMHA by way of the Neighborhood Improvement Team ("NIT"). More information about the NIT is included in the power point presentation. Deterring crime in Fayetteville requires the assistance of community partners.

Discussion ensued.

Mayor Colvin thanked the staff for the information.

4.02 Text Amendment to Chapter 30 - Tobacco and Hemp Retail Update

Mr. Will Deaton, Planning and Zoning Manager, presented this item and stated at the City Council's January work session, a Council request was made asking staff review a proposed ordinance change by Cumberland County. The Cumberland County proposed text amendment and definition was approved by the Cumberland County Commissioners on January 16, 2024.

The proposed amendment to the City's ordinance is similar to the text that was adopted by the Cumberland County Commissioners. However, the City's proposed ordinance change expands the separation distance to 1,500 feet and includes religious institutions.

The first step in bringing a proposed amendment before City Council is to have it reviewed, modified, and recommended by the City's Planning Commission, following City policies and State Statutes as shown below. The Commission is an integral part of any text amendment process. According to Section 160D-301 of the North Carolina General Statutes as follows:

- (a) Composition. - A local government may by ordinance provide for the appointment and compensation of a planning board or may designate one or more boards or commissions to perform the duties of a planning board. A planning board established pursuant to this section may include, but shall not be limited to, one or more of the following:
- (b) Duties. A planning board may be assigned the following powers and duties:

Development Services staff proposes the following text amendment:

Tobacco and Hemp Retail

- The site of the establishment must be located at least 1,500 feet- measured in a straight line from property line to property line-from the site of any other Tobacco and Hemp Retail establishment that exists or has been permitted.
- The site of the establishment must be located at least 1,500 feet-as measured in a straight line from property line to property line- from any of the following uses: schools (public, private, elementary or secondary), day care facilities, religious institutions, group homes, public parks, group quarters (halfway house), or residential habilitation support facilities.
- There shall not be more than one use subject to these standards on the same property or in the same building, structure, or portion thereof.

Tobacco and Hemp Retail: means the principal sales and/or distribution of:

- Any product that contains tobacco or nicotine, irrespective of whether the nicotine is tobacco-derived or synthetic, and is intended for human consumption, as defined by G.S. § 14-313(4). As used in this subchapter, "tobacco product" includes but is not limited to cigarettes, cigars, pipe tobacco, electronic cigarettes, hookah, smoked or vaped tobacco substitutes, chewing tobacco, snuff, snus, dissolvable tobacco products, and heated tobacco products. Tobacco products do not include nicotine replacement products approved by the USFDA for treatment of tobacco use find dependence.
- Any product that contains tetrahydrocannabinol (THC), irrespective of whether the THC is hemp derived or synthetic. Products that contain no greater than .3 percent THC are exempt.
- Any product that contains *Mitragyna speciosa*, commonly known as kratom.
- Any electronic device that delivers nicotine, THC or other substances to the person on inhaling from the device, including, but not limited to, an electronic cigarette, electronic cigar, electronic pipe, vape, or electronic hookah.
- Tobacco and hemp retail shall also mean any person who primarily sells, offers for sale, or does or offers to exchange for any form of consideration, tobacco, tobacco products, or tobacco paraphernalia.

These uses will be allowed in the NC, LC, and CC commercial districts.

The next step will be to present the proposed text amendment to the Planning Commission for their review, modification, and recommendation.

Discussion ensued.

Consensus of Council was to direct staff to include additional definitions and take to the Planning Commission for their review. Council Members Benavente, Banks-McLaughlin, and Hondros were opposed to the consensus vote.

4.03 Improper Towing Ordinance Amendment Update

Mr. Joshua Hall, Police Attorney, presented this item and stated at the March 4, 2024, Council work session, Council Member Greene presented this item and stated she was seeking support from Council to ask staff to draft a towing ordinance to address requirements of

proper signage (public notice) in tow-away zones prior to vehicles being towed from private properties. The consensus of Council was to direct staff to move this item forward.

