

**MINUTE BOOK 23, PAGE 506
CITY OF STATESVILLE COUNCIL MEETING – June 21, 2010
CITY COUNCIL CHAMBERS– 7:00 P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Costi Kutteh presiding:

Council Present: J. Johnson, Steele, Matthews, Gregory, Eisele, Huggins,
M. Johnson, Matthews

Staff Present: Hites, Fugett, Gaines, Salmon, Smyth, Currier, Cranford,
Pressley, Davis, Bullins, Hutchens, Watts

Media Present: J. McNally – Record & Landmark
D. Vieser – Charlotte Observer

Visitors: 7

Invocation

The invocation was given by the City Clerk.

Pledge of Allegiance

Mayor Kutteh led the Pledge of Allegiance.

Public Comment

Mayor Kutteh explained during the second meeting of each month, citizens are invited to speak about matters not on the current agenda. There were no speakers.

Mayor Kutteh led Council through the Consent Agenda as follows:

CONSENT AGENDA – All items below are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion on these items unless a Council member so requests, in which event, the item will be removed from the Consent Agenda and considered with the other items listed in the Regular Agenda.

- A. Approve minutes of the Continued Council meeting of May 12, 2010, the pre-agenda meeting of May 13, 2010, the Council meeting of May 17, 2010 and the Budget Workshop of May 24, 2010.**
- B. 2nd reading of an ordinance to condemn the structure at 1711 Unity Dr. as unfit for human occupancy.**
- C. Approve write-off of approximately \$2,766.23 in water, sewer, and street assessments.**
- D. Approve BA# 53 to transfer system development fees to the Water and Sewer Capital Reserve Fund.**
- E. Approval to apply for the Assistance to Firefighters Grant. The total amount sought is \$2,700 with a 10% City match of \$270.**
- F. Approve reciprocal fire protection response contracts with the Cool Springs VFD, Monticello VFD, Wayside VFD, and Troutman Fire & Rescue to meet ISO 5 mile response requirements.**
- G. Request approval of the Resolution to accept the updated amendments to the 2010 Iredell County Multi-jurisdictional Hazard Mitigation Plan.**

- H. **Make a formal request that the City of Statesville be an official co-sponsor of the *Statesville Criterium Bike Race*, providing in-kind services.**
- I. **Consider passing a motion to close the traffic circle in the Tara's Trace subdivision on Saturday, July 17, 2010, between 6:30 p.m. and 8:30 p.m. for the Home Owner's Association to host a community concert.**
- J. **Approve reappointment of Becky Hill and John Marshall to the Downtown Design Review Committee.**

Council member M. Johnson requested Item D be removed from the Consent Agenda.

Upon a motion by Council member J. Johnson, seconded by Council member Gregory, the Consent Agenda was unanimously approved with the exception of Item D which was moved to the Regular Agenda.

REGULAR AGENDA

Approve BA# 53 to transfer system development fees to the Water and Sewer Capital Reserve Fund.

Finance Director Lisa Salmon explained the system development fees collected each year are transferred to the capital reserve fund and held for future improvements to the water and sewer system. This request is to increase the appropriation in the Water & Sewer Fund to transfer system development fees (SDFs) to the Water & Sewer Capital Reserve Fund. This is necessary because actual revenues have exceeded the original budget estimates. This Budget Amendment transfers \$10,000 from the Water SDF and \$80,000 from the Sewer SDF to the Water & Sewer Capital Reserve Fund. The actual transfer to the Water & Sewer Capital Reserve fund at year-end will not exceed actual SDF revenues collected as of June 30, 2010.

Council member M. Johnson questioned the necessity to transfer these funds. Ms. Salmon explained the process and the reasons for the transfer.

Upon a motion by Council member Stallard, seconded by Council member J. Johnson, the motion to approve BA #53 to transfer system development fees to the Water and Sewer Capital Reserve Fund was unanimously approved.

Adopt a resolution requesting authority from Iredell County to issue fireworks permits.

