

**Town Council Minutes
Morehead City, North Carolina**

Friday, January 29, 2010

The Honorable Council of the Town of Morehead City met in a Special Meeting/Work Session on Friday, January 29, 2010, at 8:00 a.m., in the Municipal Building Auditorium at 202 South 8th Street, Morehead City, North Carolina. The purpose of the meeting was to review the draft agreement for the use of the O'Neal Baseball Field and to have a CLOSED SESSION to discuss property acquisition. Those in attendance were:

MAYOR: Gerald A. Jones, Jr.
MAYOR PRO TEM: Demus L. Thompson
COUNCILMEN: George W. Ballou
Paul W. Cordova
David Horton
John F. Nelson

CITY MANAGER: R. Randy Martin

CITY CLERK: Jeanne M. Giblin

OTHERS: Sabrina Bengel, Buddy Bengel, Steve Bengel, Margaret Murphy, Joseph Busacco, Charles L. Collier, Jr., Mike Shutak, Reporter, THE CARTERET NEWS TIMES, Ken Murphy, Gary Goldstein, Janette Pippin, Reporter, THE DAILY NEWS, Larry Land, Justin Narron and Michael A. Wagoner

Call to Order and Invocation

Mayor Jones opened the meeting at 8:00 a.m., and Councilman Thompson gave the invocation.

Draft Agreement for use of O'Neal Baseball Field

Mayor Jones advised that this Special Meeting was called to discuss the proposed contract with Riverfront Sports & Entertainment, Inc. of New Bern for use of O'Neal Baseball Field and to enter into CLOSED SESSION to discuss property acquisition.

Manager Martin commented that the Council had the opportunity to review the draft contract with Riverfront Sports & Entertainment, Inc. of New Bern for use of O'Neal Field at Big Rock Baseball Stadium. The franchise proposes to bring an amateur summer collegiate wooden bat baseball team to Morehead City. There are currently 15 approved franchises for the Coastal Plain League in North Carolina, South Carolina and Virginia. The players are college student athletes. They receive no pay and are hosted by volunteer families throughout the community. The season runs from late May [around Memorial Day] through early August, squeezed between the end of the spring semester and the beginning of the fall college semester. The players are recommended by their coaches and are usually the better players on their collegiate teams.

Mayor Jones suggested that the lease and concession agreement be reviewed page by page.

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Councilman Horton questioned who else would be able to use the baseball park?

Manager Martin replied that the franchise would have limited use, not exclusive use. This team's schedule this season has 29 home games on 28 days in a roughly ten [10] week period. The remainder of their schedule comprises away games. The participants are college age with at least one [1] year of athletic eligibility remaining and come from universities and colleges across the country. American Legion Baseball is for high school age and very young first year college members who play from this county and would play on alternating dates at the park. American Legion plays significantly fewer games in roughly the same time period.

Councilman Thompson questioned if Babe Ruth, Junior American Legion and others could use the facilities.

Manager Martin replied with the City controlling scheduling, other groups would be able to use the field. There are more teams than there are fields in Carteret County. One of the objectives of this particular field was to have a field available to accommodate the needs

of American Legion Baseball. Legion anticipates they will continue using West Carteret for Junior Legion games with the senior division playing at this facility with the exception of tournaments which could be hosted for any of the area teams including Babe Ruth and AAU as well as Legion and high school. Babe Ruth plays their regular season games on a dedicated field for their use at Swinson Park. The high school team has already requested use of the field for a tournament in April 2010. The Manager also advised an inquiry had been made about hosting a Babe Ruth World Series in the future and American Legion is pursuing the possibility of hosting a State Legion Tournament in the future at the park.

Councilman Thompson stated that the public should be made aware of the schedule of all the uses for the ballfield and that those uses, including secondary, should be at the discretion of the City.

Manager Martin noted that potential uses other than baseball would be reviewed and approved on a case-by-case basis.

When questioned about the sale of malt beverages at the games at other franchise member stadiums in the League, Manager Martin explained that two [2] teams play on school property. All the other parks provide for the sale of beer as part of their concession operations with varied restrictions and permitting requirements with the exception of those two [2] teams on school sites which are Edenton and the Outer Banks franchises.

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It was agreed that references in the contract to alcoholic beverages would be specifically defined as malt beverages consistent with City Code regulations. The franchise owners are only interested in serving beer.

