

**MINUTE BOOK 24, PAGE 321
CITY OF STATESVILLE COUNCIL MEETING – December 19, 2011
IREDELL COUNTY GOVERNMENT CENTER – 7:00 P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Costi Kutteh presiding:

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

Council Absent: 0

Staff Present: Fugett, Gaines, Smyth, Pressley, Triplett, Bullins, Cranford, Currier, Davis, Layne, Pritchard, Houpe

Media Present: Dave Veiser-Charlotte Observer, Jim McNally-Record & Landmark

Others: 19

Call to Order

Mayor Kutteh called the meeting to order and asked that everyone rise for the invocation and the Pledge of Allegiance.

Invocation

The Invocation was given by the City Clerk.

Pledge of Allegiance

The Pledge of Allegiance was led by Girl Scout Troop #10055.

Public Comment

Mayor Kutteh explained that during the second meeting of each month citizens are invited to speak about matters not on the current agenda and asked if there was anyone present who wished to speak.

Ron Bell, 2250 Tara's Trace Drive, gave several examples of speeding incidents in the Tara's Trace subdivision where citizens were almost hit by the speeding cars. Mr. Bell stated out of 220 homeowners, 110 had asked that speed bumps be installed. He asked Council to approve the installation of speed bumps or speed pads to be paid for by the Tara's Trace Home Owners Association. Mr. Bell expressed additional concerns regarding parking to close the islands to allow for emergency vehicles to get through, snow removal and leaf pickup. Mayor Kutteh assured Mr. Bell that his concerns were duly noted and the appropriate City personnel will respond.

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 the minutes of the Pre-Agenda meeting of December 01, 2011 and the Council meeting of December 05, 2011.**
- B. Certify roster of personnel in the Fire Department.**
- C. Approval of a semi-annual write-off approximately \$96,366.44 in utility accounts.**

Mayor Kutteh stated that during fiscal year 2010 staff collected \$44,377.29 of bad debts that were previously written off. The \$96,366.44 that staff is currently asking to write off represents .351% of almost \$28 million that was billed during this time period. The write-off amount is large but is a very modest percentage of the total utilities billed.

- D. Consider LandDesign proposal to complete Downtown Master Plan and approve Budget Amendment #20.**
- E. Request exemption from G.S. 143.64.32 (Qualification Based Selection) for an update to the 2006 Electrical Distribution System Study by Progressive Engineering Consultants, Inc.**

Council member Matthews made a motion to approve the Consent Agenda, seconded by Council member M. Johnson. The motion carried unanimously.

Regular Agenda

Year in Review – Mayor Kutteh

Statesville survived and flourished in 2011. Our progress would have been impossible without the efforts of our 400 employees. Each day they provide all of the residents of Statesville with quality, efficient services. I continue to believe that Statesville offers its citizens more services for the money than anywhere in our state. The eight elected Council members continue to work diligently for the best interests of their constituents. I am proud to say that I am from Statesville, North Carolina.

Obviously, the most phenomenal undertakings of the year were the renovation of City Hall and the Center Street Streetscape projects. We hope to be back in City Hall soon and will offer opportunities for all of you to see the tremendous work that has been done there. Built in 1892, it has never looked better.

The Streetscape has been much more visible. Infrastructure repairs were essential and if one observed pipes as they were removed, it was obvious that major problems were inevitable. This project has received more attention than any other in my 22 years as an elected official. We all hope that it provides an inviting entrance to our City. When Center Street is resurfaced and three traffic lanes are established, traffic flow should be steady and much safer than before. The Streetscape belongs to us- let's all enjoy it together. The Broad Street renovations from Center Street to Tradd Street will begin in January.

The next biggest attention grabber in Statesville in 2011 was the community video. It involved people from throughout the city, was a lot of fun and was viewed by folks all over the world- even our own astronaut Tom Marshburn saw it while training in Russia.

