

Welcome and Call to Order by Mayor O. Stanhope Anthony III

~ Invocation ~

~ Pledge of Allegiance ~

A. Approval of agenda:

Discussion and revision of the proposed agenda, including consent agenda; adoption of an agenda

- 1) Motion to adopt the agenda as proposed or amended

B. Special Presentations:

- 1) Recognition of Assistant Fire Chief David Vanhoy on his designation as a Chief Fire Officer by the Commission on Professional Credentialing with the Center for Public Safety Excellence 1
- 2) Certified Entrepreneurial Community Program update – Steve Padgett, Director, Small Business Center, Cleveland Community College 5

C. Consent Agenda:

Prior to approval and adoption of the agenda, a Council Member may move an item from the Consent Agenda to the regular agenda. Items remaining on the Consent Agenda will be considered collectively through a single motion and vote.

- 1) Approval of the Minutes of the Regular Meeting of January 8, 2018 6
- 2) Approval of Special Event Permit Application:
 - a. Charity Chase 5K, requested date: March 24, 2018 12
- 3) Approval of a resolution honoring Rita Benson on the occasion of her retirement from employment with the City of Shelby: Resolution No. 4-2018 20

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4) Approval of a resolution approving a financing agreement authorized by North Carolina General Statute 160A-20: Resolution No. 5-2018	23
5) Adoption of a budget ordinance amendment for the City of Shelby's Police Department PSAP Communication Addition Project: Ordinance No. 3-2018	30
6) Adoption of Fiscal Year (FY) 2017-2018 Budget Ordinance Amendment No. 10: Ordinance No. 4-2018	35
7) Adoption of Fiscal Year (FY) 2017-2018 Budget Ordinance Amendment No. 11: Ordinance No. 5-2018	43
8) Approval of a resolution authorizing execution of a Lease Agreement between Norfolk Southern Railway Company and City of Shelby, North Carolina: Resolution No. 6-2018	74
9) Adoption of an ordinance authorizing demolition of a dwelling: Ordinance No. 6-2018	90
D. Unfinished Business:	
1) Consideration of appointments to City advisory boards and commissions:	
a. Shelby Cleveland County Regional Airport Advisory Board	97
E. New Business: None	101
F. City Manager's Report	101
G. Council Announcements and Remarks	101
H. Adjournment:	101
To adjourn a meeting of City Council, a majority of the Council members must vote for a motion to adjourn.	
1) Motion to adjourn	

City of Shelby
Agenda Item Summary
February 5, 2018
City Hall Council Chamber

Agenda Item: B-1

Special Presentations

- 1) Recognition of Assistant Fire Chief David Vanhoy on his designation as a Chief Fire Officer by the Commission on Professional Credentialing with the Center for Public Safety Excellence

(Comments: Mayor Stan Anthony and Chief William Hunt)

Summary of Available Information:

- Memorandum dated December 7, 2017 from William Hunt, Fire Chief to Rick Howell, City Manager

City Manager's Recommendation / Comments

This time is scheduled to allow the Mayor to recognize Assistant Fire Chief David Vanhoy on his designation as a Chief Fire Officer by the Commission on Professional Credentialing with the Center for Public Safety Excellence. David has served the City for the past 15 years in a professional and faithful capacity. He should be applauded for going above and beyond that which is expected.

City staff are encouraged to pursue professional development such as this in an effort to allow our organization to continuously improve. I'm very proud of the high quality people employed by the City and their commitment to public service.



December 7, 2017

MEMORANDUM:

To: Rick Howell, City Manager
From: William Hunt, Fire Chief

Subject: Council recognition of David Vanhoy on his designation as a Chief Fire Officer by the Commission on Professional Credentialing with the Center for Public Safety Excellence.

Background

The *Center for Public Safety Excellence's (CPSE) Commission on Professional Credentialing (CPC)* assists emergency services officers in their professional development by providing fire service professionals with guidance on career planning through participation in its *Professional Designation Program*.

The CPC's officer designations, include Chief Fire Officer (CFO), Chief EMS Officer (CEMSO), Chief Training Officer (CTO), Fire Marshal (FM) and Fire Officer (FO). The designations are developed around a model that looks at the "whole" officer and achievement of the designation requires a strong educational background; diverse participation in emergency services at the local, state or national level; and demonstrated commitment in the broader community, all validated by emergency services peers.

The eleven-member Commission on Professional Credentialing consists of emergency services professionals, federal and local government officials, and representatives from academia.

Discussion

Assistant Chief David Vanhoy recently completed the application and portfolio for Chief Fire Officer (CFO) credentialing. The documents were submitted for peer review and consideration by the CPC. On favorable review by the peer reviewers, the commission awarded the designation to Chief Vanhoy. The designation is valid for three years and is renewable upon review. The Fire & Rescue Department has embraced CPSE's philosophy of continuous organizational and individual improvement and submits Chief Vanoy's achievement as evidence of that commitment.

Action

Please place on the next available City Council agenda, an opportunity to present Assistant Chief David Vanhoy's designation and recognize him for his achievement of Chief Fire Officer by the Commission on Professional Credentialing with the Center for Public Safety Excellence.

Enclosure



Center for
Public Safety
Excellence

October 13, 2017

William Hunt
Fire Chief
Shelby Fire Department
Shelby, NC

Dear Chief Hunt:

On behalf of the Commission on Professional Credentialing (CPC), I am writing to inform you that David Vanhoy received the Chief Fire Officer (CFO) designation on October 10, 2017. Assistant Chief (Operations) Vanhoy becomes one of only 1,267 CFO designees worldwide.

The Designation program is a voluntary program designed to recognize individuals who demonstrate their excellence in seven measured components including experience, education, professional development, professional contributions, association membership, community involvement and technical competence. In addition, all applicants are required to identify a future professional development plan.

The CFO designation program uses a comprehensive peer review model to evaluate candidates seeking the credential. The Commission on Professional Credentialing awards the designation only after an individual successfully meets all of the organization's stringent criteria.

Achieving this designation signifies Assistant Chief Vanhoy's commitment to his/her career in the fire and emergency services.

This professional designation is valid for three years. Maintaining the designation requires recipients to show continued growth in the areas of professional development, professional contributions, active association membership and community involvement as well as adhere to a strict code of professional conduct.

Please join us in congratulating Assistant Chief Vanhoy on this achievement.

For further information, please don't hesitate to contact me at dsobotka@cpse.org or 703-691-4620, ext. 202.

Sincerely,

Debbie Sobotka
CPSE Deputy Director
CPC Program Director

City of Shelby
Agenda Item Summary
February 5, 2018
City Hall Council Chamber

Agenda Item: B-2

- 2) Certified Entrepreneurial Community Program update – Steve Padgett, Director, Small Business Center, Cleveland Community College

(Comments: Mayor Stan Anthony)

Summary of Available Information:

- This time is scheduled on your agenda to allow Steve Padgett, Director, Small Business Center, to update the City Council.

City Manager's Recommendation / Comments

This time is scheduled on your agenda to allow Steve Padgett, Director, Small Business Center, to update the City Council.

City of Shelby
Agenda Item Summary
February 5, 2018
City Hall Council Chamber

C. Consent Agenda:

Prior to approval and adoption of the agenda, a Council Member may move an item from the Consent Agenda to the regular agenda. Items remaining on the Consent Agenda will be considered collectively through a single motion, second, and vote.

Agenda Item: C-1

- 1) Approval of the Minutes of the Regular Meeting of January 8, 2018

Consent Agenda Item: (Staff Resource, Bernadette Parduski, City Clerk)

Summary of Available Information:

Please read and offer changes as you deem necessary.

- Minutes of the Regular Meeting of January 8, 2018.

City Manager's Recommendation / Comments

Approve the minutes as presented or as amended by the Mayor and City Council via the Consent Agenda.

MINUTES

Regular Meeting
City Hall Council Chamber

January 8, 2018
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members David W. White, David Causby, Violet Arth Dukes, and Ben Kittrell; City Manager Rick Howell, City Attorney Robert W. (Bob) Yelton, City Clerk Bernadette A. Parduski, Director of Finance Justin S. Merritt, MPA, Director of Human Resources Deborah C. (Deb) Jolly, Director of Energy Services Julie R. McMurry, Electric Superintendent Jeff Freeman, Director of Water Resources David W. Hux, Police Chief Jeffrey H. (Jeff) Ledford, Fire Chief William P. Hunt, MPA, EFO, Assistant Fire Chief – Logistics and Enforcement Services Todd McMurry, Director of Public Works Daniel C. (Danny) Darst, Jr., Director of Parks and Recreation Charlie Holtzclaw, and Director of Planning and Development Services Department Walter (Walt) Scharer, AICP

Absent: Council Members Eric B. Hendrick and Dicky Amaya

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. White, City Council voted unanimously to approve the agenda as presented.

B. Special Presentation:

- 1) Recognition of Geoffrey Lynn Heffner on the occasion of his retirement from employment with the City of Shelby: Resolution No. 80-2017

Mayor Anthony called upon Geoffrey (Geo) Lynn Heffner. Mr. Heffner recognized his wife, Robin, in attendance. The Mayor formally read and presented framed Resolution No. 80-2017 to Mr. Heffner. He then presented the key to the City, a City lapel pin, and plaque to him in honor of and with heartfelt appreciation for 28 years of dedicated service to the City of Shelby in the Electric Department.

Humbled by the recognition, Mr. Heffner expressed his appreciation to all, acknowledging members of the City's Electric Department who were present.

C. 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 December 18, 2017
- 2) Approval of a resolution stating the intent of the City of Shelby to annex satellite property owned by the City of Shelby: Resolution No. 1-2018
- 3) Adoption of Fiscal Year (FY) 2017-2018 Budget Ordinance Amendment No. 8: Ordinance No. 1-2018
- 4) Adoption of Fiscal Year (FY) 2017-2018 Budget Ordinance Amendment No. 9: Ordinance No. 2-2018

END CONSENT AGENDA

D. Unfinished Business:

- 1) Consideration of appointments to City advisory boards and commissions:
 - a. Keep Shelby Beautiful (KSB) Commission

Mrs. Parduski reported there are three vacancies for new terms concluding January 2020.

There are also seven incumbents who wish to continue their service with this commission as follows:

1. Modestenia Bush
2. Charles Hamrick
3. Don Costner
4. Patrick McMurry
5. Patti Ellis McMurry
6. Dana Scoggin
7. Wiley Smith

There are five applications on file in the Clerk's Office as follows:

1. Richard (Dick) Baker, Jr.
2. Linda Bridges
3. Stevie Brooks
4. Chris Carter
5. Laurie Hendrick

Mr. White nominated Linda Bridges, Stevie Brooks, and Laurie Hendrick for appointment.

ACTION TAKEN: Upon a motion by Mr. Causby, City Council voted unanimously to close the nominations and accept the nominees by acclamation.

Mr. White nominated incumbents, Modestenia Bush (2020), Charles Hamrick (2020), Don Costner (2021), Patrick McMurry (2021), Patti Ellis McMurry (2021), Dana Scoggin (2021), and Wiley Smith (2021), for reappointment to terms concluding January 2020 and January 2021, respectively.

ACTION TAKEN: Upon a motion by Mr. White, City Council voted unanimously to close the nominations and accept the nominees by acclamation.

- 2) Consideration of a resolution of award for the First Broad Wastewater Treatment Plant – Influent and Preliminary Treatment Improvements award to Wharton-Smith, Inc.: Resolution No. 2-2018

Mr. Howell introduced Resolution No. 2-2018 for Council's consideration. He reminded Council project budget ordinances were previously approved in January and March 2017, ultimately allocating funds for construction of the project entitled, First Broad River Wastewater Treatment Plant Influent and Preliminary Treatment Upgrade Project, based on engineering estimates. Bids were subsequently solicited from qualified contractors in December 2017. HDR Engineering, Inc. of the Carolinas completed the canvassing of the five bids that were received. Based on their evaluation, HDR Engineering recommended the award of a contract for construction of the First Broad River Wastewater Treatment Plant Influent and Preliminary Treatment Upgrade Project to Wharton-Smith, Inc. of Charlotte, North Carolina in the amount of \$5,712,094.00.

Mr. Howell also recommended proceeding with construction of the project, as proposed, and requested Council authorize the award of the construction contract to Wharton-Smith, Inc. He added construction is anticipated to begin in February 2018 and be completed by February 2019.

ACTION TAKEN: Upon a motion made by Mr. Kittrell, City Council voted unanimously to approve and adopt Resolution No. 2-2018 entitled, “A RESOLUTION OF AWARD FOR THE FIRST BROAD WASTEWATER TREATMENT PLANT – INFLUENT AND PRELIMINARY TREATMENT IMPROVEMENTS AWARD TO WHARTON-SMITH, INC.”

E. New Business: None

F. City Manager’s Report:

1) Mr. Howell discussed topics for the City Council retreat scheduled for January 20, 2018 as follows:

- Implementation of the City’s Pay Plan
- Moving forward with Shell Building No. 3 in partnership with Cleveland County
- Rail-Trail negotiation

Mr. Howell also mentioned the topics proposed by Mrs. Arth Dukes as follows:

- Traffic calming policy
- Raising minimum housing standards
- Making Shelby more bike friendly
- Establishing a youth council
- Revitalizing neighborhood parks
- Public education regarding quasi-judicial hearings

With regard to Chair Eddie Holbrook’s request for the City’s support of the American Legion World Series (ALWS) events planned for Uptown Shelby in August 2018, Mr. Howell stated his response letter will include the guidelines to complete the Special Event Permit Application and the application for a travel and tourism grant in advance of the City’s annual budget process.

Council discussed and requested an overview and update of current Citywide projects as well as North Carolina Department of Transportation (NCDOT) projects for inclusion at their retreat.

G. Council Announcements and Remarks:

1) Mayor Anthony made the following announcements:

- Cleveland County NAACP's annual Martin Luther King, Jr. Day March and Program from the Cleveland County Law Enforcement Center to Malcolm Brown Auditorium at Shelby High School will be held on January 15, 2018 beginning at 10:00 a.m.
 - Shelby Police Department's Partnership for Change meeting will be held on January 18, 2018 at 11:30 a.m., Don Gibson Theatre
 - The spring presentation of the Shelby Police Department's Citizens Police Academy will welcome class members on January 25, 2018 at 6:00 p.m., 130 West Warren Street
- 2) Mr. Kittrell announced the Isothermal Planning and Development Commission is hosting a Region C Legislative Brunch on January 22, 2018 at 10:00 a.m., Tryon International Equestrian Center.
 - 3) Mrs. Arth Dukes announced the Isothermal Regional Bicycle Plan Open House Event in Cleveland County will be held on January 11, 2018 from 4:00 to 7:00 p.m. at the Dover Foundation YMCA, 411 Cherryville Road in Shelby.

H. Adjournment:

1) Motion to adjourn

ACTION TAKEN: Upon a motion made by Mr. Kittrell, City Council voted unanimously to adjourn the meeting at 6:26 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC
City Clerk

O. Stanhope Anthony III
Mayor

Minutes of January 8, 2018

City of Shelby
Agenda Item Summary
February 5, 2018
City Hall Council Chamber

Agenda Item: C-2

2) Approval of Special Event Permit Application:

- a. Charity Chase 5K, requested date: March 24, 2018

Consent Agenda Item: (Staff Resource, Bernadette A. Parduski, City Clerk)

Summary of Available Information:

- Memorandum dated January 30, 2018 from Bernadette A. Parduski, City Clerk to Rick Howell, City Manager
- Memorandums from Bernadette A. Parduski, City Clerk to Police Chief Jeff Ledford, Fire Chief William Hunt, Assistant Fire Chief Todd McMurry, Parks and Recreation Director Charlie Holtzclaw, Public Works Director Danny Darst, Assistant Director Public Works Scott Black, Planning and Development Services Director Walt Scharer, Director of Engineering Services Ben Yarboro, and Director of Water Resources David Hux
- Special Event Permit Application

City Manager's Recommendation / Comments

This event is in keeping with special event practices of the City. It is my recommendation that this item be approved by City Council at this time via the Consent Agenda.

Memo

To: Rick Howell, City Manager
From: Bernadette A. Parduski, City Clerk
Date: January 30, 2018
Re: Special Event Permit Application

BACKGROUND:

A Special Event Permit Application has been submitted for the following:

- ✓ Charity Chase 5K, requested date: March 24, 2018

REVIEW:

All responding City departments have received, reviewed, and approved the referenced application.

