

MINUTES
Special Meeting
KITTY HAWK TOWN COUNCIL
Wednesday, August 10, 2022
Kitty Hawk Town Hall, 9 AM

Agenda

1. Call to Order
2. Discuss Due Diligence Phase for Property Under Contract (5200 North Croatan Highway, Kitty Hawk, NC)
3. Adjourn

COUNCILMEMBERS PRESENT:

Mayor Craig Garriss, Mayor Pro Tem Jeff Pruitt, Councilman David Hines, Councilwoman Lynne McClean and Councilwoman Charlotte Walker

STAFF MEMBERS PRESENT:

Town Manager Andy Stewart, Town Clerk Lynn Morris, Town Attorney Casey Varnell, Planning Director Rob Testerman, ASD Melody Clopton, Finance Officer Liliana Noble, Police Chief Joel Johnson, PWD Willie Midgett

1. CALL TO ORDER

Mayor Garriss called this meeting to order at 9 a.m.

2. DISCUSS DUE DILIGENCE PHASE FOR PROPERTY UNDER CONTRACT AT 5200 NORTH CROATAN HIGHWAY

Garriss: *This is a special meeting we called regarding our due diligence period with the new building. Casey, please tell everyone what the due diligence phase entails.*

Varnell: *We have treated this contract as a traditional real estate transaction. There is a 30-day due diligence period with the option to extend for another 30 days. There is no requirement that we purchase the property or fulfill our contractual obligations until such time as the due diligence period expires. If during due diligence we discover something within our inspections, or a survey shows some kind of flaw, we could back out of the contract, and we would receive the deposit back.*

Garriss: *Andy, can you advise everybody what steps have been taken and what is left to do.*

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Stewart: *I have been working with Councilman Hines, the mayor, Casey and town staff on figuring out how to get the inspections to present back before the council. As you know the town offered \$4.1 million and the offer has been accepted. That is a lot of money for the town so as we go and do our due diligence, we want to make sure that this building is going to work for our police department.*

We also want to make sure any issues we find with the building is known in advance before we sign on the dotted line to make such a purchase. This property is a 6-acre piece of property and is the old Sentara medical site building. I think from our standpoint this piece of property could be the future for the town. It is at a busy intersection. The opportunity, possibly, to develop this for other departments has come up.

We were designing a building with some architects and a construction manager. We got a phone call that the initial estimates for the police station, an EMS substation and a fire bay on our 4 lots was around \$13.5 million. A 7,000 square foot police station probably would have been in the ballpark of \$9.5 million by the time we were done constructing the building. The town council saw an opportunity and made an offer of \$4.1 million for this piece of property in the hopes we can locate a police station somewhere on this site.

Going down the due diligence check list we still have close to 50 days with a 30-day option to extend it. If there are any suggestions from the town council on something we need to be looking at on the property now is the time to go ahead and say it.

We had a large company from Virginia, since the building is an old hospital, come in and look at all the electrical and major mechanical components of the building. That building was built in 4 phases, so we wanted to see where the main junction boxes are. If we must demo some of the older looking buildings, we will at least have that information to present to council. At some point we can provide you all the options as to what we need to do to put a police station in the building.

They also looked at the A/C units and I think we have determined that each individual A/C unit is separate. It is not like some central cooling system cooling that entire building. Some are outdated, some are newer. The commercial inspection will give the actual dates of those units that are outside and the air handlers inside.

We have also done a termite inspection and although we do not have the official report back, as of now, they did not indicate any issues with termites. We also had a rodent inspection. As you know if you walked in the property there were droppings of some sort everywhere in that building. Those ended up being I think some sort of roly-poly bug or something along those lines. They are going to provide us a report.

Our fire inspector determined there is not a need for an alarm system because we will not have people stay the night there on a regular basis. There is a small system in the operating room, but

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I think that was just as a requirement for surgeries. That is in the old section of the building and is outdated. It could possibly be repaired. There are companies that can provide a smoke alarm type system and it is not a major expense. He is going to provide me a report on the fire safety side of things.

I have made a schedule with a commercial building inspector. He is working on a proposal to present to me. He said it would take about three days for him and another person to go through the building and notate all the issues he is able to find. He is going to focus on the major issues because the building is so big. It is going to be a task for somebody to pick out every little thing, but he is going to look at all the major components of the building and then we will get a report back hopefully by the end of the month.

