

**ROCKY MOUNT TOWN COUNCIL
SPECIAL COUNCIL MEETING
MARCH 20, 2013**

The Rocky Mount Town Council held a special meeting at the Rocky Mount Municipal Building located at 345 Donald Avenue, Rocky Mount, Virginia on March 20, 2013 at 5:00 p.m. with Mayor Steven C. Angle presiding.

On behalf of the Rocky Mount Town Council, the meeting was called to order by Mayor Angle, with the following members of Council being present:

Vice Mayor Gregory B. Walker and Council Members Jerry W. Greer, Sr., Bobby M. Cundiff, P. Ann Love, Robert L. Moyer and Billie W. Stockton

For the record, the following were present: All members of Town Council as noted, Town Manager C. James Ervin, Assistant Town Manager/Community Development Director Matthew C. Hankins, Finance Director Linda Woody, Town Attorney John T. Boitnott, Town Clerk Patricia H. Keatts, and Deputy Clerk Stacey Sink.

APPROVAL OF AGENDA

Prior to the meeting, Council had received the agenda for review and consideration of approval.

- Motion was made by Council Member Stockton to approve the agenda as presented with motion on the floor being seconded by Council Member Love and carried unanimously by those present.

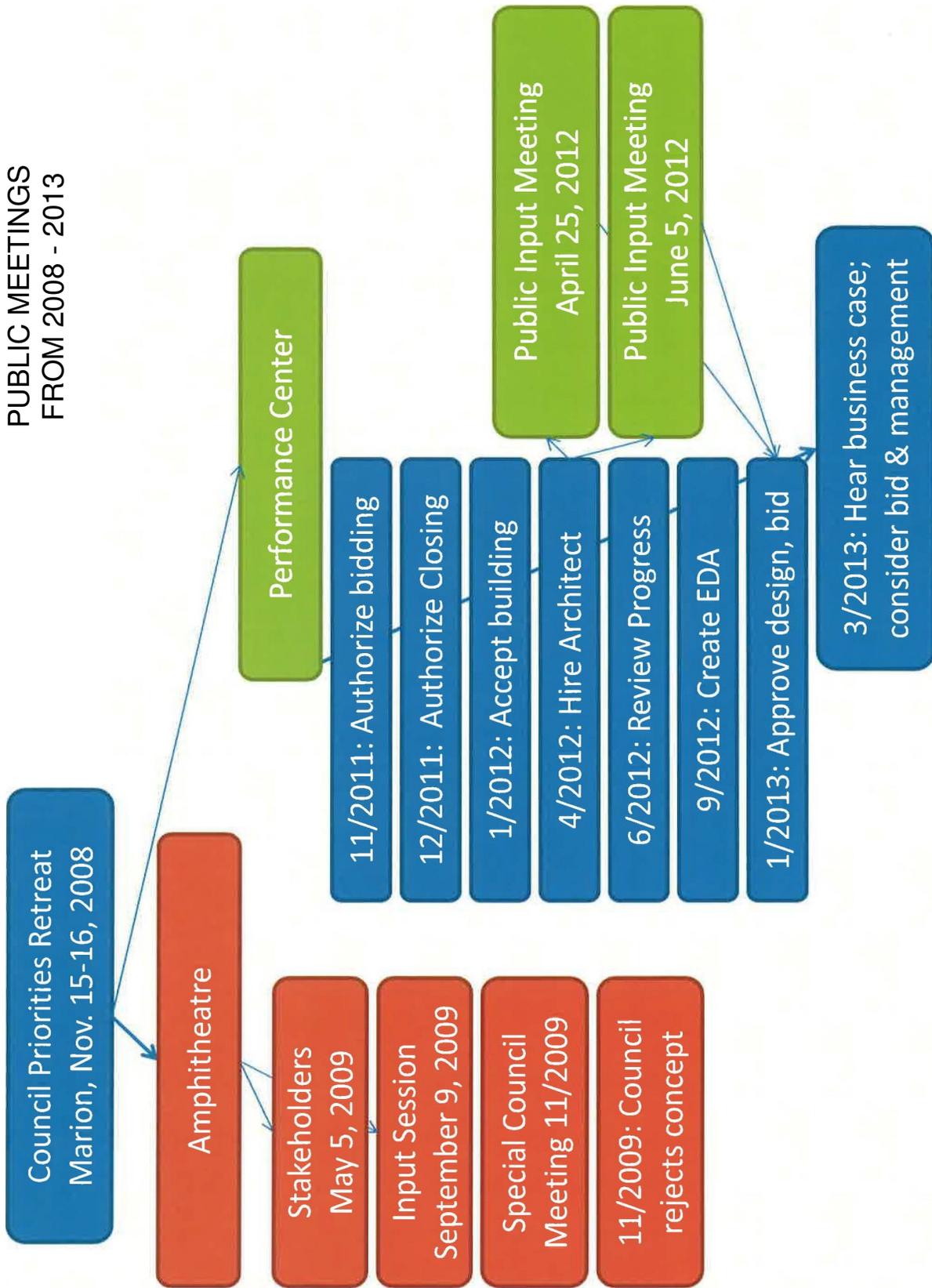
ITEMS PERTAINING TO PERFORMANCE CENTER PROJECT