RECOMMENDATION:

Please place the attached Special Event Permit Application on the Consent Agenda of February 5, 2018 for Council's review and approval.

ATTACHMENT:

- A. Special Event Permit Application packet received January 8, 2018

Memo

To: Police Chief Jeff Ledford, Fire Chief William Hunt, Assistant Fire Chief Todd McMurry, Parks & Recreation Director Charlie Holtzclaw, Public Works Director Danny Darst, Assistant Director of Public Works Scott Black, Planning and Development Services Director Walt Scharer, Director of Engineering Services Ben Yarboro, and Director of Water Resources David Hux

From: Bernadette A. Parduski, City Clerk

CC: Rick Howell, City Manager

Date: January 8, 2018

Re: Special Event Permit Application

All:

Attached you will find a Special Event Permit Application submitted by Emily Greer on behalf of the Junior Charity League of Shelby as follows:

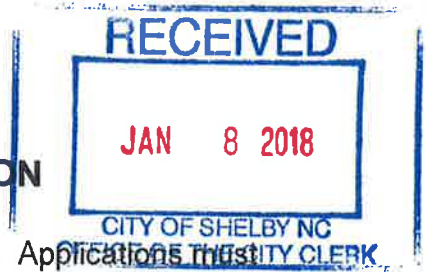
- ✓ Charity Chase 5K, requested date: March 24, 2018

Please carefully review the details of this application as it pertains to your department, and let me know of any anticipated problems/objections that you would like to bring to the attention of the City Council. If there are none, please let me know that as well. The event will be considered by City Council at the February 5, 2018 meeting and recommended for approval unless you advise otherwise. If I do not hear from you by January 29, 2018, it will be assumed that you are in agreement with the application as presented.

As always, thanks for your attention and consideration.

Attachment

**CITY OF SHELBY
SPECIAL EVENT PERMIT APPLICATION**



Each question must be legible and answered clearly and completely. Applications must be filed with the City Clerk not less than thirty (30) days before the date on which the event is to take place. A fee of \$20.00 will be due upon submission of the application form.

1. EVENT NAME:

Charity Chase

2. PURPOSE AND BRIEF DESCRIPTION OF EVENT:

5K where all proceeds go towards buying clothing for Cleveland County children in need.

3. LOCATION OF EVENT (ATTACH MAP):

Shelby City Park

4. PLEASE INDICATE:

Approximately how many people will attend the event? 350

Approximately how many vehicles will be present? 100

Approximately how many animals will be present? _____

If the event is a parade, please indicate the amount of street that will be needed:

Single lane _____

All lanes in travel direction _____

Whole street _____

5. PLEASE LIST THE FOLLOWING PARTY (IES) RESPONSIBLE FOR THE EVENT:

Name: Junior Charity League of Shelby - Emily Greer

Address: 105 Woodbluff Dr, Shelby, NC 28150

Phones: 704.472.5287 same
(Daytime) (Evening)

emma_4884@hotmail.com
E-mail address

Name: Jennifer Reynolds

Address: _____

Phones: 704.473.1734
(Daytime) (Evening)

E-mail address

6. PLEASE LIST THE FOLLOWING:

Requested day(s) and date(s) 3.24.18

Alternate day(s) and date(s) _____

Requested hours of operation, from 7:30 AM/PM to 12 AM/PM

7. EVENT NOTIFICATION TO RESIDENTS AND BUSINESSES: As an event planner, you are responsible for notifying the neighbors and businesses in the surrounding area of your event. The City requires notifying as many businesses and residents around the event site as possible as early as possible. Please provide your plan of notification at the time you submit your permit application.

8. SANITATION: Please attach your "Plan for Clean-Up." Please check Application Instruction sheet for details.

11. CITY SERVICES/EQUIPMENT REQUESTED FOR THIS EVENT:

Shelby Police Dept

12. ANY ADDITIONAL COMMENTS:

THE CITY OF SHELBY IS NOT A CO-SPONSOR OF THE EVENT

It is understood and agreed that any permit issued pursuant to this application is issued on the condition that the answers herein given are true and correct to the best of the knowledge, information, and belief of the applicant.

Emily Greer
SIGNATURE

Emily Greer on behalf of JCL 704.472.5287
APPLICANT PHONE

105 woodbluff dr, Shelby, NC 28156
PHYSICAL ADDRESS

emma_4884@hotmail.com
E-MAIL ADDRESS

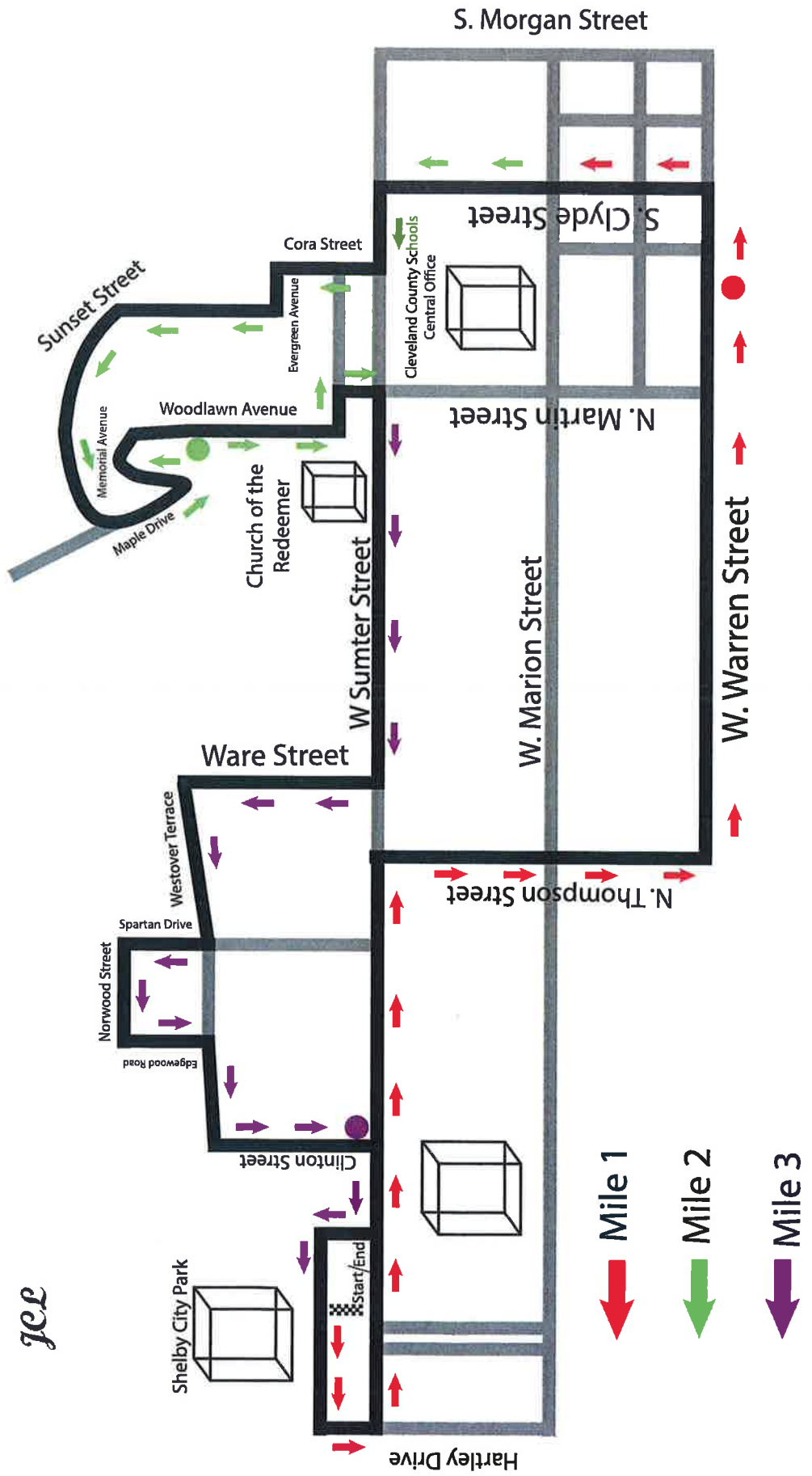
1-5-17
DATE

Junior Charity League of Shelby, NC

Charity Chase 5K

Shelby City Park

JCL



City of Shelby
Agenda Item Summary
February 5, 2018
City Hall Council Chamber

Agenda Item: C-3

- 3) Approval of a resolution honoring Rita Benson on the occasion of her retirement from employment with the City of Shelby: Resolution No. 4-2018

Consent Agenda Item: (Staff Resource, Justin Merritt, Finance Director)

Summary of Available Information:

- Memorandum dated January 29, 2018 from Justin Merritt, Finance Director to Rick Howell, City Manager
- Resolution 4-2018

City Manager's Recommendation / Comments

This time is scheduled on your agenda to recognize Rita Benson on the occasion of her retirement from employment. In keeping with policy City Council Resolution No. 4-2018 recognizes her for having served the City faithfully for the past 29.5 years with the City of Shelby Finance Department. She is to be congratulated!

Rita is a dedicated employee who has provided excellent customer service over the past many years in the performance of her duties. She has been a vital part of the team in the Customer Services Division of the Finance Department, more specifically, as Payments Supervisor. She will be missed both personally and professionally.

As is in keeping with current policy Rita Benson will be presented with a framed resolution, a city lapel pin and a key to the City at a future Council meeting.

It is my recommendation Resolution No. 4-2018 be adopted and approved by City Council at this time via the Consent Agenda



To: Rick Howell, City Manager
From: Justin Merritt, Finance Director
Date: January 29, 2018
Subject: Retirement of Rita Benson

Background:

As you know, Rita Benson retired from employment with the City on December 29, 2017. Rita has been an integral member of the Finance Department, Customer Services Division, most recently serving as Customer Services Payments Supervisor. Ms. Benson was always a pleasure to be around and was a dedicated employee, serving the City of Shelby and all its residents tirelessly for 29.5 years.

Ms. Benson has set an example for others to follow in the City and she will surely be missed by all who worked with her at the City.

Recommendation:

The recommendation from staff is to approve the resolution honoring Ms. Rita Benson on the occasion of her retirement.

RESOLUTION NO. 4-2018

**A RESOLUTION HONORING RITA BENSON
ON THE OCCASION OF HER RETIREMENT
FROM EMPLOYMENT WITH THE CITY OF SHELBY**

WHEREAS, on the occasion of her retirement from employment on December 29, 2017 it is fitting and proper for the City Council to express its sincere appreciation to Rita Benson for her loyal, dedicated, and committed service to the City of Shelby from June 20, 1988 to December 29, 2017; and,

WHEREAS, Mrs. Benson has been a loyal team member in the continuing development of the City of Shelby's Utilities, Customer Services, and Finance Departments, especially for the assistance and continuity she has provided; and,

WHEREAS, during her tenure of service, Mrs. Benson has been a loyal employee for the City of Shelby, beginning as a Collections Clerk in 1988, receiving a promotion to Office Manager in 1991, receiving a promotion Collections Supervisor in 1994, and finishing her career as the Customer Services Payments Supervisor in 2017, and has been an outstanding example of the quality of employee necessary to the development of the good of the City; and,

WHEREAS, Mrs. Benson's commitment, leadership, laudatory work effort, and devotion to duty has helped create a winning attitude within the Utilities, Customer Services, and Finance Departments of the City of Shelby; and,

WHEREAS, the City of Shelby is most grateful for the devoted, community, and personal contributions Mrs. Benson has given to all the citizens, organizations, and businesses within the greater Shelby community; and

WHEREAS, the City Council of the City of Shelby wishes to acknowledge and express its appreciation to Mrs. Benson for 29 and a half years of her dedicated and devoted duty in the Utilities, Customer Services, and Finance Departments to its citizens, noting that Mrs. Benson will be missed both professionally and as a fellow co-worker.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Council publicly express their sincere appreciation to Rita Benson for her performance of duty to the City of Shelby for 29 and a half years, and extend the very best wishes for a successful retirement.

BE IT FURTHER RESOLVED that this Resolution be entered upon the permanent Minutes of the City Council.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Shelby to be affixed this the 5th day of February 2018.

O. Stanhope Anthony III
Mayor

ATTEST:

Bernadette A. Parduski, NC-CMC, IIMC-MMC
City Clerk

City of Shelby
Agenda Item Summary
February 5, 2018
City Hall Council Chamber

Agenda Item: C-4

- 4) Approval of a resolution approving a financing agreement authorized by North Carolina General Statute 160A-20: Resolution No. 5-2018

Consent Agenda Item: (Staff Resource, Justin Merritt, Finance Director)

Summary of Available Information:

- Memorandum dated January 29, 2018 from Justin Merritt, Finance Director to Rick Howell, City Manager
- Charts showing Evaluation of 2018 Capital Equipment Financing
- Resolution No. 5-2018

City Manager's Recommendation / Comments

Resolution No. 5-2018 is presented for City Council consideration at this time. As Council is aware the City annually finances the purchase of all rolling stock equipment and vehicles through the issuance of a 59 month private placement financing agreement. Each year the total approved amount for rolling stock purchase is bid out to qualified financial institutions. This includes rolling stock for all City departments.

Mr. Merritt has solicited proposals and prepared the background material for the award of the financing for the current fiscal year as included within your agenda packet. All of the equipment has been purchased or funds have been encumbered and once the award is made for the financing a closing date will be set. After this date the City will be able to reimburse itself from the proceeds from the financing. This year's principal is \$ 1,440,000. The recommended bidder is United Financial/Hometruster which has offered a rate of 2.39% over the life of the 59 month term. This is up from the rate of 1.81% on last year's rolling stock financing offered by BB&T. The list of purchased equipment for fiscal year 17-18 is included in your agenda packet.

It is my recommendation Resolution No. 5-2018 be adopted and approved by City Council at this time via the Consent Agenda.



To: Rick Howell, City Manager
From: Justin S. Merritt, Finance Director
Date: January 29, 2018
Subject: FY 2017-2018 Equipment Financing

Please find attached to this memo a resolution approving a financing agreement with United Financial/Hometrust Bank for the equipment and rolling stock to be purchased during the current fiscal year. The finance department sent requests for proposals to 11 banks requesting that they submit proposals on our 2017-2018 equipment financing. The total amount of the request is \$1,440,000. We received five proposals. The banks request that this type of financing be awarded as soon as possible after the proposals are due, as a result of market volatility. I opened the proposals on Monday, January 22nd at 2:00 in the afternoon. After reviewing the proposals, it is my recommendation that United Financial/Hometrust Bank be awarded this contract with a 2.39% interest rate, for 59 months, with annual payments in arrears. I have also attached the evaluation of the proposals. This is how we have handled awarding these financing contracts in the past. I will be at the meeting Monday to answer any questions.

Let me know if you have any questions or need additional information.