He is also going to conduct a mold inspection. It will be up to the town to determine how many samples that they will take. Each sample he takes there is like a \$100 testing fee. The story on the building is that there is mold. We are not going to hold back on that expense. We are going to make sure that we get in there and really test and see what needs to be done or remediated to make the building habitable.

John DeLucia is the engineer that designed the original septic system, and we asked him to look at it. He is going to reach out to the health department. The system currently requires, I believe, a plant operator but in speaking with the health department they feel that since we are changing the use to a less intensive type of use for a police station versus a large medical facility that we may not have to have an operator inspect it as often. They must inspect it like twice a week and now I think they are going to move it to twice every month. There are companies that can come out and do that. There is a cost to have someone inspect the septic system, but John does not think there are any issues with it and the health department would approve it.

Stormwater permits. For that size of property, we must get a stormwater permit and keep it up to date with the state. I believe they are in between getting their permits, so the town needs to secure it soon. We do not see any reason why the state would not approve it. I believe those last for four or five years. Nothing has changed on the property so I believe we will be able to receive the stormwater permit easily.

We have also scheduled a survey on the property. We have gotten notification there is possibly some part of the septic system on a private individual's lot.

Casey is in the process of doing a title search on the property. He has already done one in the past and we will go ahead and double check and make sure there are no liens or anything.

That is where staff is. It has been busy. We want to make sure that this is the right decision for the town and the residents, and we are able to convert this building into a police station first and foremost.

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Chief Johnson has had his staff at the building to look at the various sections to determine what he thinks would best be suitable for our police station. I am going to have him come up and talk about what he has found.

The next slide is basically a floorplan of the building. I received this from the mechanical inspector. You can disregard the "x's" on it. There may be some options to recreate an entrance to the building and keep the other part of the building separated. We do not have a use for the entire building.

I have been emailed asking what we are going to do with some of the vacant spaces. Those are decisions the town council must make. I think a part of due diligence is determining if we can use the property as a police station. There is no reason for the town to own a medical building. We are not in the medical industry.

At some point we want to hire an architect or somebody that can put together a floorplan for us without going through an extensive process to make sure that our idea will work. Or do we drop back and go to another option?

Garriss: *Thank you Andy. That was great. I think council knows, but for the public, Suites 10 and 11 are currently occupied by Bear Drugs. The whole reason we looked at this building is for a police station. We all agreed to purchase it and were excited when it came through. Some other things have come up now. Some other possibilities that we can discuss later.*

Chief Johnson, I want you to be honest. If you do not think this will work for you, you let us know and we can do otherwise. We all truly support and trust in what you say. If you need it, I am all for it. I think we all are. This is your station. This is something you and your department can be proud of and the Town of Kitty Hawk. Tell us what you found and what you think. Good or bad.

Johnson: *I took the plans that were drawn for the new police station to make sure we could fit everything. When we walked it, we looked at what is the least number of structural changes we had to do. Low bearing walls and things of that nature, which we are not contractors ... we were just trying to figure out what is best for us and where we could fit in all our needs. We have evidence rooms we must have and with evidence rooms you must have guns and narcotics separated, things must be refrigerated, we must have certain areas for patrol, a holding cell, we have the sally port, which allows for two cars to pull in with prisoners. These are all on the original plans. A lobby that has a rest room in it instead of allowing people back into the employee rest rooms. This is going to be a high visibility place. Those are the things we looked at. With me are Sgt. Gard and Lt. Helms. I gave them certain areas to identify in this building. What is the best that will work for us in this building.*

Looking on this slide, Suites 1, 2, 3, and 4, the lab services in the middle, the red, and then the black area to the left that is attached to the lab services is all in the area we have identified would fit our need. In that area, in the center of the building. If you have been in the building that center

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area is nice with a tall tower. It is a great place for a conference room and a training room, and we would be able to have those in there.

We have determined an area for the criminal investigations, evidence, found property, lockers and our changing rooms. For patrol we have a records division and as you know we must retain certain records for a long time. Those are the areas that we have identified.