Deputy Fire Chief Dennis Hutchens explained prior to the NC General Assembly review of Chapter 14, Article 54 of the NC General Statutes, and their subsequent changes to the statute, the Statesville Fire Marshall's office issued the permits. He stated the statute requires Counties provide the service unless they are requested to devolve that authority to municipalities within the county. The Fire Department requests City Council adopt a resolution requesting authority from Iredell County to issue fireworks permits, with the Fire Department administering the program within the City's limits, to provide the most efficient and cost effective method.

Upon a motion by Council member Steele, seconded by Council member Eisele, the motion to adopt a resolution requesting authority from Iredell County to issue fireworks permits was unanimously approved.

Update on the Scroggs house located at 621 West Sharpe Street.

Planning Director David Currier reviewed a repair list of eleven items with Council. Mr. Currier reported the social outreach programs that were assisting Mr. Scroggs have completed their projects at this time. Staff is satisfied with the progress made, but expressed the remaining repairs need to be completed in a timely manner.

Council directed staff to present an update at the July 19, 2010 City Council meeting.

Conduct a public hearing and consider passing first reading of TA10 - 02 filed by the City of Statesville to amend Section 90.2 Membership; Term: Vacancies, subsection 90.2.1 and Section 90.4 Jurisdiction and Voting.

Planning Director David Currier stated currently the population of the Extra-Territorial Jurisdiction (ETJ) is such that there is no need for two ETJ representatives. Due to the difficulty of finding members for the Board of Adjustment who reside within the ETJ, staff is recommending the City Code be amended to require one regular ETJ member as opposed to the current requirement of two ETJ representatives. The Planning Board's recommendation was favorable as presented with a unanimous vote.

Mayor Kutteh declared the public hearing open and asked if there was anyone who wished to speak in opposition or in favor of this issue. There being no speakers, Mayor Kutteh closed the public hearing and asked for a motion from Council.

Upon a motion by Council member Steele, seconded by Council member Stallard, the motion to approve first reading of TA10-02 to amend Section 90-2 Membership; Term: Vacancies, subsection 90.2.1 and Section 90.4 Jurisdiction and Voting was unanimously approved.

Approve Inter-local Agreement with Iredell County concerning a One North Carolina Fund Grant for Talon Systems America.

Lisa Salmon stated in December, 2009, Mike Smith submitted a One NC Grant application to the NC Department of Commerce for the Talon Systems America project. Talon Systems plans to invest at least \$5,900,000 (\$3,500,000 in new tax base) and create 90 new jobs in a furniture manufacturing facility located at 607 Meacham Road. A grant for \$46,590 was awarded for use by the company in the creation of jobs and tax base and Iredell County has agreed to administer the grant. As a condition of the grant, the County must agree to a 100% grant match. The County's local economic incentive of \$31,336 can be counted as matching funds, but the amount is insufficient. The City's economic incentive agreement for \$37,744 may also be counted as matching funds for the grant, which meets the grant requirements when combined with the County's match. Both the City's and County's economic incentive payments to the company will occur after the investment has been made and the jobs have been created, which is subsequent to the date the grant funds will be paid to the company. This is acceptable under the terms of the grant but requires a commitment to reimburse the State if any portion of the grant match is not paid to the company. This inter-local agreement authorizes the County to count the City's economic incentive agreement, together with its incentives, to meet the grant match. The City also agrees to equally share with the County in any reimbursement to the State that is required for any portion of the grant match not actually paid to the company.

Mayor Kutteh felt paragraph 2 of the agreement was incorrect. Council directed City Attorney Gaines to review the document for necessary changes but agreed to approve the agreement subject to revision of paragraph 2 due to time constraints.

Upon a motion by Council member M. Johnson, seconded by Council member Steele, the motion to approve the Inter-local Agreement with Iredell County concerning a One North Carolina Fund Grant for Talon Systems America was unanimously approved subject to revision of Paragraph 2 of the agreement.

Authorize Streetscape design contracts with LandDesign and adopt an ordinance establishing the Statesville Downtown and NC-115 Corridor Streetscape Capital Project Fund and approve BA#54.

Larry Pressley stated Council had discussed RZB funding for the Streetscape and City Hall projects at the June 3rd pre-agenda meeting and the need to obtain a contract for the design services for the Streetscape project. The streetscape design fees budget was tentatively estimated at \$320,000 through the bid process, not including construction phase services. Since that time, Staff has identified the required traffic signal plan for the five intersections involved.