City of Shelby
 Evaluation of 2018 Capital Equipment Financing

Amount to be financed: \$1,440,000
 Term: 59 Months

CRITERIA

PROPOSERS

	BB&T	US Bank	First Citizens Bank	United Financial (Hometrust)	Regions Bank
Interest Rate	2.5700%	2.6970%	2.7600%	2.3900%	2.4400%
Fees	None	None	Not Addressed	None	\$ 175.00
Annual Payment (Prin & Int)	\$ 310,454.55	\$ 311,124.15	\$ 311,580.14	\$ 308,974.67	Not Provided
Total Cash Outlay (Prin & Int)	\$ 1,552,272.75	\$ 1,555,620.75	\$ 1,557,900.69	\$ 1,544,873.35	Not Provided
Prepayment Penalty	None	None	Not Addressed	None	None

**Attachment A
2018 City of Shelby
Installment Contract Equipment List**

<u>Dept.</u>	<u>Description</u>	<u>Cost Center</u>	<u>Estimated Cost</u>
Info. Tech.	Ford Escape (Replace Ranger)	110420-51000	22,000.00
Meter Services	Nissan Frontier	110421-54000	27,000.00
	Nissan Frontier	110421-54000	27,000.00
Fire Dept.	Vehicle Upfit	110434-51000	20,000.00
	F-250	110434-54000	31,800.00
	Ford Interceptor(Explorer)	110434-54000	30,600.00
	Rescue Truck	110434-54000	825,600.00
Planning	F-150	110493-51000	25,000.00
Sanitaion	Grapple Truck	110471-51000	140,000.00
Parks & Rec.	Lawn Mower	110613-51000	14,000.00
	Lawn Mower	110613-51000	14,000.00
	Athletic Field Groomer	110613-51000	20,000.00
	3/4 Ton Truck (Replace 157)	110613-54000	25,000.00
	Holly Oak Gym Lighting	110613-58000	20,000.00
Powell Bill	4-IN-1 Bucket for CAT Loader	112452-51000	12,000.00
	Bush Hogs- ROW Mowing	112452-51000	5,000.00
Sewer Fund	Dishwasher - Lab	620724-51000	7,000.00
	TIG Welder	620724-51000	6,500.00
Electric Fund	Bucket Truck	630733-54000	120,000.00
Gas Fund	F-150 4X4	640743-54000	30,000.00
Stormwater Fund	Envirosight Inspection Camera	650751-51000	17,500.00
Total:			<u><u>1,440,000.00</u></u>

RESOLUTION NO. 5-2018

A RESOLUTION APPROVING A FINANCING AGREEMENT AUTHORIZED
BY NORTH CAROLINA GENERAL STATUTE 160A-20

WHEREAS, the City of Shelby, North Carolina (the “City”) has previously determined to undertake a project for purchase of various types of equipment (the “Project”), and the Finance Officer has now presented a proposal for the financing of such Project.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA, meeting in regular session on the 5th day of February 2018 makes the following findings of fact:

Section 1. The City hereby determines to finance the Project through United Financial, a division of Hometrust Bank, in accordance with the proposal dated January 22, 2018. The amount of the financing shall not exceed \$1,440,000, the annual interest rate (in the absence of default or change in tax status) shall not exceed 2.39%, and the financing term shall not exceed fifty-nine (59) months from closing.

Section 2. All financing contracts and all related documents for the closing of the financing (the “Financing Documents”) shall be consistent with the foregoing terms. All officers and employees of the City are hereby authorized and directed to execute and deliver all Financing Documents, and to take any such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and Deed of Trust and a Project Fund Agreement as Hometrust Bank may request.

Section 3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for delivery of the Financing Documents have

been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by City officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Documents for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

Section 4. The City shall not take or omit to take any action, the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purpose of the registered owners on the interest payment obligations. The City hereby designates its obligations to make principal and interest payments under the Financing Document as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3) if applicable.

Section 5. All prior actions of City officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict.

This resolution is effective upon its adoption the 5th day of February 2018.

O. Stanhope Anthony, III
Mayor

Resolution No. 5-2018
February 5, 2018
Page 3

ATTEST:

Bernadette A. Parduski, NC-CMC, IIMC-MMC
City Clerk

APPROVED AS TO FORM:

Robert W. Yelton
City Attorney

City of Shelby
Agenda Item Summary
February 5, 2018
City Hall Council Chamber

Agenda Item: C-5

- 5) Adoption of a budget ordinance amendment for the City of Shelby's Police Department PSAP Communication Addition Project: Ordinance No. 3-2018

Consent Agenda Item: (Staff Resource, Jeff Ledford, Police Chief and Justin Merritt, Finance Director)

Summary of Available Information:

- Memorandum dated January 29, 2018 from Justin Merritt, Finance Director to Rick Howell, City Manager
- Memorandum dated January 8, 2018 from Jeff Ledford, Police Chief to Justin Merritt, Finance Director
- Ordinance No. 3-2018

City Manager's Recommendation / Comments

Ordinance No. 3-2018 is presented for Council consideration at this time via the Consent Agenda. If approved this amendment to the PSAP 911 Center project budget ordinance would appropriate funding specific to costs associated with the transfer of the 911 Center from its current location to the new 911 Center at 130 West Warren Street. Funds were specifically set aside for these specific 911 authorized expenditures.

It is my recommendation Ordinance No. 3-2018 be adopted and approved by City Council at this time via the Consent Agenda.



To: Rick Howell, City Manager
From: Justin Merritt, Finance Director
Date: January 29, 2018
Subject: Police Department PSAP Communication Addition

Background:

Attached is a Project Budget Amendment that, if approved, will provide funding for the purchase, installation and relocation of critical PSAP equipment in conjunction with the Police Department Communication Center Addition Project. Specifically, the items included are as follows:

911 Call Taker Workstation -	\$166,000
911 Call Taker Workstation Relocation -	\$ 59,000
Ups Three Phase Battery Backup -	\$ 57,000

Recommendation:

The recommendation from staff is to approve the attached budget amendment.

Justin Merritt

From: Jeff Ledford
Sent: Monday, January 08, 2018 3:56 PM
To: Justin Merritt
Subject: Budget Amendment

Justin:

In regards to our discussion on the budget for our communications center construction, I have reviewed our paperwork and our options and here is what I've found so far.

During the process of gathering cost estimates for an additional console position and also moving our current center we reached out to our current vendor to get our quotes. These quotes were needed for both our building planning as well as the grant that was submitted to the 911 board. Our cost estimates were \$58,289.77 for the fourth 911 position and \$165,42 for the console furniture and moving expenses. Total for the move in its entirety is \$223,781.77.

These quotes were submitted to the state to be included in the grant funding, but were not counted in the total cost of the facility. Given this, we are going to be short \$223,781.77 on our project.

We have looked at various options, but since this was approved to be paid for through the grant, removing any of the above mentioned items would result in that money being returned to the 911 board. This in essence would not gain us anything. We also looked at using 911 wireless money to pay for these items, but again, since it was approved by the state to be paid for in the grant, I don't see that as a viable option either.

I believe we can make up some of the shortage in our operating budget, but not the entire amount.

With that said, I would request a budget amendment in the amount of \$223,781.77 to complete the final phase of our construction project.

Let me know if you have any questions or if I can provide you any more information.....jl

Jeffrey H. Ledford
Chief of Police
Shelby Police Department
Office – (704) 484-6855
Fax – (704) 482-8860
www.cityofshelby.com



ORDINANCE NO. 3-2018

A BUDGET ORDINANCE AMENDMENT FOR THE CITY OF SHELBY'S POLICE DEPARTMENT PSAP COMMUNICATION ADDITION PROJECT

WHEREAS, in accordance with applicable provisions of the North Carolina Budget and Fiscal Control Act, the City of Shelby finds it advisable and necessary to revise and amend its capital project ordinance and budgets for the City of Shelby's Police Department PSAP Communication Addition Project; and

WHEREAS, the City Manager (Budget Officer) has recommended certain amendments to the budget which the governing body finds acceptable; and,

WHEREAS, City Council now desires to act on the recommended budget amendments and approve the same for implementation and compliance with the North Carolina Local Government Budget and Fiscal Control Act;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA:

Section 1. Ordinance No. 54-2016, the City's Police Department PSAP Communications Addition Project, is hereby amended as follows to provide for Budget Amendment No. 1 for said project:

PSAP Communication Addition Project

(1) Appropriating General Fund Revenues:

Local Option Sales Tax	11001000-31101	\$ 150,000
Fund Balance Appropriated	11001000-39900	\$ 132,000
Transfer to General Cap. Projects	110495-49111	\$ 282,000

(2) The following General Fund Cap. Project Revenues are amended by the City:

Transfer from General Fund	11101000-39110-PSAPA	\$ 282,000
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(3) The following General Fund Cap. Project Expenditures are amended by the City:

Construction	111431-53000-PSAPA	\$ 282,000
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Section 2. That the revenues, expenditures and amendments set forth in Section 1 of this ordinance are hereby summarized as follows:

	<u>Current Budget</u>	<u>Amendment No. 1</u>
<u>PSAP Communication Addition Project</u>		
Revenues		
Cleveland County Grant	\$ 360,000	\$ 360,000
State Grant	\$ 920,993	\$ 920,993
Transferred from General Fund	\$ 192,007	\$ 474,007
Expenditures		
Engineering	\$ 133,000	\$ 133,000
Construction	\$1,340,000	\$ 1,622,000

Section 3. Copies of this Budget Ordinance Amendment shall be furnished to the City Manager as Budget Officer and to the Finance Director to be kept on file by them for their direction in the collection and disbursement of funds. Said officials are hereby authorized to receive and expend funds as herein set forth in accordance with the

Ordinance No. 3-2018
February 5, 2018
Page 2

Shelby City Code, the General Statutes of North Carolina, and the provisions of the original budget ordinance; inclusive of GS 159-28 governing budgetary accounting of appropriations.

Section 4. This ordinance shall become effective upon its adoption and approval.

Adopted and Approved this the 5th day of February 2018.

O. Stanhope Anthony III
Mayor

ATTEST:

Bernadette A. Parduski, NC-CMC, IIMC-MMC
City Clerk

APPROVED AS TO FORM:

Robert W. Yelton
City Attorney

City of Shelby
Agenda Item Summary
February 5, 2018
City Hall Council Chamber

Agenda Item: C-6

- 6) Adoption of Fiscal Year (FY) 2017-2018 Budget Ordinance Amendment No. 10:
Ordinance No. 4-2018

Consent Agenda Item: (Staff Resource, Jeff Ledford, Police Chief)

Summary of Available Information:

- Memorandum dated January 30, 2018 from Jeff Ledford, Police Chief to Rick Howell, City Manager
- Details of Property on 706 Branton Drive, Shelby
- Ordinance No. 4-2018

City Manager's Recommendation / Comments

Ordinance No. 4-2018 is presented for Council consideration at this time. If approved this ordinance would authorize the appropriation of \$7,500 from the General Fund reserves (Fund Balance) to be used in funding a request under the terms of the Police Officer Residency Program. This program has been in existence since 2008 with five officers benefitting. As you know the goal of the program is to encourage and incentivize Shelby police officers to buy a home in the city limits.

It is my recommendation Ordinance No. 4-2018 be adopted and approved by City Council at this time via the Consent Agenda.

INTEROFFICE MEMORANDUM

TO: RICK HOWELL, CITY MANAGER
FROM: JEFF LEDFORD, CHIEF OF POLICE
SUBJECT: BUDGET AMENDMENT REQUEST
DATE: 1/31/2018
CC: JUSTIN MERRIT, FINANCE DIRECTOR

The following is a budget amendment request for the police department concerning the Officer Residency Program. Please let me know if you need any further information.

Background

Officer Zach Sterns is applying to take part in the Officer Residency Program. He is purchasing a home on Branton Drive, which is located on the south-west part of the city. This neighborhood was traditionally a quiet neighborhood, however we have experienced a trend of increasing calls in this area. Given the current state of the community there, we believe that the presence of an officer living there would make a positive impact. We currently have four officers at our department who are in the Officer Residency Program, Zach would be the fifth.

Summary

The Officer Residency Program allows for an incentive to be paid to any sworn officer who purchases a house within the city limits. The city is broken down into three tiers. This application falls within the tier 2 area, therefore it would qualify for a \$7,500 incentive.

Recommendation

Our department is requesting that \$7,500 be allocated to our Officer Residency Program line (110431-40108).

POLICY

It is the policy of the Shelby Police Department to establish an officer residency incentive program as funded by the City Council. This incentive program will provide assistance to officers in the purchase of a home located within a transitional neighborhood within the city limits of Shelby.

I. PROCEDURES

- A. Officers wishing to be considered for this program should submit a letter of intent to the Chief of Police. This letter of intent will include the officer's intentions of living within the city limits of Shelby as well as a description and physical address of the property to be considered.
- B. Once a request is made, the location of the property will be evaluated to ensure it is located within a neighborhood deemed 'transitional'.
- C. Officers wishing to be considered for this program must be off probationary status.
- D. To be eligible for this program, officers must be in good standing with the department and have no active disciplinary actions above a group I offense.
- E. This program is intended for single-family residency only.

II. FUNDING ALLOCATIONS

- A. Funding for this program will be evaluated each fiscal year by the city manager and city council. Funding allocated to this program will be use for:
 - 1. Down payment for the residence, closing cost, and administrative fees.
 - 2. Installation and monthly monitoring fees for a security system for Tier 1 Neighborhoods, and installation only for Tier's 1 & 2.
 - 3. Moving expenses not to exceed \$500.00.
- B. Distribution of funds for the Officer Residency Program will be made available based on the criteria below. Neighborhoods will be broken down into three tiers depending on the characteristics of the neighborhood.
 - 1. Tier 1 Neighborhoods - defined as neighborhoods that have a high level of criminal activity. These areas would receive \$10,000 incentive.

2. Tier 2 Neighborhoods - defined as neighborhoods that are bordering high-crime areas, and are designated as “Transitional Neighborhoods”. These areas would receive \$7,500 incentive.
3. Tier 3 Neighborhoods - defined as areas of less crime, but have the potential to decline over time if not addressed properly. These areas would receive \$5,000 incentive.

III. RESTRICTIONS

- A. Officers participating in this program agree to the following:
 1. This residence will serve as the officer’s primary and personal residence for a minimum of three years. During this three year period, the officer will not be allowed to relocate to any other residential property. The officer further agrees to maintain fulltime employment with the Shelby Police Department during this period.
 2. Officers agree to provide up to ten hours a month of off-duty proactive law enforcement related community service to their neighborhood. This will include working to initiate or expand a community watch group. This work will be paid as overtime salary to the officer.
 3. While off-duty, officers will notify on-duty personnel when law enforcement intervention is required. Off-duty officers will not take any official actions unless necessary to avoid injury or other serious consequences. These officers should not become involved in neighborhood or domestic related disputes.
 4. Officers in this program will provide periodic activity reports to the Operations Division Commander and/or the Chief of Police.
- B. This program is designed only to provide financial assistance to officers moving into a residence. Participation in this program in no way establishes property rights on the City’s behalf to the residence. The officer is responsible for any civil litigation occurring as a result of ownership of the property.
- C. All upkeep, maintenance and routine costs associated with owning a home are the responsibility of the officer. The City of Shelby will in no way bear any financial responsibility for the home after the initial purchase except what is outlined in this policy.
- D. This program is limited to funding allocations made within the City’s budget.

35.281
-81.5662

FOR SALE

706 Branton Dr. Shelby, NC 28152

\$84,900 Est. Monthly \$371 † recalculate

2 beds | 2 baths



Have A Question? Contact Office



CENTURY 21 First Realty, Inc.
436 Charlotte Road
PO Box 407
Rutherfordton, NC 28139
828.286.2121



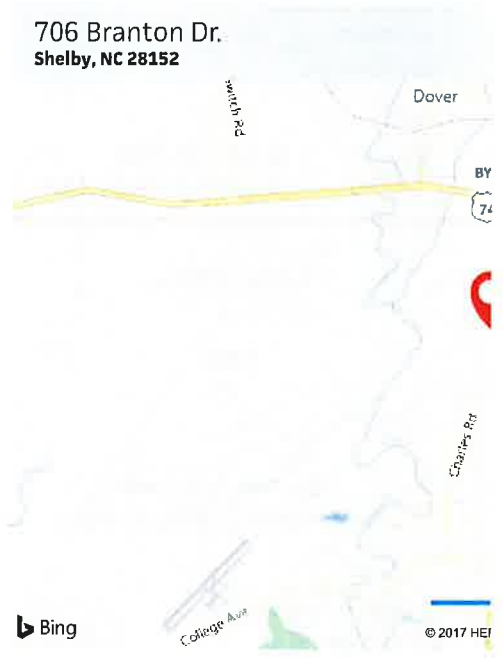
Explore This Property

Single Family Detached - IMMACULATE - Ready to move into Very Clean Brick 2BR, 2 Ba, Some Beautiful Hardwood Floors w/ Large Kitchen w/ Center island, UPdated Kitchen and ThermoPane Windows. Carport remodeled into nice Family Room w/ Gas Log Fireplace, Rocking Chair front porch, Nice Deck at rear, Outbuilding and nice Garden Space w/ many flowers in back Yard ; Extra Concrete Pull-Off at side door of house for quick entry

MLS # 59670

Courtesy Of S&L Realty of Cleveland County LLC DBA REMAX Select

706 Branton Dr.
Shelby, NC 28152



Property Features

- **Age:** Over 50 Years Old
- **Amenities:** Deck, Porch, Garden, Cable Ready
- **Architecture Style:** Ranch
- **Cooling System:** Central A/C

Google Maps 706 Branton Dr



Imagery ©2018 Google, Map data ©2018 Google 20 ft



706 Branton Dr
Shelby, NC 28152



ORDINANCE NO. 4-2018

CITY OF SHELBY
FISCAL YEAR (FY) 2017-2018 BUDGET ORDINANCE AMENDMENT

WHEREAS, in accordance with applicable provisions of the North Carolina Budget and Fiscal Control Act, the City of Shelby finds it advisable and necessary to revise and amend its annual budget for FY 2017-2018; and,

WHEREAS, the City Manager (Budget Officer) has recommended certain amendments to the budget which the governing body finds acceptable; and,

WHEREAS, City Council now desires to act on the recommended budget amendments and approve same for implementation and compliance with the Fiscal Control Act;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA:

Section 1. Ordinance No. 41-2017, the City's FY 2017-2018 Budget Ordinance, is hereby amended as follows to provide for Budget Amendment No. 10 for the year:

(A) The City of Shelby, in order to continue to offer the Police Officer Residency Program, must appropriate sufficient revenues and expenditures to fund the program for the 2018 Fiscal Year. Accordingly, the following budget modifications are approved in accordance with the chart of accounts heretofore established for the City of Shelby.