Manager Martin explained sub-concessionaires as sales done perhaps by a rollout cart, for example, an ice cream vendor. The City would receive a percentage of the sub-concessionaires also as part of the proposed lessee concession operations.

Councilman Horton stated he did not want sub-concessionaires at the ballfield as they would be too difficult to regulate.

Article 3

Councilman Horton stated he would like a personal guarantee from the owners because the City is being asked to enter into a ten [10] year agreement; therefore, their personal commitment should be for ten [10] years.

Article 4

Councilmen Horton and Nelson both objected to the amount of the rental fee as being inadequate. Councilman Nelson expressed concern that the City would be renting a \$2+ million facility for \$15,000 a year.

Manager Martin replied that this is the highest reported rental fee from across the entire Coastal Plains League. The City stands to gain the equivalent of an average of \$28,000 a year when considering the rental fee and City cost avoidance based upon the provisions for the lessee providing equipment to the City in the proposed contract over the ten [10] year period. This equipment would otherwise be a cost to the City and would benefit all users of the park. He continued that with regard to the total cost of the park, the project encompasses a total City-owned site of almost 15 acres excluding the adjacent Rotary Park site, and was developed under stringent and expensive state stormwater guidelines and provides other amenities which benefit other than baseball users and patrons to Rotary Park such as the expanded walking trail and nature observation areas, parking, restrooms and additional improvements. This group will not have exclusive use and will be limited to summer time use.

Councilman Horton was of the opinion that the ballfield was more of a county concept and would be a burden for the citizens of Morehead City. He noted there would be an economic benefit to the county, beach hotels and restaurants, but the citizens of Morehead City are paying for the facility.

Manager Martin replied that it is not solely the City resident who bears the tax burden, money also comes from non-resident property taxes, state sales taxes and other resources paid by visitors or other non-residents, as well as \$700,000 for this project which came from grants and donations out of the total budgeted cost of \$2.3 million.

Councilman Horton contended that when the bleachers are placed, the facility will need additional restroom facilities. If the lease is approved, there is a lot more to do before the certificate of occupancy can be obtained. The number of seats available will determine the number of bathroom facilities, parking and concession area.

Discussion arose on the merits of charging a per day fee, for example \$500, instead of a flat fee for the entire season.

Manager Martin discussed the proposed operation of the concession stand. He also commented that if the Council did not desire to allow this particular type of baseball team user, there were no other options available of this type to his knowledge that could feasibly be considered other than local teams and tournament use and the City would not likely get any significant revenue to help offset operating costs from any other type of user team. Research of available users at other municipal facilities across the state and region support this contention. Local use and particularly infrequent tournament schedules would generate minimal fees to offset a portion of operating costs. The Manager also noted that beyond base rent for games and equipment purchases, the City would also receive a percentage of concession operations and user fees for other uses throughout the team contract.

Councilman Nelson commented he envisioned a facility primarily for local use.

Mayor Jones questioned if the Council was interested in having the wooden bat collegiate baseball league team here in Morehead City.

Councilman Ballou commented that he doesn't think the neighborhood or any of the residents realized the extent of the use of the ballfield.

Councilman Horton wanted everyone to have the ability to use the baseball field.

Councilman Cordova replied that everyone cannot have use of the same baseball field as there are different field dimensions and requirements for different ages and different leagues.

Manager Martin explained that when the Council held public meetings and hearings and approved the grant agreements and accepted the donation from Puck O'Neal it was clearly for one [1] adult sized baseball field and the field is designed specifically for use by older youth and up. Other fields and facilities in the City are specifically designed for other users and younger age group use.

Councilman Ballou noted that Councilman Nelson has wanted consideration of football and soccer use.

Councilman Nelson confirmed he has supported other uses and acknowledged he has seen football played on a baseball field on television before. He elaborated that the City would be responsible for lines, bases, field preparation, lights and water while they get a "turn key" facility with no proposed cost-of-living increase.

Article 5

Councilman Nelson was concerned the contract provides that the City pays all utility bills and the degree of the City's responsibilities for the maintenance of the field.

Councilman Thompson questioned if a cost-of-living stipulation could be built into the lease for future years.

