

The Washington City Council met in a special session on Monday, August 21, 2006 at the Municipal Building at 4:30 p.m. Present were: Judy Jennette, Mayor; Richard Brooks, Councilman; Mickey Gahagan, Councilman; Archie Jennings, Councilman; Ed Gibson, Councilman; James Smith, City Manager; Fred Holscher, City Attorney; and Rita A. Thompson, City Clerk. Darwin Woolard, Mayor Pro tem was absent.

Also present were: Carol Williams, Finance Director; Bobby Roberson, Community Development Planning Director; and Mike Voss, of the Washington Daily News.

Mayor Jennette called the meeting to order, and Councilman Gibson delivered the invocation.

### **APPROVAL/AMENDMENTS TO AGENDA**

On motion of Councilman Jennings, seconded by Councilman Gibson, Council unanimously approved the Agenda, as submitted.

### **DECLARE SURPLUS 16 PARCELS OF CITY OWNED PROPERTY AND AUTHORIZE SALE**

John Rodman, Planner, presented a detail booklet on all of the properties and a shortened version for Council. Mr. Rodman stated that the properties are color-coded and Council can see the majority of the lots might be in flood areas, the 100 year, 50 year and floodway. In the floodway, no structures are allowed to be built because the land could be altered by flowing waters.

Councilman Jennings asked if there are any neighboring property owners adjoining who might be interested in buying the lots to expand their yard. Mr. Rodman stated we are hoping so.

Councilman Gibson asked that the City continue to look at properties for possible sale. Mr. Rodman stated that the Planning Board came up with this list of properties. Some other lots have been included in long range plans.

Councilman Jennings asked if we have had contact with our potential auctioneers and what their comments are on this project. Carol Williams stated that Country Boys were called and they are trying to consider whether to do the auction or not because they were counting on the two parcels to remain in the deal, because they were the most valuable.

Mr. Fred Wilson stated that when the John Small School was condemned, it was his understanding that the City, in return for the expenses of removing the debris, got two of those lots on the backside of John Small School, the remainder remains in the estate of Bob Deatherage. He stated it was his understanding that with the previous City Manager, there was an option to buy back those properties at whatever the expense it was. Mayor Jennette stated that was discussed and whether that was written in a final agreement, she does not know. Mr. Holscher stated he would check it out.

Mr. Wilson stated that property would be worth considerable more and would offer a greater magnitude of development in something that could really generate some tax dollars.

Mr. Hardy Ray Corey discussed lots 4 and 5 adjacent to his property on East 7<sup>th</sup> Street. He stated he would like to purchase that land and asked would Council entertain an offer today?

Councilman Gibson stated that if we start pulling too much property out, it will be tough to find an auctioneer to handle the sale. Mr. Corey stated that he has a lease on the two lots already which runs from January to January.

Mr. Fred Holscher, City Attorney, stated that it can't be sold that way. The City has to have an auction, or sell by upset bid. He told Mr. Cory he could have come to the City before and offered an amount of money. Mr. Corey stated that he had and he was told there was no reason to buy it and pay taxes on something he could not use. Also, he stated that on the lot where he was raised, a Habitat house was built which the land was given to them by the City. He stated he didn't begrudge the people; it took him about ten years before he had central heat and air, then siding and had to go in debt to get it. He stated it took him 40 years to improve his property as it is today and these people get something for nothing.

Mr. Corey asked Council how many of them were born and raised in the City of Washington. There were no show of hands.

Council Gibson stated that he sympathized with him, but the City has to abide by the system.

Mr. Corey stated that he has a lease on the two lots until January so they have to be pulled off the list, or either let him buy them.

Mr. Holscher stated that they could be sold subject to the lease, and it would be honored until January.

Mr. Roberson stated that staff was told to lease all the property we could so the City would not have to mow it. Staff was tasked to lease each piece out and not move towards purchasing. Mr. Corey had asked about purchasing the lots of two occasions. He was told he could fence in the property. Mayor Jennette commented that basically the philosophy has changed.

Mr. Roberson explained the upset bid process. He stated he would ask the City Manager if he would like to sell a piece of property. If the Manager says yes, an appraised value would be made and we advertise the property at that amount for upset bid. It would be open for ten days and bidders could bid. If there was no upset bid, the bidder could buy the property, or if there was an upset bid, it would continue until there are no more upset bids. A 6,000 square foot lot would range between \$4500 and \$5,000 15 years ago. Now it would be approximately \$7,500 with curb, gutter, asphalt, etc. in that area. Seven to nine lots could be made out of the parcels Rev. Moore wants.

Councilman Jennings asked if the Planning Department recommend they be grouped together in one parcel? Mr. Roberson stated that in his opinion it would be better to combine them in one lot.

Rev. Moore asked Council to still consider his request and commented it would be better to look at seven lots instead of nine so they would not be so close. He stated that this is Smart Growth and you know you are getting quality housing. There were shot gun house, houses with no bathrooms, and improved areas in town. He stated he would build something that would look good and retain their value.

Councilman Gahagan stated that the City has budget issues and has this revenue budgeted, and Rev. Moore has done great work. With a fire station to buy, police cars, etc. we have to move forward on this.

Mayor Jennette stated that Mr. Corey needs to be reimburse for his fence improvements.

Councilman Jennings stated that maybe through some grant; Rev. Moore's group can still be a participant in the auction. He hopes that parties can be involved in the process who live next to this property. This revenue is in the budget and we have to stay on course. Councilman Gibson agreed.

Councilman Brooks stated that rather than going up 7 cents on the tax rate, we went up five cents, and we cannot do one thing in our budget session and then go in another direction. Rev. Moore has done a lot, but if we don't do what we say we will do, we put that much more on the citizens. Mayor Jennette stated she had talked to Rev. Moore that morning.

Councilman Jennings suggested that adjacent landowners be contacted and make sure they are aware of the auction process. He also suggested that in the future, we get a directive from the City Attorney's office about making improvements on property someone doesn't own.

After discussion, on motion of Councilman Gahagan, seconded by Councilman Gibson, Council unanimously declared surplus the 16 parcels the Planning Board recommended at the June 12, 2006 meeting, and authorized the sale of this property by public auction to be performed by Country Boys Auction and Realty Company, Inc.

#### **CHANGE SEPTEMBER COUNCIL MEETING DATE**

Mayor Jennette stated that she would not be back from Raleigh on September 18<sup>th</sup> and asked that Council change the meeting date to Tuesday, September 19<sup>th</sup>.

On motion of Councilman Jennings, seconded by Councilman Gahagan, Council unanimously approved changing the September meeting date from Monday, September 18, 2006 to Tuesday, September 19, 2006 at 4:30 p.m.

#### **CLOSED SESSION – ATTORNEY/CLIENT PRIVILEGE**

On motion of Councilman Gahagan, seconded by Councilman Jennings, Council unanimously agreed to go into closed session at 5:20 p.m. under G.S. 143-318.11(a)(3) Attorney/Client Privilege.

On motion of Councilman Brooks, seconded by Councilman Gibson, Council unanimously agreed to come out of closed session. At 5:25 p.m.

On motion of Councilman Gibson, seconded by Councilman Gahagan, Council unanimously adjourned the meeting at 5:30 p.m.

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**Rita A. Thompson, CMC  
City Clerk**