

**City of New Bern
Board of Aldermen Special Meeting
January 26, 2019 – 8:00 A.M.
Development Services' Conference Room
303 First Street**

Mayor Outlaw opened the meeting with prayer. The pledge of allegiance was recited.

Roll Call: Mayor Dana Outlaw; Aldermen Sabrina Bengel (arrived 8:02 a.m.), Jameesha Harris (arrived 8:07 a.m.), Robert Aster, Johnnie Ray Kinsey, Barbara Best, and Jeffrey Odham. Absent: None. A quorum was present.

Also in Attendance: Mark Stephens, City Manager, and Brenda Blanco, City Clerk.

1. Consider Adopting a Resolution Approving a Refinancing Package for Green Park Terrace, LLC.

Mr. Stephens explained the City of New Bern authorized a loan to Green Park Terrace, LLC on November 7, 1996 for \$100,000. The city authorized another loan for \$30,000 on June 30, 1997. Both notes were secured by Deeds of Trust and were due on November 7, 2017. The first note with interest totaled \$121,013.70, and the second note totaled \$36,110.96 for a total due of \$158,709.59. The Board has had discussions with Green Park Terrace, LLC (also known as Autumn Chase) and has negotiated terms of refinancing. The sum to be refinanced is \$120,000, and the resolution provides that the remaining balance of principal and interest totaling \$38,709.59 will be forgiven. The resolution authorizes the City Manager to execute all insurance proceeds checks due to Green Park Terrace as a result of the recent storm damage incurred.

Alderman Bengel asked for clarification as to whether a prepayment section had been removed, and Mr. Stephens confirmed it had. At the Mayor's request, Mr. Stephens explained the insurance checks are in the possession of Green Park Terrace, LLC, and those checks will be endorsed upon approval of the resolution and execution of a new note and deed of trust from Green Park Terrace.

Alderman Odham commented only in government can someone get a loan for \$130,000 for a term of 20 years with accruing interest and ask for forgiveness of the interest and get an extension for another 10 years. He stated he intended to vote against the resolution because, as second lienholder, all of the City's leverage will be back in the same position. This was a bad deal when it was originally negotiated, and it is still a bad deal. While he understands that there is a human aspect to this situation, and some residents are displaced, he pointed out the residents could move to the brand new property on Gaston Boulevard. This situation is not putting anyone out on the street.

Mayor Outlaw stated he intended to vote in favor of the resolution because New Bern needs all the affordable housing it can get. The first payment Green Park Terrace misses, the City will pursue immediate action. Alderman Bengel said she agreed with Alderman Odham, but the losers are the residents. She asked the City Manager to reiterate when the first payment is made. Mr. Stephens replied the first payment of \$1,000.00 is due July 1, 2019. Alderman Bengel sought confirmation that the documents included strong enough language that if they default on one payment, the City could pursue foreclosure. Mr. Stephens pointed out section 5 of the Promissory Note that addressed default remedies.

Alderman Kinsey said the City is a business that is operated every day. Autumn Chase needs to converse with its residents instead of using the City as a point of blame, which he does not appreciate. Citizens are looking at the City as if it has done something wrong. Autumn Chase needs to communicate to the citizens that it is not paying its bills as it should. While housing stock is low in New Bern, if someone is not going to conduct themselves appropriately, then they need to step off the board. He stated Autumn Chase's Board is lying to its residents and is incompetent.

Alderwoman Harris made a motion to adopt a resolution approving a refinancing package for Green Park Terrace, LLC, seconded by Alderman Aster. Upon a roll-call vote, the motion carried 6-1 with Alderman Odham voting against it.

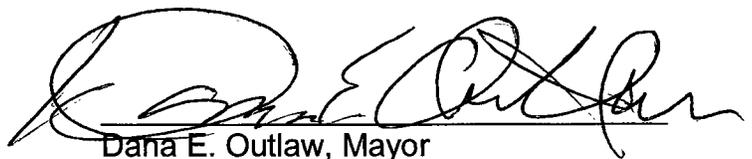
2. Adjourn.

Alderman Kinsey made a motion to adjourn, seconded by Alderman Aster. The motion carried unanimously, time being 8:13 a.m.

The attached documents are incorporated herewith and are hereby made a part of these minutes.

NOTE: For additional details and information on the Board of Aldermen meetings, please visit the City of New Bern's website at www.newbernnc.gov. Video and audio recordings of the meeting have been archived.

Minutes approved: February 12, 2019



Dana E. Outlaw, Mayor



Brenda E. Blanco, City Clerk