

AGENDA

FINANCE COMMITTEE

4:30 p.m., Monday, April 11, 2016

COMMITTEE ROOM

Room 239, City Hall

*COMMITTEE MEMBERS: Council Member Robert C. Clark, Chair
Council Member Denise D. Adams, Vice Chair
Council Member Vivian H. Burke
Council Member Derwin L. Montgomery*

GENERAL AGENDA

- G-1. CONSIDERATION OF ITEMS RELATING TO PERMANENT FINANCING FOR THE DEVELOPMENT OF RENTAL HOUSING:
 - a. RESOLUTION AUTHORIZING PERMANENT FINANCING FOR DEVELOPMENT OF 50 UNITS OF RENTAL HOUSING KNOWN AS EMMANUEL RETIREMENT VILLAGE. (EAST WARD) [*\$2,500,000*]
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.
- G-2. RESOLUTION APPROVING THE FISCAL YEAR 2017 HOUSING AND COMMUNITY DEVELOPMENT PROGRAM AND AUTHORIZING SUBMISSION OF THE 2016-2017 ANNUAL PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.
- G-3. RESOLUTION AUTHORIZING TRANSFER OF CONTINUUM OF CARE HOMELESS GRANTS, ACCEPTANCE OF GRANT FUNDS, AND EXECUTION OF AGREEMENTS.
- G-4. RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF REVENUE BONDS TO FINANCE THE ACQUISITION, REHABILITATION AND EQUIPPING OF AN AFFORDABLE HOUSING DEVELOPMENT (ROLLING HILLS APARTMENTS).
- G-5. SECOND REPORT OF THE CITIZENS' BOND OVERSIGHT COMMITTEE.

CONSENT AGENDAProperty Matters

- C-1. RESOLUTION ACQUIRING EASEMENTS FOR THE BETHABARA ROAD IMPROVEMENTS PROJECT - 2014 BOND PROJECTS BY DEED OR CONDEMNATION (NORTH WARD) - *Properties located off of Bethabara Road and Hickory Knoll Road.*

Community and Economic Development

- C-2. RESOLUTION APPROVING MODIFICATIONS TO A PREVIOUSLY APPROVED LOAN TO LAKE PARK DEVELOPMENT, INC.

Leisure Services

- C-3. REVIEW OF THE RECREATION AND PARKS DEPARTMENT USER FEES.

Finance/Budget

- C-4. CONSIDERATION OF ITEMS RELATED TO CONTRACTS:
- a. RESOLUTION AWARDED CONTRACT FOR CEDAR TRAIL GREENWAY CONNECTION (WEST WARD) - *Carolina Environmental Contracting, Inc. - \$870,522.65.*
 - b. RESOLUTION AWARDED PURCHASE ORDER FOR MAIN SERVER SYSTEM EQUIPMENT - *Data Network Solutions, Inc. - \$166,685.*
 - c. RESOLUTION AWARDED A CONTRACT FOR CONSTRUCTION OF SPRAYGROUNDS AT HATHAWAY PARK AND LITTLE CREEK COMMUNITY CENTER. (WEST WARD, SOUTHWEST WARD) - *Creative Design and Construction, Inc. - \$369,690 (Estimated Amount).*
 - d. RESOLUTION AWARDED A CONTRACT FOR CONSTRUCTION OF FAIRVIEW PARK RENOVATIONS (NORTHEAST WARD) - *Creative Design and Construction, Inc. - \$207,960 (Estimated Base Bid Amount).*
 - e. RESOLUTION APPROVING A CONTRACT FOR COMPUTER APPLICATION SERVERS - *NWN Corporation - \$101,487.68.*
- C-5. CONSIDERATION OF AMENDMENTS TO THE FISCAL YEAR 2015-2016 BUDGET ORDINANCES FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA:
- a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX

LEVY ORDINANCE FOR THE FISCAL YEAR 2015-2016.

- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE FISCAL YEAR 2015-2016.
- C-6. CONSIDERATION OF A REQUEST TO FORGIVE OUTSTANDING DEBT ON CITY-OWNED PROPERTY:
- a. RESOLUTION APPROVING THE FORGIVENESS OF OUTSTANDING DEBT ON CITY-OWNED PROPERTY ON SECOND STREET AND APPROVE CONVERSION OF THE PROPERTY TO A PASSIVE PARK .
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.

Transportation

- C-7. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH TRIAD ECO ADVENTURES TO PURCHASE TWO WINSTON-SALEM TROLLEY BUSES.

General Government

- C-8. RESOLUTION DECLARING CERTAIN CITY-OWNED EQUIPMENT SURPLUS AND AUTHORIZING THE SALE THEREOF.
- C-9. APPROVAL OF FINANCE SUMMARY OF MINUTES. - *March 21, 2016.*

Memorandum

**Winston-Salem****Community and Business
Development Department**

P.O. Box 2511
Winston-Salem, NC 27102
CityLink 311 (336.727.8000)
Fax 336.727.2878

TO: Mayor Joines and City Council Members
FROM: D. Ritchie Brooks, Director
DATE: April 5, 2016
SUBJECT: UJIMA CDC Emmanuel Retirement Village-Requested information
from Finance Committee
CC:

The following information is provided in response to the Finance Committee's request at its March 21, 2016 meeting:

1. List and map of Elderly Independent Housing Developments in Winston-Salem
2. Rent comparable and market rate elderly housing in the area. (Comparable and Market Rate information is from a Section of the Market Study provided by UJIMA)
3. Maps showing the location of the property. Three maps attached.
 - Map 1-Site Plan
 - Map 2-Property Location-Barbara Jane Ave
 - Map 3-Showing location by way of Old Greensboro Rd
4. What does the city have in place to provide technical assistance and support to an organization that this would be their first development, has little experience, capacity and financial stability?



Call 311 or 336-727-8000
citylink@cityofws.org

City Council: Mayor Allen Joines; Vivian H. Burke, Mayor Pro Tempore, Northeast Ward; Denise D. Adams, North Ward; Dan Besse, Southwest Ward; Robert C. Clark, West Ward; Molly Leigh, South Ward; Jeff MacIntosh, Northwest Ward; Derwin L. Montgomery, East Ward; James Taylor, Jr., Southeast Ward; City Manager: Lee D. Garrity

Elderly Independent Housing in Winston-Salem

Project	Address	City	State	ZIP	Ward	Financing	Total Units	OBR Units	OBR Rent	1BR Units	1BR Rent	2BR Units	2BR Rent
Alders Point	590 Mock St	Winston-Salem	NC	27127	East	Tax Credit	100	0	NA	100	\$520	0	NA
Andrews Heights Apartments	123 Ferrell Heights Ct	Winston-Salem	NC	27101	East	Tax Credit	56	0	NA	56	\$490	0	NA
Assembly Terrace	3731 University Pky	Winston-Salem	NC	27106	North	HUD	60	0	NA	60	\$525	0	NA
Azalea Terrace Apartments	100 Azalea Terrace Ct	Winston-Salem	NC	27105	North	Tax Credit	100	0	NA	100	\$514	0	NA
Cherry Hill Apartments	840 W. 14th St	Winston-Salem	NC	27105	North	HUD	40	0	NA	40	\$599	0	NA
Cherry Hill Manor Apartments	2642 Cherry Street	Winston-Salem	NC	27101	North	Market	14	0	NA	0	NA	14	385
Country Village	201 Park Ridge Circle	Winston-Salem	NC	27101	West	HUD	150	0	NA	146	NA	4	NA
Crystal Towers	625 West 6 th Street	Winston-Salem	NC	27101	North	Public Housing	201	81	\$478	120	\$500	0	NA
Goler Manor Apartments	601 N. Chestnut Street	Winston-Salem	NC	27101	East	HUD	79	0	NA	79	\$439	0	NA
Granville Place Apartments	650 Granville Drive	Winston-Salem	NC	27101	South	HUD	100	0	NA	100	\$627	0	NA
Granville Plaza Apartments	601 Hutton Street	Winston-Salem	NC	27101	South	HUD	42	0	NA	42	\$566	0	NA
Hawthorne Hill Apts	2050 Craig Street	Winston-Salem	NC	27103	Southwest	Market	37	0	NA	37	\$345	0	NA
Healy Towers	3450 Healy Drive	Winston-Salem	NC	27103	Southwest	Public Housing	105	30	\$478	75	\$500	0	NA
Holland Homes	955 Mt. Zion Place	Winston-Salem	NC	27101	East	HUD	114	0	NA	114	\$586	0	NA
Hunt Park Apts	5100 Hunt Park Court	Winston-Salem	NC	27106	North	Tax Credit	60	0	NA	40	\$549	20	\$650
Spring Hill Apts	618 N. Spring Street	Winston-Salem	NC	27101	Northwest	HUD	11	0	NA	11	\$635	0	NA
St. Peter's Heritage Place	3727 Old Lexington Road	Winston-Salem	NC	27107	Southeast	HUD	42	0	NA	42	\$461	0	NA
Sunrise Towers	801 N. Martin Luther King Jr. Drive	Winston-Salem	NC	27101	East	Public Housing	195	75	\$478	120	\$500	0	NA
University Place Apts	1623 East 3 rd Street	Winston-Salem	NC	27101	East	HUD	96	10	\$923	83	\$976	3	\$1,102
Vespers Apts	1300 Woughtown Street	Winston-Salem	NC	27107	Southeast	Tax Credit	24	0	NA	24	\$673	0	NA
Wachovia Hill Apts	100 S. Spruce Street	Winston-Salem	NC	27101	Northwest	HUD	26	0	NA	26	\$680	0	NA
West Hill Apts	201 N. Sunset Drive	Winston-Salem	NC	27101	Northwest	HUD	63	0	NA	63	\$663	0	NA
Winston Summit	137 Columbine Drive	Winston-Salem	NC	27106	Northwest	HUD	100	0	NA	95	\$525	5	\$625
TOTALS							1,815	196		1,573		46	

Note: This list does not include any assisted living or nursing homes.

Comparable and Market Rate Information
From a Section of the Market Study Provided by UJIMA

A narrative regarding the selection of our rent comparables, the basis for our rent adjustments, and the development of our rent conclusion for the 1BR/1BA/684sf units is presented in this section.

Selection of Rent Comparables

Our analysis included the evaluation of a total of 9 unit types found at 4 properties in the vicinity of the subject property. We selected the 5 most comparable unit types to utilize as rent comparables for purposes of this analysis. A description of the selected comparables is found below:

Comparable 1

Bromley Park Apartments is a market rate property located in Winston Salem, North Carolina that was originally constructed in 2002. This property includes a total of 91 1BR/1BA/650sf units that were selected for purposes of this rent comparability analysis. Management is currently charging \$578 (net of concessions) for this unit type. Further details regarding the utility configuration and amenities associated with this unit type are found in the Appendix to this report.

Comparable 2

Carlyle Place Apartments is a market rate property located in Winston Salem, North Carolina that was originally constructed in 2005. This property includes a total of 36 1BR/1BA/688sf units that were selected for purposes of this rent comparability analysis. Management is currently charging \$589 (net of concessions) for this unit type. Further details regarding the utility configuration and amenities associated with this unit type are found in the Appendix to this report.

Comparable 3

Gallery Lofts Apartments is a market rate property located in Winston Salem, North Carolina that was originally constructed in 2009. This property includes a total of 28 1BR/1BA/663sf units that were selected for purposes of this rent comparability analysis. Management is currently charging \$625 (net of concessions) for this unit type. Further details regarding the utility configuration and amenities associated with this unit type are found in the Appendix to this report.

Comparable 4

Gallery Lofts Apartments is a market rate property located in Winston Salem, North Carolina that was originally constructed in 2009. This property includes a total of 12 2BR/1BA/783sf units that were selected for purposes of this rent comparability analysis. Management is currently charging \$725 (net of concessions) for this unit type. Further details regarding the utility configuration and amenities associated with this unit type are found in the Appendix to this report.

Comparable 5

Legacy Park Apartments is a market rate property located in Winston Salem, North Carolina that was originally constructed in 2007. This property includes a total of 90 1BR/1BA/770sf units that were selected for purposes of this rent comparability analysis. Management is currently charging \$650 (net of concessions) for this unit type. Further details regarding the utility configuration and amenities associated with this unit type are found in the Appendix to this report.

As noted earlier, our analysis included a total of 9 unit types found at 4 properties in the vicinity of the subject property. Each comparable was ranked according to the total dollar value of adjustments arrived at in our rent comparability analysis. The 5 comparables with the least adjustments were designated as being most comparable for rent comparability purposes. These comparables are highlighted in the table found below:

Identifying the Best Rent Comparables						
Property	Property Key	Project Type	Unit Type	Indicated Rent	Adjustments	Rank
Bromley Park Apartments	012	Family	1BR/1BA/650sf	\$683	\$105	3
Bromley Park Apartments	012	Family	2BR/2BA/940sf	\$645	\$280	6
Carlyle Place Apartments	016	Family	1BR/1BA/688sf	\$686	\$99	2
Carlyle Place Apartments	016	Family	2BR/2BA/943sf	\$658	\$284	7

Gallery Lofts Apartments	038	Family	1BR/1BA/663sf	\$715	\$90	1
Gallery Lofts Apartments	038	Family	2BR/1BA/783sf	\$751	\$186	5
Legacy Park Apartments	062	Family	1BR/1BA/770sf	\$706	\$110	4
Legacy Park Apartments	062	Family	2BR/1BA/1080sf	\$711	\$286	8
Legacy Park Apartments	062	Family	2BR/1BA/1200sf	\$715	\$322	9

Rent Adjustments

The adjustments used in this analysis came from feedback from experienced managers of multifamily properties. We interviewed property management personnel from several national companies to come up with a range of rent adjustments for this analysis. For certain physical features of the subject property, we used the survey average. For location, condition, effective age and other physical features, we identified the adjustments that minimized the sample variance in our data set. This technique, known as statistical extraction, is very similar to the matched-paired approach.

We used the HUD Utility Schedule Model to derive utility adjustments in this analysis. The HUD model - which accounts for building type, building age, and unit size - included a current energy survey for the market area.

Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a "plus" adjustment is made. If the subject is inferior, a "minus" adjustment is made.

Indicated Rent

Our analysis suggests a rent of \$700 for the 1BR/1BA/684sf units at the subject property.

In arriving at our rent conclusion we considered the number and sum of adjustments as well as the ratio of the adjusted rent to the unadjusted rent for each comparable. We also considered a variety of statistical measures including the mean, median, range and standard deviation of the adjusted rents. We even evaluated the modified mean - the average adjusted rent with the high and low samples eliminated from the data - in arriving at our rent conclusion.

A narrative regarding the selection of our rent comparables, the basis for our rent adjustments, and the development of our rent conclusion for the 2BR/2BA/960sf units is presented in this section.

Selection of Rent Comparables

Our analysis included the evaluation of a total of 9 unit types found at 4 properties in the vicinity of the subject property. We selected the 5 most comparable unit types to utilize as rent comparables for purposes of this analysis. A description of the selected comparables is found below:

Comparable 1

Bromley Park Apartments is a market rate property located in Winston Salem, North Carolina that was originally constructed in 2002. This property includes a total of 107 2BR/2BA/940sf units that were selected for purposes of this rent comparability analysis. Management is currently charging \$669 (net of concessions) for this unit type. Further details regarding the utility configuration and amenities associated with this unit type are found in the Appendix to this report.

Comparable 2

Carlyle Place Apartments is a market rate property located in Winston Salem, North Carolina that was originally constructed in 2005. This property includes a total of 48 2BR/2BA/943sf units that were selected for purposes of this rent comparability analysis. Management is currently charging \$680 (net of concessions) for this unit type. Further details regarding the utility configuration and amenities associated with this unit type are found in the Appendix to this report.

Comparable 3

Gallery Lofts Apartments is a market rate property located in Winston Salem, North Carolina that was originally constructed in 2009. This property includes a total of 12 2BR/1BA/783sf units that were selected for purposes of this rent comparability analysis. Management is currently charging \$725 (net of concessions) for this unit type. Further details regarding the utility configuration and amenities associated with this unit type are found in the Appendix to this report.

Comparable 4

Legacy Park Apartments is a market rate property located in Winston Salem, North Carolina that was originally constructed in 2007. This property includes a total of 60 2BR/1BA/1080sf units that were selected for purposes of this rent comparability analysis. Management is currently charging \$765 (net of concessions) for this unit type. Further details regarding the utility configuration and amenities associated with this unit type are found in the Appendix to this report.

Comparable 5

Legacy Park Apartments is a market rate property located in Winston Salem, North Carolina that was originally constructed in 2007. This property includes a total of 48 2BR/1BA/1200sf units that were selected for purposes of this rent comparability analysis. Management is currently charging \$805 (net of concessions) for this unit type. Further details regarding the utility configuration and amenities associated with this unit type are found in the Appendix to this report.

As noted earlier, our analysis included a total of 9 unit types found at 4 properties in the vicinity of the subject property. Each comparable was ranked according to the total dollar value of adjustments arrived at in our rent comparability analysis. The 5 comparables with the least adjustments were designated as being most comparable for rent comparability purposes. These comparables are highlighted in the table found below:

Identifying the Best Rent Comparables						
Property	Property Key	Project Type	Unit Type	Indicated Rent	Adjustments	Rank
Bromley Park Apartments	012	Family	1BR/1BA/650sf	\$809	\$231	8
Bromley Park Apartments	012	Family	2BR/2BA/940sf	\$771	\$102	2
Carlyle Place Apartments	016	Family	1BR/1BA/688sf	\$812	\$223	7
Carlyle Place Apartments	016	Family	2BR/2BA/943sf	\$784	\$104	3

Gallery Lofts Apartments	038	Family	1BR/1BA/663sf	\$841	\$280	9
Gallery Lofts Apartments	038	Family	2BR/1BA/783sf	\$877	\$172	5
Legacy Park Apartments	062	Family	1BR/1BA/770sf	\$832	\$184	6
Legacy Park Apartments	062	Family	2BR/1BA/1080sf	\$837	\$96	1
Legacy Park Apartments	062	Family	2BR/1BA/1200sf	\$841	\$132	4

Rent Adjustments

The adjustments used in this analysis came from feedback from experienced managers of multifamily properties. We interviewed property management personnel from several national companies to come up with a range of rent adjustments for this analysis. For certain physical features of the subject property, we used the survey average. For location, condition, effective age and other physical features, we identified the adjustments that minimized the sample variance in our data set. This technique, known as statistical extraction, is very similar to the matched-paired approach.

We used the HUD Utility Schedule Model to derive utility adjustments in this analysis. The HUD model - which accounts for building type, building age, and unit size - included a current energy survey for the market area.

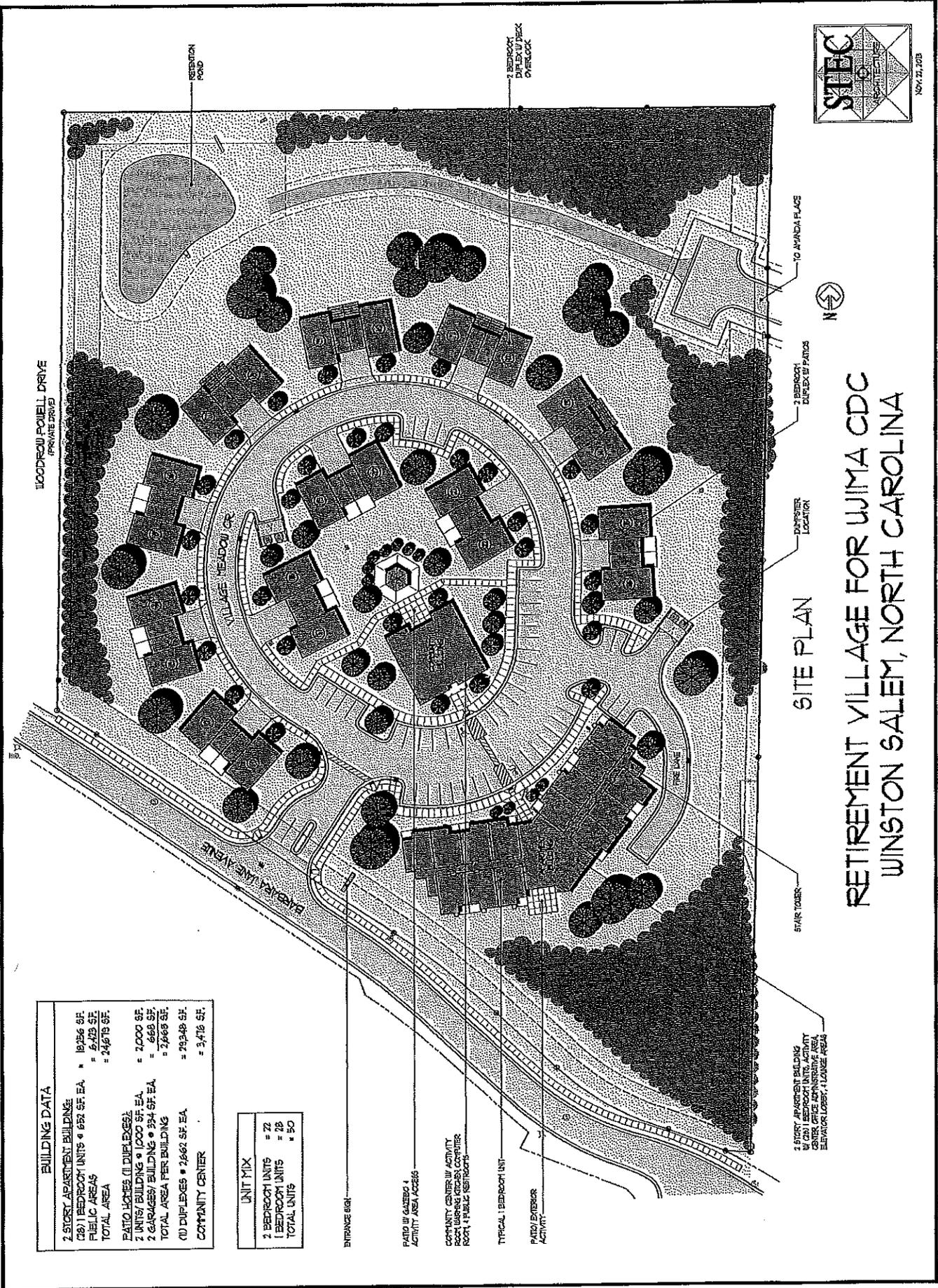
Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a "plus" adjustment is made. If the subject is inferior, a "minus" adjustment is made.

Indicated Rent

Our analysis suggests a rent of \$800 for the 2BR/2BA/960sf units at the subject property.

In arriving at our rent conclusion we considered the number and sum of adjustments as well as the ratio of the adjusted rent to the unadjusted rent for each comparable. We also considered a variety of statistical measures including the mean, median, range and standard deviation of the adjusted rents. We even evaluated the modified mean - the average adjusted rent with the high and low samples eliminated from the data - in arriving at our rent conclusion.

Map 1 - Site Plan



BUILDING DATA	
2 STORY APARTMENT BUILDING:	
(281) BEDROOM UNITS @ 652 SF. EA.	= 18256 SF.
PUBLIC AREAS	= 6,428 SF.
TOTAL AREA	= 24684 SF.
PATIO UNITS (11) DUPLICATES:	
2 UNIT BUILDING @ 1000 SF. EA.	= 2000 SF.
2 GARAGES/ BUILDING @ 334 SF. EA.	= 668 SF.
TOTAL AREA PER BUILDING	= 2668 SF.
(10) DUPLICATES @ 2662 SF. EA.	= 26620 SF.
COMMUNITY CENTER	= 3,478 SF.

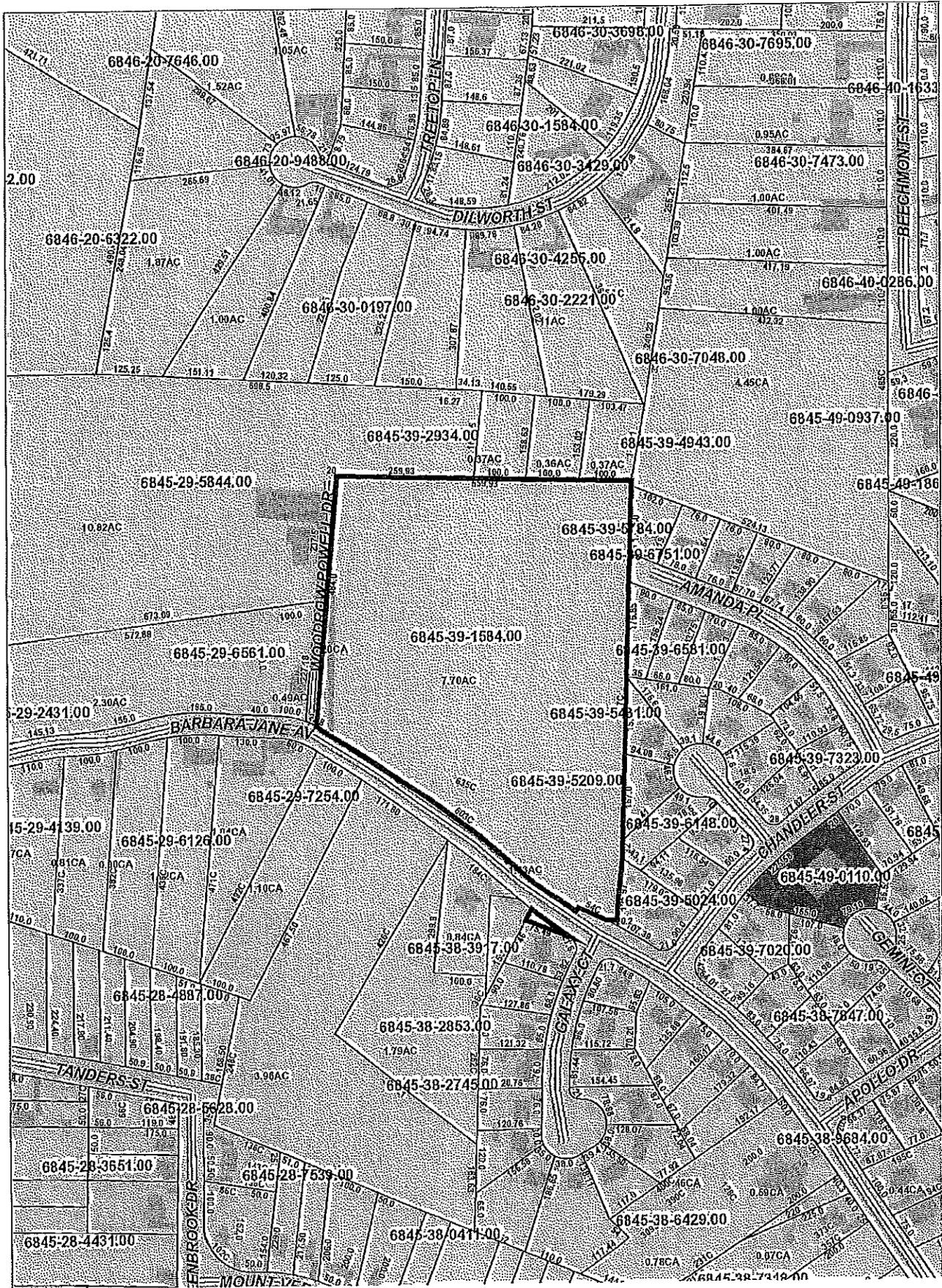
UNIT MIX	
2 BEDROOM UNITS	= 22
1 BEDROOM UNITS	= 28
TOTAL UNITS	= 50

- ENTRANCE SIGN
- PATIO IN GARAGES / ACTIVITY AREA ACCESS
- COMMUNITY CENTER IN ACTIVITY ROOM W/ BARRING (CIGARETTE COMPUTER ROOM, PUBLIC RESTROOMS)
- TYPICAL 1 BEDROOM UNIT
- PATIO/ EXTERIOR ACTIVITY

- 1 ENTRY IN UPPER GARDENS
- 1 (2) BEDROOM UNITS ACTIVITY CENTER OFFICE ADMINISTRATIVE AREA ELEVATOR LOBBY, 1 LAUNDRY AREA

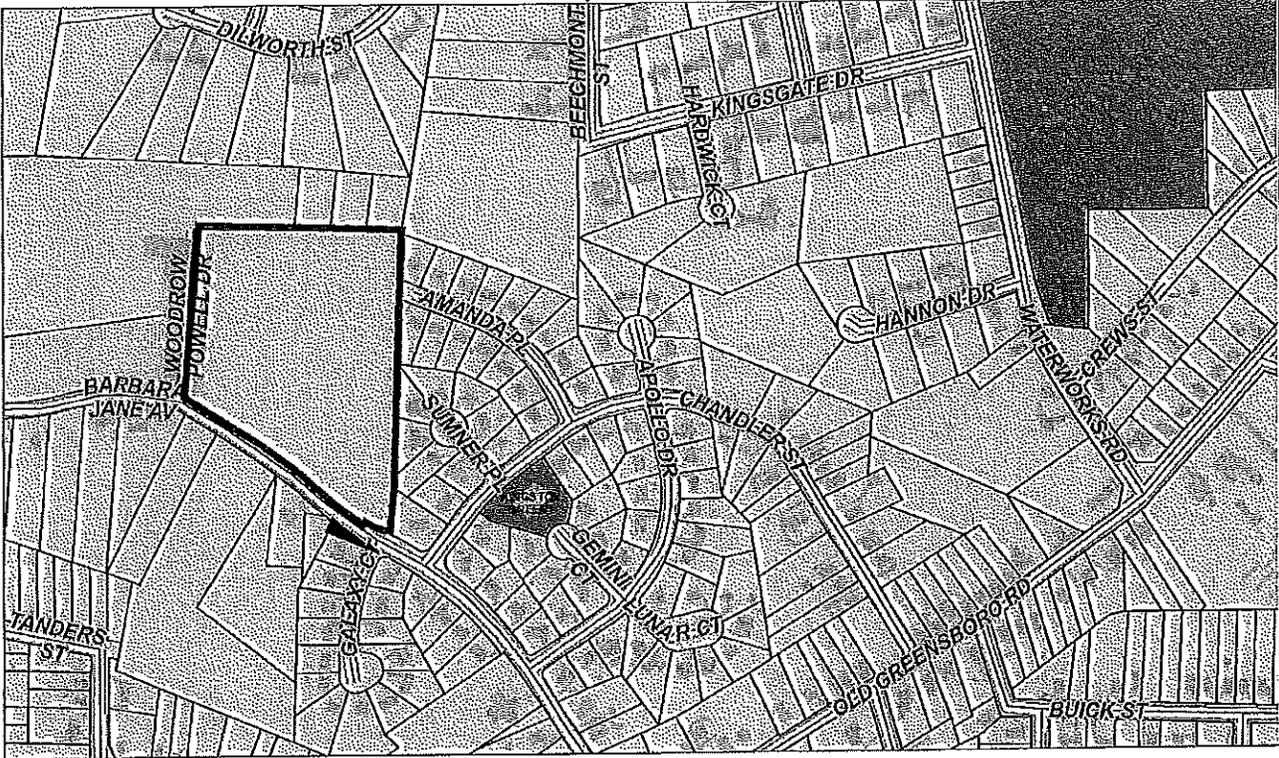
SITE PLAN

RETIREMENT VILLAGE FOR UJIMA CDC WINSTON SALEM, NORTH CAROLINA



Map 3 - Old Greensboro Rd.

