

Town of Spring Lake  
Regular Meeting of the Board of Aldermen  
Municipal Building  
300 Ruth Street  
Spring Lake, NC 28390

March 25, 2019

Closed Session

7:53

p.m.

**Board Members Present:** Mayor Pro Tem James O'Garra  
Alderman James Christian  
Alderwoman Soña Cooper  
Alderwoman Jackie Jackson  
Alderwoman Fredricka Sutherland

**Others Present:**

Daniel Gerald, Town Manager  
Robert Van Geons, Economic Development  
Claiburn Watson, Finance Director  
Ellis Hankins, Town Attorney  
Tonny McNeil, Economic Development  
Rhonda Webb, Town Clerk

**Economic Development and Property Acquisition**

Mr. McNeil provided the Board of Aldermen with a map of the proposed area that the Town is considering acquiring. He stated the Army Corps of Engineers expects this project to take 3 to 6 months. The concern for the Town is if we don't move forward on this project and show some of the property owners that it is a real project, it will all start to unravel. Mr. Robert Van Geons stated that there is one property that is already listed on the market. He stated if word gets out that will disappear or go quickly. There are a couple of property owners who have plans if we don't do something. There are a variety of things in the negotiating process, but in all cases, we have 120 days to close once we go to contract. However, to go to contract, the Board will need to authorize deposit money and we will need to have financing lined up to close at the end of those contracts and we will need to be able to transfer those options to the Town. He stated the options have rotating timelines but they are starting to come due and if you are going to lock things up firm, the Board will need to start deploying some capital.

Mayor Pro Tem O'Garra asked if we have a timeline and Mr. Van Geons stated the first option expires in 2 days but it automatically renews. He stated that we have enough time to go to contract but the Board of Aldermen need to decide if they want to go to contract. Mr. McNeil stated there are a couple of property owners who said no, but later they decided to go along with it. They all know each other and they talk to each other and if we don't show some progress the property owners will think this is not real. Mr. Van Geons stated the Town hasn't closed yet but this is our one chance to make this happen. There will be a time between making the decision to go for it and the actual closing where we will be doing our due diligence but we will be under contract and not option which is a bit more legally binding. He stated that their job is to mitigate the Town's risk as well and at this time, while he believes that everyone on Fort Bragg is 100% on board, that does not mean there is a guarantee. He also stated that it is very rare that you get 100% participation on a project like this but we have 100% participation.

Mr. Hankins asked if there is any realistic way of getting some level of written agreement from

the military and Mr. Van Geons stated they are moving as fast as they can but some of it is beyond the Garrison Commander's control.

Alderwoman Sutherland stated we don't normally purchase land unless we have a project, because it is against the Statutes. She requested Mr. Hankins look into this because we are just sitting on land. She stated she asked Mr. Gerald this morning how we know we are going to do a land swap and stated we don't know. If the swap doesn't happen after we have used tax payers' dollars and we have land just sitting there and we don't know if we can utilize the land because of flooding what will we do then. She asked if we are going to end up with wet land that we cannot utilize. Mr. Van Geons stated the first thing he told Mr. Gerald is to do environmental due diligence on the land to protect the Town. He also stated that the Town, under economic development and even legislation to acquire property for economic development. Mr. Hankins stated there is good, solid statutory authority to go down this road if the Board decides to go down this road.

Alderwoman Sutherland asked why this is so great for the Town and asked them to make her believe that it is so great for the Town. Mr. Van Geons stated right now we are talking about deposits. Mr. Van Geons stated as a good investment on what could be, when the land swap happens, the absolute most impactful economic development site in the past 20 years of Cumberland County's history. If we are able to open up that property on the north end of Cumberland County, it will be a per acre job creating site that we have developed in the last 20-25 years.