Pruitt: *Joel can you give me those numbers one more time the suites?*

Johnson: *Suites 1, 2, 3 and 4. I am not sure of the square footage of that area.*

Garriss: *Chief I think you mentioned the glass room that is labeled community education center would be a great training room for your department.*

Johnson: *It would be a great training room. It would be a great room to have as an emergency management room or whatever the town needs it for. If something were to happen here, we could relocate there for meetings. A community building room.*

Pruitt: *But will it all fit without 6, 7, 8 and 9?*

Johnson: *Yes sir. If you look where suite 6 is, the rest rooms there, adjacent to it, we have talked about putting a _____ meeting wall there. Suites 6 through 11 would be separate from us.*

Pruitt: *Where it is showing a swinging door or something. Just continue and close that lobby?*

Johnson: *Just close it off.*

Pruitt: *And that would leave you this whole section.*

Johnson: *Suites 5 through 11 would be a separate area which could be useful for whatever the town decides.*

Garriss: *You said you do not know the square footage, but I am wondering is that more room than was in the building that we were going to build?*

Johnson: *I would probably say no. What do you guys think?*

Gard: *No.*

Johnson: *How many square feet without the training room?*

Helms: *Six thousand.*

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Johnson: *Six thousand without the training room and part of the kitchen that we were sharing with EMS. It is close. We had someone walk through it with us and show us what walls would need to be moved and it is minimal. It is a low cost in this area with the suites.*

Stewart: *I have the square footage on most of these suites. I do not have the common areas. Suite 1, the yellow, is 925 square feet. Suite 2 is 1,008 square feet, Suite 3 is 1032, Suite 4 is 1,032 and Suite 5 is 659 square feet.*

Hines: *I think that open room is a great idea for the emergency management side. The glass room in the front.*

Garriss: *I agree with you.*

Pruitt: *Joel when I go by the current police station a lot of times you have classes or training. I see an awful lot of cars and I am wondering where you are putting them in there. I am sure this would help you.*

Johnson: *And when we do those, we have to kind of do it around the weather. If we have any type of rain, 2 inches, we cannot park across the street. We lose 4 to 5 parking spots in our parking lot. And the room is smaller. We used to host a lot of training there with the North Carolina Justice Academy, but we have not in the past recently because there is nowhere for them to park. This will help. And what is a cost savings to the town is if we host, we do not have to pay for travel and we can have more members in the class.*

Walker: *The Suites 6, 7, 8 and 9. How much thought went into using what is already there?*

Johnson: *Some thought. We looked at that originally but with the pharmacy still in Suite 11 and 10 I just do not think there is enough room for us to squeeze into those four suites. And then we must have a lobby. We could use the current lobby but there would be some major renovations with putting walls up and closing that in.*

Garriss: *Good question Charlotte. I think we looked at that at the beginning, but it would be a lot of ...*

Walker: *It is just that it is useable right away.*

Johnson: *Yes. It is useable but I do not think you can fit everything we need in those four suites.*

Walker: *The part behind those doors that you are talking about would be the best for you but is that where the mold concern is?*

Johnson: *We have not seen any, but we are not mold inspectors.*

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Walker: *There is a smell there.*

Johnson: *The whole building is pungent.*

Walker: *Where is the electronics room? The one with all the service.*

Johnson: *See Suite 2? To the right is a red area. That is basically the main power supply I believe. Willie was the one that located it.*

Garriss: *I am going to put you on the spot here. Do you think you are settling for something instead of getting a nice, new police station. Is that what you are thinking?*

Johnson: *No. I think this workable. It is our best option. The best for the town and the taxpayers no doubt. We want to do what is right. Building a new one is not there.*

Garriss: *Is council okay with the town proceeding with that area for the police station?*

Pruitt: *Once we get our due diligence and we find out that we are good to go. Joel has identified where he wants to go, and I agree with Joel. Let's get out of this place before a hurricane comes. Maybe if we can get where we can move some of the stuff out of the old building. Use one of the rooms to store some boxes.*

Garriss: *We do not need a motion do we Casey? Just proceed with due diligence and then we will go from there.*

Varnell: *Yes. If there is a consensus and there seems to be one.*

Garriss: *On to the next topic. I mentioned Suites 10 and 11. We have a tenant who has been there for a good while. He called me Monday. As a matter-of-fact Jeff and I were here taking some training Monday morning and I got two phone calls related to this topic.*

Mr. Steve Archbell with Bear Drugs called. He is proceeding forward as if he must move out because Sentara has vacated the building. He indicated to us, and I think all of you know, he would like to stay at this location. That is up to the town. Andy and I met with him this past Monday and he said he wants to stay if we can come to an agreement. He was aware that we were meeting this morning and I told him we had to run it by council. Personally, I think it would be win/win situation.

