

Minutes

Monday, October 16, 2017

<u>Doctors Drive Road and Utility Extension</u>	<u>Current Budget</u>
Revenues:	
Grants - Golden Leaf	\$599,720.00
Transfer from the General Fund	<u>160,000.00</u>
Total Revenues	<u><u>\$759,720.00</u></u>
Expenditures:	
Doctors Drive Road & Utility Extension	<u>\$759,720.00</u>
Total Expenditures	<u><u>\$759,720.00</u></u>

Councilmember Tyson made the motion, seconded by Councilmember Whittington and upon a unanimous roll call vote the Ordinance was approved.

6. Consider the award of a bid for Grainger Stadium Phase II Improvements..Bill Ellis

Bill Ellis, Retired [October 1, 2017] Parks and Recreation Director, stated we have received a lot fan and public input for Phase II improvements. The overwhelming opinion was a hospitality area in right field. We designed it with Dunn and Dalton. We have done a lot in Phase I with the money that was budgeted. We were able to resod the field, relight the field, new signage, new video board, completely renovated the locker room, renovated the office, painted the whole stadium, tore down the old Saltwood Products building, created more parking, repaved and restriped the parking lot and did work on the parking lot at Mock gym. We have about \$900,000 of the \$1.6 million left, and the bids came back at \$930,000. With the success of the Wood Ducks, they hired more full-time people and there was needed office space. We used Mock gym for weight training last year for the team, but it is not fair to the players to have them working out with the public who are trying to get autographs and talk to the players when they are trying to workout. They need a place where they can go workout. They will still use Mock for the batting cages. We will do a weight room expansion. We have to tear down the maintenance shop and relocate staff in the same building with the weight room. The two story hospitality area came back at \$930,000, and we value engineered it to \$885,000 by eliminating the electrical and the granite countertops and other features. We will have some contingency money to put in tables, chairs, and other needed items. The total came to \$1,276,000.

Joe Januszewski, Vice President of the Texas Rangers and President of the Wood Ducks, stated he is a representative of the Texas Ranger and asking for support for this project. It has been a pleasure to have a partnership with the City. Ownership has been pleased with the reception they have received from the community. There are things that are needed for the operations to continue to grow. The hospitality deck is a necessary part of expanding our business to bring more groups to experience Wood Ducks baseball. Most of the facilities in the low A level in the South Atlantic league have facilities like this. We love the charm and history of Grainger Stadium, but it is also almost 70 years old. You all have done an amazing job getting it ready for baseball. We won best field of the year, best logo of the year and the family friendly award from the Free Press. We are asking for City Council support of Option One to bring more fans to Kinston and for the players and staff. We don't have an overage of employees but we need

additional space and for our players to have a safe workout environment, like proper flooring in the training room. Some items have been pointed out by our training staff. These are all necessary requests and we would love to do it within the original allocation, but we want to make it a first class place for our players, staff, fans and future fans.

Mayor Murphy expressed his appreciation to the Rangers for their response to Hurricane Matthew.

Mr. Ellis stated we came back \$325,000 short of what needs to be done as it should be done. This is the longest lease that we have ever had with an organization. The Rangers have committed 12 years up front with a possible extension. We had \$125,000 built in the contract for capital improvement prior to 2020, and we are asking to bring that money forward and the Rangers have agreed to extend the lease 2 additional years, and that would assure baseball in Kinston for 15 years. We are just moving up money that we have already committed. This will give us a first class facility. We looked at three things: what we could do to keep baseball in Kinston, what could we do to get a better fan experience and what could we do to make it a better place for the ballplayer and coaches, and this does all of these things. Option Two is we would have to cut out items, such as building the hospitality facility with no restrooms, we would eliminate the ramp and go with a handicap lift, we would eliminate the brick work and it would be a concrete slab building and other items. Option Three we would spend the \$900,000 that we have left and reduce the facility by 8,000 square feet. We are asking for Option One.

Tony Sears, City Manager, stated he has spoken to Mr. Januszewski about this. We understand the needs of the Wood Ducks. This does not change the original scope of the contract, it just pulls the funds forward and offer a greater extension. I asked if the Rangers are going to put in additional funds, and Mr. Januszewski said no and I said neither is the City. We talked more and this is just reorganizing the contract.

James Cauley, City Attorney, stated he isn't clear on the extension is 2022 or 2028. Mr. Ellis stated we are taking all the money and moving it forward and they cannot ask for any capital improvements before 2022. Mr. Sears clarified that it does not mean they cannot make the request, but we are not obligated. We can renegotiate it at any time.

Mr. Cauley stated the agreement states in 8.5 reads "each time tenant exercises an extension option, the landlord will spend \$250,000 in additional capital improvements." I thought the extension option was after twelve years. Mr. Ellis stated his interpretation was anytime the city agreed to the extension of the lease it would not have to be at the end of the lease.

Mr. Cauley stated the primary term ends October 2028 and then there are two three year extension periods, so the first \$250,000 in extension improvements would have been in 2028 and the second would be at the end of the second extension. He is not clear on 2022. Mr. Ellis stated that is correct if we didn't bring the extension forward. Mr. Sears stated the 2022 was a gentleman's handshake, and is not structurally in the contract.

Mr. Cauley asked if the City is good through 2028. Mr. Sears stated they could ask for a request any time. Mr. Cauley stated under the lease the obligation does not kick in until 2028. He

confirmed that 2028 is not changing. If City Council goes with Option One, the next extension money would not be obligated until 2031. Mr. Ellis stated we could wait that long. If we don't use all of the money, we bank it and use it when the Rangers make requests.

Mr. Cauley stated there is nothing preventing spending the money sooner, but he sought clarity on the obligation to spend it.

Mayor Murphy stated he assumed there will be a lease amendment. He also confirmed with the City Attorney that Option One is allowed. Councilmember Solomon confirmed that Option One takes the lease to 2033.

Councilmember Whittington asked if it would be in the City's best interest to reach out to other municipalities within the market to see if they would have any interest in making an investment. Mr. Sears stated we would be happy to explore that option.

Councilmember Tyson stated the TDA has been supportive. Mr. Ellis stated the TDA has always been good to the stadium and they funded \$31,000 for the video board on Vernon.

Councilmember Whittington made the motion to support Option One, seconded by Mayor Pro Tem Swinson and upon a unanimous vote Option One was approved.

7. Consider Offer to Purchase 4 Lots on Short StreetAdam Short
(This Item Was Added to the Agenda.)

Adam Short, Planning Director, stated we have an offer to purchase from Curtis Henderson on behalf of Williamson Realty Services for 4 city-owned lots on Short Street in the block of Macon and Adkin. We want to accept the initial price of \$500 per lot and authorize the City Attorney to advertise for upset bids.

Councilmember Tyson asked if there were any indications of plans for the property. Mr. Short stated based on his conversation, it was to clean up the property. The allowable usage is residential.

Councilmember Aiken made the motion, seconded by Councilmember Tyson and upon a unanimous vote the offer was accepted to start the upset bid process.

UPDATES AND INFORMATION

1. Update on the Hiring of a Parks and Recreation Director.....Tony Sears

Tony Sears, City Manager, stated he and Gloria Blake, Human Resources Director, have been working with a subcommittee of the Parks and Recreation Commission to move forward with the replacement of the Parks and Recreation Director. We have had two meetings and they have gone well. The advertisement went out today, and hopefully we will have applications within the next 30-45 days.