This amendment would update the current City Code, Section 24-249, titled, "Improper Towing" in order to comply with *King v. Town of Chapel Hill* by removing the maximum amount towing companies can charge and require towing companies to accept multiple forms of payment from citizens whose vehicles have been towed from private property. Furthermore, the amendment would relocate this ordinance and place it under Chapter 16, Motor Vehicles and Traffic. Lastly, this amendment would continue to provide a deterrent through the penalty provision listed in the updated City Code.

Discussion ensued.

Consensus of Council was to move this item forward.

4.04 Storage or Parking of Heavy Trucks, Trailers and Recreation Equipment Update

Mr. Craig Harmon, Senior Planner, presented this item and stated at the April 1, 2024, Council work session, Council Member Thompson put forward a Council agenda item request for changes to Chapter 30 of the City Code of Ordinances for the Storage or Parking of Heavy Trucks, Trailers, and Recreation Equipment. According to the City Council Agenda Item Request submitted by Council Member Thompson, this proposal is an effort to get large vehicles (buses) off private (residential) property because, according to Council Member Thompson, these types of uses may create decreasing property values and can be a nuisance for the community.

If the City Council directs staff to pursue any of the options below that would require a text amendment, the first step is to bring the proposed amendment before the City's Planning Commission for their recommendation. Their recommendation would follow City policies and State Statutes as shown below. The Commission is an integral part of any text amendment process to Chapter 30. Please note that any text amendment creates a City-wide impact, and no decision/position has been made regarding the potential impact (i.e., vesting/amortization) on existing personal property that is listed on the Cumberland County Tax Records and are otherwise compliant.

After reviewing Chapter 30, the professional Planning staff has identified the following issues involved with regulating current and former school buses differently than other like uses.

Discussion ensued.

Council Member Thompson moved for a consensus vote to direct staff to prepare text amendments related to banning bus parking in residential zoning districts (excluding schools) and present them to the Planning Commission, Council Member Haire seconded the consensus motion. The motion failed by a vote of 5 in favor to 5 in opposition (Council Members Hondros, Jensen, Greene, Benavente, and Banks-McLaughlin).

4.05 Fayetteville Comprehensive Transportation Plan Update

Mr. Philip Hart, Assistant Public Services Director, presented this item and stated the City frequently experiences connectivity issues during major storm events and other incidents such as automobile crashes, utility failures, or railroad maintenance, where subdivisions with a single point of access can be blocked and cut off from the surrounding roadway network. The layout of most City streets also discourages multimodal connectivity between neighborhoods. In the Summer of 2022, the City selected Kittelson to assist with the development of a Comprehensive Transportation Plan (CTP). This plan was intended to build upon regional momentum focused on expanding

transportation options and improving street connectivity. As part of the CTP, Kittelson developed a methodology to identify subdivisions with limited access onto the surrounding roadway network, often through a single road, and help the City prioritize connectivity improvements.

Kittelson worked closely with a Steering Committee comprised of City staff to collect data, develop performance metrics, and review possible connections. This Steering Committee consisted of staff from Public Services, Development Services, and Emergency Response (Police and Fire). Through this collaboration, an evaluation methodology was developed including five scores: Resiliency, Feasibility, Equity, Multimodal Access, and Community Access. These scores were calculated using a variety of factors related to each subdivision, including the number of access points per household, median household income, level of transportation disadvantage, and proximity to emergency responders, the regional transportation network, schools, and other community resources.

After applying this methodology to all medium to large size subdivisions with a single point of access within the City Limits, Kittelson and the Steering Committee identified recommended connections. The recommended connections take into account geographic distribution and perceived public acceptance. Kittelson developed planning-level concept designs for each of the connections and calculated high-level cost estimates for implementation.

An additional objective of the CTP was to perform a comprehensive multimodal safety and mobility analysis on major transportation corridors maintained by the City. This strategic corridor analysis resulted in a series of recommended improvements ranging from spot safety treatments to sidewalk and path connectivity needs to enhanced transit service and amenities. Kittelson prepared a project prioritization and implementation plan for these recommendations that included preliminary cost estimates, possible funding sources, and synergies with ongoing and planned resurfacing and stormwater improvements.

Lastly, Kittelson reviewed the City's development code with the intention of understanding how the current code may perpetuate a lack of multimodal connectivity and to consider how it might be modified consistent with the goals of this task. The code was reviewed with a focus on connecting neighborhoods, providing multimodal access to community resources, and shortening emergency routes. Based on this review, Kittelson made several code revision recommendations.