The Mayor stated that the purpose of the meeting was to discuss options the Town has for the Performance Center for the Town.

The Town Manager briefed Council on the historical aspects leading up to the purchase of the former Lynch Hardware Building to be used as a performance center, stating that one of the things Council had tasked him with was for him to establish a music venue. He further briefed Council on the music development, starting from the meeting taking place in Marion, Virginia on November 15-26, 2008, and the public meetings since 2009 to present time.

The Assistant Town Manager presented to Council an outline of a music venue development chart that gave an overall view of the music venue development public meetings from 2008 – 2013:

MUSIC VENUE
DEVELOPMENT
PUBLIC MEETINGS
FROM 2008 - 2013



The following were reviewed and discussed:

- I. Review and make recommendation to Council concerning bid and entering into contract with low bidder for Performance Center project.
 - Presentation regarding bid responses from Hill Studio
Mr. Hunter Greene with Hill Studio presented an overview to Council:
 - Been working on this project for the last four years.
 - Been quite a lot of input from citizens' side and everyone involved in the project.
 - When project was considered to be in Mary Elizabeth Park, had at least two public input sessions.
 - Have had numerous committee meetings, and in front of Council a number of times to make sure they heard from all sides.
 - Price Builders submitted the low bid. Prices seem to be in order. In looking at the eight different references, they all said that Price Builders is great to work with except for two, who stated there were problems with scheduling. The others stated that there were hardly any change orders. Subcontractors are primarily from Franklin County and Rocky Mount area, with the exception of two. After the review and talking with all references, it is Hill Studio's recommendation for Council to accept the bid and proceed on to the next step in the project.

The Assistant Town Manager and Mr. Greene confirmed to Council Member Greer that to the best of their knowledge, there is no indication that the building basement has leaked in the last four months during the times they have checked the building.

Council Member Greer raised the question if the Community & Hospitality Center (Depot) could be closed as the Town's welcome center and moved to the Performance Center, bringing the monthly music venues to there; and also placing a non-working moonshine still in the basement area as an exhibit and charging a fee for people to see. There was discussion on how best this would work being either in the basement or lobby area, with the Assistant Town Manager stating the upstairs is virtually a blank canvas; and can discuss later moving the welcome center office to the Performance Center, and if this is something Council wants, staff can make that happen.

There was discussion regarding the Price Builders add-on to the bid, which was for the sound, lighting and appliances at the cost of \$400,000. The Assistant Town Manager stated that he has discussed this with Mr. Price and there are some contingencies, but that the quote of \$2.6 million includes all this, and is all-inclusive on what Council will need to open the Performance Center day one, except for the staff and the office equipment.