City staff negotiated with LandDesign and requests authorization for the following:

Contract Fee Summary total	\$269,200
Geotechnical Work (add alternate for signal design)	7,500
Contingency	<u>13,800</u>
Total	\$290,500

Mr. Pressley explained this will get the project through the bidding process. Additive alternates to cover construction administration, as-builts and construction staking (which total \$114,000) can be authorized award of the bid. Staff recommends entering into an agreement for Professional Services in the amount of \$276,700 and a contingency of \$13,800 for a total of \$290,500 and approve BA # 54.

Mayor Kutteh asked if Council would be approving a specific plan and if there would be flexibility to make changes to the footprint, specifically whether to have parallel or diagonal parking on Broad St.

Council member M. Johnson emphasized Council needed to make a decision at this time whether to have parallel or diagonal parking on Broad St. He stated to redesign the parking on the plans would require a major overhaul of the plans which would cost the City money and the architect time because the type of parking drives the design.

Dale Stewart with LandDesign explained options for parking on Broad St. He stated if Council chooses to leave diagonal parking on both sides of Broad St. the design of the street will change very little.

Mayor Kutteh stated he felt previous discussions of the project were stale in the minds of Council members and asked if this item should be tabled till the July 19, 2010 meeting. Mr. Pressley reminded Council of the time constraints associated with using the RZB funding.

Council member Huggins reminded Council NCDOT recommended parallel parking.

Mayor Kutteh asked for a motion from Council.

Council member J. Johnson emphasized he was against borrowing money for the project considering current economic conditions.

Upon a motion by Council member M. Johnson, seconded by Council member Huggins, the motion to authorize Streetscape design contracts with LandDesign, adopt an ordinance establishing the Statesville Downtown and NC-115 Corridor Streetscape Capital Project Fund, approve sketch plan with parallel parking on Broad St. and approve BA#54 was approved. The vote was as follows:

**Ayes: M. Johnson, Huggins, Steele, Eisele, Matthews, Stallard
Nays: J. Johnson, Gregory**

Consider Statesville Housing Authority request to fund the relocation of a sewer line.

Larry Pressley reported David Meachem, with the Statesville Housing Authority, has requested the City pay to relocate a sewer line that crosses on the proposed Dollar General Store Site on Shelton Avenue approximately one block south of Garner Bagnal Boulevard. City Staff recommends reimbursement to the SHA or the Developer based on actual costs up to a maximum of \$30,000 subject to the following conditions:

- a. Reimbursement will occur after line is complete and accepted by the City.
- b. Concurrence on the proposed alignment by SHA, Developer and City Engineer.
- c. Construction to City Standards.
- d. Design and permitting by the Developer, prior to commencement of construction.

Mr. Pressley stated Finance Director Lisa Salmon recommends presenting a Budget Amendment after the contract is executed so the appropriation is in next year's budget.

Council member Steele asked how the location of the building fit with the NC-115 Streetscape plan. Mr. Pressley replied engineering and planning has worked together to ensure the project was compatible with the Streetscape plan.

Council member M. Johnson asked if Dollar General has agreed on the donation of the property to work with the Streetscape plan. David Meachem stated the owners were aware of what was required for the project. Mr. Meachem distributed a photo of the type building to be built.

Upon a motion by Council member M. Johnson, seconded by Council member J. Johnson, the motion to approve a request from the Statesville Housing Authority to fund the relocation of a sewer line was unanimously approved.

Authorize streetscape electrical design with Progressive Engineering Consultants, Inc. in the amount of \$49,500 and approve budget amendment BA #55.

Larry Cranford explained this will authorize the electrical portion of the first phase of the streetscape design with Progressive Engineering Consultants. This work will include the electrical design as well as the bidding process. The price of \$49,500 does not include construction phase engineering services.

Upon a motion by Council member Huggins, seconded by Council member Eisele, the motion to approve the Streetscape electrical design with Progressive Engineering Consultants, Inc. in the amount of \$49,500 and approve budget amendment BA #55 was approved. The vote was as follows:

**Ayes: Huggins, Eisele, M. Johnson, Steele, Matthews, Stallard
Nays: J. Johnson, Gregory**

Consider contract for architectural services for the City Hall renovation.