The City has a unique opportunity to address connectivity and resiliency and create more safe, sustainable, active, and affordable transportation options. This can be achieved through building vital connections and strategic corridor improvements that reduce vehicle miles travelled, reduce emergency response times, and serve pedestrians and cyclists, as well as modifying the development code to ensure that new development is also expanding transportation access. Future steps include identifying funding sources, considering synergy with ongoing maintenance and resiliency projects, archiving the full list of connection points for future project opportunities, and performing community engagement as projects become funded and undergo preliminary engineering and design.

The Comprehensive Transportation Plan evaluated the local roadway network for connectivity, evaluated development code of ordinances for recommendations, and evaluated strategic corridors for roadway network improvements.

Consensus of Council was to receive the report.

4.06 Supplemental Fayetteville Comprehensive Pedestrian Plan Study

Mr. Philip Hart, Assistant Public Services Director, presented this item and stated on November 7, 2022, a City Council Agenda Item Request was made by Council Member Thompson to gain support for allocating funds for sidewalks from Raeford Road to Beta Road. Discussion ensued pertaining to sidewalks around schools in the City. Consensus of Council was to direct staff to identify all schools that do not have sidewalks and report back to Council at a future meeting.

At the March 6, 2023, work session, staff presented a draft list of sidewalk projects for approval to construct with General Obligation Bond funding. Discussion ensued pertaining to sidewalks around schools. The City Manager stated staff will research installing sidewalks around schools and will report back. At the September 5, 2023, work session, staff presented maps of draft sidewalk projects that encompassed areas within a one-mile radius of all public schools. The school analysis indicated approximately 85 percent of projects were located within a one-mile radius of schools. Staff presented four options to City Council and City Council approved Option 1; to proceed with the projects identified from the 2018 Pedestrian Plan and CIP (Funded by General Obligation Bond - \$2 million in FY24, \$3 million in FY25 and FY26).

On November 6, 2023, a City Council Member Agenda Item Request was made by Council Member Thompson to gain consensus from Council to direct staff to conduct a sidewalk study to ensure the one-mile radius of school connectivity is directly connected to school grounds; these types of safety measures are essential in keeping our children safe. Discussion ensued. Ms. Sheila Thomas-Ambat, Public Services Director, stated that NCDOT is driving the Pedestrian Plan. Consensus of Council was to direct staff to conduct a sidewalk study regarding the sidewalk gaps around schools, using General Obligation Bond funding to pay for the study.

On January 8, 2024, City Council approved the Municipal Agreement with NCDOT Integrated Mobility Division (IMD) for the update to the Fayetteville Comprehensive Pedestrian Plan. The estimated cost of the Project was \$142,500.00 with 50 percent cost share from the City of \$71,250.00. A notice to proceed (NTP) was issued by NCDOT IMD on March 7, 2024. A kickoff meeting was held with NCDOT, City staff, and Consultant (Kittelson) on March 28, 2024. The update is expected to be completed in Spring of 2025.

Based on the November 6, 2023, work session and NCDOT IMD selection of the Consultant, staff coordinated and received a sidewalk scope and fee to study gaps around public schools. This study will supplement the plan update to the Fayetteville Comprehensive Pedestrian Plan.

Discussion ensued.

The consensus of the Council was to approve the scope of work and fee for the Supplemental Fayetteville Comprehensive Pedestrian Plan Study.

4.08 Watershed Master Plan Program 2nd Tranche Proposed Solutions

This item was moved before Item 4.07.

Ms. Alicia Lanier, Stormwater Project Manager Special Projects, presented this item and stated the Watershed Master Plan program was initiated in FY 2019 to provide a comprehensive City-wide evaluation of the flooding issues in Priority 1 areas and to develop proposed solutions. Priority 1 areas to be studied were identified by high level modeling of the 15 watersheds in the City, with results vetted by staff and compared to historical flooding complaints.

