

**MINUTE BOOK 26, PAGE 091
CITY OF STATESVILLE PRE-AGENDA MEETING – June 06, 2016
CITY HALL – 227 S. CENTER STREET, STATESVILLE, NC – 6:00 P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Costi Kutteh presiding:

Council Present: J. Johnson, Schlesinger, Morgan, Williams, Watt, M. Johnson, West, Phifer (arrived late)

Council Absent: 0

Staff Present: Pressley, Fugett, Gaines, Davis, Smyth, Ferguson, Hudson, Staley, Barone, Onley, Shelton, Ashley, Currier, Harrell, Watt, Slocum, Gaines, Cornelius, Styers, Gregory

Media Present Nina Mastandrea-Statesville Record & Landmark, Debbie Page-Statesville Free News

Others 2

I Call to Order

Mayor Kutteh called the meeting to order and advised there will be an Executive Session following the pre-agenda meeting to discuss a litigation matter, a personnel matter and a land acquisition matter.

Mayor Kutteh stated the next Budget Workshop meeting will be held in the City Hall 3rd floor conference room at 6:30 p.m. on June 9, 2016 with an Executive Session prior at 5:30 p.m.

II Invocation (Only at Council Meeting)

III Pledge of Allegiance (Only at Council Meeting)

IV Public Comment (Only at Council Meeting)

V Consent Agenda

Mayor Kutteh reviewed the Consent and Regular agenda items.

A. Consider approving the minutes of the March 29, 2016 Continued City Council meeting, the April 04, 2016 Pre-Agenda and City Council meetings, the April 18, 2016 Pre-Agenda and City Council meetings, and the May 10, 2016 Pay Study Report meeting.

B. Consider approving 2nd reading of text amendment TA16-03 filed by the City of Statesville to amend Article 3 - Zoning, Table 3.1; Use Matrix, to allow Breweries and Distilleries in the B-5 (General Business) District.

C. Consider a request to apply the alternate industrial street standard to Marble Road.

Scott Harrell stated staff has received a request to apply the alternate industrial street standard in conjunction with a proposed expansion at 170 Marble Road, Steel Tube Inc. Under the alternate industrial street standard, sidewalk and curb & gutter are not required. Staff recommends approval of the alternate industrial street standard for Marble Road.

Council member West advised he is involved in this project and will recuse himself from voting on this item.

D. Consider approving Budget Amendment #23 for \$21,000 for consultation services pertaining to the Fourth Creek NPDES Permit renewal.

Mayor Kutteh stated that at the February 11, 2016 Council Retreat the City Council directed staff to appropriate funds for consultation services to assist in negotiating limits with the NC Dept. of Environmental Quality Division of Water Resources during the renewal process for the Fourth Creek NPDES permit. Consultants involved on the City's behalf are McGill Associates, estimated costs \$14,000, and attorney Mr. Randy Tinsley with the legal firm of Brooks Pierce,

estimated cost \$14,000 for a total of \$28,000. There is currently \$7,000 in available funds. This \$7,000 added to this request for \$21,000 results in a total cost of \$28,000.

Joe Hudson advised that this is an estimate but the cost will not exceed this amount.

E. Consider approving an ordinance to close the Third Creek Waste Water Treatment Plant Capital Project Fund and approve Budget Amendment #20 returning the remaining funds to the Water and Sewer Fund.

Mayor Kutteh asked staff to report at the next budget workshop if there could have been other improvements made to the facility that these funds could have been used for.

Council member M. Johnson asked staff to also find out if it is too late to recover some of the soft costs that the City paid to McGill for this project.

F. Consider approving a resolution to re-establish a Downtown Municipal Service District.

David Currier explained that there have been recent changes to state statute that is requiring this to be executed by ordinance with two readings now instead of by resolution.

Mayor Kutteh stated this will be amended to read "Consider approving first reading of an ordinance" and the 2nd reading will be held at the June 20, 2016 Council meeting. Item G will be removed from this agenda and also heard at the June 20, 2016 Council meeting.

G. Consider authorizing the City Manager to enter into a service contract for the Downtown Municipal Service District.

This item was removed from the agenda and will be heard at the June 20, 2016 Council meeting.

H. Enter into a lease agreement with Iredell-Statesville Schools for the Unity Dr. Elevated Water Tank site for \$1.00

Mayor Kutteh stated that this is a 30 year lease.

I. Consider approving Budget Amendment #22 that increases the amount of Water and Sewer System Development Fees that will provide for an increase appropriation for transfers to the Water and Sewer Capital Reserve Fund.

Mayor Kutteh stated that this is to provide an additional appropriation for System Development Fees transfers as a result of increased System Development Revenues. Current estimates for Water SDFs will exceed estimated revenues by \$40,000 and Sewer SDFs by \$125,000.

