



Wake County

301 South McDowell Street
Raleigh, NC

Meeting Minutes Board of Commissioners

Monday, August 12, 2019

2:00 PM

Wake County Justice Center

Work Session

Meeting Called to Order: Chair Jessica Holmes

Present: 7 - Chair Jessica Holmes, Vice-Chair Greg Ford, Commissioner Vickie Adamson, Commissioner Matt Calabria, Commissioner Susan Evans, Commissioner Sig Hutchinson, and Commissioner James West

Present: David Ellis, County Manager; Beth Smerko, Senior Deputy County Attorney; and Johnna Rogers, Chief Operating Officer.

Staff Present: Chris Dillon, Assistant County Manager; Nicole Kreiser, Assistant County Manager; Ben Canada, Assistant to the County Manager; Bill Greeves, Chief Information & Innovation Officer; Emily Lucas, Chief Financial Officer; Derwick Paige, Chief Community Vitality Officer; Dara Demi, Communications Director; Denise Hogan, Clerk to the Board; Yvonne Gilyard, Deputy Clerk to the Board; Michelle Cerett, Executive Assistant to the Board.; Michelle Venditto, Budget and Management Services Director; Margaret Murphy, Senior Budget & Management Analyst; Kelly Stratton, Communications Manager; Denise Foreman, Assistant County Manager; Alice Avery, Communications Specialist; Ken Murphy, Senior Assistant County Attorney; Allison Cooper, Senior Assistant County Attorney; Andrew Sawyer, Communications Specialist; Lorena McDowell, Housing Director; Tim Maloney, Planning, Development, and Inspections Director; and Bryan Coates, Planner III.

Others Present: Frank Eagles, Mayor, Town of Rolesville; John Byrne, Mayor, Town of Fuquay-Varina; Adam Mitchell, Town Manager, Town of Fuquay-Varina; Samantha Smith, Planning Director, Town of Fuquay-Varina; Mark Matthews, Assistant Town Manager; Town of Fuquay-Varina; Jay Myers, Public Utilities Director; Town of Fuquay-Varina; Allyssa Stafford, Planner II, Town of Fuquay-Varina; Akul Nashawala, Senior Planner, Town of Fuquay-Varina; and Michael Haley,

Senior Vice President, Raleigh Chamber of Commerce.

1. [Agenda](#)

Attachments: [Agenda BOC Work Session 08-12-2019 format.pdf](#)

Chair Holmes said the board is taking steps to ensure transparency. She said this is the first Work Session to be live streamed by the Board of Commissioners. She said that the public could view the meeting on Raleigh Television Network or live stream. She shared the topics for the agenda today. she said the public comments will be allowed during Regular Board Meetings. She shared a schedule of the items to be discussed at regular meetings. She said the board will take action on the Hospitality Tax projects at the August 19th regular meeting of the board. A public hearing will be held regarding the Fuquay-Varina ETJ on September 3rd, and the board will take action on it at the September 16th meeting.

2. [Hospitality Tax Recommendations](#)

Attachments: [1. Presentation to BOC 8-12 v2.pdf](#)
[2. Questions From Wake County Commissioners for August 12 Work Session.docx](#)
[3. Financial Models.pdf](#)
[4. Letters from Stakeholders.pdf](#)

Ms. Denise Foreman, Assistant County Manager, shared the agenda for the process overview. She shared updated revenues for the year end, total funding commitments, proposals for consideration, and additional information that will be addressed. She shared the Interlocal Review Information, recap of the process, funding recommendations summary, projects supported with assumptions, updated revenue projections, and current revenue and current commitments.

Ms. Foreman shared an overview of the board questions and feedback.

Key Areas:

- Consider additional funding for PNC Arena
- Evaluate medium project funding to support additional projects
- Consider broader economic development impact associated with Downtown South Project

She shared the alternative proposal for consideration.

- Based on feedback from July 8 Board Presentation and Board

questions, staff has prepared an alternative proposal for consideration:

- Provide \$9M annually for PNC Arena
- Increase medium projects from \$42.1M to \$46.6M
- Launch joint feasibility study with City of Raleigh to evaluate soccer stadium/ entertainment complex at Downtown South
 - Establish process to complete by December 2019

Ms. Foreman said that staff has been working with the City of Raleigh and the project total has been reduced by \$1 million. A feasibility joint study is being recommended with the City of Raleigh for the Downtown South project.

Ms. Foreman shared an alternative proposal for planned expenses.

- Based on feedback from July 8 Board Presentation and Board questions, staff has prepared an alternative proposal for consideration:
 - Provide \$9M annually for PNC Arena
 - Increase medium projects from \$42.1M to \$46.6M
 - Launch joint feasibility study with City of Raleigh to evaluate soccer stadium/ entertainment complex at Downtown South
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She shared the next steps.

Commissioner Adamson asked about the cost of the feasibility study. Ms. Foreman said that the cost could vary, but hospitality tax funds would not be used.

Commissioner Hutchinson said that the presentation was thorough and complimented staff for looking at the various mid-grade projects. He said the Downtown South project is visionary. He said the Rocky Branch Creek could be connected to the greenway through Dix Park and into South Raleigh. He said there is opportunity for Raleigh and the feasibility study can bring forth the funding options.

