

**MINUTE BOOK 26, PAGE 059
CITY OF STATESVILLE COUNCIL MEETING – April 4, 2016
CITY HALL – 227 S. CENTER STREET, STATESVILLE, NC – 7:30 P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Costi Kutteh presiding:

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

Council Absent: None

Staff Present: Pressley, Fugett, Gaines, Davis, Currier, Ferguson, Barone, Harrell, Cornelison, Watt

Media Present Amy Fuhrman-Statesville Free News, Nina Mastandrea-Statesville Record & Landmark

Others: 85

I Call to Order
Mayor Kutteh called the meeting to order.

II Invocation
The Invocation was given by City Clerk Fugett.

Pledge of Allegiance
Mayor Kutteh led the Council in the Pledge of Allegiance.

Mayor Kutteh apologized for the delay in starting the meeting due to the executive session at the pre-agenda meeting.

IV 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 City Council February 11, 2016 Retreat meeting.**
- B. Consider approving Budget Amendment #14 in the amount of \$32,010 for the construction of a dog park at Caldwell Park.**
- C. Consider approving 2nd reading of ZC16-02 filed by Lisa Valdez for a portion of the properties located adjacent to 422 Turnersburg Highway; Tax Maps 4746-57-8039, 4746-40-5653 & 4746-40-8229; from B-4 (Highway Business) District to R-5MF CU (High Density Residential Multi-Family Conditional Use) District.**

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 from Council.

Upon a motion by Council member Morgan, seconded by Council member Watt, the Consent Agenda was unanimously approved.

REGULAR AGENDA

Mayor Kutteh advised that Item X has been removed from the agenda.

He stated that he received a late request from the Community Appearance Commission. They are about to conclude the work at the Sculpture Garden. They have asked Council to consider naming this area the Statesville Sculpture Garden. He asked Council for a motion to approve this name for the area beside the Old Gordon's building and Special Treasures.

Council member Williams made a motion, seconded by Council member Morgan to name this area the Statesville Sculpture Garden.

- V Consider a motion to reconsider an ordinance to annex the properties owned by Tsumas Family LTDP & Wheeler Investments, LLC located at and around 1068 Elmwood Road at the April 18, 2016 City Council meeting. (*This reconsideration is not a vote on the annexation.*)**

Mayor Kutteh asked Council if there was a motion to reconsider this ordinance.

Mayor pro tem M Johnson made a motion to reconsider first reading of this ordinance. He noted that this annexation has no bearing on rezoning. This is strictly a matter of annexation. Council member West seconded the motion. The vote was as follows:

Ayes: Morgan, West, M. Johnson

Nays: J. Johnson, Phifer, Watt, Williams, Schlesinger

The motion failed 5 to 3.

- VI Receive an update report from Richard Angino regarding the Vance Hotel.**

Mr. Angino presented an update to Council. He noted that in the past three months he has visited Statesville Historic collection and found an old original set of plans for the building and numerous pictures. They are finishing the vision phase and moving into the design phase. Once the Development Agreement is approved by Council, he will proceed.

The next phase will include the parking deck, generic use for basement and first floor use and the design for residential units on second thru fifth floors. He will continue to work on identifying the difference between doing condos and rental units and will start getting prices soon on the construction costs.

The next phase will take place thru July. In August they should have definite plans for the entire proposed hotel. In October the financial pro forma will be presented to Council, which lists the specific budgets for each area of the project. In December the complete package would be presented to Council.

Council member Williams questioned plans to market the property. Mr. Angino replied that he will hire a commercial management company. Potential of showing virtual tours and marketing over the internet was briefly discussed.

Council member J. Johnson asked about the major risks factors to the success of the project. Mr. Angino responded cost and he explained that the other risk is to build the project and then not having a market to fill it upon completion.

Council member J. Johnson questioned the status of securing lenders for the project. Mr. Angino noted that he is not at that point yet. He will need to know how many units are available and what rents will be charged, etc. before that can be determined.

