

**MINUTE BOOK 25, PAGE 418
CITY OF STATESVILLE COUNCIL MEETING – May 18, 2015
CITY HALL COUNCIL CHAMBERS – 7:00P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Costi Kutteh presiding:

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

Council Absent: 0

Staff Present: Pressley, Fugett, Davis, Hutchens, Triplett, Currier, Harrell, Cornelison, Smyth, Gains, Houpe, Chandgie, Anderson, Cornelius

Visitors: 14

Media Present: David Veiser-Charlotte Observer

I Call to Order

Mayor Kutteh called the meeting to order.

II Invocation

The City Clerk gave the Invocation.

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.

Richard Morgan, 134 Signal Hill Drive, Apt. 104, stated he is concerned about the Signal Hill Mall and would like to know if anything is being done about it. Mr. Morgan said the City of Statesville's electric rates, connection fees, reconnect fees and late fees are extraordinarily high in comparison to Salisbury who is serviced by Duke Energy.

Mayor Kutteh stated Council does not always respond to public comments but he wished to speak briefly about the mall. He explained that the mall is privately owned and it is his understanding that the owners have been in negotiations with a development firm for some time to make modifications there.

Karen Keaton, 650 E. Front Street, spoke about high electric bills, high late fees and high deposits. She stated she has come to Council previously asking why the late fee is a set \$51.00 fee instead of a percentage of the bill as is used in other surrounding cities. Ms. Keaton said that some people are on fixed incomes and in low paying jobs and are being forced to choose between feeding their families or paying the electric bill.

Donna Butler, 242 Garfield Street, spoke about how high the electric bill is for her residence. She gave Council members an electric bill of \$825 to examine.

Mayor Kutteh asked those in the audience who were in attendance regarding high electric bills to stand and be recognized. Ten citizens stood. Mayor Kutteh advised that Scott Chandgie, the Business Development and Energy Services Director with the City Electric Utilities Department, is here to meet with those in attendance regarding their high electric bills. Mayor Kutteh advised there are programs available to citizens in need of assistance with their utility bills. He stated there may be a significant decrease in residential electric rates before the end of the year but this has not been approved yet, but Council is very optimistic this will take place. If a citizen believes their meter is defective they can request that their meter be tested. When this occurs the City automatically installs a new meter that has been certified as accurate, however, generally speaking there have not been any faulty meters. A new system is being tested and when it is implemented it will allow customers to view their usage data at all times and will do away with estimating. Mayor Kutteh stated Council is not turning a deaf ear to these issues and has been working behind the scenes to resolve them.

Council member Phifer asked why there are not multiple electric providers within the City as it appears to be a monopoly the way it is. Mayor Kutteh explained there are territorial agreements and assigned service areas.

Council member Williams asked if there has been a spike in requests to check meters. Mr. Pressley replied there has not been a spike in requests and that those requests are received in an ongoing basis. He explained that staff has discovered many times that some high bills have been caused by malfunctioning heating and cooling units. Mayor Kutteh reiterated that when staff receives a request to check a meter it is simply replaced at that point and the meter that has been removed is taken back to the warehouse, examined and recertified if it is functioning properly then put back into inventory.

Mayor Kutteh said Council has received many complaints about the high deposits, late fees, and reconnect fees and would be interested in hearing a report from staff as to how this may be done differently.

V Consent Agenda

Mayor Kutteh stated 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. **Consider approving the minutes of the April 30, 2015 Pre-Agenda meeting, the May 04, 2015 Council meeting.**
- B. **Consider approving 2nd reading of an ordinance to annex the Day Property located at 3419 Taylorsville Highway.**
- C. **Consider approving a request for additional funds to facilitate the traffic engineering services of Kimley-Horn for Exit 54 (Love's).**
- D. **Consider approving a grave opening and closing contract with Little J's Backhoe Service.**
- E. **Consider approving a street name for the new street being constructed by NCDOT from Sunset Hill Road to Gaither Road.**

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.

