

**MINUTE BOOK 25, PAGE 444
CITY OF STATESVILLE COUNCIL MEETING – July 13, 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, Gaines, Currier, Navey, Anderson, Barone, Smyth, Salmon, Cornelius, Harrell, Styers

Visitors: 5

Media Present: Jim McNally-Statesville Record & Landmark, 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.

There were no speakers.

Mayor Kutteh advised there was one addition to the agenda from Larry Pressley and that Item XIII on the Regular Agenda has been removed. He congratulated Chief of Police Tom Anderson and Finance Director Lisa Salmon on their pending retirements and thanked them for their service to the City of Statesville.

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 June 11, 2015 Pre-Agenda meeting, and June 15, 2015 Council meeting.

B. Request permission to apply for the 2015 COPS Hiring Program grant, and to authorize Pamela Navey to represent the City in the application and management of the grant.

C. Consider approving a resolution directing the City Clerk to investigate a petition of annexation for the property located at 1336 Northside Drive, receive the City Clerk's Certificate of Sufficiency, and consider approving a resolution fixing a date (8-3-15) for a public hearing on the questions of the petitioned annexation.

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

Regular Agenda

VI Update on the Vance Hotel.

Jim Prosser with Centralina Council of Government summarized a report that responded to seven items of concern that Council had directed him to review with Steve Barker regarding the potential redevelopment of the Vance Hotel as a hotel use. He advised that some of these activities can occur simultaneously, especially in the area of lender and equity partner identification and preparation of construction documents.

Council member M. Johnson asked Mr. Prosser to expand further on Item 5.4. Mr. Prosser said it was his understanding that City Council saw an opportunity that the hotel and the Civic Center could work together effectively as a business enterprise so we asked the developer if they would be interested in talking to the City about the potential for an arrangement where the operator of the hotel would also assume operations management in some nature of the Civic Center. The developer said they would be willing to negotiate an agreement for that purpose, but they understood that if this were to take place then the City would also need to be satisfied with who that operator was. Mr. Prosser said this was not an issue that was presented by the developer, but was presented by Centralina. Council member M. Johnson said he recalled that Mr. Barker stated that the ability to collectively manage was imperative to the successful operation of the hotel, which precipitated my comment about operational guarantees. Mayor Kutteh said he did not think that Mr. Baker intended to convey that he wanted to take over management of the Civic Center, but that he sees the need for the two to work together.

Mayor Kutteh asked if each one of these tasks offer an opportunity for the City or the developer to withdraw. Mr. Prosser replied yes and it would be his recommendation that monthly updates are provided to City Council.

Council member Williams asked if the timeline set for this project is a normal timeline for any developer. Mr. Prosser replied it is, but this is a unique project in a unique location and the market for this type of motel at this location is not as obvious. Getting investors for this type of project is also going to be more challenging versus a residential project.

Council member M. Johnson pointed out that within 16 weeks Council will need to have a good idea of how a parking deck will fit into this because it will affect entrances and other things for the hotel. Mr. Prosser said in the past when working on these types of projects an attempt has been made to obtain reasonable estimates to work from.

Council member West stated he is still one hundred percent convinced that putting a hotel in the Vance is not the direction the City needs to go.

Council member West made a motion to authorize staff/Mr. Prosser to negotiate a preliminary development agreement with Mr. Richard Angino to develop this building into residential spaces, seconded by Council member M. Johnson.

Council member Schlesinger said he does not understand why Council cannot wait and see what Mr. Barker proposes.

Council member Morgan asked Mr. Prosser if he anticipates the timeline being the same for the two projects. Mr. Prosser said it would be realistic to expect a shorter timeline with residential because investors in residential projects are easier to find.

Council member M. Johnson said it concerns him that Mr. Barker has no equity investors lined up or that he would allow the City to back out after he spends a large amount of money determining the feasibility of the project.

Mr. Prosser will attempt to present this at the August 3, 2015 Council meeting.

The vote was as follows:

Ayes: West, M. Johnson, Phifer, Morgan, J. Johnson, Williams

Nays: Watt, Schlesinger

Motion carried: 6-2

VII Conduct a public hearing and consider approving an economic incentive to an existing Statesville based industry known as "Project Albacore".