Forsyth County, NC



Disclaimer: Forsyth County cannot guarantee the accuracy of this information, and the County hereby disclaims all warranties, including warranties as to the accuracy of this information.

Map Scale
1 inch = 376 feet
3/22/2016

Procedures that are in place with the City of Winston-Salem to provide technical assistance and support to an organization that receives funds for a development project for the first time, has little experience, capacity and financial stability.

- The Funding Request Letter sent to the requester
- The proposal is reviewed by staff to determine if all information has been submitted in order to start the verification checks and overall project feasibility.
- All activities are assigned a Project Coordinator to oversee the development from start to finish. The Project Coordinator is the key point person.
- All development activities are assigned one key construction advisor; however, any construction staff can assist as needed.
- A project that must comply with Davis-Bacon or Section 3 is provided assistance by the W/MBE Coordinator.
- Before the project is given the final approval to proceed with the City's executed agreement:

A meeting is held with the key members of the City staff and the agency (timeline, budget, etc. are reviewed and discussed)

The Construction Advisor and the funded agency provide updates and progress reports.

The Project Coordinator oversees the paperwork and requests that the Construction Advisor and Project Manager review and sign off for all payment requests and final close out.

City Council – Action Request Form

Date: March 3, 2016

To: The City Manager

From: D. Ritchie Brooks, Director, Community and Business Development

Council Action Requested:
 Authorization of a permanent financing commitment of up to \$2,500,000 for development of a 50-unit planned senior housing rental development to be known as Emmanuel Retirement Village (East Ward).

Summary of Information:

Ujima Community Development Corporation, Inc. (CDC), its affiliates and assigns, has submitted a request to construct a 50-unit planned senior housing rental development located on Barbara Jane Avenue. The request was presented for information at the March committee meetings.

The development will be a market-rate rental property for seniors who can live independently with no services for assisted living or nursing home care. The development will consist of a two-story multi-family structure containing 28 one-bedroom units, 11 duplex structures containing 22 two-bedroom units, and a community center for use of the complex’s residents and surrounding community. Unit size will be 684 square feet (s.f.) for the one-bedroom units and 960 s.f. for the two-bedroom units. Market rate rents will be \$899 per month for a one-bedroom unit and \$950 per month for a two bedroom unit. Staff discussed with the CDC City Council’s desire to expand workforce housing opportunities throughout the City, and the CDC has agreed to set aside 10% of the 50 units for households earning 80% of the area median income, consisting of three one-bedroom units renting for \$784 per month and two two-bedroom units renting for \$899 per month. These affordability restrictions on the units will be recorded as a deed restriction to ensure compliance.

Committee Action:

Committee	_____	Action	_____
For	_____	Against	_____

Remarks:

Ujima CDC was incorporated in 2005. It is run by a volunteer board of directors and received capacity building and funding support from the Winston-Salem Community Development Support Collaborative (The Collaborative disbanded June 30, 2015.). Since the CDC's offices are in the Enterprise Center, it receives services from that program also. The CDC provided three years of audited financial statements, which show an operating budget of approximately \$20,000 per year that is derived primarily from grants and also small contributions. It appears that there is no line of credit or working capital.

The Emmanuel Retirement Village is the CDC's first project. The CDC has used a development consultant to assist with financial feasibility and predevelopment activities and plans to use a local architect as the construction project manager. The City awarded the CDC a \$70,550 grant in FY13 to assist with predevelopment activities, such as preparation of surveys, drawings, and plans.

Projected total project cost is \$5,424,674, and funding sources would consist of bank financing and the requested City financing of \$2,500,000, as outlined below.

Bank Interim/Construction Loan	\$2,924,674
City Deferred/Forgiven Loan	500,000
City Loan	<u>2,000,000</u>
Total	<u>\$5,424,674</u>

A local bank is considering an interim/construction loan of up to \$3,000,000 for the project. The loan may only be used for construction costs. The loan is a five-year loan, and the CDC would refinance at that time. The City's financing would be subordinate to the interim/construction loan, and the City would agree to subordinate to the new permanent financing, subject to the City reviewing the terms of the new loan to assure that the borrower would be able to make payments on both the City loan and the new loan.

As City funds are provided as "gap" financing, the final rate and terms will be backed into upon completion of the financing package, and as determined by the requirements of the first mortgage loan. Staff would support \$500,000 as a deferred loan at no interest that is forgiven after 15 years. A typical City loan for a market-rate project would be for 20 years at 2% interest. However, a \$2,000,000 loan with these terms would not meet the City's minimum debt coverage ratio of 1.15. The proposed City loan consists of a \$1,000,000 loan at 2% interest, deferred for three years and then a 40-year term, and a \$1,000,000 loan at 0% interest, deferred and due on sale or transfer of the property. Since the bank loan would only pay for construction, the City's funds would be available for any project cost and could be disbursed throughout the project. If cost overruns were to occur, it is unlikely the CDC would be able to find a source of funds to cover them, and additional funds from the City would be required.

The proposed fund source is 2014 General Obligation Bond funds. The voters approved \$6,000,000 for housing/neighborhood development, of which \$2,500,000 is 41.7%. A total of \$5,350,000, or 89.2%, of the housing/neighborhood development bonds would be approved for Emmanuel Retirement Village, 757 North, and the Pepper Building.

A resolution to provide a \$2,500,000 subordinate mortgage loan for Emmanuel Retirement Village and a project budget ordinance are presented for consideration.

**RESOLUTION AUTHORIZING PERMANENT FINANCING
FOR DEVELOPMENT OF 50 UNITS OF RENTAL HOUSING
KNOWN AS EMMANUEL RETIREMENT VILLAGE**

WHEREAS, the City’s Consolidated Plan has a goal of providing permanent “gap” financing to leverage private mortgage funds; and

WHEREAS, Ujima Community Development Corporation, Inc., its affiliates and assigns, has applied for permanent financing to develop a 50-unit planned senior housing rental development, located on Barbara Jane Avenue, to be known as Emmanuel Retirement Village.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of the City of Winston-Salem authorize up to \$2,500,000 in permanent financing to Ujima Community Development Corporation, Inc., its affiliates and assigns, for Emmanuel Retirement Village, subject to obtaining all other sources of financing to complete the project and to the conditions contained in Exhibit A, attached hereto and incorporated herein by reference.

BE IT FURTHER RESOLVED, that the Mayor and City Council authorize the City Manager to review and approve final loan terms and conditions, negotiate permanent loan agreements, and execute contracts and documents necessary to carry out the activities herein authorized in substantial accordance with the form and guidelines attached hereto and incorporated herein by reference.

**EXHIBIT A
FINANCING COMMITMENT FOR
EMMANUEL RETIREMENT VILLAGE**

1. Purpose – Financing for development of a 50-unit planned senior housing rental development, located on Barbara Jane Avenue, to be known as Emmanuel Retirement Village.
2. Loan Amount – Financing in an amount not to exceed \$2,500,000, to be derived from General Obligation Bond funds, subject to determination of final cost.
3. Terms and Conditions –
 - a) As City funds are provided as gap financing, the final rate and terms will be backed into upon completion of the financing package, and as determined by the requirements of the first mortgage loan. Up to \$500,000 of the financing may be a deferred, interest-free loan and forgiven after 15 years. Financing shall be evidenced by a Promissory Note(s) and secured by a Deed(s) of Trust on the property. The loan(s) may be subordinate to any construction loan and to a permanent mortgage loan of greater amount obtained by the developer.
 - b) The owner agrees to set aside a minimum of 10% of the 50 units (5 units) as affordable housing units for households earning 80% of the area median income, consisting of three one-bedroom units and two two-bedroom units.
4. Fees – The developer will be responsible for all fees and closing costs as well as the City’s direct legal and other expenses associated with processing the loan documents.
5. Other Financing - The developer shall provide or otherwise attain commitments for the balance of the cost to develop and construct the project, which may be derived from private debt and equity capital.
6. Subdivision, Construction and Maintenance Standards - Financing eligibility requires attainment of all applicable development permits and plan approvals. Construction shall comply with all applicable state and local building codes. This commitment is subject to review and approval of the scope of work and specifications and construction contract by the Community and Business Development Department of the City. The owner shall maintain the property in compliance with the City’s Minimum Housing Code.
7. Ownership – The project will be developed, owned and managed by Ujima Community Development Corporation, Inc., or by a Limited Liability Company, to be created, its affiliates or assigns, in which Managing Member is Ujima Community Development Corporation, Inc., and such ownership structure shall be approved by the City of Winston-Salem. Subsequent authorization of the City will be required prior to any transfer or assignment of ownership of the property.

**ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE
CITY OF WINSTON-SALEM, NORTH CAROLINA
FOR THE FISCAL YEAR 2015-2016**

BE IT ORDAINED by the Mayor and City Council of the City of Winston-Salem that the Project Budget Ordinance for the Fiscal Year 2015-2016 be amended to transfer 2014 General Obligation Bonds for the Emmanuel Retirement Village project.

SECTION 1. That the Project Budget Ordinance of the City of Winston-Salem, adopted on June 15, 2015 and amended on July 20, 2015, August 17, 2015, September 21, 2015, October 26, 2015, November 16, 2015, December 21, 2015, January 19, 2016, February 15, 2016, and March 28, 2016, shall be further amended by changing the expenditure appropriations in the following funds.

Capital Projects Fund

Housing Development Projects	
Housing/Neighborhood Development 2014 GO Bonds	-\$2,500,000
Emmanuel Retirement Village	2,500,000
Total Capital Projects Fund Expenditures	\$0

SECTION 2. That this amendment to the Project Budget Ordinance shall become effective as of the date of adoption.

City Council – Action Request Form

Date: March 30, 2016

To: The City Manager

From: D. Ritchie Brooks, Community and Business Development Department Director

Council Action Requested:

Review and approve the Fiscal Year 2017 Consolidated Housing and Community Development Program and the Proposed 2016-2017 Annual Plan submission of the Consolidated Housing and Community Development Plan to the U.S. Department of Housing and Urban Development (HUD).

Summary of Information:

The Winston-Salem/Forsyth Housing Consortium is currently completing the third year of its 2014-2018 Consolidated Housing and Community Development Plan. This Council Action contains the proposed Annual Plan for the fourth year of the five-year plan (2016-2017). Program activities in this plan represent the continuation of ongoing programs and previously approved project activities as well as the appropriation of funds to initiate other recommendations contained in the 2014-2018 Five-Year Plan. The Annual Plan is due to HUD no later than May 15, 2016.

Federal Fiscal Year (FFY) 2016 allocations are: Community Development Block Grant funds of \$1,996,684, a 1.3% increase from the current year; HOME Investment Partnership (HOME) funds of \$943,509, a 2.9% increase, of which the City will receive \$773,709 and the County \$169,800; and Emergency Solutions Grant funds of \$177,368, a 1.8% increase. The City expects to receive \$1,544,400 in Continuum of Care funds, on behalf of local agencies providing homeless program services beginning in the fourth quarter of the Fiscal Year 2016 program year.

Committee Action:

Committee	_____	Action	_____
For	_____	Against	_____

Remarks:

2016-2017 CHCD Annual Plan

Program activities in this plan represent the continuation of ongoing programs and previously approved project activities as well as the appropriation of funds to initiate other recommendations contained in the 2014-2018 Five-Year Plan. The modest increase in HUD funds and projected stable program income has somewhat eased the challenges to funding projects. The results are: 1) consistent funding for subgrantee program operations; 2) stable funding for projects that assist the homeless; and 3) continued funding for single-family production and homebuyer assistance due to steady improvement in the housing market. The budget maintains appropriations for the rehabilitation program and for financial and technical assistance to small businesses. One-time, special projects and financing commitments for FY17 are summarized as follows:

- Up to \$200,000 to North Carolina Housing Foundation in support of rehabilitation at The Commons, which provides transitional housing for homeless families with minor children, autistic young adults, and youth aging out of foster care. This is the balance of a two-year funding commitment and will be added to the existing deferred/forgiven, subordinate loan.
- Up to \$22,250 to the United Way of Forsyth County for a Continuum of Care strategic plan. Since the Ten-Year Plan to End Chronic Homelessness was completed in 2006 and its goals have been achieved, a new plan on ending homelessness is needed. Grant funds will be used for consulting services.

Housing rehabilitation, including purchase-rehab, is the forefront category of program activity, relative to the allocation of funds, totaling 3,688,587, or 42.7%, of total projected expenditures. Financing is in place to meet homebuyer demand in redevelopment areas and City assisted subdivisions and locations where activity is projected to take place and in scattered site infill locations to be developed by Habitat for Humanity. A new five-year grant for the Individual Development Account (IDA) program was secured in 2014, and the program will be in full operation in FY17.

Subgrantee agency requests are being finalized for funding consideration as a part of the City's annual budget review process. The Allocation Committee met on March 21, 2016 and March 28, 2016 to consider proposals. Its list of recommendations, on which the CHCD Annual Plan budget is based, is attached.

The City is submitting the Citizen Participation Plan to comply with recently issued regulations on Affirmatively Furthering Fair Housing. The new regulations require the preparation of an Assessment of Fair Housing, which will be due to HUD on October 4, 2017. The update to the Citizen Participation Plan states that citizen participation for the Assessment will be similar to that for the Annual Plan, e.g. gathering information and public input, holding at least one public hearing, and making the plan available for public review and comment.

An ongoing review and assessment of housing needs and program responsiveness is included in the CHCD and public review process. As a part of the Continuum of Care application process, an update of homeless and special population housing needs is undertaken each year. The City

also consults with the Continuum of Care and its providers to discuss potential changes to homeless assistance programs, including the best use of Emergency Solutions Grant and Continuum of Care funds.

This Annual Plan was prepared with public input obtained through two public hearings on October 20, 2015 and March 17, 2016 and an ongoing series of consultations with supportive service providers, advocacy groups and coordinating bodies. Notices for these meetings were published in *The Chronicle* and the *Winston-Salem Journal*. Citizen comments expressed at the public hearings were on housing repairs for seniors and the status of a duplex on North Cherry Street.

The 2016-2017 Consolidated Housing and Community Development Annual Plan complies with all federal submission requirements as well as the CDBG and ESG statutory requirements for local entitlement communities and the HOME program for Consortia. Attached are an appropriate resolution and the proposed Annual Plan revenue and expenditure projections and program summary.

The full draft Annual Plan is posted on the City's website for public comment beginning April 7, 2016 at <http://www.cityofws.org/departments/community-and-business-development/planning/reports>.

**RESOLUTION APPROVING THE
Fiscal Year 2017 HOUSING AND COMMUNITY DEVELOPMENT PROGRAM AND
AUTHORIZING SUBMISSION OF THE 2016-2017 ANNUAL PLAN
TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

WHEREAS, the Proposed 2016-2017 Consolidated Housing and Community Development Annual Plan, including program objectives and the projected use of funds for Program Year 2016-17, has been published for review and comment; and

WHEREAS, the Proposed 2016-17 Consolidated Housing and Community Development Program will emphasize housing, homelessness, economic development and neighborhood improvement activities; and

WHEREAS, the Proposed 2016-17 Consolidated Housing and Community Development Program will principally benefit low- and moderate-income households.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Council hereby adopt the Fiscal Year 2017 Housing and Community Development Program and the Proposed 2016-2017 Consolidated Housing and Community Development Annual Plan, including program objectives and the projected use of funds for Program Year 2016-2017, and authorize the City Manager to submit the Annual Plan to US Department of Housing and Urban Development.

BE IT FURTHER RESOLVED that the Mayor and City Council of the City of Winston-Salem authorize the City Manager to negotiate the terms of assistance and execute agreements and documents necessary to carry out the activities herein authorized.

Proposed Consolidated Housing and Community Development Plan 2016-2017 Annual Plan

**Winston-Salem /Forsyth County Housing Consortium
May 15, 2016**



**Community and Business Development Department
City of Winston-Salem
100 E. First St. Suite 423
PO Box 2511
Winston-Salem NC 27102
(336) 727-8597**

**Housing and Community Development
Forsyth County
201 N. Chestnut St.
Winston-Salem, NC 27101
(336) 703-2680**



Executive Summary

The Consolidated Housing and Community Development (CHCD) Plan integrates the assessment of need, program planning, program fund requests, and performance reporting into an integrated, collaborative process for jurisdictions eligible to receive one or more of the four formula entitlement programs. Under the Consolidated Plan, the City of Winston-Salem receives Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funds, and the combined city-county Winston-Salem/Forsyth Housing Consortium receives HOME Investment Partnership (HOME) funds.

The five-year CHCD plan, with annual action plan submissions, is a comprehensive planning tool for the definition of lower-income and special population housing needs, by type and scale, with accompanying priorities, strategies and programs to address the identified housing and other supportive service needs. The CHCD also contains non-housing community development needs and activities, traditionally eligible under the CDBG program. The purposes and advantages of the consolidated plan are as follows:



- To enable communities to develop a comprehensive housing and community development vision and to address local needs in an integrated manner with HUD funded program resources.
- To integrate planning and implementation of related needs – infrastructure, environmental protection, fair housing, supportive services and economic growth coordinated with human development.
- To allocate resources addressing physical and support needs of the homeless and populations with special needs along the "continuum of care."
- To facilitate "bottom-up" planning, collaboration, and public-private community partnerships.
- To reduce paperwork, improve accountability and measurable performance reporting and measurement.
- To provide a single grant submission which describes the annual investment plan, containing proposed activities and proposed expenditures within the context of the five-year strategies.

This CHCD plan complies with consolidated plan submission requirements contained in the January 5, 1995 final rule, as amended, as well as compliance with the statutory requirements of CDBG and ESG for local entitlement communities and the HOME program for Consortia. It is also consistent with the Consolidated Plan template introduced by HUD in summer 2012.

In 1992 the Winston-Salem/Forsyth Housing Consortium was formed by resolutions of the City of Winston-Salem as the lead entity, Forsyth County, and all of the other municipalities of the County to enable the entire county to qualify as an entitlement "participating jurisdiction" under the HOME Investment Partnership Program. The Consortium has been renewed every three

years, most recently in spring 2016, and consists of the City of Winston-Salem, Forsyth County, and the cooperating municipalities of Bethania, Clemmons, Kernersville, Lewisville, Rural Hall, Tobaccoville and Walkertown.

The 2016-2017 Annual Plan represents the fourth year of the 2014-2018 Five-Year Consolidated Plan. An evaluation of past performance is included in the Five-Year Plan. Program activities within the Plan represent the continuation of ongoing programs, previously approved project activities, and initiation of limited new activities and recommendations.

Highlights of the 2016-2017 Annual Plan

The City's allocation of CDBG grant funds is \$1,996,684 (a 1.3% increase), \$943,509 (a 2.9% increase) in HOME funds, and \$177,368 in ESG funds (a 1.6% increase), for an overall allocation increase of 1.8%. The City will receive 773,709 of the HOME funds, and the County \$169,800. The City will receive an additional \$1,557,700 in Continuum of Care funds on behalf of local agencies providing homeless program services beginning in the fourth quarter of the FY17 program year. The City also expects to receive \$192,958 in additional ESG funds from the State of North Carolina during FY17.



The modest increase in HUD funds and projected stable program income has somewhat eased the challenges to funding projects. The results are: 1) consistent funding for subgrantee program operations; 2) stable funding for projects that assist the homeless; and 3) continued funding for single-family production and homebuyer assistance due to steady improvement in the housing market. The budget maintains appropriations for the rehabilitation program and for financial and technical assistance to small businesses. One-time, special projects and financing commitments for

FY17 are summarized as follows:

- Up to \$200,000 to North Carolina Housing Foundation in support of rehabilitation at The Commons, which provides transitional housing for homeless families with minor children, autistic young adults, and youth aging out of foster care. This is the balance of a two-year funding commitment and will be added to the existing deferred/forgiven, subordinate loan.
- Up to \$22,250 to the United Way of Forsyth County for a Continuum of Care strategic plan. Since the Ten-Year Plan to End Chronic Homelessness was completed in 2006 and its goals have been achieved, a new plan on ending homelessness is needed. Grant funds will be used for consulting services.

Housing rehabilitation, including purchase-rehab, is the forefront category of program activity, relative to the allocation of funds, totaling \$ 3,688,587, or 42.7%, of total projected expenditures. Financing is in place to meet homebuyer demand in redevelopment areas and City assisted subdivisions and locations where activity is projected to take place and in scattered site infill locations to be developed by Habitat for Humanity. A new five-year grant for the Individual

Development Account (IDA) program was secured in 2014, and the program will be in full operation in FY17.

AVAILABLE RESOURCES

Identified financial resources include the CDBG, HOME and ESG Program grants from HUD; CDBG and HOME program and investment income, which are generated primarily by loan repayments; Continuum of Care funds; ESG funds through the State of North Carolina; and the remaining balance of general obligation bonds approved in 2014 and Housing Finance Funds (local). Program income projections are based on recent experience as reasonably anticipated to be available. The following table identifies the projected expenditure of these resources during FY17 in general program categories.

ACTIVITY	TOTAL	FEDERAL SOURCES (New Appropriations)			LOCAL	Prior Year Funds
		CDBG/PI	HOME/ PI	ESG/CoC	HFF	
Housing Rehab and Operations	3,538,587	1,285,604	589,983		53,000	1,610,000
Neighborhood Dev: Acq-Clearance	167,262	61,200			106,062	
Housing Production/ Infrastructure.	642,000		142,000		65,000	435,000
Homebuyer Assistance	177,820		52,820			125,000
Economic Dev/Self-Sufficiency	389,990	328,000			61,990	
Public Services/Homeless Assist	3,055,696	276,100	240,000	1,928,026	611,570	
Section 108 Loan Repayment	370,000	370,000				
Planning/Training, Capacity/Other	289,486	225,780	53,706		10,000	
TOTAL	8,630,841	2,546,684	1,078,509	1,928,026	907,622	2,170,000

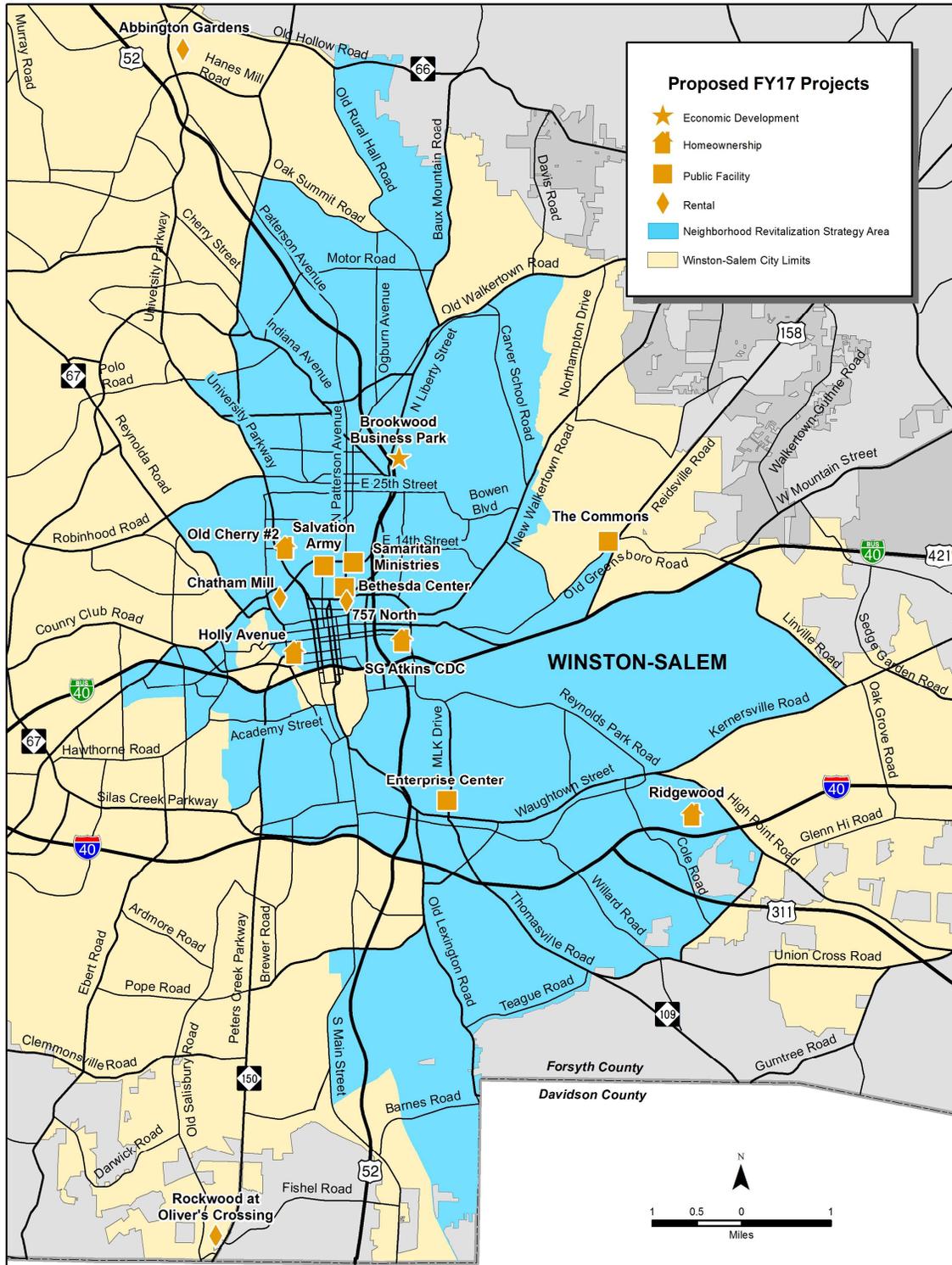
OBJECTIVES AND OUTCOMES

The strategy for meeting the goals identified in the Five-Year and Annual Plans centers on five goals, each with supporting strategies and programs. The goals are: Housing Conservation and Neighborhood Revitalization, Neighborhood Development and Housing Production, Expanding Access and Opportunities, Expanding Economic Opportunities, and Expanding Coordination and Accountability. A summary of the proposed objectives and outcomes of completed housing units in FY17 is provided in the table.

Objective/Outcomes			
		Obj.	# Units
New Construction	Owner	DH-2	41
	Rental	DH-2	96
Rehab/Repair	Owner	DH-2	116
	Rental	DH-2	2
Existing	Owner	DH-2	25
	Rental	DH-2	100
Special Needs Projects	Rental	DH-2	0

Obj.: HUD code that indicates the project provides Decent Housing (DH) and the benefit is primarily Affordability (2).

The map on the next page reflects location-specific activities. Activities not shown in the map reflect programs for which the locations are not known in advance.



THE DEVELOPMENT PROCESS AND CITIZEN INPUT

The Consolidated Plan, encompassing the goals, objectives and operating plans of a wide range of agencies, coordinating entities and advisory boards. The Annual Plan reflects implementation of adopted neighborhood and redevelopment plans, and recommendations which have been generated by a range of groups and organizations including the Council on Services for the Homeless, Housing Authority of Winston-Salem, and non-profit housing developers. The process is an ongoing and evolving process as elements are often refined in implementation.