Municipal elections attracted much interest. Three council members were elected, including a new member in Ward One. Hopefully, the issues which arose will be resolved soon

We remain extremely committed to jobs and what they bring to Statesville. Dollar General on Highway 115 South, CVS on Wilkesboro Highway, Sherwin Williams on Sullivan Road and Statesville Retail in front of Home Depot, are a testament to a progressive development code as well as an exciting opportunity for commercial development.

And even though the Larkin project has been delayed, the commitment of the developers continues in that we received \$125,000 as part of our development agreement.

Expansion of existing industries including Providencia, JCP Logistics, Kontane Logistics and Martin Marietta added about \$70 million in tax base and over 400 jobs. Many other local businesses grow and flourish.

We will announce as early as this week an industry and two institutional relocations and expansions which could add 150 jobs in 2012. What excites me about each of these three is that they are North Carolina companies with long histories of prosperity as well as community commitment. They understand business, they understand North Carolina and they chose us – and we chose them.

We completed and opened Fire Station #4. Fifteen new firefighters serve the citizens with fire prevention and education – and hopefully on rare occasions – with fire suppression. Chief Bullins empowered his staff with the responsibility of design and implementation of the station. They did a magnificent job and have received design awards for their efforts.

We continued our partnership with what I call quasi governmental organizations – DSDC, Statesville Regional Development, Greater Statesville Chamber of Commerce and CVB. Together with them, we adopted a Statesville brand which is already providing great results. Having learned the value of developing many partnerships, our newest non-traditional partner – Power Cross – has transformed Abernathy Park into a show place for athletics, gardening and relaxation.

We streamlined City operations with the creation of two assistant Police Chief positions, the adoption of a comprehensive Personnel Policy, electronic billing for our utility customers and a reconfiguration of wards following a disappointing census.

We continue to eliminate unpaved streets and we will one day announce that all streets in Statesville are paved. Gray Street is our latest positive result and the students and faculty of NB Mills School are justly proud.

We accomplished many things which are extremely beneficial, but go virtually unnoticed. Examples in 2011 include Third Creek Wastewater Expansion, which will allow additional time for the economy to recover before we undertake this project; reciprocal fire mutual aid agreements with our volunteer fire

departments, which will continue consistent, prompt service throughout the City and surrounding areas; the purchase of land adjacent to Oakwood Cemetery, which should provide as many as 500 new burial plots; and a reforestation project at Third Creek, which will provide the opportunity to grow our own trees and plants.

We are proud of our employees. Many have received local, state, regional and national acclaim or have accepted positions of leadership in their professional organizations. Firefighters and electric utilities employees worked diligently in Hurricane Irene relief efforts and were praised by the communities they served.

We applaud the grantsmanship of our employees in securing money for, among other things, homeland security, hazardous materials, fire and life safety, narcotic and prescription drug interdiction, reforestation, justice assistance and soil development. These efforts provide tremendous additional value for our citizens.

We are always trying to do better. We will always have potholes to fix – whose pothole was it anyway? We will always have signs to regulate – you can hold them, but you can't jiggle, and we will have a decade of joy and sorrow as I-40/I-77 and US-21 improvements become a reality. Please be patient – we waited twenty years for the widening of US 70 to Salisbury. What a glorious drive it is now!

There is always a lot going on in Statesville. Garfield Park was redesigned, SIGI continues very successfully, downtown was recertified, the airport resurfacing project was completed and we approved the Carolina Thread Trail master Plan, to name a few.

I wish for all of you a Merry Christmas, Happy Holidays and a prosperous New Year in Statesville – Where it All Comes Together!

Receive a report on the 2011 “Carolina Balloonfest”.

Rob Collier stated this year's Balloonfest was comprised of over 300 volunteers. It drew visitors from at least 10 states with over 30,000 attending throughout the weekend. The gates had to be closed because the site and parking lots were full. This festival is the 2nd oldest balloon festival in the country. The National Balloon Rally's Charity, Inc. was able to donate over \$45,000 to the designated charities and other non-profits that helped support the event. Mr. Collier stated this site has great potential for many uses for the City and its citizens. He stated a master plan should be considered at some time to realize the potential uses and opportunities it may present and would also help the National Balloon Rally Charities to know that the event has a permanent home. The charity would be very interested in participating in developing a master plan for this site. Mr. Collier thanked City Council and all City employees involved for their tremendous help in making this event a success. He reported he has already met with Larry Pressley and Brent Cornelison with ideas as to how to improve the site for next year's event and will be meeting again in January to see if these ideas can be implemented. Carolina Balloonfest 39 will be held October 19, 20, 21 in 2012.