(1) The following General Fund line items are amended:

- | | |
|--|----------|
| (a) Increase 11001000-39900
Fund Balance Appropriated | \$ 7,500 |
| (b) Increase 110431-40108
Officer Residency Program | \$ 7,500 |

Section 2. That the revenues, expenditures and amendments set forth in Section 1 of this ordinance are hereby summarized as follows:

	<u>Current Budget</u>	<u>Amendment No. 10</u>
General Fund	\$ 22,968,037	\$ 22,975,537
Emergency Telephone System Fund	107,000	107,000
Powell Bill Fund	654,750	654,750
Economic Dev. Fund	1,134,973	1,134,973
Housing Fund	1,494,872	1,494,872
Cemetery Fund	30,000	30,000
Utilities-Water Fund	5,175,797	5,175,797
Utilities-Sewer Fund	5,461,315	5,461,315
Utilities-Electric Fund	21,894,427	21,894,427
Utilities-Gas Fund	17,151,911	17,151,911
Utilities – Stormwater Fund	798,000	798,000
FY 2017-2018 Budget Total	<u>\$ 76,871,082</u>	<u>\$ 76,878,582</u>

Section 3. Copies of this Budget Ordinance Amendment shall be furnished to the City Manager as Budget Officer and to the Finance Director to be kept on file by them for their direction in the collection and disbursement of funds. Said officials are hereby authorized to receive and expend funds as herein set forth in accordance with the Shelby City Code, the General Statutes of North Carolina, and the provisions of the original budget ordinance; inclusive of GS 159-28 governing budgetary accounting of appropriations.

Section 4. This ordinance shall become effective upon its adoption and approval.

Adopted and approved this the 5th day of February 2018.

O. Stanhope Anthony III
Mayor

ATTEST:

Bernadette A. Parduski, NC-CMC, IIMC-MMC
City Clerk

APPROVED AS TO FORM:

Robert W. Yelton
City Attorney

City of Shelby
Agenda Item Summary
February 5, 2018
City Hall Council Chamber

Agenda Item: C-7

- 7) Adoption of Fiscal Year (FY) 2017-2018 Budget Ordinance Amendment No. 11:
Ordinance No. 5-2018

Consent Agenda Item: (Staff Resource, Justin Merritt, Finance Director)

Summary of Available Information:

- Memorandum dated January 29, 2018 from Justin Merritt, Finance Director to Rick Howell, City Manager
- Letter dated January 23, 2018 from Schletter, Inc. to Justin Merritt, Finance Director
- Receipts of Payment and Tax Bills - Cleveland County tax office
- Schletter Grant Payment Schedule
- Copy of Resolution No. 45-2012
- Ordinance No. 5-2018

City Manager's Recommendation / Comments

This item is presented for City Council consideration at this time. If approved this amendment would formally appropriate the incentive grant for Tax Year 2017. Future payments will be made as the grant recipient requests payment after complying with the provisions of the adopted agreement. This is five of a five year agreement with Schletter, Inc at their location (1001 Commerce Center Drive) in the Foothills Commerce Center. The approved grant covers a five year period with the first two years at 90% and the last three years at 75% grant incentive payments back to the company. This is the final incentive payment to be made under the approved grant in the amount of \$103,025.

It is my recommendation Ordinance No. 5-2018 be adopted and approved by City Council at this time via the Consent Agenda.



To: Rick Howell, City Manager
From: Justin Merritt, Finance Director
Date: January 29, 2018
Subject: Schletter, Inc. Incentive Grant Distribution

Background:

As you are aware, the City of Shelby entered into an agreement with Schletter, Inc. to provide Industrial Incentive Grants upon completion of certain grant requirements. The agreements are attached and detail the guidelines of the grant program.

Schletter Inc. has now met the requirements for year five, the final year, of the grant payment and has asked for the distribution to be made.

Recommendation:

The recommendation from staff is to approve the attached budget amendment, which will appropriate funds for year five, the final year, of the grant incentive.

RESOLUTION NO. 47-2012

A RESOLUTION CONFIRMING THE CITY OF SHELBY
INTENT TO OFFER AN ECONOMIC DEVELOPMENT INCENTIVE GRANT

WHEREAS, on April 16, 1998, the City of Shelby enacted Resolution No. 27-98 establishing an economic development incentives policy for the purpose of promoting the economic health and vitality of the community, and modified said policy via Resolutions No. 29-99, 60-2000, and 86-2000 to conform to changes made to the Cleveland County incentives policy; and,

WHEREAS, the Cleveland County Economic Development Partnership has presented a qualifying economic development project (the "Project") with an total expected investment by SCHLETTER, INC., valued at Twenty-Seven Million Dollars (\$27,000,000.00) of net new investment which shall be eligible for incentives through the policy; and,

WHEREAS, the City Manager and City Attorney have determined that the Project meets the criteria for participation in the City's economic development incentive grant program; and,

WHEREAS, it is the City's intent to convey real property identified as Lot #1 containing 15 acres within the Foothills Commerce Center along with the existing one hundred thousand square foot (100,000 sf) shell building to SCHLETTER, INC. for an agreed upon amount of two million, seven hundred thousand dollars (\$2,700,000.),

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA:

Section 1. In accordance with the City's economic development incentives policy, the City Council extends to the Project by agreement the offer to provide an annual amount equal to ninety percent (90%) of the total ad valorem taxes paid by the Company to the City during the preceding calendar year for years one and two of the Grant Term and an amount equal to seventy-five percent (75%) of the total ad valorem taxes paid by the Company to the City during the preceding calendar year


for years three through five of the Grant Term. The grant award is subject to execution of a legal agreement drafted in accordance with the provisions of North Carolina General Statute § 158-7.1, said agreement describing the Project and stating expected benchmarks and recourse for non-compliance. The City Manager and City Attorney are hereby authorized and directed to negotiate the language of said legal agreement for presentation to and final approval by the City Council, and to record the approved agreement in the Office of the Register of Deeds for Cleveland County.

Section 2. The Mayor and City Clerk of the City of Shelby are hereby authorized and directed to execute the agreement specified in Section 1 of this resolution on behalf of the City.

Section 3. The Mayor and City Clerk of the City of Shelby are further hereby authorized and directed to execute all necessary documents related to the sale of the property herein referenced on behalf of the City.

Section 4. This resolution shall become effective upon its adoption and approval.

Adopted and approved this the 20th day of August 2012.

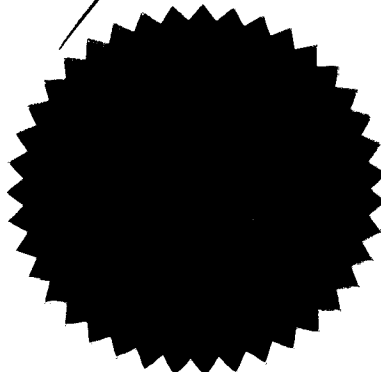


O. Starnope Anthony, III
Mayor

ATTEST:



Bernadette A. Parduski, MMC
City Clerk



INCENTIVE AGREEMENT

This **Incentive Agreement** (the "Agreement") is made and entered into as of the 20th day of August, 2012, by and between **CITY OF SHELBY**, a municipal corporation of the State of North Carolina (the "City") and **SCHLETTER INC.**, a business corporation of the State of Delaware, and **NCCT LLC**, a North Carolina Limited Liability Company (which shall be referred to collectively herein as the "Company"). The County and the Company may from time to time hereinafter be referred to individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, the Local Development Act of 1925, as amended, (Article 1 of Chapter 158 of the North Carolina General Statutes) grants cities the authority to make appropriations for the purposes of aiding and encouraging the location or expansion of certain business enterprises in the city or for other purposes which the city's governing body finds in its discretion, will increase the population, taxable property base and business prospects of the city; and,

WHEREAS, the Shelby City Council (the "Council"), pursuant to North Carolina law, has adopted the City of Shelby Industrial Incentive Program (the "Program"), duly adopted and enforced at the time of this Agreement, in order to induce existing industry to expand in the City and target new industries to locate in the City, through the provision of various incentives including the payment of a stipulated incentive grant amount from the City's General Fund (the "General Fund"), as determined in accordance with the provisions of the Program; and,

WHEREAS, the Company contemplates the purchase and equipping of an approximately one hundred thousand (100,000) square-foot building located on approximately fifteen (15) acres at the Foothills Commerce Center near Shelby, North Carolina, (the "Project"); and,

WHEREAS, the Company intends to create approximately three hundred (300) new, permanent full-time jobs during the first five (5) years of this Agreement at the Project; and,

WHEREAS, the entire Project will include buildings and the installation of machinery and equipment with a total initial investment of approximately Twenty Seven Million Dollars (\$27,000,000.00) in the City; and,

WHEREAS, the Council has determined following a public hearing on August 20, 2012, that the Company meets the criteria for participation in the Program due to the planned purchase and operation of the Project, which will increase the population, taxable property base and business prospects of the City, and that certain incentives for the Project (the "Incentives") will encourage the Company to locate its operations in the area, and that it is in the public interest to provide assistance as authorized by the North Carolina General Statutes § 158-7.1; and

WHEREAS, the Company acknowledges that the Incentives will serve as an inducement for the Company to purchase and operate the Project in the City.

NOW, THEREFORE, in consideration of the reasons recited above, and the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto do each contract and agree as follows:

Incentive One - Incentive Grant.

1.1 Grant Criteria. The Company shall comply with the following conditions (the "Grant Criteria") in order to qualify for Incentive Grants pursuant to this Agreement.

- a. The Company shall begin operating the Project within twelve (12) months of the execution of this Agreement.
- b. The Company shall maintain its investment in the City for the duration of the Grant Term (hereinafter defined).
- c. The Company shall operate the Project substantially in compliance with all laws, rules, regulations, ordinances, and orders of all governmental bodies, agencies, authorities, and courts having jurisdiction.
- d. The City shall not be responsible for any aspect of the design or equipping of the Project.
- e. The Company shall be current in the payment of all ad valorem taxes and fees (including utility accounts) imposed on the Company by Cleveland County and any municipality within the County.
- f. The Company shall conduct operations at the Project in such manner as to be in material compliance with applicable Federal, State and local environmental regulations.

1.2 Certification of Grant Criteria by the Company.

- a. In each year of the Grant Term, the Company shall request payment of an Incentive Grant from the City. This request for payment can be made at any time after the Company has paid all local ad valorem taxes for the current tax year. In connection with each request for payment of the Incentive Grant, the Company shall deliver to the City's Finance Director a performance letter certifying that in the prior year, (or the current year if the request is made between July 1 and December 31 of the tax year) the Company (i) satisfied all of the Grant Criteria, (ii) agreed to the Assessed Value (hereinafter defined) of the Project as determined by the Cleveland County Tax Assessor; and (iii) paid all applicable local taxes on the Assessed Value of the Project. If in any year of the Grant Term, the Company fails to request payment from the City of the Incentive Grant for that year, the Company forfeits absolutely its right to the Incentive Grant for that Grant year.

- b. Upon receipt of such certification from the Company, the County Tax Assessor shall determine, as of January 1st for each year of the Grant Term, the total property invested in the Project that is subject to ad valorem property taxes in the City (the "Taxable Investment") and the assessed value of the Taxable Investment (the "Assessed Value").
- c. The Company agrees to cooperate with the City by providing such information and access to the Company's records as may be necessary to verify and substantiate initial and ongoing compliance with the Grant Criteria. If the City is unable to independently verify compliance with the Grant Criteria upon exercise of reasonable effort, then the City shall provide thirty (30) days written notice to the Company of the additional information needed to ascertain compliance. If the Company does not provide such additional information, and such additional information is necessary to ascertain its compliance with this Agreement, to the City before the expiration of this thirty (30) day period, the City may immediately terminate this Agreement. To the full extent allowed by law, such information shall be kept confidential by the City and shall remain the property of the Company to be returned after the City's review.
- d. The Company acknowledges that it has been informed by the City that the City is required by law, upon request, to disclose "Public Records" as that term is defined by N. C. Gen. Stat. § 132.1. Notwithstanding the immediately preceding sentence, the City acknowledges that some or all of the information made available by the Company to the City pursuant to this Agreement may be exempt from disclosure as a "Public Record" pursuant to N. C. Gen. Stat. §§ 132-1.2, 132-6(d), and that all such information is proprietary. Some or all of the information made available to the City pursuant to this Agreement may be designated by the Company as confidential and as a trade secret at the time of disclosure to the City. The City, to the fullest extent allowed by state law, will hold such designated information as confidential. The City shall, if it receives a request for disclosure of any such information, notify the Company of such request so that the Company may defend any claims or disputes arising from efforts of others to cause such trade secrets to be disclosed as a Public Record, and the City shall refrain from making any such disclosures unless or until it (i) receives the Company's written permission to do so; or (ii) is compelled to do so by the final order of a court of competent jurisdiction. The Company shall have the right to direct any litigation of such dispute and shall indemnify the City for any legal fees and expenses incurred by the City in opposing such request for disclosure. The Company acknowledges that the City has met the disclosure requirements set forth in N. C. Gen. Stat. § 132-1.11(b).

1.3 Grant Term and Payment of Incentive Grants.

- a. Grant Term. The Grant Term will begin upon verification that the Company has (i) satisfied all Grant Criteria, (ii) agreed to the Assessed Value of the Project as determined by the County's Tax Assessor, and (iii) paid all applicable local taxes on the Assessed Value. The Grant Term will continue for five (5) calendar years following initial verification as long as the Grant Criteria remain satisfied.
- b. Between January 1st and March 31st of each year of the Grant Term, the City shall make an Incentive Grant payment to the Company in an annual amount equal to ninety per cent (90%) of the ad valorem taxes on real and personal property paid by the Company to the City during the preceding calendar year for years one and two of the Grant Term, and an amount equal to seventy five per cent (75%) of the ad valorem taxes on real and personal property paid by the Company to the City during the preceding calendar year for years three through five of the Grant Term, as long as the Company remains compliant with this Agreement.

- 1.4 Termination upon Failure to Pay Ad Valorem Taxes. If the Company at any time during the Grant Term fails to pay all applicable ad valorem taxes on the Assessed Value of the Project when due, then the City shall provide thirty (30) days written notice to the Company stating that the ad valorem taxes are delinquent. If the taxes have not been paid upon the expiration of such thirty (30) day period of the Company's receipt of notice, then the City may terminate this Agreement and have no further obligation to the Company for the payment of any Incentive Grant.

Incentive Two – Building Reuse Grant

- 2.1 Application. The City will be the applicant for a building reuse grant from the NC Rural Center,
- 2.2 Local Match. The City will be responsible for the payment of the three per cent (3%) local match as required by the NC Rural Center.
- 2.3 Repayment of Grant. If the Company in any way defaults under the terms of this Agreement, the Company agrees that it shall repay the amount of the building reuse grant to the NC Rural Center and shall repay to the City the amount of the local match paid by the City. In the event of such default, the City shall have the right to place a lien in the nature of a tax lien on the property of the Company, both real and personal, for the amounts so owed.

Incentive Three – Waiver of Fees

- 3.1 Waivers. The City agrees to waive all building inspection and permit fees for the Project.

4 Notice. Formal notices, demands, and communications between the City and the Company shall be sufficiently given if personally delivered or if dispatched by registered or certified mail, postage prepaid, return receipt requested, or by a nationally recognized overnight courier to the principal offices of the City and the Company. Such written notices, demands and communications may be sent in the same manner to such other addresses as either Party may from time to time designate by formal notice hereunder.