Council member Phifer asked if they have settled on a focus group for marketing the property. Mr. Angino replied the baby boomers and their kids, but it will be a combination of all groups.

Mayor Kutteh stated the Development Agreement will be considered at the first meeting in May.

- VII Conduct a public hearing to solicit input as to the needs of the Downtown Municipal Service District (DMSD).**

Planning Director Currier advised that the DMSD expires on June 30, 2016. This public hearing is required as a part of the new laws to renew all service districts. The new law also requires that the City send out a request for proposals for a private agency to administer the program. The City Council will review any proposals submitted and ultimately enter into a contract with the private agency. A second public hearing to renew the DMSD will be conducted in May and the City Council will then be in a position in June to award the contract and pass a resolution for the renewed DMSD for a maximum of five (5) years.

Mayor Kutteh declared the public hearing open and asked for anyone who wished to speak.

Ron Matthews, owner of a business at 204 Salisbury Road, stated there is a need to continue to market downtown for the businesses and the community.

David Jones of Carolina Landmark Reality pointed out that an advocate is needed to bridge the economic gap between businesses and local/state government.

John Marshall of Statesville Jewelry & Loan noted that it requires a public and private effort since we all are stakeholders in downtown. He applauded efforts of Council.

Cindy Sutton, owner of Groucho at 101 E. Broad and 150 E. Sharpe Street, recollected that her company has experienced a double digit growth every year since she has been in business. She would like to see a continued push from media for marketing.

Mayor Kutteh asked all those present in support of this matter to stand. Fourteen (14) people stood.

Mayor Kutteh asked if there were any other speakers.

Bob Dooley, 411 S. Center St, stressed that it is so important to have a main street organization to represent downtown business owners.

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

Mayor Kutteh encouraged everyone to speak to their NC State representatives and ask them not to opt out of the Municipal Service District.

VIII Consider approving a motion to request proposals for the Downtown Municipal Service District

Planning Director Currier stated the North Carolina General Assembly added procedural requirements to the steps necessary to renew municipal service districts. One of the changes involves soliciting proposals from private agencies to administer the municipal service district programs. With City Council's approval, the attached request for proposals will be modified by any valid comments made during the public hearing and then advertised in the local newspaper.

The following schedule will be used for the rest of the renewal process:

May 02, 2016 City Council will select a private agency.

May 16, 2016 City Council will conduct a public hearing for renewal.

June 06, 2016 City Council will pass a resolution renewing the municipal service district and award a contract to a private agency to administer the program.

Council member J. Johnson made a motion to request proposals for the Downtown Municipal Service District. Council member Schlesinger seconded the motion, which was unanimously approved.

Mayor Kutteh recognized Scout Jack Brinkley, who is working on achieving Eagle Scout distinction. His project was to add a new backboard at Caldwell Park.

IX Conduct a public hearing and consider approving a Resolution to Close, a portion of right-of-way on Hillside Lane between the new Tonewood Street constructed as part of I-3819 and Pump Station Road.

Planning Director David Currier advised that Mr. Rusty Chapman representing JAME Limited Partnership is petitioning to close the section of Hillside Lane from the new Tonewood Street that was constructed by the North Carolina Department of Transportation (NCDOT) as part of the I-3819 project. JAME Limited Partnership and NCDOT own all the property that abuts the remaining portion of Hillside Lane (see attached map). JAME limited Partnership would like to abandoned this right-of-way to combine their properties for development in the future. There are no City electrical lines, water or sewer lines along this portion of the street. Therefore no utility easements are necessary. On March 7, 2016 the City Council passed the Resolution of Intent to schedule the public hearing for this request.

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

Upon a motion by Council member Schlesinger, seconded by Council member M. Johnson, the resolution to close a portion of right-of-way on Hillside Lane between the new Tonewood Street constructed as part of I-3819 and Pump Station Road was unanimously approved.

