

**MINUTE BOOK 26, PAGE 126
CITY OF STATESVILLE COUNCIL MEETING – August 01, 2016
CITY HALL – 227 S. CENTER STREET, STATESVILLE, NC – 7:00 P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Costi Kutteh presiding:

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

Council Absent: 0

Staff Present: Pressley, Smyth, Gaines, Fugett, Currier, Davis, Barone, Watts, Gregory, Harrell, Shelton, Slocum, Chipman, Souther, Ashley, Staley, Allen, Onley

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

Others 10

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

Mayor Kutteh advised that items X, XI, XII and XV have been moved to the Consent Agenda and item XIX has been removed from the agenda.

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 June 20, 2016 and July 18, 2016 Pre-Agenda and Council meeting minutes.

B. Consider approving 2nd reading of an ordinance to condemn the structure located at 1008 4th St. as unfit for human occupancy.

C. Consider approving 2nd reading of an ordinance to condemn the structure located at 1100 4th St. as unfit for human occupancy.

D. Consider approving 2nd reading of an ordinance to condemn the structure located at 1324 4th Street as unfit for human occupancy.

E. Consider approving a Resolution of Intent to permanently close a 10' alley adjacent to Harrill Street.

X Consider re-appointing John Marshall and Rebecca Jones to the Downtown Design Review Committee.

XI Consider approving the Lake Norman Regional Transportation Commission Memorandum of Understanding (MOU) and Budget Amendment #03.

XII Consider approving a re-classification of the City Manager's clerical position from Administrative Secretary to Deputy City Clerk.

XV Consider approving a Resolution to donate surplus radio equipment from the Police Department to Mitchell Community College.

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

V Receive an update from Jim Prosser and Richard Angino regarding the Vance Hotel project.

Richard Angino with Third Wave Housing stated that at this stage he has gathered all the information he can at this point. He has preliminary information related to the construction of the property and we have a very good idea related to the market itself and what is needed in the market place. He has put together a package for lenders and has started getting their ideas related to the property and also getting an idea of preliminary pricing. Mr. Angino advised that he has assembled a rental program because condos are just not working right now. It is a mix of 36 units; 21 one bedroom apartments that will be 700 to 900 square feet and 15 two bedrooms. Mr. Angino reviewed the use of the first floor as a commercial space. Four loft apartments will be in the back of the first floor but will be two floors and approximately 1,100 square feet. The center section will be demolished and made back into a courtyard.

Council member M. Johnson asked Mr. Angino if he is getting any rate pushback from the lenders on the pro-forma. Mr. Angino replied he has received some on the commercial portion but not on the residential.

Council member M. Johnson asked if any of the upper floor units lend themselves to recombination if the larger first floor units are successful. Mr. Angino replied that when the project is going through the design phase the management company will determine exactly what mix is needed.

Council member Watt asked what the basement area will be used for. Mr. Angino replied the units in the back will be using the lower floor and will face the parking deck so will have direct access. The lower shops are being considered for storage space for tenants.

Council member Watt asked if there is any use considered for the roof. Mr. Angino said if the safety factor could be approved he would love to have a rooftop patio there.

Jim Prosser reminded Council that the project is still in the preliminary development phase. Council will receive a Term Sheet with what is going to be built and financial terms prior to final agreements being made. He asked Council to contact him with any questions or concerns.

Council members agreed that Mr. Prosser and Mr. Angino will give another update at the September meeting.

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

John Marek with Statesville Regional Development stated Project Sparrow proposes an expansion that would include the construction of a new 50,000 square foot "wing" onto the existing building and the addition of new capital equipment. Combined investment in new construction and new equipment would be \$70 million, with approximately \$4 million in construction costs and \$66 million in capital equipment. The project would create 25 new jobs paying an average of \$25 per hour. The economic incentive shall be based upon the City's making an appropriation of \$952,000 paid out between 2018 and 2022.

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 none, he asked for a motion on the matter.

Council member J. Johnson made a motion to approve an economic incentive to an existing Statesville based industry known as "Project Sparrow", seconded by Council member Phifer. The motion carried unanimously.