Larry Pressley reported staff received the Final Report for the Statesville City Hall Renovation Feasibility Study, the Final Design Concept Recommendations and the Cost Estimate from Matt Messick of Walter, Robbs, Callahan & Pierce (WRCP). City Staff negotiated an agreement, which is \$106,000 for Professional Services through the bidding phase and \$35,000 for the construction administration phase. Staff suggests the construction phase services be authorized at the time of award of bids. Staff requests authorization for the following:

Design Services	\$106,000
Reimbursables	2,500
Contingency	<u>5,500</u>
Total	\$114,000

Upon a motion by Council member Steele, seconded by Council member Eisele, the motion to approve the Streetscape electrical design with Progressive Engineering Consultants, Inc. in the amount of \$49,500 and approve budget amendment BA #55 was approved. The vote was as follows:

Ayes: Steele, Eisele, M. Johnson, Huggins, Matthews, Stallard
Nays: J. Johnson, Gregory

Consider a request from JC Penney regarding its economic incentive agreement with the City.

Lisa Salmon stated the joint economic development agreement has two main requirements: that JC Penney commit to investing at least \$3.95 million as part of an expansion of their distribution center; and that, in order to be eligible for an incentive payment in any given year, the company certify that on January 1 of that year, they continue to provide employment for at least 650 jobs with an average hourly rate of at least \$11.06. While JC Penney has satisfied the capital investment requirement, for the 3rd year of the agreement (fiscal year July 1, 2009 through June 30, 2010) they cannot certify that they provided direct employment for 650 people at the facility as of January 1, 2010. The company indicates that the decrease in employment levels is purely a result of current economic conditions. The company has no plans to close the facility and in fact new store opening projections for the upcoming year will be on the increase. The company does surpass the average wage requirement per the agreement. JC Penney is requesting that the City Council grant a waiver concerning the number of jobs retained for this current year and authorize payment for 2009-10 under the terms of the economic incentive agreement. The estimated payment, depending on the current tax value, is \$5,800-\$6,200. JC Penney was granted this request last fiscal year by the City Council. Ms. Salmon reported JC Penney has a total of 597 employees.

Upon a motion by Council member Stallard, seconded by Council member Gregory, the motion to approve a request from JC Penney for the City to grant a waiver concerning the number of jobs retained for this current year and authorize payment for 2009-10 under the terms of the economic incentive agreement was unanimously approved.

Consider two appointments to the Planning Board for terms through June 30, 2013.

David Currier stated David Alexander and Duane Smyth's terms expire June 30, 2010. Mr. Smyth would like to be re-appointed for a third term while Mr. Alexander would not. The applicants are Warren Campbell, Barry Goldstein, Larry Rosenfeld, Duane Smyth, Mark Tart, Karen Taylor and Lonnie White, Jr.

Council member Stallard nominated Mark Tart. Council member Steele nominated Duane Smyth. Council member Huggins nominated Warren Campbell.

Council member Steele made a motion to close nominations. Council member Stallard seconded the motion which was unanimously approved.

Council voted by written ballots which are incorporated into these minutes by reference. The vote was: Mark Tart - 8; Duane Smyth - 5; Warren Campbell - 3

Mayor Kutteh announced that Mark Tart and Duane Smyth were appointed to the Planning Board.

Consider appointments to the Board of Adjustment.

David Currier reported the terms of Roy West and Larry Rosenfeld on the Statesville Board of Adjustment will come to an end on the 30th of June 2010. Both Mr. West and Mr. Rosenfeld have stated they would be interested in serving another term and submitted volunteer forms.

Upon a motion by Council member J. Johnson, seconded by Council member Steel, the motion to reappoint Roy West and Larry Rosenfeld to the Board of Adjustment was unanimously approved.

Consider passing a resolution authorizing a hangar lease with Michael Waltrip Racing, Inc.

This item was pulled from the agenda.

Consider passing a resolution authorizing hangar leases with G. L. Wilson Building Company and Ralph Brown and Jay Brown, Sr.

