

**MINUTE BOOK 24, PAGE 529
CITY OF STATESVILLE COUNCIL MEETING – December 17, 2012
CITY HALL COUNCIL CHAMBERS – 7:00 P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Constantine H. Kutteh presiding:

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

Council Absent: 0

Staff Present: Pressley, Fugett, Collins, Gaines, Ashley, Salmon, Bullins, Davis, Triplett, Harrell, Currier, Anderson, Miglin, Hudson

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

Others: 15

Call to Order

Mayor Kutteh called the meeting to order and asked for a moment of silence in recognition of the tragedies that have occurred this week nationally and locally.

Invocation

The Invocation was given by the City Clerk.

Pledge of Allegiance

Girl Scout Troop #10201 led the Pledge of Allegiance.

Public Comment

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

Mayor Kutteh stated that Dr. Tom Marshburn is going into space again on Wednesday. The City has negotiated with Time Warner cable for the launch to be broadcast on Time Warner Cable Channel 20 at 7:00 a.m. and will also be able to be viewed on the City's website.

Consent Agenda

Mayor Kutteh advised that all items on the Consent Agenda are considered to be routine by 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. Mayor Kutteh asked if there were any additions to the agenda, there being none he read the Consent Agenda as follows:

- A. Approve the minutes of the November 29, 2012 Pre-agenda Meeting and the December 03, 2012 City Council meeting.**
- B. Certify roster of personnel in the Fire Department.**
- C. Consider approving a request to transfer \$6,520 from the Drug Seizure Fund for the purchase of an outdoor camera system and approval of Budget Amendment #19.**
- D. Consider a request from Phil McClain to continue a lease with the City, for agriculture use of property located at the Statesville Regional Airport.**
- E. Consider a request from the BalloonFest Committee to continue the lease of airport property for the use of a storage shed.**
- F. Certify the availability of local matching funds required for the Vision 100 Grant in the amount of \$16,667; approve the use of these funds for a portion of the Security Fence installation and the Environmental Overview for the South Parallel Taxiway and approve Budget Amendment #20 to appropriate these funds to the Airport Improvement Fund.**

- G. **Authorization of an exception to bidding for an Interactive Voice Response System in the Collections Department.**
- H. **Request exemption for G.S. 143-64.31 (Qualification Based Selection) in order to receive proposals for Professional Services related to the Streetscape project.**
- I. **Request exemption for G.S. 143-64.31 (Qualification Based Selection) in order to receive proposals for Professional Services related to the east Front Street water line improvements.**
- J. **Request permission to pursue a grant via the NC Governor's Crime Commission to support the Statesville Police Department's Domestic Violence Initiative, and to authorize Sergeant Daniel Miglin to manage the process on behalf of the City of Statesville.**
- K. **Consider accepting a land gift from Arneson Park Associates Partnership, represented by David L. Pressly, Jr.**
- L. **Consider approving first reading of an ordinance to amend City Code Chapter 9, Article III, Section 9-51, referencing the current edition of the North Carolina State Fire Code as the adopted reference for prescribing regulations governing conditions hazardous to life and property from fire or explosion.**

Mayor Kutteh asked if there were any items Council wished removed for further discussion.

There being none Council member Stallard made a motion to approve the Consent Agenda, seconded by Council member Eisele. The motion carried unanimously.

REGULAR AGENDA

Year in Review – Mayor Kutteh

Mayor Kutteh's report is recorded verbatim below:

The Year in Review – Dec. 17, 2013 Statesville Mayor Costi Kutteh

As 2012 comes to a close, I want to again thank our employees and the men and women who sit at this dais with me for all they each do, every day, to make Statesville the best place it can be. Thank you for allowing me this opportunity to review some of the things I remember from this interesting and eventful year.

To say the City of Statesville is in transition would be an understatement. There are favorable signs in sales tax revenues. We will add more than \$100 million in new industrial tax base and 200 new industrial jobs. We had a tremendous commercial addition when T.J. Maxx, PetSmart and Michaels opened. Yet, we still struggle as a community and individually. We hope 2013 will offer greater opportunity for our residents.

We continue to be a well-run, efficient City, but with some pain. Our retirement incentive program has worked from a financial perspective, saving approximately \$1 million in the general fund. However, we lost many experienced employees, including our long-time director of electric utilities and our city manager. Their replacements are doing admirable jobs, and 2013 will provide the opportunity of making those positions permanent. Again, I cannot thank the employees enough for always "stepping up", for looking for the one way to say "yes" rather than the 99 ways to say "no", and for working diligently and unselfishly to make our City better. Citizens repeatedly thank me for the great efforts of our nearly 400 city employees. Our only reward to the employees has been to have neither furloughs nor involuntary reductions in force. I realize many days this is not enough.

