

ADJOURNED MEETING CITY COUNCIL
January 21, 2016

The City Council of the City of Albemarle met in an adjourned session on Thursday, January 21, 2016, at 7:00 p.m. in the Executive Conference Room of City Hall. Mayor Ronnie Michael presided and the following Councilmembers were present, to wit: Bill Aldridge, Chris Bramlett, Benton Dry, Martha E. Hughes, and Chris Whitley. Absent were Martha Sue Hall and Dexter Townsend.

The Mayor and the City Council held a joint meeting with the ADDC Board of Directors and Liz Parham, Director of the NC Main Street Program in the Raymond I. Allen Room at City Hall.

Mayor Michael brought the meeting to order.

Mayor Michael introduced Ms. Liz Parham, Director of the NC Main Street Program.

Ms. Parham came forward and stated that she and Sherry Adams, Coordinator of Downtown Programming and Technical Assistance came two days this past November 19 and 20 to assess the state of the ADDC organization. This was designed as a check-up with the practices of the NC Main Street programming and a way to monitor where the organization was after a number of changes in leadership. The ADDC was established in 1990 as a 501(c) (3) non-profit and has administered the Main Street Program since the time of designation in 1993.

Ms. Parham stated that she met with current and former board members, City Councilmembers and some local business people in November. Also, she spent a lot of time in the ADDC office looking over files, by-laws, board meeting minutes and terms of board members.

Ms. Parham gave a PowerPoint presentation covering the Main Street Approach and Principles and reviewed with the joint boards her assessment.

The Main Street Approach and Principles includes:

The Four Points

Organization
Promotion
Design
Economic Vitality

Eight Principles

Comprehensive Approach – Activity in each of the Four Points is essential

Incremental – Baby steps, basic, simple activities

Self-Help – Local leaders convincing residents and business owners of the rewards in investing and money in Main Street

Partnerships – Public and Private

Identifying/Capitalizing on Existing Assets

Quality – To all elements of the process

Change – In attitude and practice are slow but definite

Implementation – Visible results that can only come from completing projects

Ms. Parham reviewed the NC Main Street Organization Models and some of the cities that fall under each model as follows:

501 (c) (3) – This structure forces the organization to remain focused on its charitable/educational roles

501 (c) (4) - This structure is exempt from paying both federal and state income tax

501 (c) (6) – Same as (c) (4)

City Department – This structure incorporates the Downtown Director as a City employee. Other downtown employees are either a department of their own or within a City department.

Quasi-Public/Private – This structure has City staff operating a 501 (c)(3), 501 (c)(4), 501 (c)(6) also has Director as City employee but the program has a non-profit status.

Ms. Parham gave some of the advantages and disadvantages of each of the models for the above structures.

Ms. Parham also reviewed the different NC Municipal Service Districts and each of their rates. Also, she reviewed a chart showing the different NC municipalities and how much each City contributes to their downtown development. This entails if they receive any monies from their county, any sponsorships, grants, fundraisers, or donations. She also pointed out on this chart some of the cities that are Quasi-Public/Private and several of the 501 (c) models for Albemarle to compare. Ms. Parham stated that Albemarle needs to assess their goals before determining the best structure for their downtown program

Ms. Parham also advised that Albemarle may want to take a road trip and talk with different towns and cities and determine their direction from there. Also, she reviewed with the boards some of the state changes to Municipal Service Districts.

Ms. Parham stated that under the four-point approach are her recommendations moving forward: Below are some, not all of the points she made per point.

Organization – Plan for Downtown Success, Manage the Main Street Program and Promote the Program

1. Recommend moving to a quasi-public/private structure on July 1, 2016.
2. Before hiring anyone full-time, hire some one under a 6 month contract and staff work with the NC Main Street program personnel on the steps for best practices. She gave some of the tasks of what the contract staff would do.

3. ADDC Organizational Committee become familiar with the NCMS Basic Training Materials and use them during re-structuring process. Ms. Parham stated that training for six months with a consultant would most likely run between \$200-500/Day + Expenses.

The ADDC currently receives \$42,650 from the City and \$42,650 from the MSD but ADDC is spending over \$50,000 more than they bring in.

4. Organization work to diversify funding – ways to solicit funding from Stanly County, grant sources for projects and revenue from a “friends of downtown” program

5) Recommend that every project have a budget that identifies revenue and expenditures.