Manager Martin commented that the lessee was willing to provide the equipment purchases and donations at the stated fixed rental amount. They would probably not agree to a cost-of-living clause in the lease unless the other terms were similarly renegotiated reducing the amount they would provide in terms of equipment. This would require the City to buy the equipment necessary for use of the facilities.

Mayor Jones offered that if any member of the Council had criticisms of the draft contract they should offer suggestions to alleviate the concerns.

Manager Martin summarized that the draft lease was an attempt at trying to fairly allocate the charges and contributions of the lessee taking into consideration the impact of the lessee's proposed use of the facility. The terms spread some of the burden for park start-up costs to the lessee in return for a long-term lease and this is a cost avoidance for the City.

Section 8.3

Councilman Horton was not satisfied with the section describing the field maintenance. He quoted the section on lessor responsibilities to prepare the field for games except on weekends and holidays.

The Manager stated the City mows the grass and does the lines.

Manager Martin commented that the City will do required routine maintenance on the field whether it is used or not by this group in terms of mowing, irrigation, fertilizing, etc. The lessee would have duties to perform prior to and during games particularly at times other than the City staff's typical work week.

It was ascertained that the lessee's provision of security utilizing off-duty police officers may need to be clarified to include comments on the lessee's intentions on level of security particularly at games.

Councilman Horton did not feel the City should have to maintain the field to such a high standard.

The Manager reiterated the City would do required maintenance.

Councilman Horton indicated he would recommend removal of the quoted sentence.

The Manager recommended the Council list desired changes rather than attempt to finalize details at this session.

Councilman Horton inquired about the status of off-duty police hired as security as to whether they would be subcontractors.

The Mayor acknowledged they would.

Councilman Horton inquired about their ability to give tickets.

The Manager advised they could.

Councilman Horton question what would happen if they were injured or disabled in terms of workmen's compensation insurance.

The Manager indicated workmen's compensation law would determine liability in such circumstances.

Councilman Horton wanted the language in the proposed lease clear in terms of liability and that coverage be adequate.

Article 7 – Use of Premises

Councilman Horton stated he does not like the terms for use of the concession building.

Manager Martin stated the proposed draft requires that the lessee will equip the concession stand at their expense, maintain equipment and donate equipment to the City at the end of the lease or at the time of any default. The Manager also noted that the Legion was pleased to have this organization willing to provide concessions for their games with a share of the revenues coming to the Legion. As stated in the lease draft, the City would receive a percentage of these concession revenues as well.

The Council took a 15 minute break.

Upon return from the break, Mayor Jones introduced Sabrina, Steve and Buddy Bengel representing Riverfront Sports and Entertainment, Inc., operators of the former New Bern River Rats franchise in the League that desired to relocate their franchise to Morehead City creating the Marlins team.

Sabrina Bengel stated she was recently elected Alderman with the City of New Bern and stated that she and her son, Buddy, would give an overview of the proposal. Her husband, Steve, was also in attendance.

Buddy Bengel described the Coastal Plains League. There are 15 teams which have been a League for 14 years consisting of college aged individuals from across the country. The League plays in different small market towns throughout North Carolina, South Carolina and Virginia. The players are not paid because of NCAA rules. Each player lives with a host family. He continued that he played with the League for three [3] years when he was in college. The players are role models for youngsters. They bring a significant economic and positive social impact to the towns they play in. The players, as part of their commitment, will be doing community volunteer events and will be made available to interact with the public in various venues. The League provides night time entertainment. It is a chance for resident and visitor families to come to the baseball park for good family entertainment. Amateur league baseball is sweeping the nation in popularity. It is a chance for a mother and father with two [2] children to have entertainment and food for under \$50. Morehead City is believed to be a good place to have a franchise in this League because of the tourist draw of the beach. In the off season, the field could be used for special events to further leisure and entertainment options as well.

Sabrina Bengel stated that baseball is America's past-time. Between the innings there will be entertainment for the children and families as is done in Kinston at the Indians Minor League Baseball franchise. She suggested the Council contact anyone in New Bern to learn about the program. As far as secondary use of the baseball park, the idea would be to bring in other college baseball tournaments in the spring and other different events like a community family fun day. Nothing is specified as yet as it would have to be mutually agreeable with the City.

Councilman Horton stated he was concerned about the types of secondary uses of the facilities.

Buddy Bengel replied that the proposed lease requires that other than baseball uses would depend on City approval and be appropriate for the facility.