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

Regular Agenda

VI **Conduct a public hearing on the 2015-16 proposed budget.**

Larry Pressley briefly reviewed the budget fund totals.

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

Mayor Kutteh advised that the first budget workshop will be held June 11, 2015 following the pre-agenda meeting.

VII **Conduct a public hearing and consider approving first reading of ZC15-05 filed by the City of Statesville on behalf of Energy United to rezone the property located adjacent to 567 Mocksville Highway; Tax Map 4765-34-5432 from IC-R-20 to the City of Statesville's B-4.**

David Currier stated the property was annexed along with other properties owned by Oakdale Baptist Church on December 16, 2013 with an effective date of December 31, 2013. Since the annexation this property was subdivided and a portion sold to Energy

United. As with all annexations, the City must apply its zoning to the property once it is annexed into the City's jurisdiction. Therefore staff is requesting on behalf of Energy United to rezone the parcel located adjacent to 567 Mocksville Highway from Iredell County R-20, Single-Family Residential District to the City of Statesville's B-4, Highway Business District.

Though the City's B-4 District is not the most similar to the County's R-20 District in regards to dimensional requirements and permitted uses, the B-4 matches the remainder of the Energy United Property and will be combined with it. Currently the site is vacant. The current tax value of the property zoned R-20 is \$11,040. If it is rezoned to City B-4 the value of the property will go up to \$74,130.84

The surrounding zoning districts and land uses are as follows:

NORTH OF THE SITE: Iredell County R-20 (Single-Family Residential) District, Single Family Homes/Vacant Land

EAST OF THE SITE: City of Statesville's R-20 (Suburban Residential) District, Oakdale Baptist Church, Iredell County's R-20 (Single-Family Residential) District, Single-Family Homes

SOUTH OF THE SITE: City of Statesville's B-4 (Highway Business) District, McWilliams Collision Center, Eastgate Commons Shopping Center

WEST OF THE SITE: City of Statesville's B-4 (Highway Business) District, Energy United & Iredell County's R-20 (Single-Family Residential District, Vacant Property, Single-Family Homes

The 2005 Land Development Plan projects the property to be low density residential. However, the site is adjacent to B-4 property and was purchased by Energy United to combine with their current B-4 property. Also, Eastgate Commons Shopping Center and other Commercial Uses are located just to the south of the site. Therefore staff's recommendation is favorable to rezone the property to B-4. The Planning Board's recommendation is favorable as presented with a unanimous vote and no one spoke in opposition at the Planning Board meeting.

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

Council member Morgan made a motion to approve first reading of ZC15-05 filed by the City of Statesville on behalf of Energy United for the property located adjacent to 567 Mocksville Highway; Tax Map 4765-34-5432 from IC-R-20 to the City of Statesville's B-4, seconded by Council member J. Johnson. The motion carried unanimously.

VIII Conduct a public hearing and consider approving first reading of ZC15-06 filed by Dr. Michael Simmons & Sullivan Road Partners, LLC to rezone the 3 properties located at Arlington Avenue between Lee and Carolyn Streets; Tax Maps 4745-61-3275, 4745-61-5301, and 4745-61-6420 from R-10 (Urban Low Density Residential) District to O-1 (Office Single Lot) District for professional and medical offices

Mayor Kutteh asked to be recused from this item due to a conflict of interest.

Council member Morgan made a motion to recuse Mayor Kutteh from this item and to authorize Mayor Pro Tem Michael Johnson to preside, seconded by Council member Phifer. The motion carried unanimously.

Mr. Currier stated that Dr. Michael Simmons and Sullivan road Partners, LLC are requesting to rezone 3 parcels located on Arlington Avenue from R-10, Urban Low Density Residential District to O-1, Office Single Lot District, for professional and medical offices.