An ongoing review and assessment of housing needs and program responsiveness is included in the CHCD and public review process. As a part of the Continuum of Care application process, an update of homeless and special population housing needs is undertaken each year. To implement the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), the City has also met regularly with the the Continuum of Care and its Operating Cabinet, Commission on Ending Homelessness, homeless services providers, and the State of North Carolina to discuss potential changes to homeless assistance programs, the use of Emergency Solutions Grant and Continuum of Care funds, and coordination of services.



Public Meeting Held 2-7-13

This Annual Plan was prepared with public input, relative to needs, obtained through two public hearings on October 20, 2015 and March 17, 2016 and an ongoing series of consultations with supportive service providers, advocacy groups and coordinating bodies. This submission, adopted by City Council on April 18, 2016, was presented at the public hearing of March 17th.

Notices for all meetings were published in the Winston-Salem Chronicle and the Winston-Salem Journal, advertised on WSTV 13 and posted on the City’s web site. Subsequent to public notice, copies of the proposed Plan were distributed at the public hearing and are available on the City’s web site and at designated libraries for public review. Comments received from the public hearing and the review process are summarized in Appendix D.

Appendix D contains a list of agency consultations that extend beyond the homeless supportive housing needs and general housing need assessment which preceded the development of this plan. Staff in the Community and Business Development Department and the Office of Community Assistance also meets with citizens and neighborhood associations to assist them in resolving issues, especially as they relate to City programs and services. This process results in more direct and immediate attention to neighborhood concerns and also constitutes a major element of the citizen participation process.

PART A: 2016-2017 STRATEGY IMPLEMENTATION

This 2016-2017 Action Plan represents the fourth year of the five-year planning period of the 2014-2018 Consolidated Plan. The budgets contained herein reflect Federal Fiscal Year (FFY) 2016 grant allocations for the CDBG, HOME and ESG programs and projected program income for CDBG and HOME. HOME funds are allocated to the Winston-Salem/Forsyth Housing Consortium.

Exhibit 1 FY16 HUD Entitlement Programs			
	Amount	Amount Change	% Change
Entitlement Funds			
CDBG	\$1,996,684	\$26,363	1.3%
HOME	\$943,509	\$26,666	2.9%
ESG	\$177,368	\$2,732	1.6%
Total Entitlement	\$3,117,561	\$55,761	1.8%
Program Income			
CDBG	\$550,000	\$0	0.0%
HOME	\$135,000	\$0	0.0%

A modest increase in grant funds and projected stable program income has resulted in a small increase in entitlements funds. Funding for core programs is maintained. The results are: 1) consistent funding for subgrantee program operations; 2) stable funding for homeless programs; and 3) continued funding for single-family production and homebuyer assistance due to steady improvement in the housing market.

Emergency Solutions Grant (ESG) funds from the State of North Carolina will be available for shelter operations and rapid re-housing during FY17.

The intent of the annual plan is to identify the strategies and priorities that will be undertaken during the year, the resources to be utilized, and the category of resident (by type and income) to be assisted. Housing and community development strategies, programs and activities are contained within the Five-Year Consolidated Plan and organized by five goals. The following narrative summarizes the activities to be undertaken or continued during FY17 by goal. Exhibit 2, which follows this section, outlines the strategies and implementing programs to be undertaken during FY17, including the source of funds and projected accomplishments.

Goal 1: Housing Conservation and Neighborhood Revitalization

Target available resources to optimize compliance with Minimum Housing Code and assist neighborhoods; continue single and multi-family rehab activities to protect the existing housing stock and diverse neighborhoods; ensure physical improvements in neighborhoods are adequate; and focus on placing vacant property and lots back into inventory.



Youth Build Class at Work

Single-family, owner-occupied rehab and emergency repair continue to play a major role. The City will initiate the Transforming Urban Residential Neighborhoods (TURN) Program in designated neighborhoods by providing financing from \$4 million in general obligation bonds approved in November 2014 to owner-occupants and investor-owners. The City will also initiate an Urgent Repair Program to help very low-income households address conditions that pose an imminent threat to life and safety. Habitat for Humanity will continue a five-year neighborhood revitalization initiative in the Cherry Street/Kimberly area that includes purchasing vacant structures and rehabbing them for sale to eligible homeowners. One community development corporation will continue infill development in a target neighborhood.

Historic preservation is included. Enforcement of the Minimum Housing Code through Operation Impact and regular code enforcement as well as neighborhood services activities are ongoing.

Goal 2: Neighborhood Development and Housing Production

Support home ownership by lower income households; foster production of single- and multi-family housing for lower income households and persons with special housing needs through new construction, conversion and adaptive reuse; promote energy efficiency and sustainable development in housing programs; and provide incentives to develop housing for all income groups.

A steady improvement in the housing market will increase single-family housing production in 2016-17, including Habitat for Humanity. In addition to serving as its own lender, Habitat’s partnership with the City has allowed it to maintain its level of production. Habitat will be working in the Cherry Street/Kimberly Neighborhood Revitalization Initiative. One community development corporation, S.G. Atkins CDC, will continue development in the Ridgewood Place subdivision. The City will continue to pursue development of land acquired through Redevelopment and in City-assisted subdivisions as economic conditions permit: Esquire Place, Happy Hill, Gateway Commons, Northeast Winston #2, Andrews Heights, Sunbridge, and Salem Pointe. Additionally, the Individual Development Account (IDA) program has restarted with the award of a new five-year grant.

Homebuyer assistance programs to increase access to affordable standard housing by providing down payment and closing costs for lower-income, first-time home buyers are available through both the City and the County. Levels and terms of assistance are reviewed annually, in response to public review input, to reflect changes in development costs, home buyer subsidy needs, and practices in the lending industry.

Construction of Rockwood at Oliver’s Crossing, a 64-unit rental housing development for families using Low-Income Housing Tax Credits, is complete and leasing up. Abbington Gardens of Winston-Salem, a 96-unit rental development using Low-Income Housing Tax Credits, is under construction.

In November 2014, Winston-Salem voters approved \$6 million in general obligation bonds for housing activities. Two projects have been approved. 757 North is a 115-unit market rate development with

25% of the units restricted as affordable workforce housing according to the City affordable workforce housing policy. The development is under construction. The Pepper Building involves conversion of a historic, downtown building into 54 units of rental housing with six units restricted as affordable workforce housing. Funds may be used as financing for single-family and multi-family housing developments as well as homebuyer assistance.

Goal 3: Expanding Access and Opportunities

Meet the housing and service needs of homeless individuals and families; eliminate discriminatory practices in the sale and rental of housing; coordinate the community's efforts to meet the needs of the homeless; and support services in the community that promote economic self-sufficiency and wealth-building.

Homeless needs reflect continuing implementation of the HEARTH Act, including expanding rapid re-housing activities and coordinated intake and assessment. The Continuum of Care process continues to be refined in light of HEARTH, with the Ten-Year Plan to End Chronic Homelessness serving as the strategic guidance for decision-making. FY17 resources include one-year renewal funds from the Continuum of Care Federal FFY15 grant on behalf of agencies serving the homeless, continued operating assistance for transitional case management, operations and renovations of emergency shelters using the Emergency Solutions Grant funds, and Tenant Based Rental Assistance. Funds for a Continuum of Care strategic plan as well as funds to continue support of the implementation of the Ten-Year Plan are also included.

Goal 4: Expanding Economic Opportunities

Expand entrepreneurial development; foster employment training opportunities; encourage revitalization of neighborhood commercial areas; implement the downtown revitalization strategy.

Objectives for FY17 are: (1) to approve four new small business loans; (2) to expand marketing efforts and partnering opportunities with local commercial lenders; (3) to expand technical assistance and follow-up efforts offered to loan applicants and recipients; and (4) to work with community development corporations in the Neighborhood Revitalization Strategy Area (NRSA) to facilitate identification of available idle or vacant properties suitable for the business needs of specific developers and businesses seeking to relocate within the community.

In the Brookwood Business Park, construction of a 7,500 square foot



Brookwood Business Park Speculative Building

commercial spec building on lot #8, the second lot to be developed, is complete. Continued focus of FY17 will be directed toward marketing of the park to business and industry. Renovation of the lower level of S.G. Atkins CDC's Enterprise Center to increase space in the business incubator was completed during FY16. Spaces are expected to be fully occupied in early FY17.

Section 3 program activities include: 1) continued subcontractor opportunities in city and federally funded housing programs, 2) conduct the Business Education program, and 3) the Construction Training Program and application for a new three-year Youth Build program.

Goal 5: Expanding Coordination and Accountability

Coordinate with non-profit organizations and local and regional planning bodies; systematic evaluation and assessment of the impact of public programs and policies on an ongoing basis.



The Enterprise Center

The strategies within this priority area focus on improving coordination with non-profit organizations and other coordinating bodies in the community. In FY17, these efforts will include the Continuum of Care, implementing a coordinated intake system and governance strategy, and preparation for the Affirmatively Furthering Fair Housing requirements as they relate to the 2019-2023 Consolidated Plan.

PART B: SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

The following table identifies the activities to be undertaken and sources of funds to be appropriated in FY17.

Exhibit 2: WINSTON-SALEM/FORSYTH HOUSING CONSORTIUM FY17 ANNUAL PLAN A SUMMARY OF SPECIFIC ANNUAL OBJECTIVES FOR DIRECT-BENEFIT ACTIVITIES					
STRATEGY/ PROGRAM	DESCRIPTION	OBJ	FUND SOURCE	# UNITS	TYPE UNITS
GOAL 1: HOUSING CONSERVATION AND NEIGHBORHOOD REVITALIZATION					
Strategy 1.1	Target Neighborhood Services to Optimize Attainment of Neighborhood Stability and Revitalization				
	Targeted code enforcement, assistance to neighborhoods, capacity building	SL-3	CDBG	8,700	Persons
Strategy 1.2	Rehabilitate Single-Family Homes Owned by Lower-Income Families to Extend Their Useful Life, Preserve Affordability, and Make Adaptive Improvements to Address the Special Needs of Seniors and Disabled Persons				
Program 1.2.1	Neighborhood Revitalization Strategy Area (NRSA) Rehabilitation	DH-2	CDBG, HOME	46	Housing Units
Program 1.2.2	Citywide Rehabilitation	DH-2	HOME	10	Housing Units
Program 1.2.3	County Rehabilitation	DH-2	HOME, Other Federal	8	Housing Units
Program 1.2.4	Emergency Repair/Urgent Repair	DH-2	CDBG	27	Housing Units
Program 1.2.5	Architectural Barrier Removal	DH-2	CDBG, HOME	5	Housing Units
Program 1.2.6	Hazard Reduction and Interim Controls	DH-2	CDBG, HOME	20	Housing Units
Program 1.2.7	Acquisition-Rehab and Buy-Rehab	DH-2	Local	3	Housing Units
Program 1.2.8	Purchase-Rehab Revolving Loan Program	DH-2	Local	2	Housing Units
Strategy 1.3	Rehabilitate Multi-Family and Single-Family Substandard Rental Units to Extend Their Useful Economic Life and Preserve Affordable Rents				
Program 1.3.1	Rental/Investor Rehabilitation	DH-2	CDBG	2	Housing Units
Program 1.3.2	Large-Scale Multi-Family Rental Rehabilitation	DH-2	CDBG, HOME, Local	0	Housing Units
Program 1.3.3	Hazard Reduction Interim Controls	DH-2	CDBG, HOME, Local	0	Housing Units
Strategy 1.4	Provide Physical Improvements to Neighborhoods				
Program 1.4.1	Neighborhoods To Standards (NTS) Monitoring		N/A		N/A

Program 1.4.2	Public Improvements	SL-1	Local	0	Public Fac./Imp.
Program 1.4.3	Public Facilities	SL-1	Local, CDBG	1	Public Fac./Imp.
Strategy 1.5	Develop Measures That Facilitate the Placement of Vacant Units and Vacant Lots for In-Fill Development Back Into the Housing Inventory				
	Identifying vacant property, infill redevelopment, eminent domain rehab	DH-1	N/A	5	Housing Units
GOAL 2: NEIGHBORHOOD DEVELOPMENT AND HOUSING PRODUCTION					
Strategy 2.1	Subsidize Home Ownership Acquisition				
Program 2.1.1	Homebuyer Assistance Programs	DH-2	HOME, Local	40	Households
Program 2.1.2	Individual Development Accounts (IDA)	DH-2	Other Federal	10	Households
Strategy 2.2	Subsidize Single-Family Housing Production				
Program 2.2.1	Construction Loan Program	DH-2	Local	4	Housing Units
Program 2.2.2	Homeownership Development Assistance	DH-2	Local	4	Housing Units
Program 2.2.3	ΔSelf-Help/Sweat Equity@ Programs	DH-2	HOME, Local	12	Housing Units
Program 2.2.4	Redevelopment Acquisition/Clearance	DH-2	Local	2	Housing Units
Strategy 2.3	Subsidize Affordable Rental Housing				
Program 2.3.1	Rental Housing Production	DH-2	HOME, Local	96	Housing Units
Strategy 2.4	Support Ways to Lower Housing Cost and Reduce Governmental Constraints to the Production of Housing				
	Barriers to affordable housing, environmentally efficient development	SL-3	N/A	N/A	N/A
GOAL 3: EXPANDING ACCESS AND OPPORTUNITIES					
Strategy 3.1	Meet the Housing and Service Needs of Homeless Persons				
Program 3.1.1	Tenant Based Rental Assistance	DH-2	HOME	100	Households
Program 3.1.2	Supportive Services	SL-1	CDBG, CoC	175	Persons
Program 3.1.3	Coordinated Intake	SL-1	CoC	300	Persons
Program 3.1.4	Emergency and Transitional Shelter Facilities	SL-1	ESG	1,800	Persons
Program 3.1.5	Permanent Supportive Housing	DH-2	CoC	75	Households
Strategy 3.2	Coordinate City, County, State, Federal and Private Funds and Activities to Meet the Needs of the Homeless, Reduce Poverty and Prevent and End Homelessness				
	Planning, Continuum of Care application, Homeless Management Information System	N/A	N/A	N/A	N/A
Strategy 3.3	Expand Equal Access to Housing for All Members of the Community				
	Fair housing, Hispanic/Latino housing needs	SL-1	CDBG	500	Persons

Strategy 3.4	Support the Provision of Services in the Community for Economic Self-Sufficiency and Wealth-Building				
	Housing counseling, re-entry for ex-offenders and persons leaving institutions, wealth-building through tax credits, foreclosure prevention, youth programs	SL-1	CDBG, Local	2,300	Persons
GOAL 4: EXPANDING ECONOMIC OPPORTUNITIES					
Strategy 4.1	Expand Entrepreneurial Development				
Program 4.1.1	Small Business Loan Program	EO-1	CDBG	8	Jobs
Program 4.1.2	Technical Assistance to Small Businesses	EO-1	CDBG	50	Businesses
Program 4.1.3	Contractor Training Program	EO-1	CDBG	25	Persons
Strategy 4.2	Expand Employment Training Opportunities				
Program 4.2.1	Construction Training Program	EO-1	CDBG	15	Persons
Program 4.2.2	Youth Build	EO-1	Other Federal	0	Persons
Program 4.2.3	Summer Youth Employment Program	EO-1	Local	100	Persons
Strategy 4.3	Revitalize Neighborhood Commercial Areas				
Program 4.3.1	NRSA Building Rehabilitation Program	EO-3	Local	2	Businesses
Program 4.3.2	Revitalizing Urban Commercial Areas (RUCA)	EO-3	Local	2	Businesses
Strategy 4.4	Implement Downtown Revitalization Plan				
	Support increase in retail and housing downtown	SL-1	Local	0	
GOAL 5: EXPAND COORDINATION AND ACCOUNTABILITY					
	Strengthen coordination and partnerships, strengthen accountability	N/A	N/A	N/A	N/A
<p>Fund Sources: Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Solutions Grant (ESG), Continuum of Care (CoC), Local (includes Housing Finance Fund and General Obligation Bonds), Other Federal (other federal grants received by City or County)</p> <p>OBJ: HUD codes indicating whether the project provides Decent Housing (DH), a Suitable Living Environment (SL) or Economic Opportunities (EO) and whether the benefit is primarily Availability/Accessibility (1), Affordability (2), or Sustainability (3).</p>					

PART C: PROJECTED REVENUES AND EXPENDITURES

PROJECTED REVENUES/FUND RESOURCES

FY17 Budget Appropriations

1,996,684	Community Development Block Grant (CDBG)
550,000	Entitlement Grant B-16-MC
	Program Income: Loan Repayments/Interest
2,546,684	Sub-Total CDBG Funds
	HOME Investment Partnership Program (HOME)
943,509	Entitlement Grant M-16-DC
135,000	Program Income
1,078,509	Sub-Total HOME Funds
	OTHER
907,622	General Fund HFF Program Income/Fund Balance
177,368	Emergency Solutions Grant Program H-16-MC
1,750,658	Continuum of Care/State ESG
2,835,648	Sub-Total Other Program Funds
6,460,841	Total FY17 Budget Appropriations

Prior Year Fund Budget Commitments

	CARRY-OVER FUNDS
150,000	CDBG
660,000	HOME
160,000	Housing Finance Fund
1,200,000	G.O. Bonds
2,170,000	Sub-Total Prior Year Appropriations
8,630,841	Total FY17 Programmatic Resources

PROJECTED EXPENDITURES/COMMITMENTS (SPEND PLAN)

3,538,587	RESIDENTIAL REHABILITATION
	2,326,417 Rehabilitation
	165,000 Emergency Repair
	16,000 Architect. Barrier Removal/Handicap Asst.
	0 Investor/Multi-Family Rehab
	40,000 Rehab Hazard Reduction
	991,170 Program Operations
819,820	HOUSING PRODUCTION/HOMEOWNERSHIP
	150,000 Buy-Rehab/Acquisition-Rehab Loans
	177,820 Home Buyer Assistance
	350,000 Single-Family Production
	0 Multi-Family Production
	0 Infrastructure Improvements
	142,000 HOME CHDO Activities
2,765,026	HOMELESS/TRANSITIONAL HOUSING
	240,000 Tenant Based Rental Assistance
	2,347,658 Transitional Housing/Supportive Services
	177,368 Homeless Shelter Improvements/Prevention
389,990	ECONOMIC SELF SUFFICIENCY
	189,500 Business/Commercial Loans
	500 Business/Contractor Education
	199,990 Construction Training
167,262	Property Maintenance/Disposition
0	Redevelopment Acquisition/Clearance
290,670	Public Service/Subrecipient Activity
105,000	Planning, Training, Program Admin/Non-Profit Capacity Dev
184,486	Cost Allocation/GF Admin Reimbursement
370,000	Section 108 Loan Repayments
8,630,841	TOTAL PROJECTED USE OF FUNDS

EXHIBIT 3 HOUSING AND COMMUNITY DEVELOPMENT REVENUE AND EXPENDITURE ALLOCATIONS: FY 2016-2017 (CDY 42)									
DESCRIPTION	FY17 Spend Plan	FY17 Budget Appropriation	FFY 16 CDBG	CDBG Prog Inc	FFY16 HOME	HOME Prog Inc	CoC/ESG	HFF Prog Inc	Prior-Year
RESIDENTIAL REHAB									
NRSA: Owner	1,966,417	566,417	189,424	136,990	160,003	80,000			1,400,000
Citywide Rehab: Owner	260,000	130,000			130,000				130,000
Emergency Repair	165,000	165,000	165,000						
Handicapped Asst.	16,000	16,000	8,000		8,000				
Multi-Family/Investor Rehab	0	0							
Rehab Hazard Reduction	40,000	40,000	25,000		15,000				
Program Operations	974,190	894,190	608,280	152,910	80,000			53,000	80,000
Forsyth County Rehab/Operations	116,980	116,980			116,980				
HOUSING STIMULATION/ HOME OWNERSHIP									
Home Buyer Assistance	177,820	52,820			52,820				125,000
Buy-Rehab/Acquisition-Rehab	150,000	65,000						65,000	85,000
Single-Family Production	350,000	0							350,000
Multi-Family Production	0	0							
Infrastructure Improvements	0	0							
HOME CHDO Activities	142,000	142,000			142,000				
ECONOMIC SELF-SUFFICIENCY									
Business Loans	189,500	189,500	51,500	138,000					
Contractor Business Education	500	500		500					
Construction Training Program	199,990	199,990	138,000					61,990	
OTHER ACTIVITIES									
Property Maintenance/Disposition	167,262	167,262	61,200					106,062	
Redevelopment Acquisition/Clearance	0	0							
Public Service Activities	290,670	290,670	46,750	66,200				177,720	
Homeless: ESG/Transitional/TBRA	2,765,026	2,765,026	144,750	18,400	185,000	55,000	1,928,026	433,850	
Non-Profit Capacity Dev/Training	0	0							
Planning/Training/Administration	105,000	105,000	60,000		35,000			10,000	
Cost Allocation/GF Admin Reimbursement	184,486	184,486	165,780		18,706				
Section 108 Loan Repayment	370,000	370,000	333,000	37,000					
TOTAL ALLOCATION	8,630,841	6,460,841	1,996,684	550,000	943,509	135,000	1,928,026	907,622	2,170,000

PART D: CDBG, HOME, AND ESG SPECIFIC INFORMATION

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

Use of CDBG Funds

The use of funds reasonably expected to be available to the City are described throughout this annual plan. As can be seen in the table above, CDBG funds will be used for the following programs and activities:

- Rehabilitation in the Neighborhood Revitalization Strategy Area (NRSA), including handicap accessibility and hazard reduction (lead-based paint) work, as applicable
- Emergency repairs citywide
- Program operating costs of the Rehabilitation program
- Loans and technical assistance to businesses
- Operating costs to non-profit agencies that provide counseling and case management, employment training, and assistance to neighborhood groups
- Planning and administration
- Repayment of Section 108 loans

Estimate of Projected Benefit for Low and Moderate Income Persons

According to Section 5301(c) of the Act, not less than 70% of CDBG funds shall be used for the support of activities that benefit persons of low- and moderate-income, which are defined as families and individuals whose incomes do not exceed 80% of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families. Expenditures for planning and administration and repayment of the Section 108 loans are excluded from the calculation, as they are considered to meet the national objectives. The only activity the City funds that does not benefit low- and moderate-income persons is property maintenance and disposition.

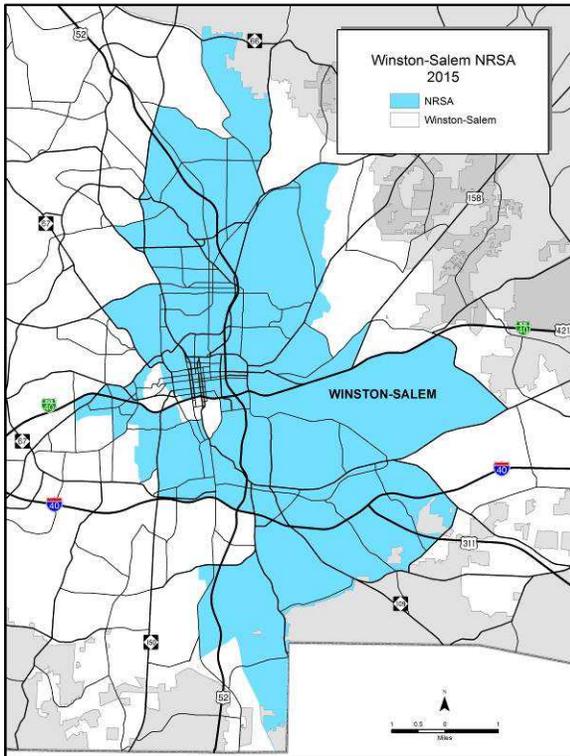
Calculation of Estimated Low and Moderate Income Benefit

• Projected Expenditures Subject to Program Benefit Rules	2,100,904
• Project Expenditures Principally Benefiting Low- and Moderate-Income Persons	2,039,704
• Projected Percent Benefit to Low- and Moderate-Income Persons	97.1%

Neighborhood Revitalization Strategy Area

The Neighborhood Revitalization Strategy submitted pursuant to Notice CPD-96-01 was approved by the U.S. Department of HUD and implementation was initiated during FY 2001 and recertified in FY 2004, FY 2009, and FY 2015. The Revitalization Strategy accomplishes or facilitates accomplishment of several objectives directed toward the goal of economic empowerment of residents, including:

- Consolidation of a patchwork of disconnected target areas into a contiguous, central corridor which is more closely aligned with the Neighborhood Strategy Areas under code enforcement, ensuring consistency of services to neighborhoods;
- Facilitates implementation of Empowerment Zone strategic plan elements which integrates housing, economic and community development under the umbrella of revitalization;
- Greater equity in housing service provision -- ability to serve both sides of the street in each targeted neighborhood;
- Increased emphasis on primary care in housing conservation -- the ability to rehabilitate units at lower average cost before substantial deterioration makes rehabilitation infeasible and more costly acquisition and rehabilitation, clearance or other redevelopment is required;
- Facilitation of neighborhood-based organizational development processes through exemption from the public services cap.
- Reduction of reporting burden on the part of businesses, which has been a disincentive to the use of CDBG funds in job creation/retention activities;
- Streamlined tracking and reporting and in general, greater flexibility in the use of CDBG funds to meet needs within the Revitalization Area.



The Revitalization Strategy Area is a contiguous area, primarily residential in character, and contains a percentage of low- and moderate-income residents that is no less than the upper quartile percentage as defined by the regulations at 24 CFR 570.208(a)(1)(ii) and reflected in the accompanying map. The area complies with the 2014 Low/Moderate Income Summary Data.

Goals and objectives for the NRSA are outlined in the Neighborhood Revitalization Strategy.

HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM

The Winston-Salem/Forsyth Housing Consortium consists of the City of Winston-Salem as the lead entity, Forsyth County, and all of the other cooperating municipalities of the County, consisting of Bethania, Clemmons, Kernersville, Lewisville, Rural Hall, Tobaccoville and Walkertown. The accompanying program description is submitted on behalf of the Consortium as a participating jurisdiction pursuant to HUD approval of February 23, 1993 with subsequent extensions.

HOME program activities focus on increasing the number of "affordable" housing units for lower income individuals and families and increasing the leverage of public funds through financing partnerships. These activities are consistent with Five-Year Consolidated Plan priorities and strategies and also the objectives of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended.

Of the \$943,509 of new grant funds, \$169,800 is allocated to Forsyth County, in accordance with the provisions of the Consortium Agreement, and \$773,709 is allocated to the City of Winston-Salem with an additional \$135,000 in program income. The program activities and expenditures to be derived from FFY16 HOME funds, prior year carryover/reprogrammed funds, and program income, are as follows:

733,003	Rehab: Owner, Rental and Hazard Reduction
400,000	First-Time Homebuyer Assistance/Construction
0	Multi-Family Production
240,000	Tenant-Based Rental Assistance
142,000	CHDO Set-Aside: New Construction (15.1% FFY 16 Grant)
1,515,003	Sub-Total City Program Activities
100,000	Single-Family Owner Rehab
52,820	First-Time Homebuyer Assistance
152,820	Sub-Total County Program Activities
16,980	County Program Admin (10% County Allocation)
53,706	City Training, Admin, and Indirect Cost (6.9% City Allocation)
70,686	Sub-Total (7.5% of FFY 16 Grant)
1,738,509	Total Available HOME Fund Resources

HOME regulations require the participating jurisdiction to match 25% of HOME funds drawn for program activities. The Consortium meets the match requirement through funds from the County and the participating municipalities and from unrecouped private sector contributions to one Community Housing Development Organization (CHDO) for home ownership units. HOME match funds for FY17 are projected to total \$38,205 from Forsyth County and participating municipalities and \$500,000 from private sector contributions.

As HOME program funding will be used to leverage and complement ongoing housing program activities funded from other sources, program administration will be undertaken by the operating departments administering CDBG and other housing activities. Program administration and project implementation functions are to be conducted by the City of Winston-Salem for those activities taking place within the City and by Forsyth County for those activities taking place within the other cooperating municipalities and unincorporated areas of the County.

Single-Family Rehab

The City provides direct and deferred loans to rehabilitate owner-occupied single-family housing units citywide to applicants with total household incomes below 80% of area median income. The City projects to assist up to 10 homeowners during FY17.

First-Time Homebuyer Assistance

The City provides a down payment and second mortgage assistance program for the purchase of newly constructed or existing units citywide to applicants with total household incomes below 80% of area median income and who qualify as first-time home buyers. This assistance is provided in conjunction with fixed-rate, 15- to 30-year first mortgage loans and is due and payable on sale or transfer of the property, when the property ceases to be owner-occupied, or when the first mortgage is paid in full. The program is funded with local and HOME funds, and the City projects to assist approximately 10 homebuyers during FY17. Program policies are included in Appendix C.



Home Receiving Homebuyer Assistance

CHDO Set-Aside

The FFY 16 Community Housing Development Organization (CHDO) set-aside is reserved for one CHDO for up to 15 new construction or rehabilitation units for home ownership in multiple locations, noting that additional, previously encumbered funds remain from prior years.