J. Consider approving the semi-annual write-off of approximately \$115,651.46 in utility accounts.

Mayor Kutteh stated that this is a semi-annual write-off of utility accounts that had been placed for collection between July 1, 2014 and December 31, 2014 in the amount of \$115,651.46. Gross billing for July 1, 2014 to December 31, 2014 was \$30,021,186.28. We are writing off \$115,651.46. The write-off percentage is .39%. The City recovered \$20,256.41 in utility bad debts during the period referenced above.

K. Consider approving a six month agricultural lease for property at Buffalo Shoals and Airport Road.

Mayor Kutteh stated this is a six month agricultural lease beginning June 1, 2016 through November 30, 2016 for the property at Buffalo Shoals and Airport Roads with Rogers Mountainview Farms in the amount of \$4,500.

L. Consider approving a request from the Iredell Museum to close a portion of the municipal lot located at the intersection of Front & Meeting streets on June 10, 2016 from 9am - 5pm to hold a Port-A-Pit Fundraiser for the 60th anniversary of the Iredell Museum.

Mayor Kutteh said he has spoken with the museum representative and they only need a small portion of the parking lot. He asked the Police Department to contain this to one area of the parking lot to keep as many parking spaces open as possible.

REGULAR AGENDA

- V Receive and concur with the 2016-2017 Budget for the Statesville Convention and Visitors Bureau and receive a brief report from Phil Hazel, SCVB Chairman.**
No discussion.

- VI Consider approving a professional services agreement with Centralina Council of Governments for grant writing in the amount of \$15,000 and Budget Amendment #24.**

Mayor Kutteh stated CCOG's proposal for consulting is broken down into 2 phases, Phase I - \$8,000 and an estimated timeframe of 9 months and Phase II - \$7,000 with an estimated timeframe of 2 months.

Sherry Ashley stated that this is a highly competitive grant with \$800 million dollars available for 2016. This is the first year the grant has been offered. The deadline was April 2016 and there was not enough time to meet all the 39 page application eligibility requirements so staff is preparing for the 2017 grant year.

Council member M. Johnson added that this will probably be more than a \$10 million grant with a 20% minimum match which will probably not be enough to get the grant. He asked that Council keep this in mind during budget decisions.

Council members agreed by consensus to move this item to the Consent Agenda.

- VII Receive reports on the Vance Hotel regarding: (A) Parking from Doug Chapman with McGill & Associates, and (B) An update from Jim Prosser with CCOG and Richard Angino with Third Wave Housing.**
No discussion.

- VIII Consider approving a resolution of endorsement to re-establish the Statesville Human Relations Commission.**
Mayor Kutteh explained that this Commission will not be under the auspice of the City of Statesville.

- IX Conduct a public hearing and consider approving first reading of ZC16-05 filed by Ronald & Margaret Skinner for the property located at 1470 W. Front Street; Tax Map 4734-25-7963; from L-I (Light Industrial) District to B-5 (General Business) District.**
No discussion.

- X Conduct a Quasi-Judicial public hearing and consider approving site plan P16-09 for AT&T Retail Site located at 151 Turnersburg Highway; Tax Map 4745-35-6152.**
Mayor Kutteh stated the total acreage of the site is approximately 2.7 acres. The structure will share the parcel with the existing Chili's Restaurant on Turnersburg Highway. The proposed structure will be a 2,900 square foot Commercial structure for an AT&T retail location and another retail space for a use to be determined at a later time.

Mayor Kutteh asked if the façade issues have been resolved. Council member West replied that he met with staff today and has worked out some compromises on the façade that is required to be 60% glass and awnings. He stated that the way the ordinance is written is very ambiguous and he would like Council and the Planning staff to review this at a later date. Council member West added that he would be recusing himself from this item due to a conflict of interest.

- XI Conduct a Quasi-Judicial public hearing and consider approving site plan P16-05 for a McDonald's located at 3203 Taylorsville Highway; Tax Map 4725-50-0256.**
Mayor Kutteh stated McDonald's is proposing to construct a 5,311 square foot building to replace the existing McDonald's building on a 1.29 acre site. This will also remove the existing Shiki Restaurant structure which is adjacent to the McDonald's site.

XII Conduct a Quasi-Judicial public hearing and consider approving site plan P16-06 for Ingles located at 722 Sullivan Road; Tax Map 4745-33-8407.

Mayor Kutteh stated the property is zoned B-4 and the total acreage of the site is approximately 10.95 acres. Ingles Markets Inc. is proposing to construct a 72,128 square foot building for a supermarket and also gas pumps on site. Three existing commercial structures will be demolished. The site will have 239 parking spaces (258 required). Ingles received a variance from the Board of Adjustment to allow for fewer parking spaces on May 3, 2016. Sidewalk will be provided along both Sullivan and Free Nancy Roads. The development will have curb and gutter.

