



# Minutes of the Roanoke Rapids City Council

A Special Meeting of the City Council of the City of Roanoke Rapids was held on **Tuesday, January 25, 2022 at 5:30 p.m.** the Council Chambers at the Lloyd Andrews City Meeting Hall

**Present:** Emery G. Doughtie, Mayor  
Carl Ferebee, Mayor Pro Tem  
Sandra Bryant)\*  
Suetta S. Scarbrough)  
Wayne Smith)  
Rex Stainback)

## **Council Members**

Kelly Traynham, City Manager  
Geoffrey Davis, City Attorney  
Traci Storey, City Clerk  
Bobby Martin, Police Chief  
John Simeon, Parks & Recreation Director

*\*Denotes joining via Zoom.*

Mayor Doughtie called the meeting to order and gave an invocation

## **Roanoke Rapids Theatre Loan Agreement**

Attorney Davis stated they were present today to discuss the financing agreement for the Roanoke Rapids Theatre they have with G&T Holdings, the current owner of the Theatre. As they may recall, the original promissory note which is the financing agreement that G&T has with the City was entered into in July 2018. Since that time there have been four modifications. The last one was entered into in January 2021. He said they were here to talk about where things go from here.

He stated as of the last loan modification, the maturity date on the note changed from what was then in the third modification, January 15, 2021 to a maturity date of January 15, 2022. What the maturity date means is when the balloon payment which is all the principal and interest that is owed on the Theatre from G&T to the City should have been paid. There is a condition under that fourth loan modification that if G&T paid the full city and county property taxes owed on the Theatre by January 15, 2022 then the maturity date would automatically be extended by operation of the note to May 31, 2022. He reported that was not done. As of today, G&T Holdings has not paid the taxes on the Theatre property and had

not done so by January 15<sup>th</sup> and that is why they are talking about this today.

Attorney Davis explained that this technically makes them in default to this agreement. What should happen is G&T Holdings should pay the City everything they owe them on the Theatre. He noted that one thing City Council made clear even prior to his tenure as City Attorney, was that all discussions concerning the Theatre would be held in open session such as this.

He said at this time the City has a couple of options. They cannot sit and do nothing. The first option is the City could go back to G&T and say they want to try to work out some kind of loan modification or some other kind of arrangement. At this point they were talking about a maturity date that has been extended four times since the original agreement was entered into in 2018. He stated that was probably not the best option.

Attorney Davis said he would like to ask City Council to give him the authority as City Attorney to communicate with G&T Holdings that the City is finding them in default of the agreement they have with the City and to give them until the second Friday in February (February 11, 2022) to remedy that default. City Council has a regular meeting the following Tuesday so he can report the results. When speaking about remedying the default at this point, he was speaking of paying the full amount. Any other alternatives they make or offer he would bring back to City Council.

He was asking for two things today:

1. G&T Holdings were in default of the current agreement; it hasn't been extended.
2. He was asking for authority from the City Council (need motion and vote) to communicate to them they are in default and give them until February 11, 2022 to remedy said default.

He said at that time if they had not done it by then, City Council will have a meeting the following Tuesday and could talk about it. He would be able to inform Council of their options.

Councilman Smith asked if anyone had been in touch with G&T. Attorney Davis replied they had some discussions the end of last week where he told them City Council would be having this special meeting and he would be putting this before Council.

Mayor Pro Tem Ferebee asked if they were invited to this meeting to talk about anything. Attorney Davis replied yes, they knew City Council was having this meeting tonight and were invited. He understands Tom McLean, who is the primary member of G&T Holdings was having a medical procedure this week. That is one reason why he was not recommending they drop the ax here tonight, but to communicate they were in default and give them a chance to remedy that.

Mayor Doughtie asked if there were any questions from City Council and called for a motion.

Councilman Smith passed his cell phone to Attorney Davis. Attorney Davis stated he just received some information that G&T Holdings has, as of this time – maybe today, but he has not verified it yet, paid the taxes. That doesn't necessarily change the maturity date on the last extension. The maturity date has come and gone. He would still ask Council to move forward since he would need to verify this information. He would have more information at the February meeting.

Mayor Pro Tem Ferebee asked how much were the taxes. Attorney Davis replied approximately \$97,000 for city and county.

Councilwoman Scarbrough asked if she understood that they have paid the taxes. Attorney Davis replied that is his understanding from the information he just received standing at the podium that comes from Mr. McLean. He has not independently verified that. He believes if he said that normally he has been straight forward so he did not believe Mr. McLean would say that if he hadn't. He would still like to put his eyes on it to verify it. He does not believe that changes the operation of the agreement since the maturity date has come and gone.

City Manager Traynham asked for Attorney Davis to come over so she could show him something.

Attorney Davis reported the City Manager pulled up the tax information on the Halifax County website where it shows the taxes were paid today. He still requested City Council make a motion to grant him that authority.

Mayor Doughtie stated at this point City Council needed to make a motion unless they had something different they wanted to bring forth.

Attorney Davis said the other alternative was they could defer action on it until the next regular meeting.

Mayor Doughtie asked Attorney Davis if City Council makes the motion as he requested and then he goes to speak to the owners, they could still make some kind of offer that he would bring back to Council. Attorney Davis replied yes, whatever they may present to him even if it was something he would not authorize Council to consider, he would still report back to them.

Motion was made by Mayor Pro Tem Ferebee, seconded by Councilman Stainback and unanimously carried to give the City Attorney authorization to notify G&T Holdings that they are in default of their loan and give them the opportunity to remedy the default by February 11, 2022.

**Closed Session**

Motion was made by Councilwoman Scarbrough, seconded by Mayor Pro Tem Ferebee and unanimously carried to go into Closed Session to consult with the City Attorney on a legal matter as allowed by NCGS 143-318.11 (a)(3).

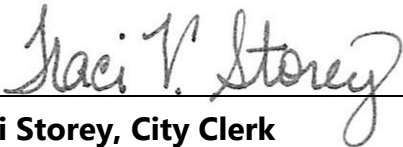
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*Minute Book Pages 20656 - 20664 contain Minutes and General Account of a Closed Session which have been sealed until such time as public inspection of those minutes would not frustrate the purpose of the Closed Session.*

**Open Session/Adjournment**

City Council returned to open session.

There being no further business, motion was made by Councilman Stainback, seconded by Mayor Pro Tem Ferebee and unanimously carried to adjourn. The meeting adjourned at 7:00 p.m.

  
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Traci Storey, City Clerk

**Approved by Council Action on: 02/15/2022**