House in Glenn Oaks

Multi-Family Rehabilitation/Production

The use of HOME funds for multi-family projects is principally reserved, as a policy decision, for low-income housing tax credit projects or projects sponsored by non-profit, public agency entities, given the complexities of the HOME Program affordability restrictions; however, proposals may be reviewed on a case-by-case basis for projects serving special needs populations. Of two

multi-family new construction projects approved in prior years, one will be leasing up and one will be under construction in FY17.

Forsyth County Programs

The County’s mission is to provide affordable housing to low- and moderate-income residents in unincorporated areas and small municipalities by the effective utilization of local, state and federal grant programs for activities such as housing rehabilitation, first-time homebuyer programs, and code enforcement.

First Time Homebuyer

The County anticipates providing first-time home ownership opportunities for approximately 30 low-income households (at or below 80% of median income) with new and existing home acquisition. The financing will be provided through a combination of HOME Program funds and other funding programs, such as County Match, Individual Development Accounts, North Carolina Housing Finance Agency (NCHFA), and private bank fund contributions. The assistance will come in the form of deferred down payment loans, and some funds under the IDA program will be provided as a matching \$2,000 grant for \$1,000 provided by the home buyer. The NCHFA loans will be deferred until the first mortgage is fully amortized. The County HOME down payment assistance loan is a 30-year deferred loan that requires a balloon payment of the principal upon the completion of the 30th year. The County HOME loan will also be due upon sale of the property or when the home is no longer occupied by the HOME-assisted buyer. It is estimated that each household will be provided with an average of \$9,500 in financial assistance.

The Winston-Salem/Forsyth Housing Consortium utilizes the recapture provision of the HOME regulations. This is where the City/County, as per HUD regulations, requires recapture of HOME funds for down payment assistance for a “period of affordability”. The HUD minimum period of affordability is detailed below and is based upon the amount of HOME financial assistance provided. The County period of affordability is the minimum period required by HOME regulations. During this period the County will recapture the entire direct subsidy, which is the amount of the County HOME loan for down payment assistance and closing costs. If the buyer sells the home during this period and the sales price is too low to pay off all debt, the County will only recapture the amount left after paying the first mortgage and closing costs. Recapture is limited to the net proceeds available at sale. The County ensures the period of affordability is preserved by utilizing a separate Buyer Written Agreement between the County and the homebuyer, a deed of trust, and promissory note.

HOME Investment	Period of Affordability
• Under \$15,000	5 years
• Between \$15,000 and \$40,000	10 years
• Over \$40,000	15 years

Single-Family Owner Rehab

The County anticipates having between \$30,000 and \$50,000 in HOME funds available for use in rehabilitating 6 to 8 substandard, owner-occupied homes. These funds will be loaned as deferred forgiveness no interest loans that will only be paid back upon early sale of the property or relocation of the owner from the property. In some cases where rehabilitation assistance

exceeds \$25,000, those loans may be amortized at 0% interest for the amount above the \$25,000 threshold.

The County Housing Department will include other rehabilitation funds as they become available, including locally derived municipal/county match, NC Housing Finance Agency (NCHFA) Essential Single-Family Rehabilitation and Urgent Repair funding. Properties assisted will be located in the other cooperating municipalities as well as in the unincorporated areas of the County. Depending on availability of funding, an additional \$175,000 to \$250,000 loan pool amount from NCHFA to rehab 10 to 18 dwellings is also available as additional financing. Owner occupants under the Emergency/Urgent Repair Program will be provided with up to \$8,000 in grants and/or loans for repairs/replacement of heating systems, septic systems, and roofs. The HOME-funded projects for comprehensive rehab will have an average funding of \$20,000 per structure.

Matching Funds

From County appropriation and \$12,000 to be derived from the small municipalities, it is anticipated that the County will provide up to \$26,205 in matching funds for the 2016-2017 program year. Other funds that may be used as match include, but are not limited to, eligible matching funds and volunteer labor generated by Habitat for Humanity.

Code Enforcement

The County enforces an increasing number of minimum housing code complaints in unincorporated areas and participating municipalities outside the Winston-Salem city limits. Inspections are usually initiated by a citizen's complaint process.

Tenant Based Rental Assistance (TBRA)

Tenant based rental assistance is an essential element of the consolidated plan. The goal of this component is to assist households in attaining housing stability. The program serves approximately 25 households per year, and households may participate for up to two years. The program requires coordination between the Housing Authority of Winston-Salem and social service agencies. The use of HOME TBRA assists the community in meeting the goals of the Ten-Year Plan to End Chronic Homelessness.

EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM

The City of Winston-Salem receives ESG funds on an entitlement basis. The City will also apply to the State of North Carolina on behalf of homeless service providers for ESG funds that the State receives from HUD. City ESG entitlement funds in the amount of \$177,368 will be used to provide for the operational needs of five emergency shelters and for rapid re-housing activities. State ESG funds will be used for shelter operations at five emergency shelters, rapid re-housing, and data management in a homeless management information system. Non-profit organizations to carry out these activities were selected through the City's annual request for proposal process, which was open to community and faith-based organizations. A rating panel made up of members appointed by the Continuum of Care reviewed all proposals and made recommendations for funding.

Standards for providing ESG assistance as well as performance standards for evaluating activities and consulting with homeless or formerly homeless individuals are described in Appendix F. As the collaborative applicant for the Winston-Salem/Forsyth County Continuum of Care, the City is involved in planning and developing programs to meet the needs of individuals and families in the community that are homeless or at risk of homelessness and works with service providers that assist them.



Samaritan Ministries Shelter

Community and Business Development

FY17 CDBG-HOME-HFF FUNDING REQUESTS

	Agency	Program	Use	FY16 Award	Current Source	FY17 Request	FY17 Recommended	Proposed Source		
								CDBG	HOME	HFF
1	AIDS Care Service*	Housing Case Management	Operational expenses	\$ 68,370	CDBG/HFF	68,370	\$ 60,850	\$ 30,850		\$ 30,000
2	Bethesda Center	Case Management through day shelter	Operational expenses	160,000	HFF	160,000	142,400			142,400
3	Experiment in Self-Reliance*	Housing Case Management	Operational expenses	91,150	CDBG	100,265	89,250	69,250		20,000
4	Experiment in Self-Reliance	Volunteer Income Tax Assistance (VITA)	Operational expenses	30,000	HFF	30,000	26,700			26,700
5	Financial Pathways of the Piedmont*	Center for Homeownership	Operational expenses	71,220	CDBG	75,000	66,750	46,750		20,000
6	Habitat for Humanity	Habitat for Humanity	Acquisition, new construction, rehab	138,000	HOME	236,800	142,000		142,000	
7	HAWS	HOME TBRA	Rental assistance	240,000	HOME	240,000	240,000		240,000	
8	Liberty East Redevelopment (LER)	After-School/Digital Connector	Operational expenses	31,150	HFF	31,650	0			
9	Neighbors for Better Neighborhoods	Neighbors for Better Neighborhoods	Operational expenses	39,170	CDBG	45,000	40,050	40,050		
10	NC Housing Foundation*	The Commons Case Management	Operational expenses	0	n/a	15,000	13,350			13,350
11	Piedmont Triad Regional Council*	Project Re-Entry	Operational expenses	17,500	CDBG/HFF	35,000	31,150	21,150		10,000
12	Southside United Health Center*	Comprehensive Health Center	Rent	0	n/a	18,000	16,020			16,020
13	United Way	Ten-Year Plan Administration	Operational expenses	20,750	CDBG/HFF	30,000	26,700	18,400		8,300
14	United Way*	Community Intake Center	Operational expenses	34,120	CDBG	34,120	30,400	30,400		
15	United Way	Continuum of Care Strategic Plan	Consulting	0	n/a	25,000	22,250	22,250		
16	VHVVH*	Veterans Helping Veterans Heal	Operational expenses	12,450	CDBG	16,000	14,250	14,250		
17	Winston-Salem Industries for the Blind*	Optical Manufacturing	Purchase of Equipment	0	n/a	303,500	0			
				953,880		1,463,705	962,120	293,350	382,000	286,770

* CDBG Public Service Cap

FY17 City ESG Rating Panel Funding Recommendation

	Agency	SOURCE	Program	Category	Proposed Use	FY16 Funded	FY17 Agency Request	FY17 Panel Recommendation
1	Bethesda Center	City ESG	Women's Night Shelter	Shelter	Operating Costs	32,689	35,000	32,689
2	Family Services	City ESG	Battered Women's Shelter	Shelter	Operating Costs	20,170	20,170	20,170
3	Salvation Army	City ESG	TSA Center of Hope	Shelter	Operating Costs	20,211	20,211	20,211
4	Samaritan Ministries	City ESG	Samaritan Inn	Shelter	Operating Costs	20,211	20,211	20,211
5	United Way	City ESG	Overflow Shelter	Shelter	Operating Costs	11,500	11,500	11,500
6	United Way	City ESG	Rapid Re-Housing	Housing Stabilization	Staff and Client Financial Assistance	69,854	100,000	72,587
7	Whole Man Ministries	City ESG	Rapid Re-Housing	Housing Stabilization	Staff and Client Financial Assistance	0	25,000	0
	TOTALS					174,636	232,092	177,368

RECOMMENDATION: If funding is level, provide level funding as it is allocated to agencies in the current year. In this case, do not fund Whole Man Ministries. If the City ESG allocation from HUD increases by less than \$15,000, provide the increase to the United Way Rapid Rehousing Program. If the City ESG allocation from HUD increases by at least \$15,000, then fund Whole Man Ministries for \$15,000 for a housing locator staff position, subject to Whole Man Ministries agreeing to use the position to participate in the CoC-wide rapid rehousing collaborative and subject to Whole Man Ministries filling the position with a person qualified to perform housing location duties. If Whole Man Ministries cannot agree to these conditions, then the \$15,000 will go to the United Way Rapid Rehousing program. If the City ESG allocation increases by more than \$15,000, the amount over \$15,000 is to be allocated to the United Way Rapid Rehousing program. If the City ESG funding allocation is less than the current year's amount, do not fund Whole Man Ministries and reduce all other programs proportionately from the current year amounts.

FY17 State ESG Rating Panel Funding Recommendation

	Agency	SOURCE	Program	Category	Proposed Use	FY16 Funded	FY17 Agency Request	Scenario 1: Level Funding	Scenario 2: example--\$10K More for Shelters and \$10K More for Non-Shelters	Scenario 3: example-- \$10K Less for Shelters and \$10K less for non-Shelters
1	Bethesda Center	State ESG	Day Shelter	Shelter	Operating Costs	19,598	20,000	19,598	21,290	17,905
2	Bethesda Center	State ESG	Night Shelter	Shelter	Operating Costs	23,883	25,000	23,883	25,946	21,820
3	ESR	State ESG	Burton Street Apts	Shelter	Operating Costs	13,052	13,052	13,052	14,179	11,925
4	Family Services	State ESG	Women's Shelter	Shelter	Operating Costs	10,466	10,466	10,466	11,370	9,562
5	Salvation Army	State ESG	Center of Hope	Shelter	Operating Costs	24,388	24,388	24,388	26,494	22,281
6	Samaritan Ministries	State ESG	Samaritan Inn	Shelter	Operating Costs	24,388	24,388	24,388	26,494	22,281
7	United Way	State ESG	Rapid Re-Housing (RRH)	Housing Stabilization	Staff and Client Financial Assistance	38,533	120,000	38,533	48,533	28,533
8	United Way	State ESG	Information System	HMIS	Data Coordination Staff	38,650	38,650	38,650	38,650	38,650
	TOTALS					192,957	275,944	192,957	212,957	172,957

Recommendation: Assume the state will provide two separate funding amounts for shelter and non-shelter activities. Provide all shelter funding allocated by the state for shelters to shelters, proportional to current year funding, whether the shelter funding provided by the state is level, an increase or a decrease. In the non-shelter category, first fund the United Way data project up to \$38,650, then any remaining funds are to go to the United Way Rapid Rehousing project.

City Council – Action Request Form

Date: March 30, 2016

To: The City Manager

From: D. Ritchie Brooks, Director – Community and Business Development Department

Council Action Requested:

Authorize submission of a request to the U.S. Department of Housing and Urban Development (HUD) to transfer Continuum of Care (CoC) Homeless Assistance grants from CenterPoint Human Services to the City of Winston-Salem, authorize execution of grant agreements with HUD, authorize execution of agreements with subgrantee agencies, and authorize execution and submission of required technical documentation and periodic progress reports to HUD.

Summary of Information:

The Continuum of Care (CoC) Homeless Assistance programs are offered by the U.S. Department of Housing and Urban Development (HUD) to address homelessness. The City of Winston-Salem coordinates the local consolidated CoC funding application each year to address needs identified in the Consolidated Housing and Community Development Plan.

Last year, the City was awarded 22 CoC grants for \$1,546,288, CenterPoint was awarded two grants for \$319,890 and Next Step Ministries was awarded one grant for \$32,130. The grants currently received by the City are distributed among local agencies including the Bethesda Center for the Homeless, Experiment in Self-Reliance, Family Services, the Housing Authority of Winston-Salem (HAWS), Samaritan Ministries, The Salvation Army and United Way of Forsyth County.

CenterPoint Human Services has requested to transfer its two grants to the City of Winston-Salem. CenterPoint will merge with Cardinal Innovations Healthcare of Kannapolis, North Carolina by July 1, 2016. Cardinal Innovations does not serve as the direct recipient of HUD grants. To keep the grant funding in Winston-Salem and Forsyth County, CenterPoint requests that the City become the direct recipient of the grants from HUD.

CenterPoint’s two CoC grants total \$319,890 and provide rental assistance for up to 52 disabled, formerly homeless households each year. Persons residing in Forsyth County are eligible for the

Committee Action:

Committee	_____	Action	_____
For	_____	Against	_____

Remarks:

assistance. Of the 25 households currently enrolled in the program, all live within the city limits of Winston-Salem. Transfer of the grants would ensure that current participants retain their housing and that future participants can be placed in housing in the Winston-Salem/Forsyth County community.

The City currently receives five CoC grants, totaling \$685,938, of the type that CenterPoint requests to transfer to the City. The City and CenterPoint both currently utilize HAWS to administer the rental assistance under these grants. After transfer of the grants from CenterPoint, the City will continue to contract with HAWS to administer the rental assistance.

The grants to be transferred from CenterPoint also include funds for supportive services for the tenants. Currently, CenterPoint staff coordinates services to the tenant. Cardinal Innovations will allow its staff to continue the coordination of services for up to one year. During that time, and subsequent to receiving the grants, the City will use a Request for Proposals process, under the auspices of the Continuum of Care Rating Panel, to select an agency to provide supportive services for the tenants. A number of local agencies currently provide this type of service, including AIDS Care Service, the Bethesda Center, Experiment in Self-Reliance and The Salvation Army.

The current CenterPoint grants end June 30, 2016, and CenterPoint needs to complete the transfer by June 30, 2016. Pursuant to HUD regulations, the City and CenterPoint are obtaining approval from the Continuum of Care for the grant transfer.

The grants were originally funded in 1993 and 2002, respectively and have continued to be renewed over the years. HUD has already awarded renewals of the grants for the year beginning July 1, 2016. Additional renewals are eligible to be included in future grant applications to HUD.

The accompanying resolution authorizes the City Manager to submit a request to HUD to transfer the CoC Homeless Assistance grants from CenterPoint Human Services to the City of Winston-Salem, execute grant agreements with HUD, execute subgrantee agreements with selected subgrantee agencies, and execute and submit required technical documentation and periodic progress reports to HUD.

RESOLUTION AUTHORIZING TRANSFER OF CONTINUUM OF CARE HOMELESS GRANTS, ACCEPTANCE OF GRANT FUNDS, AND EXECUTION OF AGREEMENTS

WHEREAS, the City of Winston-Salem has coordinated annual Continuum of Care applications to the U.S. Department of Housing and Urban Development (HUD) on behalf of project sponsors since 1995, receiving over \$25.3 million; and

WHEREAS, CenterPoint Human Services received two Continuum of Care grants; and

WHEREAS, CenterPoint Human Services is merging with Cardinal Innovations of Kannapolis, North Carolina, which does not serve as a direct recipient of HUD grants; and

WHEREAS, CenterPoint Human Services has requested to transfer its two grants to the City of Winston-Salem; and

WHEREAS, it is necessary to have agreements between the City and the subgrantee agencies to ensure funds are expended for the purposes intended.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of the City of Winston-Salem, upon the recommendation of the Finance Committee, hereby authorizes the City Manager to submit a request to HUD to transfer the grants from CenterPoint Human Services to the City of Winston-Salem.

BE IT FURTHER RESOLVED that the Mayor and City Council of the City of Winston-Salem hereby authorize the City Manager to execute funding agreements with HUD and execute and submit required technical documentation and periodic progress reports to HUD.

BE IT FURTHER RESOLVED that the Mayor and City Council of the City of Winston-Salem hereby authorize the City Manager to execute agreements with the Housing Authority of the City of Winston-Salem to administer rental assistance using the grant funds and with an agency or agencies, selected through the Continuum of Care Rating Panel process, to provide supportive services to the tenants.

City Council – Action Request Form

Date: April 18, 2016

To: The City Manager

From: D. Ritchie Brooks, Community & Business Development Director
Lisa Saunders, Chief Financial Officer

Council Action Requested:
Authorizing the issuance of revenue bonds, the proceeds of which will be used to finance acquisition, rehabilitation and equipping of Rolling Hills Apartments (East Ward).

Summary of Information:

The City has been requested to provide financing for the acquisition, rehabilitation and equipping of a 110-unit, multi-family rental housing development located at 770 Ferrell Ct., Winston-Salem, NC known as Rolling Hills Apartments. The purpose of this action is to indicate the willingness of the City of Winston-Salem to issue Housing Revenue Bonds for the acquisition and complete rehabilitation of 106 of the 110 units of the identified property.

North Carolina General Statutes (NCGS) allow a City to issue multifamily housing revenue bonds. NCGS 160A-456 (b) and 157-14 indicate that the bonds shall not be a debt of the City nor shall any bonds or obligations be payable out of any funds of the City. By statute and by contract, the repayment of the bonds will not be an obligation of the City. Multifamily Housing Revenue Bonds are secured by the revenues of the project and not by any pledge of funds by the City. Other projects where bonds have been used include:

- Northeast Winston Ventures, LaDeara Crest Properties (1997)
- Summit Square (1986)
- Spruce Street YMCA (1985)
- Academy Park, (1980)
- Tanners Run (1980)

Committee Action:

Committee	Action
_____	_____
For	Against
_____	_____
Remarks:	

The Rolling Hills Apartment complex is a private, Section 8-subsidized apartment housing development. Over the last five years, Community and Business Development staff has cited units within the complex for several repeat violations. Those violations include: defective light fixtures/outlets/switches, inoperative or missing smoke detectors, holes in walls and ceilings, plumbing leaks and defective plumbing fixtures, infestations of roaches and bedbugs, defective or loose floor coverings and inoperable heating facilities.

The prospective owners of the complex, Steel Rolling Hills, LLC, proposes to perform renovations to 106 of the 110 units on the property. The four units excluded from the scope of work were recently rehabbed as a result of fire damage or other reasons. The proposed rehabilitation project totals \$3,000,000, of which \$1,700,000 will be used for the upfit of the interiors of the units and \$1,300,000 will be used for exterior improvements including \$50,000 for the expansion and renovation of the existing community room. Examples of the proposed interior improvements include: the installation of new tubs, sinks, toilets and vanities; new windows and window blinds, new carpet, and electrical improvements. Between 53 and 76 of the units will also receive new kitchen cabinets, countertops, and plumbing fixtures. The prospective owners also propose to create a new entrance sign to the development and make repairs to the perimeter fence where needed.

All of the previously mentioned code enforcement violations, with the exception of the infestation issues, appear to be addressed in the Rolling Hills Scope of Work Outline and Specifications. The past history regarding the infestation issues has been shared with the prospective owners.

The request is contingent upon approval of Steel Rolling Hills, LLC tax credit application which is due to NCHFA on May 13, 2016.

**RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF
REVENUE BONDS TO FINANCE THE ACQUISITION, REHABILITATION AND
EQUIPPING OF AN AFFORDABLE HOUSING DEVELOPMENT
(ROLLING HILLS APARTMENTS)**

WHEREAS, Steele Rolling Hills LLC, a North Carolina limited liability company, or an affiliated or related entity (the “Borrower”), has requested that the City of Winston-Salem (the “City”) exercise the powers of a housing authority (as permitted by North Carolina law) and provide conduit financing for the acquisition of Rolling Hills Apartments and the renovation and construction of 110 affordable housing units therein located at 770 Ferrell Court, Winston-Salem, Forsyth County, North Carolina (the “Development”); and

WHEREAS, the Borrower has described the benefits of the Development to the City and the State of North Carolina and has requested the City to adopt a reimbursement resolution evidencing its willingness to authorize the issuance of its conduit affordable housing revenue bonds to finance a portion of the costs of acquiring, rehabilitating and installing the Development;

NOW, THEREFORE BE IT RESOLVED, by the Mayor and City Council of the City of Winston-Salem:

1. It is hereby preliminarily found and determined that the Development will involve the acquisition, rehabilitation and equipping of a housing facility to serve persons of low and moderate income, and that therefore, pursuant to the terms and subject to the conditions hereinafter stated and Section 160A-456(b) and Chapter 157 of the North Carolina General Statutes (collectively, the “Act”), the City agrees to assist the Borrower in every reasonable way to issue bonds to finance the acquisition, rehabilitation and equipping of the Development, and, in particular, to undertake the issuance of the City’s non-recourse housing revenue bonds (the “Bonds”) in one or more series in an aggregate amount now estimated not to exceed Five Million Six Hundred Thousand Dollars (\$5,600,000) to provide all or part of the cost of the Development. This initial approval is conditioned upon the Borrower providing such information as is requested by the City with respect to the Development, allocation of volume cap to the Bonds and the Development by the North Carolina Tax Reform Allocation Committee (at the recommendation of the North Carolina Housing Finance Agency) (collectively “TRAC”) and agreement between the City and the Borrower as to the terms of the transaction. This approval is an expression of the City’s intention and is not an authorization to issue the Bonds.

2. The City intends that the adoption of this resolution be considered as “official action” toward the issuance of the Bonds within the meaning of the regulations issued by the Internal Revenue Service pursuant to the Internal Revenue Code of 1986, as amended (the “Code”).

3. The Bonds shall be issued in such series and amounts and upon such terms and conditions as are mutually agreed upon among the City and the Borrower. The City and the

Borrower shall enter into a “financing agreement” pursuant to the Act for a term and upon payments sufficient to pay the principal of, premium, if any, and interest on the Bonds and to pay all of the expenses of the City in connection with the Bonds and the Development. The Bonds will be issued pursuant to an indenture or security agreement between the City and a trustee (the “Trustee”) or the bondholder which will set forth the form and terms of the Bonds and will assign to the Trustee for the benefit of the holders of the Bonds, or directly to the bondholder, the City’s rights to payments under the financing agreement. THE BONDS SHALL NOT BE DEEMED TO CONSITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NORTH CAROLINA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, INCLUDING THE CITY OF WINSTON-SALEM, BUT SHALL BE PAYABLE SOLELY FROM THE REVENUES AND OTHER FUNDS PROVIDED UNDER THE PROPOSED AGREEMENTS WITH THE BORROWER.

4. The City will cooperate with the Borrower, upon the prior advice, consent and approval of the Borrower, bond counsel and the City’s counsel, as it seeks to obtain approvals in connection with the issuance and sale of the Bonds, including, without limitation, from TRAC and from the North Carolina Local Government Commission (if such consent is required).

5. It having been represented to the City that it is desirable to proceed with the acquisition, rehabilitation and equipping of the Development, the City agrees that the Borrower may proceed with plans for such acquisition, rehabilitation and equipping, enter into contracts for the same, and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Borrower to obligate the City without its written consent in each instance to the payment of any monies or the performance of any act in connection with the Development and no such consent shall be implied from the City’s adoption of this resolution. The City agrees that the Borrower may be reimbursed from the proceeds of the Bonds for all qualifying costs so incurred by it as permitted by Internal Revenue Service Regulations Section 1.150-2.

6. All obligations hereunder of the City are subject to the further agreement of the City and the Borrower, to satisfactory review by the City of the financial capability of the Borrower and satisfactory underwriting of the Development, and mutual agreement to the terms for the Bonds, including the execution of a financing agreement, indenture, or security agreement and other documents and agreements necessary or desirable for the issuance, sale and delivery of the Bonds. The City has not authorized and does not authorize the expenditure of any funds or monies of the City from any source other than the issuance of the Bonds. All costs and expenses in connection with the financing and the acquisition, rehabilitation and equipping of the Development and the issuance of the Bonds, including the reasonable fees and expenses of the City’s counsel, bond counsel, other counsel and advisors involved in the issuance of the Bonds and any placement agent or underwriter for the sale of the Bonds, shall be paid from the proceeds of the Bonds or by the Borrower, but if for any reason the Bonds are not issued, all such expenses shall be paid by the Borrower, and the City shall have no responsibility therefor. It is understood and agreed by the City and the Borrower that nothing contained in this resolution shall be construed or interpreted to create any personal liability of the officers or trustees from time to time of the City.

7. The officers of the City are hereby authorized and directed to take all actions in furtherance of the issuance of the Bonds, including calling for a public hearing with respect to the financing of the Development through the issuance of the Bonds.

8. This resolution shall take effect immediately upon its passage.

CITY SECRETARY CERTIFICATION

I, Melanie Johnson, the duly appointed City Secretary of the City of Winston-Salem, North Carolina, do hereby certify that the foregoing resolution was properly adopted by the City Council of the City at a regular meeting duly called and held on April 18, 2016.

(SEAL)

By: _____
City Secretary

Memorandum



Office of the
City Manager

Ben Rowe
Assistant City Manager

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Winston-Salem, NC 27102
Tel 336.747.7381
Fax 336.748.3060
benr@cityofws.org
www.cityofws.org

TO: Mayor Allen Joines and Members of the City Council
FROM: Ben Rowe, Assistant City Manager
DATE: April 11, 2016
SUBJECT: Second Report of the Citizens' Bond Oversight Committee
CC: Lee D. Garrity, City Manager

To ensure efficiency, equity, timeliness, and accountability in the implementation of the voter approved \$139.2 million in bond-funded projects, the Mayor and City Council created the Citizens' Bond Oversight Committee in November 2014. As part of its duties and responsibilities, the Committee is to provide regular reports to the Mayor and City Council on the progress of the bond projects. Attached to this memo is the second written report of the Citizens' Bond Oversight Committee. Randon Pender, chair of the Committee, will present the report to the City Council's Finance Committee in April.

Report of the Citizens' Bond Oversight Committee

April 2016

On November 4, 2014, Winston-Salem voters approved a \$139.2 million bond package that would address the City’s most critical capital needs. The bond package included the following five bond orders:

Bond Order	Amount
Economic Development	\$25,000,000
Housing	\$10,000,000
Public Safety Facilities	\$31,000,000
Parks and Recreation	\$30,850,000
Streets and Sidewalks	\$42,350,000
Total	\$139,200,000

On November 17, 2014, the Mayor and City Council created the Citizens’ Bond Oversight Committee whose purpose is “to ensure efficiency, equity, timeliness, and accountability in the implementation of the projects” approved through the bond referendum. The committee is composed of nine members who are city residents and represent the diversity present in the community. One member of the committee is a professional engineer. Members of the committee were appointed in March 2015.

The duties and responsibilities of the Citizens’ Bond Oversight Committee are as follows:

- (1) To review the City Manager’s plan relating to the issuance of \$139.2 million in bonds for projects approved by City of Winston-Salem voters on November 4, 2014.
- (2) To ensure contracting meets the City’s priorities regarding the participation of local vendors and Minority/Women Business Enterprises in implementing the bond-funded projects.
- (3) To monitor the timeliness of the implementation of the City Manager’s plan.
- (4) To review the appropriation and spending plan of bond proceeds.
- (5) To provide regular reports to the Mayor and City Council on the progress of bond projects.
- (6) To perform such other tasks as the Mayor and City Council may direct.

The committee submitted its first report to the Mayor and City Council in August 2015. The Citizens’ Bond Oversight Committee hereby submits its second report on the progress of the voter-approved 2014 bond projects. According to the resolution creating the committee, this report should indicate whether:

- (1) the timing and location of projects are equitably distributed in all areas of the City,
- (2) the projects are built in a cost-effective manner and within budget targets, and
- (3) the projects are built to acceptable standards of quality

Since the submission of the committee’s first report, the committee held three meetings and concluded their tour of bond project locations.