If to City:

City of Shelby
P. O. Box 207
Shelby, NC 28151-0207
ATTN: City Manager

With copy that shall not constitute notice to:

Robert W. Yelton
Yelton, Farfour & Fite, P.A.
P O Box 1329
Shelby, NC 28151-1329

If to the Company:

Schletter Inc.
3761 E. Farnum Place
Tucson, AZ 85706

NCCT LLC
3761 E. Farnum Place
Tucson, AZ 85706

5 Parties. This Agreement shall inure to the benefit of and be binding upon the Parties hereto, and their successors in interest.

6 Complete Agreement. This Agreement contains the entire agreement between the Parties and there are no other representations, inducements, or other provisions other than those expressed in this writing. If this Agreement or any provision hereof is determined to be invalid, unlawful or otherwise null and void by any court of competent jurisdiction, then the remainder of this Agreement will remain valid and enforceable.

7 Amendments to Agreement. This Agreement may only be modified, altered or amended by mutual written consent of the Parties.

8 Termination. Except as otherwise provided herein, this Agreement shall terminate on December 31st of the last year of the Grant Term.

9 Assignment. No Party shall assign, sublet or transfer any rights under or interest in this Agreement (including, but without limitation, monies that may become due or monies that are due) without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Unless specifically stated to the contrary

in any written consent to assignment, no assignment shall release or discharge the assignor from any duty or responsibility under this Agreement.

- 10 Event of Default. It shall be an Event of Default if any one or more of the following events shall occur for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):
- a. If the Company shall fail to observe and perform any material provision of this Agreement and such failure shall continue for a period of thirty (30) or more days after the giving by the City of written notice of such failure to the Company; or
 - b. If any material representation, warranty or other statement of fact contained in this Agreement or in any writing, certificate, report or statement furnished by the Company to the City in connection with the transaction described in this Agreement shall be false or misleading in any material respect when given; or
 - c. If the Company shall be unable to pay its debts generally as they become due; files a petition in bankruptcy; makes an assignment for the benefit of creditors; commences a proceeding for the appointment of a receiver, trustee, liquidator or conservator of itself or of the whole or a substantial part of its property; files a petition or answer seeking reorganization or arrangement of similar relief under the federal bankruptcy laws; or
 - d. If a court of competent jurisdiction shall enter an order, judgment, or decree appointing a custodian, receiver, trustee, liquidator, or conservator of the Company or of the whole or any substantial part of its properties, or approve a petition filed against the Company under the federal bankruptcy laws; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of the Company or of the whole or any substantial part of its properties.
- 11 Statutory Authority for Incentive Grant. Both the Company and the City acknowledge that any and all monies appropriated and expended by the City for local economic development incentives as provided in this Agreement are for a bona fide public purpose and are expended in good faith reliance on N. C. Gen. Stat. § 158-7.1. In the event a court of competent jurisdiction, after final appeal, rules in a lawsuit to which either the Company or the City is a party, that the monies expended by the City pursuant to this Agreement were not offered and accepted in good faith and pursuant to and in compliance with N. C. Gen. Stat. §158-7.1 and, further, that such monies must be repaid, the Company will make such repayment. Further, if any elected officials of the City are found by a court of competent jurisdiction, after final appeal, to be personally liable for any of the monies so expended, and such liability is not covered by the City's public officials' liability insurance, then the Company will indemnify such elected officials individually to the extent of the monies received by

the Company pursuant to this Agreement, but exclusive of court costs and attorney fees. The City agrees to maintain adequate public official liability coverage, consistent with that maintained by other similarly situated cities in North Carolina. The City agrees to require that its insurer(s) providing such coverage waive any subrogation rights it or they may have against the Company in connection with such coverage, and the City waives (on behalf of itself and its insurer) any claim or subrogation rights against the Company to the extent covered by such insurance coverage. In the event any lawsuit is brought against the City or any elected official of the City challenging the legality of this Agreement, then the City shall exercise its best efforts to defend against any such lawsuit, including appealing any adverse judgment to the appropriate court. The indemnification arising under this Article shall survive this Agreement's termination. The indemnification by the Company shall not apply if neither the Company nor any of its representatives participated in the improper acts of the City officials.

- 12 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina. Exclusive venue for any disputes arising hereunder is conferred upon the General Courts of Justice of the State of North Carolina sitting in Cleveland County.
- 13 Captions, Heading, Titles. Any paragraph headings contained in this Agreement are for convenience only and in no way enlarge or limit the scope or meaning of the various and several paragraphs contained herein.

The remainder of this page has been intentionally left blank.

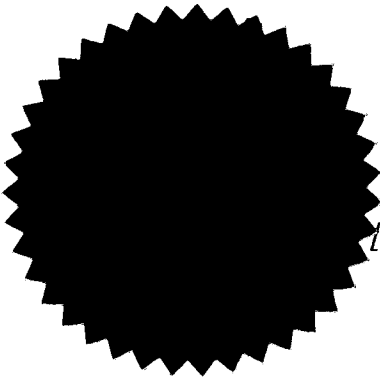
IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed, this the day and year first above written.

CITY OF SHELBY

Attest:

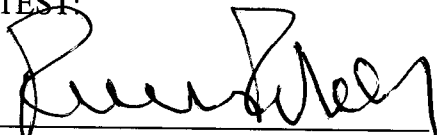
By: Bernadette A. Parduski
Bernadette A. Parduski, MMC,
City Clerk

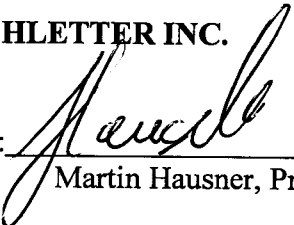
By: O. Stanhope Anthony, III
O. Stanhope Anthony, III,
Mayor




[Remaining signature page to follow.]

ATTEST:

By: 
Paul Wolf, Secretary

SCHLETTER INC.
By: 
Martin Hausner, President

NCCT LLC
By: 
Martin Hausner, Member

January 23, 2018

Justin Merritt, Finance Director
City of Shelby
300 S. Washington St.
Shelby, NC 28151

SCHLETTER INC.
1001 Commerce Center Drive
Shelby, NC 28150
USA

Phone: 704-595-4200
Fax: 704-595-4216
info@schletter-group.com
www.schletter.us

Subject: City of Shelby Incentive Grant Request

Dear Mr. Merritt,

This letter is to confirm that Schletter Inc. has satisfied the Grant Criteria applicable for calendar year 2017 pursuant to Section 1.2(a) of the Incentive Agreement by and between the City of Shelby and Schletter Inc. and NCCT LLC dated August 21, 2012. Please contact me at 704-595-4052 or stacie.earwood@schletter-group.com to arrange for disbursement of the grant award.

Regards,



SCHLETTER INC. by Stacie Earwood, Secretary

Property PV PERSONAL VEHICLE
2012 FRHT/IRP CASCADIA MM2577
1FUJGLDR5CSBJ5837

Assessed Value \$72,926
Exemption NONE

TAX COUNTY GENERAL T 415.68
TAX CONSOLIDATED SCH 109.39
TAX CITY OF SHELBY 362.59
TAX CLEV CO WATER DI 14.59
CHG 2 PERCENT INTERE 18.05

THIS Transaction # 156087
PAYMENT Date 1/22/2018 Time 14:34:47
Amount 920.30
Cash .00
Check 920.30
301493

PD SCHLETTER INC

***** PAID IN FULL *****

TOTAL TAXES/CHARGES 920.30
COLLECTED TO DATE 920.30

TOTAL STILL DUE .00

SCHLETTER INC
1001 COMMERCE CENTER DR
SHELBY, NC 28150

As of 1/22/2018
District 55
Account 1290606
Receipt 2017 100 4290556 3750014
REAL AND PERSONAL

KDS

CLEVELAND COUNTY
** RECEIPT OF PAYMENT **

1/24/2018

Property PV PERSONAL VEHICLE
2012 FRHT/IRP CASCADIA MM2578
1FUJGLDR7CSBJ5838

Assessed Value \$72,926
Exemption NONE

TAX COUNTY GENERAL T 415.68
TAX CONSOLIDATED SCH 109.39
TAX CITY OF SHELBY 362.59
TAX CLEV CO WATER DI 14.59
CHG 2 PERCENT INTERE 18.05

THIS Transaction # 156086
PAYMENT Date 1/22/2018 Time 14:34:47
Amount 920.30
Cash .00
Check 920.30
301493

PD SCHLETTER INC

***** PAID IN FULL *****

TOTAL TAXES/CHARGES 920.30
COLLECTED TO DATE 920.30

TOTAL STILL DUE .00

SCHLETTER INC
1001 COMMERCE CENTER DR
SHELBY, NC 28150

As of 1/22/2018
District 55
Account 1290606
Receipt 2017 100 4290555 3750014
REAL AND PERSONAL

Property	ND NON-DEPRECIABLES	Assessed Value	\$18,900
CLASS F ASM# 000		Exemption	NONE
1290606	F 000		

TAX COUNTY GENERAL T	107.73	THIS	Transaction #	156085
TAX CONSOLIDATED SCH	28.35	PAYMENT	Date 1/22/2018	Time 14:34:47
TAX CITY OF SHELBY	93.97		Amount	238.51
TAX CLEV CO WATER DI	3.78			
CHG 2 PERCENT INTERE	4.68		Cash	.00
			Check	238.51
			301493	

PD SCHLETTER INC

***** PAID IN FULL *****

TOTAL TAXES/CHARGES	238.51	TOTAL STILL DUE	.00
COLLECTED TO DATE	238.51		

SCHLETTER INC
1001 COMMERCE CENTER DR
SHELBY, NC 28150

As of	1/22/2018
District	55
Account	1290606
Receipt	2017 100 4290554 3750014
	REAL AND PERSONAL

KDS

CLEVELAND COUNTY
** RECEIPT OF PAYMENT **

1/24/2018

Property DP DEPRECIABLES
SECT A SCH B10 CLASS ME ASM# 00
1290606 AB10 ME 000

Assessed Value \$4,551,111
Exemption NONE

TAX COUNTY GENERAL T 25,941.33
TAX CONSOLIDATED SCH 6,826.67
TAX CITY OF SHELBY 22,628.12
TAX CLEV CO WATER DI 910.22
CHG 2 PERCENT INTERE 1,126.13

THIS Transaction # 156084
PAYMENT Date 1/22/2018 Time 14:34:47
Amount 4,824.76
Cash .00
Check 4,824.76
301493

PD SCHLETTER INC

***** PAID IN FULL *****

TOTAL TAXES/CHARGES 57,432.47
COLLECTED TO DATE 57,432.47

TOTAL STILL DUE .00

SCHLETTER INC
1001 COMMERCE CENTER DR
SHELBY, NC 28150

As of 1/22/2018
District 55
Account 1290606
Receipt 2017 100 4290553 3750014
REAL AND PERSONAL

Property REAL PROPERTY Assessed Value \$7,292,537
1001 COMMERCE CENTER DR Exemption NONE
61769

TAX COUNTY GENERAL T	6-100	1	77	Transaction #	155588
TAX CONSOLIDATED SCH	41,567.46		THIS	Date	1/18/2018
TAX CITY OF SHELBY	10,938.81		PAYMENT	Amount	92,027.74
TAX CLEV CO WATER DI	36,258.49			Cash	.00
CHG 2 PERCENT INTERE	1,458.51			Check	92,027.74
	1,804.47			301482	

SCHELETTER, PD

***** PAID IN FULL *****

TOTAL TAXES/CHARGES	92,027.74	TOTAL STILL DUE	.00
COLLECTED TO DATE	92,027.74		

GILBERT NORTH CAROLINA LLC
A NC LMTD LIABILITY CO
2730 WILSHIRE BLVD STE 301
SANTA MONICA, CA 90403

As of 1/18/2018
District 55
Account 1308645
Receipt 2017 100 4299381 3757538
REAL AND PERSONAL

6903.87

Property	DP DEPRECIABLES	Assessed Value	\$4,551,111
SECT A SCH B10 CLASS ME ASM# 00		Exemption	NONE
1290606	AB10 ME 000		

TAX COUNTY GENERAL T	25,941.33	THIS	Transaction #	155587
TAX CONSOLIDATED SCH	6,826.67	PAYMENT	Date	1/18/2018 Time 11:34:08
TAX CITY OF SHELBY	22,628.12		Amount	52,607.71
TAX CLEV CO WATER DI	910.22			
CHG 2 PERCENT INTERE	1,126.13		Cash	.00
			Check	52,607.71
			301482	

SCHLETTER PD

***** PARTIALLY PAID *****

TOTAL TAXES/CHARGES	57,432.47	TOTAL STILL DUE	4,824.76
COLLECTED TO DATE	52,607.71		

SCHLETTER INC
1001 COMMERCE CENTER DR
SHELBY, NC 28150

As of 1/18/2018
District 55
Account 1290606
Receipt 2017 100 4290553 3750014
REAL AND PERSONAL

Property DP DEPRECIABLES
SECT A SCH N20 CLASS LHI ASM# 00
1290606 AN20 LHI000

Assessed Value \$49,428
Exemption NONE

TAX COUNTY GENERAL T 281.74
TAX CONSOLIDATED SCH 74.14
TAX CITY OF SHELBY 245.76
TAX CLEV CO WATER DI 9.89
CHG 2 PERCENT INTERE 12.23

THIS Transaction # 155586
PAYMENT Date 1/18/2018 Time 11:34:08
Amount 623.76
Cash .00
Check 623.76
301482

SCHLETTER PD

***** PAID IN FULL *****

TOTAL TAXES/CHARGES 623.76
COLLECTED TO DATE 623.76

TOTAL STILL DUE .00

SCHLETTER INC
1001 COMMERCE CENTER DR
SHELBY, NC 28150

As of 1/18/2018
District 35
Account 1290606
Receipt 2017 100 4290552 3750014
REAL AND PERSONAL

LDC

CLEVELAND COUNTY
** RECEIPT OF PAYMENT

1/19/2018

Property DP DEPRECIABLES
SECT A SCH A10 CLASS OT ASM# 00
1290606 AA10 OT 000

Assessed Value \$400,928
Exemption NONE

TAX COUNTY GENERAL T 2,285.29
TAX CONSOLIDATED SCH 601.39
TAX CITY OF SHELBY 1,993.41
TAX CLEV CO WATER DI 80.19
CHG 2 PERCENT INTERE 99.21

THIS Transaction # 155585
PAYMENT Date 1/18/2018 Time 11:34:08
Amount 5,059.49
Cash .00
Check 5,059.49
301482

SCHLETTER PD

***** PAID IN FULL *****

TOTAL TAXES/CHARGES 5,059.49
COLLECTED TO DATE 5,059.49

TOTAL STILL DUE .00

SCHLETTER INC
1001 COMMERCE CENTER DR
SHELBY, NC 28150

As of 1/18/2018
District 55
Account 1290606
Receipt 2017 100 4290551 3750014
REAL AND PERSONAL

Property DP DEPRECIABLES
SECT A SCH U5 CLASS CE ASM# 00
1290606 AU5 CE 000

Assessed Value \$291,599
Exemption NONE

TAX COUNTY GENERAL T 1,662.11
TAX CONSOLIDATED SCH 437.40
TAX CITY OF SHELBY 1,449.83
TAX CLEV CO WATER DI 58.32
CHG 2 PERCENT INTERE 72.15

THIS Transaction # 155584
PAYMENT Date 1/18/2018 Time 11:34:08
Amount 3,679.81
Cash .00
Check 3,679.81
301482

SCHLETTER PD

***** PAID IN FULL *****

TOTAL TAXES/CHARGES 3,679.81
COLLECTED TO DATE 3,679.81

TOTAL STILL DUE .00

SCHLETTER INC
1001 COMMERCE CENTER DR
SHELBY, NC 28150

As of 1/18/2018
District 55
Account 1290606
Receipt 2017 100 4290550 3750014
REAL AND PERSONAL

LDC

CLEVELAND COUNTY
** RECEIPT OF PAYMENT **

1/19/2018

Property	DP DEPRECIABLES	Assessed Value	\$606,421
SECT A SCH K10 CLASS FF ASM# 00		Exemption	NONE
1290606	AK10 FF 000		

TAX COUNTY GENERAL T	3,456.60	THIS	Transaction #	155583
TAX CONSOLIDATED SCH	909.63	PAYMENT	Date	1/18/2018 Time 11:34:08
TAX CITY OF SHELBY	3,015.13		Amount	7,652.69
TAX CLEV CO WATER DI	121.28		Cash	.00
CHG 2 PERCENT INTERE	150.05		Check	7,652.69
			301482	