Commissioner Evans said she was pleased with the way staff took feedback from the commissioners and provided alternatives. She is pleased with the funding commitment from the PNC Arena. She agreed that the feasibility study is necessary for the Downtown South project. She asked for clarification on whether the county would only be involved in the stadium. Ms. Foreman said that affordable housing may have county involvement.

Chair Holmes said the stadium would only involve hospitality type funds and the county would want to be involved in the surrounding development and opportunity zones. She clarified that the additional \$1 million is for 25 years. She said the county recommendations would also need to be approved by the City of Raleigh Council. She said after speaking with council members, the council members are supportive of the Downtown South project. She said addressing the match for the small and medium projects would be advantageous to extend the outreach and involve non-profits that may now be on the current agenda of the board.

Commissioner West said that he has spoken with key leaders about the Downtown South project and he said he wants to ensure that the best options for the citizens in southeast Raleigh are reached.

Chair Holmes clarified that the soccer stadium and the indoor sports arena are two different projects.

Mr. David Ellis, County Manager, clarified that this conversation is about the Downtown South Stadium. He said the feasibility study is for the stadium project.

Commissioner West said that in previous discussions there were benefits for underserved areas and it is important for that to happen. He said the project should be wholistic.

Vice-Chair Ford said that this is an opportunity to be strategic. He supports the proposal that staff has presented and is looking forward to the feasibility study.

Ms. Foreman said that understanding impacts to existing buildings, building programming, proforma, and sensitivity analysis would be helpful.

Commissioner Hutchinson said that in the beginning when the PNC Arena discussions were held there were various options discussed. He noted that there are portions of land that could be used for affordable housing.

Commissioner Adamson asked whether the RFP will cover the feasibility study cost. Ms. Foreman said that hospitality tax will not be used.

Mr. Ellis said that funds would be identified for the feasibility study. He said that staff would look at other models in comparative counties that are similar.

Chair Holmes said the economic impacts should be brought forward with the study. She said affordable housing, workforce housing, greenways, and open spaces are all items that the county would be interested in pursuing.

Commissioner Calabria echoed commissioners support of a feasibility study. He said that this is similar to the process of the Wake County Transit Plan. He said that since the last meeting of the board, there have been concerns about bringing projects forward with the application process for funding. He said that he agrees with staff recommendations. He complimented staff for being responsive to the feedback from the commissioners.

Commissioner West said geographic equity is important. He said that he recently attended a conference at the Greater Raleigh Chamber of Commerce on diversity and equity. He said that alternatives and options should be looked at in how it is related toward the hotel and motel tax. He said a synergistic whole and strategic approach is necessary.

Ms. Beth Smerko, Senior Deputy County Attorney, said that the feasibility study will be helpful, and the document will address the concerns of the board. She said there are statutory restrictions that will not allow the county hospitality funds to be used for the feasibility study.

Chair Holmes said that many have received their property tax bills and the funding for a feasibility study cannot come from property taxes.

Commissioner Adamson said engaging the community will be valuable to the project.

Ms. Foreman said the general consensus is for approving the alternate proposal.

- Based on feedback from July 8 Board Presentation and Board questions, staff has prepared an alternative proposal for consideration:
 - Provide \$9M annually for PNC Arena
 - Increase medium projects from \$42.1M to \$46.6M
 - Launch joint feasibility study with City of Raleigh to evaluate soccer stadium/ entertainment complex at Downtown South
 - Establish process to complete by December 2019

She shared the next steps for approving the proposal. She complimented the City of Raleigh staff and the Wake County staff that have worked on the project.

Commissioner West said the feasibility study is to look at the downtown soccer stadium and keeping everyone on the same page is important.

Commissioner Evans asked for clarification that the board will not be voting on the approval of the feasibility study at the next regular meeting.

Ms. Foreman confirmed that and said the vote would be to consider the alternate proposal presented today.

Commissioner Evans commended staff for their diligence in including all stakeholders on the hospitality tax projects process this year.

Ms. Foreman said the Tri-Party Agreement would be needed for the Centennial Authority use once the amendment is approved.

Chair Holmes asked the board if they are comfortable voting on the alternative proposal at the next meeting.

Commissioner Adamson requested that the vote include verification that revenue from the parking deck would be credited to the Inter-Local funds.

Mr. Ellis said a parking garage incentive would be part of an incentive to bring hotels here in Raleigh.

Chair Holmes said that if the funding for the parking deck is shared between the city and the county, the revenues should also be shared.

Ms. Foreman said staff would work with the City of Raleigh to obtain the language for the parking infrastructure.

A ten-minute break was taken. The meeting went into recess then the meeting reconvened

Chair Holmes shared that there was some exciting news released today. Ms. Lorena McDowell, Wake County Housing Director, said the housing department will receive tax credits to develop 563 new affordable housing units. She said the county goal is 500 new units of affordable housing per year, and that has been exceeded already for Fiscal Year 19-20.

Ms. McDowell said the county received the tax credits last year for 193 new units. She said the tax credit process was overhauled and revamped this year. She said every proposal was reviewed closely prior to being submitted to the state. She said the process is competitive across the state and her staff did a great job of securing funding for Wake County. She said of the nine projects put forward, six of them will receive financing. She said the City of Raleigh is also getting 160 new affordable housing units. She said the county put in \$6.3 million for the gap financing. She said this was made possible by the one cent tax dedicated to affordable housing. She said there is funding being returned to the county for projects that were not completed last year. She said those funds will be used to add even more affordable housing units this year.