Mr. Gerald stated he wants to make sure we can expend the money to do the environmental assessment. Mr. Watson stated under the statute, we can borrow money and not get it approved by the Local Government Commission as long as it is not for more than 59 months and we are not doing any construction. He stated he has met with approximately 10 banks and they do not have a problem with it at all. This is a great investment for the Town of Spring Lake. Mr. Watson stated he would recommend asking for not more than \$3.1M or whatever, because we will have some closing costs, attorney fees, etc. What we would then do is put out an RFP and we would draw up on the money – meaning we would only pay interest on what it owed at the time, not what is sitting there waiting.

Alderwoman Sutherland stated there are several parcels belonging to the same person. For example, for \$124,000 and she is asking for \$400,000 and you are offering her \$175,000 for three parcels. She asked how many parcels is being recommended for purchase out of the 27 that are listed and Mr. McNeil stated the plan is to purchase all of them. Alderwoman Sutherland asked what we will do with the property if the swap does not happen and Mr. McNeil stated that is why we are doing the environmental assessment. That land could be developed for an industrial site.

Mr. Hankins stated that several months ago the Mayor, Town Manager and he came to the Board and told them that they were working with our economic development person on a project and if it came to fruition they would come back to the Board prior to any commitments. He stated at the last Closed Session they had a good discussion about what we are trying to do and the risk compared to the potential, and in his opinion, very significant reward. We are now at the point where we are asking for specific authority to proceed with purchase of some parcels of property. Alderwoman Sutherland asked how long the reward will take and who will have to clean it and put the infrastructure in and all that. Mr. Van Geons

stated we can get grants for that, we are a Tier 1 County.

Mayor Dobbins stated that Fort Bragg wanted this property several years ago for the purpose of National Security. He stated that people can sit on Vass Road near Bragg Estates and still see the air field. He stated that if they could, they would buy as much of Vass Road as they could. He stated that is why he believes it is fitting to let them have the little bit of land between the river and gate on the north side. This is good for them and it's good for us.

Alderwoman Sutherland inquired about how long it will take to get all this done and Mr. McNeil stated about 1 to 1 ½ months. He suggested that they go after parcel #23 first because it is already listed with a real estate agency. Mr. Watson asked how much earnest money is needed for all parcels and Mr. McNeil stated he will have to look at it because the majority is only \$100 each but there are three who have asked for \$1,000 down. Mr. Watson asked if he will need the full amount for the property that is listed and not just the earnest money and Mr. McNeil stated yes. He said it is assessed at \$127,000 and the property owner is asking \$130,000. They called him this morning and he believes we can make a lower offer than that and knock about \$20,000 off.

Mr. Gerald requested the Board commit the funds to do the study. Mr. Van Geons said he is asking the Board to give Mr. Gerald, authority to just make a deposit and go under contract – not to make a purchase. If the environmental survey came back negative you could cancel the contract and get your deposit back. Mr. Gerald re-stated what he is asking from the Board. He requested authority to expend the funds to do the phase 1, \$11,000 for all parcels or for any property owner that will let us. He requested expenditure not to exceed \$250,000 earnest money to pursue acquisition of individual parcels in the designated areas in the order that is appropriate.

The Board's consensus was to approve everything Mr. Gerald requested.

Mr. Hankins stated that if we sign a contract to sell and pay the earnest money, we are committing to purchase the property.

Alderwoman Cooper requested that as we move forward and make progress the Board be kept informed. She requested that they receive a phone call with updates because they are constantly in the dark on some things.

The Closed Session ended at 9:01 p.m.

Rhonda D. Webb, MMC, NCCMC  
Town Clerk

ATTEST:

Larry G. Dobbins  
Mayor

On April 4, 2019 at 10:50 a.m. Mr. Gerald called all the Board Members to get approval to purchase the parcel for \$180,000. was about to lose the house she was purchasing because she thought the process of the Town purchasing her land would happen much faster. She was extremely upset and ready to back out of the deal which would put the entire project in jeopardy. The Board Members gave unanimous consensus for the Town to expend \$180,000 to purchase the Franks parcel to keep the project alive. Mr. Hankins was made aware of the situation and approved the transaction also.