The big cinder block thing that Andy mentioned earlier is maybe some kind of pump station for this building but is not on our property. It is on his property. That is in front of the heart center that is there right now. How that happened years ago we have no idea. We may have to purchase that little piece of property. He has bought the lot in the front to proceed with building his new drugstore.

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So, what is your feelings on this and then we will get to some other suites. Do we want to get in this business? Do we want to allow him to stay because honestly, he needs to know something.

Pruitt: *Again, I would rather wait until after the due diligence to discuss this but as far as him staying in 10 and 11, I am 100% in letting him stay if he wants to. After the due diligence I think we will have time to discuss what we are going to do with the other areas. Right now, we are talking about a tenant that is currently in there whether we are going to let him stay or not and I support letting him stay.*

Walker: *I think he can stay.*

McClellan: *I think they would be a perfect tenant.*

Hines: *I think we need them there.*

Garriss: *Andy can you and Casey contact Mr. Archbell? I am like Jeff. We need to wait until our due diligence is probably completed before we start on other things. Is that what you advise?*

Varnell: *Yes. I do. There is a recorded memorandum of lease with Dare County. We will check and see what the expiration period is. After due diligence we could even propose a new lease. Naturally, we would get the assignment from Pasquotank County because we are taking it subject to any encumbrances. This lease is one of the encumbrances.*

Garriss: *I think it would be great for Mr. Archbell and the Town of Kitty Hawk.*

Pruitt: *And I think negotiating a new contract is very important because down the road the town might see the need to use all this property. I do not want a 30-year lease but something shorter that Mr. Archbell and the town can agree upon.*

Hines: *You could always do like a 10 year with a renewal option or 7 years.*

Garriss: *Chief Johnson. If this is bought, would you have any problem with Mr. Archbell staying?*

Johnson: *No.*

Garriss: *Suites 6, 7, 8, and 9. It has been brought to our attention there may be someone interested in leasing those suites for medical purposes. And like was said I do not know if we want to get into the rental business. Andy and I, and maybe other councilmembers, have been contacted. I agree with what Jeff said earlier. We need to wait until due diligence is complete before we proceed but I just want to let you know that conversation is out there.*

Varnell: *And just to note for council, until we have title to the property, we cannot officially enter into any agreement because we do not own the place.*

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Garriss: *Those suites are in very good condition and are set up for medical already. If we were to use them for police, it would take a lot of remodeling. I just want to get the conversation out that there is some interest if we decide to do that at some point.*

Hines: *I have no problem waiting until due diligence is over, and I am only going to speak for me. We are losing so many doctors here. If that right side of the building works for the police department and they are happy and content and again, I am only going to speak for myself, I do not see any reason why we do not rent them out. It is a win/win for everybody to also have some medical doctors in Kitty Hawk.*

Pruitt: *That is a great point, David.*

Garriss: *I also see it as a win/win for the town and the citizens. There is a lot of square footage sitting there. What do we do with it? Charlotte?*

Walker: *Nothing right now. I would let the dust settle. Determine what we need and then decide what it can morph into. Maybe do something in phases.*

Stewart: *I will say the plan that Chief Johnson was discussing would require an entrance because this would become the wall that would be put ... we probably need an architect, a professional for the layout.*

Pruitt: *I just really want to stay focused on saving as much money and getting in there as quick as we can. Maybe tear down in phases. But if we must tear it down to get it to work then I understand that also.*

Stewart: *There are all kinds of different options to look at, but we just felt the space of Suites 1 thru 5 is the space that makes more sense as far as the police station. We would need to design the layout of that space. That is all we need to do for the time being.*

Garriss: *It would not hurt, whenever it is appropriate, to get us some quotes on demolition once we find out if we are going to do any at all. Then bring that back to council Andy.*

Hines: *Let it sit for now if it works for the police department. That is the main goal but there is nothing to save in that surgery center. The amount of money it is going to take to scrub that place clean and get it back to whatever we are going to use it for is just not worth it in my opinion.*

Garriss: *I agree.*

Pruitt: *I probably agree with that.*

Walker: *Between Suites 1 and 2 and the blue building that you were just talking about that maybe could be saved, is that under one roof?*

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Stewart: *Yes. I believe so.*

Walker: *That could possibly be an entrance to the police department. I did not look at it from that standpoint at first.*

Pruitt: *I totally agree.*

Hines: *This side of the building was remodeled extensively by Sentara, right?*

Pruitt: *When you say this side are you talking from Suite 1 and 2 to the south?*