6) Hold an educational workshop facilitated by the NC Main Street Center

7. Recommend that the ADDC Board of Directors terms be changed back to a three-year term and that the ADDC Board of Directors elect their own board members

8. That the Executive Committee meet once a month, one week prior to the regular board meeting to develop and review the agenda.

Promotion – Image Building Campaigns, Retail Promotion, and Special Events

1. Develop a brand or adapt the City’s new brand
2. Develop and maintain a downtown/community Calendar of Events
3. During re-assessment, maintain the existing programs but not add any additional special events.

Design

1. Identify "low-hanging fruit" design projects.

2. Be the voice and the leader for downtown economic development
3. Recommend using the budgeted \$4,000 for architectural design services
4. Recommend the design committee identify two buildings initially where the property owner or business owner is willing to implement façade improvements immediately
5. Recommend a board member or two continue to be at the table for the proposed streetscape plan and the voice for downtown business owners
6. Recommend to continue plantings as desired and financially able to do so.

Economic Vitality – Understanding of current economic conditions, strengthening existing assets, find new economic uses, develop financial incentives and capital for building rehabilitation and business development

1. Update the property and building inventory
2. ADDC and City of Albemarle either conduct a Capital Campaign or use existing funds to pay off the debt to Market Station as soon as possible.
3. Develop a business plan for Market Station

Ms. Parham also stated that there are a number of economic development projects that the City and private entities are involved in downtown where ADDC does not appear to have a voice or a seat at the table.

In summary, the primary focus for the ADDC over the next six months should be regarding structure, financial diversification, volunteer development, partnerships and organizational policies and procedures. Also, she stated that the ADDC needs to get their downtown story out about the positive changes that have and are still being made. She said to look at grants, sponsorships, donations from the County, and friends of the ADDC, not just fundraisers.

Ms. Parham answered any questions that City Council and the ADDC Board had. She stated that ADDC Interim Director, Dana McDow has an electronic copy of the PowerPoint presentation for anyone interested in a copy.

Blake Martin, Chairman of the ADDC Board of Directors, stated that he is positive about the position taken by the joint boards and first wants the City's input concerning a quasi-public/private versus a 501 (c)(3). Then ADDC can work with City Council on what is best. He would like the ADDC Board, City Council and downtown merchants working together.

After further discussion, Councilmember Bramlett stated that it seems to be the majority voice to start from scratch and build the organization from within.

Mayor Michael asked if anyone had any questions for the ADDC Board or City Council.

ADDC Board Chairman Blake Martin asked what information City Council needs from the ADDC for our next joint meeting. Councilmember Whitley stated that we need to look at other cities with quasi-public/private or 501 (c) (3) structures.

Mayor Michael asked that the City Manager choose 5 cities for review that have either a quasi-public/private or 501 (c) (3) structure based on our size (population) and determine if the structure they use is working for their city. We may want our Economic Development Director Mark Donham to contact each of those cities.

Mayor Michael stated to the ADDC members present that we need a list of what financial responsibilities would be moving to the City if we decide on a quasi-public/private structure.

Mayor Michael stated that City Council will have two budget work sessions on February 9 and 11. Maybe we could set up a joint meeting for our two boards the third week of February. Councilmember Bramlett made a proposal that we name an ad hoc committee of 2-3 people from both City Council and the ADDC Board.

Kent Harkey, ADDC Board Member, stated that the ADDC needs to decide what route they want to go and just have City Council be a part of this process.

ADDC Board Chairman Blake Martin stated that we need time and it will probably be beyond July 2016. We have to decide whether to go back and start from scratch, go back half-way or not change anything, but we do need the City as our partner in deciding this route.

Councilmember Whitley stated that it needs to be decided whether to make the ADDC Director a City employee or not.

ADDC Boardmember Nancy Joines stated that the ADDC needs to look at the small towns that the City Manager chooses before making any decisions.

Mayor Michael stated that Council will wait until we receive the information from the five cities that the City Manager gathers before moving forward.

City Manager Michael Ferris stated it appeared there were costs savings that could immediately be realized under either framework. He said his largest concern at this point is where the responsibility of the current events coordinated by the ADDC would fall if the employees became City employees. He said Economic Development Director Mark Donham was hired to focus on industrial and commercial businesses and to assist with the development of a corporate park. His concern was the Economic Development activities and office becoming the location for promotions and events.

Upon a motion by Councilmember Dry, seconded by Councilmember Hughes, and unanimously carried, the meeting was adjourned until Monday, February 1, 2016 for a regular session meeting in Council Chambers at City Hall at 7 pm.