Conduct a Closeout Public Hearing for the Infrastructure Community Development Block Grant for the Allison Summit Phase 4 subdivision.

David Meachem stated the budget for this project was \$250,000 and final figures came in about \$920,000 under that. He thanked the City of Statesville for their partnership with this project.

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

Council member M. Johnson commended Mr. Meachem for a doing a fabulous job with this project.

Council member M. Johnson made a motion to approve, seconded by Council member Eisele. The motion carried unanimously.

Conduct a public hearing in accordance with GS 158-7.1, to consider granting incentives to an industry that is in wholesale distribution business.

Mike Smith stated this client is considering the Statesville shell building. Phase I will be a \$9 million investment and 49 new jobs with an average salary of over \$47,000 per year and the company will pay at least 50% of employee healthcare benefits. At full build out this project has the opportunity to be significantly larger. Statesville Regional Development requests that City Council consider granting the business up to \$136,800 over five years in accordance with their adopted policy and due to the very competitive nature of this project and the current economic climate, Statesville Regional Development is also asking that the City offer 20 acres to this company at no charge and first right of refusal for an

additional 9.6 acres. This expansion land would be purchased by the company from the City for \$157,500.

Mayor Kutteh explained that this grant is only based on the return of a portion of new property taxes that are paid. It is not an upfront grant and only matures as such time as the investment has been made and property taxes have in fact been paid.

Mayor Kutteh declared the public hearing open and asked if anyone wished to speak in favor or opposition of this item. There being no speakers, Mayor Kutteh declared the public hearing closed.

Council member M. Johnson made a motion to approve granting the incentives listed above, seconded by Council member Stallard. The motion carried unanimously.

Conduct a public hearing to obtain citizen input into the identification of economic needs and desired economic development activities to be incorporated into the City's consideration and submission of a CDBG application to the Department of Commerce.

Mike Smith stated this request is on behalf of the same entity that is considering the Statesville shell building. This program would assist the company to expand the existing facility. The program is administered through the North Carolina Department Commerce and the administration fees would be paid for by the client if they are awarded the grant. The only cost to the City would be the time of the City Finance Officer.

Mayor Kutteh declared the public hearing open and asked if anyone wished to speak in opposition or in favor of this item. There being no speakers, Mayor Kutteh declared the public hearing closed.

Council member Stallard made a motion to approve that this information be incorporated into the City's consideration and submission of a CDBG application to the Department of Commerce, seconded by Council member Gregory. The motion carried unanimously.

Conduct a public hearing and consider passing first reading of ZC11-02 filed by Mary Jo Crandall for the 5 Properties Located at 707, 709, 713 and 719 Brookdale Drive; Tax Maps 4745-32-0667, 4745-32-1523, 4745-32-1470, 4745-32-2176, and 4745-32-2096 from R-10 to O-1 CU.