We can take great pride in the successful re-opening of City Hall. From the grand opening in February to art crawls and holiday openings, the beautiful building functions as a Class A office space and as a showcase of our history. As more folks have the opportunity to visit City Hall, they will appreciate the wisdom of Council's decision to restore it *beyond* its original magnificence.

With the completion of Phase I of the Streetscape project, we now turn our focus to additional phases. We had hoped, by now, to have acquired property on the south end of Shelton Avenue, property which will ultimately house public safety functions for the city. I am optimistic we will conclude this purchase in 2013. We have asked our consultants to give us a simple view of the way Shelton Avenue might look in the future, so as development continues, we might incorporate that look. Consultants will also look at areas adjacent to the completed phase in Downtown Statesville, in hopes that the City might find ways to expand its new look. We have been able to see how great the streetscape works for art crawls and holiday strolls and the response has been fantastic. And we are not the only ones who find the streetscape impressive. Following receipt of a statewide planning award this fall, the Streetscape and City Hall will receive prestigious awards from the North Carolina Main Street Program in January.

We will benefit greatly from our real estate purchases. The City now owns all the parcels in the Civic Center block, except one. The City owns or has under contract all the parcels that are contiguous to our police department. We have gained important parking for the Civic Center and downtown with the purchase of the Vance Hotel property. The City also owns virtually all the properties necessary for the construction of the south parallel taxiway at the airport. Next, we will aggressively pursue federal and state funds for construction of the taxiway to create a safer environment for more than \$250 million of aircraft housed there.

Grants, partnerships and low interest loans allow us to provide even more services to our citizens at minimal incremental cost. The biggest grant has to be the fire truck for the airport. Seeing the truck for the first time confirmed all the reports about what a fine piece of equipment it is. Partnering with Mitchell Community College at Newtonville Park will provide "in town" training facilities for Mitchell Community College's officer training and for our city public service employees at no cost to our citizens. As an additional benefit, the adjacent neighborhoods should feel much safer. Much needed improvements and expansions at Third and Fourth Creek Water Treatment plants will be paid for by extremely low interest loans which will save the City thousands of dollars over the next 20 years.

And our new best friend has to be the NCDOT, who will be a part of Statesville for the next five years as I-40, I-77 and US Highway 21 are brought into the 21st century. While it will likely get worse before it gets better, the project will be something special when it is finished. I will try to remember that patience is a virtue during the construction period.

Your elected officials will continue to work conscientiously for each of you. We take our roles as your representatives very seriously. We are always open to your interests and concerns. We appreciate your support.

Merry Christmas, Happy Holidays and Happy New Year -- We wish for each of you the very best.

Receive the City's audited Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012.

Lisa Salmon explained that as required by GS § 159-34, an independent audit of the City's financial records for the fiscal year ended June 30, 2012 was performed by the certified public accounting firm Potter & Company, P.A. in Mooresville, NC. The firm issued an unqualified opinion, which means the City's financial statements are free from material misstatements and are presented fairly in accordance with Generally Accepted Accounting Principles. Mrs. Salmon thanked all Department Heads and their staff for providing all the necessary information for the audit to be performed. She thanked the Finance Department staff, in particular Gene Triplett, the Assistant Finance Director who oversees this function.

Robert Taylor, a partner with Potter & Company, stated he was pleased to report that the City does have an unqualified report which means the City's financial statements are free from material misstatements and are presented fairly in accordance with Generally Accepted Accounting Principles. He pointed out pages 3-14 of the document stating it is a comprehensive summary of the audited financial statements. Mr. Taylor stated the Statistical Section of the document presents a ten year history that will allow Council to see trends and analysis and to know where the City has been and where it is heading. He briefly reviewed the General Fund, Electric Fund, Water/Sewer Fund and the Civic Center Fund. Mr. Taylor thanked Council for allowing Potter & Company to work with the City and its exceptional staff.

Mayor Kutteh thanked Mr. Taylor and the Finance Department and pointed out that this is the 21st year that the City has won this award.

Conduct a courtesy hearing and consider adopting a Small Area Plan for the Brookdale Drive, Oakdale Drive and Hartness Road Corridors.

