

**MINUTE BOOK 25, PAGE 149  
CITY OF STATESVILLE COUNCIL MEETING – January 13, 2014  
CITY HALL COUNCIL CHAMBERS– 7:00 P.M.  
STATESVILLE, NORTH CAROLINA**

**Mayor Costi Kutteh presiding:**

**Council Present:** J. Johnson, West, M. Johnson, Huggins, Schlesinger, Watt, Phifer, Morgan

**Council Absent:** 0

**Staff Present:** Fugett, Pressley, Gaines, Triplett, Currier, Smyth, Hutchens, Anderson, Barone, Miglin, Harrell, Davis, Cornelison

**Others:** 7

**Media Present:** Jim McNally – Statesville Record & Landmark, John Hamlin-Statesville Record & Landmark, Dave Veiser-Charlotte Observer

**I Call to Order**

Mayor Kutteh called the meeting to order.

**II Invocation**

The Invocation was given by the City Clerk.

**III Pledge of Allegiance**

Mayor Kutteh led the Pledge of Allegiance.

**IV Public Comment**

Mayor Kutteh stated that during the second meeting of each month citizens are invited to speak about matters not on the current agenda. He asked if there is anyone in the audience who wished to speak. There were no speakers.

Mayor Kutteh advised that Item VII on the Regular Agenda has been removed at the request of staff and depending on the outcome of IX there could be two items added that would be items X and XI.

**V Consent Agenda**

Mayor Kutteh explained that all items below 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.

**A. Approve the minutes of the Pre-agenda meeting of December 12, 2013, and the City Council meeting of December 16, 2013.**

**B. Consider granting permission to the Statesville Police Department to pursue a grant via the US Department of Justice's Office on Violence against Women (OVW) to support the department's Domestic Violence Initiative, and authorize Sergeant Daniel Miglin to manage the process on behalf of the City of Statesville.**

Mayor Kutteh stated that this is a \$300,000 grant over a 36 month period with no match required.

**C. Consider granting permission to the Statesville Police Department to apply for a grant from the NC Governor's Crime Commission for \$60,000 and authorize Sergeant Daniel Miglin to manage the project on behalf of the City of Statesville.**

Mayor Kutteh advised a match waiver has been applied for with this grant.

**D. Consider approving the transfer of \$17,421 from the Police Department Drug Seizure Fund for the purchase of cameras and accessories, and approval of Budget Amendment #27.**

Mayor Kutteh stated 25 cameras will be purchased.

- E. **Consider approval of appropriating insurance funds in the amount of \$27,307 for damages to police vehicle #105 to the Police Department Capital Outlay Equipment account and approve Budget Amendment #29.**
- F. **Consider appointing Walt Wynne to the Historic Preservation Commission.**
- G. **Receive the Statesville's Convention and Visitor Bureau's Audited Financial Statements for the fiscal year ended June 30, 2013.**

Mayor Kutteh asked if there were any items on the Consent Agenda that Council wished to be moved to the Regular Agenda. There being none, he asked for a motion to approve the Consent Agenda.

**Council member J. Johnson made a motion to approve the Consent Agenda, seconded by Council member Schlesinger. The motion carried unanimously.**

