

**MINUTES OF THE SPECIAL TIF FINANCING MEETING
OF THE TOWN COUNCIL
TOWN OF CAROLINA BEACH**

May 28, 2008

The Town Council of the Town of Carolina Beach met in a special session on May 28, 2008 at 10:00 a.m. in the Council Chambers at the Municipal Administration Building, 1121 N. Lake Park Blvd., Carolina Beach, North Carolina. The following were present: Mayor Joel Macon; Mayor Pro Tem (MPT) Dan Wilcox; Councilwoman Pat Efirid; and Councilman Alan Gilbert. Also present were Town Manager Tim Owens; Town Clerk Lynn Prusa; David Adams, BB&T Capital Markets; Bob Murphrey, State Farm and Commerce Main Street Program; Kara Millonzi, Professor with the UNC School of Government specializing in city and county finance laws; Dawn Johnson Town Finance Director; Gary Ferguson, Town Planning Director; Ed Parvin, Town Planner; David M. Adams, BB&T; in Wilmington; Ray Brown with Bank of America; Paula Brown with Bank of America, the people talking because it is not loud enough); Charma McKnight, Steering Committee for developing the Master Plan; Bruce Holstein, Pleasure Island Chamber of Commerce Director; Gail McClusky, Pleasure Island Chamber of Commerce Executive Director; Sheila Mallard, HR Officer for the Town of Carolina Beach; Sheila Boyd, New Hanover County Finance Department; Jack Lynch, Business and Economic Development Committee member; Lee Ann Pierce, Business and Economic Development Committee member; Mike Kirkbride, Business and Economic Development Committee member; Johnny Davis, Business and Economic Development Committee member, realtor and builder on the island; Jon Rorie, Carolina Beach Fire Chief; Adam Short, Research Fellow for Carolina Beach; Mike Hoffer, Snow's Cut Monthly Magazine; Tyler Newman with BASE and the Wilmington Homebuilders Association; Jim Vattrt, Kure Beach Commissioner; and Michelle Connett, resident of Carolina Beach.

Mayor Macon welcomed everyone.

The town manager asked everyone to introduce themselves and who they represent. He said that Alan Pacek would open with an update on the Business and Economic Development Committee who have done a lot of work on TIF financing incentives and basically how the town does business with regard to bringing new business to town.

Alan Pacek said he is president of Five Star Commercial Real Estate, he is a resident of Carolina Beach with a background as a main street manager and as an economic development consultant. He said he thinks TIF financing is a dynamic tool if applied and used properly. He was appointed to the Business and Economic Development Committee and he introduced some attending members: Jack Lynch, Lee Ann Pierce, Mike Kirkbride, and Johnny Davis. One of the things the committee was charged to do was review the advantages of TIF financing as it applies to Carolina Beach.

Mr. Owens said the goals of the meeting are to review challenges with development in Carolina Beach's Central Business District (CBD), gain consensus and understanding of how Tax Increment Financing (TIFs) can impact the CBD, identify and review problems faced while attempting to utilize TIFs and/or other incentive programs, review other incentive strategies/resources that may be useful at Carolina Beach and how to bring development into town, particularly in the CBD. He turned the meeting over to the town's Senior Planner, Ed Parvin.

Ed Parvin said there will be four speakers and he explained the timing of the agenda. First speaker is to be Alan Pacek talking about the TIF Committee and what they have been working on.

Alan Pacek showed an overhead of TIF financing. He said his committee was formed in January and had their first meeting February with 7 meetings to date. They have reviewed extensively the pros and cons about project development financing in North Carolina and examples of how it has been used across the country. One of the stipulations in North Carolina is that the area is limited to 5% of the acreage of a municipality. The 5% rule, according to the county, Carolina Beach has over 2,000 acres, which allows 103.65 acres of a TIF zone. He pointed out the CBD (yellow area) on the overhead, which would be the focus and amounts to 44 acres. The core area (yellow, blue, magenta and green areas) equals 87 acres and they are now trying to decide where else they might want to add, such as: Canal Drive area currently unzoned behind the cinema; extend north on Carolina Beach Avenue North and Canal or the area encompassing the lake; or the area capturing the senior citizens center and extending down Cape Fear Blvd. They tried to mimic what was in the Master Plan which would take in the area all the way to Federal Point Shopping Center and coming up on the area along Cape Fear Blvd. They are going to continue to refine this. There has been discussion about extending further north along Lake Park Blvd. as a possible way of capturing the most potential development area. They are looking for ways and projects that would generate income to come back into the area.

Ed Parvin introduced Kara Millonzi, School of Government; member of the NC State Bar and the Bar of the Commonwealth of Massachusetts; specializing in city and county finance law, special assessments, utility, finance law, etc. She was asked to look at the legal framework behind TIF, how it works and some of the pros and cons.

Ms. Millonzi said she would touch upon the questions that were sent to her by Ed Parvin as she walks through the framework for TIF financing in North Carolina. She explained that TIF financing is called Project Development Financing in North Carolina and would be using the two names interchangeably. She stressed that TIF financing is a financing tool and is not in and of itself an economic development tool. It helps the community pay for an economic development project that they are otherwise going to engage in. She feels it is important to analyze TIF financing and compare it to other financing mechanisms such as issuing general obligation bonds, revenue bonds or other sorts of financing mechanisms. How does it work? A local government identifies an area that it wants to develop, usually that area is either blighted or underdeveloped. Local

government then finds potential private developers or private investors who are interested in coming into that area and putting in some sort of private development such as a major entertainment center, convention center, or any number of forms in terms of private investment which depends not on the financing mechanism but on what you envision for the community. Once the local government identifies the area and the private investment, that is where it identifies the financing mechanism and that is where, amongst other options, TIF comes in.

In looking at TIF as an option, first you need to delineate a project development financing district which is limited to 5% of the total area and has to include the proposed site of the private development and usually includes the proposed site of what the public part of the project is going to be in as well. Once that district is determined, the taxable value of that district as it stands at that moment is determined. That is known as the base valuation. Then what usually happens is that the local government involved will make some sort of public investment and that is where the borrowing comes in. They will issue what are called tax increment financing bonds to fund that public investment which can take a number of different forms. Some common things they have seen is putting in infrastructure to the extent that there is not water and sewer lines running to that district or building a parking garage that might be able to be utilized by the private investment in that area. Once you borrow the bond, as security for those bonds, the local government pledges the property tax revenue from any increased in valuations in that district that is going to occur once it is developed. Once the development occurs, that base valuation, they will apply property tax rate to it each year, and whatever that base evaluation was, the revenue from that part of the district will continue to come to the local government to pay for its general services. Usually when private development comes to an area, property values go up. Whatever increase in property values over that base valuation before the development, you apply the property tax rate to that portion of valuation and that money is used to pay back the bond. That is what is pledged and security for the bond and also the revenue you look to pay back the bond. The district can last until whenever the bonds are paid off or 30 years, whichever comes first. After that, you have, hopefully, an increased valuation of the property and then whatever the property tax rate is applied to that valuation, the local government keeps all of the revenue to use for general governmental services after that 30 year period or whenever the bond is paid off.