Commissioner West asked Ms. McDowell if she is comfortable with the Average Median Income (AMI.) Ms. McDowell said yes and additional subsidies were requested for the new properties.

Chair Holmes referenced the poem "phenomenal woman" and said Ms. McDowell comes to mind when she thinks of it. She commended Ms. McDowell for her phenomenal efforts.

Ms. McDowell said that the vision of the board, the support of the County Manager, and her great staff have made this all possible.

3. [Town of Fuquay-Varina's Extra-Territorial Jurisdiction \(ETJ\) Request](#)

Attachments: [BOC Work Session 8-12-19.pdf](#)

[1. June 10 2019 BOC Work Session slides.pdf](#)

[2. FV ETJ BOC Staff Report.doc](#)

[3. FV ETJ PB 5-1-2019 Staff Report.doc](#)

[4. 2019-2024 Five Year Plan Capital Utility Projects 2019-04-23 B \(1\) \(003\).pdf](#)

[5. Land Use Plan- ETJ Criteria.pdf](#)

[6. Wake Tech Community College Letter.pdf](#)

[7. Combined Emails-FV ETJ Fall 2018-May 2019.pdf](#)

[8. Call Email Log.xlsx](#)

Mr. Tim Maloney, Wake County Planning, Development, and Inspections Director, shared the purpose of today's meeting. He said the proposed hearing date for the Town of Fuquay-Varina Extra Territorial Jurisdiction (ETJ) request is September 3, 2019 and a vote on the item would take place at the September 16th meeting. He shared maps of the county and municipal density.

He shared variations between county and municipal Extra-Territorial Jurisdiction (ETJ).

Mr. Maloney shared how ETJ effects property owners.

- ETJ extension is NOT annexation
- ETJ residents DO NOT pay municipal taxes
- Property converts from county zoning to municipal zoning
- Bona-fide farms are EXEMPT from municipal and county zoning until the farm use ceases operation
- Residents can continue using private wells and septic systems
- ETJ residents CAN JOIN the municipal Planning Board & Board of Adjustment
- ETJ residents CANNOT VOTE in municipal elections

Mr. Maloney shared the Planning Board recommendations.

- Planning Board recommendation is 11,870 acres.
- Recommended area is consistent with the Town's expected growth pattern, adopted water and sewer plans, and the County's ETJ criteria.

Commissioner Hutchinson asked if the Planning Board would be providing an explanation of their recommendation.

Mr. Maloney said the Planning Board members were not able to be present today, but he shared the reasoning for their recommendation. He said the Planning Board felt the area they removed was more established. He said the two new areas were added due to the expansion of I-540. Mr. Maloney said those areas may be more prone to development due to that expansion.

Mr. Maloney shared the 2019-2024 town utilities in the recommended ETJ area. He shared a bar chart of the town infrastructure. He shared photos of the skirting for mobile home requirements.

Commissioner Evans asked about the definition of a mobile home park and a mobile home subdivision. Mr. Maloney said the land for a mobile home park is typically owned by one person and the lot sizes are small. He said lots in a mobile home subdivision are larger and often individually owned.

Chair Holmes asked if there were specific subdivisions that have expressed concern due to the skirting issues. Mr. Maloney said one owner has expressed concern. He said existing skirting would be grandfathered in to the new regulations. He said that resident wouldn't need to take any action unless he replaces the home.

Mr. Maloney shared concerns that were expressed related to farm animals.

- Bona-fide farms are EXEMPT from municipal and county zoning until the farm use ceases operation
- The maximum number of chickens shall not exceed 10
- The number of agricultural animals are limited on lots less than two acres
- Lots greater than two acres have no limitation on agricultural animals

Mr. Maloney shared the staff findings.

- The Town's ETJ request is in accordance with North Carolina State law
- The Town's ETJ request is large, but includes portions consistent with the County's criteria for ETJ expansion
- The Town is actively preparing for growth prompted by future NC 540 and the availability of land with municipal services
- The Town's CIP provides a 5-year plan for infrastructure improvements in the recommended area
- The Town is experiencing growth pressure by recent annexations and municipal utility extensions
- Staff and the Planning Board both recommend granting ETJ area less than the Town's request

Mr. Maloney shared the next steps.

- Board of Commissioners Public Hearing - September 3rd
- Board of Commissioners Final Consideration - September 16th
- Property owners in the request area will be notified of the public hearing
- Visit www.wakegov.com/fvetj <<http://www.wakegov.com/fvetj>> for more information and meeting documents

Chair Holmes introduced Fuquay-Varina Town Mayor, John Byrne and gave him an opportunity to offer input.

Mayor Byrne said the sewer treatment plant, new library, new fire stations, and a new park are all projects that contribute to the future of the Town of Fuquay-Varina. He said that his team has worked with Wake County staff on this expansion for two years. He said the town has grown from 7,000 residents to 30,000 since he has become Mayor.

Mr. Adam Mitchell, Fuquay-Varina Town Manager, said the ETJ request has been thoroughly vetted and is reasonable. He said that citizen concerns have been addressed and staff has looked at expectations of other areas for the best interest of the public.

Mr. Mitchell introduced Town staff that were present: Samantha Smith, Planning Director; Mark Matthews, Assistant Town Manager; Jay Myers, Public Utilities Director; Allyssa Stafford, Planner II; and Akul Nashawala, Senior Planner.