Hines: *Correct ... yellow. And I want to say that was done in '14, '15 or '16. It was not that long ago. The beach medical side, the radiology and surgery center, nothing has been done over there that I am aware of because they were not ...*

Garriss: *There is an upstairs on the beach medical side. I think David Lewis found it.*

Walker: *Do we know if there is any asbestos in the surgery center and beach medical side?*

Garriss: *I am sure there is at some point.*

Walker: *That is very expensive and a huge deal to remove.*

Hines: *For sure. We already have all this square footage that we are going to debate what to use it for down the road. I am fine with leaving it for now.*

Pruitt: *Is it in the radiology that the roof is caving in?*

Stewart: *I think that is the CT/MRI room. That is the flat roof, the lighter blue. I think they attached that to the beach medical center at some point.*

Garriss: *And there is some water damage.*

Pruitt: *I am kind of with David. At a certain point with buildings, it costs more to fix them than it does to build them brand new.*

Pruitt: *I am for where Joel says he wants the police department to be. After the due diligence, get a designer or someone to come in and tell them what we want to do and let them tell us what we need to do. We will then know whether to tear it down or not. If it is in the way, even if it is still good, if it impedes us of achieving our goal as our police department then let's tear it down.*

Hines: *Another benefit of tearing it down is in the event of a storm, we can put a fire truck up there. Dare County can even go there. We can be fully prepared to respond.*

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Pruitt: *Correct. That is our goal. That is the whole goal of buying this property. To have a police department and a safe place during disaster times. We have a fairly new fire department, but where it is, when we have a bad storm, we need some fire equipment in another location. This would be the perfect spot for it. Or somewhere up in this area.*

Garriss: *When we get to that point do we go with a new roof, do we patch the roof, do we get new carpet, or do we clean the carpet? I think maybe some of this stuff will be found out in inspections. Chief Johnson you should be working with Andy. I do not think either one of you need five people telling you what kind of carpet and what kind of paint. I think that is a decision you should make. We all have opinions, but I trust you to move forward with what is best for your department. We want something that is good for you. I think we all agree with that.*

Hines: *Give them a budget and let them do what they want to do.*

Pruitt: *The first thing though is if we can get them in. Get them in there as quick as we can and then give them a budget. Once we are in there, we are out of the flood zone, and we have achieved our goal. The goal of improving it and making it nicer and all that we can do down the road I think right after due diligence.*

Garriss: *Chief do you feel good so far with what we are talking about?*

Johnson: *Like you said we cannot do a lot until we get everything back.*

Garriss: *I will wait for Andy to get back because we have another topic that has come up.*

Pruitt: *If engineers come in, they might suggest something you really like and you say that is a better idea than I had. They might help us tweak it to make it a better facility.*

Garriss: *While we are waiting Charlotte, I know you are up on this. A possibility of something happening with the property next door where we could tie in a driveway for ingress, egress.*

Walker: *Possibilities. And as far as the budget is concerned, I am going to think about the town's money like I think about my own. And I am going to be pretty conservative about that.*

Hines: *There is being conservative and there is being smart.*

Walker: *Exactly. I try to be smart with my own money too.*

Garriss: *Yes. The town elected us to make good decisions for them. We do not want to do this cheap. It needs to be first class because the chief has waited a long time for this. We all have. You deserve it. Anything else?*

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I have one more topic to talk about. I received a phone call from Dare County Manager Bobby Outten Monday morning. As you know the original plan, when we were building on the lots, there was going to be an EMS station there too. With two bays. I told him we were having this meeting and I would let Andy call him back this afternoon and tell him how the conversation went. He wanted to know if we still want EMS, and I said yes. We need it. We need EMS on this end of Dare County in Kitty Hawk, and we would do anything possible to make sure that happens. When all this came up about us buying a building for a police station, he was honest with me, and he moved that project down the line until he could find out something. He is at a point now that he would like to entertain a conversation on two of those lots and build an EMS station there. I first wanted to make sure that there was no land on this property right here that would work for EMS. He said they had talked it over and I agree with what he said. They perceive a problem getting EMS out in emergency situations at that intersection.

