

MINUTES

Regular Meeting
City Hall Council Chamber

February 6, 2017
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members Eric B. Hendrick, David W. White, David Causby, Dennis C. Bailey, Ben Kittrell, Dicky Amaya; City Manager Rick Howell, City Attorney Robert W. (Bob) Yelton, City Clerk Bernadette A. Parduski, Director of Human Resources Deborah C. (Deb) Jolly, Director of Energy Services Julie R. McMurry, Director of Water Resources David W. Hux, Director of Engineering Services Benjamin (Ben) Yarboro, Police Chief Jeffrey H. (Jeff) Ledford, Fire Chief William P. Hunt, MPA, EFO, Assistant Fire Chief Logistics and Enforcement Services Todd McMurry, Assistant Fire Chief Operations and Personnel David Vanhoy, Director of Public Works Daniel C. (Danny) Darst, Jr., Director of Parks and Recreation Charlie Holtzclaw, Director of Planning and Development Services Walter (Walt) Scharer, AICP; and Reporter Casey White of The Shelby Star

Mayor Anthony called the meeting to order at 6:00 p.m. and welcomed all who were in attendance. The Mayor gave the invocation and Mr. Kittrell led the *Pledge of Allegiance*.

A. Approval of agenda:

- 1) Motion to adopt the proposed agenda

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted unanimously to approve the agenda as presented.

B. Special Presentation:

- 1) Uptown Shelby Association (USA) update – Audrey Whetten, Executive Director

Referring to her handout, Miss Whetten reported her quarterly update included highlights of recent and ongoing projects, recent and upcoming events, business news, and property news.

With regard to recent projects, Miss Whetten stated USA conducted a holiday marketing campaign, focusing on events and the importance of shopping local. She also provided the updated version of the Uptown Shelby visitor map which is widely distributed locally and throughout North Carolina.

With regard to ongoing projects, Miss Whetten stated USA is planning and preparing to host the NC Main Street Conference beginning on March 14, 2017 through March 16, 2017. She explained the North Carolina Department of Commerce organizes the conference educational program and the host city is responsible for arranging venues, information technology (IT), parking, tours, reception, signage, and volunteers. She also highlighted a panel discussion as part of the program entitled, "The Uptown Shelby Story". It will feature local speakers from public, private, and non-profit leadership representing key perspectives on Uptown Shelby's growth.

Miss Whetten continued her presentation by stating other ongoing projects include disseminating grant and rebate information to Uptown Shelby businesses and property owners. She added the City's Energy Efficiency Rebate Program has been well-received and ensures buildings are being maintained even as businesses change with time.

Miss Whetten continues to meet with prospective business owners for business recruitment and development purposes. She reported five new business openings and six very recent business inquiries, which represent the most received to date.

Council received the information and took no action.

C. Public Hearings:

- 1) Consideration of a resolution and order permanently closing a portion right-of-way at Huesker Drive and US 74: Resolution No. 4-2017

Mr. Scharer introduced Resolution No. 4-2017 for Council's consideration. He stated the property owner, Huesker, Inc., which is adjacent to this right-of-way (ROW) at Huesker Drive and US 74 Bypass, has petitioned the City of Shelby and ultimately the North Carolina Department of Transportation (NCDOT) to abandon said right-of-way. It is the applicant's intent to maintain the majority of Huesker Drive as a private drive. Mr. Scharer explained that pursuant to North Carolina General Statute 160A-299, the City may close or abandon a street, alley, or ROW after passing a resolution of intent that establishes a public hearing for said closing.

Mr. Howell noted the ROW abandonment only affects the Huesker property while preserving access to the Blanton Farm, LLC property.

Mayor Anthony opened the public hearing at 6:10 p.m. and invited comments from the public.

The public offered no comments and Mayor Anthony closed the public hearing at 6:11 p.m.

ACTION TAKEN: Upon a motion made by Mr. Bailey, City Council voted unanimously to approve and adopt Resolution No. 4-2017 entitled, “A RESOLUTION AND ORDER PERMANENTLY CLOSING A PORTION RIGHT-OF-WAY AT HUESKER DRIVE AND US 74”.