David Currier reported state law requires that a resolution be passed by City Council prior to authorizing leases. The resolution states the terms of the leases which are as follows: GL Wilson Building Company, Corporate Lot 1, \$18,375/yearly, 5 year lease. Ralph and Jay Brown, Corporate Lot 2, \$14,700/yearly, 5 year lease.

Upon a motion by Council member M. Johnson, seconded by Council member Gregory, the motion to approve a resolution authorizing hangar leases with G. L. Wilson Building Company and Ralph Brown and Jay Brown, Sr. was unanimously approved.

Consider executing hangar leases with G.L. Wilson Building Company, Ralph Brown and Jay Brown Sr.

David Currier stated this is a standard lease. He reported there had been one addition to the Terms and Conditions. G.L. Wilson Building Company had asked for an escape clause in the lease in the event the aircraft was sold. The addition reads as follows: Termination by Lessee – In the event the Lessee no longer owns aircraft which can be hangared in the hangar on the leased premises, the Lessee may terminate the lease without penalty upon thirty (30) days written notice to the Lessor.

Upon a motion by Council member J. Johnson, seconded by Council member Stallard, the motion to approve executing hangar leases with G.L. Wilson Building Company, Ralph Brown and Jay Brown Sr. was unanimously approved.

Consider passing a resolution directing the City Clerk to investigate a petition of annexation for the Iredell Development Company Property, PIN #4753-57-3432. Receive City Clerk's Certificate of Sufficiency. Consider passing a resolution to set a date, July 19, 2010, for a public hearing.

David Currier stated the property being considered for annexation is located on the east side of Intercraft Drive. The subject property is approximately 5.575 acres in size and encompasses Iredell County PIN 4753-57-3432. The subject property is contiguous to the current primary municipal limits of the City of Statesville; therefore this request is being processed as a voluntary contiguous annexation.

Upon a motion by Council member Stallard, seconded by Council member M. Johnson, the motion to approve a resolution directing the City Clerk to investigate a petition of annexation for the Iredell Development Company Property, PIN #4753-57-3432, receive the City Clerk's Certificate of Sufficiency, and approve a resolution to set a date, July 19, 2010, for a public hearing was unanimously approved.

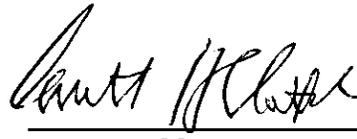
Amend paragraph 10 of the Development Standards: Section 138(b). PLANNED UNIT DEVELOPMENT DISTRICT (PUD) Larkin Development, Statesville, NC, June 04, 2007 as adopted by the Statesville City Council on June 18, 2007.

David Currier reported Paragraph 10 requires Larkin to donate a parcel up to two acres to the City for the purpose of siting an EMS/Fire/Police Services Station either on the north end or southern extremity of the site as determined by the City. Since the agreement was approved, the development potential to the south of the city limits changed dramatically. It is currently in the best interest of the City and the Larkin Developers to relieve Larkin of the obligation to provide the land within the project and relocate the facility to property that would better serve Larkin and the surrounding areas to be developed. In exchange for the relief, the Larkin Developers would contribute \$500,000 towards the City's endeavor to acquire property and/or construct the facility. Four installments of \$125,000 annually would be made to the City with the first being due upon approval of this amendment by the City Council.

Upon a motion by Council member J. Johnson, seconded by Council member Stallard, the motion to amend paragraph 10 of the Development Standards: Section 138(b) PLANNED UNIT DEVELOPMENT DISTRICT (PUD) Larkin Development, Statesville, NC, June 04, 2007 as adopted by the Statesville City Council on June 18, 2007, was unanimously approved.

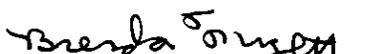
There being no further business, upon a motion by Council member Steele, seconded by Council member Matthews, Council unanimously approved the motion to adjourn.





