



**TOWN COUNCIL**  
**Executive Session & Work Session**  
**Town Hall**  
**March 22, 2012**  
**6:00 PM**

At approximately 6:00 p.m. Mayor Dora Sullivan, having established a quorum, called to order the Executive Session of the Town Council. In addition to Mayor Sullivan, present were Vice Mayor Bannon, Councilmen Bennett, Evans, Sullivan and Veber and Councilwoman Natali. Also in attendance were Town Manager Heather Arcos, Assistant Town Manager Bob Panek and Town Planner Tom Bonadeo.

Mayor Sullivan stated that since there were several items on the Executive Session agenda, after discussions regarding the first item, the former Cape Charles School property, Council would go into the open Work Session. Immediately following the Work Session, Council would go back into closed session to conclude their discussions.

**Motion made by Councilman Veber, seconded by Councilwoman Natali and unanimously approved to go into Closed Session in accordance with Section 2.2-3711-A of the Code of Virginia of 1950, as amended for the purpose of:**

Paragraph 3: Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

Specifically: Former Cape Charles School Property, South Port Lease & Palace Theatre

**Motion made by Councilman Veber, seconded by Councilman Bennett and unanimously approved to return to Open Session and proceed to the Work Session.**

Mayor Sullivan welcomed Messrs. Frank Wendell and Jan Neville representing Old School Cape Charles and stated that since their unsolicited proposal was marked "Proprietary/Confidential" it could not be discussed in an open meeting.

Frank Wendell stated that he was here this evening to get information and learn from the discussion and that he had preferred to have his steering committee in attendance but the majority of the members left after having to wait an hour for the open session to convene. Maybe an Executive Session could be scheduled with the members of Old School Cape Charles to discuss the merits of their plans and to give the group equal time and treatment as that given to Echelon Resources.

Heather Arcos stated that the Town Council was still working on the details of the current proposal from Echelon Resources and reviewing the two options – 1) No space for the Town and 2) The gymnasium space being available for the Town.

Councilman Bennett stated that it would have been good to include some financial information in the unsolicited proposal in order for Council to compare the two proposals.

Mr. Wendell asked whether the gym space included the stage and asked the approximate size of the area being offered to the Town.

Mayor Sullivan stated that the stage area was excluded from the area being offered to the Town and Bob Panek stated that the size of the area was 2,731 SQFT.

Councilman Veber asked Mr. Wendell if Old School Cape Charles had a fallback position and whether they wanted the entire building. Mayor Sullivan asked whether the group would be willing to settle for less than the entire building. Mr. Wendell stated that the group was interested in the entire building.

Vice Mayor Bannon stated that if Council accepted either proposal, the property would not be public property and the proposers would have to maintain the property, pay utilities, etc. which was not a small undertaking.

Councilman Veber asked whether the Old School Cape Charles plan would be similar to the Arts Enter facility and asked what their intentions were. Mr. Wendell stated that everything would get worked out and asked for the time to do so. Mr. Wendell continued to state that he would like the Town to take the building over in the future. Onancock's Community Center held a 40-year lease but the Town maintained ownership. Mr. Wendell stated that he understood that the Library Board did not feel the old school was an ideal location for a new library but it could possibly be a doable location.

Vice Mayor Bannon stated that other Towns on the Eastern Shore gave very little to charitable organizations. This year, various organizations were asking the Town for over \$220K in charitable contributions and the Town did not have the money, nor could the Town take on any additional expenses.

Bob Panek asked for clarification of the Old School Cape Charles' timeframe. Mr. Wendell stated that he wanted the same time allowed for Echelon Resources which he believed was six months but with the negotiations still ongoing, it would be longer. Old School Cape Charles wanted equal time.

Bob Panek stated that, from reading the Old School Cape Charles proposal, it appeared that it was heavily dependent on securing a Planning Grant and asked how long would it take for the group to apply for the grant. Mayor Sullivan stated that she had talked to Ms. Karen Jolly Davis who told her that she was working with Mr. Paul Berge and would apply for the grant as soon as the group was qualified to do so. Bob Panek added that the group would need to obtain a 501(c)3 designation and asked how long that process was. Vice Mayor Bannon stated that typically, it would take approximately six months to a year. Mr. Wendell stated that Old School Cape Charles had not yet started that process but would do what was necessary to move forward.