The parcels are zoned R-10 and total approximately 1.03 acres. Currently they are vacant but are immediately adjacent to the medical offices that front Davie Avenue that

are owned by Dr. Simmons and Sullivan Road Partners, LLC. It is staffs understanding that the applicants would like to use these parcel for additional parking. The O-1 District allows mainly low intensity office uses that are not principally engaged in the sale of goods.

The surrounding zoning districts and land uses are as follows:

- NORTH OF THE SITE:** R-10 (Urban Low Density Residential) District, Single-family homes (Brookgreen Neighborhood)
- EAST OF THE SITE:** R-10 (Urban Low Density Residential) District, single-family homes (Brookgreen Neighborhood), O-1 (Single Lot Office) District, Medical offices
- WEST OF THE SITE:** R-10 (Urban Low Density Residential) District, single & multi-family homes
- SOUTH OF THE SITE:** O-1 (Single Lot Office) District, Medical offices

The 2005 Land Development Plan projects the property to be Medium Density Residential. The Medium Density Residential designation allows for small scale commercial neighborhood development at intersections of arterials and collectors. Based on the fact that the O-1 District is not intended for the sale of goods and is intended for office uses maintaining a residential character, and the properties are adjacent to existing O-1 zoning, staff gives the request a favorable recommendation.

The Planning Board's recommendation is favorable as presented with a unanimous vote. Dorothy Gaither (adjacent property owner) spoke at the courtesy hearing and brought up some concerns regarding parking and traffic circulation on Lee Street. Council could consider making Lee Street no parking if this becomes an issue.

Council member Schlesinger asked if the City would ever open this right-of-way. Mr. Currier replied that typically a Developer would request to do that and incur those costs.

Mayor Pro Tem M. Johnson declared the public hearing open and asked if there is anyone present who came to speak in favor or in opposition of this item. There being no speakers, Mayor Pro Tem M. Johnson declared the public hearing closed.

Council member Morgan made a motion to approve first reading of ZC15-06 filed by Dr. Michael Simmons & Sullivan Road Partners, LLC to rezone the 3 properties located at Arlington Avenue between Lee and Carolyn Streets; Tax Maps 4745-61-3275, 4745-61-5301, and 4745-61-6420 from R-10 (Urban Low Density Residential) District to O-1 (Office Single Lot) District for professional and medical offices, seconded by Council member Schlesinger. The motion carried unanimously.

Council member J. Johnson made a motion to reseal Mayor Kutteh, seconded by Council member Watt. The motion carried unanimously.

IX Consider renewing the 5 year hangar leases to G.L. Wilson and Ralph and Jay Brown.

Mr. Currier stated G. L. Wilson leases corporate hanger #1 from the City. The hangar is 5,250 square feet. The five year lease expires May 31, 2015 and the annual lease rate is \$18,375.00 per year. Ralph and Jay Brown lease corporate hangar #2. The hangar is 4,200 square feet. The five year lease expires on June 19, 2015 and the annual lease rate is \$14,700.00 per year. The Market Rate has been determined to be \$3.65 per square foot. The new annual lease amount for G.L. Wilson will be \$19,172.50 and the Brown lease will go up to \$15,596.88 per year. The Airport Commission unanimously recommended to City Council that the leases be renewed for a five year term at the new rate of \$3.65 per square foot. The Commission wanted to recognize these two leaseholders for their allegiance to Statesville Regional Airport.

Council member West made a motion to approve renewing the 5 year hangar leases to G.L. Wilson and Ralph and Jay Brown at the current market rate of \$3.65 per square foot, seconded by Council member J. Johnson. The motion carried unanimously.

- X Consider approving Change Order No. 2 with Cedar Peaks reducing the contract for Runway Pavement Grooving and consider amending Work Authorization No. 1 with Parrish & Partners reflecting actual increased cost resulting from a very prolonged construction period. NCDOT Aviation has reviewed and concurred with the changes.**

Mr. Currier explained that Parrish & Partners costs went extremely above what they had budgeted due to delays, rebidding and scheduling associated with the grooving and the painting.