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

Mr. Marek stated that Project Nike proposes a combined investment in new construction and new equipment of \$38.1 million, with approximately \$22 million in construction costs and \$16 million in capital equipment. The project would create or retain 250 new jobs. The new location would be served by City of Statesville Electric and would be a moderate to high load user. Under a traditional 6 year industrial incentive plan, the company would be eligible for a \$680,000 grant. The company has requested that years 5 and 6 of this grant be paid "upfront" as part of a development agreement with the City and the County involving water, sewer and road infrastructure. The economic incentive would be based upon the City's making an appropriation of \$210,000 upon completion of the approved infrastructure projects. The remaining 4 years totaling \$470,000 would be paid as usual.

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 none, he asked for a motion on the matter.

Council member J. Johnson made a motion to approve an economic incentive to an existing Statesville based industry known as "Project Nike", seconded by Council member Morgan. The motion carried unanimously.

VIII Conduct a public hearing and consider approving first reading of an ordinance to annex the Venture Properties VII, LLC property (Publix) located at 134 Venture Lane.

David Currier stated the property being considered for annexation is located on the northeast side of Venture Lane. The subject property is approximately 3.76 acres in size and encompasses Iredell County Parcel Identification Numbers (PINs) 4745-37-2962 & 4745-28-8173. The subject property is contiguous to the current primary municipal limits of the City of Statesville. Therefore, this request is being processed as a voluntary contiguous annexation due to the request for city sewer & water. This will generate an approximately \$5.75 million increase on the tax scroll.

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 none, he asked for a motion on the matter.

Council member Schlesinger made a motion to approve first reading of an ordinance to annex the Venture Properties VII, LLC property (Publix) located at 134 Venture Lane, seconded by Council member Watt. The motion carried unanimously.

IX Conduct a public hearing and consider approving site plan (Quasi-Judicial) P16-10 for Publix Market located at 134 Venture Lane; Tax Maps 4745-37-2962, 4745-28-8173, 4745-38-3075 & 4745-37-1794.

Mr. Currier stated the site is located on Venture Lane which is off of Turnersburg Highway, more specifically the site where the vacant Staples building was located. The property for Publix contains approximately 8.85 acres and is zoned B-4. The building is proposed to be 45,600 square feet with a drive thru pharmacy and proposed to have 329 parking spaces being provided (321 spaces required for Publix and adjacent shops). A new 1700 sf lease space is also proposed adjacent to Publix to attach to the existing shopping center. The building will have two access points from Turnersburg Highway. The new structure meets at the code requirements. The exterior walls will be constructed of cement plaster, stone veneer and EFIS. The roof will be metal and windows have been provided as required by the UDO. Landscaping has been provided along the northern boundary of the property and in the parking lot areas as required. Sewer and water will be provided by the City of Statesville. Publix received a variance in March of 2016 to improve the current sign located at the intersection of Turnersburg Highway and Northpointe Boulevard for aesthetic purposes. The Technical Review Committee approved the site plan on January 20, 2016 contingent upon and easement being granted for storm water purposes, the submittal of an Erosion Control Plan, resolving the sign issue, submittal of storm water calculations, annexation of the portion of the property currently not in the city limits and adding sampling T to the plans. These issues have all been resolved therefore; staff recommends approval of the site plan. The Planning Board unanimously recommended approval of the site plan.

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 none, he asked for a motion on the matter.

Council member M. Johnson made a motion to approve site plan P16-10 for Publix Market located at 134 Venture Lane; Tax Maps 4745-37-2962, 4745-28-8173, 4745-38-3075 & 4745-37-1794 based on the evidence presented, seconded by Council member Schlesinger. The motion carried unanimously.

XIII Consider approving Special Appropriations allocations.

