

**MINUTES OF THE BOARD OF ALDERMEN
TOWN OF KERNERSVILLE, N.C.
SPECIAL MEETING 5:30 P.M. MARCH 31, 2014**

The Board of Aldermen of the Town of Kernersville met in special session at 5:30 p.m. on the above date in the Town Hall Executive Conference Room at 134 East Mountain Street.

Present: Mayor Pro Tem Joe Pinnix, Jr., Aldermen Keith Hooker, Tracey Shifflette, Irving Neal, and Kenny Crews.

Absent: Mayor Dawn H. Morgan.

Staff Present: Curtis L. Swisher, Town Manager; John G. Wolfe, Town Attorney; Dale F. Martin, Town Clerk.

Call to order.

Mayor Pro Tem Joe Pinnix called the meeting to order at 5:30 PM and welcomed everyone in attendance. Alderman Tracey Shifflette delivered the invocation.

- 1. Discussion regarding potential purchase of 11.4 acres of property off of Harmon Lane and Pineview Drive from Novant Health for a future library and other public purposes.**

Mayor Pro Tem Pinnix requested that they go around the table for introductions.

Guests from Novant Health: Joann Allen, President of Kernersville Medical Center; David Park, Senior Vice President of Real Estate and Facilities Construction; George Hollodick, Attorney.

Mayor Pro Tem Pinnix opened the floor for informal discussion.

Town Attorney John Wolfe announced that he is hopeful that something will be worked out personally and as the Town Attorney. He then presented the history on the negotiations between Novant and the Town regarding this property.

Mr. Wolfe noted the restrictive covenants placed on the property regarding the architecture, building materials, etc. that could be troublesome for the town. He also stated that the Town is concerned with Novant being declarant on the property for the next 75 years. The Town is concerned with the uses that might be considered competitive with Novant when uses change over time. Mr. Wolfe stated that there is a question about whether or not the Local Government Commission would allow the Town to borrow money on the property if Novant is the declarant.

Alderman Irving Neal stated that there has to be give and take on both sides if we want to reach an agreement. He asked what would happen if Novant was sold and was the declarant. He stated

that the Board is looking down the road and hopes that people will say that this was a smart deal for the Town. He added that we have to answer to our taxpayers.

Mr. David Park stated Novant would like to sell the land to the Town as well. He stated that we consider the restrictive covenants to be like zoning is to the Town. He stated that they are concerned with uses that would be in direct competition with Novant. He then asked the Attorney George Hollodick to explain what it means to be the declarant.

Mr. George Hollodick explained that the declarant would have the ability to prevent competition between uses and approval of architecture and development standards.

Several scenarios were described such as uses by hospice, CVS, Walmart and the group discussed the effect on the restrictive covenants, architectural standards, and uses in each scenario. The group discussed the approval process by either Novant or the Owner's Association. The group discussed changes in uses by existing tenants and how that approval would be handled.

During the discussion, it was recommended that a list of the restrictive covenants currently placed on the property and the Town's zoning and overlay district requirements be compared. Establishing a list of uses not allowed by Novant was also recommended. Mr. Hollodick stated that the declarant may tell you what you can't do but they can't tell you what you must do.

Alderman Kenny Crews reminded everyone that the Town's purpose is to serve and protect and that the Town is not in the retail business. He believes competition for Novant would hurt the Town as well as Novant.

Mr. Park stated that he can't make any decisions today however, is willing to take this information back to the Owner's Association for discussion and to define what we can or can't do. He assured the Board that Novant is willing to sell all of the property or only a portion of the property to the Town.

Mayor Pro Tem Pinnix stated that we all have the same goal and it would be a terrible disservice to the citizens if we don't buy this property. He hopes that common sense will prevail and that we can come up with language that covers as much as possible to protect all parties.

It was noted that the restrictions have changed several times over the years and Alderman Shifflette asked at what point would a change be required to go to the Owner's Association and how the approval process works. Mr. Hollodick stated that issues such as stormwater, signage, etc. will go to the Owner's Association. Issues of architecture restrictions and competitive uses will always be decided by the declarant only. If it goes to the Association, the voting is based on the percentage of property owned. It was noted that the Town would also have a vote if a property owner. Mr. Swisher indicated that we may find that the Town is more restrictive based on zoning conditions and overlay district requirements than the restrictions by Novant. Mr. Park noted that the hospital was built along with the same restrictions as what is required for this development.

Mr. Wolfe stated that he would put together for the Board a comparison and analysis of the restrictive covenants, how they have changed, and how they relate to the current issues.

It was the consensus of the group that there was beneficial discussion and dialogue today and to prepare a list of restrictions on both sides to see where we stand. The group will then get back together for further discussion.

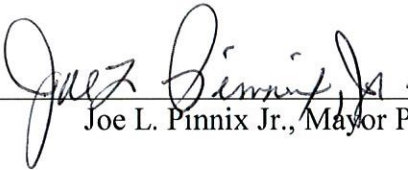
Joann Allen stated that everybody's goal here is to work this out and like her work at the hospital nothing is simple. Everyone has indicated a desire to resolve these issues and as long as we keep working together we can make this happen.

Mayor Pro Tem Pinnix thanked Novant for what they have done for Kernersville and that everyone is very proud of the hospital.

2. Adjournment.

Alderman Tracey Shifflette made a **Motion** to adjourn the meeting at 6:47 PM. Alderman Keith Hooker seconded the motion and the vote was all for and motion carried.

Being no further business to come before the Board the meeting was adjourned.



Joe L. Pinnix Jr., Mayor Pro Tem

Attest:



Dale F. Martin, Town Clerk

I, Dale F. Martin, Town Clerk of the Town of Kernersville, North Carolina, do hereby certify that this is a true and correct copy of the minutes of the meeting duly held on March 31, 2014.

This the 8 day of May, 2014.



Dale F. Martin, MMC, Town Clerk