Mr. Greene confirmed to Council Member Greer how the loading/unloading areas for the outside of the building would work.

There was discussion regarding the branding/logo for the Performance Center, with Council Member Greer agreeing with the Assistant Town Manager that the Town needs to get professional help in the design as soon as possible.

Council Member Greer raised the question on whether or not the Town could do fund raising first before committing to approving the contract, and suggested that the Town get the logo together and work approximately 90 days to raise the \$400,000, then consider approving the contract. The Mayor stated that he disagreed with this proposal by Council Member Greer due to the fact that people will not commit to giving to a project unless there is something concrete in writing, and if the Town is not committed from the beginning, he does not see people wanting to commit funds either. The Assistant Town Manager informed Council that the funding sources he has talked to will not commit unless the Town has something concrete, and also that the bid price submitted by Price Builders is good for only 90 days. Council Member Greer asked Mr. Price of Price Builders if he would consider an extension, with Mr. Price not giving an answer. Council Member Greer ended the discussion by stating that if the Town could start the fund raising process tomorrow before the Town signs a contract, he would feel more comfortable regarding approving the project after having the funding in place. The Assistant Town Manager informed Council that the process for getting the branding/logo is in-depth and it may be 45 days before he can get something to present to Council for approval, then you would have to start proceeding with the fund raising.

The Mayor indicated that right now before Council was consideration for approving the awarding of the Performance Center bid contract to Price Builders since this is Mr. Greene's and the Performance Center Committee's recommendation to Council.

There being no further comments, the Mayor entertained a motion.

○ Motion was made by Council Member Love for Council to move forward at this time and award the bid to Price Builders as the low bidder in the amount of \$2.198 million, with motion on the floor being seconded by Vice Mayor Walker. A roll call vote was taken: voting in favor of the motion on the floor were Vice Mayor Walker and Council Members Love and Stockton; voting in opposition to the motion on the floor were Council Members Cundiff, Greer and Moyer; with Mayor Angle breaking the tied vote, with him voting in favor of the motion on the floor. Let the record show that the motion on the floor passed four to three.

II. Review and make recommendation to Council concerning financing for Performance Center project.

The Assistant Town Manager informed Council that as the new major drive of the Town's economy, Council must pay for the renovation, site work and outfitting of the Performance Center up front and be reimbursed from historic property tax credit proceeds, grants, gifts and foundation awards as they are awarded. Council had received a breakdown of the expected construction expenses and expected revenue. He further explained that the architect expects general construction to take ten months to complete, with an additional month for sound, lighting and seating, with it being staff's goal to open the facility by May 2014. He further stated that in order to reach that deadline:

(1) Construction needs to have a notice to proceed by late April; and (2) with that short window to begin construction, staff recommends that Council obligate and appropriate funds for the Performance Center project from the Town's fund balance, requiring a projected net use of less than ten percent of existing fund balance.

The Town Manager informed Council that the Finance Director has indicated that she will manage accordingly and that the CD's will be worked where there is no penalty to the Town. He further stated that at the end of this fiscal year, there may be a cash carried forward from this year's budget, and also staff will work with the 2014 budget to also help with this. He further confirmed to Council that the fund balance should be around \$9.1 million, but that he would not know for sure until after the Town audit.

The Mayor stated that Council had heard the Assistant Town Manager and that the Performance Center Committee's recommendation is to use the money from fund balance for financing the Performance Center project.

There being no further comments, the Mayor entertained a motion.

