

**FAYETTEVILLE CITY COUNCIL
SPECIAL MEETING MINUTES
LAFAYETTE ROOM
JULY 5, 2017
5:00 P.M.**

Present: Mayor Nat Robertson

Council Members Katherine K. Jensen (District 1); Kirk deViere (District 2); Mitchell Colvin, Jr. (District 3); Chalmers McDougald (District 4); William J. L. Crisp (District 6) (arrived at 5:12 p.m.); Larry O. Wright, Sr. (District 7); Theodore Mohn (District 8); James W. Arp (District 9) (via telephone)

Absent: Robert T. Hurst, Jr. (District 5)

Others Present: Kristoff Bauer, Deputy City Manager
Lisa Harper, Assistant City Attorney
Jay Reinstein, Assistant City Manager
Victor Sharpe, Community Development Director
Tracey Broyles, Budget and Evaluation Director
Robert Van Geons, President and CEO, FCEDC
Mark Brown, PWC Customer Relations Officer
Teddy Warner, Regional Industry Manager, Sandhills
(South Central) Region, Economic Development
Partnership of North Carolina
Rhonda Kent, President and CEO, K3 Enterprises Inc.
Brian Kent, Partner, K3 Enterprises Inc.
Jane Starling, Deputy City Clerk

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 McDougald moved to approve the agenda.
SECOND: Council Member deViere
VOTE: UNANIMOUS (8-0)

4.0 OTHER ITEMS OF BUSINESS

4.1 Resolution Authorizing an Economic Development Grant Opportunity for K3 Enterprises, Inc.

Mr. Victor Sharp, Community Development Director, stated the City has been asked to submit a grant application for funding through the North Carolina Department of Commerce Rural Economic Development Building Reuse Program. The project is an expansion of the K3 Enterprises, Inc., located at 504 Cumberland Street. The project includes an estimated \$1.7 million investment in their current building to support 45 new jobs with an average wage just over \$90,000.00. They are requesting a \$500,000.00 grant with the City being required to provide a 5 percent or \$25,000.00 grant match.

Mr. Robert Van Geons, President and CEO, FCEDC, was present to provide additional information and to answer questions. Mr. Van Geons introduced the owners of K3 Enterprises, Inc.--Mr. Brian Kent and Mrs. Rhonda Kent. He also introduced Mr. Teddy Warner, the Regional Industry Manager, Sandhills (South Central) Region, for Economic Development Partnership of North Carolina. Mr. Warner assisted K3 Enterprises, Inc., with the application process. Mr. Van Geons provided documentation that explained the proposed project would renovate the last vacant section of the building (8,800 square feet)

and directly create 45 additional full-time jobs, with an average hourly rate of \$44.00 per hour. Local renovation, construction, and equipment investment would be approximately \$1.1 million. If approved for this grant, the company would begin the project in August, with construction and hiring to begin immediately, with full staffing by the spring of 2018. Mr. Van Geons stated that this is a great economic opportunity; it creates jobs in a corridor that Council has targeted for redevelopment, they are technology focused jobs, and this is an existing company that will be helped to grow. If Council decides to support this resolution, the final Grant Agreements will come back to Council for approval.

Mr. Brian Kent, Partner, K3 Enterprises, Inc., stated that the new employees would be residents of Fayetteville and the surrounding counties. He stated they would primarily be retired veterans. Mr. Robert Van Geons, President and CEO, FCEDC, reported the State is considering an award for training dollars to be provided to Fayetteville Technical Community College. The ramp up would begin in August but would not be completed until 2018. This should help pick up additional local employees.

Discussion ensued.

RESOLUTION AUTHORIZING THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA TO APPLY FOR FUNDING THROUGH THE NORTH CAROLINA DEPARTMENT OF COMMERCE BUILDING REUSE PROGRAM FOR THE K3 ENTERPRISES, INCORPORATED BUILDING REUSE PROJECT. RESOLUTION NO. R2017-039

MOTION: Council Member Mohn moved to approve the resolution to apply for funding through the North Carolina Department of Commerce Rural Economic Development Division Rural Building Reuse and Infrastructure Grant Program for the K3 Enterprises, Inc., expansion project.

SECOND: Council Member deViere

VOTE: UNANIMOUS (9-0)

5.0 ADJOURNMENT

There being no further business, the meeting adjourned at 5:13 p.m.