John Marek with Statesville Regional Development stated Project Albacore proposes an expansion project totaling \$9.8 million, and \$86.8 million in new equipment by 2018. Project Albacore will add 83 new jobs by 2018. The economic incentive shall be based upon the City's making an appropriation of \$1,545,549 over a 6 year period based on the investment.

Mayor Kutteh declared the public hearing open and asked if there is anyone present who wished 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 an economic incentive to Project Albacore, seconded by Council member J. Johnson. The motion carried unanimously.

VIII Conduct a public hearing and consider approving an economic incentive to an existing Statesville based industry known as "Project Cobia".

John Marek stated Project Cobia proposes new taxable investment of capital equipment totaling \$2,296,350 by 2021 with a minimum of 30 new jobs. The economic incentive shall be based upon the City's making an appropriation of \$47,012 over a 5 year period based on the investment.

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

Council member Schlesinger made a motion to approve an economic incentive to Project Cobia, seconded by Council member Williams. The motion carried unanimously.

IX Conduct a public hearing and consider approving first reading of an ordinance for ZC15-07 filed by Barry Munday to rezone the property located at 201 Wooten Street; Tax Map 4724-96-4421.

David Currier stated the property is in a B-1 district located on the corner of Wooten Street and Garner Bagnal Blvd. Currently the site contains a commercial structure that had previously been used as Laundry Masters Laundry mat along with Lucky's Pizza and Subs. This property was originally zoned LI, Light Industrial District but the owner requested to rezone the property to B-1, Neighborhood Service District for the intention of a coin operated laundry mat in 2000, as a laundry mat was not a permitted use in the LI District. City Council voted unanimously to approve the request in June of 2000. Mr. Barry Munday is requesting to rezone the 0.93 acre parcel at 201 Wooten Street from B-1 back to LI with the intention to allow for an indoor auction house. The B-1 District does not allow for auction houses. Parking and development standards appear to be in compliance with the Unified Development Ordinance as the property sits. Any changes to the site will be reviewed by staff. The 2005 Land Development Plan projects the property to be Mixed Use. The plan states that this designation should include single use districts as well as mixed use. Also, the property is completely surrounded by other LI zoned properties. Due to the property being surrounded by like LI zoned properties staff's recommendation is favorable to this rezoning request. The Planning Board's recommendation is favorable as presented with a unanimous vote. No one spoke in support or opposition of the request at the Planning Board Meeting.

Mr. Currier explained this is a straight re-zoning request, there is no quasi-judicial procedure required. Typically in a straight re-zoning request, Council's authority is limited to approving, denying or tabling the item. The request is to rezone from B-1 to LI and has been advertised as such. To change the zoning at this point and time, staff recommends that staff consult with the City Attorney or the School of Government attorney on process to verify that it is legal to change the zone in this point and time as well as to give the applicant a chance to agree or disagree and follow whatever process is recommended.

Mayor Kutteh asked Mr. Currier if he thought that B-4 would be a better zoning classification than the requested LI. Mr. Currier replied the LI zoning for this particular piece of property along with the massive amounts of LI around it is better suited than the B-4 at this point in time.

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

Council member West made a motion to approve first reading of an ordinance for ZC15-07 filed by Barry Munday to rezone the property located at 201 Wooten Street; Tax Map 4724-96-4421 from B-1 to LI, seconded by Council member Morgan. The motion carried unanimously.

Mayor Kutteh asked City Attorney Gaines to research this situation to find out if a lesser zoning district can be approved with a higher zoning public hearing notice.

X Consider approving a request to release two liens, write-off approximately \$700.00 in miscellaneous accounts receivable and allow staff to waive future liens when the title of the property changes before the lien is recorded.

Mr. Currier stated that out of 135 liens for nuisance abatement thus far, 2 properties have changed hands since the initial mowing took place. The new owners were not aware of these mowing fees until after they bought the property. Therefore staff recommends releasing these two liens, approve writing these off the miscellaneous accounts receivables and allow staff to release any future liens in which the title changes hands before the lien can be recorded on the property.

Council member West asked Mr. Currier to explain the process. Council briefly discussed possible ways to revise the process so this does not happen again.