Ms. Millonzi reviewed project development financing timeline. This timeline occurs after identifying the area to be developed and identifying private developers or investors to develop that area. Once that has occurred, you need to develop a financing plan. You have to describe the project in pretty good detail and you have to do some pretty good estimates of what are going to be the financial consequences of that project. The financial impact to the community, the impact to existing businesses, the impact to future businesses - the financial components. There is a lot that goes into formulating this plan, a lot of studying and estimating that needs to go in. This is a pretty time intensive project to come up with this plan as an initial matter. The next step is to go to the Local Government Commission (LGC) for approval before the TIF bonds can be issued. The LGC can accept your application for approval at this stage of the process but they can't actually approve the issuance of the bond until much later in the process. So you apply

early on, you get the LGC on board, have conferences with LGC staff to work it out and find out ahead of time if they are going to approve it or not because you are not going to jump through all the hoops unless everyone is on board to begin with. It is a very important component. What the LGC is basically going to be concerned about is are you going to be able to pay back the bond. Once you have started the process with the LGC, you also have to have a public hearing. One of the pros TIF financing is that you will see nowhere in this process that you have to go to the voter. You do not have to seek voter approval to issue TIF bonds unlike general obligation bonds. You do have to have some public information such as holding public hearings, you have to provide notice to the citizens within the district, the property owners within the district, and notice to the county if you are a city and the county can put a stop on it. The county has the ability to say no to the city TIF financing plan. Assuming the county doesn't say no, you also have to notify to the extent you have any special districts or other sort of entities that already exist within that district. At the public hearing you have to hear from everybody who wants to talk about the issue. Once the governing board has heard from everyone who wants to talk about the issue, the governing board can either adopt the plan with or without amendment. At that point, you go back to the LGC, assuming you have had them on board all along, and they can give approval for the project and the effective date of the district is the date the LGC gives approval. After that happens, then it becomes an issue of yearly administrative burden of dealing with TIF financing. So it doesn't end once the bonds are issued. Each year the county tax assessor has to assess the valuation of the property. You have to know each year what is the base value and what is the incremental value so when property tax rates are applied you know where the money goes. There are several other components to the legislation she doesn't have time to get into today but there is opportunity for a government to amend the district to either take away property or add property but there is a 5 year restriction on that, it has to happen in the first 5 years. There are also certain other requirements for when property can be added or taken out.

TIF financing can only be used for certain types of projects. Some things not on the list are some general government type buildings or structures, no new fire stations, no new city halls or basic structures. TIF financing is being done to entice private investment. They want infrastructure, sewer and water, parking decks - things that are going to be attractive people they want to come spend money in whatever they are developing.

Someone asked Ms. Millonzi to explain the role of the county. Can you go forward without the county's approval, can you not? He noticed in TIF financing that the county can also offer up their portion of tax as well. She said you have to notify the county if you are a city establishing the district and the way the legislation reads is that the county has the ability within 28 days of receiving that notification of saying no. If they say no, then you can't do it. They have the ultimate authority to prevent you from proceeding with a TIF project. So it is very important to make sure that the county commissioners are on board with this project.

Another question was, what would be an example of a reason the county commissioners may not be supportive of the program? She did not know, and she asked if anyone else who has experience with TIF could answer that question. Mr. Owens said he felt their role would be to reevaluate, but he really didn't know either. Ms. Millonzi said she could give a little background on the legislation. This is the third time in history that this TIF legislation has come up and in various iterations, for political reasons, it hasn't gone forward until 2004 when they got the ball rolling for the final time. She said that one of her colleagues, David Lawrence was involved in the drafting stages of each period in history when this has come up. His take on this county approval requirement is that at some point in time, she thinks the second iteration, that was a requirement politically to get this passed with a compromised position. He was surprised to see that it hadn't been removed from this current iteration but it is there. She is not sure why it was included and not sure why a county would choose to exercise their ability to put a stop on it. If the county wants to get on board with this, can they? Ms. Millonzi said, absolutely. You can create a joint TIF district with the county and the city whereby the county also pledges the incremental revenue on the increased valuation. So, to the extent that the county uses this as a good thing for the county as well, that there is going to be spill-over effects that benefit the county from this improvement, this development. They may very well get on board for it.

In this case it would not be a district outside of the city, but I think what he is saying is they could pledge their portion of the tax revenue. Do they actually have to opt in to do that or is that automatically assumed? Ms. Millonzi said they have to opt in. When you are in a city, as a city property owner you typically pay the city property taxes and county property taxes. The county levees its own property tax rate against all of the property in the county including the property in the city and the city levees its property tax on the property located within the city territory. If the city establishes the district by itself, without any agreement with the county, the only increment that is pledged is the revenue generated by the city tax rate on that property. The county will continue to assess its property tax rate on that district, as well as on all the rest of the property in the county and the county will keep all of its money. None of that tax revenue will go toward repaying the bond. If, however, the city jointly establishes the TIF district with the county (there has to be a contractual agreement in place) whereby they both pledge the incremental revenue then, even if the city issues the bond, the incremental revenue of the county property tax on that increased valuation also goes into that same pot that is used to repay the bond and is also pledged as security for those bonds.

Question: When you say pledged, does that mean the county is co-partner in the debt and the TIF district. Ms. Millonzi said that typically, what she has seen, is only one entity is going to issue the debt, so either the city or county is going to issue the debt. But the county, if they enter into this interlocal agreement, the incremental revenue from the county's property tax rate will be pledged as security and will also be used to repay the dept. So one entity can issue the debt but the other entity is legally liable to help pay it back.

Question: But, as far as the county's debt ratio, would that be included in the liabilities?

Ms. Millonzi said yes.