- X Conduct a public hearing and consider approving first reading of ZC16-03 filed by Allied Design, Inc. for the properties located at 768 & 780 Eastside Drive; Tax Maps 4744-83-2789 & 4744-84-5060; from R-8MFM District (Medium Density Multi-Family Residential) District to B-4 (Highway Business) District. *NOTE: I AM WORKING WITH THE APPLICANT TO REVISE THIS TO A CONDITIONAL USE REZONING REQUIRING RIGHT OF WAY DEDICATION, ADDITIONAL BUFFERS, AND INTERSITE CONNECTIVITY.***

This item was removed at the request of the applicant.

- XI Consider a request from Iredell Museums to approve the installation of public art panels on the property at 134 Court St.**

Mr. Carrier stated that Ms. Amy Lawton of Iredell Museums has requested approval to install six wooden panels containing public art on six of the second story windows on the building at 134 Court St. The panels will contain original artwork relative to the museum's new mummy exhibit and will only be displayed for the duration of the exhibit, ending in September, 2017. Iredell Museums is requesting to install the artwork for two reasons: 1) to raise awareness of its new mummy exhibit and 2) as a means to protect the second story windows until money is raised to replace the windows. The museum hopes that the display of artwork will help to promote the exhibit and therefore increase the museum's revenue. The revenue generated from the exhibit will then be put towards the new replacement windows. The Design Review Committee met on March 24 to discuss the proposed public art installation. The committee unanimously approved the request, and added the stipulation that the panels must be removed by December 1, 2017. All costs associated with the artwork and installation will be provided for by the Iredell Museums. The art itself is valued at around \$3,000.

Council member Schlesinger asked what the panels will be made of. Ms. Lawton replied from the audience that they will be made out of weather proof plywood and professionally installed.

Upon a motion by Council member Phifer, seconded by Council member Morgan, the request from Iredell Museums to approve the installation of public art panels on the property at 134 Court Street was unanimously approved.

- XII Consider purchasing a 0.68 acre parcel at 150 E. Front Street and approval of Budget Amendment #16.**

Scott Harrell recollected that the City entered into an option to purchase the above-referenced property (Parrish Tire) from Lowery Properties on February 11, 2011. Since entering into the option, the following due diligence activities were performed:

- Phase I and Phase II Environmental Site Assessments, which included visual inspection of the site and physical sampling of groundwater and soils. Some contaminants consistent with the site's downtown location and use as an automobile service facility were detected. The nature and concentration of the contaminants will not inhibit future development of the site.

The purchase price for this parcel is \$350,000, plus approximately \$2,000 in closing costs. Staff recommends purchasing the 0.68 acre parcel at 150 E. Front Street and approval of Budget Amendment #16.

Mayor Kutteh recalled that last May Mr. Lowery gave the one (1) year notice for Council to carry through on the intent to purchase the property. He further stated that Mr. Lowry does not want the entire payment. He will take half now and a no interest note payable 1st of 2017.

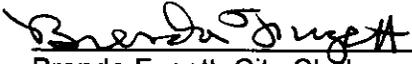
Mayor Kutteh noted the City will offer these properties for rent since the City has no immediate plans for the property.

Upon a motion by Council member Morgan, seconded by Council member West, the purchase of .68 acre parcel at 150 E. Front Street and Budget Amendment #16 were unanimously approved.

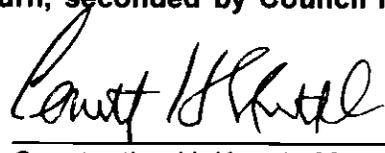
There being no further business, Mayor Kutteh asked for a motion to adjourn.

Council member West made a motion to adjourn, seconded by Council member Morgan. The motion carried unanimously.

Attest:


Brenda Fugett, City Clerk




Constantine H. Kutteh, Mayor