Sabrina Bengel stated that a secondary use could be an "After Hours" with the Chamber of Commerce or perhaps a symphony.

Manager Martin indicated a Christian rock concert as an example activity.

Councilman Thompson stated the Council would set policy on whatever other activities are requested.

Councilman Horton said the neighborhood wants to know what is possible.

Manager Martin said it cannot be definitely known until the Council determines a policy for other uses.

Councilman Ballou questioned the meaning or intent of "Thirsty Thursdays".

Buddy Bengel replied that "Thirsty Thursdays" is a marketing concept used throughout baseball and means a drink special, as all drinks could be \$1 on Thursdays.

Sabrina Bengel said they may also promote "Military Mondays", "Tasty Tuesdays" or "French Fries Fridays". These are all simply marketing tools to encourage attendance.

Councilman Ballou questioned that the proposed contract would authorize beer sales which is a concern to some residents and he was under the impression that the franchise could not come to Morehead City without beer sales.

Sabrina Bengel replied that no other alcohol beverage is proposed to be served other than beer. Their need to serve beer is part of the bottom line. In any sport franchise the major part of concessions and a significant amount of the revenue needed to support the costs to provide the team comes from beer sales. It is part of their operating funds. Beer sales help that number tremendously. She continued that the revenue is two-fold, and one facet is from the associated marketing dollars available to the team. They would not be able to qualify for those dollars if beer were not sold. Beer is part of the experience and part of the ambience. People traditionally want beer and a hot dog at a baseball game while maintaining a regulated environment suitable for families.

Buddy Bengel added that without beer sales in New Bern the franchise could not continue to operate.

Mayor Jones questioned whether there were any League regulations on the selling of beer.

Buddy Bengel replied that each individual team regulates it. He distributed a letter from the League president and stated that there have been no problems from the sale of beer at other towns. The lessee would be willing to have designated seating sections which would be alcohol free. Every employee must go through alcohol training seminars. The lessee will be properly responsible for providing insurance and for maintaining order and decorum at the baseball park in compliance with regulated permit guidelines established by the required state alcoholic beverage control permitting process.

Councilman Ballou questioned having a beer garden as an option.

Buddy Bengel replied that this was an option with a designated area for beer sales all of which would be sold in a clear plastic cup. He said the employees will work for the most effective way to control underage drinking. Two off-duty [2] police officers in uniform will be onsite, at the expense of the lessee, and an undercover police officer will be at every game. The liability rests on the lessee and they will take the proper precautions. He presented a letter from Fayetteville and Wilmington describing those franchise's experiences and their responsibility with the sale of beer.

Councilman Horton questioned the impact of the field lights in a residential area and when the games finish.

Buddy Bengel replied that the only park in the League not in a residential neighborhood was on the Outer Banks and that one [1] is located on a school site.

Sabrina Bengel stated that the games begin at 7:05 p.m. There have been instances where the games may be rain delayed, however, it possibly could be discussed to have policies of not starting another inning after 11:00 p.m., for example if the League would allow. She noted though that to her knowledge no other venues in the League have seen the need to establish such a limit. Lengthier games are the exception when rain delays or extra innings occur. These teams travel long distances and, therefore, rescheduling is difficult. The League wants the games complete, but when games go later or rain delays occur, the crowd would be significantly reduced.

Councilman Horton observed that if a game started at 9:00 p.m. on a Sunday, the residents would be adversely affected and it would be horrible to have a game continue to midnight.

The Manager noted that the City has a noise ordinance after 11:00 p.m. and the City could consider guidelines to be more restrictive such as no new innings after 11:00 p.m. He noted that most games end by 10:00 p.m.

Buddy Bengel stated that you must complete five [5] innings for an official game. The games typically run 3 to 3 ½ hours or typically until 10:00 p.m. to 10:30 p.m. They feed the team after each game and there will be some clean up before closing. They had three [3] seasons in New Bern. The reason they chose to leave New Bern was that the high school facilities utilized were not kept up or designed to meet League standards.

Councilman Horton commented on Mr. Bengel's remark about the team staying one [1] hour after each game for cleanup and eating.

Sabrina Bengel replied that they asked the City of New Bern to do a feasibility study for a 2,500 seat stadium, however, it never materialized. She stated that 98 percent of the baseball parks in this country are owned by municipalities. She remarked that if there are any questions to get in touch with the council members in Forest City regarding their lease as they are the most recent new league franchise which started within the last couple of years.