David Currier stated Mrs. Mary Jo Crandall along with her neighbors Joseph Beaver and Edward Johnson are requesting to rezone 5 parcels located at 707, 709, 713 and 719 Brookdale Drive from R-10 to O-1 CU to allow offices and other permitted uses in the O-1 District. Currently there are 3 existing homes on three of the lots and the other two are vacant. The lots owned by the Crandall's and Mr. Johnson are originally part of the Druid Hills subdivision. The five tracts are zoned R-10 (Urban Low Density Residential) and contain a total of approximately 3.141 acres. There are no specific plans at this time; however the applicants are proposing a conditional use district that would allow offices and other uses permitted in the O-1 district. They are also requesting that certain uses be excluded from the rezoning request. All of these properties are located within the immediate vicinity of Iredell Memorial Hospital and there are several other existing medical/dental offices (some vacancies) near these lots. There are restrictive covenants on this subdivision that were filed in 1958 that required that the 80 lots in the Druid Hills subdivision be used only for single family residential homes of 1,200 square foot minimum and recreational uses such as the current swim club. These covenants had a first term of 25 years then go to self renewing terms of 10 years. This is a civil matter and requires a majority of the owners of the 80 lots to make changes to the covenants. This could be a factor in the future development of the lots in Druid Hills if it were rezoned. However the restrictive covenants are of a civil nature so only the property owners within Druid Hills could file for relief. Staff has notified the owners that even with the zoning change they still need to address the civil side of the development issue. In addition, the northern most vacant lot owned by Mr. Johnson is located within the floodplain. Therefore any construction would have to meet the floodplain regulations. The 2005 Land Development Plan projects the property to be medium density residential (maximum of 6 dwelling units per acre). Small scale neighborhood commercial developments may be authorized at the intersections of collector and arterial roads or through the planned development process. However, there is a significant amount of hospital/medical related uses in the immediate area and this would be a reasonable expansion of those types of uses with the conditions volunteered by the applicant. Therefore, staff's recommendation is favorable to rezone the property to a conditional use district as presented contingent upon the Land Use Plan being amended. The applicant did hold the required informational meeting prior to submission and no one spoke in opposition. The Planning Board's recommendation is favorable contingent upon removal of communication towers as a permitted use. The applicants agreed with the exclusion. No one spoke in opposition at the public hearing. At the pre-agenda meeting, Council had mentioned removing Boarding and Rooming Houses from the permitted uses, which the petitioner has agreed to. Mr. Currier addressed access concerns that were raised by Council at the pre-agenda meeting.

Council member Stallard asked for clarification of the civil suit matter. Mayor Kutteh explained if the rezoning is approved the property owner has another step to take to amend the restrictive covenants. The City would not be involved in any type of civil suit.

Council member Huggins asked what type of buffer would be required. Mr. Currier answered the applicant would need to comply with the O-1 R-10 buffering. Council member Huggins questions allowing construction trailers and mobile construction offices. Mr. Currier explained this was only allowed as a temporary use during construction.

Council member M. Johnson expressed concern regarding the curb cuts that would be necessary if the owner wishes to build a medical office there. Mr. Currier stated that curb cuts would be decided during the site review and the applicant would need to come before Council if they wanted more than what site review would approve. Council member M. Johnson questioned the lot in the middle of these lots that is not included in the rezoning request. Mr. Currier explained this building is currently a group home and due to their financing they could not participate in the rezoning request at this time, but were not against it.

Mayor Kutteh declared the public hearing open and asked if there was anyone present who wished to speak in opposition or in favor of this item. There being no speakers, Mayor Kutteh declared the public hearing closed.

Council member M. Johnson made a motion to table this item until staff presents to Council an acceptable Small Area Plan, seconded by Council member Stallard. The motion carried unanimously.

Conduct a public hearing and consider passing first reading of TA11-10 filed by the City of Statesville to amend Article 6-Development Standards, Section 6.07, Sign Regulations, Table 6-13, Permitted Signs, I.-Exempt signs and O.-Non-Conforming Signs.

Mr. Currier explained there are four issues in this ordinance for Council's consideration. The Board of Adjustment is recommending that the height of monument signs be raised from 6 feet to 8 feet. They have granted a variance request regarding this issue. It would also allow for landscaping at the base of the sign. This has already been approved by City Council for monument signs in the industrial districts. In addition, staff would like to request three other revisions to the sign section, they are:

- Noncommercial, Civic, Non-profit signs be amended since sandwich boards are now approved by staff
- With the economy, a business has inquired about grandfathering their existing non-conforming signs to allow them to remain except when the use or business name changes. They feel that change in logo is too much of a burden for a small business to be able to update their sign in these times
- Clean up to allow signs to be attached to walls visible from the right-of-way.

