

SPECIAL MEETING CITY COUNCIL
December 21, 2020

The City Council of the City of Albemarle met in a special session focusing on the Albemarle Business Center (ABC) on Monday, December 21, 2020 at 5:30 p.m. in Council Chambers at City Hall. Mayor Ronnie Michael and the following Council members were present, to-wit: Mayor Pro Tem Martha Sue Hall and Councilmembers Bill Aldridge, Benton Dry, Martha E. Hughes, Shirley D. Lowder, Dexter Townsend, and Christopher Whitley.

The following City of Albemarle staff attended:

- Michael J. Ferris – City Manager
- Nyki Hardy – Assistant City Manager
- Britt A. Burch – City Attorney
- Cindy Stone – Clerk/Assistant to the City Manager
- Keith Tunnell – Economic Development Director
- Colleen Conroy – Finance Department Director
- Jacob Weavil – Assistant Director Finance Department
- Kevin Robinson – Planning and Development Services Director
- Judy Redwine – Public Utilities Department Director
- Ross Holshouser – Public Works Department Director

Economic Development Director Keith Tunnell went through a presentation which was provided to Council before the meeting. The presentation summarized:

- The history of the ABC to date;
- Status of the design and permitting of the ABC;
- Discussion about the potential impact of the ABC on Albemarle and the region;
- ABC park buildout options as well as speculative building and pad ready site options;
- Estimated budget and cost estimates;
- Potential Return On Investment (ROI);
- The marketing plan; and
- Next steps.

The ABC site has faced a delay in 2020 due to the initial wetlands and mitigation plan permitting process being scuttled by the state and the Army Corps of Engineers. Chambers Engineering, which is managing the permitting process for the City of Albemarle for the ABC site, was told in the fall that the permit needed to be resubmitted. This current process is far along but has not yielded the permit yet. Without the permit, the ABC buildout cannot proceed.

Mr. Tunnell gave the following recommendations to Council to aid in the rollout of the ABC site moving forward:

- Retaining a project manager specifically for the ABC to manage the site;
- Bringing in more jobs to Albemarle to generate more funds flowing through the local economy.

The following ABC Park buildout options were discussed in detail:

Option 1:

- **Phased ABC Buildout:** Buildout of only the front section of the ABC by the US Highway 52 entrance; partial road build; providing infrastructure (water, sewer, electric) to the property boundary; first phase would open several parcels but leave other parcels open for future development opportunities
 - **Estimated Cost:** \$7,965,418 (Note: this cost estimate would not include the cost of creating a few pad ready sites or speculative building).

Option 2:

- **Entire ABC Buildout:** Buildout of entire site including the Leonard Avenue extension; build entire road through site to completion; providing infrastructure (water, sewer, electric) to the property boundary; opens up entire site to development
 - **Estimated cost:** \$11,272,009 (Note: this cost estimate would not include the cost of creating a few pad ready sites or speculative building).

Option 3:

- **No action:** City would focus on business expansion instead.

Suggested next steps recommended to Council included:

- **If Council approves ABC funding** – Staff works to implement Council directives; project team and management meet to assess project status and what remains in permitting phase, then communicates to Council and public; develop detailed scope of work and roles and responsibilities for the construction phase of the project; identify process and parties responsible for extending water, sewer and electric to the park boundary; and review existing contracts with all vendors, sign off on completed work, and agree on completion timelines for work still to be done.
- **If Council does not approve funding** – Staff and management will meet to determine the next highest and best use for the ABC; make changes to marketing plans, the Economic Development strategic plan, etc.; shift focus to Main Street/downtown entrepreneurial assistance; and shift in industrial recruitment from the ABC to properties zoned industrial.

Mr. Tunnell summarized two different buildout concepts for Council: pad ready site and speculative building. A pad ready site is a site within a business park that is graded level and ready to build on. Speculative building is an industrial building which is built 75% complete to provide prospective companies the option to lease or purchase to finish the construction. In order to develop the ABC site,

Mr. Tunnell suggested to Council that they consider a mixture of both of these concepts. However there is extra cost to them. The City would be considering approximately \$750,000 for the estimated cost of three pad ready sites. The cost of a speculative building would be around \$3.5 million. This would be additional cost to the City.

Council questions and discussions included:

- For the recent development deal that was not located here in Albemarle, with current conditions of employment and business climate, would the City of Albemarle had a chance to win that deal? No – many municipalities and counties can't compete due to lack of building stock and a ready workforce.
- Back in 2016 the ABC concept was just approved by City Council, and now in 2020 we are not very far along. Can a specific timeline on moving forward with next steps such as acquiring the permitting be provided to Council now in order to make use of the state grant? As of right now unless the City knows exactly where the permitting process stands, it is uncertain whether the City can meet the deadline to even ask for an extension on the grant. Chambers Engineering has been managing the permitting process and relayed to Mr. Tunnell that they were informed by the state and Army Corps of Engineers a few months back that the City of Albemarle had to reapply for the wetlands permit. That revised application has been submitted back to the state and Army Corps of Engineers. The Mayor recounted the progress Council has made in 2020 in approving the Leonard Avenue extension and proceeding with engineered plans.
- Does the City currently have \$15 million to complete the full ABC buildout plus pad ready sites and speculative building that is being recommended? The City Manager replied that among different funds there is adequate funds to potentially finance a full buildout.
- Thus far has any soil sampling or analysis been done at the site? Yes. Some samples came up with only rock, and some with only soil. There is enough dirt to balance the site. This was revisited when Mr. Tunnell came on board to make sure that there wasn't a potential problem undetected before the City went any further with developing the site.
- Is there any recollection of the financial modeling First Tryon completed for Council for the ABC site? The Mayor replied that he thought that there was \$6.7 million available in the General Fund. So then it would be a mix of General and Enterprise Funds to obtain the \$8 million for the Option 1 plan? Per the City Manager yes there would be a mix of funds used.
- Does the estimated cost being mentioned here include the state grant money? No – the estimates do not factor in the grant, which would be \$750,000 for road construction.

In order to prepare for the regular Council meeting scheduled for 6:30 pm, the Mayor recommended that Council continue the discussion during the regular meeting as an agenda adjustment and called for a motion to adjourn.

Upon a motion by Councilmember Aldridge, seconded by Councilmember Lowder, unanimously carried, the meeting was adjourned until 6:30 p.m. in Council Chambers for the regularly scheduled Council meeting.