○ Motion was made by Vice Mayor Walker for Council to have the Town use the fund balance to finance the Performance Center project, which includes the appropriation resolution, with motion on the floor being seconded by Council Member Love. Discussion ensued. Council Member Cundiff stated he wanted to make three points for the record, being: (1) the demographics have not been studied nor has the community support been proven; (2) in his opinion, the expenses have been grossly understated and the revenues totals are grossly overstated; and (3) as a former business owner, he would not enter into a transaction like this and he would doubt any Council person would either if they were using their own money. A roll call vote was taken: voting in favor of the motion on the floor were Vice Mayor Walker and Council Members Love and Stockton; voting in opposition to the motion on the floor were Council Members Cundiff, Greer and Moyer; with Mayor Angle breaking the tied vote, with him voting in favor of the motion on the floor. Let the record show that the motion on the floor passed four to three.

The Mayor and Town Manager confirmed to Council Member Cundiff that it requires a super majority vote of Council when borrowing or setting tax rates, but Council can appropriate money on a simple majority.

III. Review contribution agreement resolution to contribute building funds to Rocky Mount Economic Development Authority.

The Assistant Town Manager presented to Council the draft "Town of Rocky Mount Supplemental Appropriation Resolution for the Fiscal Year Ending June 30, 2013" in relations to the Town Council of Rocky Mount purchasing the former Lynch Hardware Building to renovate as a performance center designed to increase economic activity and investment in its historic downtown; with the Town staff researching a variety of funding sources, such of which requires funding from the Town in advance and the Town's full commitment to completing, staffing and operating the venue as a performance center; with the Town expecting, after recouping proceeds for all sources, to spend less than ten percent of its existing fund balance to create this new engine of

job and investment creation for the citizens of the Town of Rocky Mount; and that the Town Council of Rocky Mount appropriates the following supplemental expenditure and supplemental revenue for Fiscal Year 2013, with the total amount for the Performance Center renovation and construction being \$2,600,000.

The Assistant Town Manager explained to Council that in order to re-coup the tax credits, the Town has a legal structure set up through the Economic Development Authority (EDA) and in order to make this work, the Town has to contribute the amount that is going to be put into the project to the EDA, in the amount of \$2.6 million. The draft resolution was prepared by Town's counsel (Gentry Locke Rakes & Moore) detailing that transaction, with them stating that this is something Council absolutely has to do to re-coup the historic property tax credits funds, with Council having to fund this in advance. He further went over how this is written as a 40-year lease, with a buyout provision after five years, and after that five years, this is when Council can take the option to end all of the necessary legal entities required to make this transaction work.

There being no further comments, the Mayor entertained a motion.

○ Motion was made by Council Member Love for Council to move forward with the Economic Development Authority resolution and to adopt it, with motion on the floor being seconded by Vice Mayor Walker. A roll call vote was taken: voting in favor of the motion on the floor were Vice Mayor Walker and Council Members Love and Stockton; voting in opposition to the motion on the floor were Council Members Cundiff, Greer and Moyer; with Mayor Angle breaking the tied vote, with him voting in favor of the motion on the floor. Let the record show that the motion on the floor passed four to three.

IV. Review and make recommendation to Council concerning management options for Performance Center.

The Assistant Town Manager brought before Council the following concerning the management options for the Performance Center:

- Since the approval of Council to proceed with renovating and financing the Performance Center, the next critical step is to begin booking acts, assuming a May 2014 opening.
- Council has heard the recommendations from the consulting promoter that the Town should have a facility General Manager/Promoter in place at least a year in advance to the opening. Staff recommends that this position should be a contract position, with compensation and a performance bonus to be negotiated once a candidate is selected. The General Manager/Promoter would report to and be supervised by the Community Development Director.
- The primary duties of the General Manager will be: schedule shows; execute contracts and pay deposits to book talent; set policies and procedures for venue operation; solicit gifts and sponsorships for the venue; solicit concessionaire candidates; negotiate agreements for operation; create advertising and social media presence; marketing and branding of the venue; and other duties as assigned.