September Tour

- Winston Lake Park
- Winston Lake Golf Course
- Nichols Park and Carver High School Tennis Courts
- Bowen Park
- Fairview Park
- Blum Park
- Kimberley Park
- Polo Road
- Bethabara Park Boulevard (Potential Site for Water Sprayground Park)
- Meadowlark Drive and Jamison Park
- Miller Park
- Hanes Park

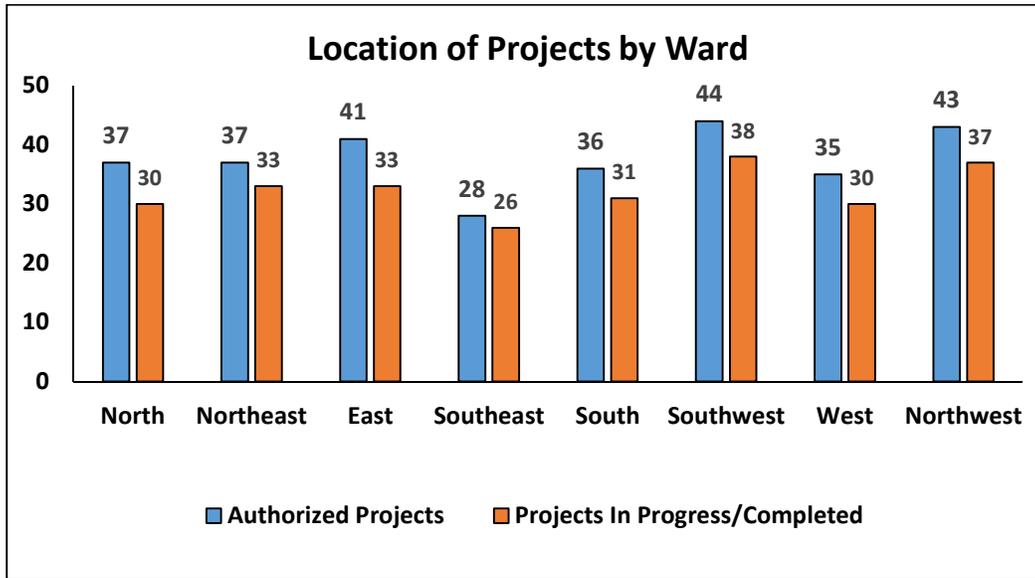
The following table notes the members’ attendance at each meeting and tour. Minutes from the committee’s meetings and tours are available in the City Secretary’s Office.

Meeting/Tour Date	Attendance
September 18, 2015	7
September 28, 2015 (Tour)	6
November 20, 2015	7
January 15, 2016	7

City staff presented information about the project managers assigned to the bond projects, North Carolina purchasing laws, and the City’s Minority/Women Business Enterprise Program. In addition, staff from the Community and Business Development Department provided an overview of the Revitalizing Urban Commercial Area (RUCA) and Transforming Urban Residential Neighborhoods (TURN) programs. Over the last several months, the Mayor and City Council has awarded a number of contracts for construction of many of the bond projects. Committee members also received updates on the award of those construction contracts.

Timing and Location of Projects

Currently, there are 301 specific projects defined. Of the 301 projects, eight currently are under construction, with 167 projects projected to be under construction by June 2016 and 83 completed. The following chart notes the location of all authorized projects by ward (blue bar) and those completed, under construction, or projected to be under construction by June (orange).



Current Spending Commitments and Budget

As of February 29, 2016, the City had committed approximately \$35.6 million on the projects, including \$21.1 million in encumbered construction contracts. The amount committed also includes \$534,000 for a loan to Winston-Salem Business Inc. for development of a speculative building at Union Cross Business Park.

Bond Order	Authorized	\$ Committed	% Committed
Economic Development	\$25,000,000	\$533,640	2.1%
Housing	\$10,000,000	\$0	0%
Public Safety Facilities	\$31,000,000	\$16,446,212	53.1%
Parks and Recreation	\$30,850,000	\$7,017,928	22.7%
Streets and Sidewalks	\$42,350,000	\$11,603,953	27.4%
Total	\$139,200,000	\$35,601,733	25.6%

The City currently has encumbered \$6.7 million in architectural/engineering contracts. These contracts include commitments of \$1.6 million in Minority/Women Business Enterprise participation, or 23.4% of the total amount. The City’s MWBE goal for these contracts is 10%

Attachment A provides the MWBE goals and actual MWBE commitments for construction contracts that have been awarded through the formal bidding process required by state law. The City's internal MWBE committee sets goals for each bond project that is formally bid out. The overall goal is 17.6% including minority and women-owned businesses. The actual final commitment submitted by contractors on their Affidavit D or E is 20.1%, an increase of 2.5 percentage points above the goal. The dollar commitment totals over \$6.3 million for minority and women-owned businesses combined.

Quality and Scope of Projects

The City staff has provided the Committee updates on the bond projects over the last several months. The City is experiencing a challenge with bidder participation and cost escalation, in particular for a number of the parks and recreation projects. Bids for projects, such as the Quarry Park and Salem Lake Park, have exceeded the estimated construction budgets and required staff to work with the architects to value engineer the projects to bring the cost within the approved budgets. The Committee is concerned these choices and adjustments in scope, while necessary, will result in projects that do not meet the community's expectations.

At the Committee's March meeting, City staff presented a proposal to appropriate \$5 million in new debt capacity for select parks and recreation projects, the Benton Convention Center renovations project, and overall project contingency. The Committee is encouraged by the availability of additional funding and the Mayor and City Council's decision to use this funding to restore more elements of the original scope for these select projects.

Other Observations/Comments

Last November, the Committee suggested that the City conduct an information campaign to update the community on the progress of the approved bond projects. The City's Marketing and Communications Department developed and implemented a multi-media campaign that provided information through the following outlets:

Print Media

- Winston-Salem Journal: City Page (January 10 and 17)
- Winston-Salem Chronicle
- Yes Weekly
- City Beat

City Resources

- Bond Update Page on www.2014bonds.cityofws.org
- CityLine – Utility Bill Insert
- City Feedback Line (734-1400) and On-line Form

Focused Digital Ad Campaign

Radio Interviews (WSJS)

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The City received 13 comments through the telephone feedback line. Attachment B provides the verbatim comments submitted by citizens. The City staff provided responses to most of the comments.

The members of the Citizens' Bond Oversight Committee appreciate the opportunity to serve the Mayor and City Council and the citizens of Winston-Salem in this important oversight role. Attachment C provides the Committee's 2016 calendar of meetings. As construction progresses on the bond projects, the Committee intends to schedule additional site visits to monitor the progress and quality of the projects.

We look forward to presenting our report to the City Council's Finance Committee meeting in April.

ATTACHMENT A

MWBE Commitments – Construction Contracts

Projects	M/WBE % Goals by Internal Committee		M/WBE % Affidavit "E" or "D"		M/WBE Dollars Affidavit "E" or "D"	
	MBE	WBE	MBE	WBE	MBE	WBE
Street Resurfacing - Contract 1	5.00%	5.00%	5.00%	5.00%	\$245,000.00	\$245,000.00
Street Resurfacing - Contract 2	5.00%	5.00%	5.02%	5.03%	\$121,500.00	\$121,717.00
Police District 2 Office (Waughtown St)	15.00%	10.00%	15.05%	20.62%	\$253,390.00	\$347,166.00
Sedge Garden Recreation Center Gymnasium	8.00%	10.00%	9.15%	12.40%	\$102,088.00	\$138,383.00
Sidewalk - Reynolds Park Road (no curb/gutter)	10.00%	10.00%	10.00%	10.00%	\$108,753.00	\$108,753.00
Fire Station #8 Renovation (Wake Forest)	12.00%	10.00%	13.71%	4.12%	\$239,735.00	\$72,030.00
Sidewalk - Cole Road (no curb/gutter)	10.00%	10.00%	7.29%	32.53%	\$37,886.00	\$169,120.00
Jamison Park Development	12.00%	10.00%	12.17%	10.28%	\$316,770.00	\$267,672.00
Alexander Beaty Public Safety Training and Support Center - Phase II	10.00%	10.00%	4.52%	6.43%	\$198,000.00	\$281,460.00
Police District #1(University Parkway/North Point Boulevard) and #3(Hanes Mall Boulevard/Jonestown Road)	10.00%	7.00%	12.79%	7.45%	\$664,472.00	\$386,841.00
Polo Road Corridor Improvements	10.00%	10.00%	12.15%	10.00%	\$179,910.00	\$148,060.00
Quarry Park Development - Phase I	10.00%	10.00%	10.00%	27.00%	\$428,500.00	\$1,156,950.00

9.30%	8.33%	9.20%	10.94%	\$2,896,004.00	\$3,443,152.00
Total	17.63%	Total	20.14%		

ATTACHMENT B

Public Comments Received During January Community Update

Date/Time	Comments
1/20/2016 15:19	<p>Hello! I am very excited about the bond projects, but am writing specifically about two - the Salem Lake improvements and Meadowlark Road. The Salem Lake improvements are going to be wonderful, but if at all possible, I'd encourage you to try and keep the water access open for all activities, including SUP (stand up paddle board) access. I just bought a paddle board last year along with an annual pass to Salem Lake, and have enjoyed the water several times already. I'm very much looking forward to scheduling more sessions on the water this year!</p> <p>Regarding the Meadowlark drive project, this will be super helpful for those of us who live along this road! Please consider putting in a sidewalk if at all feasible - I'd LOVE to be able to walk from my neighborhood (Brookberry farm) to the Harris Teeter shopping center! And I know the kids would love to be able to walk to school!</p>
1/17/2016 19:14	<p>Quarry Park- I would love to be able to swim in the quarry and also have a mountain bike trail here.</p>
1/17/2016 15:10	<p>I'm excited about the improvement plans to Salem Lake. Please don't block or prohibit access to the lake by Stand Up Paddleboarders during the renovation. It took a LONG time to get access and we want to enjoy the lake too. Best wishes!</p>
1/17/2016 13:41	<p>I have enjoyed many city parks over the years and encourage the city to continue to develop our parks for all to enjoy. One of my favorite has been Salem Lake. As a runner and cyclist, this has always been a very enjoyable place to go to relax and train. Several years ago, I became a SUP (stand up paddle board) enthusiast. I was dismayed to learn that boats and kayaks and canoes could use the lake but not SUP. Due the diligence of Hal Boyle, the city finally approved use of the lake for hard surface boards only. I understand that Triad EcoAdventures also paid for a small beach landing. I have an inflatable board that is supposedly not allowed on the lake. These boards are just about indestructible and the only board you can use on rivers going through rapids. They do not puncture and some users even use them on class 3 to class 4 rapids. Unless you look carefully, you cannot tell the difference between an inflatable and a hard surface. They are totally safe and more portable than a hard surface board as they can be easily be transported inside a car, not requiring roof top carrier. I strongly protest that they are not allowed on Salem Lake. Greensboro and High Point allow them on their lakes. Perhaps, if any council members need reassurance, they can reach out to our sister cities for affirmation. As a taxpayer in Winston Salem since 1976. I strongly urge you to reconsider allowing inflatable SUP on Salem Lake and the upcoming new reservoir park. Respectfully, Lynn Basler 3364148791 1615 Lynwood Ave 27104</p>

Date/Time	Comments
1/17/2016 10:09	As a homeowner and tax payer in Forsyth County, I write this plea to whom it may concern in effort to expand access to Salem Lake. It is such a beautiful part of our fair city. I am an owner of a Stand Up Paddleboard. We have so appreciated the expanded access for SUP users as they are truly consider vessels, just as a kayak. I ask that you consider expanding this access just a bit further to inflatable SUPs. An inflatable SUP is not similar to an innertube or child's toy. An inflatable SUP is a durable vessel, just as it's hard counterparts. There is NO concern whatsoever that an inflatable SUP would be punctured. I would be more than happy to bring mine by to show the committee. If this were allowed, I would be a consistent season pass buyer and would consider also donating to any future projects at the Lake. Please feel free to contact me to talk more or to take a look at my board. Thank you so very much!
1/16/2016 15:28	The city could definitely use more single track biking/hiking trails. The new quarry park would be great for this. The Greensboro watershed trail system is a great example of how trails like his can get the public out in the parks and into healthy recreation.
1/16/2016 13:04	A lot of these projects sound great. I paddle board at Salem Lake. It took a long time to get it approved to be able to do this. I hope that any improvements completed at the Salem Lake Marina area will not prohibit water access for paddle boarders. I don't fish but if people can have access to fish then paddle boarders should have access also. Thanks for your time.
1/15/2016 18:54	We here in W-S are DESPERATE for a new and LONG mountain bike trail. Of cities with populations >200k, we are near the bottom in terms of recreational MTB trails. Myself and friends are often forced to go to Gso, Wilkes Cty., Asheville or other places since riding the same 2 trails here gets old, fast. More trails = more economy and happy healthy residents. I can help. :)
1/15/2016 15:19	District 2 police station To our knowledge, there was no community input on design aspects for this project which includes one of the most historically significant buildings in the Waughtown-Belview Historic District - the Nissen Wagon Works. While we were pleased when the city took ownership of this property for a satellite police station, so far we have been disappointed with general maintenance of the site. Graffiti has been on the rear of the building for months. A rear door is left hanging open, inviting vandals into the oldest part of the complex. Red mud runs down the street from the construction site. It's difficult for the community to take pride in this project when it looks this way. Incidentally, the graffiti and open door were reported months ago.
1/15/2016 10:44	Part of the vulcan quarry renovation can be a golf driving range where for an hourly fee golfers can drive their own old golf balls at a target in the water
1/14/2016 9:37	I'm so excited to hear that phase I of the quarry development is scheduled for completion spring 2017! This will become a great asset for the city and for SE Winston-Salem especially. I look forward to visiting the site when it opens!
1/12/2016 11:49	I'm really happy to see all the work on the parks being done but what about Bolton park? Some of the playground equipment is very broken and has been for a long time and it's dangerous (some of it is even cordoned off). I also think we need

G-5. DRAFT

Date/Time	Comments
	sidewalks on burke mill/bolton road - we have a VA center, and city bus stops on this road but not sidewalks to get people to these services safely between frontis and the new hospice center; the curve on Burke Mill is slightly less blind than it used to be as the land with the pond that has road frontage here has been cleared to some extent but it's still a dangerous curve for pedestrians and there is no walk way on the silas creek to bolton off-ramp where there is routine foot traffic. (people going to forsyth tech north campus or walking to work at the hospital/local businesses).
1/10/2016 6:01	I am extremely disappointed & dismayed to find that no bond money is planned for repairing the terrible conditions of North Stratford & Robinhood roads. The condition of these two roads is deplorable & proves that maintenance of heavily used roads is not emphasized. This lack of plan was confirmed from city staff through my council member. Maintenance of infrastructure should be a critical part of city operation. Apparently it is not.

ATTACHMENT C

Citizens' Bond Oversight Committee 2016 Meeting Calendar

- I. Friday, January 15, 2016
- II. Friday, March 18, 2016
- III. Friday, May 20, 2016
- IV. Friday, July 15, 2016
- V. Friday, September 16, 2016
- VI. Friday, November 18, 2016

All meetings will take place in the Public Works Conference Room on the Third Floor of City Hall unless otherwise noted. Meetings will begin at 3:30 p.m. unless otherwise noted.

City Council – Action Request Form

Date: April 11, 2016

To: The City Manager

From: S. Kirk Bjorling, Real Estate Administrator

Council Action Requested:

Consideration of a Resolution Acquiring Easements for the Bethabara Road Improvements Project - 2014 Bond Projects by Deed or Condemnation (North Ward)

Summary of Information:

As part of the 2014 Bond Referendum, Winston-Salem residents approved funds for the Bethabara Road Improvements Project. The area of the Bethabara Road Improvements Project requiring easement acquisition involves road widening, installation of curb and guttering and sidewalks from Hickory Knoll Drive to Indiana Avenue.

It is necessary that the City of Winston-Salem acquire temporary construction easements for this project, as shown on the attached exhibits. These values are based on tax values. If the property owner rejects the initial attached offer based on tax value, then condemnation is authorized based on the appraised value. The Assistant City Manager’s existing \$1,000 authority may be used to negotiate settlements. This procedure will help decrease the potential delays in future road, sidewalk, and greenway construction projects.

The attached resolution authorizes staff to proceed with the acquisition of the properties as stated herein.

Committee Action:

Committee _____ **Action** _____

For _____ **Against** _____

Remarks: _____

RESOLUTION AUTHORIZING THE ACQUISITION OF FEE SIMPLE AND TEMPORARY CONSTRUCTION EASEMENTS FOR BETHABARA ROAD IMPROVEMENTS – 2014 BOND PROJECT BY DEED OR CONDEMNATION

WHEREAS, it is necessary that the City of Winston-Salem acquire temporary construction easements based on tax value of the properties specified in the attached exhibits, which are incorporated in this resolution by reference, for the Bethabara Road Improvements – 2014 Bond Project; and

WHEREAS, if the property owner rejects the initial attached offer based on tax value, then condemnation is authorized based on the appraised value; and

WHEREAS, the Assistant City Manager’s existing \$1,000 authority may be used to negotiate settlements; and

WHEREAS, it may become necessary to purchase additional easement square footage for reasons such as unforeseen field conditions or recommended design revisions during construction that results in net cost savings to the project.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and the City Council upon the recommendation of the Finance Committee, hereby authorize the acquisition of said temporary construction easements by deed or condemnation as described herein and the total recommended tax based purchase price of \$3,175; and

BE IT FURTHER RESOLVED that in the event the tax value offer is not accepted, staff is hereby authorized to offer the appraised value, and if the same is not accepted even after staff’s exercise of its settlement authority, then staff is further authorized to proceed with the condemnation of properties described herein and to charge all costs associated with the purchase or condemnation to Account No. 304-531103-541202.

BE IT FURTHER RESOLVED that it is the intent of the City Council that the City Manager or his appropriate designee(s) proceed with the acquisition of said fee simple and temporary construction easements by deed or condemnation and that the City Manager or his designee(s) may acquire additional easement square footage in a dollar amount not to exceed \$795 for reasons such as unforeseen field conditions or design revisions during construction that would result in net cost savings to the project.

Sheet No. 1 of 2, dated April 11, 2016 attached to Resolution Authorizing Acquisition of properties by Deed or Condemnation. All square footage is approximate. Figures rounded as needed and appropriate.

PROJECT: Bethabara Road Improvements – 2014 Bond Project

PROJECT NO.: 304-531103-541202

INTEREST TO BE ACQUIRED: Easements:
Temporary Construction (TCE)

Property Owner	Description	Tax Value Amount	Recommended Purchase Price
Christie A. Bell Teresa Jo Bell 2081 Bethabara Road Winston-Salem, NC 27106	Tax PIN: 6817-86-1938 1,143.13 sq. ft. TCE Landscaping 2081 Bethabara Road	\$540	\$540
Kenneth B. Miller 5800 Chancellorville Drive Winston-Salem, NC 27106	Tax PIN: 6817-86-2900 679.32 sq. ft. TCE 2077 Bethabara Road	\$170	\$170
The Sherwood Company 1598 Westbrook Plaza Drive Suite 200 Winston-Salem, NC 27103	Tax PIN: 6817-86-3816 814.06 sq. ft. TCE 2073 Bethabara Road	\$115	\$115
Lanier Williams Real Estate, LLC Attn: Clarke C. Williams 6495 Shallowford Road Suite 200 Lewisville, NC 27023	Tax PIN: 6817-86-3756 1,000.19 sq. ft. TCE 2069 Bethabara Road	\$225	\$225
The Sherwood Company 1598 Westbrook Plaza Drive Suite 200 Winston-Salem, NC 27103	Tax PIN: 6817-86-4647 1,035.04 sq. ft. TCE 2065 Bethabara Road	\$180	\$180
Covington Wilson, Inc Attn: Amy C. Marszalek 1638 Funnycide Drive Waxhaw, NC 28173	Tax PIN: 6817-86-7614 2,489.73 sq. ft. TCE Improvements 2057 Bethabara Road	\$1,425	\$1,425
Margaret R. Perry Heirs Attn: William Perry 100 Gifford Place Greenville, SC 27858	Tax PIN: 6817-86-9631 2,767.74 sq. ft. TCE Bethabara Road	\$250	\$250

C-1. DRAFT

Sheet No. 2 of 2, dated April 11, 2016 attached to Resolution Authorizing Acquisition of properties by Deed or Condemnation. All square footage is approximate. Figures rounded as needed and appropriate.

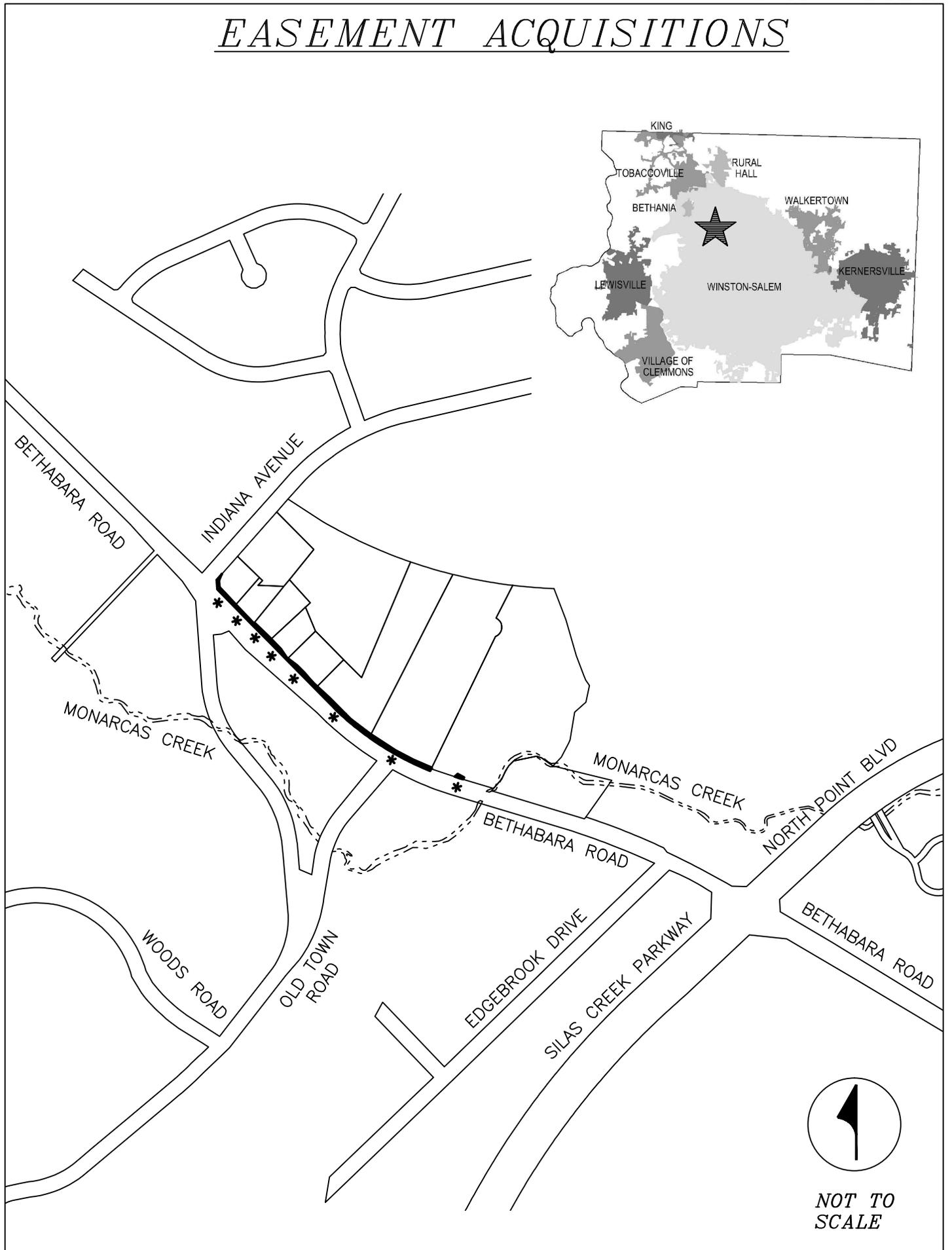
PROJECT: Bethabara Road Improvements – 2014 Bond Project

PROJECT NO.: 304-531103-541202

INTEREST TO BE ACQUIRED: Easements:
Temporary Construction (TCE)

Property Owner	Description	Tax Value Amount	Recommended Purchase Price
All South Management Co. 2501 Towergate Court #5 Winston-Salem, NC 27106	Tax PIN: 6817-96-2874 664.37 sq. ft. TCE Hickory Knoll Road	\$270	\$270
Total			\$3,175

EASEMENT ACQUISITIONS



City Council – Action Request Form			
Date:	March 30, 2016		
To:	The City Manager		
From:	Derwick L. Paige, Assistant City Manager		
Council Action Requested:			
Adopt resolution approving modifications to a previously approved loan to Lake Park Development, Inc.			
Summary of Information:			
<p>In April 1990, City Council authorized a \$275,000 loan to Lake Park Development, Inc. for the construction of at least 38 middle income houses in East Winston. The City loan was for public infrastructure improvements such as road construction, water & sewer, and decorative street lights. The loan was approved at 0% interest for 25 years and was structured such that as lots were sold in the development, the City would receive \$6,000 for each of the first 25 lots sold and \$9,615.39 for each of the final 13 lots sold.</p> <p>In the first ten years, 19 lots sold in the development. Since 2000, only two additional lots have been sold, leaving more than 20 undeveloped lots within the subdivision. At some point, the loan terms changed and as a result, Lake Park actually paid \$5,000/lot on 20 lots and \$7,500 for another lot. The current balance of the loan is \$167,500 and based upon the terms of the loan the balance is now due. The attached resolution authorizes extending the amortization for an additional two years so there is ample time to work with Lake Park Development, Inc. on a new development program for Lake Park.</p>			
Committee Action:			
Committee		Action	
For	_____	Against	_____
Remarks:	_____		

**RESOLUTION APPROVING MODIFICATIONS TO A PREVIOUSLY APPROVED
LOAN TO LAKE PARK DEVELOPMENT, INC.**

WHEREAS, on April 16, 1990, the Mayor and City Council authorized a \$275,000 loan to Lake Park Development, Inc. (Lake Park) for public infrastructure improvements such as road construction, water and sewer, and decorative street lights associated with the construction of at least 38 middle income houses in East Winston; and

WHEREAS, the loan term was for 25 years and was structured such that as lots were sold in the development, the City would receive a pro rata payment; and

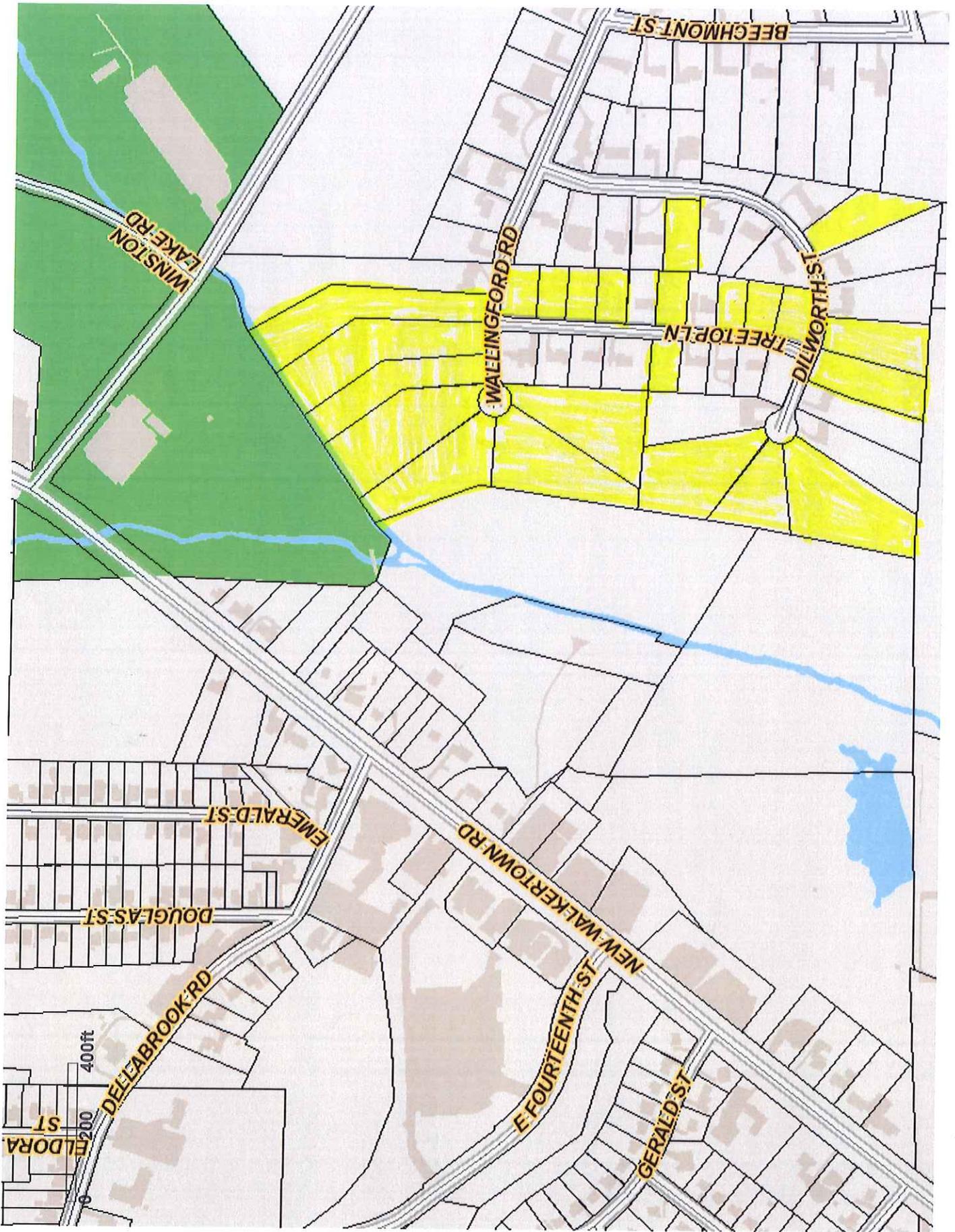
WHEREAS, in the first ten years, 19 lots sold in the development, but since 2000, only two additional lots have been sold, leaving more than 20 undeveloped lots within the subdivision; and

WHEREAS, the current balance of the loan is \$167,500 and is now due; and

WHEREAS, the developer has approached the City regarding options for resolving this outstanding loan.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council hereby authorize extending the amortization of the City loan to Lake Park for an additional two years so there is ample time to work with the developer on a new development program.