So, we have the four lots that we were going to build on. If the county had the two southern lots to build an EMS station, he could easily move that project back up the line. I am very much in favor of that project proceeding. I think we all are. What we must talk about is how to get them possession. Are we going to sell those lots to the county or are we going to give them a break. When I got off the phone I came back and told Jeff about the conversation. Jeff had an excellent plan that we could maybe run by Bobby this afternoon. Do we give him the lots, do we sell him the lots at a discount, do we work out a trade?

For instance, Jeff's idea is trading a lot for a bay for a fire truck. Wonderful idea. I do not know how that would work as far as ownership. I am sure we could work that out Casey. Instead of them building two bays, build three bays and one could be for our fire truck. We had talked about this at the beginning, or we could put the fire truck bay on this location at some point. But if we could discuss that because Bobby is waiting to hear from us this afternoon. He said if we ever need a new fire station, we could save lots three and four. We could sell lots three and four to help pay for this. We could sell all the lots. There is a lot we can talk about. David what are your feelings? Just think about lots one and two right now.

Hines: *I am going to think about that while everyone talks.*

McClean: *We do need an EMS station in this area. My first thought is let's work something out, but I have not wrapped my head around what yet.*

Garriss: *I got the feeling the price of the lots depends on how fast they could move on this project. Jeff?*

Pruitt: *I do not see how we can give him an answer today about any of this not knowing if we are going to purchase this. By no means do I want to even think about getting rid of those lots. This should be down the road. It cannot be settled today because we do not know what is going on here. Down the road, working together with the county, I think benefits the whole town. I really do. I am*

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not for giving ... just like this property. We kind of thought Pasquotank would give us a deal but they must answer to their people. They knew what the land was worth. I would love to give the lots to the county, but I think the taxpayers of Kitty Hawk would wonder why we were doing this. And so, if we could have some co-operative facility, we both gain. All the residents of Kitty Hawk gain and it is in this district. If we have this, we probably will not have a use for those four lots. I do not see us building on those any time soon. We are going to have to work on this and this is going to be our main project. I would like to have a fire bay. I really would and if it means working in some way for that, and it is fair for everybody, then I am up for a discussion. But we cannot do it until we find out we own this.

Garriss: *And to be clear he did not want an answer today, but he wanted to know how council felt. It just so happened we had this meeting so I said I will run it by council.*

Walker: *I think that piece of property is large enough. We keep our four lots, and we give them an option to come onto this piece of property. It is huge. If you tear down the surgery center, EMS can go there. There is a helicopter pad there too.*

Garriss: *Yes, but I can tell you the interest is not there. But it is certainly something that Andy can mention. He was preferring the EMS on the lots.*

Pruitt: *But that was due to traffic.*

Walker: *If we fix the traffic ... but I cannot say that is what is going to happen.*

Garriss: *He does not need an answer today. I do not know how we are going to fix traffic at that intersection. That is a tough one.*

Hines: *I think that is a great idea you had. If it was not for all that going on there. The egress is going to be the problem. If they are trying to go left and there is a curve.*

Garriss: *All good ideas.*

Walker: *It would be great if it was all together. We will just have to wait and see.*

Garriss: *Andy tell him when due diligence is up, and we find out for sure we are not going to need those lots, then maybe we can talk. And we can discuss building something here on this location.*

Stewart: *We cannot abandon the four lots yet because we may have to construct a station.*

Garriss: *Yes.*

Stewart: *I do not see the town spending that kind of money to build a police station. I know it is a bad time to build and that is why we are dropping back to this option. To spend that kind of money*

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on a 7,000 square foot building is mind boggling.

Garriss: *Especially if we tear some stuff down. As Charlotte said there is certainly room right here, but I could tell his preference was on the lots.*

Walker: *If that is not an option maybe he needs to go plan B. The lots are valuable.*

Garriss: *Yes. I do not think I have anything else. Just let the committee do their job. I am like Jeff. Let's get rolling and see what we can get accomplished.*

Hines: *I would like to step back and talk about that for a second and make sure we are all on the same page with this committee and what it is doing. I am under the same impression, as before, the committee is Andy, the mayor, Casey and myself and we are to run through all these inspections like we have been doing and report back to council before closing. That is not making decisions on work for the building after closing. That is just getting us to the closing line. Is that right?*

Pruitt: *That is correct. That is what this council agreed on.*

Hines: *Okay. I just wanted to make sure. That was my understanding, and it is still intact.*

Pruitt: *And when this committee, that this council approved, has done the due diligence we will come back and lay it on the line. Put it on the table.*