For each watershed studied to date, a score to identify areas of concern is developed based on impacted lane length, emergency facilities, road-crossing risks, and disconnected structures, and

impacted structures. The level of service, defined as the largest storm event that can be safely conveyed by the stormwater system or asset, is identified for existing assets. Where the desired level of service is not met, proposed solutions are developed to mitigate the impacts. How well the proposed solution mitigates the flooding is captured in the efficacy rating.

Proposed Solutions from the first round of watersheds (Little Cross Creek, Little Cross Creek Pilot, Beaver Creek 3, Cape Fear 2, and Rockfish Creek) have been developed and presented to Council as the 1st Tranche. Blounts Creek proposed solutions are considered part of the 1st Tranche as well. The studied areas of these watersheds encompass 12.4 square miles of the City. A total of 204 proposed solutions were developed with an estimated total cost of \$525 million. These proposed solutions collectively mitigate 49 miles of impacted lane length, 62 road-crossing risks, 867 disconnected structures, and up to 220 impacted structures. Nine prioritized proposed solutions were brought to Council for consensus to move forward with design in December 2021. The Council approved staff to program the 1st Tranche proposed solutions into the CIP in December 2021. Blounts Creek Watershed brought the Russell-Person Street Bridge Replacement and Stream Enhancement project to Council to move forward with design and seek grant funding for future construction in June 2022. In addition, two other cap stone projects have been brought to Council for approval to seek grant funding for further evaluation (Rose Lake in the Cross Creek Watershed and Locks Creek in the Cape Fear 2 Watershed.)

Today the 2nd Tranche of proposed solutions from the Little Rockfish Creek 1 and Bones Creek watershed studies is presented. Cross Creek proposed solutions are considered part of the 2nd Tranche as well. However, because the Cross Creek watershed is larger and more complex solutions were identified, a separate presentation on the proposed solutions from the Cross Creek watershed study follows this one.

The 2nd Tranche combined total studied area is 14.1 square miles, with 111 proposed solutions at a total estimated cost of \$470 million. These proposed solutions collectively mitigate 64 miles of impacted lane length, 353 traverse road crossing risks, 59 disconnected structures, and up to 332 impacted structures.

The 2nd Tranche subset of just the Little Rockfish 1 and Bones watersheds studied 9.74 square miles of the City. A total of 28 proposed solutions were developed with an estimated total cost of \$90 million. These proposed solutions collectively mitigate 8.8 miles of impacted lane length, 11 traverse road-crossing risks, 32 disconnected structures, and up to 141 impacted structures.

Proposed solutions are not moving forward to project development at this time. However, approval enables staff to program them into the Stormwater CIP prioritization process. The prioritization of proposed solutions takes into consideration a number of factors before recommending them to Council for project development. Solutions are sorted based off of Concern Area Score ("Worst First") and efficacy. Staff has then targeted an equitable distribution between watersheds as well as strategic selections, such as a project's ability to be considered for grant funding or a project's proximity to other construction related activities (i.e., NCDOT improvements or resurfacing).

The prioritization of proposed solutions should not be viewed as a static list to be done in sequential order. As study areas are completed, new proposed solutions are developed that adjust priority ranking and flexibility exists in those proposed solutions ranking the highest. All proposed solutions recommended to move forward to project development thus far have been brought before Council for approval. These 12 proposed solutions make up 10 projects that are currently under design or about to begin construction.

Discussion ensued.

Consensus of Council was to approve the 28 proposed solutions from the Little Rockfish Creek 1 and Bones Creek watershed studies to enable staff to program them into the annual CIP prioritization process and pursue grants as applicable.

4.07 Watershed Master Plan Solutions for Cross Creek

Mr. Byron Reeves, Assistant Public Services Director, presented this item and stated the Cross Creek Watershed Study has identified 83 proposed solutions at a total estimated planning level cost of \$380 million. This cost includes the Rose (Roses) Lake proposed solution, for which Council provided consensus on September 5, 2023, to pursue funding sources to continue to evaluate Roses Lake as a dry detention option for flooding mitigation. The top 11 proposed secondary system solutions range in severity score from 63 to 16 and in estimated costs from \$23.6 to \$0.5 million. The majority of these solutions include pipe upsizing.

Council provided consensus to pursue funding sources to further develop advanced conceptual design for the Channel Improvement Option on September 5, 2023. Because funding has not yet been identified, while this option is discussed, the cost does not include the Channel Improvement Option.