BE IT FURTHER RESOLVED, that the Mayor and City Council authorize the City Manager to execute any necessary agreements to consummate the arrangement, with all of the parties, upon review.





TO: Lee D. Garrity, City Manager
FROM: Ben Rowe, Assistant City Manager
DATE: 4/11/2016
SUBJECT: Review of the Recreation and Parks Department User Fees
CC: Courtney Driver, Assistant to the City Manager
 Tim Grant, Recreation and Parks Director

Budget and Evaluation

City of Winston-Salem
 P.O. Box 2511
 Winston-Salem, NC 27102
 CityLink 311 (336-727-8000)
 Fax 336-734-1224
www.cityofws.org

In FY 2013, the Citizens' Organizational Efficiency Review Committee (COERC) put forward several service delivery efficiency, expenditure control, and revenue enhancement recommendations to help the City operate more effectively and efficiently. Among its recommendations was to establish a process for reviewing user fees on a regular basis. To implement this recommendation, the Budget and Evaluation Office established such a process in FY 2014 to review all general fund user fees on a rotating, annual basis. The Budget and Evaluation Office has reviewed Recreation and Parks user fees from the City's User Fee Manual for this year's review.

Through inventory review, benchmarking against other cities, reviewing non-resident fees, and reviewing fees that have not changed in several years, the following recommendations are made regarding Recreation and Parks user fees:

- Increase soccer field rental fees by \$10 for both tournament and non-tournament field rentals. Additional revenue generated will help offset increased maintenance costs.
- Review the current picnic shelter sizing structure, adjust as necessary, and increase the cost per seat for larger picnic shelter rentals.
- Create a non-resident sliding fee schedule as used by the City of Durham to incorporate a non-resident fee into all Recreation and Parks user fees.
- Calculate the increase in CPI at least once every four years and apply as necessary to all fees, adjusting for market conditions and rounding as appropriate. This increase will reflect the general cost of doing business.

The increase in user fees recommended above is not expected to have a significant fiscal impact on future City budgets. However, these recommendations will bring certain fees in line with what other jurisdictions are charging and provide for stability in cost recovery if indexed to inflation.

On April 5, 2016, the Recreation and Parks Commission was provided a brief presentation on the Recreation and Parks Department User Fee Review report, and the commission approved all four recommendations as stated.

If you have any questions or need additional information, please do not hesitate to contact me at 747-7381.

**User Fee Review:
Recreation and Parks Fees**



**April 2016
Budget and Evaluation Office**

Introduction

In FY 2013, the Citizens' Organizational Efficiency Review Committee (COERC) put forward several service delivery efficiency, expenditure control, and revenue enhancement recommendations to help the City operate more effectively and efficiently. Among their recommendations was to establish a process for reviewing user fees on a regular basis. To implement this recommendation, the Budget and Evaluation Office established such a process in FY 2014 to review all general fund user fees on a rotating, annual basis. The Budget and Evaluation Office has reviewed Recreation and Parks user fees from the City's User Fee Manual for this year's review.

The City's Recreation and Parks Department provides a variety of programming and facilities for residents including, but not limited to, adult athletics, facility and field rentals, golfing, fishing, and aquatics. This review includes all recreation fees in the User Fee Manual. The review also includes, where appropriate, analyses of direct costs for programs and services and benchmarking of fees with other similarly-sized North Carolina cities. Benchmarking information compares Winston-Salem fees to Durham, Greensboro, High Point, Raleigh, and Mecklenburg County (Mecklenburg County handles recreation for the City of Charlotte). This report also looks specifically at non-resident fees and fees that have not changed in several years.

Inventory of Recreation and Parks User Fees

The User Fee Manual includes all general rental and activity cost fees adopted by the Mayor and City Council for Recreation and Parks. A list of these user fees can be found in Attachment A. However, this review does not cover individual programming costs for programs provided at recreation centers as some are provided at no cost and others may be dictated by service provider costs. In general, the following types of user fees were reviewed:

- Building and room rentals
- Picnic shelter rentals
- Field rentals
- Equipment rentals
- Adult athletics programs
- Golf course use fees
- Swimming pool fees
- Lake and fishing fees
- Events fees

The City of Winston-Salem is charging fees for service that are similar to what many other cities in North Carolina are charging. In general, cities are charging user fees for rental and use of city assets (buildings, ball fields, pools, lakes, etc.) and use for specific programming (adult athletics, golf, etc.). Review of fees from other North Carolina cities did not produce a significant number of services for which other cities charge user fees where Winston-Salem does not. However, fees varied greatly based on asset types. For example, several cities have

larger softball field complexes. Those cities have more varied user fees for ball field rental based on the number of fields needed for tournament play.

Three specific examples of fees not listed in the City’s user fee manual that other cities charge are non-refundable registration costs for rentals, professional photography fees, and multiple variations of seasonal passes for aquatics. High Point, Raleigh, and Mecklenburg County include non-refundable rental and maintenance costs in their user fee schedules. The City may want to consider including non-refundable registration costs for facility rentals in its User Fee Manual. Doing so would ensure that administrative costs associated with bookings are recovered in the event of a rental or service cancellation. Several cities also include specific costs for professional photography in public parks. For example, the City of Greensboro charges \$50 per hour to issue a permit to use any of its gardens for professional photography. Another fee used by other cities is related to pool usage. Raleigh, Durham, and Mecklenburg County offer monthly and multi-use “punch” passes in addition to daily and seasonal passes. This is mostly due to the types of facilities offered. These jurisdictions have indoor pools and water park type facilities. The City could use benchmarking data for these types of aquatics facilities to help set fees for the new Winston Lake Park Aquatics Facility.

Cost Recovery and Benchmarking

The user fee review process included review of cost recovery goals and benchmarking of selected fees against other cities. In general, most recreation assets and programs are not thought of as business-type activities. Most recreation facilities and programs are subsidized by city tax revenues, and user fees are intended only to recoup a certain percentage of operating costs. Review of materials from other cities did not return any set policies on cost recovery for specific programs and facilities; however, both Raleigh and Greensboro are currently undergoing extensive processes to develop user fee guidelines for their recreation services. A review of other cities revealed the following FY 2016 budgeted cost recovery percentages for recreation and leisure services provided for with general fund resources:

<u>City</u>	<u>Budgeted Cost Recovery</u>
Winston-Salem	10.0%
Durham	10.4%
Raleigh	10.6%
Greensboro	13.5%
Mecklenburg County	14.7%
High Point	24.0%

Although Winston-Salem has the lowest budgeted cost recovery of the cities shown, it is very similar to both Raleigh and Durham. High Point’s cost recovery is higher because it accounts for several business-type activities in its general fund (e.g., golf courses, campgrounds, marina, etc.).

Many of the current user fees the City charges do not appear to be based on a specific percentage for direct cost recovery, other than adult athletics. All of the City’s adult athletics

fees (dodgeball, flag football, softball, and volleyball) are designed to cover maintenance, lighting, umpiring, and other administrative fees. While many of the other facility rental fees are designed to capture a portion of operating and capital costs, their intended cost recovery goals are not defined. Rather than rely on financial analyses of cost recovery, it appears many cities have focused on setting fees that maximize usage and maintaining relative benchmarks to what others are charging.

For the purposes of this report, the following user fees were benchmarked against other cities, as well as Mecklenburg County.

- Mobile stage rentals
- Soccer field rentals
- Ball field rentals
- Recreation center room rentals
- Picnic shelter rentals
- Adult athletics fees (flag football, volleyball, and softball)
- Golf fees
- Fishing fees
- Outdoor pool fees
- Tennis court rental

The City is generally on par with average charges for adult athletics fees, golf fees, fishing fees, outdoor pool fees and tennis court rentals. Among the user fees benchmarked, the City of Winston-Salem appears to be charging more than the average for mobile stage rentals and recreation center room rentals. The City is charging less than the average for field rentals and picnic shelter rentals.

With respect to soccer field rental fees, the City of Winston-Salem is charging the lowest amount in the comparison group. Cities charge different fees for regular rentals (i.e., league rentals) and for tournament play rentals. Most cities provide a 50% or higher discount for tournament play. The table on the next page shows soccer rental fees for selected cities:

Tournament Rental Fees

<u>City/County</u>	<u>Fee*</u>
Winston-Salem	\$45
Durham	\$200
High Point	\$175
Raleigh	\$300
Mecklenburg County	\$208

*Fee for tournament is all day rental cost per field (assumes 10 hours for hourly rates); fees have been averaged where multiple rates exist.

Non-Tournament Rental Fees

<u>City/County</u>	<u>Fee**</u>
Winston-Salem	\$45/2 hours
Durham	\$40/hour
High Point	\$100/game
Raleigh	\$30/hour
Mecklenburg County	\$42.50/hour

**Fee for non-tournament soccer field rental per field

Both the City’s regular soccer field rental rate and tournament rental rate are the lowest in the group; however, field amenities must be taken into consideration when reviewing costs. The City’s fields do not include any concession areas or gathering facilities (shelters, pavilions, etc.). Other cities that offer more amenities may appropriately charge more for rentals. Maintenance costs for the soccer fields are projected to rise in FY 2017 to improve turf conditions that will enhance playability and help reduce injuries. It is recommended that the City increase its soccer rental fees by \$10 each to \$55 per field per day for tournament rentals and \$55 per two-hour non-tournament rental. The additional revenue generated will help offset increased maintenance for over-seeding and replacing irrigation systems.

The City of Winston-Salem has the lowest cost for using picnic shelters among the comparison group. The table on the next page shows full-day, weekend rental rates for picnic shelters. The lowest fees and highest fees for each city or county represent the charges for the smallest shelter and the largest shelter in each jurisdiction. Facilities that charge by the hour or by some other time block have been standardized to reflect an eight hour rental.

Picnic Shelter Full Day Rental Fees

<u>Jurisdiction</u>	<u>Lowest Fee</u>	<u>Highest Fee</u>
Winston-Salem	\$35	\$45
Greensboro	\$35	\$130
Mecklenburg County	\$52	\$163
Durham	\$55	\$105
Raleigh	\$56	\$120
High Point	\$70	\$130

To more accurately account for the size of facilities when analyzing rental rates, the table below compares the cost per seat for full-day, weekend picnic shelter rentals. Only Greensboro and Mecklenburg are provided as comparisons due to availability of data. The City of Winston-Salem currently charges between \$0.55 and \$2.19 per seat for small shelters and between \$0.21 and \$0.94 for large shelters. The ranges in the table below reflect that shelters with different seating capacities are charged at the same rate. For example, The City charges \$35 for a small shelter with a seating capacity of 16, which equates to \$2.19 per seat. The City also charges \$35 for a small shelter with a seating capacity of 64, which equates to \$0.55 per seat.

Picnic Shelter Rental Fees by Seat by Size

<u>Jurisdiction</u>	<u>Small</u>	<u>Large</u>
Winston-Salem	\$0.55-\$2.19	\$0.21-\$0.94
Greensboro	\$0.88-\$1.50	\$0.53-\$0.78
Mecklenburg County	\$1.73-\$2.60	\$1.63-\$2.17

Each jurisdiction uses a different size metric to qualify small versus large shelters, but large shelters are generally in the range of 60-75 or more seats. The data illustrate that the City is charging significantly less for larger facilities, based on shelter capacity. It is recommended that the City Recreation and Parks Department review its current sizing structure, adjust as necessary, and increase the cost per seat for larger picnic shelter rentals.

Additionally, user fees for golf courses were reviewed. The table below shows combined green and cart fees for standard weekday and weekend/holiday rates.

Combined Regular Green and Cart Fee for Public Golf Courses

<u>City</u>	<u>Regular Weekday Combined Rate</u>	<u>Regular Weekend Combined Rate</u>
Winston-Salem	\$28-\$32	\$33-\$34
High Point	\$27-\$32	\$30-\$39
Greensboro	\$20-\$46	\$20-\$54
Charlotte	\$31.50-\$35	\$37-\$47

The City’s two golf courses have some of the lowest standard green and cart fees from among the comparison group. Average fees were similar to High Point and below the 18-hole course

fees for Greensboro and Charlotte. Greensboro’s fees in the table are lower because one of that city’s golf courses is a nine-hole course that has eighteen tee boxes. Raleigh and Durham do not operate public golf courses. Given that rounds have been at historically low levels recently at Winston Lake Golf Course and that the management contract was just recently renegotiated for Reynolds Park Golf Course, it is not recommended that golf user fees be adjusted at this time. Golf continues to be one of the more business-type activities in Recreation and Parks, and fees should be adjusted as the market allows, based on increasing rounds.

Non-Resident User Fees

Non-resident fees have grown as a way to charge those who do not pay city taxes for tax-supported services. Among the comparison group, the City of High Point is the only jurisdiction that appears not to be charging a differential rate for non-City (or County) residents. The City of Winston-Salem has added non-resident fees for athletics, picnic shelters reservations, and other program and rental fees. Of the jurisdictions surveyed, the City of Durham has created the most encompassing non-resident fee policy. Durham uses the following, consolidated non-resident fee schedule, which applies to all programs, services, and rentals:

<u>Standard Fee Amount</u>	<u>Increase for Non-Residents</u>
Fee: \$1 - \$25.99	\$5.00
Fee: \$26.00 - \$125.99	\$15.00
Fee: \$126.00 +	\$25.00

Non-Resident Fees (Athletic Teams)

Athletic Teams: \$12.00 per person per sport.

In Durham, for rental of athletic fields by athletic associations and leagues, teams or leagues with fewer than 75% of their participants residing in city limits are charged the non-resident rate, regardless of where the organization itself is based.

If the Mayor and City Council support charging a non-resident rate for all Recreation and Parks services, programs, and rentals, then it is recommended that the Recreation and Parks Department create a non-resident sliding fee schedule similar to what is used by the City of Durham to incorporate a non-resident fee into all Recreation and Parks user fees. Specific attention should be given to smaller user fees like swimming pool daily fees, where a \$5.00 upcharge could result in a 250% increase in the cost of the fee.

Fees Unchanged for Several Years

The COERC also recommended increasing user fees that had not been changed in several years. The Recreation and Parks department has several user fees that have not been changed in more than ten years. The table on the next page shows a listing of user fee types that have not changed in more than ten years.

Fees Not Changed in More Than Ten Years

<u>Fee Type</u>	<u>Year(s) Effective</u>
Corpening Plaza Rental	2005
Santa Suit Rentals	1997
Old Showmobile Rental	1997
Recreation Center Rentals	2002
Picnic Shelter Rentals	2005/2006
Certain Golf Fees	1999/2001/2002
Swimming	1997/2000/2002
Fishing	1997/2003
Boat Rentals	1997/2003
Dodgeball*	2005
Flag Football*	2004
Volleyball*	1997/2003

*An asterisk indicates that athletics fees can change as referee/umpire costs change.

The COERC recommended reviewing fees that had not changed in ten years or more as a business principle of expecting that the cost of doing business increases over time. The Budget and Evaluation Office recommends that Recreation user fees be reviewed and adjusted based on the Consumer Price Index (CPI) to account for the increasing cost of doing business. It is recommended that at least every four years (as dictated by this review process), Recreation and Parks user fees are adjusted based on the CPI change, unless other circumstances dictate that a fee should not change. It should be noted that many fees will need to be rounded, and due to this, many fees will not change by the exact inflation percentage used.

Conclusion

This user fee review has encompassed all Recreation and Parks user fees in the City's User Fee Manual. Through inventory review, benchmarking against other cities, reviewing non-resident fees, and reviewing fees that have not changed in several years, the following recommendations are made regarding Recreation and Parks user fees:

- Increase soccer field rental fees by \$10 for both tournament and non-tournament field rentals. Additional revenue generated will help offset increased maintenance costs.
- Review the current picnic shelter sizing structure, adjust as necessary, and increase the cost per seat for larger picnic shelter rentals.
- Create a non-resident sliding fee schedule as used by the City of Durham to incorporate a non-resident fee into all Recreation and Parks user fees.
- Calculate the increase in CPI at least once every four years and apply as necessary to all fees, adjusting for market conditions and rounding as appropriate. This increase will reflect the general cost of doing business.

The increase in user fees recommended above is not expected to have a significant fiscal impact on future City budgets. However, these recommendations will bring certain fees in line with what other jurisdictions are charging and provide for stability in cost recovery if indexed to inflation. The non-resident fee recommendation is intended to provide equity in the fee structure by accounting for the fact that residents are already paying a subsidy for services, either directly or indirectly, through property tax billings and rents. The schedule for user fee review ensures that Recreation and Parks user fees will be reviewed every four years. As dictated by the user fee review policy, the Budget and Evaluation Office will review and adjust any user fees for programs or activities that have seen changes in service delivery or other outside conditions that would affect the level of user fee that should be charged.

ATTACHMENT A

RECREATION AND PARKS USER FEES

	<u>Fee Amount</u>	<u>Effective Date</u>
Historic Bethabara		
Tour Admissions	\$ 4.00/adult	7/1/10
.....	1.00/child	
Grace Court		
Weddings and Special Events	No charge/donations accepted	
Corpening Plaza.....	\$ 50.00/hour	1/1/05
Civic Plaza.....	\$ 25.00/hour	8/1/12
Tennis		
Joe White/Hanes Park (hard courts)	\$ 8.00/court for 1 ½ hours	3/1/08
Joe White/Hanes Park (clay courts)	\$ 16.00/court for 1 ½ hours	3/1/08
Equipment Rentals		
Play Boxes Rental	\$ 10.00 (+ \$50.00 deposit)	8/4/11
Santa Claus Suits		
Corduroy.....	20.00 (+ \$20.00 deposit)	3/31/97
Velvet	45.00 (+ \$20.00 deposit)	3/31/97
Purchase of beard, mustache and wig.....	15.00	3/31/97
Old Showmobile	400.00/one day	3/31/97
.....	550.00/two days - same location	3/31/97
New Showmobile.....	700-\$1,550 (depending on set-up)	7/1/10
Barricade	50.00 (+ \$50.00 deposit)	8/4/11
Field Rentals (Mon.-Sat.)		
Lighted Fields (no usage of lights)	\$ 40.00/2 hours	7/1/10
Lighted Fields (usage of lights).	50.00/2 hours	7/1/10
Secondary Ball Field Use Fee.....	\$ 10.00/2 hours	7/1/10
Recreation Center Rentals		
Club, Activity and Meeting Rooms (0-4 hours)...	\$75.00/non-profit	2/1/02
.....	18.75/each additional hour	
.....	150.00/profit-making	2/1/02
.....	25.00/each additional hour	2/1/02
Kitchen (0-4 hours)	\$ 50.00/non-profit (\$10 deposit)	2/1/02
.....	12.50/each additional hour	
.....	75.00/profit making (\$10 deposit)	
.....	18.75/each additional hour	

	<u>Fee Amount</u>	<u>Effective Date</u>
Gymnasium/Ballrooms (0-4 hours)	\$ 150.00/non-profit	2/1/02
.....	37.50/each additional hour	
.....	300.00/profit-making	
.....	75.00/each additional hour	
Personnel Fee	\$ 20.00/hour	2/1/02
Set-Up Fee (0-2 hours)	\$ 25.00/hour	10/1/10
Set-Up Fee (Up to 5 hours)	\$ 50.00/hour	10/1/10

Picnic Shelters - reservations required (can be requested online at www.cityofws.org/recreation)

City Residents - Fridays thru Sundays; Holidays from April to October:

Large Picnic Shelters	\$ 45.00	1/1/05
Small Picnic Shelters	35.00	1/1/05

City Residents - Mondays thru Thursdays:

All Picnic Shelters.....	\$ 25.00	1/1/06
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Non-Residents

All Shelters (Weekday).....	\$ 40.00	11/1/10
Large Picnic Shelters (Weekends/Holidays)...	70.00	11/1/10
Small Picnic Shelters (Weekends/Holidays)...	55.00	11/1/10

Athletics

Dodgeball, (Adult Leagues)*

(Total per team- \$238)

Heating and Lighting	\$ 125.00	01/2005
Booking	8.00	01/2005
Trophy	10.00	01/2005
Entry	5.00	01/2005
Equipment	10.00	01/2005
Officials	80.00/each	01/2005

Flag Football (Adult Leagues)*

(Total per team: \$460 – Fall; \$350 – Summer)

Maintenance and Lighting.....	\$ 130.00	10/2004
Booking	10.00	10/2004
Trophy (Fall)	15.00	10/2004
Trophy (Summer)	25.00	10/2004
Entry (Fall)	5.00	10/2004
Entry (Summer).....	5.00	10/2004
Officials (Fall -10 games).....	300.00/each	10/2004
Officials (Summer -6 games)	180.00/each	10/2004

Softball (Adult Leagues)*

(Total per team- \$430)

Maintenance and Lighting.....	\$ 280.00	1/11/11
Booking	5.00	1/11/11
Trophy	15.00**	1/11/11
Entry	5.00	1/11/11
Officials.....	125.00 (umpire)**	1/11/11

	<u>Fee Amount</u>	<u>Effective Date</u>
Volleyball (Adult Leagues)*		
Maintenance and Lighting	\$ 125.00	1/1/03
Booking	8.00	3/31/97
League Award	10.00	3/31/97
Entry Award	5.00	3/31/97
Officials	80.00	3/31/97
Equipment	10.00	3/31/97

Soccer		
Resident	45.00	7/1/10
Non-Resident Fee for Soccer Leagues	20.00/participant	7/1/10
Field Markings		
Small field	\$ 30.00	1/1/05
Large field	45.00	1/1/05

*A non-City of Winston-Salem resident fee of \$20.00 will be charged each participant for each sport.

**Fees are set by the City Council; other fees are subject to change annually depending on the charges of officials and cost of trophies.

Golf

Player Fees/Green Fees

Weekdays - Reynolds Park	\$ 19.00	4/2/01
Weekdays - Winston Lake	15.00	7/1/10
Weekends and Holidays - Reynolds Park	21.00	4/2/01
Weekends and Holidays - Winston Lake	20.00	7/1/10
College Students (WSSU, WFU, Piedmont Bible College) Weekdays only, NO holidays at Winston Lake)	11.00	7/1/10
Senior Citizen-City Resident (Mondays at Reynolds Park; Weekdays only, NO holidays at Winston Lake)	8.00	7/1/10
Late Afternoon Weekdays - Reynolds Park	13.00	4/2/01
Late Afternoon Weekdays - Winston Lake	11.00	4/2/02
Late Afternoon Weekends and Holidays - Reynolds Park	14.00	4/2/01
Late Afternoon Weekends and Holidays - Winston Lake	12.00	4/2/02
*After 2:30 pm - November thru February		
After 3:30 pm - March thru April		
After 4:30 pm - May thru October		

Annual Membership - City Resident	\$ 800.00	8/1/10
Additional member	225.00	8/1/10
Annual Membership - Non-Resident	1,200.00	8/1/10
Additional member	350.00	8/1/10
Annual Membership - Senior City Resident	450.00	8/1/10
Additional member	225.00	8/1/10
Annual Membership - Senior Non-Resident	550.00	8/1/10
Additional member	275.00	8/1/10

Cart Fees (tax included)

Winston Lake Golf

One rider (1-9 holes)	\$ 9.00	8/1/10
One rider (1-18 holes)	13.00	8/1/10

	<u>Fee Amount</u>	<u>Effective Date</u>
<u>Reynolds Park Golf</u>		
One rider (1-9 holes)	\$ 8.00	8/1/10
One rider (1-18 holes)	13.00	8/1/10
Green Fee & Cart (seniors; weekdays).....	22.00	7/1/10
Green Fee & Cart (seniors/students; weekends)....	30.00	7/1/10
Pull cart (9 holes)	2.00	4/5/99
Pull cart (18 holes).....	2.50	4/5/99
Golf Lessons		
Pro 30 minutes.....	\$ 30.00	4/5/99
Locker Rental (for non-annual members per year)	25.00	4/5/99
Golf Club Rental		
Reynolds Park.....	\$ 10.00	4/5/99
Winston Lake	10.00	4/5/99
Driving Range		
Reynolds Park.....	\$ 3.50 (small bucket)	4/2/01
.....	5.50 (large bucket)	
Winston Lake	3.00 (small bucket)	7/1/10
.....	5.50 (large bucket)	
.....	8.00 (jumbo bucket)	
Junior Golf - Age 18 and under and in school	8.00 weekdays only	4/5/99
Annual Memberships	375.00	4/2/01
Winston Lake Golf Clubhouse Rental		
Clubhouse Rental (Fall/Winter)	\$ 200.00 (0-4 hours)	10/1/10
Staffing Fee	\$ 20.00/hour	10/1/10
<u>Winston Lake Golf</u>		
League Fees (Weekdays only, No Holidays).....	\$ 11.00	7/1/10
High School Team Rates (March 1 to May 20)		
No More Than 2 Matches (Weekdays Only).....	850.00	7/1/10
College Teams (Fall/Winter Season)	1,000.00	7/1/10
College Teams (Spring/Summer Season)	1,000.00	7/1/10
Swimming		
Adult (18 and Above).....	\$ 3.00	4/1/02
Children (17 and Under).....	2.00	4/1/00
Age 2 and under	Free	3/31/97
Tuesdays and Thursdays - Age 17 and under	1.00 (excludes Bolton)	4/1/02
Swimming Passes (City Residents)		
Age 17 and under	\$ 40.00	4/1/02
Age 18 and over	60.00	4/1/02
Swimming Passes (Non-Residents)		
Age 17 and under	\$ 60.00	5/1/11

	<u>Fee Amount</u>	<u>Effective Date</u>
Age 18 and over	90.00	5/1/11
Swimming Lessons		
Per Session	\$ 20.00	3/31/97
Late Signup Fee	25.00	3/31/97
Pool Rental - 0 to 4 hours		
Bolton.....	\$ 150.00	4/1/02
All Others.....	125.00	7/1/10
Personnel Fee per Lifeguard per Hour.....	20.00	4/1/02
Salem Lake Fishing		
Annual Permit.....	\$ 40.00	3/31/97
Seniors Annual Permit.....	20.00	3/31/97
One Day Permit	\$ 3.50 age 16 and over	1/1/03
.....	2.00 12-15	1/1/03
Seniors (Resident 60+)	1.00	1/1/03
Boat Rental		
Daily for Fishing	\$ 6.00	1/1/03
Canoes and Row Boats.....	3.00/hour	3/31/97
Paddle Boats per ½ hour.....	4.00	1/1/03
Boat Docking Fee	100.00/year City Resident	1/1/03
.....	150.00/year Non-City Resident	
Launching Fee		
Per Year	\$ 50.00	3/31/97
Per Day/boat launching, fishing and sail	6.00	1/1/03
Per Year/canoe, shells, kayaks, rowboats	50.00	1/1/03
Per Day/canoe, shells, kayaks, rowboats	6.00	
Greenways		
Trail/Facility Maintenance Fee for Running Events	\$ 3.00 per participant	7/1/10

C-4.a. DRAFT

DBE comment: Terms of the bid required all bidders to be pre-qualified with NCDOT for their specific disciplines. This project was advertised on the City and State Purchasing websites, the Winston-Salem Journal and The Chronicle and 35 general contractors, including five minority and woman owned businesses were notified directly of this opportunity.

Workforce Demographics: See Exhibit A

**RESOLUTION AWARDING CONTRACT FOR
CEDAR TRAIL GREENWAY CONNECTION**

WHEREAS, after due advertisement, bids were received and publicly opened by the City/County Purchasing Department at 2:00 p.m., Wednesday, March 30, 2016, for construction of the Cedar Trail Greenway Connection project; and the following bids were received:

	<u>City/State</u>	<u>Total Base Bid</u>
Carolina Environmental Contracting, Inc.	Mount Airy, NC	\$ 870,522.65
Smith-Rowe, LLC	Mount Airy, NC	1,032,311.05
Country Boy Landscaping, Inc.	Harmony, NC	1,080,000.00
Yates Construction Company, Inc.	Stokesdale, NC	1,165,020.00

WHEREAS, it is the recommendation of the Finance Committee that a contract be awarded to Carolina Environmental Contracting, Inc., the low bidder meeting specifications, in the estimated total bid amount of \$870,522.65.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Winston-Salem, that the contract for construction of the Cedar Trail Greenway Connection project, is hereby awarded to Carolina Environmental Contracting, Inc., in the estimated total bid amount of \$870,522.65 and that all other bids are rejected, and that the City Manager and City Secretary are authorized to execute the contract on behalf of the City, contract forms to be approved by the City Attorney and bid deposit retained until the successful bidder has provided satisfactory contract, performance and labor and materials payment bonds.