Chair Holmes asked for clarification of the distinction of the differences in the land area in the request.

Mr. Mitchell said the state statute indicates that a three-mile extension is allowed. He said the town can support the extension. He said the Capital Improvement Plan is for five years and provides a long-range vision. He said that the request is not unreasonable. He said that future requests for expansion may be necessary, but the current recommendation is on target.

Commissioner Hutchinson said the county is half way through the creation of the Comprehensive Land Use Plan. He asked how this request fits within the plan. Mr. Maloney said the proposal would not be any different than what the comprehensive plan indicates today. He said that policy discussions would be held in the future.

Commissioner Adamson said that there has been concern about mobile home restrictions impacting affordable housing. She asked if there is flexibility in the restrictions. Mr. Mitchell said there are current mobile home parks within the Town's ETJ and those residents have not had a problem complying with the skirting requirement. He said the new mobile home skirting requirement is consistent with other municipalities in the county.

Mayor Byrne said current residents will be grandfathered in to the skirting requirements.

Commissioner West asked if there is an affordable housing plan for the town. Mr. Mitchell said there are multi-housing, town home, and single-family options being addressed through the town's Land Use Plan.

Chair Holmes said that she has participated with Habitat for Humanity projects along with other commissioners in the Fuquay-Varina area.

Mr. Mitchell said the Town Central Zoning District has allowed for more affordable homes in the town and a provision for accessory apartments.

Commissioner West asked if there are any Wake County Housing Authority unit options. Mr. Mitchell said there is a variety of housing options.

Mayor Byrne said there are non-conforming lots that needed affordable housing. He said the town is looking for little opportunities to make a difference.

Commissioner Calabria said his home was on the initial proposal and is included in one of the areas removed by the Wake County Planning Board. He asked if there is a need for recusal when the items are voted on. Mr. Ken Murphy, Senior Assistant County Attorney, said there was not a need for recusal. He said the process for the public hearing would allow for public comment and participation by citizens.

Commissioner Calabria asked about the non bona-fide farms and their animal limits.

Ms. Samantha Smith, Fuquay-Varina Planning Director, shared the limitations with farm animals and said the town intends to balance the farming.

Commissioner Calabria asked about the recent letter from Wake Tech that the board received in reference to the permitting purposes and the town's position.

Mr. Mitchell said the letter indicates building inspections would be handled by the county and there are two issues. He said the process has been evaluated by the town and the findings were not a business case for the town not to provide building inspections for Wake County projects. He said Wake Tech is a water customer of the Town of Fuquay-Varina and inspectors pass by the college each day in the corporate limits of Fuquay-Varina and can provide top level services to the college as they are included in the ETJ expansion.

Commissioner Evans said that she has seen Wake County grow in this area. She said the expansion is a serious task. She complimented staff and town officials for their work. She said the proposal is logical. She said that naturally occurring affordable housing allows for municipal areas to expand with various types of housing.

Mayor Byrne said that meetings have taken place with citizens that have concerns and staff has explained the process to them. He complimented Wake County staff for working with the town to move through a systematic process and listening along the way.

Chair Holmes thanked the county and town staff for working together on this project.

Mr. Ellis recognized Mr. Bryan Coates, Wake County Planner III, and announced this would be his last meeting as he moves to the Town of Wendell as the Assistant Planning Director.

4. [Socially Responsible Hiring Incentives](#)

Attachments: [Social Incentives Slides.pdf](#)

Mr. Chris Dillon, Assistant County Manager, introduced Mr. Michael Haley, Senior Vice-President, Raleigh Chamber of Commerce, and thanked him for attending today.

Mr.Dillon shared the Economic Strength Board Goals.

- Objective ES3: Develop economic development strategies and tools that encourage socially responsible business practices, environmental stewardship, affordable housing, high quality of life and return on investments that produce societal benefits
- ES3.1: Explore a multi-criteria policy for economic development incentives to include work with vulnerable communities.

He shared the economic growth chart.

- Wake County has continued exponential growth
- Great place to live ranked nationally
- High wage job creation
- Although, some people are left behind, 45,000 households earn \$25,000 annually

He shared a map of the vulnerable communities. He shared the targeted growth area tier.

He shared the community development impacts.

- Focusing economic development in certain areas of the county may increase demographic trends
- Areas of the county will see positive impacts of location of major employers
- How can the county influence health and wealth of residents?

He shared the map of the lack of upward mobility in the southeast. He shared the information on the lack of upward mobility in NC. He shared a chart of Wake County upward mobility resources. He shared information about Wake County employee benefits.

- Employees receive a minimum salary of Wake County Living Wage
- Health insurance provided to employees and offered to spouses and dependents
- Equal pay for performance hiring policy
- Second chance hiring practices, including removal of prior conviction checkoffs
- Minimum of forty hours of bereavement leave for employees
- Minimum of eight weeks of parental leave for employees
- Minimum of sixteen hours of volunteer leave annually for employees
- Opportunities for improvement of health and wellness of employees

He shared the recommendations for socially responsible employment bonus. He shared the employment bonus information.