Vice Mayor Bannon asked Mr. Wendell if a buyer with a proven background and secured financing offered him \$2M for his business and another group approached him to sell him the business but asked for more time and assistance to buy the property, which individual/group would he choose. Mr. Wendell stated that the analogy was comparing apples to oranges because with his business, he had an equity agreement with the brewery and the brewery would do their research and determination of the selected individual/group.

Mr. Wendell stated that the Cape Charles Comprehensive Plan outlined the Town's goal to the 100-year old building as public space and the course with Echelon Resources should be the last resort. Mr. Wendell stated that he did not feel that this was the time.

Councilman Bennett stated that the Comprehensive Plans recommended adaptive reuse of the old school which was being planned. Mr. Wendell stated that page 44 of the Comprehensive Plan stated that the old school would be used for a community center. Tom Bonadeo stated that there were two separate points – one to restore the old school building as an adaptive reuse to preserve the structure and another to establish a community center. Councilman Bennett added that establishing a community center was one of seventeen points included in the Comprehensive Plan and the ideal reuse of the building was as a school which was not going to happen.

Mr. Wendell stated that the old Belle Haven School was being used as an arts center and the old Onancock School was a community/cultural center. Mayor Sullivan stated that she did not believe those buildings were in as bad a shape as the Cape Charles school building. Mr. Wendell stated that two small communities had done something with their old school buildings and Cape Charles could do something similar to enhance the community with a cultural or arts center. Councilman Bennett added that Cape Charles already had an arts center.

Mr. Wendell stated that the old school had been on the back burner for years but it was now on the front burner where it should have been all along.

Jan Neville stated that use as a school would be good and hoped that Berkley Rayfield could have done something with it. Heather Arcos stated that the Town had worked with the Christian School for over two years but it did not come to fruition.

Mr. Wendell asked when a decision would be made regarding Old School Cape Charles' request for equal time. Mayor Sullivan stated that a decision could be made at the next Town Council Regular Meeting. Councilman Bennett stated that the typical process was for Council to evaluate the unsolicited proposal on its own merit to determine whether to move forward. It was more than just giving six months to do something. There were a lot of unanswered questions in the Old School Cape Charles proposal which made it difficult to evaluate the proposal based on its contents. No financial information was contained and there was no way to prove it could be done. Old School Cape Charles proposal included no backing and no plan.

Mr. Wendell stated that grants would be pursued in a more arduous manner than in the past. Other locations had accomplished this. There was money available out there as proven by the Town in obtaining grants for numerous projects as the new wastewater treatment plant, the work at the Harbor and Central Park. Councilman Bennett stated that the Town was fortunate to have secured the grant funding to be able to do the various projects to improve the Town. Heather Arcos added that grants were based on the use, not the project and it would be difficult to find grant money for a community center. Even if the renovations could be done, there would be ongoing expense to operate and maintain the building, staffing, utilities, etc.

Councilman Evans stated that the Town did not want the responsibility of renovating and operating the building in any capacity. If the building would be transferred to the Old School Cape Charles group, it would be their project to renovate, operate, maintain, etc. Mr. Wendell stated that the group would welcome the challenge. Councilman Evans added that the Council needed to weigh the options financially to see if the plans were feasible. Mr. Wendell stated that he knew the Town did not want to continue to maintain the building but it was difficult to measure and comprehend.

Bob Panek explained that in order for Council to understand Old School Cape Charles' commitment, a financial pro forma was needed outlining the operations and maintenance of

the building over several years, basically a business plan showing debt service, utilities, maintenance, staffing, revenue sources/projections, etc. The Town would then be able to see if the plans were in balance or if the Town would need to subsidize the project.

Mr. Neville stated that the six months would be used to develop this plan. Bob Panek indicated that the Echelon proposal contained all this information from the beginning. Councilman Bennett added that a huge amount of time and effort typically went into preparing an unsolicited proposal and all answers to all possible questions had to be included.