The Planning Board's recommendation was unfavorable to increase the height of monument signs, unfavorable to remove change in logo from non-conforming signs and favorable to change language in regards to sandwich boards and visibility from right-of-way. The Planning Board felt there should be consistency with the new regulations. New developments have had to adhere to the new regulations (i.e. Dollar General, CVS). These new signs are more attractive for the City and achieve the aesthetics and improve the character of the City for which the Unified Development Code was adopted. The Planning Board is of the opinion that the City is spending millions of dollars beautifying the downtown and increasing the height of monument signs and removing change of logo does not achieve the end result the City is looking for. In addition landscaping can be planted to the sides or varieties selected that do not grow to cover the sign. The vote was unanimous and no one spoke in opposition. Mr. Currier stated the main issue tonight is whether Council wishes to remain with a quick transition of signs to comply with the newly adopted Unified Development Code, or to amend the code and slow down the transition. Council members discussed content versus form in a sign change and the original intent of the UDO.

Mayor Kutteh declared the public hearing open and asked if there was anyone who wished to speak in opposition of this item. There were no speakers. Mayor Kutteh asked if there was anyone present who wished to speak in favor of this item.

Mr. Tsumas on behalf of F&M Bank stated he is in favor of the change and feels the ordinance needs to address multi-tenant buildings which have numerous changes in tenants. He asked Council on behalf of his tenant for a period of time to conform as they entered into the lease prior to the ordinance change.

There being no other speakers, Mayor Kutteh declared the public hearing closed.

Mayor Kutteh explained this ordinance will not cover Mr. Tsumas's concerns and cannot be included due to the public hearing legal ad requirements. He advised that Mr. Tsumas will need to apply to the Board of Adjustment for a variance.

Council member M. Johnson made a motion to approve first reading of TA11-10 as submitted with the stipulation regarding Section O. Non-Conforming Signs, (5) (b), that a nonconforming sign shall be removed or made to conform with all the requirements of this Section if one of the following occurs: that the use of the property for which the sign was intended to advertise is discontinued, the business name only changes, not the logo and that the change of logo will not trigger a height change to 8' ft., seconded by Council member West. The motion carried unanimously.

Conduct a public hearing and consider passing first reading of an ordinance to demolish as dilapidated the dwelling known as 124 E. Bell Street, Tax Map 4744-14-0108.

Mr. Currier reported this structure is owned by Sandra Gilbert who filed bankruptcy last year and the lien holder is Michael Waks. Mr. Waks stated he does not care what the City does with the house. Both Ms. Gilbert and Mr. Waks live in California and the house has been sitting empty for several years. Neither has made any effort to do any repairs to the house. The current value of the house is \$46,500.00. The estimate to repair the structure is \$35,500.00. The house exceeds the 50% requirement for demolition.

Mayor Kutteh declared the public hearing open and asked if there was anyone present who wished to speak in opposition or in favor of this item. There being no speakers present, Mayor Kutteh declared the public hearing closed.

Council member Eisele made a motion to approve first reading of an ordinance to demolish the dwelling located at 124 E. Bell Street, seconded by Council member Huggins. The motion carried unanimously.

Consider a request from Carolina Aviation Technical Services (C.A.T.S.) to operate as a limited service fixed base operator (FBO) and assignment of the Evernham Lease.

Mayor Kutteh advised this item had been withdrawn as the applicant could not be present.

Consider a request from Michael Johnson for a water tap to serve 2511 Newton Drive.

Council member M. Johnson asked to be recused from this item. Council member Matthews made a motion to recuse Council member M. Johnson from discussion and consideration of this item and that he be returned following the discussion and consideration, seconded by Council member Huggins. The motion carried unanimously.

Larry Pressley reported the property is located at 2511 Newton Drive and is approximately 1.047 feet from the City Limits. The house is served by a septic system and the nearest sanitary sewer is 647 feet at the front of the property and 2,644 to the back. Mr. Johnson indicated there was a problem with the well and the tap will serve an existing residence. Staff recommends approving a water connection subject to outside rates and System Development Fees without annexation.

Council member Stallard pointed out there will be no cost to the City regarding this item. Mr. Pressley agreed.