Someone said, for discussion sake, if they take that whole district that was shown which is basically all of the commercial district in Carolina Beach, and issue TIF financing for that and the development in that entire district doesn't support the repayment of the bond - are you saying that the county would also be liable for the repayment of the bond? Ms. Millonzi said there are two situations. One situation where only the city is involved in establishing the district and doesn't involve the county at all - what is pledged in security is the incremental revenue on that increased valuation. If that incremental revenue is not enough, if that is all that is pledged, that is all the lender can go after. You are not on the hook to pay any more than that incremental revenue because that is all that is pledged. It also happens to be the source of what you use to pay back the bonds but, unlike a general obligation bond which if you run short of money to pay back your debt service obligation the lender can come in a force you to raise your property taxes to come up with enough money to pay back the loan, that cannot happen with TIF financing. With TIF financing, if you were to default, if you were to come short, the only thing the lender can do is come after that increment.

Another asked, so infrastructure is \$30 million and the town borrows the \$30 million but the incremental tax increases - the development never happens where that \$30 million is never realized through the tax increment, then, whatever the tax increment is. Say the tax increment is \$12 million, then the lender can only go after the \$12 million over that period of time established. Ms. Millonzi said that is correct. She will say though, here is where the LGC's role comes in. They are going to be very cautious and careful, it does not want you to default on your bond application in any way shape or form because it has very bad connotations for the market and bond rating and all sorts of things and that is why we have the LGC. The LGC is going to scrutinize the project. They are not going to want to see projects come forth where there is a lot of guesswork involved as to whether or not there is actually going to be development and will generate the value that you say it is going to generate. That initial stage will require a lot of legwork to really nail down the numbers and make sure that this development is going to happen and generate the incremental revenue that they think it is going to generate. Secondly, one of the cons of TIF financing is that it is very expensive. The reason is because these bonds are the equivalent of junk bonds in most cases - all that is pledged is tax increment revenue. In North Carolina the LGC would not allow you to issue junk bonds, pretty much, so what they do to get around it is they don't have them rated. So these are unrated bonds that go out on the market. Her understanding, practically speaking, and this is allowed in North Carolina, in order to get these bonds marketable you are going to have to pledge additional revenue as security for the bond. It has been seen in the two projects they have already seen so far, they have both pledged additional revenue. The LGC recently commissioned a study committee, one of her colleague's was a part of the committee, and the preview of what they are going to come out as, one of the things they are pretty much going to require is for you to pledge additional revenue as security for the bond. One, it will make the bond more affordable but it puts you on the hook for more revenue. So, what they saw in Roanoke Rapids was that they pledged sales tax revenue in addition to the incremental revenue towards repaying the bond. In Kannapolis, she

believes the private investor, who is Robert Murdock, pledged to repay the bond. Someone said that one of Murdock's companies is Castle and Cook who signed a minimum assessment agreement which basically, boil it down in some form of fashion the developers are responsible for the incremental taxes if the assessed value does not materialize. So there is an additional pledge which introduces an additional party which introduces additional credit valuation.

If he doesn't follow through, does it fall back on the taxpayers again? Someone answered that it first falls on the taxpayers, the incremental taxes, which is interesting because technically, until the development goes vertical and other participants are in there paying taxes, he is paying all the taxes - he is paying it one way or the other. But if the developer goes bust, there are a lot of practical aspects to that that would say you have an improved property that already has a greater value. The infrastructure has to go in first. There are a lot of caveats that are sort of cascading results that would say another developer will come in and take up portions of that in order to generate incremental tax revenues necessary to pay it back. At some level, and it's good that we start with the legal framework, all that is being pledged are those incremental taxes.

Ms. Millonzi said a couple of final things. Pros and cons, they don't have a stake in this at all so she is just going to put out what they have seen from the projects that they currently see in North Carolina, some of the pros and cons. On the pro side, from a city council's point of view, you don't have to get voter approval for these bonds which can be a big hurdle with respect to general obligation bonds. Just talking about the financing mechanism, not about making it a project to begin with. You also don't have to raise property taxes. Again, something that may not be sort of a financial advantage in terms of the expense of issuing these but as a public perception political advantage. On the con side, it is very expensive way to finance. She believes something that will come out of the LGC's commissioned report, they are going to caution local governments to really come up with a TIF policy and think long and hard about when to look at TIF as a possible financing option as opposed to the other because of both the actual dollar expense involved but also because of the administrative burden which adds both dollar expense and time. That is something that the LGC is going to be very cautious about and probably why you will see maybe not as many projects in North Carolina as you have seen in the country at least over the short term period. That may change over the long term period as projects are successful and they become more comfortable with it. Another con is the risk. She has already touched on this with respect to the LGC really wanting to make sure this development happens. Another thing she anticipates coming out of this report is that the LGC is going to also strongly suggest that communities enter into minimum assessment agreements with the private development. That means that you as part of this agreement with a private developer, the developer agrees that no matter what happens, whether the developer actually develops the land or not, there is going to be a minimum assessment value of that property that may be far above what the property is actually worth but that will be the minimum assessment and that will be what the tax rate is applied to generate enough revenue to pay back the bond. That minimum assessment is another tool to cut against the risk of default on the bond. In private development lots of things can happen, particularly in a market that is going all over the

place. That sort of insulates the local government a bit against the risk and is something she thinks the LGC is going to strongly encourage and maybe eventually mandate.

Someone had a question regarding the minimum assessment agreement, and would that be only for the city or would that be the county as well. Ms. Millonzi said that the way the law is written, it's not clear, but the way the SOG reads it is that minimum assessment will apply to whatever tax entity is applying. So even if it's a district established by the city and the county is not involved at all, if there is a minimum assessment agreement, that minimum assessment will be what all taxes are applied so the county's tax rate will apply to that minimum assessment as well. There won't be two assessments for a single project, one assessment only. The property owner is going to have to understand that they are going to have to pay higher taxes across the board too.

A gentlemen said that you mentioned the county reassessing the property on a yearly basis? Ms. Millonzi said the county has to determine the assessment on a yearly basis, it is not a revaluation. The county tax assessor will have to assess the value of the property in the district on a yearly basis. The reason is because to the extent that there is improvement to that property each year, you want to capture that valuation to have that incremental valuation go up. You will still continue to have revaluations every 4 or 8 years. That will continue to happen and in those years, the property value will go up even higher. In the revaluation year the property values will be increased based on the revaluation but every year the property values in the district will be increased based on improvements to the property.