Councilman Horton questioned how many seats were necessary in Morehead City since they proposed 2,500 in New Bern.

Sabrina Bengel stated approximately 1,000 is the average Edenton attendance. Various youth league World Series and other regional, state and national playoffs are awarded to cities where people can be accommodated. She would like 1,000 to 1,500 seats ideally. She thinks they can average more than 1,000 in Morehead City per game.

Councilman Nelson stated he did not think there would be sufficient parking.

Manager Martin explained that the park has in excess of 300 parking spaces. There are also alternatives for overflow parking on the park site and offsite shuttle services are an option that the owners would be interested in if demand justified. The parking available would meet reasonably expected attendance on a regular basis and code requirements.

Manager Martin requested if the owners of the franchise could give the Council any insights about their revenue sources to meet the necessary expenses typically associated with operating a franchise.

Sabrina Bengel stated it was “an investment of passion” and a long term investment. They are not in it to make a million dollars but would like to cover the bottom line. They are a for-profit business and are incorporated and would like to do the things in Morehead City that they were not able to accomplish in New Bern to make this effort a success. They had to subsidize operations in New Bern each year.

Manager Martin commented that the investment in this type of endeavor is not inexpensive and there are many fixed costs from the comments he has heard from the lessee, other franchises and municipalities.

Buddy Bengel stated that they must pay for the franchise from the League, they have a 37 passenger bus, yearly dues and whatever the lease would require that they must do “to put back into the city”. He continued that the lease with Morehead City would be the highest amount in the League in terms of rental and the benefits to the City of the equipment provided by the team for all to use in the park which would become City property. The City also will receive a percentage of the concessions and user fees for any approved secondary uses. All this totals a substantial investment for the owners.

Sabrina Bengel stated there are different motivations from city to city for the investment of a team in their community and that accounts for the variation in terms between franchises.

Councilman Horton commented that he felt Morehead City would bear the cost of the team and not the county. He felt that the county should also participate in this venture since the economic benefits are county-wide. He asked the Manager if the county had been asked to participate and the Manager replied they had not been asked.

Sabrina Bengel commented that the franchise will develop a relationship with local Morehead City businesses and with the Hampton Inn as the host hotel in an effort to ensure Morehead City benefits as a community.

Manager Martin commented that the City will realize benefits from all over the county and various entities generate revenue from their visitors. Locals are also looking for entertainment options for recreational leisure in the county.

Sabrina Bengel stated that three quarters of a million dollars, [\$750,000] was estimated to be the annual economic impact of the team when it was in New Bern. The franchise wants to bring good family entertainment to the area. An analysis could be done of the potential impact on Morehead City and the county, if desired, from the team’s economic impact.

Councilman Thompson stated that he hoped Riverfront Sports and Entertainment will consider to at least give Morehead City a chance. It is so important to the City that we get something like this for the community.

Councilman Nelson commented that it was his opinion that \$15,000 per year rental fee was a pittance for use of a \$2.3 million facility. He continued that the team will be only responsible for paying the telephone bill in terms of utility expenses. He felt that they should have more responsibility, more than just for cleanup. He also expressed concern about interpreting the proposed lease on responsibilities for cleaning the restrooms and the division of duties for maintenance of the field. He concluded in his opinion the franchise was getting a great value for \$15,000. The lease is for ten [10] years and the price of electricity will continue to rise. The matter that there are no cost increases in the lease is a concern to him. He particularly was interested in a provision on electric utility increases in later years of the lease which might significantly increase City costs.

Sabrina Bengel responded that she could appreciate his feelings. The franchise is not proposing anything that is unique to Morehead City. However, she admitted that the Council has to be comfortable with the arrangements.

Buddy Bengel replied that most League franchises of this type pay approximately \$10,000 to \$11,000 per season for use of a facility. The Morehead Marlins wanted to show their commitment to Morehead City and that is the reason for the ten [10] year lease.

Manager Martin added that investment in the community is something that the City is interested in especially in these difficult economic times.

Councilman Nelson stated he is not opposed to the ball team coming to Morehead City as it would be a good economic impact to the City.