Council member J. Johnson made a motion to approve a request from Michael Johnson for a water tap to serve 2511 Newton Drive, seconded by Council member Stallard. The motion carried 7-0. Council member M. Johnson did not vote on this item.

Approval of the bid from Altec Industries for a 2012 bucket truck.

Kent Houpe stated the truck is composed of a 2012 International cab and chassis. Two no-bids were received from Map Enterprises, Inc. and Terex Utility. Altec Industries submitted a bid of \$194,008. If ordered by December 30, 2011 a discount of \$2,106 will be given on the chassis, bringing the final price to \$191,902. In the 2011-2012 budget, \$200,000 was appropriated for this purchase, in Capital Outlay-Equipment.

Council member Stallard made a motion to approve the bid from Altec Industries for a 2012 bucket truck, seconded by Council member Gregory. The motion carried unanimously.

Consider approval of a decrease in scope to the Downtown Streetscape project.

Larry Pressley stated after further discussion and consideration with stakeholders and City Engineering staff, the Downtown Master Plan Committee has unanimously agreed to support the removal of the medians from the current East Broad Street development plans. Specifically, this will cover the section of East Broad Street from Center to Tradd Streets. After careful observation of traffic flow, even in the abbreviated Center Street cross section, the committee has determined the adopted three lane cross section functions well and is successful for traffic calming, pedestrian safety and ease of access, and as such should be implemented in the blocks of streetscape construction along East Broad Street from Center Street to Tradd Street. It appears that elimination of the islands will be less expensive, reducing the cost by approximately \$20,000. City staff also recommends eliminating the center median along East Broad Street between Center Street and Tradd Street.

Council member M. Johnson made a motion to approve a decrease in scope to the Downtown Streetscape project as submitted, seconded by Council member West. The motion carried unanimously.

Receive update reports on the City Hall and the Streetscape projects.

Streetscape Project

Brendon Pritchard reported this is the 11th month of the project. The majority of the construction has been in Block 6 since the last update. The brick pavers in the SE corner of the square have been completed in Block 5 and masons and landscapers have been working in Block 5 installing plants and irrigation. The contractor has completed curb and gutter in Block 6. In the week's ahead work will continue in Block 6 on the sidewalk and planters, stonework in Block 5 and landscaping in Block 4. The east Broad Street phase will start in early January. The first activity will be water lines on the north side of the road. Construction of the water lines will take approximately a week, and then the taps will be converted over. Work will then begin on the Southside and will be similar to the work on Center Street.

City Hall Renovation

Jason Layne reported the project is almost complete. A final building inspection has been scheduled for December 20, 2011. Once that inspection is complete the Certificate of Occupancy should be received and furnishings will be able to start being moved into the building. A subcontractor is now on site and has started cleaning the building and hopes to be finished by December 21, 2011. Staff recommends to Council that the first meeting in the newly renovated building be held on Monday, February 06, 2012. This date is recommended to give the contractor time to ensure all tele/data lines, cable and audio video is working correctly and make adjustments if not. This will also allow Nancy Davis time to go through the new audio/video system and familiarize herself with the new equipment and iron out any faults she may find. In the upcoming month blinds will be installed, some of the exterior arched transom windows which are damaged will be replaced and painting touchups will continue. The balancing of the HVAC system will be checked and the marble ordered for the front stoop will be delivered and installed. The tin ceiling will be installed underneath the rear entrance canopy and area rugs will be placed. We hope to see City personnel start moving into the building as early as January. Much needed furniture has been ordered for some of the new spaces these employees will occupy and some if it may start being delivered as early as this week. Mr. Layne thanked all parties involved for a wonderful job, and stated that it has been amazing for to see this building returned to its original luster.

Mayor Kutteh congratulated the Finance Department for receiving the GFOA Award of Excellence for the 11th year in a row.

There being no further business to come before Council, upon a motion by Council member West, seconded by Council member Gregory. The meeting was unanimously adjourned.


Constantine H. Kutteh, Mayor

ATTEST:


Brenda Fugett, City Clerk