Mayor

ATTEST:



City Clerk

WRITTEN BALLOT
FOR
APPOINTMENT TO PLANNING BOARD
CITY COUNCIL MEETING
June 21, 2010

_____ Warren Campbell

_____ Barry Goldstein

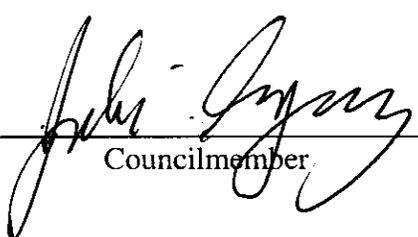
_____ Larry Rosenfeld

_____ Duane Smyth

_____ Mark Tart

_____ Karen Taylor

_____ Lonnie White, Jr.

Signed:  _____
Councilmember

**WRITTEN BALLOT
FOR
APPOINTMENT TO PLANNING BOARD
CITY COUNCIL MEETING
June 21, 2010**

Warren Campbell

Barry Goldstein

Larry Rosenfeld

Duane Smyth

Mark Tart

Karen Taylor

Lonnie White, Jr.

Signed: 
Councilmember

**WRITTEN BALLOT
FOR
APPOINTMENT TO PLANNING BOARD
CITY COUNCIL MEETING
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_____ Warren Campbell

_____ Barry Goldstein

_____ Larry Rosenfeld

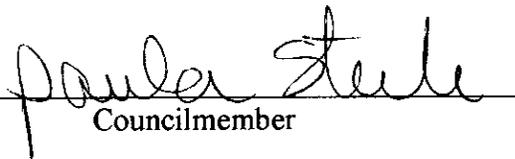
_____ Duane Smyth

_____ Mark Tart

_____ Karen Taylor

_____ Lonnie White, Jr.

Signed: _____


Councilmember

**WRITTEN BALLOT
FOR
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_____ Warren Campbell

_____ Barry Goldstein

_____ Larry Rosenfeld

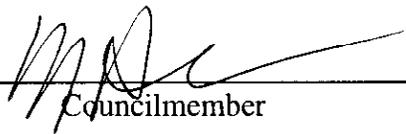
Duane Smyth

Mark Tart

_____ Karen Taylor

_____ Lonnie White, Jr.

Signed: _____



Councilmember

WRITTEN BALLOT
FOR
APPOINTMENT TO PLANNING BOARD
CITY COUNCIL MEETING
June 21, 2010

_____ Warren Campbell

_____ Barry Goldstein

_____ Larry Rosenfeld

~~_____~~ Duane Smyth

~~_____~~ Mark Tart

_____ Karen Taylor

_____ Lonnie White, Jr.

Signed: *Bonnie Ewert*
Councilmember

**WRITTEN BALLOT
FOR
APPOINTMENT TO PLANNING BOARD
CITY COUNCIL MEETING
June 21, 2010**

X Warren Campbell

_____ Barry Goldstein

_____ Larry Rosenfeld

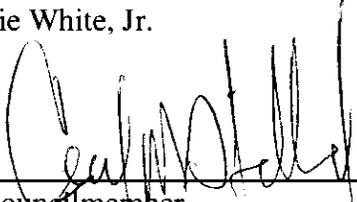
_____ Duane Smyth

X Mark Tart

_____ Karen Taylor

_____ Lonnie White, Jr.

Signed: _____


Councilmember

WRITTEN BALLOT
FOR
APPOINTMENT TO PLANNING BOARD
CITY COUNCIL MEETING
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X Warren Campbell

_____ Barry Goldstein

_____ Larry Rosenfeld

_____ Duane Smyth

X Mark Tart

_____ Karen Taylor

_____ Lonnie White, Jr.

Signed: Frank Hagg
Councilmember

**WRITTEN BALLOT
FOR
APPOINTMENT TO PLANNING BOARD
CITY COUNCIL MEETING
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_____ Warren Campbell

_____ Barry Goldstein

_____ Larry Rosenfeld

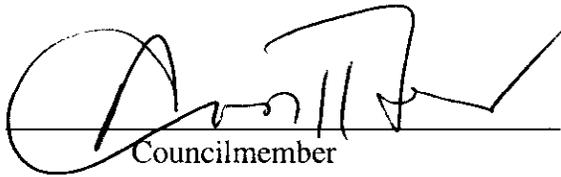
Duane Smyth

Mark Tart

_____ Karen Taylor

_____ Lonnie White, Jr.

Signed:


_____ Councilmember