Someone said, I'm a little confused by that. You're essentially revaluing every property in the district to determine what their tax assessment value is? Ms. Millonzi said it is not a revaluation. There are two different components to why your property can increase in value. For example, I have a house and every 8 years we have a revaluation and my property value increases. Last year I put an addition on that house which increased the value of the house as well. That was a separate increase in the value of her house and, although she reported it on the form, it is not necessarily captured every year because there is a sort of cumbersome process in capturing that sort of increase. What happens in a TIF district is that it actually separates out those two potential increases to property tax value. It says that we are going to look at each property in the district every year to determine if improvements have been made. Think about it, right now we have land that needs to be developed, next year there is one building and the next year there are three buildings, the next year there are five buildings and, hopefully, continued improvement while that property is being developed. Each year the tax assessor will go in and say have there been any improvements to this property. If there have, the tax assessor will determine a new valuation for that property. The tax assessor will also continue on the regular revaluation schedule which will not only take into consideration improvements to particular properties but will take into consideration increase in land costs and improvements based on whatever complicated formula that tax assessor's use.

The owners, their taxes will go up every year based on the assessment but it won't be part of the revaluation. Instead of every 4 years, in the TIF district, those owners will pay

increased property taxes annually for the improvements. Ms. Millonzi said that is right. And usually in the revaluation year you'll see an even bigger increase.

Next, Ed Parvin introduced David Adams with BB&T. He has been with them the last several years and was with Bank of America about 10 years prior to that. He is going to talk about TIF financing as well. After his presentation there will be a break and then talk about some of the opportunities the state has resources.

David Adams thanked everyone for coming out and allowing them to speak and also applaud you for the measures that have already been taken. They go around and talk to various people about where the money comes from and how to get to the money but the first step is not to put the cart before the horse, you want to know where you are going. And by having a development plan like this you have taken a huge step most of the people he has talked to have not gotten even this close. The huge steps in advancing where you are going but it tells the bond community, it tells private developers, it tells a lot of people that you are serious about what you are going to do which inherently is going to increase the recognition and the value of what you already have. He has talked to several towns around here and thinks the town is probably the farthest down the line. That is a big step. It is good that Kara Millonzi started because you want to start with a legal framework, especially in this market when everything goes haywire, everybody starts looking at all the legal specifics to figure out who is going to pay. There are a lot of deals they are doing and looking at right now in a different market, the auction rate security market, where people are looking at documents that just got pulled off the shelf and deals got done and everybody is saying, what did we say we're going to do? It is important that you have all those aspects together. He is going to touch on three things, our presentations have a lot of overlap - some specifics, some different. He wants to reiterate the frame and context by which you should consider TIF. Then everybody wants to know what they're supposed to do in the process through the role of the bankers. Thirdly, what are your options?

The important thing is the private developer invests money, not just the government. They have talked to people up in the mountains that have already provided city sewer lines and now there is a consideration for the creation of a TIF district which the city will then purchase that waterline - it allowed things to happen. Referring to an earlier question about the county, it is important to consider a partnership so that you are obtaining both of those incremental taxes in order to pay the debt. North Carolina is a little bit different than a lot of states. The county has the burden for the schools so the county taxes are pretty significant. When you start adding in those incremental amounts from the county side of the equation, it can impact the entire proposition. TIF is one tool and the town needs to consider economic development policy and how this particular financing mechanism fits within that. It is important to remember it is a partnership between the developer and the government. The role of the banker is to educate. By the time they go to market with a transaction like this they have put together about a 300 page document that tells the investor, you're going to pay this back. The LGC doesn't want to have junk bonds issued in NC, so they issue non-rated bonds. If you look at the amount of non-rated debts done in the mid-Atlantic, BB&T has done 4 times the amount

of their competitors. Some is TIF type financing, a lot is community center assisted living centers. Guidance can involve decisions with regard to incremental taxes, one thing that is important to note is that he might say something is not the right parameters for the district because what you have is the core business generating engine captured in this one district and so any time you issue debt associated with that, the incremental tax revenues associated with that core business district first must pay the pot. And if things don't materialize, you are giving up your biggest engine. That is why the legislation is designed to take into consideration blighted areas, areas that may be challenged. It is a way to maybe not capture the piece that you have but to look at another piece that might help you leapfrog into something else and ultimately allow you to generate the most revenue. At the end of the day they find the money. They sell a lot of non-rated bonds. Based on the secondary pledges that are becoming necessary, it's a different sales pitch. Roanoke Rapids has pledged all of their sales tax revenues, not just incremental, and based on the limited success of Dollywood East - that is not a good deal for them. That particular pledge made those bonds attractive. He talked about the bank's experience in other towns.

Options depend on who's holding the risk. If the local government holds the risk through tax incentives, rebates, job training, secondary pledge, sales tax revenue, GO pledge, etc. Then you will have to evaluate whether to raise taxes in some form or fashion. Grants and incentives actually put equity in the deal, bonds (GO, revenue). You can just elect to do water and sewer revenue bonds and do the water and sewer improvements. You can do stormwater revenue bonds and do all the drainage and ponds, etc. COPs are essentially appropriation debts. That results in your lowest cost. If you as the local government are holding all the risks, that is going to be your lowest cost. This will impact your debt capacity and if the project does not succeed, it will impact your ratings long term. If someone is backing the deal in the form of a letter of credit or bond insurance through bonds, COPs, TIF bonds, it will result in lower cost because you have credit enhancement but you have to agree to additional costs for the credit enhancement and the covenants which may restrict you doing future things by that particular enhancer. When the developer holds the risk, this is a situation where you may issue TIF bonds or COPs but now you have added another layer here where just the incremental taxes are paid. The spin on that is a minimum assessment agreement where the developer agrees to pay taxes associated with growing assessed value whether or not the development happens, whether or not that assessed value materializes. You have a positive which is a secondary pledge, will get you a lower cost potentially, is politically appealing because you are not going to have the average tax payer impaired. The real risks are that everything rests with the developer and you could have the collapse of the project. And while only the incremental taxes would be pledged in this situation, you start to run the risk of the "black mark" in NC. It shouldn't impact your ratings if you set up everything right, and they have done this analysis for several highest rated credits in the country and only found one where a very high rated entity was affected by the district. Their district was 29% of their property vs. the 5%. So, even though you are not liable to pay that debt, that hasn't been tested yet. Bond holders is a situation where you are so into debt, out in the public through the form of TIF bonds, public investors. This is the least restrictive relative to debt capacity, other sources of revenue, covenants of credit

enhancers. You are probably going to have a high probability of completion but it is a high cost of funds. Sometimes it is the only way you can do it. A lot of times they will do a small deal first and sell back to the developer so the developer becomes the investor, paying his own taxes, himself, etc. Again, if something goes bad who is going to step up if there is truly no secondary pledge.