Councilman Thompson added that a realty firm in the area has already been receiving calls for rentals related to the proposed team games.

Councilman Ballou questioned the owner as to whether tickets have already been sold for the games while the contract with Morehead City has not as yet been executed. He was concerned with the public's perception that everything had been done and it was a "closed deal".

Sabrina Bengel replied that no physical tickets have changed hands, the franchise has only taken reservations and no one has been paid for any services. She mentioned that the price of admission would be \$6 for adults; \$4 for children; and \$5 for seniors and military.

Manager Martin advised that the franchise owners did a public disclosure of their intentions once the League approved the franchise for Morehead City and the public has been aware of this disclosure since October 2009, when it was agreed upon by the owners and the City Council to formally begin contract negotiations. There were numerous articles in the media about the interest of the franchise prior to the hot stove dinner recently held by the franchise.

Councilman Horton questioned the ten [10] percent net profit the City was to receive from the concession sales and if the City would have the opportunity to review the lessee's books to verify. He characterized this as a weird way to do it. He did not see how it can be reasonably done in this manner and did not understand the concept. Others present agreed that a percentage of gross would be much easier to calculate.

Buddy Bengel commented that a change from net sales to gross sales depending upon the percentage would be a remedy

Councilman Thompson replied that that issue should be taken on "good faith".

Councilman Horton stated businessmen do not enter deals on "good faith" only.

Manager Martin advised that as far as concession percentages, City administration would desire the simplest system possible.

In response to the increased future costs of maintenance and utilities, the Mayor suggested the Council think about a utility escalation clause in the lease, something similar to a fuel surcharge in the later years if the ten [10] year lease term is approved.

In reference to the Bengels, Councilman Horton commented that the presentation was well thought out and he stated he could not imagine anyone else doing this job.

Sabrina Bengel responded that they are business people doing the business of baseball.

Councilman Ballou expressed his thanks to the Bengels for all they had done and for thinking about Morehead City.

Sabrina Bengel, in closing, asked the Council what is the most family-oriented place in the world? She replied, it is Disneyland, and on every corner one can buy wine and beer. It is part of the total package. She requested that the Council seriously consider allowing the League to keep that aspect of the total package so that the franchise has a reasonable chance to succeed.

Buddy Bengel concluded that the Morehead City franchise is not proposing anything different than what is done in other baseball parks throughout the state, region and nation.

Councilman Ballou questioned Manager Martin if the City did a feasibility study regarding a collegiate wooden bat league franchise and the use of the City's facility.

Manager Martin responded that the City staff has done a great deal of research over the years and a Park Master Plan was developed some years ago. He said that he is working on a report of a chronological timeline regarding the ballfield that should shed light on the history of the project.

Councilman Thompson stated that when the City was able to acquire the property for the baseball field, the public was made aware of it.

Manager Martin responded that the public also knew about the plans for the use of the land while the City was clearing and preparing the site when the Puck O'Neal and Big Rock donation announcements were made in 2007. The grant applications identified the site when they were prepared in 2003/2004 for the initial grants and two [2] subsequent grant applications in January 2008 and January 2009, which were not funded described the scope of the project plans. All the grant application processes included public hearings at which all comments were positive.

The Council then discussed hours of operation and the sale of beer.

Buddy Bengel stated that regarding beer sales, a condition could be that, at the top of the eighth inning, for example, no more beer sales could occur. They may have firework displays perhaps three [3] times a year and they would be geared to the size of the site and require a permit.

Councilman Horton stated that there should be no new innings after 11:00 p.m.

Manager Martin felt over 90 percent of the games would end before 11:00 p.m.

Buddy Bengel replied that the only thing that stops a game after the fifth inning is rain. A preferred condition could be not to start a game after 9:00 p.m. particularly if it resulted from a rain delay. Field conditions also apply when delaying a game for the safety of the players. It could take up to an hour to remove the tarp after a heavy rain event.

Councilman Horton asked about a game going on to 1:00 a.m.

The Manager noted that the game could be completed later if all agree and the umpire calls the game.

Councilman Horton requested that the members of the Council go out to the field one night and review the impact of the lights. It was agreed by consensus that one night the lights to the ballfield will be illuminated and individually the Council members could review the light situation.

Councilman Horton questioned the lessee providing the scoreboard.

Buddy Bengel replied that together with the City they are working on getting sponsorship for the scoreboard.