2) Consideration of a resolution confirming the City of Shelby’s intent to offer an economic development incentive grant: Resolution No. 5-2017

Mr. Howell introduced Resolution No. 5-2017 and the proposed incentive agreement for Council’s consideration.

Next, Mr. Howell summarized the scope of the project and outlined the commitments and provisions of the proposed agreement among the City of Shelby, Cleveland County, and the company code-named under “Project Grizzly”.

The company agrees to the following:

- Over a three-year period, the company will invest \$330 million in the project site creating at least 180 new jobs paying above the average County wage of \$36,576 per year and paying at least 50 percent of employee health insurance cost.
- The company will become a City of Shelby water, wastewater and natural gas customer.
- The company will provide no less than \$8 million toward construction of water and sewer infrastructure to serve the site.
- The company agrees to annex all existing facilities within 60 days.

The City of Shelby agrees to the following:

- Within 24 months, the City of Shelby will extend water, sewer, and natural gas services to the agreed upon points on the project site. Utility services will be sufficient to meet the "start-up" demand volumes provided by the company.
- The estimated cost of extending water and sewer service to the project site is \$24 million. To date, the City has secured grant funding in the amount of \$4.5 million with an additional \$4 million committed but not secured and another potential \$2 million that is also not secured.
- City would need to borrow the balance through an arrangement with Cleveland County. Cleveland County would actually issue the debt and

the City would be responsible through another agreement to pay that portion of the debt associated with the water and sewer extensions only. In the worst case scenario, the City would borrow an amount not to exceed \$11 million. Terms would be 15 years at 3.25 percent.

Cleveland County agrees to the following:

- The donation of approximately 200 acres to the company for the project.
- The construction of an access road to the project site.
- The construction of a rail spur to serve the project site.
- Twenty (20) percent grant incentive back to the company for a period of five (5) years.
- Voluntary annexation of all other identified County-owned properties in the Washburn Switch industrial area, including the project site.
- The County would issue all infrastructure related debt.

Mr. Howell added an economic development announcement event has been scheduled by Governor Roy Cooper's office for Wednesday, February 8, 2017, at the LeGrand Center.

Mr. Howell commended several key individuals associated with "Project Grizzly" who successfully negotiated and brought the proposed agreement to fruition, including City staff. Mayor Anthony and City Council included Mr. Howell in their commendation with a round of applause for the great news.

Mayor Anthony opened the public hearing at 6:20 p.m. and invited comments from the public.

The public offered no comments and Mayor Anthony closed the public hearing at 6:21 p.m.

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted unanimously to approve and adopt Resolution No. 5-2017 entitled, "A RESOLUTION CONFIRMING THE CITY OF SHELBY'S INTENT TO OFFER AN ECONOMIC DEVELOPMENT INCENTIVE GRANT".

D. Consent Agenda:

ACTION TAKEN: Mayor Anthony presented the consent agenda. Mr. White made a motion to approve the consent agenda. The consent agenda and following items were unanimously approved:

- 1) **Approval of the Minutes of the Regular Meeting of January 9, 2017**
- 2) **Approval of Special Event Permit Applications:**
 - a. **Biere de Femme Festival, requested date: March 11, 2017**
 - b. **Junior Charity League Charity Chase 5K and 10K, requested date: March 25, 2017**
 - c. **Rev Up! Car Show, requested date: April 22, 2017**
 - d. **7th Inning Stretch Festival, requested date: August 5, 2017**
- 3) **Approval of a resolution honoring Vickie M. Jones on the occasion of her retirement from employment with the City of Shelby: Resolution No. 6-2017**
- 4) **Approval of a resolution honoring Kenneth D. Crews on the occasion of his retirement from employment with the City of Shelby: Resolution No. 7-2017**
- 5) **Approval of a resolution honoring Christopher L. Poole on the occasion of his retirement from employment with the City of Shelby: Resolution No. 8-2017**
- 6) **Adoption of Fiscal Year (FY) 2016-2017 Budget Ordinance Amendment No. 14: Ordinance No. 6-2017**
- 7) **Adoption of an ordinance establishing a capital project ordinance and budgets for the City of Shelby's Farmville Road Natural Gas System Loop and Pressure Upgrading Project: Ordinance No. 7-2017**
- 8) **Approval of a resolution entering into a Memorandum of Understanding between the County of Cleveland, North Carolina and the City of Shelby, North Carolina to establish a Backup Public Safety Answering Point (PSAP) Agreement: Resolution No. 9-2017**
- 9) **City of Shelby Uptown Water and Sewer Improvements Project:**
 - a. **Adoption of an ordinance establishing a capital project ordinance and budgets for the City of Shelby's Uptown Water and Sewer Improvements Project: Ordinance No. 8-2017**