### **Regular Agenda**

- VI **Receive a report from Robb Collier regarding the Carolina BalloonFest.**  
Rob Collier on behalf of the Carolina BalloonFest board members thanked City Council for the City's co-sponsorship and support. He said that Statesville is recognized all over the United States due to the Carolina BalloonFest which is the second longest running balloon festival in the United States. He reported there was an estimated crowd of 28,000 to 30,000 and 54 balloons, including a number of corporate balloons. A 40<sup>th</sup> Anniversary celebration was held at the Civic Center on Thursday night where special awards and recognitions were given. The festival had the largest ever median school flight on Friday morning. We had 24 balloons take off from 12 different schools and Doosan and G.L. Wilson. We were able to get 5 of 6 planned flights in. This year the festival had the largest number of sponsors to date, 43, which provided financial or in-kind support. There was a tremendous amount of media coverage in the Charlotte, Hickory, Greensboro and Winston-Salem market. Our State Magazine was a sponsor and will be doing a feature on the BalloonFest as is UNCTV about the 40<sup>th</sup> anniversary which will air prior to the 2014 festival. This year we had the largest number of volunteers ever, over five hundred. There were nineteen food vendors and forty-four vendors in the marketplace and artisans section which is also a record. The reports from the local hotels and restaurants have been very positive. There were over 1,100 cars parked at the fairgrounds. The proceeds from the rally came to \$60,000 which went to twelve different organizations. The primary beneficiary was the Cancer Relay for Life which received \$20,000. The BalloonFest has donated over \$200,000 over the last 5 years to local organizations. Minor issues that were encountered this year and will be worked on for next year's rally were traffic control problems at intersections, crowd control fencing around the taxiway and some racing teams flew in unexpectedly. Carolina BalloonFest 41 will be held October 17, 18, and 19 in 2014.
- VII **Consider approving a Police Department capital purchase of two rooftop heating and air units (units 10 and 11). This item was budgeted for in the 2013-2014 Police Department budget.**  
This item was removed from the agenda at the request of staff.
- VIII **Consider approving the design of the Way Finding Signs and authorizing a prototype to be erected in the Downtown.**  
Sherry Ashley reminded Council that Mr. Buzz Bizzell was hired by City Council in September 2013 to enhance the general design of potential way finding signs for the City of Statesville. He presented three options to the Downtown Master Plan Committee and the committee narrowed it down to one. Staff is pleased to provide the preferred design; overwhelming recommended by the Downtown Master Plan. The design combines the Victorian shape of the homes in the historic districts, the arch of the City Hall and the predominate colors represented in the downtown buildings. The sign is aluminum covered with reflective material. The back of the sign is black and the bloom can have a more dimensional look with the use of a vacuum formed mold. In addition, to requesting approval of the design, the committee is also recommending that a prototype be constructed and erected on an existing pole in the downtown. The cost of the prototype would be approximately \$3,000 (plus a one-time \$500 charge for vacuum mold die) for a total of \$3,500 and could be installed in around 6 weeks. Therefore, the

Downtown Master Plan Committee recommends considering approval of the design and installation of a prototype.

**Council member M. Johnson made a motion to approve the design of the Way Finding Signs and authorizing a prototype to be erected in the Downtown, seconded by Council member Morgan. The motion carried unanimously.**

**IX Consider approving a land acquisition contract.**

Council member M. Johnson asked to be recused from hearing this item due to a conflict of interest.

**Council member J. Johnson made a motion to recuse Council member M. Johnson, seconded by Council member Huggins. The motion carried unanimously.**

Mayor Kutteh stated that the City was presented with an opportunity to acquire a 134.17 acre tract of land. It is located ½ mile north of I-40 on the east side of Old Mocksville Road. For over a year City leaders and economic developers have been told by economic developer clients and consultants that Statesville did not have satisfactory property inventory for industrial sites. City staff has been diligently seeking property sites around the community to fulfill this need when this opportunity unexpectedly presented itself. This site has a better topography than anything currently in our inventory and perhaps a better topography than anything we have been looking at to date. The property has a tax value of approximately \$3.5 million and the City has negotiated a purchase price of approximately \$900,000.

Currently the property is zoned Mixed Use so as a condition of completing the sale, if it cannot be rezoned to Light Industrial then the City will not purchase the property. If Council authorizes the City Attorney to execute a contract to purchase it must then consider approving funding for an environmental site assessment and a boundary survey and to direct staff to begin the rezoning process. This purchase will not impede our efforts to find other industrial properties but it will create several quality industrial sites in the 25 acre and up category in one location, which we have been told is something that developers seek, rather than a remote location. This property was annexed into the City in 2004.

Mayor Kutteh explained that Council member M. Johnson recused himself from this discussion and vote because a real estate company of which he is a member is the listing agent for the property.

Mayor Kutteh advised that the utility services at the property are Energy United electric and City of Statesville water and sewer. The terms of the contract contain a Due Diligence period of 90 days during which time if for any reason the City decides it does not want to continue with the acquisition it can walk away. The non-refundable Due Diligence fee is \$10,000 and there is also a fully refundable Earnest Money Deposit of \$10,000. Staff anticipates the cost of the Environmental Site Assessment and Boundary Survey to be approximately \$25,000. The funding for the purchase and associated costs will come from the City's General Fund balance.

City Attorney Eddie Gaines stated that the negotiated purchase price is \$6,700 per acre. The deed shows a total of 134.17 acres but the final total price will be determined by the survey.