Socially Responsible Employment - 5% additional of new tax growth

After qualifying for a Business Development Grant under Wake County policy, new or existing companies may be eligible for a Business Development Grant Bonus when locating or expanding in Wake County and meeting the following conditions:

- Employees receive a minimum salary of Wake County Living Wage
- Health insurance provided to employees and offered to spouses and dependents
- Demonstrate equal pay for performance hiring policy
- Demonstrate second chance hiring practices, including removal of prior conviction checkoffs
- Provide a minimum of forty hours of bereavement leave for employees
- Provide a minimum of eight weeks of parental leave for employees
- Provide a minimum of sixteen hours of volunteer leave annually for employees
- Provide opportunities for improvement of health and wellness of employees
- Must qualify for an existing Wake County economic development incentive
- Companies are not required to offer any of the employment benefits
- Purely a voluntary program to receive an additional 5% reimbursement of paid property taxes
- Local match is not required on the bonus percentage
- Verification through current incentive certification and audit process

Mr. Dillon shared the next steps.

Chair Holmes said that second chances and Raise the Age should also be highlights. She said the LGBTQ protections should be added. She said the equal pay language should be stronger. Mr. Dillion said he would work on these additions.

Ms. Smerko said the proposal is an incentive that the county can move forward on. She said care should be taken in the language so preempting is avoided.

Commissioner West said that the strategies have been relaxed recently and asked whether the Department of Commerce rules can be included in

the standards. He said that priorities are obvious and measurements would be helpful in the targeting process. He shared the processes since 2010 on the White Paper initiative. He said there are citizens that are in the shadow around familiar faces. He said that enlightenment is important and he is hopeful that Wake County has a model that can be shared with others.

Mr. Ellis said the county uses the Minority and Women-Owned Business Enterprise (MWBE) Model and will look at other models.

Commissioner Calabria suggested that staff look at the Research Technology Institute model when developing standards. He said one overall incentive or individual incentives he has questioned in the past but feels like this process is more effective. He said that return to work programs, green practices, hiring of disadvantaged individuals, and domestic partner benefits insurance benefits should be explored.

Chair Holmes said these projects have already been accomplished.

Mr. Dillion addressed Commissioner Calabria's incentive suggestions and said there are tax incentives already in place for those items.

Vice-Chair Ford complimented staff and asked Mr. Haley to share his thoughts.

Mr. Haley said discussions have taken place and incentives are an important aspect for Wake County for economic mobility moving forward.

Commissioner West said there is a paradigm mindset shift to the leadership. He said there must be a strategy to involve the grass roots efforts. He said the diversity approach can build on the strength that already exists.

Mr. Haley said at the recent Greater Raleigh Chamber of Commerce Diversity, Equity, and Inclusion Conference he shared that it is important to have crucial conversations.

Commissioner Adamson said including minority businesses is key.

Mr. Dillion said that there is plentiful leadership to push staff in the right direction.

Chair Holmes thanked staff for making this a reality.

Mr. Dillon said he would work on the Wake County Economic Development language.

5. [Policy Workflow Items](#)

Attachments: [Policy Workflow Item.docx](#)

Mr. Ellis said that that Commissioner West would like to discuss funding for the African American Cultural Festival.

Commissioner Hutchinson left the meeting at 4:45 P.M

Commissioner West shared information about the African American Cultural Festival. He said the committee membership consists of seven members from the Raleigh City County and seven members from the county. He said when he served on the Raleigh City Council, \$75,000 in funding was given annually by the city. He said the county provided \$25,000 of that funding. He asked for an additional \$10,000 for the event from the county. He asked for the board to support the additional funding. He said diversity brings forth the pride of the accomplishments.

Mr. Ellis said the funding is not budgeted and options are to find the funds, refer to a committee, or move the request through the public agency process.

Commissioner Adamson asked if there was a reason the request deadline was missed through the board's regular budget process. Commissioner West said there has been leadership change on the board.

Vice-Chair Ford said that the African American Cultural Festival is important. He asked about the changes from ten years ago and where the additional funds would be used.

Commissioner West said the request for additional funding was declined by a previous board. He said the funding needs have been generated by new Executive Director, additional volunteers, permits, and more programming for families and youth.

Vice-Chair Ford said there is value and history for supporting the festival. He said that that any board member can bring forward a request, but he is hesitant to amend the budget at this time for this festival.

Commissioner Evans echoed Vice-Chair Ford's comments.

Commissioner West said he was asked to present the request.

Commissioner Adamson asked if this could be presented in next year's request.

Mr. Ellis said that Mr. Bill Greeves, Chief Information and Innovation Officer, is developing a process for a public agency request.

Commissioners agreed to take a look at the request in the next budget cycle.

Chair Holmes announced that Commissioners were invited to Wake County South Wilmington Street Center this evening to meet foreign leaders that are visiting Wake County to learn how Wake County is working to reduce homelessness.

Adjourn

The meeting adjourned at 5:04 P.M.

Respectfully submitted,

Denise M. Hogan, NCMCC
Clerk to the Board
Wake County Board of Commissioners



Legislation Details (With Text)

File #: 16-2298

Type: Regular Item **Status:** Agenda Ready

On agenda: 8/12/2019 **In control:** Board of Commissioners

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Date	Ver.	Action By	Action	Result
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Agenda



Legislation Details (With Text)

File #: 16-2303

Type: Regular Item **Status:** Agenda Ready

In control: Board of Commissioners

On agenda: 8/12/2019 **Final action:**

Title: Hospitality Tax Recommendations

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Indexes:

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Date	Ver.	Action By	Action	Result
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Hospitality Tax Recommendations

Financial Model

Q1. Share elements of financial model that demonstrate amount of funding and planned commitments.