There are options out there. So far there have only been 3 TIF deals that have been approved in North Carolina - Roanoke Rapids, Town of Lipton (near Ashville), and Kannapolis. They came up with a great strategy in Raleigh. The county supported 5 parking decks for development but the city would not and they came up with a creative solution. There are other ways to skin the cat, through the TIF or other mechanisms which can be discussed.

Someone asked, from a lending perspective, what is the litmus test, if you look at Carolina Beach and the last 10 years in Carolina Beach, and you talk about what opportunity cost or profit potential, you mentioned blight and ... If you reflect on Carolina Beach the last 10 years and you had hotel projects and restaurants revitalized and had developers come and are permitted for condominiums and these things, I wouldn't call it blighted from his perspective. There are some areas that are challenged. With a functioning economy where you could issue general obligation bonds and you have this TIF here. From a banking standpoint, would it meet the litmus test? You described some other projects or going back to where TIFs started in the 1950's in California where they used blighted and things like that. From a general perspective reflecting on Carolina Beach itself, if you looked at that area 30 years of basically suspending the natural course of development that they have had over 10 years, not allowing those funds that are realizing property taxes to make their way into your general fund and you would basically be suspending that natural course of development for 30 years in an entire area that has been for over 10 years relatively functional with good opportunity cost. Mr. Adams said in that situation, looking at litmus tests, there are a bunch of them. One of the primary ones is that you may be suspending it but you may be significantly accelerating it. As they saw in 2005, 2006, 2007 where steel and concrete costs were going up 1% per month. You talk about the ability to go ahead and get infrastructure in there, a consolidated vision, attract more people here - somebody is going to jump out and do it right first and it will be huge. It does get back to who is holding the risk, what else you are willing to pay. Part of your challenge is, you could be going along fine and this all has to go into a feasibility study that is going to look at all that historical growth, pledges of particular developers, stuff already underway - you could have a hurricane come through in two years and wipe it all away. You could be right back where you started from, either scenario. There are a lot of risks associated. The question is you could potentially be forgoing a consistent mechanism to drive the tax revenues significantly ahead. The other thing is too, Shallotte, Sunset Beach, Southport, somebody else is going to get all that.

Mayor Macon called for a 5 minute break.

Ed Parvin introduced Bob Murphrey with North Carolina Division of Community Assistance. He is in charge of Small Town Main Street Program for Eastern North Carolina. He will talk about the Small Town Main Street Program and other opportunities the state offers for economic development.

Bob Murphrey said it is great being on a panel because he gets to learn stuff too. His program is working with smaller communities on economic development focused entirely on downtown business districts. So it is somewhat applicable to Carolina Beach in some regards and some others, maybe not. The more mundane side of things is we have all these tools and he's going to talk about some other, more ordinary types of tools. How do we actually pull these tools together, use them, make them work for us and who is actually going to be the implementer. What he finds at every town he goes to is that they may have a wonderful plan, like yours, they may have a lot of thoughts and ideas but the implementation still has to be carried out. That is one of the best roles that they play. The Main Street Program has been around since 1980. It is a national program, it is part of the National Trust for Historical Preservation so their concern is to use the historic buildings that they have in their communities and make them viable components of the economy again if they are not. And certainly look at new construction in the form of infill and other things but it is based around using what they have and moving forward with that. North Carolina was one of the first six states that became part of Main Street in 1980. They brought in six communities that year and now have 57 Main Street communities and 16 Small Town Main Street communities. Main Street is built around a 4 point approach to getting things done and has stood the test of time for almost 30 years. Although the Wilmington Downtown preceded Main Street by about 2 or 3 years, once Main Street came on line, they were too large to be part of Main Street because you had to be below 50,000 but they found out that what they were doing was already following the basic principles of Main Street and they just carried those on through and still are today. Those four principles are: (1) Organization - if you're not organized and not including the right people in your community to be involved in what you want to accomplish, it will be slow going or no going. You have to have a broad section of the community interested and involved. They work hard when they come into a community to put together an organization that will work for you. You may already have an economic development committee or downtown committee but they often find they are very narrowly focused with just business owners or just some property owners from that area and it really is a bigger picture than that. It needs to include everybody in the Carolina Beach area in order to be successful. (2) Look at design issues - what does the town look like, what the buildings look like, how is the traffic and circulation when you ride into your community, are you impressed or depressed with it, what is it that you see visually and to help you figure things out like that. (3) Promoting the community - once we identify who we are and what we want to be. We have to tell the world about us, have to tell our own people first. We have to tell people to come to Carolina Beach in order to appreciate what it is we have to offer. (4) Economic restructuring - we call it restructuring because we have to oftentimes realize that our downtown communities in particular are certainly not what they were when they were first developed back in the early 1900's or late 1800's and probably never are going to be again. We have to

understand that economy and find ways to restructure it so that it can be successful and have its rightful place in the local economy. If we follow the four points of Main Street, what they have learned in almost 30 years is that you can actually get somewhere but you can't just do one or two or three but you have to do all four and they have to be going on simultaneously. Our program basically offers technical assistance. A lot of times people want to apply to our program and they say, "Where's the money?" and we say it's in your pocket, in your community's pocket, it's in various resources we might be able to identify together but we can't answer it in the form of writing you a check. We don't bring any cash but we do bring technical assistance in the form of our experience in how to get these things done. He knows that Carolina Beach has applied to their program. They can usually take from two to four and they usually get anywhere from 40 to 50 applications so it is a very competitive process. You have to be under 7,500 in population, you have to have some nucleus of historic buildings in your downtown, you have to have a clearly identified downtown to focus on, you have to show that you have been able to work together as a community to get things done in the past, you have to show that you are committed from your town board - you have to pass a resolution, your chamber is committed to working with us, your local civic organizations are committed to working with us, and you also have identify a need because our program is partly based on do you really need us. When you have 400 small communities in NC and they can only take about 4 a year at most, they have to identify whether there is a need for us. If you have already done a lot of stuff, maybe you don't need us. If you are really struggling and you have done some good stuff but you're kind of stuck in the middle, then maybe they do need to come and see if they can help you out. The selection process is already started, applications will be due June 30th and they will select towns and start working in them in late August and September. He reviewed some of the successes in the Small Town Program. Through last June in ten towns they helped them generate 32 new promotional activities or special events to bring people into the community. They have helped 43 buildings have the fronts improved so they are viable participants in the community. They have helped them develop 17 streetscape improvement plans. They have created 13 business and development plans, economic studies where they identify the retail and development opportunities in the community so they don't waste a lot of time trying to recruit business if there is no market for that particular business. They try to help them home in on things they should be recruiting. They have had 82 new businesses open, 30 closed, 294 new jobs, 64 lost, 43 individual consultations with private businesses where they helped them look at a business plan, why their business may be struggling and how they can get their business open. That is pretty much it. Millions of dollars in new investment in very small communities. The average size of a community in a Small Town Program is about 3,000 or less with a number of them 1,500 to 2,500 category. That is the overview of the program and some of the successes. If you choose to apply, you will certainly be considered like everybody else. In addition to that, we offer service to anybody that wants it in North Carolina that they can get to. They have a staff of four people in the Small Town Program to cover the state of North Carolina and their program is labor intensive because if you are in their program they come and work with you, hands on, once a month, every month. After two years it sort of winds back and they don't come every month and allows them to take in new towns into the program.