SCHLETTER PD

***** PAID IN FULL *****

TOTAL TAXES/CHARGES	7,652.69	TOTAL STILL DUE	.00
COLLECTED TO DATE	7,652.69		

SCHLETTER INC
1001 COMMERCE CENTER DR
SHELBY, NC 28150

As of 1/18/2018
District 55
Account 1290606
Receipt 2017 100 4290549 3750014
REAL AND PERSONAL

Property	DP DEPRECIABLES	Assessed Value	\$14,544,320
SECT A SCH A10 CLASS ME ASM# 00		Exemption	NONE
1290606	AA10 ME 000		

TAX COUNTY GENERAL T	82,902.62	THIS	Transaction #	155582
TAX CONSOLIDATED SCH	21,816.48	PAYMENT	Date 1/18/2018	Time 11:34:07
TAX CITY OF SHELBY	72,314.36		Amount	183,541.17
TAX CLEV CO WATER DI	2,908.86		Cash	.00
CHG 2 PERCENT INTERE	3,598.85		Check	183,541.17
			301482	

SCHLETTER PD

***** PAID IN FULL *****

TOTAL TAXES/CHARGES	183,541.17	TOTAL STILL DUE	.00
COLLECTED TO DATE	183,541.17		

SCHLETTER INC
1001 COMMERCE CENTER DR
SHELBY, NC 28150

As of 1/18/2018
 District 55
 Account 1290606
 Receipt 2017 100 4290548 3750014
 REAL AND PERSONAL



ORIGINAL BILL

PROPERTY TAX NOTICE

Cleveland County
TAX COLLECTOR
P O BOX 760
Shelby, North Carolina 28151

OFFICE LOCATION
311 E. Marion Street
Shelby, NC

HOURS
8:00 am to 5:00 pm
Monday thru Friday
704-476-3003 Real Property
704-484-4846 Personal Property
704-484-4843 Collections

- Pay by August 31 to receive 1/2 of 1% discount.
- Part September 1 thru January 5. Interest begins on Jan. 6 at a rate of 2% and accrues by 1/4% each month thereafter. Advertising and legal fees may apply.
- Payments submitted by mail are deemed to be received as of the date of the U.S. Postal Service postmark.
- Liens on unpaid real estate tax will be advertised in March.
- Garnishment, Attachment of funds, Attachment of state tax refund, and Levy, may be initiated after January 5.
- Value, situs, and taxability of personal property may be appealed within 30 days of the billing date.
- Returned checks: NCGS 105-357 requires a penalty of \$25 or 10% whichever is greater.
- For on-line payment go to www.clevelandcountytaxes.com
- Cleveland County collects property tax for municipalities and other special districts. Please see reverse side for detailed information on tax rates.

24053 1 AV 0.370 *****AUTO**5-DIGIT 28150



SCHLETTER INC
1001 COMMERCE CENTER DR
SHELBY NC 28150-7728

024053
24053
107

YEAR	PARCEL NO.	PROPERTY DESCRIPTION	REAL VALUE		
2017		PERSONAL PROPERTY			
BILLING DATE	DIST.	EXEMPTION	LAND USE	PERSONAL VALUE	TOTAL VALUE
7/21/2017	55			20,608,559	20,608,559

TAXING DISTRICT	RATE PER \$100	AMOUNT DUE
COUNTY GENERAL TAX	.57000	117,468.78
CONSOLIDATED SCHOOL DIST	.15000	30,912.84
CITY OF SHELBY	.49720	102,465.76
CLEV CO WATER DISTRICT	.02000	4,121.72
LATE LIST PENALTY		→
SOLID WASTE USER FEE		→
EARLY PAY DISCOUNT (VALID ONLY THRU AUG. 31)		▶ \$ 253,694.25
TAXES DUE SEPTEMBER 1ST INTEREST BEGINS JANUARY 6TH		TOTAL DUE SEPT. 1 THRU JAN. 5 ▶ \$ 254,969.10

ACCT NO 1290606
REC NO.
SEQ. NO.
BILL NO. 3750014

KEEP THIS PORTION FOR YOUR RECORDS

DETACH HERE →

MAKE CHECK PAYABLE TO CLEVELAND COUNTY TAX COLLECTOR AND REMIT IN THE ENCLOSED PAYMENT ENVELOPE.

PLEASE RETURN THIS PORTION WITH PAYMENT

CLEVELAND CO. TAX COLLECTOR PO BOX 760 SHELBY, NC 28151
- ACCOUNT NO. 1290606 RECEIPT NO. SEQ. NO. BILL NO. 3750014

YEAR	DIST.	PARCEL NO.	EXEMPT	LU	EARLY PAY DISCOUNT (VALID ONLY THRU AUGUST 31)
2017	55				▶ \$ 253,694.25
BILLING DATE	DUE DATE	INTEREST BEGINS	PAY THIS AMOUNT		
7/21/2017	9/01/2017	1/06/2018	▶ \$ 254,969.10 SEPTEMBER 1 THRU JAN. 5		

IMPORTANT - FOR ADDRESS CHANGE:
← CHECK BOX TO LEFT AND PRINT CORRECT ADDRESS BELOW.

SCHLETTER INC
1001 COMMERCE CENTER DR
SHELBY NC 28150



ORIGINAL BILL

PROPERTY TAX NOTICE

OFFICE LOCATION
311 E. Marion Street
Shelby, NC

HOURS
8:00 am to 5:00 pm
Monday thru Friday
764-476-3003 Real Property
764-434-4345 Personal Property
764-434-4343 Collections

Cleveland County
TAX COLLECTOR
P O BOX 760
Shelby, North Carolina 28151

RECEIVED

JUL 28 2017

- Pay by August 31 to receive 1/2 of 1% discount.
- Par: September 1 thru January 5. Interest begins on Jan. 6 at a rate of 2% and accrues by 3/4% each month thereafter. Advertising and legal fees may apply.
- Payments submitted by mail are deemed to be received as of the date of the U.S. Postal Service postmark.
- Liens on unpaid real estate tax will be advertised in March.
- Garnishment, Attachment of funds, Attachment of state tax refund, and Levy, may be initiated after January 5.
- Value, situs, and taxability of personal property may be appealed within 30 days of the billing date.
- Returned checks: NCGS 105-357 requires a penalty of \$25 or 10% whichever is greater.
- For on-line payment go to www.clevelandcountytaxes.com.
- Cleveland County collects property tax for municipalities and other special districts. Please see reverse side for detailed information on tax rates.

2782 1 MB 0.420 ****AUTO**MIXED AADC 270



GILBERT NORTH CAROLINA LLC
A NC LMTD LIABILITY CO
2730 WILSHIRE BLVD STE 301
SANTA MONICA CA 90403-4749

002782
2782
19

YEAR	PARCEL NO.	PROPERTY DESCRIPTION	REAL VALUE		
2017	61769	#1 PB35-182 FOOTHILLS	7,292,537		
BILLING DATE	DIST.	EXEMPTION	LAND USE	PERSONAL VALUE	TOTAL VALUE
7/21/2017	55				7,292,537

TAXING DISTRICT	RATE PER \$100	AMOUNT DUE
COUNTY GENERAL TAX	.57000	41,567.46
CONSOLIDATED SCHOOL DIST	.15000	10,938.81
CITY OF SHELBY	.49720	36,258.49
CLEV CO WATER DISTRICT	.02000	1,458.51
LATE LIST PENALTY		
SOLID WASTE USER FEE		
EARLY PAY DISCOUNT (VALID ONLY THRU AUG. 31)		\$ 89,772.15
TAXES DUE SEPTEMBER 1ST	TOTAL DUE	\$ 90,223.27
INTEREST BEGINS JANUARY 6TH	SEPT. 1 THRU JAN. 5	

ACCT NO. 1308645
REC. NO.
SEQ. NO. 61769
BILL NO. 3757538

KEEP THIS PORTION FOR YOUR RECORDS

DETACH HERE

MAKE CHECK PAYABLE TO CLEVELAND COUNTY TAX COLLECTOR AND REMIT IN THE ENCLOSED PAYMENT ENVELOPE.

PLEASE RETURN THIS PORTION WITH PAYMENT

CLEVELAND CO. TAX COLLECTOR PO BOX 760 SHELBY, NC 28151
ACCOUNT NO. 1308645 RECEIPT NO. SEQ. NO. 61769 BILL NO. 3757538

YEAR	DIST.	PARCEL NO.	EXEMPT	LU	EARLY PAY DISCOUNT (VALID ONLY THRU AUGUST 31)
2017	55	61769			\$ 89,772.15

BILLING DATE	DUE DATE	INTEREST BEGINS	PAY THIS AMOUNT
7/21/2017	9/01/2017	1/06/2018	SEPTEMBER 1 THRU JAN. 5

\$ 89,772.15
\$ 90,223.27

IMPORTANT - FOR ADDRESS CHANGE:
← CHECK BOX TO LEFT AND PRINT CORRECT ADDRESS BELOW.

GILBERT NORTH CAROLINA LLC
A NC LMTD LIABILITY CO
2730 WILSHIRE BLVD STE 301
SANTA MONICA CA 90403



Schletter Inc.
 1001 Commerce Center Dr.
 Shelby, NC 28150
 www.schletter.us

Payment No.: 2000000092
 Check No.: 301482
 Payment Date: 01/17/2018
 Vendor No.: 605465
 Page: 1 of 1

Invoice Number	Invoice Date	Document Number Text	Gross Amount	Discount	Net Amount
2017 PPT	01/17/2018	1900000223	254,969.10	0.00	254,969.10
2017 REAL ESTATE	01/17/2018	1900000222	90,223.27	0.00	90,223.27
Check Total.....					\$ 345,192.37

Schletter, Inc.
City Incentive Grant Payment Schedule

* Applicable agreement must be reviewed before annual remittance of grant incentive payment. Grant payments to be made after the taxpayer has paid in full all local property taxes. City has option to pay grant to taxpayer between January and March annually

Column1 Tax Year (Fiscal Yr.)	Column2 2013-14	Column3 2014-15	Column4 2015-16	Column5 2016-17	Column6 2017-18	Column7 Totals
% authorized	90%	90%	75%	75%	75%	N/A
Estimated net new investment	12,000,000	17,000,000	21,000,000	23,000,000	27,000,000	N/A
Current City Tax Rate per \$100	0.00435	0.00435	0.00435	0.004972	0.004972	
Estimated City Tax Levy	\$52,200	\$73,950	\$91,350	\$114,356	\$134,244	\$466,100
Calculated Grant Incentive Payment	46,980	66,555	68,513	85,767	100,683	368,498
Actual net new investment#	2,515,320	17,450,846	18,370,099	15,737,681	27,628,096	
Current City Tax Rate per \$100	0.00435	0.00435	0.00435	0.004972	0.004972	
Actual City Tax Levy#	\$10,941.64	\$75,911	\$79,910	\$78,248	\$137,367	\$382,377
Actual Grant Incentive Payment	\$9,847.48	\$68,320	\$59,932	\$58,686	\$103,025	\$299,811
Difference	\$41,258	-\$1,961	\$11,440	\$36,108	-\$3,123	\$83,723
Request Received	Yes	Yes	Yes	Yes	Yes	Yes

To be reported and confirmed by Cleveland County Tax Office annually to the City Manager and Finance Director.

Requirements for remittance: (This list is not exhaustive. Please refer to agreement.)

- 1 - Company must have paid all local property taxes in full.
- 2 - Company must be current on all utility accounts with the City.
- 3 - Company must be current on all fees and charges owed to the City.
- 4 - Company must request in writing during the fiscal year to be eligible to receive the City grant. Grants not requested are forfeited for that fiscal year.
- 5 - Company must meet the minimum stated net new investments.
- 6 - Company must be in compliance with all federal, state and local laws. (Including zoning, nuisance and other applicable ordinances;
- 7 - Grant to be paid between January 1 - March 31 of the fiscal year after all above conditions met.

ORDINANCE NO. 5-2018

CITY OF SHELBY
FISCAL YEAR (FY) 2017-2018 BUDGET ORDINANCE AMENDMENT

WHEREAS, in accordance with applicable provisions of the North Carolina Budget and Fiscal Control Act, the City of Shelby finds it advisable and necessary to revise and amend its annual budget for FY 2017-2018; and,

WHEREAS, the City Manager (Budget Officer) has recommended certain amendments to the budget which the governing body finds acceptable; and,

WHEREAS, City Council now desires to act on the recommended budget amendments and approve same for implementation and compliance with the Fiscal Control Act;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA:

Section 1. Ordinance No. 41-2017, the City's FY 2017-2018 Budget Ordinance, is hereby amended as follows to provide for Budget Amendment No. 11 for the year:

(A) The City of Shelby, via Resolution 47-2012, approved incentive agreements and awarded Industrial Incentive Grants to Schletter Inc. Schletter Inc. has now met the requirements for distribution of grant funds for the fifth and final year of their incentive. Accordingly, the following budget modifications are approved in accordance with the chart of accounts heretofore established for the City of Shelby.

(1) The following General Fund line items are amended:

- | | |
|---|-----------|
| (a) Increase 11001000-39900
Fund Balance Appropriated | \$103,025 |
| (b) Increase 110495-49230
Transferred to Economic Development Fund | \$103,025 |

(2) The following Econ. Development Funds Line Items are amended:

- | | |
|---|-----------|
| (a) Increase 23009000-39000
Transferred from Other Funds | \$103,025 |
| (b) Increase 230590-42006
Economic Development | \$103,025 |

Section 2. That the revenues, expenditures and amendments set forth in Section 1 of this ordinance are hereby summarized as follows:

	<u>Current Budget</u>	<u>Amendment No. 11</u>
General Fund	\$ 22,975,537	\$ 23,078,562
Emergency Telephone System Fund	107,000	107,000
Powell Bill Fund	654,750	654,750
Economic Dev. Fund	1,134,973	1,237,998
Housing Fund	1,494,872	1,494,872
Cemetery Fund	30,000	30,000
Utilities-Water Fund	5,175,797	5,175,797
Utilities-Sewer Fund	5,461,315	5,461,315
Utilities-Electric Fund	21,894,427	21,894,427
Utilities-Gas Fund	17,151,911	17,151,911
Utilities – Stormwater Fund	798,000	798,000
FY 2017-2018 Budget Total	<u>\$ 76,878,582</u>	<u>\$ 77,084,632</u>

Ordinance No. 5-2018
February 5, 2018
Page 2

Section 3. Copies of this Budget Ordinance Amendment shall be furnished to the City Manager as Budget Officer and to the Finance Director to be kept on file by them for their direction in the collection and disbursement of funds. Said officials are hereby authorized to receive and expend funds as herein set forth in accordance with the Shelby City Code, the General Statutes of North Carolina, and the provisions of the original budget ordinance; inclusive of GS 159-28 governing budgetary accounting of appropriations.

Section 4. This ordinance shall become effective upon its adoption and approval.

Adopted and approved this the 5th day of February 2018.

O. Stanhope Anthony III
Mayor

ATTEST:

Bernadette A. Parduski, NC-CMC, IIMC-MMC
City Clerk

APPROVED AS TO FORM:

Robert W. Yelton
City Attorney

City of Shelby
Agenda Item Summary
February 5, 2018
City Hall Council Chamber

Agenda Item: C-8

- 8) Approval of a resolution authorizing execution of a Lease Agreement between Norfolk Southern Railway Company and City of Shelby, North Carolina: Resolution No. 6-2018

Consent Agenda Item: (Staff Resource, Rick Howell, City Manager)

Summary of Available Information:

- Letter dated December 21, 2017 from Norfolk Southern Corporation to Rick Howell, City Manager
- Lease Agreement with map and Exhibits
- Resolution No. 6-2018

City Manager's Recommendation / Comments

Resolution No. 6-2018 is presented for City Council consideration at this time via the Consent Agenda. If approved this resolution would authorize the Mayor to execute a year to year lease agreement with Norfolk Southern for two areas now used by the City for public parking. They are shown on the attached exhibit of the lease. These are public parking areas that the City has leased and used for many years and approval of the lease is the continuation of a previous lease agreement between the City and Norfolk Southern. The annual lease rate is \$800 per year.

It is my recommendation Resolution No. 6-2018 be adopted and approved by City Council at this time via the Consent Agenda.