The top proposed solutions are represented as examples of the 83 proposed solutions. While these are the top proposed solutions for the Cross Creek Watershed, all the proposed solutions from Cross Creek Watershed will be programmed into the CIP along with proposed solutions from other completed watersheds.

The proposed solutions presented herein are not moving forward to project development at this time. However, approval enables staff to program them into the Stormwater CIP prioritization process.

The prioritization of proposed solutions takes into consideration several factors before recommending them to Council for project development. Solutions are sorted based off Concern Area Score ("Worst First") and efficacy. Staff has then targeted an equitable distribution between watersheds as well as strategic selections, such as a project's ability to be considered for grant funding or a project's proximity to other construction related activities (i.e., NCDOT improvements or Resurfacing).

The prioritization of proposed solutions should not be viewed as a static list to be done in sequential order. As study areas are completed, new proposed solutions are developed that adjust priority ranking and flexibility exists in those proposed solutions ranking the highest.

All proposed solutions recommended to move forward to project development thus far have been brought before Council for approval. These 12 proposed solutions make up 10 projects that are currently under design or about to begin construction.

Consensus of Council was to approve the 83 proposed solutions to enable staff to program them into the annual CIP prioritization process and pursue grants as applicable.

4.09 FY 2024 Financial Update

Mr. Jeffrey Yates, Assistant City Manager, presented this item and stated during the City Council's April work session, a financial update was provided that included data through the end of December 2023. At that time, the report referred to this work session. Staff has updated and provided additional information for the work session.

Several key takeaways emerge when the various reports are analyzed as a landscape. No single piece of information provides a complete picture, but when taken together, we can get a high-level picture of the City's financial condition and health.

The reports are included in the agenda packet for a detailed review, and we welcome any follow-up questions for clarity or explanation. The included reports offer three key takeaways:

1. The City's financial health is strong. As of June 30, 2023, the fund balance analysis indicates that the City maintains a fund balance above its policy goal. The policy goal is an unassigned fund balance of \$25.2 million, and the unaudited unassigned fund balance is \$28.2 million. We anticipate completing the projected FY 2024 results in time to provide an update when the presentation is provided.
2. The General Fund is performing as anticipated. The revenues and expenditures are in alignment with historical trends. Revenues, particularly Ad Valorem and Intergovernmental (sales taxes), are behaving as anticipated. The three expenditure types that most reflect operations—personnel services, operating expenditures, and contract services—are aligned with historical trends.
3. Vacancies continue to be both a positive and a risk. The positive trend is that, given our experience through March 2024 (19 pay periods), we estimate a savings of at least \$10.6 million (excluding health insurance). With the remaining seven pay periods, we estimate additional savings of about \$1.5 million from vacancies. This is about 61.1 percent of the \$19.8 million total efficiency goal.

The risk related to vacancies comes from the lack of staffing. As of April 29, 2024, there were 213 (12.8 percent) vacant positions in the City. This includes 70 (17.9 percent) sworn Police Officers and 28 (8.2 percent) Firefighters. In addition, the City's 911 Communications group included 16 (23.3 percent) vacant positions. These three groups comprise 53.5 percent of the City's vacant positions.

The challenge with filling both Police and Fire positions is the recruitment cycle. While the City consistently recruits for positions, academies are only held two to three times a year. Because of this, we can anticipate seeing higher vacancies until a recruiting class begins and then a precipitous drop in vacancies. The risk comes when the academy's capacity is insufficient to keep pace with natural attrition. For Fire, we believe largely that the vacancies will be resolved through the academies; with the Police and the competitive environment for officers, the City will have to consider alternative strategies for service delivery and benefits. Both will be discussed in more detail during the upcoming budget process.

Consensus of Council was to receive the report.

4.010 Amendment to Fayetteville-Cumberland Parks and Recreation Operating Agreement

Mr. Adam Lindsay, Assistant City Manager, presented this item and stated the agreement to consolidate Parks and Recreation in Cumberland County is 20 years old. The original Operating Agreement is unchanged over that time and needs to be updated. The most significant change needed is the provision by which Cumberland County pays for indirect administrative costs to the City. To charge Cumberland County for actual indirect administrative costs, an amendment is required that must be adopted by both elected bodies. The proposed change will

ensure that the indirect administrative costs are passed along to Cumberland County in accordance with accepted accounting standards.