Their big job is to organize you and then help you identify what you want to get done and how to get it done. A lot of times the resources that are out there are unidentified to you or you have the notion that there are hundreds of thousands of grants and out of that there are maybe 50 or 100 might really apply to what it is you are trying to do. One of their rightful roles is to identify the things they know can work for what they need to do in our communities. He reviewed some of them. He said sometimes they forget that the things they are trying to provide incentives for are certainly of benefit to communities but they are of benefit to the private sector developer too and that private sector developer needs to step up to the plate and do his part and they need to make sure they ask them to do that so that their dollars are not all out front and he has no risk and then here we are. Make sure you analyze your projects pretty closely. They try to help communities to do that. It's important to get the private investment, get the jobs, increase the tax base, get sales taxes generated and improve the community appearance and pride. That is an important thing for every community as long as they are careful how they do that. Project development financing - you want to make sure that you have some investments coming before you get too far. You want to have private investment, an opportunity to work with local banks and be able to let them understand that you need some unique financing opportunities and local bank programs that can help stimulate the kind of investment you need. Most of the time when they go into a new community they meet with the local bankers very early on and ask them, "You know this market is pretty poor and if somebody invests in a building here in Small Town, NC, it's going to cost the same \$120 a square foot to renovate that building that it is going to cost in Raleigh but the rent is going to be \$5 a square foot. How can I justify \$120 square foot investment and get \$5 back unless I have a lot of equity to put in these deals?" One thing they ask the banks to do is maybe put together a special program for that area, maybe it's prime plus ½ or something and mainly look for them to provide some long term amortizations because the longer they stretch the payments out, the closer they are to making these deals work. So they ask them to go 25 or 30 year amortizations. They will still have the 5 year balloon but that first 5 year of payments is much smaller that it would be if they had a 10 or 15 year commercial finance and these deals will not work in a small community. Most of them will get cooperation from most of the banks if not all of them and that helps get some of the deals started. So don't forget about those as well as federal programs like the SPA7A and the 504 that are available through the Wilmington Industrial Development, the historic tax credits are very important, and tax deferred exchanges. They have regional offices as well that will serve you other than their program, the closest being in Fayetteville for this area but there is a person here in Wilmington and they provide local planning assistance, looking at your zoning, looking at your ordinances and working with you on a number of other issues. This is available at no cost by simply calling them up. Mark Zeigler is the guy in Wilmington.

Ed Parvin introduced John Hinnant, Executive Director of Wilmington Downtown, Inc. Their mission is business recruitment, technology development, revitalizing downtown, and supporting existing downtown businesses. He has been asked to talk about the history of Wilmington Downtown, some of the evolution of incentives of Wilmington, and current activities that they are conducting.

John Hinnant talked about his history as a Wilmington native. Wilmington Downtown began as the downtown revitalization effort. In 1976 a couple of young enterprising business people - Rick Willets with Cooperative Bank and Gene Merrick approached the mayor and said they were concerned about the downtown. We have drugs, crime, and blocks of buildings boarded up and we really want to do something. The mayor formed a task force and what evolved out of that was a non-profit organization. Rick Willets was the first president. Gene Merrick was our Executive Director and they began moving. The board now has 37 members and he is in the arduous task of appointing a new board, every year they appoint a 37 member board. With regard to organization, it is important to know about their board. It is not just 37 good friends that get together once a quarter and talk. 17 of their positions are designated board slots. They have an architect, a realtor, 3 from financial industries, an attorney, a city councilperson, a county commissioner, a city staff person typically from the Planning Department, and they have a county staff person. Members of their other state organizations have a designated slot - the Historic Wilmington Foundation, the Residents of Old Wilmington, the Downtown Business Alliance. They have designated slots that get filled, Chamber of Commerce. They have 15 at-large positions. If you end up forming a board or an organization similar to this, he would encourage doing staggered terms. When he was visiting Greensboro, one of the things that impressed him about their board was that they had people with a 3 year term, some with 2 year terms and 1 year terms so that you are not replacing the whole board every year. When they began back in 1977, Gene started at the foot of Market Street with a building. An enterprising young man wanted to open up an interior design business and Gene sat down with him and said they would really like to do this, get him a loan program with low interest and asked if he would consider living upstairs. That is where it started which is now William Poole's office. From there Gene started talking to land owners, tenants, talking about redoing buildings. They also had a philanthropist who was vital in that aspect, Tom Wright who remodeled Chandler's Wharf project. Gene would go in and negotiate with the landlord, who had an unsavory business, to buy the building. They would settle on a price, go to Cooperative Bank, Tom Wright would come in and sign the note. We've been the landlord of a strip club, adult book stores. When their lease was up there was no waste. At midnight or noon the locks were changed and the stuff was given away or auctioned. Then they got the CBD zoning later on to help aggressively keep some of those things out of downtown. There were several pools of money from the government that they used back in those early days and a lot of it is not available today but he was specifically asked to talk about our loan program that they operate the Wilmington Downtown. It started with CDBG funds, Community Development Block Grant funds, which they got back in the early 2000's. It was \$240,000. It was previously with Wilmington Downtown when they were DARE. One of the things they all acknowledged was that the surrounding neighborhoods needed as much help as the core. Without a healthy outer area, your core is going to struggle. So they used the money to go out and help some of the low income families remodel some of their homes and bring up the values and codes. They gave the money back to Wilmington Downtown to operate as a loan program. In 2006 some funds became available so their loan fund program is a combined \$604,000 right now. They partnered with First Citizens Bank. They keep the money in a CD. There is no risk to the bank. They execute the loan for them to the borrower and their CD serves as the guarantee on