Council member J. Johnson asked if approving the site plan will force Council to approve the proposed round-about. Mayor Kutteh said it is his understanding that the awarding of the driveway permit and the approval of the site plan are two totally separate issues and the City Manager will only issue the driveway permit based on a satisfactory resolution of the traffic concerns.

XIII Consider approving an amendment to the Downtown Statesville Design Guidelines dealing with permitting temporary Art Walls on an annual basis.

Mayor Kutteh stated the Design Review Committee, City and DSDC representatives met with the property owner and tenant and the following amendment to the Downtown Statesville Design Guidelines is a recommendation on how City Council could proceed in relation to permitting a temporary art wall in downtown. The amendment would be added to the Downtown Design Guidelines under Chapter 6: Aesthetic furnishings, displayed merchandise and trade display, Page 44:

4. An Art Wall may be permitted on an annual basis as approved by the City Council. This policy will deal with temporary art and will not be subject to Section 6.09 of the Unified Development Code. Regulations for an art wall shall be as follows:
 - a. Artwork may be painted only on a wall which already has a paint coating. An art wall on unpainted brick is not permitted.
 - b. Eligible walls must be on a building that has an owner and/or tenant conducting an art studio/gallery business.
 - c. An annual permit will be issued on a fiscal year basis by the Planning Department.
 - d. The owner and/or tenant of the building will control the site and artistic content of the artwork by commissioning the murals. Any lewd or offensive art may result in an immediate revocation of the permit and the artwork as directed by the City Council will be covered within 24 hours or face civil penalties.
 - e. Temporary artwork is defined as remaining in place for a maximum of 1 year but could be changed out more often.
 - f. A small area of each piece of artwork may be dedicated to the sponsor of the artwork with the sponsors name only. No logos or advertising shall be permitted.

Council member M. Johnson pointed out that the Guidelines do not specifically state that only sidewalks may be used. He added that a tattoo shop may try to say that it is an art studio/gallery. Marin Tomlin said the Planning Department would be issuing the permit and would determine whether or not it fit the definition of an art studio/gallery business.

XIV Consider awarding the contract for Street Improvement Projects – Division AA and Unpaved Streets.

Mayor Kutteh stated that bids were originally due on May 19th, 2016, but only two were received. In accordance with state guidelines for the formal bidding process, the project was re-advertised for a period of seven days, with a new due date of May 27th. On the second due date no additional bids were received, and the two submitted were opened. The low bid was received from J. T. Russell & Sons, Inc. of Conover, NC in the amount of \$493,530. The 2015-16 budget included \$600,000 for street improvement projects, and the bid amount is \$493,530. With the decrease in the cost of asphalt, staff recommends a project budget of \$600,000 and requests authorization to utilize the

remaining funds to include additional streets and unpaved streets in Division AA, and for general street and bridge maintenance.

XV Consider joining the Lake Norman Regional Transportation Commission.

Mayor Kutteh stated that the Lake Norman Regional Transportation Commission is inviting the City of Statesville along with Iredell County, the Town of Mooresville, the Town of Troutman and the Town of Davidson to participate as members. The mission of the Lake Norman Regional Transportation Commission is to advocate and persuade local, state and federal officials to give high priority to road, interstate, and commuter rail, improvements which facilitate the quality of life in north Charlotte, Mecklenburg and Iredell Counties, and in the lake Norman Region while providing the vital infrastructure needed for continued economic growth.

The Commission's services include:

- Study, investigate and advocate any and all transportation improvements
- Attend CRTPO and TCC meetings
- Serve on transportation committees such but not limited to the Unified Planning Work Program, Project Oversight Committee, P4.0 Workgroup and the I-77 Local Representatives Committee

Membership is on an annual basis. If all the jurisdictions referenced above participate, membership dues are estimated to be around \$10,000.

Council member Schlesinger made a motion to move to Executive Session in accordance with N.C.G.S. 143-318.11(a)(4) to discuss an economic development matter, N.C.G.S. 143-318.11(a)(6) to discuss a personnel matter, N.C.G.S. 143-318.11(a)(3) to discuss a litigation matter, and N.C.G.S. 143-318.11(a)(3) to preserve the attorney-client privilege for all, seconded by Council member Phifer. The motion carried unanimously.

Upon return to open session Mayor Kutteh advised that an economic development matter was discussed and no action was taken.

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



Attest:

Brenda Fugett
Brenda Fugett, City Clerk

Constantine H. Kutteh
Constantine H. Kutteh, Mayor