Council member J. Johnson made a motion to release two liens, write-off approximately \$700.00 in miscellaneous accounts receivable and allow staff to waive future liens when the title of the property changes before the lien is recorded, seconded by Council member Schlesinger. The motion carried unanimously.

XI Consider an appointment to the Statesville Airport Commission.

John Ferguson stated the terms of Todd Bodell and Billy Shomaker expired on June 30, 2015. Mr. Bodell was appointed to fill the unexpired term of Kevin Sarro from April 24, 2014 through June 30, 2015. Mr. Bodell is extremely interested in being considered for re-appointment. Bill Shomaker is retiring on August 3, 2015 and will not seek a re-appointment. Staff has received three applications for the vacancies, Todd Bodell, Dr. Robert Saltzman, and Mike Colyer. Mr. Colyer works for Champion Air located on the Airport. It is the desire of the Airport Commission that a tenant be placed on the Commission. Having a tenant on the Airport Commission is recommended by the Airport Commission By-Laws.

Council member J. Johnson nominated Todd Bodell and Mike Colyer.

Council member Schlesinger nominated Dr. Saltzman.

Upon a vote Council members appointed Todd Bodell and Mike Colyer to the Airport Commission.

XII Request permission to accept a grant via the NC Governor's Crime Commission to support the Statesville Police Department's Domestic Violence Initiative, and to authorize Community Resource Coordinator Pam Navey to manage the process on behalf of the City of Statesville, and approval of Budget Amendment #1.

Pam Navey stated the Statesville Police Department has been notified of grant application approval and selection via the NC Governor's Crime Commission (GCC) to support two Domestic Violence Specialist Investigator positions (salary & fringe benefits) and related training. Total value of the proposal is \$266,495.54; Federal award of \$199,871.66. The GCC requires a 25% cash match. If awarded, the total match required by the City of Statesville is \$66,623.88 Grant funds will be reimbursed by the GCC once federal funding is officially allocated and upon request with supporting documentation. The reimbursement will be retroactive to July 1, 2015, the grant period funding start date. This is a two year grant with no obligation to retain the positions beyond the life of the grant. The grant period is scheduled for the period of July 1, 2015 thru June 30, 2017.

Council member Phifer made a motion to accept a grant via the NC Governor's

Crime Commission to support the Statesville Police Department's Domestic Violence Initiative, and to authorize Community Resource Coordinator Pam Navey to manage the process on behalf of the City of Statesville, and approval of Budget Amendment #1, seconded by Council member Williams. The motion carried unanimously.

Mayor Kutteh added that this is the first grant that Ms. Navey has submitted and secured since beginning this position and that Chief Tom Anderson had relayed to him that he was contacted directly by the NC Governor's Crime Commission to advise him that the application was extremely professionally well done and that the City was awarded double the amount requested.

XIII Consider approving a request from Properties for Children for a water tap to serve 111 Moose Club Road.

This item was removed from the agenda.

XIV Consider a request from the Downtown Statesville Development Corporation (DSDC) Board of Directors for the City of Statesville to partner with DSDC and approve applying for a \$4,000 Electricities Smart Communities grant and to provide the required \$4,000 match to cover the speaker fee to bring in Destination Business Expert, Jon Schallert, for a one-day seminar in Statesville. With travel and additional expenses, staff is estimating the expenses to be approximately \$11,000. DSDC would cover these remaining expenses with attendance fees.

Marin Tomlin stated the Downtown Statesville Development Corporation is excited to be working to bring in Jon Schallert, a Destination Business Expert, to help local businesses learn how to drive more sales and customer traffic to their businesses, while at the same time, turning our city into a destination for consumers and new businesses. We realize that the success of our small businesses is absolutely essential to the economic success of our downtown and our community as a whole. Jon Schallert, an internationally-recognized speaker and business expert specializing in teaching businesses and communities how to turn themselves into Consumer Destinations, would customize a daylong seminar for our community and work one-on-one with our downtown businesses. Jon speaks to thousands annually on his proprietary 14-step "Destination Business" process. His methodology has been used extensively by towns, cities, villages, downtowns, seasonal tourist locations, shopping centers, retail chains, franchises, and independent small business owners. The speaker cost for this seminar is \$8,000. Additional expenses would include marketing the seminar, Civic Center room rental, lunch for attendees, A/V equipment, speaker travel expenses and other miscellaneous items. It is our goal that the ticket fee would cover these additional expenses. As a partner in this effort, we would formally ask that the City of Statesville approve applying for the \$4,000 Electricities Smart Communities grant and provide the required \$4,000 match to cover the speaker fee to bring in Destination Business Expert, Jon Schallert, for a one-day seminar in Statesville.