it. They then as a third party interest go out and secure a lien or deed of trust that will secure their interest as well. They do \$100,000 for building purchase, renovation, restoration, up-fit, amortize it for 20 years. Interest rate is at $\frac{3}{4}$ of prime. They also do a furniture, fixtures and equipment loan of \$10,000 with the same terms depending on what it is. If it is a restaurant, they might straight amortize it for 5 years and call it as well. They do a \$5,000 unsecured capital startup. If a small business comes to him and is just getting started, needs to make sure they have enough inventory. They will give them \$5,000 on their word. They have to go through the process, get a credit report. It's like applying for a loan but it's a \$5,000 unsecured. They are taking those two programs, the furniture, fixtures and equipment and the startup capital to the city next month to up them. They want to up the unsecured to \$10,000 and move the furniture, fixtures and equipment up to \$20,000. They have found that a lot of the small businesses, which many of them have been in the past, have the use of credit cards and they are no longer competitive on the unsecured loan portion of the financial market. They want to up those and try and create more of their loan programs. Of their \$604,000 the city has mandated that they maintain \$50,000 available for unsecured loans to help some of the new startups and the fringe area of north Fourth Street, Capital Street. With regard to some of the activities they are involved in, they have 4 standing committees on their board. They have an Economic Development Committee which helps to advise on economic development policies. As the new Executive Director, one of his charges to his Economic Development Committee was to select people to set up meetings with investors or developers or someone who is not investing in downtown and how can they get them downtown. While they are doing that, he is walking the street doing tenant identification. His predecessor did not leave him a list downtown tenants and office tenants. You get a lot of glory for going out and recruiting visitors to come to your downtown or to your area but it is a lot easier to keep them, retain them and keep them happy than it is to go out and recruit them. You spend a lot more time, energy, effort and money recruiting whereas if you just walk through the door, shake their hand, offer to buy them lunch, find out what their needs are, what their interests are, what their concerns are - how can they make their day to day life a little better downtown. It makes them think they are in a good place and want to stay. This is equally as important to your economic development efforts. The second committee they have is Planning. They look at the long range plan, changes to the code. As many of you are aware right now the CBD regulations are being updated. They are watching that closely. They also watch those large projects that may have an impact on the downtown. They're watching the Gateway, some of the other deals on the northern riverfront redevelopment and harbor site. A third committee which probably will be of great interest to some of your merchants along the boardwalk is the CBD Services Committee. He has served on this committee and chaired for a while. This committee deals with a lot of the quality of life issues for your merchants and residents, dealing with homelessness and cleanliness. They have a quarterly volunteer outreach that they do. They have a cleanliness report card and the volunteers pick a block or two blocks and they go out and walk it for a two week period and grade the streets for cleanliness. They tabulate the results at the end of the period and hand over the results to the City of Wilmington, the downtown cleanup group and they focus their efforts on those blocks where the litter is heaviest. It is a fabulous program and really gets the people involved. When they work on that committee and partner with the city

and see the grades go up, they can see it working. The fourth committee is a Marketing Committee. They focus on marketing, the organization and the destination downtown. How can they put their brand, their location, their destination in front of the public eye and how do they reach those markets that will come and spend money downtown and invest in development. They have those four standing committees. As Executive Director and the Chair of the Planning Committee, serve on the Vision 20/20 Oversight Committee which is a city level committee and includes two city council members, city manager, and the entire planning staff of the City of Wilmington. In the last 6 months they have changed the focus of that committee to be the implementation. So they have a standing committee with two city council members, the city manager, the planning staff and members of their organization working on how to implement the plan - identify who is going to help you implement that plan, who is going to make the recommendation to Council, so that is a big thing. Our Vision 20/20 plan was done in the late 90's and redone in 2004 and is becoming part of what they are doing with the implementation that he mentioned, the CBD regs update. That was one of the things that Vision 20/20 recommended, aggressively implement this plan and make some of these changes for the positive.

Mr. Hinnant gave out some packets with pins, brochures, etc. which is a small business marketing device to brand and identify and buy into local business and community pride. The brochure was designed so they could interchange all of the marketing materials. He talked about the 2006 Annual Economic Analysis and a brochure he sends as a point of first contact when someone is interested in opening a small business in downtown Wilmington, which is designed to go as a CD jewel case and if they ever produce a CD or DVD about downtown, that can be inserted and sent as part of a package.

Tim Owens turned the meeting back over to Council and thanked staff and everyone involved.

Mayor Macon thanked everyone for coming out. He said Carolina Beach is in a good position and this is all a part of things they are looking at. The Master Plan is something this Council has dedicated itself to. He has seen plans come and go and not be put into place and it is a concern of theirs that they not let that happen to this plan so they are looking at every option and educating themselves on the process and the things to take place.

Mayor Macon made a motion to instruct the town manager to seek out and look for a part-time person to handle the TIF financing activities as well as some grant writing for 20 hours a week in order to move forward with this process.

Councilman Gilbert said he thought they had a plan to use Ted to help facilitate it. Tim Owens said he would like to create a scope of work and what the goal of that person will be. He said that he can pull that together from some of the things they have seen today, need to look at some of the grants - is it going to be focusing strictly on the CBD or is it going to be other areas or just storm water or Parks and Rec. Mayor Macon said they need to get the TIF financing going, doesn't know if that is what they talked about Ted

doing. What they talked about Ted doing is specifically grant writing and things of that nature for the town as a whole. What he is talking about is that they need somebody to get the TIF financing off the ground and moving to where they need to go. He doesn't think Tim has the time to do it or that Ted will have the time to focus on making this happen. Tim Owens asked if they want staff to send out an RQ and take bids to do the work. Councilman Gilbert said he doesn't know that he is convinced that TIF financing is the best way to go compared to general obligation bonds. We are a functioning community, we're talking about interrupting flow of revenue of our general funds. He's doesn't know if he has enough information here, if there are only four other communities. He read up on Kannapolis, the \$138 million there with \$100 million secured by a private investor. If that is the way TIF works out in North Carolina, maybe we can find that private investor. If we look at our last ten years and reflect, he doesn't know if general obligation bonds aren't the way to go. He doesn't see hiring a person specifically for TIF that he has had enough information to digest it. He doesn't know that is the magic wand that takes us in to future development. MPT Wilcox said he assumes the Mayor is asking to put someone on the case to pursue TIF financing and bring it to a point to where they can make some decisions on it. He looks at the last ten years and he doesn't know what that natural course of development has been in this town because the only thing he knows that has been built is the Marriott. He has seen numerous buildings and properties town down and those lots sit vacant and has seen some businesses open and just as many businesses close so he is not sure that their natural course of development is all that. He would like to take the opportunity to pursue what opportunities exist to us through TIF financing and if they don't do something along these lines, as one gentleman said, one of the other beach communities will be doing it and will possibly serve to slow their economic growth all the more. He feels they have a window of opportunity with the Master Plan coming in and some new energy on the beach and would like to make a commitment to have that person. Some scope of responsibilities has to be put together but he would certainly support pursuing that process. Councilman Gilbert said that in the last ten years they have had the Marriott, a 1/2 dozen restaurants, a large renovation to Drifter's Reef, the new Food Lion and have permitted numerous things that, in a speculative real estate market, are now at the bottom. These last ten years were certainly better than the ten years before that. If TIF financing is the save all and the best way to go, we appointed an Economic Development Committee and if they want to make a recommendation that TIF is our only option, he would like it to come from that committee. If we are not a healthy enough community to back general obligation bonds, he would like for someone to tell him that. He would like the Economic Development Committee, before they hire or put revenue pursuing TIF financing, he would like it to come from that committee after some kind of discussion to say they aren't healthy enough for other funding obligations. If government has to get involved with accelerating development, is that development viable. He would like to see this discussion come within the next few weeks. Councilwoman Efird said she agrees with Councilman Gilbert on that deal because if you go from one financing and one person doing that job that you need to look at other alternatives as far as financing goes. She would really like to see that recommendation.

