



**MINUTES FROM THE
SPECIAL CALLED MEETING
FROM MONDAY, DECEMBER 18, 2017
5:30 P.M. - PINEVILLE TOWN HALL
200 DOVER STREET, PINEVILLE, NC**

The Town Council of the Town of Pineville met for a Special Called Meeting on Monday, December 18, 2017 at the Pineville Town Hall located at 200 Dover St., Pineville, N.C.

ATTENDANCE

Mayor: Jack Edwards

Mayor Pro-Tem: David Phillips

Town Council Members: Debbie Fowler and newly elected members, Melissa Davis and Joe Maxim

Town Manager: Ryan Spitzer

Town Clerk: Barbara Monticello

CALL TO ORDER

A motion was made and seconded to open the meeting at 5:40 p.m. There were ayes by all and the meeting began.

Discussion of Contract Agreement to form LLC

Manager Spitzer distributed copies of a proposed agreement between the Town of Pineville and Moxie Federal, 2018-2019 Historic Fund, LLC. He explained that in order for a developer to redevelop the old mill property and be eligible for the 20% tax credits up front, it would be necessary to form an LLC and partner with Moxie, a firm that invests in tax credits. The law will change as of January 1, 2018 to reduce the amount of tax credits a developer can receive on historic properties and be spread over time instead of collecting the tax credits up front.

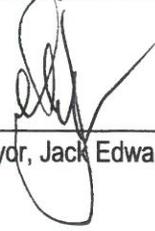
In order to keep the mill property as attractive as possible to developers, especially those that may want to preserve parts of the mill and reap as many tax credits as possible before the law changes, the LLC and partnership had to be formed before the end of 2017. As long as the process was initiated before the end of the year, the project would be grandfathered in under the old law with larger tax credits. Once this process was complete, the next step would be to have the property or parts of the property declared as historic so that a developer could take full advantage of the tax credits. SHIPO will do a review of the property to get the ball rolling for historic designation.

There were several questions from council members namely if the manager and town attorney were comfortable with the agreement and if the LLC could be dissolved easily if need be. Mr. Spitzer state he and the town attorney went over the agreement together and made whatever changes they thought would be in the best interest of the town and that they were both comfortable with the agreement. There were stipulations built in to make it easy to dissolve the LLC if it were necessary to do so. The only possible issue may be with the fair market value which was determined by taking what DHD offered for the property, what GVEST offered for the property and what the market value of the property currently shows. This was averaged out to be 2 million dollars because there was not enough time to do a proper appraisal of the value of the property. However, one will be conducted at some point and all of council will be able to see how it appraises.

Both Mayor Pro Tem Phillips and Council Member Maxim were concerned about the September 30, 2018 date which states that due diligence must be completed by Moxie and the "Transaction Documents" must be closed by that date. The consensus from council members was that this was a way to keep the project on schedule but Mr. Spitzer stated that it could be changed should it be necessary to do so. Council Member Davis asked if anyone had heard anything negative about the company, Moxie. Some had researched but found nothing negative.

Council Member Debbie Fowler then motioned to accept and approve the Operating Agreement between Pineville and Moxie as written with Council Member Joe Maxim seconded the motion. There were ayes by all and the motion passed unanimously.

Adjournment: At 6:20 p.m. Council Member Debbie Fowler moved to end adjourn the meeting, seconded by Mayor Pro Tem David Phillips. There were ayes by all and the meeting adjourned.



Mayor, Jack Edwards

ATTEST:



Barbara Monticello, Town Clerk