Last year, Council directed staff to work with Cumberland County to amend the Operating Agreement. The Operating Agreement governs the consolidated department partnership and specifies how the transition would take place and assets and people would be merged in addition to operational procedures and expectations. Until now, the 2004 Agreement has not been modified and the provision dictating the administrative costs that Cumberland County pays to City of Fayetteville was locked at \$60,000.00 annually.

City of Fayetteville ACM Adam Lindsay, Cumberland County ACM Brian Haney, and FCPR Director Michael Gibson met several times to discuss changes. At the County's request, we considered and are prepared to make other changes to the agreement to align with current practices and in acknowledgment that some things originally intended did not happen as initially imagined.

For your consideration is a red-line version of the 2004 Operating Agreement that shows the original language with strike throughs and the new proposed language, if necessary, in areas we are recommending amendments. The Amendment document captures all of the proposed changes in a standalone document and once approved by both governing bodies, will permanently attach to and amend the 2004 Operating Agreement in those places. You will note that the Operating Agreement has largely been followed and served its purpose in allowing for the effective merger of assets and people and continues to serve as one of the strongest partnership examples between Fayetteville and Cumberland County. That historical capture of how the merger happened was largely left untouched as it stands as a reminder of how we arrived at where we are today.

Twenty years ago, the Operating Agreement set a fixed sum of \$60,000.00 as an administrative fee to be paid annually by the Cumberland County to City of Fayetteville.

That provision reads as follows:

18. The COUNTY shall pay to the CITY in each fiscal year the sum of \$60,000.00 for recovery of its indirect administrative costs in operating the consolidated department.

The actual costs to provide services to the County District are much higher but the original agreement does not allow for any increases or changes. This omission is addressed and amended in the following proposed revision:

18. The COUNTY shall pay Indirect Costs related to the operation of the parks and recreation district to the CITY as determined in the most recent Cost Allocation Plan for the CITY. The CITY shall provide such Indirect Costs information to the COUNTY by March 1 of each fiscal year.

The City already uses a third party each year to update an indirect cost analysis tool that aligns with GAAP (Generally Accepted Accounting Principles) to determine the costs born from the City's oversight over County District services. This cost exceeds over \$500,000.00 annually.

As proposed, moving forward the indirect cost charge to Cumberland County will adjust as costs to provide services adjust and will be based on accepted accounting standards for calculating those costs.

Other changes to the Operating Agreement are minor compared to this significant change. This is informational for now to ensure awareness. County Commissioners and City Council will both need to

adopt the same changes for this to take effect. Once we have a final document that incorporates this change and others agreed upon, it will come to Council as a Consent item.

Discussion ensued.

Consensus of Council was to direct staff to move this item forward, and have the new Operating Agreement signed before the new fiscal year.

4.011 Day Resource Center (DRC) Operator Selection

Mr. Chris Cauley, Economic and Community Development Director, introduced this item and announced that Manna Dream Center has been chosen as the next operator of the Day Resource Center.

Mr. Alex Baker, Assistant Economic and Community Development Director, presented this item and stated in September of 2017 the State awarded Cumberland County with disaster recovery funds. Subsequently, the City took on responsibility for the DRC with Council action on October 28, 2019, where the City executed a sub-recipient agreement with the North Carolina Office of Recovery and Resiliency (NCORR) for the construction of a DRC. The City invested approximately \$6.99 million in the construction of the facility and at least \$300,000.00 annually for the operation and maintenance. In September of 2022, the City Council provided consensus for CHN to operate the DRC. Upon CHN's notification of nonrenewal, the City issued a request for proposals (RFP) from March 6 to March 27, 2024. Four applications were received in response to the RFP. Those applications were from Manna Dream Center, Marius Maximus Foundation, ServiceSource, and United Ministries in Christ with EB LYFE Community Services.