MOTION DENIED(2-2 WITH COUNCILWOMAN EFIRD AND COUNCILMAN

GILBERT VOTING NO.

Councilman Gilbert made a motion to ask the Economic Development Committee to pursue all funding options and the best funding options and to make that recommendation as a committee.

Councilman Gilbert said there is no timeframe but however long it takes them to find this out. MPT Wilcox said he is not sure they have the resources to pursue different financing and bring that information to Council. Councilman Gilbert said he would like to hear from the Finance Director if we are a viable or solvent enough community to bond some of these things. It's infrastructure, let's bond it. We haven't talked specifically about what is the infrastructure we are looking at and where are we going with that so some of this is cart before the horse. We certainly have a Master Plan but if we are viable and can do general obligation bonds or finance in other ways, we have financed infrastructure improvements in the past. The Finance Officer said we have a lot of infrastructure that is coming up that will need to be financed too and doesn't think they will have a problem with obtaining bonds to do that. But when you are talking about private development, she can't answer that question if you are going to the LGC with it. Mayor Macon said the use of any financing method, whether it be TIF or the general bonds one use of one or the other doesn't preclude the use of the other. He said, all I'm saying is they have some things they want to do that are directly in conjunction with the Master Plan that based on his knowledge of what they are looking at with infrastructure improvements that they need to make as far as water and sewer. MPT Wilcox said that a year or two ago when they started pursuing this Master Plan, he listened to Council talk about plans that had been put together in the past and the fact that they have never implemented one of those plans - we're not talking about bits and pieces of development. We now have a Master Plan that will need to be groomed and changed but it is a start and needs to be implemented. When you are talking about a Master Plan for the whole core CBD area, that is not just a project here or there, that is something that is going to lend itself to TIF financing and to bring in additional county money that is available, not just the town money. He doesn't think it is good enough to task the committee with pursuing these different options. They have been pretty clear on pursuing TIF financing very heavily. Other bonds they know are available to us but what bonds and what type of financing is available to us that is on this scale to the Master Plan that would bring the county monies back and leave them in the town to use, that is the one we are concentrating on. Councilman Gilbert said if we need a Master Development Plan implementation committee then it sounds like that instead of pursuing one tool in a tool box. Maybe we need a Master Development Plan implementation committee. If it is about TIFs, then let's talk about TIFs. He said he wanted to hear more about TIFs and supplement the research he has done on it. He didn't come here today to appoint a single person to go off and pursue TIFs. He didn't know that was what they were here to do, to make the decision that TIF financing what they were going to go forward with and didn't know that it was incremental to get the Master Development Plan moving forward. Mayor Macon said they have been talking about it for a while and we have a narrow window of opportunity that they need to move on and he believes the gentleman here on the corner has basically said that you are looking at a two year process to make something happen.

If we wait a year then we are three years out. If we continue to twiddle our thumbs then our window of opportunity is going to be gone and we need to get moving. Government is too slow for him, let's make it happen. With Tim's workload and other workload in the community that we have on ourselves, he doesn't see them being able to do that without part-time, outside help to push that, set the meetings up, to make it happen and move forward with it. To put the information together they need to get to the banks so they can move forward. Councilwoman Efird said if they could have this person pursue all these avenues, not just TIF, she would go along with that. This is her first experience with this and frankly it is enlightening, but there are things that she would be worried about. MPT Wilcox said most of the other financing options are known quantities, they are familiar with them. The one they are not familiar with and need to get their feet on the ground with is TIF financing. It is also one that would leave county funds on the table here assuming they would cooperate with the plan. It is also the one that would be the critical mass for a master developer to come here and implement and proceed with the Master Plan. It is a huge tool. He would love to hear from the Economic Development Committee at the next Council meeting as far as their recommendation goes but beyond that they need to continue to research and pursue TIF financing with the county and develop that relationship and start getting on board and see what can come from TIF financing. We certainly need to pursue other types of financing, TIF is not going to be everything but it could be a major player in the Master Development Plan and the CBD and HB districts. Councilman Gilbert said he would support discussion at the next Council meeting for an RFP for Master Development Plan facilitator. If you want to hire someone part-time as a facilitator and part of their responsibility is to look at pulling in development, he would support that at the next meeting.

Councilman Gilbert amended his motion to include discussion at the next Council meeting for an RFP for Master Development Plan facilitator and part of that responsibility would be pursuing the funding development options.

Tim Owens said they haven't adopted this plan and need to keep that in mind. He needs some time to digest it as well and come up with how to implement it, the key components to it. He would have Peter J. Smith offer up in facilitating implementation. Mayor Macon said the key is that ten years from now they will still be sitting there talking about it. They need to act. They can either make it happen or pay all this money and set another one on the shelf and if that is what this Council wants to do he doesn't want to have any part of it.

MOTION CARRIED UNANIMOUSLY.

MPT Wilcox said he would like to hear from the Economic Development Committee at the next Council meeting regarding their opinions on how best pursue and what needs to happen to pursue TIF financing and other financing in a timely manner.

Councilwoman Efird made a motion to adjourn the meeting. MOTION CARRIED UNANIMOUSLY.

Respectfully submitted,

Lynn N. Prusa
Town Clerk

Approved: _____