BE IT FURTHER RESOLVED that the award of this contract constitutes a preliminary determination as to qualifications of the bidder. The City is not legally bound to perform the contract until the contract is duly executed by the City. The bid deposit shall be retained if the bidder fails to execute the contract or give satisfactory surety as required by N.C.G.S. 143-129.

BE IT FURTHER RESOLVED that Carolina Environmental Contracting, Inc., will be required to subcontract 5.41% of this contract with disadvantaged business enterprise owned firms.

BE IT FURTHER RESOLVED that the award of this contract is contingent upon approval by the North Carolina Department of Transportation.

BE IT FURTHER RESOLVED that funds have been previously appropriated and are available in account no. 304-533102-543002 to cover the cost of this contract.

Exhibit A

Project/Bid Description: Contract for Cedar Trail Greenway Connection project
 Bidder's Company Name: Carolina Environmental Contracting, Inc.
 City/State: Mount Airy, NC

WORKFORCE DEMOGRAPHICS

	Gender		Race/Ethnic Identification					Total
	Male	Female	White	African-American	Hispanic	Asian	Native-American	
	46	4	32	4	13	0	1	50
% of Total	92.0%	8.0%	64.0%	8.0%	26.0%	0.0%	2.0%	

The above demographic data is provided to reflect generally the company's efforts to achieve diversity in the workplace in compliance with the applicable equal employment opportunity laws; however, this information is not dispositive of such and may not be used as the basis for awarding or rejecting a bid contract.

City Council – Action Request Form											
Date:	April 18, 2016										
To:	The City Manager										
From:	Jerry Bates, Purchasing Director										
Council Action Requested:											
Adoption of a Resolution Awarding Purchase Order for Main Server System Equipment.											
Summary of Information:											
<p>The Winston-Salem Police Departments Information Technology Division has a need to replace the current server system utilized for storage of multiple police records databases and application systems with a three node, high availability and redundant VMware clustered system. The current server system utilizes a hardware clustered environment with local and fiber channel connected SAN based storage and would be replaced with a NetApp system for its storage needs.</p> <p>Bids for the purchase of main server equipment, maintenance, and support were received March 15, 2016, and two bids were received. Below is a summary of the bids:</p> <table style="margin-left: auto; margin-right: auto; border: none;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>City/State</u></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Total Bid</u></th> </tr> </thead> <tbody> <tr> <td>Data Network Solutions, Inc.</td> <td style="text-align: center;">Chapin, SC</td> <td style="text-align: right;">\$166,685</td> </tr> <tr> <td>Davenport Group, Inc.</td> <td style="text-align: center;">St. Paul, MN</td> <td style="text-align: right;">172,106</td> </tr> </tbody> </table> <p>It is recommended that a purchase order for main server system equipment, maintenance, and support be awarded to Data Network Solutions, Inc., low bidder meeting specifications, in the amount of \$166,685.</p> <p>The City's FY 2015-16 capital equipment budgets include \$170,000 for this purchase and will be financed through the North Carolina Municipal Leasing Corporation. Funding for the lease payments is available in the General Fund FY 2015-16 budget.</p> <p>M/WBE comment: There are no known area minorities or women-owned companies that sell this equipment.</p> <p>Workforce Demographics: See Exhibit A</p>				<u>City/State</u>	<u>Total Bid</u>	Data Network Solutions, Inc.	Chapin, SC	\$166,685	Davenport Group, Inc.	St. Paul, MN	172,106
	<u>City/State</u>	<u>Total Bid</u>									
Data Network Solutions, Inc.	Chapin, SC	\$166,685									
Davenport Group, Inc.	St. Paul, MN	172,106									
Committee Action:											
Committee	_____	Action									
For	_____	Against									
Remarks:	_____										

**RESOLUTION AWARDING PURCHASE ORDER FOR
MAIN SERVER SYSTEM EQUIPMENT**

WHEREAS, after due advertisement, bids were received and publicly opened by the City/County Purchasing Department at 10:00 a.m. on Tuesday, March 15, 2016, for main server system equipment. Below is a summary of bids received:

	<u>City/State</u>	<u>Total Bid</u>
Data Network Solutions, Inc.	Chapin, SC	\$166,685
Davenport Group, Inc.	St. Paul, MN	172,106

WHEREAS, it is the recommendation of the Finance Committee that a purchase order for main server system equipment, maintenance, and support be awarded to Data Network Solutions, Inc., low bidder meeting specifications, in the amount of \$166,685.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Winston-Salem that a purchase order for main server system equipment, maintenance, and support is hereby awarded to Data Network Solutions, Inc. in the amount of \$166,685. The City Manager and City Secretary are hereby authorized to execute the contract on behalf of the City, contract forms to be approved by the City Attorney.

BE IT FURTHER RESOLVED that the award of this contract constitutes a preliminary determination as to the qualifications of the bidder. The City is not legally bound to perform the contract until the contract is duly executed by the City.

BE IT FURTHER RESOLVED that the purchase is included in the FY 2015-16 capital budget and will be financed through the North Carolina Municipal Leasing Corporation with funding for the lease payments available in the FY 2015-16 General Fund budget.

BE IT FURTHER RESOLVED that the City may reimburse itself for the capital expenditures identified herein with the proceeds from the sale of tax-exempt obligations.

Exhibit A

Project/Bid Description: Main Server System Equipment
 Bidder's Company Name: Data Network Solutions, Inc.
 City/State: Chapin, SC

WORKFORCE DEMOGRAPHICS

	Gender		Race/Ethnic Identification					Total
	Male	Female	White	African-American	Hispanic	Asian	Native-American	
	27	6	31	1	1	0	17	33
% of Total	81.8%	18.2%	93.9%	3.0%	3.0%	0.0%	51.5%	

The above demographic data is provided to reflect generally the company's efforts to achieve diversity in the workplace in compliance with the applicable equal employment opportunity laws; however, this information is not dispositive of such and may not be used as the basis for awarding or rejecting a bid contract.

**RESOLUTION AWARDING CONTRACT FOR CONSTRUCTION OF
SPRAYGROUNDS AT HATHAWAY PARK AND LITTLE CREEK COMMUNITY
CENTER**

WHEREAS, after due advertisement, bids were received and publicly opened by the City/County Purchasing Department at 3:00 p.m. Thursday, March 24, 2016, for construction of spraygrounds at Hathaway Park and Little Creek Community Center and the following bids were received:

	<u>City/State</u>	<u>Total Bid</u>
Creative Design and Construction, Inc.	Tobaccoville, NC	\$369,690
DreamBuilt Construction, Inc.	Advance, NC	505,850
H.M. Kern Corporation	Greensboro, NC	553,700
Bar Construction Co., Inc.	Greensboro, NC	643,300

WHEREAS, it is the recommendation of the Finance Committee that a contract be awarded to Creative Design and Construction, Inc., the low bidder meeting specifications, for construction of spraygrounds at Hathaway Park and Little Creek Community Center in the estimated bid amount of \$369,690.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Winston-Salem that the contract for construction of spraygrounds at Hathaway Park and Little Creek Community Center is hereby awarded to Creative Design and Construction, Inc. in the estimated amount of \$369,690. The City Manager and City Secretary are authorized to execute the contract on behalf of the City, contract forms to be approved by the City Attorney, and bid deposit retained until the successful bidder has delivered satisfactory contract and performance and payment bonds.

BE IT FURTHER RESOLVED that the award of this contract constitutes a preliminary determination as to the qualifications of the bidder. The City is not legally bound to perform the

contract until the contract is duly executed by the City. The bid deposit may be retained if the bidder fails to execute the contract or give satisfactory surety as required by N.C.G.S. 143-129.

BE IT FURTHER RESOLVED that Creative Design and Construction, Inc. will be required to subcontract 8.3% of this contract with certified minority owned businesses and 7.3% with certified women owned businesses as indicated on Affidavit “C” submitted by the company.

BE IT FURTHER RESOLVED that funds have been previously appropriated and will be made available for the Hathaway Park project in account no. 305-533109-563107 and for the Little Creek Community Center project in account no. 305-533109-563104 to cover the cost of this contract.

Exhibit A

Project/Bid Description: Contract for Spraygrounds at Hathaway Park & Little Creek
 Bidder's Company Name: Creative Design & Construction, Inc.
 City/State: Tobaccoville, NC

WORKFORCE DEMOGRAPHICS

Gender		Race/Ethnic Identification					Total
Male	Female	White	African-American	Hispanic	Asian	Native-American	
5	2	6	1	0	0	0	7
% of Total	71.4%	28.6%	85.7%	14.3%	0.0%	0.0%	0.0%

The above demographic data is provided to reflect generally the company's efforts to achieve diversity in the workplace in compliance with the applicable equal employment opportunity laws; however, this information is not dispositive of such and may not be used as the basis for awarding or rejecting a bid contract.

**RESOLUTION AWARDING CONTRACT FOR CONSTRUCTION OF
FAIRVIEW PARK RENOVATIONS**

WHEREAS, after due advertisement, bids were received and publicly opened by the City/County Purchasing Department at 3:00 p.m., Tuesday, March 29, 2016, for construction of Fairview Park renovations and the following bids were received:

	<u>City/State</u>	<u>Base Bid</u>	<u>Total with Alternates</u>
Creative Design and Construction, Inc.	Tobaccoville, NC	\$169,960	\$197,960
DreamBuilt Construction, Inc.	Advance, NC	214,600	284,200
Bar Construction Co., Inc.	Greensboro, NC	289,800	355,300

WHEREAS, it is the recommendation of the Finance Committee that a contract be awarded to Creative Design and Construction, Inc., the low bidder meeting specifications, for construction of Fairview Park renovations in the estimated base bid amount of \$169,960 plus alternate #1 and #2 for a total award amount of \$207,960.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council that the contract for construction of Fairview Park renovations is hereby awarded to Creative Design and Construction, Inc. in the estimated base bid amount of \$169,960 plus alternate #1 and #2 for a total award amount of \$207,960. The City Manager and City Secretary are authorized to execute the contract on behalf of the City, contract forms to be approved by the City Attorney, and bid deposit retained until the successful bidder has delivered satisfactory contract and performance and payment bonds.

BE IT FURTHER RESOLVED that the award of this contract constitutes a preliminary determination as to the qualifications of the bidder. The City is not legally bound to perform the contract until the contract is duly executed by the City. The bid deposit may be retained if the bidder fails to execute the contract or give satisfactory surety as required by N.C.G.S. 143-129.

BE IT FURTHER RESOLVED that funds have been previously appropriated and will be made available for the Fairview Park Renovations project in account no. 305-533109-563207 to cover the cost of this contract.

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City Council – Action Request Form

Date: April 5, 2016
To: The City Manager
From: Thomas Kureczka, Chief Information Officer

Council Action Requested:

Consideration of a Resolution Approving a Contract with NWN Corporation for Computer Application Servers.

Summary of Information:

The Information Systems Department manages a large computer application server farm within the City’s two data centers. There are 32 physical computer application servers in each data center, with each server having the capacity to support up to 15 - 20 of the City’s enterprise and departmental business applications.

As of Fiscal Year 2014-2015 our servers were all at least seven years old. We had lost vendor support for the servers, and purchasing memory and replacement parts was costly and difficult. We initiated a three year refresh plan to address this, with approximately 1/3 of the equipment to be replaced each year, for three years, from Fiscal Year 2014-2015 through Fiscal Year 2016-2017.

We have issued a Request for Purchase (RFP) for the Fiscal Year 2015-2016 portion of the replacements. The RFP was sent directly to three vendors with whom we have worked, with one of these being the only local vendor available. The RFP was also advertised on Purchasing’s web site.

We received four responses to the RFP. The only local vendor did not respond, and of the four responses only one was an M/WBE certified provider.

Committee Action:

Committee	_____	Action	_____
For	_____	Against	_____

Remarks: _____

The responding vendors and their pricing information is as follows:

Vendor	Price
NWN Corporation	\$101,487.68
Norfolk Wire	\$111,850.00
Data Network Solutions	\$108,840.00
Strategic Products	\$152,407.12

It is recommended that the City enter into an agreement with NWN Corporation for the purchase of computer application servers. The total one-time cost is \$101,487.68, with an on-going annual support cost of \$2,824. NWN Corporation provided the lowest price of the four responses received, and was the only vendor M/WBE certified. We have done previous business with this vendor with very satisfying results. Funding is available in the Information Systems capital projects budget.

Exhibit A includes workforce demographics for NWN Corporation.

**RESOLUTION APPROVING A CONTRACT WITH NWN CORPORATION FOR
COMPUTER APPLICATION SERVERS**

WHEREAS, the Information Systems Department manages a computer application server farm within two data centers to support the City's enterprise and departmental business applications; and

WHEREAS, as of Fiscal Year 2014-2015 all of the servers were at least seven years old, with no vendor support and the purchase of memory and replacement parts being costly and difficult; and

WHEREAS, in Fiscal Year 2014-2015 the City initiated a three year server refresh plan to replace approximately 1/3 of the equipment each year from Fiscal Year 2014-2015 through Fiscal Year 2016-2017; and

WHEREAS, a Request for Purchase was issued for the Fiscal Year 2015-2016 portion of the refresh plan, with four vendor responses and no local vendor responses; and

WHEREAS, NWN Corporation responded with the lowest price and was the only M/WBE certified vendor; and

WHEREAS, funding is available in the Information Systems capital projects budget; and

WHEREAS, it is recommended that the City enter into an agreement with NWN Corporation for the purchase of computer application servers.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Council authorize the City Manager to enter into a contract with NWN Corporation for computer application servers for a one-time amount of \$101,487.68, with an on-going annual support cost of \$2,824.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the contract on behalf of the City.

Exhibit A

Project/Bid/ Description:	<u>Contract for Blade Servers</u>
Bidder's Company Name:	<u>NWN Corporation</u>
City/State:	<u>Waltham, MA</u>

WORKFORCE DEMOGRAPHICS

Gender		Race/Ethnic Identification							Two or More Races	Total
Male	Female	White	African-American	Hispanic	Asian	Native-American				
386	153	417	46	38	30	2	6	539		
% of Total		77.4%	8.5%	7.0%	5.6%	0.4%	1.1%			

The above demographic data is provided to reflect generally the company's efforts to achieve diversity in the workplace in compliance with the applicable equal employment opportunity laws; however, this information is not dispositive of such and may not be used as the basis for awarding or rejecting a bid contract.

City Council – Action Request Form

Date: March 30, 2016

To: The City Manager

From: Ben Rowe, Assistant City Manager

Council Action Requested:
 Consideration of Amendments to the Fiscal Year 2015-2016 Budget Ordinances for the City of Winston-Salem, North Carolina.

Summary of Information:

The proposed amendments to the Fiscal Year 2015-2016 budget ordinances authorize adjustments for the following purposes.

Appropriation of Grants and Other Revenues Received

- o The City of Winston-Salem has received a \$604,000 pass-through grant from the One North Carolina Fund for Herbalife. The proposed amendment appropriates these funds in the economic development grants fund.
- o The Police Department has received additional federal forfeiture funds from the United States Department of Treasury totaling \$6,750 and additional state controlled substance tax receipts from the Office of the State Auditor totaling \$38,650 for the purchase of equipment (\$45,400).
- o The Police Department has received a 2016 Police Benefit Fund grant totaling \$13,940 from the Winston-Salem Foundation for morale-building activities such as meals for officers working on Thanksgiving and Christmas Day and the annual retiree luncheon.

Committee	Action
_____	_____
For	Against
_____	_____
Remarks:	

General Fund Balance Transfers Related to Financial Policies

- On March 28, 2016, the Mayor and City Council approved changes to the financial policies for the City of Winston-Salem. Those changes included the following:
 - Increase the minimum unassigned general fund balance policy to 14% of the estimated expenditures.
 - Transfer the annual increase in unassigned fund balance to the Housing Finance Assistance Fund and the Economic Development Project Fund an amount equal to 25% of the annual increase to each fund. The remaining 50% increase would remain in the General Fund and be available for appropriation.

At the end of Fiscal Year 2014-2015, the unassigned general fund balance increased by \$2,894,437. The proposed amendment transfers 25% of this increase to the Housing Finance Assistance Fund and 25% of this increase to the Economic Development Project Fund.

Winston-Salem Cycling Classic

- Championship cycling events and the Winston-Salem Cycling Classic will take place May 24-30 this year. The schedule of events will include amateur and professional cycling events including the USA Cycling Professional Road Race and Time Trial National Championships, USA Cycling Masters Road Championships, Para-Cycling Road National Championships, and the Winston-Salem Cycling Classic. Anticipated attendance is approximately 20,000, with 3,000 overnight visitors and over 4,000 hotel room nights used. The estimated economic impact of the event is \$3,500,000.

The route for this year's professional road race will require additional personnel for traffic control. Event organizers have requested additional support from the Winston-Salem Police Department. While the City cannot commit on-duty officers for the road race, staff proposes providing funding from the City's occupancy tax fund to offset the cost of hiring additional off-duty officers. The proposed amendment appropriates \$35,000 from occupancy tax fund balance to help cover the cost of additional off-duty officer support.

**ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY
ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA
FOR THE FISCAL YEAR 2015-2016**

BE IT ORDAINED by the Mayor and City Council of the City of Winston-Salem that the Annual Appropriation and Tax Levy Ordinance for the Fiscal Year 2015-2016 be amended to cover changes in the following funds as described herein.

SECTION 1. That the Annual Appropriation and Tax Levy Ordinance of the City of Winston-Salem, adopted on June 15, 2015 and amended on August 17, 2015, September 21, 2015, October 26, 2015, November 16, 2015, January 19, 2016, February 15, 2016, and March 28, 2016, shall be amended by changing the expenditure appropriations in the following funds.

General Fund

Community and Economic Development	
Transfer to Housing Finance Assistance Fund	\$723,610
Transfer to Economic Development Project Fund	723,610
Total General Fund Expenditures	\$1,447,220

Special Revenue Funds

Occupancy Tax Fund	
Winston-Salem Cycling Classic	\$35,000
Total Special Revenue Funds Expenditures	\$35,000

SECTION 2. That the following revenues will be available to meet the above listed appropriations.

General Fund

Fund Balance Appropriation	\$1,447,220
Total General Fund Revenues	\$1,447,220

Special Revenue Funds

Occupancy Tax Fund	
Fund Balance Appropriation	\$35,000
Total Special Revenue Funds Revenues	\$35,000

SECTION 3. That this amendment to the Annual Appropriation and Tax Levy Ordinance shall become effective as of the date of adoption.

**ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE
CITY OF WINSTON-SALEM, NORTH CAROLINA
FOR THE FISCAL YEAR 2015-2016**

BE IT ORDAINED by the Mayor and City Council of the City of Winston-Salem that the Project Budget Ordinance for the Fiscal Year 2015-2016 be amended to cover changes in the following funds as described herein.

SECTION 1. That the Project Budget Ordinance of the City of Winston-Salem, adopted on June 15, 2015 and amended on July 20, 2015, August 17, 2015, September 21, 2015, October 26, 2015, November 16, 2015, December 21, 2015, January 19, 2016, February 15, 2016, and March 28, 2016, shall be further amended by changing the expenditure appropriations in the following funds.

Special Revenue Funds

Grants Fund	
Public Safety Grants	
2016 Winston-Salem Benefit Fund	\$13,940
Economic Development Grants	
Herbalife	604,000
Housing Finance Assistance Fund	
Housing Projects	723,610
Economic Development Project Fund	
Economic Development Projects	723,610
Forfeiture Funds	
Equipment	45,400
Total Special Revenue Funds Expenditures	\$2,110,560

SECTION 2. That the following revenues will be available to meet the above listed appropriations.

Special Revenue Funds

Grants Fund	
Public Safety Grants	
Winston-Salem Foundation	\$13,940
Economic Development Grants	
One North Carolina Fund Grant	604,000
Housing Finance Assistance Fund	
Transfer from General Fund	723,610
Economic Development Project Fund	
Transfer from General Fund	723,610
Forfeiture Funds	
United States Department of Treasury	6,750
State Controlled Substance Tax Receipts	38,650
	<hr/>
	45,400
Total Special Revenue Funds Revenues	\$2,110,560

SECTION 3. That this amendment to the Project Budget Ordinance shall become effective as of the date of adoption.

City Council – Action Request Form

Date: April 18, 2016

To: The City Manager

From: Courtney Driver, Assistant to the City Manager

Council Action Requested:

Consideration of a Request to Forgive Outstanding Debt on City-Owned Property on Second Street and Approve Conversion of the Property to a Passive Park.

Summary of Information:

There is interest in converting four city-owned lots on 2nd Street across from Shady Boulevard into a passive park area. This .77 acre site is currently undeveloped. At one time, local developer, Bill Benton, expressed an interest in developing the property and an option was extended. Mr. Benton subsequently elected not to move forward with development plans and the option expired. Since that time, there has been no activity on the property.

The subject property is located within the boundaries of the Holly Avenue National Register Historic District, which was designated in 2002 and is also part of the Salem Waterworks Reservation Archeological Site. Existing public and private easements place certain development restrictions on this property. A 30’ private drainage easement runs along the northern and eastern property lines and a 20’ public utility easement runs through the middle of the property.

The subject property has outstanding debt associated with it and the figures below are a current reflection of the financial status of the property. The table below reflects the entities associated with the property, the amounts written off by the City, and the remaining project balance. The funding source for each element of the project is listed in parentheses. Should City Council elect to forgive the outstanding balance, the property would be freed for the development of a passive park. The City Council has elected to forgive debt of this nature in many instances. Another comparable example would be instances in which the City has sold land to non-profit organizations at a reduced rate.

Committee Action:

Committee	_____	Action	_____
For	_____	Against	_____

Remarks:

2nd Street Property Transaction Summary

\$ 754,176.96	Partners for Homeownership (PfH) Spring Street project (Housing Finance Assistance)
\$ 152,405.90	House demolition, re-routing of storm drain (CDBG)
\$ 11,157.55	Professional Services for Sustainable Housing, LLC (Housing Finance Assistance)
\$ 138,503.82	AIDS Care Building (50% Housing Finance, 50% CDBG)

\$1,056,244.23 Total Funds Expended

\$-411,565.11	Cash collections (Housing Finance Assistance)
\$ -51,676.33	Expenses forgiven for storm drain re-routing (CDBG)
\$ -11,157.55	Expenses forgiven for professional services (Housing Finance Assistance)
\$-138,503.82	AIDS Care Service obligation (50% Housing Finance Assistance, 50% CDBG)
\$-158,870.00	Amount to be forgiven when PfH transfers the AIDS Care Building to AIDS Care Service

\$ 284,472.00 Total Outstanding Balance

The City's Real Estate Division assessed the market value of the property and provided an estimate of value at \$100,000. The current debt on the property exceeds the market value of the land by approximately \$184,472. In order to recoup a portion of the remaining debt balance owed to the Housing Finance Assistance Fund, it is recommended for City Council to consider designating \$100,000 of bond funds earmarked for park land acquisition to extinguish some debt on the property. The remaining debt balance of \$184,472 would be forgiven.

The Recreation and Parks Commission approved the conversion of the property on 2nd Street to park property at their April 5, 2016 meeting.

The Council Action includes a budget amendment transferring funds from Park Land Acquisition project in the Capital Projects Fund to Housing Finance Assistance.

RESOLUTION APPROVING THE FORGIVENESS OF OUTSTANDING DEBT ON CITY-OWNED PROPERTY ON SECOND STREET AND APPROVE CONVERSION OF THE PROPERTY TO A PASSIVE PARK

WHEREAS, there is interest in converting four City-owned lots on 2nd Street across from Shady Boulevard into a passive park area; and

WHEREAS, this .77 acre site is currently undeveloped; and

WHEREAS, the subject property is located within the boundaries of the Holly Avenue National Register Historic District, which was designated in 2002 and is also part of the Salem Waterworks Reservation Archeological Site; and

WHEREAS, existing public and private easements place certain development restrictions on this property; and

WHEREAS, the subject property has outstanding debt in the amount of \$284,472 associated with the property; and

WHEREAS, the City's Real Estate Division assessed the market value of the property and provided an estimate of value at \$100,000; and

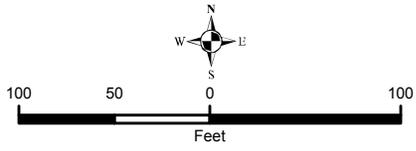
WHEREAS, the current debt on the property exceeds the market value of the land by \$184,472; and

WHEREAS, the Recreation and Parks Commission approved the conversion of the property on 2nd Street to park property at their April 5, 2016 meeting.

NOW, THEREFORE, BE IT RESOLVED that the City will transfer \$100,000 out of the Park Land Acquisition project in the Capital Projects Fund to the Housing Finance Assistance fund for reimbursement of fair market value of the property.

BE IT FURTHER RESOLVED, that the Mayor and City Council approve the forgiveness of \$184,472 in outstanding debt on the property and approve the property's conversion to a passive park.

W Second Street Property



-153-

**ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE
CITY OF WINSTON-SALEM, NORTH CAROLINA
FOR THE FISCAL YEAR 2015-2016**

BE IT ORDAINED by the Mayor and City Council of the City of Winston-Salem that the Project Budget Ordinance for the Fiscal Year 2015-2016 be amended to transfer funds from the Capital Projects Fund to the Housing Finance Assistance Fund for the Second Street Passive Park Project.

SECTION 1. That the Project Budget Ordinance of the City of Winston-Salem, adopted on June 15, 2015 and amended on July 20, 2015, August 17, 2015, September 21, 2015, October 26, 2015, November 16, 2015, December 21, 2015, January 19, 2016, February 15, 2016, and March 28, 2016, shall be further amended by changing the expenditure appropriations in the following funds.

Capital Projects Fund

Recreation Projects	
Park Land Acquisition – 2014 GO Bond Project	
Land Acquisition	-\$100,000
Transfer to Housing Finance Assistance Fund	100,000
Total Capital Projects Fund Expenditures	\$0

SECTION 2. That the following revenues will be available to meet the above listed appropriations.

Special Revenue Funds

Housing Finance Assistance Fund	
Transfer from Capital Projects Fund	\$100,000
Addition to Fund Balance	-100,000
Total Special Revenue Funds Revenues	\$0

SECTION 3. That this amendment to the Project Budget Ordinance shall become effective as of the date of adoption.

City Council – Action Request Form

Date: April 12, 2016

To: The City Manager

From: Gregory M. Turner, Assistant City Manager

Council Action Requested:

Consideration of a resolution to accept the proposal of Triad Eco Adventures to purchase the City’s two bus trolleys.

Summary of Information:

The City of Winston-Salem Department of Transportation in conjunction with the Winston-Salem Transit Authority solicited proposals from non-profits, government agencies, non-government agencies, and private companies for the purchase of two bus trolleys. The solicitation period began on January 11, 2016 and concluded on February 1, 2016. Three proposals were submitted.

1. Triad ECO Adventures

Triad Eco Adventures is associated with Boil Twice, Inc., OBX, the Movie, and Hopeless Harold’s. The company originated in the Winston-Salem area. Triad Eco Adventures (TEA) provides outdoor adventure-style entertainment from electronic skateboarding to Segway tours. TEA currently offers paddle boarding lessons, electronic cycle tours, and intro TRIKE flights.

- § Bid Price: \$10,100/bus
- § Primary Use of the Trolleys: Add-on to their current city tours; a way to transport groups into the downtown Winston-Salem area.
- § Secondary Use of the Trolleys: Downtown tours of Winston-Salem and to show off the city’s unique history and architecture.

2. Millennium Center

The Millennium Center (MC) is currently associated with Tart Sweets, Golden Flower Tai Chi, and David Poythress Designs. The MC is located downtown Winston-Salem; it is an event facility and full service venue offering event planning, catering, rehearsal dinners, wedding receptions, and celebrations of all types.

- § Bid Price: \$12,000/bus
- § Primary Use of the Trolleys: To offer tourist-style transportation of downtown historic sights, new developments, restaurants and attractions.
- § Secondary Use of the Trolleys: Safe transportation from special events, bars, and restaurants.

Committee Action:

Committee	Action
_____	_____
For	Against
_____	_____

Remarks:

3. Sunway Charters

Trolley Inc. is the parent company of Sunway Charters. Sunway Charters was established in Charlotte, NC and has since grown into surrounding cities and Myrtle Beach, SC. The company currently provides motor coach and vehicle for hire service.