A DRC Committee was formed to assist in reviewing proposals on the requirements highlighted in the RFP that required plans that promotes community partnerships, responsible building management, improving promotion and marketing, soliciting volunteers and donations, along with a plan for community feedback and Council updates. The Committee consisted of seven members, which included a person with lived experience, the Chair of the Continuum of Care, a Fayetteville Redevelopment Commissioner, a community advocate, the head of Off-Road Outreach, the President of the Arts Council, and the Assistant Economic and Community Development Director.

After scoring, the DRC Committee interviewed the two final applicants on April 18, 2024. Afterwards, consensus from the DRC Committee was reached to recommend the Manna Dream Center to the City Council as the operating partner.

The Manna Dream Center submitted a budget within the parameters of the proposal with the current funding level of \$300,000.00 annually. The Manna Dream Center proposal also leveraged the proposal with \$47,000.00 with an in-kind contribution. This in-kind contribution included administration oversight (\$20,000.00), food (\$12,000.00), temporary financial benevolence assistance (\$10,000.00), and janitorial services (\$5,000.00). The proposed plan continues the City funding three staff members, security, janitorial services, and utilities for a Monday through Friday 8:00 a.m. to 5:00 p.m. operation. Like all proposals submitted, Manna Dream Center required additional funding to expand the hours of operation and scope of services through partnerships.

Discussion ensued.

Consensus of Council was to direct staff to enter into a one-year contract with Manna Dream Center to operate the Fayetteville DRC.

4.012 Down Payment Assistance Program Expansion - Homebuying HERO

Mr. Chris Cauley, Economic and Community Development Director, presented this item and stated City Council has made great strides in recent years to provide resources to residents aimed at making First Time Homeownership a reality. In 2020 City Council implemented a "Good Neighbor" program to incentivize Law enforcement recruitment and retention by providing \$20,000.00 in financial assistance to purchase a home within one of the City's target redevelopment areas. In 2021, City Council authorized funding for and subsequently approved the City's first affordable housing study. This study recommended 14 key strategies to address housing affordability that were adopted by City Council. In 2022, after 12 years without a downpayment program, the City re-established a grant funded program for households under 80 percent of the Area Median Income (AMI). In that same year, the Good Neighbor program was increased to \$30,000.00 and expanded to all employees in all areas of the City. The Economic and Community Development Department was able to hire dedicated staff and expand the program to households making 120 percent of the AMI in 2023.

The City has three current funding sources for downpayment programs, and each one has certain legal limitations to consider as follows:

Good Neighbor Program - Employer sponsored program to incentivize recruitment, retention, and homeownership. The \$30,000.00 in assistance is treated as taxable income for each of the five years that it is forgiven. Council Policy has capped the household income for this program at 140 percent of the AMI. This program is governed under the broad authority that the City Council possesses to determine the compensation and benefits for City employees. The \$30,000.00 in assistance is provided irrespective of the household's income and ability to pay a larger or greater amount with their primary mortgage.

Grant Funded Downpayment - Initially funded with the Community Development Block Grant, this program is limited to households earning below 80 percent of the AMI and requires a 50/50 match. This match is typically provided by the North Carolina Housing Finance Agency in the amount of \$15,000.00. This leaves a potential gap of \$5,000.00 for each homebuyer to contribute through cash, costs paid outside of closing, or seller concessions. This program can be funded with HOME Investment Partnership funds and would no longer require a match per grant regulations. Assistance is provided up to \$20,000.00 based on the homebuyer's debt-to-income ratio to ensure their primary mortgage is affordable. Some clients have only needed a few thousand in support to close on a home. This program could be increased to \$30,000.00 for qualified public servants such as employees of the Cumberland County Board of County Commissioners, Cumberland County Board of Education, Cape Fear Valley Medical, and other public institutions.

State Funded Downpayment - This program is funded by a one-time grant of \$1 million from the State's Capital Infrastructure Funding Program as "seed funding" for a Housing Trust Fund. The program is limited to households earning between 80 percent and 120 percent of the AMI and is one of a handful of programs that assist workforce income levels in North Carolina. The program is constructed identically to the above, aside from the higher income allowances. This program can also release the match requirement as it is not statutory in nature. This program could also be increased to \$30,000.00 for qualified public servants such as employees of the Cumberland County Board of County Commissioners, Cumberland County Board of Education, Cape Fear Valley Medical, and other public institutions.