- b. Approval of a resolution authorizing selection of Willis Engineers based on qualifications for the Uptown Water and Sewer Improvements: Resolution No. 10-2017**

END CONSENT AGENDA

E. Unfinished Business:

1) Hanna Property Multi-purpose Recreation Complex Project:

Mr. Howell introduced both Resolution No. 11-2017 and Resolution No. 12-2017 for Council's consideration. Both resolutions would authorize actions allowing City staff to proceed with the process of developing the multi-purpose recreation complex on the Hanna property for construction.

- a. Consideration of a resolution authorizing the filing of an application for approval of a financing agreement authorized by North Carolina General Statute 160A-20: Resolution No. 11-2017**

Mr. Howell stated, if approved, Resolution No. 11-2017 would allow the filing of an application with the North Carolina Local Government Commission of the State Treasurer's Office for approval of a financing agreement. The resolution also sets forth certain findings of fact made by Council in support and relative to this project.

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted unanimously to approve and adopt Resolution No. 11-2017 entitled, "A RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20".

- b. Consideration of a resolution authorizing the solicitation of competitive construction bids for the City of Shelby Hanna Park Project: Resolution No. 12-2017**

Mr. Howell stated, if approved, Resolution No. 12-2017 would authorize City staff to solicit competitive bids for the project as described. He explained although the City will solicit bids, a bid will not be awarded if the project comes back at a significantly higher price than the City has budgeted. If the bids are too high, the City would then have to re-evaluate the project.

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted unanimously to approve and adopt Resolution No. 12-2017 entitled, "A

RESOLUTION AUTHORIZING THE SOLICITATION OF COMPETITIVE CONSTRUCTION BIDS FOR THE CITY OF SHELBY HANNA PARK PROJECT”.

F. New Business: None

G. City Manager’s Report:

- 1) Mr. Howell reminded Council members the City of Shelby is hosting the 2017 NC Main Street Conference which will be held on March 14 through 16, 2017 and to register.**
- 2) Mr. Howell also reminded Mayor and Council members to join the North Carolina League of Municipalities for Town Hall Day on March 29, 2017 in Raleigh, North Carolina. There is an option for Shelby officials to schedule one-on-one meetings with legislators aside from Town Hall Day.**

H. Council Announcements and Remarks:

- 1) Mayor Anthony mentioned the invitation and encouraged Council members to attend an informal get-together at the Banker’s House on February 12, 2017 beginning at 4:30 p.m.**
- 2) Mayor Anthony congratulated Assistant Chief Todd McMurry on his recent selection as 2016 Fire Officer of the Year by the Western North Carolina Association Firefighters (WNCAFF).**
- 3) Mr. Kittrell discussed Council’s recent retreat and requested a brainstorming session be considered and scheduled. By consensus, Council decided to resume its retreat to conduct a brainstorming session on Saturday, February 11, 2017, at 8:30 a.m. at the Shelby Cleveland County Regional Airport Terminal Building.**

I. Adjournment:

- 1) Motion to adjourn**

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to adjourn the meeting at 6:36 p.m.

Respectfully submitted,

**Bernadette A. Parduski, NCCMC, MMC
City Clerk**

**O. Stanhope Anthony III
Mayor**

Minutes of February 6, 2017