A1. For the period FY20 through FY34, the financial models based on the Managers' recommendations project approximately \$1.24 billion. Planned commitments for the same period total approximately \$1.19 billion.

Projected Revenues and Expenditures 2020 - 2034

Based on Managers Recommendations

Projected Revenues	FY20	FY28	FY34
Food and Beverage Tax		662.6 million	
Occupancy Tax		577.5 million	
Total Tax Revenue		1.24 billion	

Expenditures - Commitments			
Admin and Holdbacks		89.6 million	
Convention and Visitors Bureau		145.6 million	
PNC Arena		81 million	
Raleigh Convention Center Complex		420.1 million	
Small Projects		30.0 million	
Subtotal Expenditures		766.3 million	

Expenditures - Recommended	FY20	FY28	FY34
City of Raleigh Convention Center Complex			
Land and Optimization	20 m		
Parking Debt & Capital		26.4 million	
Music Venue Debt & Capital		25.75 million	
RCC Expansion Debt & Capital		105 million	
Business Development Fund		3.6 million	
RCC Capital Maintenance		3.86 million	
PAC Capital Maintenance		7.5 million	
PNC Arena		112 million	
Indoor Sports Facility		33.04 million	
Cary Sports Facilities Maint.		45.0 million	
Medium Projects	42.1 million		
Planned Capacity		28.3 million	
Sub-Total Expenditures - Recommended		426.8 million	

Total Expenditures		1.19 billion	
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All projects

Q2. How much did each entity ask for? What did they say that amount would buy?

A2. The process was structured to provide an overall view of the potential projects as known in January 2019. The process was not designed for entities to make a specific ask of Hospitality Taxes. The City/County used the overall figures provided through the RFI responses to determine how recommendations would be allocated. Below is a list of the RFI responses as received in January 2019. Many of the project plans have been refined since that time.

**2019 Hospitality Tax RFI Responses
January 2019**

	Organization	Project Name	Description	Total Project Estimated Cost
1	Centennial Authority	PNC Arena Enhancements	Renovate/expand existing arena with additional hospitality space, additional club and concession space and additional meeting space	\$200 million to \$300 million (further clarified \$167 million to \$202 million + operating need)
2	City of Raleigh	Raleigh Convention Center Complex	In short term, consider need to optimize Raleigh Convention Center, prepare for future facility expansion through land acquisition and hotel recruitment; in long term, expand facility and relocate music venue	\$309.5 million to \$388.5 million in potential commitments within next 10 years
3	Friends of Raleigh/Wake County Stadium	Raleigh/Wake County Stadium	Develop new multipurpose athletic venue for football, track, soccer and lacrosse in Southeast Raleigh.	Not included. Response suggests that a feasibility study needs to be initiated at cost of \$249,000
4	Marbles Kids Museum	Museum Expansion	60,000 square foot expansion/renovation at existing campus; new multi-story expansion of 27,000 square feet; renovation to existing museum and theater of 33,000 square feet; new consolidated central plant	\$45 million
5	North Carolina Football Club	Downtown Entertainment and Sports Center	Develop new 22,000 seat sports and entertainment center in Downtown Raleigh to accommodate soccer and other events	\$150 million (revised to \$180 million) to support public authority ownership & operation

Wake County Hospitality Taxes –
Board of Commissioners Question and Answers

6	North Carolina Museum of Art	NCMA East Building Renovation	Renovate original East Building, replace Art Conservation lab, windows, and lighting systems; renovate east lawn and amphitheater	\$25 million to \$30 million
7	Town of Cary	Indoor Multiuse Sports Facility	Develop an indoor multiuse sport facility geared toward tournament/visitor-facing events - roughly 250,000 square feet; up to 12 basketball courts; dedicated e-sport; 4,000 -5,000 seat arena	\$123 million to \$131 million
8	William Peace University	Performing Arts Venue	Construct 35,000 to 40,000 square foot performing arts venue with seating for 600 on WPU campus	\$30 million to \$32 million

PNC Arena *(Responses provided by Centennial Authority)*

Q3. What will the proposed funding get at PNC Arena? What would we get for \$9M? \$10M? / What upgrades will be provided at \$8M? \$9M \$10M?

A3. PNC Arena enhancement is driven by the need to keep the building competitive to secure more annual events. The design team led by Raleigh-based RATIO Architects teamed with HOK (leaders in design for some of the world's most iconic venues) envisioned taking existing space and repurposing it to maximize efficient use of resources. Current office space at the arena's South End (what most consider the arena's front door) would create a new entrance to PNC Arena, but more importantly add much needed hospitality and event space. Staff would move to new space in the North End (loading dock area). This works because the North End is already engineered to support an addition. Lower funding means we could not create enough space at our North End (the loading dock area) to accommodate more than 165 full staff.

That said, design scope can be incrementally reduced to fit a given funding model.

North Enhancements	\$34 million
South Enhancements	\$53 million
East/West Enhancements	\$11 million
General Concourse Upgrades	\$7.6 million
Backstage Renovations	\$1.2 million
Main Concourse Quad Concessions	\$2 million
Club Concourse Suite Renovations	\$3 million
East/West Lobby and Priority Lounge	\$5 million
East/West Club Concourse Concessions	\$1 million
Club Concourse Overlooks	\$1.2 million
<u>Upper Concourse Quad Concessions</u>	<u>\$1 million</u>
Total	\$120 million

These figures are for estimated construction costs only. Furniture, fixtures and other equipment in addition to design and engineering fees would add upwards of 25% to the construction total.