Council member M. Johnson made a motion to approve a request from the Downtown Statesville Development Corporation (DSDC) Board of Directors for the City of Statesville to partner with DSDC and approve applying for a \$4,000 Electricities Smart Communities grant and to provide the required \$4,000 match to cover the speaker fee to bring in Destination Business Expert, Jon Schallert, for a one-day seminar in Statesville, seconded by Council member Watt. The motion carried unanimously.

XV Consider special appropriations for the 2016/2017 fiscal year.

Larry Pressley reminded Council that there was a discussion from the June 11, 2015 budget meeting concerning special appropriations. It was suggested that in future years that elimination or reductions may be desired by Council. To allow time for notification, staff requests direction from the Council on how to proceed now so that the funding recipients can be given advanced notice.

Each year the City provides funding to several nonprofit agencies and although this appropriation has been frozen for a number of years, we do continue to allocate funds as follows each year:

Arts Council	\$ 3,325
Children's Home of IC	\$ 3,750
Council On Aging	\$ 5,750
Iredell Co Rescue Squad	\$ 6,500

Lifespan Vocational WS	\$25,000
Elderly Nutrition Program	\$ 3,731
Garfield St Citizens	\$ 1,000
Golden Age Sr. Citizens	\$ 1,000
Happy Hour Sr. Citizens	\$ 1,000
Counseling Center of Iredell	\$ 9,560
Iredell Senior Center	\$ 4,600
5 th St Shelter Ministry	\$ 4,000
Iredell Museums, Inc.	\$ 3,570

Staff requests guidance from the Council concerning these appropriations for the 16/17 fiscal year and following years so that should funding be discontinued or reduced, agencies can be provided advance notice.

Council member West stated he would like to have some feedback from the community. He feels that Council should not use tax payer's money to fund non-profit entities.

Council member Schlesinger suggested sending each organization a letter asking them to report to Council how the funding is being used and what affect it will have on the organization if the funding from Council is discontinued.

Council members agreed by consensus for staff to send a letter requesting this information to each organization listed and give them 45 days to respond.

Mayor Kutteh explained that the special appropriations were created many years ago and there have been many discussions about it throughout the years. Approximately ten years ago Council decided to freeze all appropriations at their current level at that time so none have been increased since that time. As groups either stopped being in business or failed to make the annual request a number of them have been dropped from the list.

Add IT Position

Mr. Pressley stated with the retirement of the Systems Administrator staff recommends that this would be an opportune time to upgrade this position to a department head position titled IT Director and create a stand-alone IT Department that would report directly to the City Manager. The salary for the current Systems Administrator is \$71,255. Staff envisions an IT Director position at a Pay Grade 30 with a minimum salary of \$74,553.

Council member Watt stated he completely agrees with this recommendation and advised that most cities this size have a separate IT Department that reports to the City Manager. Council member Schlesinger agreed stating that things have changed so much over the last twenty years that this is needed.

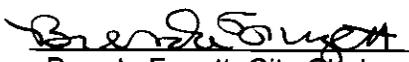
Council member M. Johnson asked if the IT Director would be over the computer function of the Police Department. Mr. Pressley replied that has not been determined yet, but they would definitely work together in a different way than they have been, but staff would need to look at the security the Police Department requires and the certifications of the officers involved. Council member M. Johnson asked if it functions now as two independent tracks. Mr. Pressley replied that is correct. Council member Watt stated the security piece of the Police Department does lend itself to the different role of that individual in that department. If we are going to revisit the security standards of the entire system it may lend itself to that as well to keep that separation.

Council members agreed by consensus for staff to proceed with upgrading the Systems Administrator position to a Department Head position of IT Director.

There being no further business, Council member West made a motion to adjourn the meeting, seconded by Council member Phifer. The motion carried unanimously.


Constantine H. Kutteh, Mayor

Attest:


Brenda Fugett, City Clerk