Council member J. Johnson made a motion to approve Change Order No. 2 with Cedar Peaks reducing the contract for Runway Pavement Grooving and consider amending Work Authorization No. 1 with Parrish & Partners, seconded by Council member West. The motion carried unanimously.

- XI Consider accepting a grant from the Statesville Convention and Visitors Bureau in the amount of \$6,500 and approve Budget Amendment #38.**

Brent Cornelison stated that Council approved applying for this grant at the February 16th meeting. The grant funding will be used for the design and purchase of a kiosk that will be located at the Statesville Soccer Complex. Staff recommends accepting the grant in the amount of \$6,500 for the design and purchase of the kiosk.

Council member Phifer made a motion to accept the grant from the Statesville Convention and Visitors Bureau in the amount of \$6,500 and approve Budget Amendment #38, seconded by Council member Morgan. The motion carried unanimously.

- XII Consider approving a resolution opposing Senate Bill 369 and supporting House Bill 903.**

Larry Pressley stated that Iredell County has requested the City consider opposing this bill. The stated purpose of this bill is to take money from more affluent counties and redistribute it to areas of lower income. This would affect Iredell County's tax revenue by \$500,000 and would also have a significant impact on the City's revenues as well. Staff strongly supports opposing this bill. House Bill 903 provides for a municipal only sales tax option in the amount of a quarter cent if approved by the voters.

Council member Morgan made a motion to approve a resolution opposing Senate Bill 369 and supporting House Bill 903, seconded by Council member Watt. The motion carried unanimously.

- XIII Receive a report regarding Phase II Stormwater.**

Scott Harrell reminded City Council members that the requirement that the City must submit a permit for a Phase II Stormwater program was discussed at the retreat held in February. Mr. Harrell gave a brief background of the Phase II Stormwater regulations. The permit application must be submitted to NCDENR by June 01, 2015. Staff is ready to submit the application. After the permit is approved staff must plan and prepare for program implementation during the first year which is anticipated to be from the fall of 2015 through late 2016. The first 18 months a Post-Construction Stormwater Management Ordinance must be developed and adopted. The City already has an ordinance in place that will need to be amended to include all the Phase II Stormwater guidelines. Program activities will be implemented during the second year, late 2016 through 2020. In 2020 there will be a program review and a permit renewal on a five year cycle after that. The first step staff took was to convert the Street Superintendent position to a Street/Stormwater Superintendent as a way of having a staff person to focus on these things and to be preparing and implementing these tasks as they come due. Mr. Harrell briefly reviewed general descriptions of the activities proposed for each of the six minimum measures.

- XIV Further discussion regarding downtown developer selection.**

Council member J. Johnson said he would still like to know how much this will cost the City and where the other financing will come from. Mayor Kutteh said at some point Council will get that information but it most likely will not be a quick process. There will be steps throughout the process where the City or the developer can pull out of the project. At this point Council is not voting to spend anything on this project.

Council members discussed whether the Vance Hotel should be developed as a hotel or as residential units.

Council member Watt said he would like to see if there is an opportunity to make it a hotel again. Council member M. Johnson said Council needs to take into consideration that a parking deck will be needed if the use is residential and that this would have to be done simultaneously with the development of the hotel.

Council member West stated Council should go with a residential use because he did not feel that the level of occupancy, 65%, that it needs to succeed could be maintained.

Council member J. Johnson said he did not have a problem going with a hotel use as long as the City does not have to spend any money on finding out if it is feasible.

Council member West suggested that staff talk to officials in Salisbury to get details on their experience with this type of development.

Council instructed Larry Pressley to obtain a proposal from Jim Prosser for further consulting.

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

Attest:




Constantine H. Kutteh, Mayor


Brenda Fugett, City Clerk