Mayor Kutteh recalled that the City bought the Business Park in 1994. He said the current way business is done in economic development is having pad ready sites in inventory for clients to view when they are searching for a site according to economic developers and consultants. In addition to the second shell building that is under construction at the Business Park this purchase will give the City the outstanding opportunity to bring in new industry and generate the jobs we so desperately need.

**Council member J. Johnson made a motion to authorize the City Attorney to prepare and have executed a land acquisition contract for the 134.17 acres for the development of a new business park, seconded by Huggins/Phifer.**

Council member West stated that it concerns him for the City to be in the development business and be in competition with local developers who pay the taxes that allow the City to be able purchase the property. It is unfair competition because the City will most likely

give the property away as an incentive to businesses to locate here. Council member West said he is not so shortsighted that he cannot recognize the long term benefits of this and that it will ultimately benefit the entire community and not just a small portion of it but he feels the City is being held hostage by other communities because everybody does this so if Statesville does not then it has nothing to show other than what private developers have and that inventory is very limited right now.

**The vote on the motion was as follows:**

**Ayes: J. Johnson, Huggins, Phifer, Watt, Schlesinger, Morgan**

**Nays: West**

**X Consider funding an environmental site assessment and boundary survey for a 134.17 acre tract on Old Mocksville road and approve Budget Amendment #28.**

Scott Harrell stated as a part of purchasing the 134.17 acre tract, staff recommends allocating 10,000 for the Due Diligence Fee, \$10,000 for the Initial Earnest money deposit and \$25,000 for an Environmental Site Assessment and a Boundary Survey for a total of \$45,000 and approval of Budget Amendment #28. Mr. Harrell clarified that the due diligence fee of \$10,000 will go towards the purchase price if the acquisition is completed.

Council member Schlesinger asked Mr. Harrell to break down the costs again. Mr. Harrell explained an initial Environmental Site Assessment and a Boundary Survey will be done for an estimated cost of \$10,000. The remaining \$15,000 will be for any additional site testing if the initial assessment indicates the need. Mayor Kutteh said this is basically a two phase environmental site assessment and the second phase may not be required depending on what is found. Mr. Harrell agreed that was correct.

Council member Schlesinger asked if the purpose of the environmental site assessment is to look for contamination. Mr. Harrell stated that was correct. Council member Schlesinger recalled that an assessment was performed in 2002. Mr. Harrell said there was but according to environmental professionals, an assessment has a shelf life of 180 days. Council member West asked if the 2002 assessment was a Phase I study. Mr. Harrell said it was.

**Council member J. Johnson made a motion to approve funding for an Environmental Site Assessment and a Boundary Survey for the 134.17 acre tract, a Due Diligence Fee of \$10,000, and Initial Earnest Money of \$10,000 for a total of \$45,000 and approve Budget Amendment #28, seconded by Council member Huggins. The motion carried unanimously.**

**XI Consider directing staff to begin the process of rezoning the 134.17 acre tract from Mixed Use to Light Industrial.**

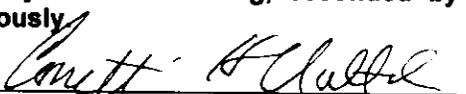
David Currier said staff can schedule the Planning Board Courtesy Hearing and review of the rezoning from Mixed Use to Light Industrial for Tuesday, January 28, 2014. If the Planning Board recommends approval of the rezoning at that time then staff will immediately advertise the rezoning for the public hearing and first reading at the February 17, 2014 City Council meeting. Subject to the first reading being approved, the 2<sup>nd</sup> reading will be held at the March 3, 2014 City Council meeting.

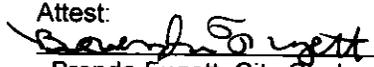
Mayor Kutteh asked Mr. Harrell if the Environmental assessment and the survey will be complete within the 90 due diligence period. Mr. Harrell said they will be.

Larry Pressley said unless environmental issues are found, this schedule is realistic and the closing should be able to occur within the required 90 day due diligence period.

**Council member J. Johnson made a motion to direct staff to begin the process of rezoning the 134.17 acre tract from Mixed Use to Light Industrial, seconded by Council member Morgan/Huggins. The motion carried unanimously.**

**Council member West made a motion to adjourn the meeting, seconded by Council member Huggins. The motion carried unanimously.**

  
Constantine H. Kutteh, Mayor

Attest:  
  
Brenda Fugett, City Clerk