Norfolk Southern Corporation
Real Estate and Contract Services
1200 Peachtree Street, NE, 12th Floor
Atlanta, Georgia 30309-3579

Kontessa.Lemons@nscorp.com

Kontessa M. Lemons
Senior Property Services Agent
My Direct Line Is:
Phone: (404) 962-5811
Fax: (678) 512-5618
E-mail:

December 21, 2017
Activity No. 1254923

UPS GROUND

Mr. Rick Howell
City of Shelby
300 South Washington St Box 207
Shelby, NC 28151

RE: **Shelby, Cleveland County, North Carolina** – Proposed Lease Agreement (“Lease”) between NORFOLK SOUTHERN RAILWAY COMPANY (“Landlord”) and CITY OF SHELBY (“Tenant”), concerning real property having an area of 21,445 square feet, more or less, located at Milepost SB-153.53; \$800.00 annual rent;

Dear Mr. Howell:

Enclosed are duplicate originals of the referenced Lease for your handling for execution and witnessing. Thereafter, return both originals to me for execution on behalf of Landlord, after which a fully-executed original will be returned to you for your file. DO NOT DATE the Lease, as we will do so at the time of Landlord’s execution. Below are the items required by Landlord in order to complete the file:

- Both originals of the Lease, signed and witnessed on behalf of City of Shelby.
- Fax a copy of the Certificate of Insurance, as required by Paragraph 22 of the Lease, to my attention at 678-512-5618 and forward the original directly to: Risk Manager, Norfolk Southern Corporation, Three Commercial Place, Norfolk, VA 23510-2191. Instruct your insurance company to name Norfolk Southern Railway Company as an additional insured and certificate holder. For answers to questions concerning the insurance requirements, please email NSRISK1@nscorp.com (Sample Certificate of Insurance enclosed).

The Certificate of Insurance must be approved and the Lease fully-executed before occupation of the property can be permitted.

The terms and conditions of this Lease shall be valid for thirty (30) calendar days from the date of this letter. If you are unable to execute the Lease within the thirty (30) calendar day time frame, please advise this office in writing of your intent or risk cancellation of your file.

Your cooperation is appreciated. If you have any questions regarding this matter, please contact me referring to the activity number above.

Sincerely,



Enclosure
K L Thursday, December 21, 2017 Activity No. 1254923/ iManage No.1586242v1



Activity Number: 1254923

LEASE AGREEMENT

THIS LEASE is made as of the _____ day of _____, _____ by and between **NORFOLK SOUTHERN RAILWAY COMPANY** a Virginia corporation (the “**Landlord**”) and **CITY OF SHELBY**, a North Carolina government entity (the “**Tenant**”).

1. Premises; Use. For and in consideration of the agreements set forth herein, to be paid, kept and performed by Tenant, Landlord hereby leases and rents to Tenant, insofar as its right, title and interest in the Premises enables it to do so, that certain real property located at Milepost SB-153.53 in **Shelby, Cleveland, North Carolina**, having an area of 21,445 square feet, more or less, the location and dimensions of which are substantially shown on print of Drawing No. 1254923 dated November 1, 2017, hereunto annexed as Exhibit “A” attached hereto (the “**Land**”), together with all improvements thereon (the “**Improvements**”). The Land and the Improvements are collectively referred to herein as the “**Premises**”. This Lease is subject to all encumbrances, easements, conditions, covenants and restrictions, whether or not of record.

The Premises shall be used for public parking purposes. The Premises shall not be used for any illegal purposes, for the storage of unlicensed vehicles, nor in any manner to create any nuisance or trespass. No smoking is permitted in or about the Premises. Landlord reserves unto itself and its permittees, the permanent right to construct, maintain or replace upon, under, or over the Premises, any pipe, electrical, telecommunications, and signal lines, or any other facilities of like character now installed or hereinafter to be installed. Landlord further reserves unto itself and its permittees the right to enter upon the Premises at any and all times for the purposes of operating, maintaining, constructing or relocating any trackage or railroad facilities located on, or in the vicinity of, the Premises.

The terms and conditions of the Rider, if any, attached hereto as Exhibit “B” are incorporated herein by this reference. In the event of an inconsistency between the terms hereof and the terms of the Rider, the terms of the Rider shall prevail.

2. Term. To have and to hold for a term beginning on March 1, 2018, and continuing thereafter on a periodic basis. In addition to any termination rights that the parties may have hereunder, either party may terminate this Lease for any reason by giving the other party not less than thirty (30) days’ notice of such termination. Any such termination pursuant to the preceding sentence shall not relieve Tenant from satisfying and performing all of its obligations hereunder (including, but not limited to, the payment of rental) through the date of such termination and shall not relieve either party from performing any obligation that, pursuant to the terms of the Lease, survives the termination of the Lease.

3. Base Rental. Commencing on March 1, 2018 the “**Rental Commencement Date**”) and thereafter on each anniversary thereof during the term of this Lease, Tenant shall pay to Landlord, without offset, abatement or demand, initial base rental of **EIGHT HUNDRED AND NO/100 DOLLARS (\$800.00)**. The amount of the base rental shall be increased (and not decreased) on an annual basis by the three (3%) percent.

Base rental shall be due in advance. Except in the event of default, base rental for any partial rental periods shall be prorated. The acceptance by Landlord of base rental shall not constitute a waiver of any of Landlord’s rights or remedies under this Lease. All payments of base rental, and any additional rental payable hereunder, shall be sent to the Treasurer of Landlord at Mail Code 5629, P.O. Box 105046,

Atlanta, Georgia 30348-5046, or such other address as Landlord may designate in any invoice delivered to Tenant. Prior to or simultaneously with Tenant's execution of this Lease, Tenant has paid to Landlord (a) a non-refundable, application fee in the amount of \$500.00, and (b) the first installment of base rental due hereunder. In the event Tenant fails to pay base rental or any other payment called for under this Lease on or before the due date, Tenant shall pay a late charge equal to five percent (5%) of the unpaid amount. In addition, any sum not paid within thirty (30) days of its due date shall accrue interest thereafter until paid at the rate per annum equal to the lesser of (a) the highest interest rate permitted by applicable law; or (b) eighteen percent (18%). [SEE RIDER]

4. Taxes. SEE RIDER.

5. Utilities. Landlord shall have no obligation to provide light, water, heat, air conditioning or any other utilities or services to the Premises. Tenant shall place any and all utility and service related bills in its name and shall timely pay the same, along with all assessments or other governmental fees or charges pertaining to the Premises, including without limitation those related to stormwater. If Tenant does not pay same, Landlord may (but shall not be obligated to) pay the same, including any and all late fees and penalties, and such payment shall be added to and treated as additional rental of the Premises.

6. Maintenance and Repairs. Tenant, at its sole cost, shall keep and maintain all of the Premises (including, but not limited to, all structural and non-structural components thereof and all systems) in good order and repair (including replacements) and shall keep the Premises free of pests and rodents. Tenant hereby waives (a) any rights at law or in equity to require Landlord to perform any repair, replacement or maintenance to the Premises, and (b) any right to abate rental or terminate this Lease due to the failure by Landlord to perform any repairs, replacements or maintenance. Tenant shall not create any lien, charge or encumbrance upon the Premises, and Tenant shall promptly remove or bond over any such lien, charge or encumbrance.

7. Modifications and Alterations to the Premises. Tenant shall make no modifications, alterations or improvements to the Premises without the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion. Any modifications or alterations consented to by Landlord shall be completed in a good, workmanlike and lien-free manner, in accordance with all applicable laws, codes, regulations and ordinances and by contractors approved by Landlord. Tenant may remove any moveable equipment or trade fixtures owned by Tenant during the term of this Lease, provided that any damage caused by such removal shall be repaired by Tenant in a manner acceptable to Landlord.

8. Return of Premises. At the expiration or prior termination of this Lease, Tenant shall remove all of its moveable equipment and trade fixtures and repair any or all alterations made to the Premises. Upon Landlord's request, Tenant shall promptly and with due care remove any or all of the improvements located on the Premises. Tenant shall immediately repair, in a manner acceptable to Landlord, any damage arising out of any such removal or repair. Tenant shall also return the Premises, including the subsurface, in as good order and condition as said Premises may have been prior to the use and occupation thereof by Tenant, normal wear and tear excepted, and free from holes, obstructions, debris, wastes, or contamination of any kind. Tenant agrees that any improvements not removed from the Premises that are owned by Tenant may be deemed the property of Landlord at Landlord's option. Failure to comply with this Paragraph 8 will constitute holding over by Tenant.

If Tenant fails to restore the Premises, including removal of the improvements, as provided herein prior to the date Tenant is required to vacate the Premises or as otherwise requested by Landlord, then

Landlord may, at Landlord's option, but at the sole cost and expense of Tenant, remove or arrange to remove all such property, improvements, obstructions, debris, waste, and contamination, and restore or arrange to restore both the surface and the subsurface of the Premises to as good order and condition as said Premises may have been prior to the use and occupation thereof by Tenant. Promptly upon bill rendered by Landlord, Tenant shall pay to Landlord the total cost of such removal and restoration, including, but not limited to, the cost of cleaning up and removing any contaminated soil or water.

9. Destruction of or Damage to Premises. If all or substantially all of the Premises are destroyed by storm, fire, lightning, earthquake or other casualty, this Lease shall terminate as of the date of such destruction, and rental shall be accounted for as between Landlord and Tenant as of that date. In the event of such termination, rental shall be prorated and paid up to the date of such casualty. In no event shall Tenant have any right to terminate this Lease if the casualty in question was caused or contributed to by Tenant, its agents, employees, contractors or invitees.

10. Indemnity. Except for damage caused solely by Landlord's negligence, Tenant agrees to indemnify, defend and save harmless Landlord, Landlord's parent companies, subsidiaries, affiliates, lessors, licensors, and subsidiaries of parent companies (collectively the "**Landlord Related Entities**") and Landlord's and Landlord's Related Entities' officers, directors, members, shareholders, lenders, agents and employees (collectively the "**Landlord Entities**") against all claims (including but not limited to claims for bodily injury, death or property damage), economic losses, liabilities, costs, injuries, damages, actions, mechanic's liens, losses and expenses (including but not limited to reasonable attorney's fees and costs) to whomsoever, including, but not limited to, Tenant's agents, workmen, servants or employees, or whatsoever occurring (collectively, "**Claims**") arising out of or relating to Tenant's use or occupancy of the Premises. To the fullest extent permitted by applicable laws, Tenant hereby waives and releases the Landlord Entities from any Claims (including but not limited to Claims relating to interruptions in services) arising out of or relating in any way to the Tenant's use or occupancy of the Premises.

11. Governmental Orders. Tenant agrees, at its own expense, to comply with all laws, orders, regulations, ordinances or restrictions applicable by reason of Tenant's use or occupancy of the Premises or operation of its business.

12. Condemnation. If the Premises or such portion thereof as will make the Premises unusable for the purpose herein leased shall be condemned by any legally constituted authority for any public use or purpose, or sold under threat of condemnation, then this Lease shall terminate as of the date of such condemnation or sale, and rental shall be accounted for between Landlord and Tenant as of such date. All condemnation awards shall belong to Landlord; provided, however, and to the extent permitted under applicable law, Tenant shall be entitled to file a separate claim against the condemning authority for loss of its personal property and moving expenses so long as the filing of such claim does not affect or reduce Landlord's claim as to such awards or proceeds.

13. Assignment. Tenant may not assign this Lease or any interest thereunder or sublet the Premises in whole or in part or allow all or a portion of the Premises to be used by a third party without the prior written consent of Landlord. If Tenant is a corporation, partnership, limited liability company or other entity, the transfer of more than fifty percent (50%) of the ownership interests of Tenant or the transfer of a lesser percentage which results in a transfer of control of Tenant (WHICH INCLUDES, WITHOUT LIMITATION, TRANSACTIONS IN WHICH TENANT SELLS ITS BUSINESS, SELLS ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF ITS BUSINESS OR MERGES OR CONSOLIDATES WITH ANOTHER ENTITY), whether in one transaction or a series of related transactions, shall constitute an assignment for purposes of this Lease. All requests for an assignment or sublease shall be accompanied by a copy of the proposed assignment or sublease agreement and an

administrative fee in the amount of \$750.00. Any assignee shall become liable directly to Landlord for all obligations of Tenant hereunder. No such assignment or sublease nor any subsequent amendment of the Lease shall release Tenant or any guarantor of Tenant's obligations hereunder. If any such subtenant or assignee pays rental in excess of the rental due hereunder or if Tenant receives any other consideration on account of any such assignment or sublease, Tenant shall pay to Landlord, as additional rent, one-half of such excess rental or other consideration upon the receipt thereof. Any assignment or sublease made in violation of this Paragraph 13 shall be void and shall constitute a default hereunder.

14. Environmental. Tenant covenants that neither Tenant, nor any of its agents, employees, contractors or invitees shall cause or permit any aboveground or underground storage tanks or associated piping (collectively “**Tanks**”) to be located on or under the Premises or any Hazardous Materials (as hereinafter defined) to be stored, handled, treated, released or brought upon or disposed of on the Premises. Tenant shall comply, at its own expense, with any and all applicable laws, ordinances, rules, regulations and requirements respecting solid waste, hazardous waste, air, water, pollution or otherwise relating to the environment or health and safety (collectively “**Environmental Laws**”). Tenant shall not under any circumstance dispose of trash, debris or wastes on the Premises and will not conduct any activities on the Premises which require a hazardous waste treatment, storage or disposal permit. As used herein, the term “**Hazardous Materials**” means asbestos, polychlorinated biphenyls, oil, gasoline or other petroleum based liquids, and any and all other materials or substances deemed hazardous or toxic or regulated by applicable laws, including but not limited to substances defined as hazardous under the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. §9601 *et seq.*, or the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901 *et seq.* (or any state counterpart to the foregoing statutes) or determined to present the unreasonable risk of injury to health or the environment under the Toxic Substances Control Act, as amended, 15 U.S.C. 2601 *et seq.* Tenant shall indemnify, defend and hold the Landlord Entities harmless from and against any and all claims, judgments, damages, penalties, fines, costs (including without limitation, consultant’s fees, experts’ fees, attorney’s fees, investigation and cleanup costs and courts costs), liabilities or losses resulting from (1) the storage, handling, treatment, release, disposal, presence or use of Hazardous Materials in, on or about the Premises from and after the date of this Lease or (2) the violation by Tenant of any provision of any Environmental Laws. Without limiting the generality of the foregoing indemnity, in the event Landlord has reason to believe that the covenants set forth in this Paragraph 14 have been violated by Tenant, Landlord shall be entitled, at Tenant’s sole expense, to take such actions as Landlord deems necessary in order to assess, contain, delineate and/or remediate any condition created by such violation. Any sums expended by Landlord shall be reimbursed by Tenant, as additional rental, within thirty (30) days after demand therefor by Landlord. Landlord has the right to enter the Premises at all reasonable times for purposes of inspecting the Premises in order to evaluate Tenant’s compliance with the covenants of this Paragraph 14. In the event Tenant delivers or receives any notices or materials from any governmental or quasi-governmental entity and such notices or materials relate to Tanks or Hazardous Materials in, on or about the Premises, Tenant shall immediately send to Landlord a copy of such notices or materials. Tenant shall also provide Landlord with a detailed report relating to any release of a Hazardous Material in, on or about the Premises whenever such release is required to be reported to governmental authorities pursuant to the Environmental Laws. Upon the expiration or earlier termination of this Lease, Landlord shall have the right to cause to be performed such environmental studies of the Premises by an environmental consultant as are necessary to determine whether any Hazardous Materials have been stored, handled, treated, released, brought upon or disposed of on the Premises during the term of this Lease in violation of the terms hereof. If any such study reveals any violation of this Lease, Tenant shall promptly reimburse Landlord for the costs of such studies and Tenant shall immediately undertake a further investigation, if necessary, and remediation of such contamination. Landlord may undertake such investigation and remediation if Tenant fails to do so within a reasonable time frame, in which case Tenant shall promptly reimburse Landlord for the cost of same within thirty (30) days after demand

therefore by Landlord. The obligations of this Paragraph 13 shall survive the expiration or earlier termination of this Lease.