Mr. Neville asked what the six months would be used for. Mr. Wendell stated that the time would be used for planning and bringing people in to help with finding grants. Mr. Wendell added that he felt strongly that the property should remain a public space and was concerned that the Town Council could dispose of the asset/building. Councilman Bennett stated that currently, the building was a liability for the Town.

Mr. Neville asked if the group obtained the necessary grants and rebuilt the building, would the Town contribute with the costs and staffing of the facility. Councilman Evans stated that the Council did not know where the additional revenue would come from. The only way to get additional revenue was to increase taxes. Some money could possibly be collected from user fees and grant subsidies.

Mr. Wendell asked about Council's plan to put a community center in one of the other vacant buildings in Town. Councilman Bennett stated that Council did not have any plans for a community center at this time. It was just listed as one of the goals in the Comprehensive Plan and was not a project at this time. Councilman Evans added that the other vacant buildings in Town would be better suited for a community center because of size and current condition. It would cost much less to operate than the school building.

Mr. Wendell again asked Council for the opportunity and time to develop a plan for the school building and added that he felt the Echelon plan was tremendously short-sighted. Mr. Wendell stated that he was looking for an opportunity to put the building to its best use. If it was a stretch for the Town Council to see, as he always told his daughter, you should open up your minds and dream and go after your goals. If you convince yourself of what could not be done, you would have to live with that as well.

Councilman Evans stated that Council was looking at what could be done with the school building. Mr. Wendell commented that maybe younger blood was needed to see things differently.

Heather Arcos stated that she felt everyone sitting here tonight would like to see the building restored, regardless of its use.

Mr. Wendell stated that the issue was compounded by the lack of maintenance over the years and that he was angry at himself regarding the condition of the building. It was a poor reflection on the Town. Mr. Wendell added that he was trying to bring focus back to the building and thought his plan was doable. There was a tremendous amount of talent with Town staff and other interested parties in Town and Mr. Wendell thought they could clear the hurdles in their path. It was a shame not to make a community effort to do something. It was important that we all learned lessons from history and not repeat the same mistakes. Mr. Wendell stated that Old School Cape Charles deserved equal time to refine their proposal. A community center would complement the park and the efforts of the Cape Charles Christian School. It could also house the new library.

Mr. Wendell thanked Council for scheduling this meeting and allowing him to talk but wished more of his supporters would have been able to attend.

Heather Arcos thanked Messrs. Wendell and Neville for coming.

Mr. Wendell stated that he had a comment to share with Vice Mayor Bannon and continued to state that he saw Father Michael, St. Charles Catholic Church, the other day and asked him if he had heard about the issues with the old school and community center. Father Michael stated that he had. Mr. Wendell went on to state that he informed Father Michael that he and Vice Mayor Bannon had debated across a coffee table regarding this issue and asked Father Michael what he thought Jesus would prefer – an apartment house which would benefit a few or a community center which would benefit all the citizens. Father Michael responded that he thought Jesus would like a community center. Vice Mayor Bannon stated that afterwards, Father Michael asked him to remove the signs supporting a community center from the church property and the signs were given to Ms. Davis.

**Motion made by Vice Mayor Bannon, seconded by Councilman Bennett and unanimously approved to go back into Closed Session to conclude the discussions regarding the items on the Executive Session agenda.**

Mayor Sullivan stated that this portion of the closed session would be to discuss the South Port lease and consideration of the Palace Theatre as a community center space for the long term.

**Motion made by Councilman Evans, seconded by Councilman Sullivan and unanimously approved to return to Open Session.**

Motion to certify to the best of each member's knowledge (i) only public business matters lawfully exempted from open meeting requirements under this chapter and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body. Roll call vote: Bannon, yes; Bennett, yes; Evans, yes; Natali, yes; Sullivan, yes; Veber, yes.

**Motion made by Councilwoman Natali, seconded by Councilman Veber to adjourn the Town Council Executive Session. The motion was approved by unanimous consent.**

---

Mayor Sullivan

---

Town Clerk