- § Bid Price: \$10,002/bus
- § Primary Use of the Trolleys: Offer local group tours and sight-seeing in downtown Winston-Salem, Old Salem, and the surrounding areas.
- § Secondary Use of the Trolleys: Corporate events and transportation to Wake Forest University and Winston-Salem State University.

Selected Proposal

The evaluation committee selected Triad ECO Adventures based on its years of experience with similar projects, historical significance, and unique qualifications. Triad Eco Adventure's unique business model of combining the bus trolley tours with the current Segway tours in the downtown Winston-Salem area delivers a more effective use of the trolleys. Its experience within the tourism industry and long-term sustainability within the Winston-Salem area adds to the historical significance of its project proposal.

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH TRIAD ECO ADVENTURES TO PURCHASE TWO WINSTON-SALEM BUS TROLLEYS

WHEREAS, the City of Winston-Salem Department of Transportation in conjunction with the Winston-Salem Transit Authority solicited proposals from non-profits, government agencies, non-government agencies, and private companies for the purchase of two bus trolleys; and

WHEREAS, three purchase proposals were submitted during the solicitation period which began on January 11, 2016, concluding on February 01, 2016; and

WHEREAS, Triad ECO Adventures, a local Segway tour provider submitted a bid of \$10,100 per bus; and

WHEREAS, Triad ECO Adventures intends to use the buses as a supplement to its current city tours; a way to transport groups into the downtown Winston-Salem area; and

WHEREAS, the proposal evaluation committee comprised of Winston-Salem Department of Transportation and Winston-Salem Transit Authority staff identified Triad ECO Adventures as the leading proposal, based on its years of experience with tour based services, knowledge of Winston-Salem's historical heritage, and unique business model as a Segway tour provider.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Council hereby authorizes the City Manager and City Secretary to enter into an agreement with Triad ECO Adventures to purchase the City of Winston-Salem's two bus trolleys with a purchase price of \$10,100 per bus.

**RESOLUTION DECLARING CERTAIN CITY OWNED EQUIPMENT SURPLUS AND
AUTHORIZING THE SALE THEREOF**

WHEREAS, the City of Winston-Salem presently owns the motor vehicles and equipment listed on Attachment A following the resolution; and

WHEREAS, all vehicles and equipment listed on Attachment A have been determined by the Fleet Department to be obsolete, outmoded, or unsuitable for the intended use and the disposal of which would be to the financial benefit of the City; and

WHEREAS, all vehicles and equipment, which have been removed from service, are either wrecked or in need of extensive repairs and maintenance that would be cost prohibitive; and

WHEREAS, it is the recommendation of the Finance Committee that said motor vehicles and equipment be sold in accordance with N.C.G.S. 160A-270(b).

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Winston-Salem, that the Purchasing Director, acting in the name and on behalf of the City of Winston-Salem, is hereby authorized to advertise and sell said motor vehicles and equipment.

ATTACHMENT A

Equip#	Yr	Make	Model	Serial	Mileage	Reason
0284	1997	Chevrolet	1500 Pickup 4wd	1GCEK14R2VZ173374	122,856	Age, Mileage and Repair
0560	2002	Chevrolet	1500 Pickup Ext	1GCEC19W021284053	107,000	Age, Mileage and Repair
6058	1991	Ingersol Rand	185 Compressor	190866U91328	1,292	Age
0719	2000	Chevrolet	2500 Utility	1GBGC24R0YF477230	206,345	Age, Mileage and Repair
6735	2001	Chevrolet	3500 Dump	3GBKC34G61M114550	45,444	Age and Repairs
8069	2001	John Deere	410e Backhoe	TO410EX892247	3,966	Age, Mileage and Repair
8038	2004	John Deere	410g	TO410GX927891	7,345	Age, Mileage and Repair
4034	2003	Chevrolet	7000 Hoist Truck	1GBP8E1C13F520713	112,022	Age, Mileage and Repair
0862	1999	Chevrolet	8500 Tandem Dum	1GBT7H4C5XJ100292	86,132	Age, Mileage and Repair
1100	1976	Sutphen	Aerial	HS1137	129,040	Age, Mileage and Repair
1201	2001	Chevrolet	Blazer	1GNNDT13W11K201028	94,165	Age and Repairs
6190	1999	Chevrolet	Blazer	1GNNDT13W3XK222598	56,183	Age, Mileage and Repair
1170	2012	Chevrolet	Caprice	6G1MK5U23CL605553	55,510	Totaled
0375	2006	Chevrolet	Colorado Pickup	1GCCS148668302366	102,845	Age, Mileage and Repair
0055	2005	Ford	Crown Victoria	2FAHP71W65X148310	128,006	Age, Mileage and Repair
0075	2008	Ford	Crown Victoria	2FAHP71V68X152594	100,683	Age, Mileage and Repair
0099	2000	Ford	Crown Victoria	2FAFP71W5YX209948	123,400	Age, Mileage and Repair
0166	2008	Ford	Crown Victoria	2FAHP71VX8X149715	62,483	Age, Mileage and Repair
0905	2002	Ford	Crown Victoria	2FAFP71W82X155794	127,439	Age, Mileage and Repair
1025	2006	Ford	Crown Victoria	2FAFP71W66X154228	128,701	Age, Mileage and Repair
1036	2007	Ford	Crown Victoria	2FAFP71W17X147060	149,385	Age, Mileage and Repair
1045	2007	Ford	Crown Victoria	2FAFP71W77X145183	141,209	Age, Mileage and Repair
1049	2006	Ford	Crown Victoria	2FAFP71W66X156447	93,788	Age, Mileage and Repair
1073	2006	Ford	Crown Victoria	2FAFP71W06X156444	117,500	Age, Mileage and Repair
1108	2006	Ford	Crown Victoria	2FAFP71WX6X156449	118,600	Age, Mileage and Repair
1139	2002	Ford	Crown Victoria	2FAFP71W92X155805	104,100	Age, Mileage and Repair
1176	2008	Ford	Crown Victoria	2FAHP71V58X152604	114,739	Mileage and Repair
1237	2006	Ford	Crown Victoria	2FAFP71W46X154230	128,523	Age, Mileage and Repair
1241	2006	Ford	Crown Victoria	2FAFP71WX6X156452	137,714	Age, Mileage and Repair
1248	2006	Ford	Crown Victoria	2FAFP71W86X154229	141,795	Age, Mileage and Repair
1257	2006	Ford	Crown Victoria	2FAFP71W56X156441	120,853	Age, Mileage and Repair
1286	2006	Ford	Crown Victoria	2FAFP71W36X156437	128,485	Age, Mileage and Repair
1292	2005	Ford	Crown Victoria	2FAHP71WX5X148309	114,570	Age, Mileage and Repair
1299	2008	Ford	Crown Victoria	2FAHP71V98X149706	109,520	Age, Mileage and Repair
1307	2005	Ford	Crown Victoria	2FAHP71W35X148314	141,903	Age, Mileage and Repair
1323	2005	Ford	Crown Victoria	2FAHP71W65X148324	127,294	Age, Mileage and Repair
1329	2006	Ford	Crown Victoria	2FAFP71W76X156442	121,759	Age, Mileage and Repair
1339	2004	Ford	Crown Victoria	2FAHP71W04X163626	129,988	Wrecked, Totaled
1348	2006	Ford	Crown Victoria	2FAFP71W76X156456	128,902	Age, Mileage and Repair
1353	2004	Ford	Crown Victoria	2FAHP71W74X163607	124,652	Age, Mileage and Repair
1357	2006	Ford	Crown Victoria	2FAFP71W96X156460	127,924	Age, Mileage and Repair
1363	2007	Ford	Crown Victoria	2FAFP71W17X145194	112,117	Age, Mileage and Repair
3204	2006	Ford	Crown Victoria	2FAFP71W06X156458	106,170	Age, Mileage and Repair
3206	2006	Ford	Crown Victoria	2FAFP71W16X156436	126,193	Age, Mileage and Repair
0620	2003	Ford	F150 Pickup	1FTRF17233NB56074	151,262	Age, Mileage and Repair
0896	1994	Ford	F150 Pickup	1FTDF15Y9RNA96604	99,630	Age, Mileage and Repair

C-8. DRAFT

0503	2001	Ford	F250 Pickup Ext	3FTNW21L11MA68928	126,929	Age, Mileage and Repair
4412	2006	Odb	LCT 600 Leaf LO	1206-4615	1,378	Age, Mileage and Repair
8996#87	2007	Bobcat	Mower	94ZZ4400304		Age and Repairs
0849	2002	Freightliner	MS300p Vac/All	1FVHBXAK32HJ77799	59,950	Age, Mileage and Repair
0694	2008	Ford	Ranger Pickup	1FTYR10D28PA59958	63,719	Repairs
6021	2008	Ford	Ranger Pickup	1FTYR10D88PA60936	149,969	Age, Mileage and Repair
6035	1988	Wells	Sample Trailer	1WC200J25J3016278	0	Age
1126	1999	Ford	Taurus	1FAFP52S9XA305895	144,822	Age, Mileage and Repair
1159	2002	Ford	Taurus	1FAFP52UX2A155077	104,894	Age, Mileage and Repair
0597	1990	Inters	Trailer	1UK500D18L1005451	0	Age, Mileage and Repair
6621	2001	Tesh	Trailer	4X4TSE62X2U201083	0	Age and Repairs
0463	1998	Volvo	WG64 R-Loader	4VHJCLRF4WN863287	130,086	Age, Mileage and Repair
0473	2001	Volvo	WX64 Ez Dm 1/2	4V2DC6UE01N321961	130,551	Age, Mileage and Repair
0491	2002	Volvo	WXDU64	4V2DC6UE32N334267	128,765	Age, Mileage and Repair
0496	2002	Autocar	WXDU65	5VCDC6UEX3N194841	111,126	Age, Mileage and Repair
RAMCO	1998	Acura	4S	JH4KA9689WC010734		Total Loss Claim
RAMCO	1998	Toyota	4S	2T1BR12E6WC036724		Total Loss Claim
RAMCO	2001	Honda	4S	1HGCG16591A080333		Total Loss Claim
RAMCO	2006	Dodge	MP	1D4HD38N16F107821		Total Loss Claim
RAMCO	1998	Nissan	VN	4N2ZN111XWD821000		Total Loss Claim
RAMCO	2003	Yamaha	MC	JYA5AHE073A039754		Total Loss Claim

SUMMARY OF MINUTES**FINANCE COMMITTEE**

4:00 p.m., Monday, March 21, 2016

COMMITTEE ROOM

Room 239, City Hall

MEMBERS PRESENT: *Mayor Allen Joines (in at 4:39 p.m.)*
 Council Member Robert C. Clark, Chair
 Council Member Denise D. Adams, Vice Chair
 Council Member Vivian H. Burke
 Council Member Derwin L. Montgomery

OTHERS PRESENT: *Council Member Molly Leight*
 Council Member Dan Besse
 Council Member Jeff MacIntosh
 Council Member James Taylor, Jr.

Chair Clark called the meeting to order and stated without objection, the Committee would first consider the Consent Agenda. Council Member Burke removed Items C-1 (a), and C-4, Council Member Montgomery removed Items C-3, and C-7, and Chair Clark removed Items C-5, C-8, and C-16. No other items were removed.

Council Member Adams made a motion to approve the balance of the Consent Agenda. The motion was duly seconded by Council Member Montgomery and carried unanimously.

CONSENT AGENDA**Property Matters**

- C-1. **CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:**
- b. **RESOLUTION GRANTING A PERMANENT UTILITY EASEMENT TO DUKE ENERGY CAROLINAS, LLC - *For a proposed substation at the Muddy Creek Wastewater Treatment Plant.***
 - c. **RESOLUTION AUTHORIZING THE ABANDONING OF A PERMANENT SEWER EASEMENT WHICH IS NO LONGER NEEDED RELATED TO THE FERNBROOK LIFT STATION CONVERSION TO GRAVITY PROJECT.**
 - d. **RESOLUTION AUTHORIZING A FEE SIMPLE ACQUISITION OR EASEMENTS FOR CITY YARD STORMWATER RETENTION POND**

EXPANSION BY DEED OR CONDEMNATION (EAST WARD).

Community and Economic Development

C-2. RESOLUTION APPROVING MODIFICATIONS TO A PREVIOUSLY APPROVED LOAN TO GOLER COMMUNITY DEVELOPMENT CORPORATION.

Human Resources

C-6. RESOLUTION INCREASING THE CITY’S CONTRIBUTION CAP FOR RETIREE HEALTH INSURANCE AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH UNITED HEALTHCARE FOR THE PROVISION OF A MEDICARE ADVANTAGE PLAN FOR RETIREES.

Finance/Budget

C-9. CONSIDERATION OF ITEM RELATING TO THE 28TH STREET STORMWATER DRAINAGE IMPROVEMENTS AND WATER AND SEWER REPLACEMENT:

- a. RESOLUTION AUTHORIZING A CHANGE ORDER TO CHARLES D. LOWDER INC. IN THE AMOUNT OF \$270,000 FOR REPLACEMENT OF A 72” CULVERT SYSTEM ON IVY AVENUE (NORTHEAST WARD).
- b. RESOLUTION AUTHORIZING A CHANGE ORDER TO HDR ENGINEERING IN THE AMOUNT OF \$40,000 FOR CONSTRUCTION OBSERVATION AND ADMINISTRATION SERVICES.
- c. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.

C-10. CONSIDERATION OF ITEMS RELATED TO SAND FILTER CONVERSION AT BROOKWOOD BUSINESS PARK (NORTHEAST WARD):

- a. RESOLUTION AWARDING CONTRACT FOR THE SAND FILTER CONVERSION AT BROOKWOOD BUSINESS PARK - *Carolina Environmental Contracting, Inc.* - \$98,815.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.

C-11. CONSIDERATION OF ITEMS RELATED TO CONTRACTS:

- a. RESOLUTION AWARDING CONTRACT FOR REPAIRS TO THE BRYCE A.

STUART PARKING DECK - *Strickland Waterproofing Co., Inc.* - \$179,025.

- b. RESOLUTION AWARDING CONTRACT FOR JOINT REPAIRS AT SIXTH/CHERRY/TRADE PARKING DECK - *Strickland Waterproofing Co., Inc.* - \$183,070.
 - c. RESOLUTION AWARDING CONTRACT FOR RENOVATIONS AT FOURTH AND CHURCH PARKING DECK - *Stone Restoration, LLC.* - \$118,992.
 - d. RESOLUTION AWARDING CONTRACT FOR RESURFACING CITY STREETS – BOND CONTRACT 3A - *APAC-Atlantic, Inc., Thompson-Arthur Division* - \$3,791,912.18 (*Estimated Amount*).
 - e. RESOLUTION AWARDING CONTRACT FOR RESURFACING CITY STREETS – BOND CONTRACT 3B - *APAC - Atlantic, Inc., Thompson-Arthur Division* - \$3,048,222,.06 (*Estimated Amount*).
 - f. RESOLUTION AWARDING PURCHASE ORDER FOR A REAR-LOADING REFUSE TRUCK - *Piedmont Peterbuilt, LLC* - \$159,619.
 - g. RESOLUTION AWARDING PURCHASE ORDER FOR TWO FRONT-LOADING REFUSE TRUCKS - *Piedmont Peterbuilt, LLC* - \$482,856.
- C-12. CONSIDERATION OF AMENDMENTS TO THE FISCAL YEAR 2015-2016 BUDGET ORDINANCES FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA :
- a. ORDINANCE AMENDING THE ANNUAL APPROPRIATION AND TAX LEVY ORDINANCE FOR THE FISCAL YEAR 2015-2016.
 - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE FISCAL YEAR 2015-2016.
- C-13. RESOLUTION AWARDING CONTRACT FOR EXAMINATION OF ANNUAL FINANCIAL STATEMENTS OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016. [*\$85,000*].
- C-14. RESOLUTION REQUESTING AN INCREASE IN NORTH CAROLINA CLEAN WATER STATE REVOLVING FUND LOAN ASSOCIATED WITH SANITARY SEWER EVALUATION STUDIES AND COLLECTION SYSTEM REHABILITATION PROJECTS. [*\$2,861,396*].
- C-15. RESOLUTION OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA, APPROVING A LEASE AGREEMENT AND RELATED MATTERS.

Transportation

- C-17. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH DAVENPORT FOR PROFESSIONAL ENGINEERING SERVICES FOR THE WHITAKER PARK NEW ROADWAY FEASIBILITY IMPROVEMENT PROJECT.
- C-18. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A MUNICIPAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR TRAFFIC MODELING FOR THE BUSINESS 40 PROJECT.

General Government

- C-19. APPROVAL OF FINANCE COMMITTEE SUMMARY OF MINUTES - *February 8, 2016*.
- C-1. CONSIDERATION OF ITEMS RELATING TO THE ACQUISITION/SALE OF PROPERTY:
- a. RESOLUTION AUTHORIZING THE SALE OF A CERTAIN CITY-OWNED VACANT LOT ON EAST TWENTY-THIRD STREET UNDER THE UPSET BID PROCEDURE N.C.G.S. 160A-269 (NORTHEAST WARD). [*\$1,500*].

Mr. Kirk Bjorling, Real Estate Administrator, Real Estate Department, gave the staff presentation on this item.

Council Member Burke made a motion to approve the item. The motion was duly seconded by Council Member Adams and carried unanimously.

- C-3. UPDATE ON THE CONTRACT RENEWAL PROCESS FOR THE DOWNTOWN WINSTON-SALEM BUSINESS IMPROVEMENT DISTRICT.

Mr. Stephen Hawryluk, Budget and Evaluation Analyst, Budget Department, gave the staff report on this item.

- C-4. CONSIDERATION OF ITEMS RELATING TO URBAN DEVELOPMENT ACTION GRANT FUNDS IN A FORGIVABLE LOAN TO SOUTHEAST PLAZA INVESTORS, LLC.:
- a. RESOLUTION SUBSTITUTING ECONOMIC DEVELOPMENT FUNDS FOR URBAN DEVELOPMENT ACTION GRANT FUNDS IN A FORGIVABLE LOAN TO SOUTHEAST PLAZA INVESTORS, LLC.
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.

Mr. Evan Raleigh, Deputy Director, Community and Business Development Office, gave the staff presentation on this item.

In response to Council Member Adams, Mr. Raleigh explained staff did not file the necessary paperwork for the use of federal funds.

Mr. Derwick Paige, Assistant City Manager, explained staff was unaware these funds were still classified as federal funds since they had been recycled through the system numerous times.

Mrs. Angela Carmon, City Attorney, explained staff did not request the paperwork in a timely manner. She stated moving forward, when the Davis-Bacon Act is required staff will meet with the borrower to ensure compliance.

Council Member Adams requested staff look at policies and procedures more carefully to ensure this does not happen again.

Mr. Raleigh stated since this discovery, staff has put in safe guards to ensure compliance.

In response to Council Member Burke, Mr. Raleigh stated, this project will not have any effect on funding for any other RUCA project.

Chair Clark requested the definition of the Davis-Bacon Act, other projects going on now, and assurance contractors are properly notified of this requirement.

Council Member Adams made a motion to approve the item. The motion was duly seconded by Council Member Montgomery. The item passed with three in favor, none opposed and one abstaining. Council Members Clark, Montgomery and Adams voted in favor, Council Member Burke abstained from the vote.

C-5. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH NOVANT HEALTH FOR EMPLOYEE MEDICAL SERVICES. [*\$142,900*].

Ms. Carmen Caruth, Director, Human Resources Department, gave the staff presentation on this item.

In response to Chair Clark, Ms. Caruth stated if 16 hours a week if determined to not be enough time, it can be increased at a later date.

In response to Council Member Adams, Ms. Caruth explained these services are being offered at Employee Medical.

Council Member Adams requested a benchmarking of what other cities are offering in medical services for employees, success rates, and savings.

Council Member Burke made a motion to approve the item. The motion was duly seconded by Council Member Montgomery and carried unanimously.

C-7. RESOLUTION REJECTING ALL BIDS FOR WINSTON LAKE PARK DEVELOPMENT (EAST WARD).

Mr. Jerry Bates, Director, City/County Purchasing Department, gave the staff presentation on this item.

Council Member Montgomery stated this item was an example of when a company does not provide a good faith effort, the City will reject the contract.

In response to Chair Clark, Mr. Robert Prestwood, City Engineer, and explained staff is working with the architect and will re-bid the contract back in April.

Council Member Montgomery made a motion to approve the item. The motion was duly seconded by Council Member Adams and carried unanimously.

C-8. RESOLUTION AUTHORIZING THE PURCHASE OF SOFTWARE MAINTENANCE FROM MITCHELL HUMPHREY & COMPANY - *Mitchell Humphrey & Company - \$134,030.*

Mr. Tom Kureczka, Chief Information Officer, Information Systems Department, gave the staff report on this item.

Chair Clark requested staff amend this item to reflect no increases greater than 4%.

Council Member Adams made a motion to approve the item as amended. The motion was duly seconded by Council Member Montgomery and carried unanimously.

C-16. RESOLUTION OF SUPPORT WITH FINANCIAL COMMITMENT AND AUTHORIZATION TO APPLY FOR THE 2016 TRANSPORTATION INVEST GENERATING ECONOMIC RECOVERY GRANT.

Mr. Gregory Turner, Assistant City Manager, gave the staff presentation on this item.

In response to Council Member Montgomery, Mr. Turner stated staff looked at other projects but decided the pedestrian side path was the best option for a successful grant application.

In response to Chair Clark, Mr. Turner replied, the City's consultant, Ms. Leslie Mazingo felt this project was the best option as well.

Council Member Adams made a motion to approve the item. The motion was duly seconded by Council Member Montgomery. The item passed with three in favor, none opposed and one abstaining. Council Members Montgomery, Burke and Adams voted in favor, Council Member Clark abstained from the vote.

GENERAL AGENDA

- G-1. CONSIDERATION OF ACTIONS RELATED TO PUBLIC ASSEMBLY AND RECREATION PROJECTS:
- a. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.
 - b. RESOLUTION APPROVING A CHANGE ORDER FOR RENOVATION WORK AT THE BENTON CONVENTION CENTER.
 - c. RESOLUTION APPROVING A CONSTRUCTION CONTRACT FOR SALEM LAKE PARK - *Hodgin Construction Company, Inc. - \$4,119,000 (Value Engineered Estimated Amount)*.
 - d. RESOLUTION AWARDED A CONSTRUCTION CONTRACT FOR RUPERT BELL PARK - *Dreambuilt Construction, Inc. - \$288,170 (Estimated Amount)*.

In response to Chair Clark, Mr. Turner explained the list of additions is \$3.9 million with an additional \$1.3 million in contention. He stated many projects have already begun or have been bid out so their cost is already determined. He added staff is hesitant to apply aggressive engineering because it may not provide the final product the City wants.

Council Member Adams made a motion to approve the item. The motion was duly seconded by Council Member Montgomery and carried unanimously.

- G-2. RESOLUTION APPROVING MODIFICATIONS TO THE 2007 REIMBURSEMENT ASSISTANCE INCENTIVE AGREEMENT WITH WAKE FOREST UNIVERSITY HEALTH SCIENCES FOR WAKE FOREST INNOVATION QUARTER.

Mr. Derwick Paige, Assistant City Manager, gave the staff presentation on this item.

In response to Chair Clark, Mr. Paige stated the Fire Marshal requested the Central District be changed to the North District.

Council Member Montgomery requested work force housing incentive be increased from the 150,000 square feet proposed in the agreement to 250,000 square feet.

Mr. Graydon Pleasants, 1800 Greenbriar Road, Real Estate Development, Wake Forest Baptist Medical Center, stated they are unsure of what will be placed in the extra square feet so they were uncomfortable committing to what will be placed there. He explained they are already increasing the previous agreed to amount of 100,000 square feet to 150,000 square feet.

Council Member Burke requested the total amount of money private and public invested in this area.

Mr. Eric Tomlinson, Chief Innovation Officer, Wake Forest Innovation Quarter, stated \$420 million dollars in total investment has been spent in the area with an additional \$140 million in infrastructure.

Council Member Montgomery stated he would not support this item as written.

Mayor Joines requested staff work on some language to satisfy both needs.

Mr. Tomlinson stated he would be agreeable to stating they would use their best efforts to include workforce housing in the extra square feet.

Council Member Burke made a motion to move this item to Council without recommendation. The motion was duly seconded by Council Member Adams. The item passed with three in favor, none opposed and one abstaining. Council Members Clark, Adams, Burke voted in favor, Council Member Montgomery abstained from the vote.

G-3. CONSIDERATION OF ITEMS RELATING TO A CAPITAL IMPROVEMENT PROJECT AND THE CITY TO ENGAGE IN A PUBLIC-PRIVATE PARTNERSHIP:

- a. RESOLUTION FINDING THERE IS A CRITICAL NEED FOR A CAPITAL IMPROVEMENT PROJECT AND FOR THE CITY TO ENGAGE IN A PUBLIC-PRIVATE PARTNERSHIP IN ACCORDANCE WITH G.S. 143-128.1C [*\$4,000,000*].
- b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2015-2016.

Mr. Paige gave the staff report on this item.

In response to Council Member Montgomery, Mr. Paige replied the Utility Commission is discussing participation.

Mr. Robert Leak, Winston-Salem Business, Inc., 1080 West Fourth Street, stated he has approached the Utility Commission to handle the public portion of the water and sewer installation.

Council Member Adams made a motion to approve the item. The motion was duly seconded by Council Member Burke and carried unanimously.

- G-4. RESOLUTION AUTHORIZING THE SALE OF THE CENTER CITY WEST PARKING DECK AND THE HOLLY AVENUE SURFACE PARKING LOT UNDER THE UPSET BID PROCEDURE N.C.G.S. 160A-269 (NORTHWEST WARD) [*\$2,275,000*].

Mr. Turner gave the staff report on this item.

Mr. John Reece, 751 West Fourth Street, stated this project will be the partnership of two local developers working together to bring new and different options for development to the area.

Chair Clark requested the map shown by Mr. Reece be included in the packet for Monday.

Council Member Burke made a motion to approve the item. The motion was duly seconded by Council Member Adams and carried unanimously.

- G-5. RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO PERFORM DUE DILIGENCE WORK ON A LIBRARY SITE AND ECONOMIC DEVELOPMENT PROJECT FOR THE LUCIA SITE ON WAUGHTOWN STREET.

Mr. Turner gave the staff report on this item.

In response to Chair Clark, Mr. Turner explained the due diligence would be performed by staff and possibly a consultant if needed. He added if the project is over \$100,000 the item will return to Council for approval.

In response to Council Member Burke, Mr. Lee Garrity, City Manager, stated Council Members may bring any item to staff and request staff investigate the feasibility of a project.

Chair Clark requested ground photos of the proposed site be included when this item returns to Council for further action.

Council Member MacIntosh stated he would prefer the City not be the owner of this project and to locate a partner in the private sector.

Council Member Taylor stated this would be a part of a larger development. He explained it could possibly partner with Community Development Centers like Atkins CDC. He noted the upcoming Waughtown connector trail that will lead to Salem Lake, and more economic development in the area, and the possibility of additional development on the backside of the property.

Chair Clark stated his support for this item but noted concerns over setting a precedent that would lead to more projects like it. He voiced concern over the City owning the building and thought this project would work best if partnered with the private sector.

Council Member Burke made a motion to approve the item. The motion was duly seconded by Council Member Adams and carried unanimously.

G-6. RESOLUTION ADOPTING FINANCIAL POLICIES AND RECOMMENDATIONS REGARDING CITY FUNDS FOR THE CITY OF WINSTON-SALEM.

Mrs. Lisa Saunders, Director, Finance Department, gave the staff presentation on this item.

In response to Council Member Besse, Mrs. Saunders replied 14% will be kept in the uncommitted funds. She further explained if approved this would be a reoccurring action.

Council Member Adams made a motion to approve the item. The motion was duly seconded by Council Member Burke and carried unanimously.

G-7. REQUEST FROM THE UJIMA COMMUNITY DEVELOPMENT CORPORATION FOR THE DEVELOPMENT OF A 50-UNIT SENIOR HOUSING RENTAL DEVELOPMENT TO BE KNOWN AS EMMANUEL RETIREMENT VILLAGE.

Mr. Ritchie Brooks, Director, Community and Business Development, gave the presentation on this item.

Council Member Adams requested information on the location of retirement housing for seniors in the City.

Chair Clark requested a map of the area, the pro forma statement, and a listing of what resources the City can offer the developers. He requested market rates for this type of development as well.

Mr. Hobart Jones, 4645 Palace Avenue, stated he has a lot of support and hopes to break ground on July 1.

G-8. REQUEST TO FORGIVE LOAN AND FREE CITY-OWNED PROPERTY ON SECOND STREET FOR PARK DEVELOPMENT.

Ms. Courtney Driver, Assistant to the City Manager, gave the staff presentation on this item.

In response to Chair Clark, Ms. Driver explained a passive park generally consists of greenway, benches and sidewalks.

Council Member MacIntosh expressed his support of this item noting this area was recently rezoned as a residential area. He stated the blend of houses offers wide diversity and the park would be a good use of space.

Council Member Leight noted the backside of the property holds the original spring that fed Old Salem in the 1700s.

ADJOURNMENT: 5:55 p.m.