Lynn Smyth stated the following non-profit agencies receive allocations from the City each year during the budgeting process:

Arts Council	\$3,325
Children's Home of Iredell	\$ 3,750
Council on Aging	\$ 5,750
Iredell Co Rescue Squad	\$ 6,500
Lifespan Vocational WS	\$25,000
Elderly Nutrition Program	\$ 3,731
Garfield Sr. Citizens	\$ 1,000
Golden Age Sr. Citizens	\$ 1,000
Happy Hour Sr. Citizens	\$ 1,000
Counseling Center Iredell	\$ 9,560
Iredell Senior Center	\$ 4,600
5 th St. Shelter Ministry	\$ 4,000
Iredell Museums, Inc.	\$ 3,570

Total annual allocation is \$72,786. Historically, this list has been frozen with no new agencies being added and if an agency fails to request an annual allocation, they may be removed from the list. During 16/17 budget discussions, staff planned to present this allocation to Council for discussion early in the new fiscal year. Understanding that everyone's budgets are tight and one funding mechanism often relies on another, should there be a decision to reduce or eliminate special appropriations funding, the City would like to provide as much notice as possible to the impacted agencies.

Council member Schlesinger asked if in the past the City has placed any restrictions on how these funds are to be spent. Mrs. Smyth replied it has not. Schlesinger pointed out that Lifespan, which receives the largest contribution, is not located inside Statesville. Mrs. Smyth stated that is correct, but a great number of City residents receive services from Lifespan that they are unable to pay for. Council member Schlesinger said several of the agencies use the City allocation for matching grants which should be heavily encouraged. He said he did not believe that the use of the funds by the Garfield Sr. Citizens, Golden Age Sr. Citizens and the Happy Hour Sr. Citizens groups was an appropriate use for City funds. Mrs. Smyth said that two of these groups are coordinated through the City Parks & Recreation Department and the other is coordinated through the Senior Center. She reminded Council that it had been previously discussed to change this so that these programs fell under the auspice of the Parks & Recreation Department.

Mayor Kutteh said he thought the programs would continue under the Parks & Recreation Department which most likely already heavily supports the groups and then these three appropriations could be eliminated.

Council member J. Johnson asked if Lifespan charges for their services if the person has insurance. Mrs. Smyth replied they do. Mayor Kutteh said that most are exclusively developmentally disabled folks that live in group homes.

Council member M. Johnson said he would like to continue the funding to those that use the funding as grant matches.

Council member West asked if these groups have been notified that Council was considering eliminating these appropriations. Mrs. Smyth replied that they were told that Council was considering this when the questionnaires were sent to them but a new notice has not been sent this year as it was her understanding that the issue needed to come back to Council for further discussion.

Mayor Kutteh said that in the past he had discovered that if donations to these organizations came through the City and then were fed back through to them, that they would qualify for the match as well. The organizations were made aware of that fact back then, but nothing further ever became of it. Mr. Staley said he is not familiar with this but can research it and report back to Council.

Council members agreed to move the three Senior Citizens groups under the auspice of the Parks & Recreation Department and eliminate these three \$1,000 appropriations.

Council member West said that due to the fact that Lifespan is not located in the City and Council does not know what percentage of City residents receive services from them, he would like to reduce the appropriation to them. Mayor Kutteh explained that Lifespan was originally a local organization and then Lifespan, which is a larger organization, took them over. He said he would like staff to find out what percentage of City residents receive services from them and what other funding they receive before the City arbitrarily cuts its appropriation.

Council member Morgan said that even though these organizations do tremendous work and provide wonderful services, he still has a bit of an issue with appropriating tax payer funds to non-profit agencies. He asked that Council keep that in mind and look at what it is going to do going forward. Mayor Kutteh said he agrees and that it has been the focus of this Council not to decide what charities the tax payers will contribute to, but the appropriations have been in place for a long, long time and have been cut back to under \$70,000 in a \$30 million budget. He said he thought it would be harsher to go the other way and undo what has been there for years.

Council instructed Mrs. Smyth to provide the information discussed to Council at the Retreat.

XIV Consider approving a request from the DSDC Promotions Committee that the City of Statesville be an official co-sponsor of the 2016 Hops & Harmony Craft Brew Fest, providing in-kind services as listed below.

Marin Tomlin stated that this event will be similar to the wine tasting event. Fifteen to twenty North Carolina craft breweries are expected to participate and two or three bands will perform. This will be a ticketed event held downtown rain or shine on October 1st from 12:00 p.m. to 5:00 p.m. It is anticipated that 700 - 1,000 will attend this event. In keeping with the City's Special Events Sponsorship Policy, the Committee would like to make a formal request that the City of Statesville be an official co-sponsor of the 2016 Hops & Harmony Craft Brew Fest, providing in-kind services such as electrical hookups, security, drop off and removal of barricades, sanitation services, trash containers, and other services as approved by the City Manager.