Sherry Ashley stated City Council had requested that staff conduct a Small Area Plan for the Brookdale Road area due to a rezoning request back in December of 2011. The rezoning request for five parcels along Brookdale Drive, submitted by Mary Jo Crandall, Joseph Beaver and Edward Johnson was tabled until a small area plan could be completed. Mrs. Ashley stated the Study Area is from Carolina Avenue to the north, Sullivan Road to the east, Stockton Street and Oakwood Drive to the south and Woods Drive to the west. The area is in close proximity to commercial areas, medical care, the YMCA, an IB School and the greenway. This plan will provide elected officials with the information and guidance to make informed future land use decisions. It will enhance the function and livability of the City and community and addresses land use, transportation, environmental and community needs and concerns. The plan does not force owners to sell their land, rezone property or take property. Before a Small Area Plan can be adopted data must be collected and public input must be received, which in this case a public community meeting was held on July 12, 2012 with approximately fifty residents in attendance. The plan was reviewed by the Planning Board at their November 27, 2012 meeting and their recommendation is favorable and is now being presented to City Council for their consideration. Staff asked the public for information regarding their thoughts on what future land use should be, road improvements, location of sidewalks, greenways, buffers and any other concerns they had. Mrs. Ashley reviewed a map showing the proposed future land use of the area. Twenty-three properties are recommended for medical use, six are owned by Iredell Memorial Hospital. Six properties are recommended for residential use, two are located along Brookdale Drive and four are along Stockton Street. The environmental challenges faced are floodplain areas, the topography and the built environment. Staff recommends Conditional Use Re-zoning with the uses restricted to Medical, encourage unified or combined lot development or redevelopment, continue the streetscape/sidewalk along Oakdale Drive and establish a streetscape/sidewalk along Springdale Road. Mrs. Ashley displayed photos of the proposed streetscape and along Oakdale Drive and Springdale Road. Staff also recommends a transition of height of institutional structures, no access from Oakdale Drive and Springdale Road and limit lighting placement and intensity to protect the nearby residential neighborhood. Staff recommends that a Signal Head Warrant Analysis at Hartness Road and Brookdale Drive be conducted and safe pedestrian crossings on Hartness Road at the hospital with development or redevelopment. Staff also recommends the elimination of existing parking adjacent to Hartness Road which creates a dangerous situation to back into the street and presents a visibility problem to pedestrians. Staff suggests that Sullivan Road, Hartness Road and Brookdale Avenue remain major thoroughfares and Woods Drive and Carolina Avenue remain minor thoroughfares with sidewalks on both or one side of all streets/connections to the greenways. Mrs. Ashley reviewed a map showing existing and proposed buffers and streetscapes, greenways, and sidewalks.

Council member M. Johnson clarified there will be no changes at this time to the existing zoning. Mrs. Ashley stated that was correct and pointed out that this plan gives the neighborhood some assurance what medical will be limited to in the future and shows what staff projects to be the maximum build-out for medical because there are other areas in Statesville where additional medical development could occur.

Council member M. Johnson made a motion to adopting a Small Area Plan for the Brookdale Drive, Oakdale Drive and Hartness Road Corridors, seconded by Council member Stallard. The motion carried unanimously.

Conduct a public hearing and consider approval of an ordinance granting tax grant incentives to Project BAR.

Mike Smith with Statesville Regional Development stated that an existing company in Statesville wishes to add new jobs and add new investment for the community. He asked John Marek the Statesville Regional Development Director for Business Retention and Expansion to provide Council with additional information about the project. John Marek reminded Council that he had come before them previously with an industrial economic incentive request for Project Bar, an existing automobile parts manufacturer that was a \$23 million expansion but with no new jobs created but with the possibility of additional investment and job creation in the future. Phase I of the expansion project has gone so well that the company is now willing to commit to a much larger investment figure over a longer period of time and to the addition of new product lines and have suggested that a significant number of jobs will be created over the expansion period. The company asks that the original industrial development agreement, which has not been executed, be modified retroactive to January 1, 2012 to account for a total investment of \$80-\$100 million over a period of five years with 75-100 new jobs created during this period. Currently the company has about 320 full-time employees with another 50-60 workers through a

temporary agency. Over the improvement period, many of the full-time employees will require extensive retraining and some of the temporary employees will receive additional training and made full time employees. The approval period will be July 1, 2012 through December 31, 2016. The projected capital investment of the improvements will be between \$80-\$100 million with a current planned investment of \$12.6 million in 2012, \$10.3 million in 2013, \$34.9 million in 2014, \$3.5 million in 2015 and \$26.7 million in 2016. Because of the unusually large capital investment, we recommend an incentive grant of 80% of the property taxes on the new capital investment over five years as allowed by City policy with a sixth year contingent on verified creation of at least 75 jobs during the improvement period. If Council approves this incentive the projected total amount would be between \$1,299,500 and \$1,536,875. In addition to the increased property tax revenue and new well paying jobs, this expansion guarantees the continued global competitiveness of the Statesville facility for at least another decade and demonstrates the company's commitment to the Statesville region.