When questioned about the necessity for police/security services, it was agreed that the amount of this service could be determined by the size of the crowd. It was the owners stated intent that every single event would have two [2] uniformed police officers and one [1] undercover police officer unless approved otherwise by the City.

With regard to beer sales and consumption, the City would need to have a policy on requirements for every other event or secondary use other than baseball. Manager Martin stated that a park rental agreement would address the parameters.

Councilman Horton felt secondary uses should be spelled out in advance.

The Manager and Mayor commented that the Council will control secondary uses by establishing policy.

Councilman Horton felt concerts would be the worst possible use.

Councilman Thompson stated the Council has to be aware of every use that gets approval.

Manager Martin questioned whether the Council wanted to be involved in every specific use request.

Councilman Horton questioned the ten [10] year length of the lease.

Buddy Bengel pointed out that the lessee is not required to serve out the ten [10] years, however, there are serious default provisions.

Manager Martin responded that he believed a long-term lease is in the best interest of Morehead City. The lessee would not be willing to do all the investment in the facilities and equipment currently in the lease for a shorter term lease.

Councilman Horton stated he would like to see the lessee get their investment back if things were not successful.

Mayor Jones commented that regarding that aspect of the lease, this is a good contract for Morehead City, better than the clause Councilman Horton had just suggested. Mayor Jones stated a ten [10] year lease is better for the City.

Councilman Horton asked each Council Member if they think ten [10] years is too long.

Councilman Ballou and Horton felt ten [10] years was too long while the other three [3] Council Members felt with other changes to the lease they could accept a ten [10] year term.

Mayor Jones concluded this portion of the discussion by stating it was time to make this proposal happen for Morehead City. He thanked the Bengels and they exited the meeting.

Councilman Cordova had to leave the meeting at this time.

Councilman Ballou MOVED, seconded by Councilman Thompson, and carried unanimously, to enter into CLOSED SESSION pursuant to G.S. 143.318.11[a][5] to discuss property acquisition.

The Council returned to OPEN SESSION.

Councilman Thompson commented that he personally just does not think it is right to have to sell beer at the baseball park, but it would be difficult for him to vote against the team coming to Morehead City. He continued that if the City can control the beer issue the way he thinks it can be controlled, he is for giving the franchise the opportunity for the sale of beer.

Mayor Jones commented that it costs the franchise approximately \$250,000 to have the team.

Manager Martin advised that if the Council limits the League's advertising and concessions, they have stated they cannot bring the team to Morehead City. It would not justify their bottom line.

Councilman Ballou commented that it is a ballpark and that the Council will disappoint either one side or the other with their decision. He admitted that this is the toughest decision he has to make as a Councilman.

Manager Martin commented that there is public support and public concerns, with much of the comments about the selling of alcohol. He believed that if the alcohol sales are controlled it can be managed effectively based upon other communities' experiences.

Councilman Horton stated he would not vote on alcohol because of the location.

Councilman Nelson proposed not selling beer for the next two [2] years.

Councilman Ballou stated his understanding was the franchise was not coming without alcohol.

Manager Martin stated the franchise owners had told him that their ability to serve beer was a condition of the contract that they could not negotiate away.

Councilman Horton stated the neighbors never agreed for alcohol to be served in the R-15M zoning district. He said if the City tried to put that in his neighborhood he would go to court and spend \$100,000 to fight it.

Manager Martin stated some of the people closest to the facility are not opposed to it.

Councilman Ballou commented that his storage building zoning request was turned down in that neighborhood the first time it was requested a few years ago.

Manager Martin mentioned that Mr. Ballou's storage site lights are worse in terms of impact than the baseball field lights since they burn all night and are flood lights.

Manager Martin commented that as City officials we represent all the people. Morehead City made a decision by referendum for alcohol sales within the City. It is not required for a decision on this contract that the Council make a judgment whether alcohol is okay or not, but the Council can provide regulations to limit alcohol sales as the Council sees fit. He continued he can incorporate any Council concerns and suggestions into a proposed redraft of the contract.

The Council agreed to further consider the proposed contract at the February 9, 2010, Regular Council Meeting.

There being no further business, the special meeting adjourned at 1:00 p.m.

Gerald A. Jones, Jr., Mayor

Attest:

Jeanne M. Giblin, City Clerk