Hines: *Because right now what we are trying to do is just make sure this is the right investment for the town. For the taxpayers.*

Pruitt: *Correct. I agree. Once we determine that through this committee's recommendation then we can start moving forward. Thank you, David.*

McClean: *Let's just move forward and see what happens.*

Garriss: *Yes, I think we all want to move forward.*

Walker: *Casey, if this committee can come together and have all the inspections and be comfortable that it is ready, can we close earlier than 60 days?*

Varnell: *On or before. That is what is written into the contract as far as the closing date. Yes. And it is going to be a cash deal so we will be ready to move.*

Walker: *Perfect. Andy, on the inspections for the buildings. Have environmental issues been addressed for the sewer because it was a medical facility, and they flush a lot of things.*

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Stewart: *The health department would be the ones telling us that and they do not think there is any medical waste or anything of that nature.*

Walker: *I know we are checking for mold, but I did not know if under the ground there might be some issues.*

Stewart: *We can look at that.*

Hines: *You do a Phase I environmental impact study. Which will instigate Phase II. I would ask the health department if they feel like that needs to be done. I understand Charlotte's question. Is the soil or anything surrounding it bad.*

Walker: *Just want to be sure we are safe.*

Hines: *And that is not a bad idea. But that is going to trigger a Phase II more than likely.*

Garriss: *That is good Charlotte. Thank you. Anything else?*

Walker: *I think that is all I had.*

Garriss: *Following up on David's comment. Is council okay with this committee making any decisions that can be made? Anything big would have to come before council. I do not think any of us want to have to call a special meeting every two weeks.*

Pruitt: *This committee was designed to do due diligence and that means to make sure the inspections are done and to forward the information to council. After that all of us should make the decisions of any money being spent and Andy should bring that to us.*

Special meetings. I am good with them. I do not care if we have them once a week. In the old days, when this town was incorporated, they held them about once a week to get things straight. We can do it if we must to get this straight. I would like Andy to just come forward with what we need to do from your committee, present it to the council, we okay it and off we go.

Garriss: *Andy can give the go ahead for inspections, but the big projects and the big expenses are going to be coming after due diligence and that is a council matter. Such as the three bids and we will accept the lowest bid but right now Andy and Joel can work out what they need.*

Stewart: *I have asked somebody I know in the roofing trade to give me a price estimate. I like to put together some options and have a budget going into something like this. It is going to need some improvements to turn this into a public facility that we are proud of. I will come back with those options, but no one has been selected or anything of that nature. There is a process we must follow that I gave to everybody after we get through the inspections, and we make sure we want to purchase. There are bid thresholds and things of that nature. We can get all of those and bring it*

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to council and then move forward with what needs to be done. We can take out the roof or we can add the roof and that would be a council decision. As far as possibly hanging a wall or something along those lines it might be something we can take care of but the major expenses, my idea was to bring it to council and say this is what this property needs.

Garriss: *In the meantime, like Jeff said, if something comes up and you need to contact us do so.*

Pruitt: *I am not sure I answered that quite right. If you are out there and you see something during this due diligence, you do not need to get back to us about every little thing that you are seeing as a committee. If any of you on the committee thinks something needs to be done in due diligence, do it. I give you my vote right now.*

Garriss: *I follow you.*

Hines: *There is a difference between the due diligence phase and then moving on up to the closing phase. Because things are going to arise during these inspections as we all know. They already have.*

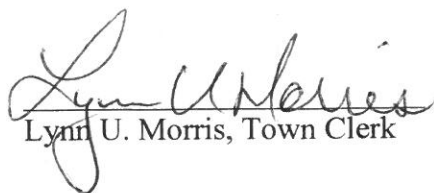
Pruitt: *And you should be able to handle them without everybody ... it is going to be too confusing. Y'all take care of it.*

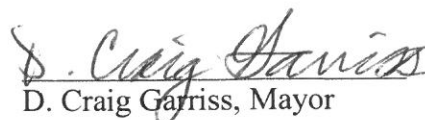
Garriss: *Very good. Anything else? I feel like we have accomplished a lot this morning. Andy do what you need to do, if you need us let us know.*

3. ADJOURN

MPT Pruitt made a motion to adjourn. It was seconded by Councilman Hines and the vote was unanimous, 5-0. Time was 10:14 a.m.

These minutes were approved at the March 6, 2023 council meeting.


Lynn U. Morris, Town Clerk


D. Craig Garriss, Mayor