Mayor Kutteh briefly explained the incentive process.

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 Stallard made a motion to approve an ordinance granting tax grant incentives to Project BAR, seconded by Council member Huggins. The motion carried unanimously.

Approve the negotiated purchase price for a property acquisition for the eastern portion of the South Parallel Taxiway at the Statesville Regional Airport.

City Attorney Edmund Gaines stated a purchase price has been negotiated with Mrs. Dale Brooks for a 16.4 acre tract and home in the amount of \$350,000. After this purchase is finalized, there is only one more tract to be purchased for the South Parallel Taxiway.

Council member J. Johnson made a motion to approve a contract with Mrs. Dale Brooks for the purchase of her 16.4 acre tract in the amount of \$350,000, seconded by Council member West. The motion carried unanimously.

Consider approving a request from Statesville Flying Service to lease what is known as the "old Waltrip hangar" at the Statesville Airport on a month to month basis at the rate of \$1,000 per month with a 30-day "notice to vacate" clause.

Mr. Collins explained this request was made previously in May but was removed from the agenda at that time. Staff recently received an offer from another party and realized there was still an offer on the table from the Statesville Flying Service for \$1,000 per month, on a month to month basis, with a 30-day "notice to vacate" clause. Staff contacted Mr. Hazel who stated he was still interested in leasing the hangar with these terms. The \$1,000 per month rate is slightly lower than the usual \$3.50 per square foot since this is a month to month lease. Mr. Collins stated the lease needs to be rewritten to reflect these changes. Mayor Kutteh pointed out that this is seen as a short term source of revenue until someone else wants to lease the hangar for the usual five year term at the usual lease rate.

Council member J. Johnson made a motion to approve a request from Statesville Flying Service to lease what is known as the "old Waltrip hangar" at the Statesville Airport on a month to month basis at the rate of \$1,000 per month with a 30-day "notice to vacate" clause, seconded by Council member Gregory/Stallard. The motion carried unanimously.

Adopt a resolution accepting a loan offer from the Clean Water State Revolving Fund in the amount of \$23,373,357 for the Third Creek Wastewater Treatment Plant Expansion project.

Mrs. Salmon stated the City has been approved for loan assistance from the Clean Water State Revolving Fund in the amount of \$23,373,357 for the Third Creek Wastewater Treatment Plant Expansion project to 6 million gallons per day. The total estimated project cost is \$23,840,824. The total loan offer is \$23,373,357 with a closing fee of 2% which is estimated to be \$467,467; the actual amount will be based on bids, an interest rate of 2.0% per annum with the maximum loan term of 20 years. The loan offer is made subject to the assurances and conditions set forth in the Offer and Acceptance Document. Staff recommends adoption of the resolution accepting the loan offer and authorizing the Interim City Manager to execute the applicable documents.

Mrs. Salmon explained that this action is not signing the contract. The actual point of no return

is when the City signs the Promissory Note, which would occur after the bids are received and awarded.

Council member M. Johnson made a motion to adopt a resolution accepting a loan offer from the Clean Water State Revolving Fund in the amount of \$23,373,357 for the Third Creek Wastewater Treatment Plant Expansion project, seconded by Council member Stallard. The motion carried unanimously.

Receive an update on the "Statesville Connects" program.

Mrs. Salmon explained that Statesville Connects is a voluntary assistance program funded by donations from the City's utility customers, and others, to provide emergency assistance for low income families and people in crisis. Only Statesville residential utility customers who meet the Salvation Army's requirements are eligible to receive assistance with their bills. The program began in 2007. City utility customers can make either a onetime donation by check or they can ask that a certain amount be billed on their utility bill. Currently there are over 85 customers who make monthly donations on their utility bill. This generates about \$4,000 a year. Since the program was created in 2007, just over 300 customers have received assistance for a total of over \$26,000. The average assistance amount per customer is just over \$90 and a customer who is eligible may only receive assistance one time in a 12 month period. The City has many customers in need of assistance due to the economy and unemployment. The cut-off list is running between 400 and 500 a month so this is a much needed program. Mrs. Salmon encouraged anyone who wishes to participate to contact the City by calling or filling out the form on the City's website. Donations are tax deductible and a statement will be sent at the end of each calendar year. Any Statesville resident who needs assistance may contact the Salvation Army to see if they qualify.

There being no other business, Council member West made a motion to adjourn, seconded by Council member Gregory. The motion carried unanimously.




Constantine H. Kutteh, Mayor

ATTEST:


Brenda Fugett, City Clerk