Q4. What is debt amount associated with \$8M? \$9M? \$10M?

A4.

- \$8M \$131,852,000
- \$9M \$148,333,000
- \$10M \$164,815,000

These numbers assume bonding capacity solely devoted to construction. However, some funds are necessary for operating expenses.

Debt Assumptions:

- *3.50% taxable (current taxable rate June 27, 2019 3.49%, per J.P. Morgan)
- 25-year term
- Level principal and interest

*(*County Note – for other debt assumptions made throughout the Managers’ Recommendations – an interest rate of 4.5% was used)*

Q5. What is anticipated impact of PNC investments - ROI? How will it impact attendance? (prefer broken down by investment area)

A5. The Centennial Authority’s focus for PNC Arena enhancements is driven by two guiding principles:

- To create opportunities for more events to come to Wake County
- Remain a world-class economic engine the region can remain proud of

To that end, the vision for an enhanced PNC Arena creates reasons fans, touring shows, and special events to want to be here. The enhancement does not add seats to the arena, but instead adds to its capabilities.

The proposed enhancement was created not only by experienced designers, but also by comments and critique from tour and special event promoters as well as what fans have demonstrated they want. This combination undoubtedly would increase individual event attendance as well as recruit more events to the area.

Q6. What other funding sources are being considered to assist with capital, operating and maintenance expenses at PNC?

A6. The Authority is limited in funding sources outside of the ILA. Naming rights is clearly a potential source as are rent payments from tenants and some small revenue from cell tower leases. The Authority’s charter allows for development opportunities on the property. However, development which would have to be balanced with NC State University’s needs for adjacent Carter-Finley Stadium.

Q7. Are funds contingent on Hurricanes lease extension? If so, how long would lease extension be? If team leaves before debt paid, what happens to the debt?

A7. The Authority feels that the enhancement funding is necessary with or without a Hurricanes lease extension. The building is now twenty years old and needs a major renovation in order to

meet the needs of the next twenty years. Many other activities occur at the PNC Arena and enhancements are critical to remain a competitive venue. Keeping the Carolina Hurricanes and the NC State men's basketball as primary tenants runs alongside adding events to the calendar.

The Hurricanes current lease runs through October 2024. The Authority is currently engaged with the Hurricanes in lease extension discussions. Several general concept ideas have been discussed, but no formal proposals have yet been made by either party. Certainly, the Authority's goal is to extend the Hurricanes lease to encompass most, if not all, of the enhancement financing term. Conditions for debt service relief will be included, should the Hurricanes leave prior to the debt service term.

Q8. What contingencies will be placed on PNC funds before they are released to Centennial Authority?

A8. This is a question we cannot answer.

(County response – contingencies will be included in the 21st amendment and in the Tri-Party Agreement. Contingencies will likely include terms of lease with Hurricanes, funding commitment by NC State University and reporting requirements.)

Q9. What is timeline for steps at PNC? Hurricanes lease? NCSU lease? Naming rights? NCSU funding? Construction start?

A9. Need 12 months to take design to construction drawing stage. Construction would begin soon thereafter. A phased approach to construction will occur to minimize event disruption.

Naming rights deal with PNC Bank ends in 2022. It is the Authority's desire that once funding is secured for arena enhancement efforts can begin to seek a lucrative naming rights deal well beyond 2022.

The Carolina Hurricanes lease expires in 2024. Negotiations are underway now to extend the lease.

NC State has a lease through 2096.

Medium Projects/New Projects

Q10. Given the overall scope of projects that responded to the RFI and new projects that are in development – could increased funding be provided to support the Medium Projects process?

A10. Yes – with an extension into FY26 and a minor modification to the model, the Medium Projects fund could be increased from \$42.1 M to \$46.6 M. Additional increases to Medium Projects funds would require reductions to other recommendations.

Q11. How can the Dorothea Dix Project be accommodated in the funding plan?

A11. The Dorothea Dix Project or any other project not directly funded through the recommendations, may compete in any of the upcoming processes for the Indoor Sports Facility, Medium Projects or Small Projects.

Downtown South Project

Q12. What would it take to accommodate the Downtown South project?

A12. As submitted for funding consideration, the Downtown South project contemplates an annual funding need of \$13 million to be directed to a new public authority which would own and operate the newly proposed stadium within the Downtown South project. Funding for this concept is not recommended through this process. However, further exploration could be given to conducting a joint City/County feasibility study that would evaluate the public benefits of a stadium at Downtown South and further explore public/private funding opportunities for a project of this nature. Additionally, both the City and County have policies and programs in place that may be able to support the project. Below is a matrix that highlights some of the County's possible partnership areas based on the project scope as submitted to the City and County in July 2019.