Council member Morgan made a motion to approve, seconded by Council member Schlesinger. The motion carried unanimously.

XVI Consider approving a request from the Downtown Statesville Development Corporation to close selected streets in downtown Statesville on Saturday, October 1, 2016 between 8:00 a.m. and 7:30 p.m. to host the new Hops & Harmony Craft Brew Fest on this date. In addition, it is requested that a temporary towing enforcement of vehicles that are in the street closure area be in effect during the listed times.

Chief Mike Watts stated the street closures will be from 8:00 a.m. until 7:30 p.m. on Saturday, October 1, 2016. The affected streets include West Broad between Center and Kelly Streets and Meeting Street between West End Avenue and Court Street; and Landmark Alley between West Broad and Tunxis Streets. Appropriate signage, traffic control personnel, and detours will be provided by the City of Statesville/Statesville Police Department to minimize any inconvenience to motorists. The event runs from 12:00 p.m. until 5:00 p.m.

Council member M. Johnson made a motion to approve, seconded by Council member Williams. The motion carried unanimously.

XVII Consider approving a motion to close West Broad Street from Kelly Street to Mulberry Street, from 9:00 a.m. to 3:00 p.m., on October 15, 2016 in order to accommodate the first "Howl O' Ween Pooch Parade", sponsored by Preservation Statesville.

Assistant Police Chief Mike Watts stated the event will host numerous events/activities and vendors along with judging of the dog costumes. The event will begin with a dog costume parade which will begin on the west side of Broad Street. The parade will travel on the north side walk and travel west toward Mitchell Community College. Preservation Statesville requests that West Broad Street from Kelly Street to Mulberry Street be closed so as not to pose a safety concern for the motoring public and event participants. Traffic will be temporarily diverted with appropriate signage that will cause minimal inconvenience to the general public. All appropriate emergency service personnel (Fire, EMS, and Police) will be made aware of the temporary closure in advance of the event. Businesses in the affected area will be notified of the event date and the street closure request.

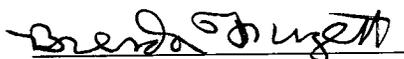
XVIII Consider approving the first reading of an ordinance to establish a no parking zone on the east side of South Mulberry St between Walnut St and West Broad St.

Captain Tom Souther stated that with over 3,000 students registering for classes each year at Mitchell College there has been an increase in pedestrian traffic. There is currently a proposal to create a three way stop at the intersection of West Broad Street, and Mulberry Street. The elimination of the parking area on South Mulberry Street will allow for better visibility for vehicular traffic attempting to make a left hand turn onto South Mulberry Street, from West Broad Street, thus creating a safety hazard for drivers who have divided attention with oncoming traffic as well as pedestrians crossing the street. It will also allow for pedestrians to clearly see traffic coming north bound on South Mulberry Street prior to them attempting to cross the street. This section of roadway is on the western edge of the newly constructed Downtown Street Scape where Mitchell College Student Services Center is located. This building hosts its own parking area in and around the side of the building. By removing the 6 parking spaces this creates better sight visibility as well as it allows for safer traffic flow in both directions. The Traffic Safety Director has found that the average vehicle measures 7.5 to 8 feet in width, driver side mirror to passenger side mirror. This configuration alone facilitates the hazard of north and southbound traffic crossing over the center of the roadway in order to avoid parked vehicles. These hazards will be removed by the passing of this ordinance.

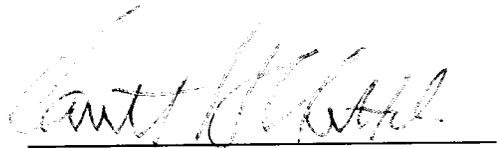
Council member West made a motion to approve first reading of an ordinance to establish a no parking zone on the east side of South Mulberry Street between Walnut Street and West Broad Street, seconded by Council member Watt. The motion carried unanimously.

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

Attest:


Brenda Fugett, City Clerk




Constantine H. Kutteh, Mayor