Peer City Comparison - A comparison of peer cities shows that downpayment assistance ranges from up to \$10,000.00 in Greensboro to \$80,000.00 in Durham but of the cities surveyed none require a match. Not all cities have a

program that spans from 80 percent to 120 percent of the AMI.

Workshops and Counseling - The City and other funders work in partnership with Kingdom Community Development Corporation to host monthly workshops at the Fayetteville Technical Community College. These workshops are required to receive downpayment assistance and lead to one-on-one counseling with a HUD certified housing counselor. This program is currently funded by the State's Capital Infrastructure Funding Program as "seed funding" for a Housing Trust Fund.

Increase in Marketing - The Economic and Community Development Department, along with Marketing and Communications, is recommending a rebranding of this program as the "Homebuying HERO" program. HERO stands for "Homebuyer Education and Readiness Opportunities" to encompass our Workshops, counseling, outreach, and Downpayment Assistance.

The City receives an annual allocation of HOME funds that can be utilized for the grant funded program and can be adjusted between programs annually based on demand. The Good Neighbor Program was initially funded with \$450,000.00 and currently has \$360,000.00 available. The State funded program was initially funded with \$500,000.00 of the total \$1M million and after staff costs has a budget of \$404,000.00 with \$370,000.00 remaining.

Removal of the match and increasing the programs will likely make each program more impactful and more attractive to prospective homebuyers but spend the limited funding much faster especially the State funded program. Ultimately, participation in the program is very hard to estimate due to changes in interest rates, employment rates, credit scores, housing prices, and inventory. Staff are working diligently and proactively to ensure all stakeholders are informed of this program through extensive outreach and marketing.

Discussion ensued.

Mr. Cauley stated the City can do everything in its power to educate, prepare, and offer resources to prospective homebuyers, but the ability to actually put people in homes will be based on the market. Interest rates, lower median income levels, housing costs, and available inventory all impact our outcomes. Our job is to ensure every lender, realtor, and qualified family knows about the resources offered by the City.

Consensus of Council was to direct staff to remove the match requirement and increase the amount to \$30,000.00 for public service employees.

4.013 FCEDC - Discussion Regarding Recruitment of Amusement and Attractions

Mr. Robert Van Geons, President and CEO, Fayetteville Cumberland Economic Development Corporation, presented this item and stated energized by Councilmember McNair's interest, I will provide an overview of recent efforts and potential action strategies for Council to consider should they wish to aggressively pursue new amusement and visitor attraction facilities.

The team at FCEDC agrees that our community would benefit from an amusement park, water park, or other amusement attraction. We believe that many of our fellow citizens in Fayetteville and Cumberland County feel the same. Such facilities would benefit our residents, military families, and local economy.

Beyond our local population, we believe our location along I-95, between Washington, D.C., and Savannah would help make such an operation successful, while also bringing tourism dollars, jobs, and sales tax revenue to Fayetteville.

Mr. Van Geons suggested a "Market Feasibility Study" could be the next step; costing around \$100,000.00.

Discussion ensued.

Council Member McNair moved for a consensus vote to instruct staff to continue this discussion to bring options of how we might get this item done. We need stakeholders that are knowledgeable and specialize in these types of activities, we need to engage community partners. Council Member Benavente seconded the motion. The consensus motion passed by a vote of 7 in favor to 3 in opposition (Council Members Colvin, Jensen, and Haire).

4.014 Council Member Agenda Item Request - All-American City Marketing - Mayor Colvin

Mayor Colvin stated the City of Fayetteville has been awarded the All America City award more times than any other city. We have received the award four times, and we need to promote this. It needs to be on our websites, banners around the City, etc.

Consensus of Council was to move this item forward.

MOTION: Council Member Benavente moved to go into a closed session for attorney-client privileged matters.
SECOND: Council Member Davis
VOTE: UNANIMOUS (10-0)

The regular session recessed at 6:32 p.m. The regular session reconvened at 7:58 p.m.

MOTION: Council Member Hondros moved to go into open session.
SECOND: Council Member Hondros
VOTE: UNANIMOUS (9-0)

5.0 ADJOURNMENT

There being no further business, the meeting was adjourned at 7:58 p.m.