**Wake County Programs with Potential Alignment
with Elements of Downtown South Project**

Project Element	Alignment with Board Goals & Policies	County Programs/ Approved Plans/ Policies	Alignment Areas	Likely Alignment
Soccer Stadium	Hospitality Tax Operating Principles	Hospitality Taxes Funding Processes	Aligns with legislatively allowed uses – sports, culture, arts, meetings	↔
Tax Base Growth/ Job Growth	Economic Strength (ES1, ES2, ES3)	Wake County Business Development Grant Policy; Wake County Project Development Financing Policy	New job creation, new private investment; increased tax value due to private investment	↔
Parks and Greenways	Growth & Sustainability (GS1)	Wake County Greenway System Plan; Park Facility Master Plan	Modify existing greenways within development area; create park within development	↓
Affordable Housing	Social & Economic Vitality (SEV1, SEV2)	Wake County Affordable Housing Plan	Leverage private investment to support affordable housing	↑
Transit	Growth & Sustainability (GS5)	Wake Transit Plan	Within Bus Rapid Transit Corridor	↑

Q13. What is potential opportunity for Shaw and St. Augustine's to use stadium for football games and/or other events?

A13. This question has had limited discussion and could be further explored through a feasibility study.

Q14. What is potential for land development along walnut creek corridor (from Centennial Campus to Neuse River Greenway)? What are opportunities for affordable housing, recreation and job creation within the corridor? What are potential greenway connections that could be created or improved through the Downtown south project (Walnut Creek and Rocky Branch)?

A14. Both the City and County have policies and programs in place that may be able to support these elements of the project or potential areas impacted by the project. These ideas can be further explored between the developers and City and County staff.

Q15. Stadium is listed at \$180M...is that a good number? Could it be less? Could they work with fewer seats to reduce the cost? What type of public/private structure could be created to increase private funding?

A15. These questions have not been evaluated by staff but could be further explored through a feasibility study.



Legislation Details (With Text)

File #: 16-2299

Type: Regular Item **Status:** Agenda Ready

In control: Board of Commissioners

On agenda: 8/12/2019 **Final action:**

Title: Town of Fuquay-Varina's Extra-Territorial Jurisdiction (ETJ) Request

Sponsors:

Indexes:

Code sections:

Attachments: [BOC Work Session 8-12-19.pdf](#)
[1. June 10 2019 BOC Work Session slides.pdf](#)
[2. FV ETJ BOC Staff Report.pdf](#)
[3. FV ETJ PB 5-1-2019 Staff Report.pdf](#)
[4. 2019-2024 Five Year Plan Capital Utility Projects 2019-04-23 B \(1\) \(003\).pdf](#)
[5. Land Use Plan- ETJ Criteria.pdf](#)
[6. Wake Tech Community College Letter.pdf](#)
[7. Combined Emails-FV ETJ Fall 2018-May 2019.pdf](#)
[8. Call Email Log.pdf](#)

Date	Ver.	Action By	Action	Result
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Town of Fuquay-Varina's Extra-Territorial Jurisdiction (ETJ) Request

Referred	Phone	Email
	919-805-6274	
	919-639-2859	
		mccort54@hotmail.com
	919-552-2539	
		lfrezza@visionbhs.com
		llockamy326@yahoo.com
	919-417-1336	
	919-557-1243	
	919-601-6381	
	984-292-5494	
	919-606-2387	
	919-219-4501	a.martinez@responseteam1.com
		bzbetsy@gmail.com
	919-557-1960	
Town - NC DOT		
		jlasllc@gmail.com
	919-961-5026	
		bill.wilkison@gmail.com
	919-414-8710	
		1ruthfish@gmail.com
	919-669-3475	
		jthompsonjanep@gmail.com
		jpatterson14@hotmail.com
	919-772-5178	



Legislation Details (With Text)

File #: 16-2300

Type: Regular Item **Status:** Agenda Ready

In control: Board of Commissioners

On agenda: 8/12/2019 **Final action:**

Title: Socially Responsible Hiring Incentives

Sponsors:

Indexes:

Code sections:

Attachments: [Social Incentives Slides.pdf](#)

Date	Ver.	Action By	Action	Result
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Socially Responsible Hiring Incentives



Legislation Details (With Text)

File #: 16-2305

Type: Regular Item **Status:** Agenda Ready

On agenda: 8/12/2019 **In control:** Board of Commissioners

Title: Policy Workflow Items **Final action:**

Sponsors:

Indexes:

Code sections:

Attachments: [Policy Workflow Item.pdf](#)

Date	Ver.	Action By	Action	Result
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Policy Workflow Items



Board of Commissioners

Work Session Agenda

Monday, August 12, 2019 2:00 p.m.
Wake County Justice Center, Room 2800

IV. Policy Workflow Items *County Commissioners*

Each item below is a Commissioner request for additional staff capacity or budgetary resources. For each requested item, staff has devoted up to four hours of time to understand, scope, and frame the item at Commissioner request.

Staff request direction from the Board. The Board may refer an item to a committee for further discussion, direct staff to bring an action item to a regular meeting, authorize no additional staff capacity, or take other appropriate steps.

Title	Description	Staff Input
Sponsorship Request for African American Cultural Festival	The African American Cultural Festival (AACF) is a nonprofit entity that organizes an annual festival in downtown Raleigh. The festival, to be held on August 31 and September 1 of this year, celebrates African American heritage and culture.	Staff is bringing this forward because it is a request for resources. Staff has spent less than four hours discussing and analyzing this request.
Commissioner West	Commissioner West requests that the Board of Commissioners supports the AACF with a \$10,000 sponsorship. This general support would cover festival operating expenses. Wake County last supported the festival in FY2009 with a payment just under \$26,000.	The Board might consider one of these options: 1) Fund the request (a Board action would be brought to a regular meeting) 2) Decline the request to sponsor this year's festival, but encourage the AACF to apply for public agency funds in the FY2021 budget