- In order to hire a Promoter by mid-May, the Town needs to be able to advertise the position this month, receive applications through early April, conduct interviews, complete negotiations, and hire the most suitable candidate.
- Additionally, expect that the Promoter will need to hire a full-time Assistant General Manager in February 2014 to set up shows, ticketing concessions, rentals and office procedures in support of the General Manager. This position will pay an annual salary of \$25,000, with benefits, totaling approximately \$35,000.

The Assistant Town Manager recommended to Council authorization of these two positions, with this being the Performance Center Committee's recommendation also.

There was discussion that these two positions would be on contract basis, with the Town Manager stating that he, as manager, and the Finance Director will have extremely high expectations this enterprise function as such, and it should in the very near term will have to function as an independent fiscal entity, with this being something staff does not build and have subsidized at the tax payers' expense; obviously the Town is carrying the freight with the initial capital, but on an operating basis, the staff the Assistant Town Manager is referring to, in the very near term, it is his expectation that these positions are paid for out of the actual functioning of the facility, and will be paid ultimately from the revenue taken from the operation of the facility that will pay for this.

The Assistant Town Manager confirmed to Council Member Love that it will be ten months versus 12 months for the Promoter to open the facility, and as the Town is looking at hiring someone by mid-May, the Town is already in that window if staff looks into opening March of next year.

There was discussion regarding using the same committee already in place to be involved in the salary or performances of these two positions, with the Town Manager stating that staff will not do anything without the blessing from Council.

There being no further comments, the Mayor entertained a motion.

○ Motion was made by Vice Mayor Walker for Council to approve the recommendation for the General Manager/Promoter and Assistant General Manager positions on contract basis, with motion on the floor being seconded by Council Member Love. A roll call vote was taken: voting in favor of the motion on the floor were Vice Mayor Walker and Council Members Love and Stockton; voting in opposition to the motion on the floor were Council Members Cundiff, Greer and Moyer; with Mayor Angle breaking the tied vote, with him voting in favor of the motion on the floor. Let the record show that the motion on the floor passed four to three.

- V. Consider proposal by access public relations to prepare materials for branding, fundraising, logo and marketing of the Rocky Mount Performance Center.

The Assistant Town Manager stated to Council the following:

- The Town has solicited and received proposal from **access** Public Relations located in Roanoke, Virginia to aid the Town in developing the branding and marketing

identity and materials for the Performance Center. The proposal includes four parts:

- Campaign Portfolio: Design the campaign materials for foundations and potential donors.
 - Case Statement: Create and design a comprehensive case statement for the capital campaign.
 - Logo Package: Create a logo package for the capital campaign and venue.
 - Style Guide: Create a style guide for the capital campaign, detailing expected usage.
- These materials would be helpful in making the contacts with foundations and potential donors, as well as creating a brand identity and logo for the venue. If Council does not accept the proposal, staff will ask for a revised proposal to complete only the venue logo and branding information and develop the materials in-house.
 - The total proposal amount is \$19,349.99. If approved, the funds would be spent from the Community Development contractual account.

The Assistant Town Manager stated it is the staff's and Performance Center Committee's recommendation to approve the entire package in the amount as stated.

There being no further comments, the Mayor entertained a motion.

○ Motion was made by Council Member Love for Council to approve moving forward in allowing the Town to employ the company for logo and branding in the amount stated, with motion on the floor being seconded by Council Member Stockton. A roll call vote was taken: voting in favor of the motion on the floor were Vice Mayor Walker and Council Members Greer, Love and Stockton; voting in opposition to the motion on the floor were Council Members Cundiff and Moyer. Let the record show that the motion on the floor passed four to two.

Council Member Greer stated that just because he was not willing to spend \$2.6 million, he is still on board for the project all the way.

ADJOURNMENT

At 5:52 p.m., motion was made by Council Member Love to adjourn, seconded by Council Member Stockton and carried unanimously.

Steven C. Angle, Mayor

ATTEST:

Patricia H. Keatts, Town Clerk