15. Default; Remedies. In the event (i) any payment of rental or other sum due hereunder is not paid within ten (10) days after the due date thereof; (ii) the Premises shall be deserted or vacated; (iii) Tenant shall fail to comply with any term, provision, condition or covenant of this Lease, other than an obligation requiring the payment of rental or other sums hereunder, and shall not cure such failure within twenty (20) days after notice to the Tenant of such failure to comply; (iv) Tenant shall attempt to violate or violate Paragraph 13 above; or (v) Tenant or any guarantor shall file a petition under any applicable federal or state bankruptcy or insolvency law or have any involuntary petition filed thereunder against it, then Landlord, in addition to any remedy available at law or in equity, shall have the option to do any one or more of the following:

- (a) Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord. Tenant agrees to indemnify the Landlord Entities for all loss, damage and expense which Landlord may suffer by reason of such termination.
- (b) Without terminating this Lease, terminate Tenant's right of possession, whereupon rental shall continue to accrue and be owed by Tenant hereunder. Thereafter, at Landlord's option, Landlord may enter upon and relet all or a portion of the Premises (or relet the Premises together with any additional space) for a term longer or shorter than the remaining term hereunder and otherwise on terms satisfactory to Landlord. Tenant shall be liable to Landlord for the deficiency, if any, between Tenant's rental hereunder and all net sums received by Landlord on account of such reletting (after deducting all costs incurred by Landlord in connection with any such reletting, including without limitation, tenant improvement costs, brokerage commissions and attorney's fees).
- (c) Pursue a dispossessory, eviction or other similar action against Tenant, in which event Tenant shall remain liable for all amounts owed hereunder, including amounts accruing hereunder from and after the date that a writ of possession is issued.
- (d) Perform any unperformed obligation of Tenant, including, but not limited to, cleaning up any trash, debris or property remaining in or about the Premises upon the expiration or earlier termination of this Lease. Any sums expended by Landlord shall be repaid by Tenant, as additional rent, within ten (10) days after demand therefor by Landlord.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any other remedies available at law or in equity. Tenant agrees to pay all costs and expenses, including, but not limited to, reasonable attorney's fees and consultant's fees, incurred by Landlord in connection with enforcing the performance of any of the provisions of this Lease, whether suit is actually filed or not. Acceptance of rental or any other sums paid by Tenant shall not constitute the waiver by Landlord of any of the terms of this Lease or any default by Tenant hereunder. Landlord shall not be required to mitigate damages, and the parties intend to waive any burden that applicable law may impose on Landlord to mitigate damages; provided, however, if applicable law nevertheless requires Landlord to mitigate damages then (i) Landlord shall have no obligation to treat preferentially the Premises compared to other premises Landlord has available for leasing; (ii) Landlord shall not be obligated to expend any efforts or any monies beyond those Landlord would expend in the ordinary course of leasing space; and (iii) in evaluating a prospective reletting of the Premises, the term, rental, use and the reputation, experience and financial standing of prospective tenants are factors which Landlord may properly consider.

16. Signs; Entry by Landlord. Landlord may place “For Lease” signs upon the Premises one hundred twenty (120) days before the termination of this Lease and may place “For Sale” signs upon the Premises at any time. Landlord may enter the Premises with prior notice to Tenant at reasonable hours during the term of this Lease (a) to show the same to prospective purchasers or tenants, (b) to make repairs to Landlord's adjoining property, if any, (c) to inspect the Premises in order to evaluate Tenant’s compliance with the covenants set forth in this Lease, or (d) to perform activities otherwise permitted or contemplated hereby.

17. No Estate in Land. This Lease shall create the relationship of landlord and tenant between Landlord and Tenant; Tenant's interest is not assignable by Tenant except as provided in Paragraph 13, above.

18. Holding Over. If Tenant remains in possession of the Premises after expiration of the term hereof with Landlord's written consent, Tenant shall be a month-to-month tenant upon all the same terms and conditions as contained in this Lease, except that the base rental shall become two times the then current base rental, and there shall be no renewal of this Lease by operation of law. Such month-to-month tenancy shall be terminable upon thirty (30) days written notice by either party to the other. Tenant waives any right that it may have to additional notice pursuant to applicable law. If Tenant remains in possession of the Premises after the expiration of the term hereof without Landlord's written consent, Tenant shall be a tenant at sufferance subject to immediate eviction. In such event, in addition to paying Landlord any damages resulting from such holdover, Tenant shall pay base rental at the rate of three times the then current base rental. In such circumstance, acceptance of base rental by Landlord shall not constitute consent or agreement by Landlord to Tenant's holding over and shall not waive Landlord's right to evict Tenant immediately.

19. Notices. Any notice given pursuant to this Lease shall be in writing and sent by certified mail, return receipt requested, by hand delivery or by reputable overnight courier to:

(a) Landlord: c/o Director Real Estate, Norfolk Southern Corporation, 1200 Peachtree Street, NE – 12th Floor, Atlanta, Georgia 30309-3579, or at such other address as Landlord may designate in writing to Tenant.

(b) Tenant: City of Shelby, 300 South Washington Street-Box 207, Shelby, North Carolina 28151, or at such other address as Tenant may designate in writing to Landlord.

Any notice sent in the manner set forth above shall be deemed delivered three (3) days after said notice is deposited in the mail if sent by certified mail (return receipt requested), or upon receipt if sent by hand delivery or reputable overnight courier. Any change of notice address by either party shall be delivered to the other party by the manner of notice required hereby.

20. Track Clearance. Notwithstanding anything contained in this Lease, and irrespective of the sole, joint, or concurring negligence of Landlord, Tenant shall assume sole responsibility for and shall indemnify, save harmless and defend the Landlord Entities from and against all claims, actions or legal proceedings arising, in whole or in part, from the conduct of Tenant’s operations, or the placement of Tenant’s fixtures, equipment or other property, within twenty-five feet (25’) of Landlord’s tracks, if any, located on or adjacent to the Premises. In this connection it is specifically understood that knowledge on the part of Landlord of a violation of the foregoing clearance requirement, whether such knowledge is actual or implied, shall not constitute a waiver and shall not relieve Tenant of its obligations to indemnify the Landlord Entities for losses and claims resulting from any such violation.

21. Brokerage. Landlord and Tenant hereby covenant and agree to indemnify and hold the other harmless from and against any and all loss, liability, damage, claim, judgment, cost and expense (including without limitation attorney's fees and litigation costs) that may be incurred or suffered by the other because of any claim for any fee, commission or similar compensation with respect to this Lease, made by any broker, agent or finder claiming by, through or under the indemnifying party, whether or not such claim is valid.

22. Tenant's Insurance. Tenant shall procure and maintain, at all times and at its expense, in a form and with an insurance company acceptable to Landlord, Commercial General Liability Insurance for the Premises. Such coverage shall (a) have a single limit of not less than \$2,000,000.00 for each occurrence (or such greater amount over time so as to be commercially reasonable) and shall provide for a deductible of not more than \$5,000.00, (b) cover Tenant's contractual liability hereunder, (c) cover Tenant and Landlord for liability arising out of work performed by any third parties for Tenant in or about the Premises, (d) name the Landlord Entities as additional insureds, and (e) be considered primary and noncontributory, regardless of any insurance carried by Landlord. Any property insurance maintained by Tenant on its furniture, fixtures, equipment and personal property shall include a waiver of subrogation in favor of Landlord. Tenant shall deliver certificates of insurance evidencing the insurance required hereinabove to Landlord simultaneously with the execution of this Lease by Tenant, which certificates shall reflect that the policies shall not be canceled without at least thirty (30) days prior notice to Landlord. If Tenant fails to obtain the necessary coverages, Landlord may do so at Tenant's expense and the same shall constitute additional rental. All insurance certificates should be delivered to Landlord's Risk Management Department, Three Commercial Place, Norfolk, Virginia 23510, simultaneously with the execution of this Lease by Tenant. The minimum limits of insurance provided for hereunder are not intended to be a limitation on the liability of Tenant hereunder and shall not waive Landlord's right to seek a full recovery from Tenant.

23. Rent Increase Notice. In addition to the rights set forth in Article 15 above, but no sooner than one (1) year after the date of this Lease, Landlord shall have the right, from time to time, to send Tenant a rent increase notice in a form substantially similar to that attached hereto as Exhibit "C" and made a part hereof. If Tenant either agrees to such rent increase or elects to remain on the Premises beyond the stated termination date in the rent increase notice, then such increase shall take effect in the manner prescribed in Tenant's rent increase notice without the need for any further documentation.

24. Joint and Several. If Tenant comprises more than one person, corporation, partnership or other entity, the liability hereunder of all such persons, corporations, partnerships or other entities shall be joint and several.

25. No Warranties; Entire Agreement. TENANT ACCEPTS THE PREMISES "AS IS" WITHOUT WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF QUIET ENJOYMENT, THE IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER IMPLIED WARRANTIES. LANDLORD SHALL NOT BE LIABLE FOR, AND TENANT HEREBY RELEASES LANDLORD FROM ALL CLAIMS FOR ECONOMIC LOSSES AND ALL OTHER DAMAGE OF ANY NATURE WHATSOEVER ACCRUING TO TENANT, INCLUDING, BUT NOT LIMITED TO THE VALUE OF ANY BUILDINGS, STRUCTURES OR IMPROVEMENTS OF TENANT UPON THE PREMISES, RESULTING FROM OR ARISING BY REASON OF ANY DEFICIENCY, INSUFFICIENCY OR FAILURE OF TITLE OF LANDLORD. THIS LEASE CONTAINS THE ENTIRE AGREEMENT OF THE PARTIES HERETO AS TO THE PREMISES, AND NO REPRESENTATIONS, INDUCEMENTS, PROMISES OR

AGREEMENTS, ORAL OR OTHERWISE, BETWEEN THE PARTIES, NOT EMBODIED HEREIN, SHALL BE OF ANY FORCE OR EFFECT.

26. Survival. The provisions of Paragraphs 7, 8, 10, 14, 18 and 21 shall survive the expiration or earlier termination of this Lease.

27. Miscellaneous. Knowledge on the part of Landlord or any employee, agent or representative of Landlord of any violation of any of the terms of this Lease by Tenant shall constitute neither negligence nor consent on the part of Landlord, and shall in no event relieve Tenant of any of the responsibilities and obligations assumed by Tenant in this Lease. All rights, powers and privileges conferred hereunder upon the parties hereto shall be cumulative but not restrictive to those given by law. No failure of Landlord to exercise any power given Landlord hereunder, or to insist upon strict compliance by Tenant with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof. Subject to the terms of Paragraph 13 above, this Lease shall be binding upon and shall inure to the benefit of the respective successors and permitted assigns of Landlord and Tenant. If any term, covenant or condition of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons, entities or circumstances other than those which or to which used may be held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Lease shall be valid and enforceable to the fullest extent permitted by law. Time is of the essence in this Lease. Neither party shall be bound hereunder until such time as both parties have signed this Lease. This Lease shall be governed by the laws of the State or Commonwealth in which the Premises are located.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, effective the day and year first above written.

Witness (As to Landlord):

Signature
Name:_____

Witness (As to Landlord):

Signature
Name:_____

Witness (As to Tenant):

Signature
Name:_____

Witness (As to Tenant):

Signature
Name:_____

LANDLORD:

NORFOLK SOUTHERN RAILWAY COMPANY
a Virginia corporation

By:_____
Name:_____
Title:_____

Date of Landlord Signature:_____

[SEAL]

TENANT:

CITY OF SHELBY
a North Carolina government entity

By:_____
Name:_____
Title:_____

Date of Tenant Signature:_____

[SEAL]

Kontessa M. Lemons, December 21, 2017, Activity No. 1254923\iManage No. 1586215v1



Lease Area 1:
+/- 4,000 square feet

Easternmost Boundary shall be no closer than 10' from centerline of track

Westernmost Boundary shall be no closer than 40' from centerline of track

Lease Area 2:
+/- 17,500 square feet

Norfolk Southern Railway Company
Tenant: City of Shelby, NC
Shelby, Cleveland County, NC
VS 43 (NC)/Map 3S
Activity # 1254923
Exhibit A

EXHIBIT B

RIDER TO LEASE AGREEMENT BY AND BETWEEN THE NORFOLK SOUTHERN RAILWAY COMPANY, AS LANDLORD, AND CITY OF SHELBY, AS TENANT

This rider is attached to and made a part of the referenced Lease Agreement. In the event of an inconsistency between the terms of this Rider and the terms of the Lease agreement, the terms of this Rider shall control.

1. Landlord Pays Taxes. Landlord shall pay all real estate taxes and assessments (regular or special) pertaining to the Premises on or before the date the same become delinquent. Notwithstanding the foregoing, Tenant shall be responsible for any taxes or assessments imposed upon or assessed against Tenant's personal property, and Tenant shall pay and be liable for all rental, sales and use taxes, and other similar taxes, if any, levied or imposed by any city, state, county or other governmental authority (including any rental tax). Such payments shall be paid concurrently with the payment of base rental or other sum due hereunder upon which the tax is based. If Landlord pays any taxes or assessments which are Tenants responsibility under this Paragraph, Tenant shall reimburse Landlord within ten (10) days after Tenant's receipt of paid invoices for such taxes and assessments.

2. Public Parking. The protection afforded Landlord under the provisions of Paragraph 9 of the Lease shall extend to patrons and invitees of Tenant. Tenant agrees to protect and hold Landlord harmless from and against loss, injury or damage, as set out in said Paragraph 9, accruing from the acts, negligence or default of such patrons and invitees or the presence of their property upon the Premises of Landlord, including damage to such property from railroad operations. Tenant further agrees that no gasoline or other flammable liquid shall be stored or handled upon the Premises (except fuel in fuel tanks of vehicles parked thereon).

3. Waiver of Application Fee. The \$500.00 application fee described in paragraph 3 of this Lease is hereby waived by Landlord.

4. Supersede and Cancel. This Lease Agreement hereby supersedes and cancels the following leases as of the effective date hereof:

a) the Lease dated March 12, 1991, as amended, between *Norfolk Southern Railway Company* (Landlord) and *City of Shelby* (Tenant) concerning the use of 17,500 square feet or property, more or less, at (Shelby, Cleveland County, North Carolina) (Custodian No. 3385) (Billing ID: 107440/12400).

Notwithstanding said superseding and cancelling of said agreement, Landlord reserves and retains any and all rights with regard to any liabilities that have accrued under the terms of said agreement prior to the Effective date of this Agreement;

b) the Lease dated June 4, 1985, as amended, between *Southern Railway Company* (Landlord) and *City of Shelby* (Tenant) concerning the use of 3,945 square feet of property, more or less, at (Shelby, Cleveland County, North Carolina) (Custodian No. 6387) (Billing ID: 10744/12379).

Notwithstanding said superseding and cancelling of said agreement, Landlord reserves and retains any and all rights with regard to any liabilities that have accrued under the terms of said agreement prior to the Effective date of this Agreement.

EXHIBIT C

SAMPLE LETTER

Date
Activity Number

UPS GROUND

Mr. John Q. Tenant
XYZ Company
12345 Main Street
Anytown, State USA

RE: Anytown, County, State – Lease dated _____ between Norfolk Southern Railway Company (“Landlord”) and XYZ Company (“Tenant”) covering real property.

Dear Mr. Tenant:

Norfolk Southern Corporation is currently conducting a review of property value and rent structure for all real estate leases for its subsidiaries (including Landlord). Review of the captioned Lease indicates the current rent is below market value. While we endeavor to keep the rent reasonable, it has become necessary to make some adjustments. Therefore, we find it necessary to amend the Lease as follows:

1. The current rent will be increased from \$_____ to \$_____, effective “date in the future” (“the Commencement Date”), payable in advance, as provided in the Lease.
2. Hereafter, on each anniversary of the Commencement Date, the rent will be changed by the same percentage change as reflected in the “Consumer Price Index for All Urban Consumers (CPI_U) (1982-1984=100) U. S. City Average, All Items: compiled by the Bureau of Labor Statistics of the United States Department of Labor (the “Index”). In no event, however, will the adjusted rent be less than the rent of the immediately preceding year.

All other terms and conditions of the Lease will remain unchanged and in full force and effect.

Landlord will regard your remaining on the property after the above Commencement Date as your acknowledgment and acceptance of the rental increase and agreement that the Lease is amended.

If you have any questions or no longer wish to lease this property, please provide written notice to this office within thirty (30) days from the date of this letter. If termination is necessary, Tenant will be required to vacate, remove any Tenant-owned improvements from the property, and otherwise act in accordance with the Lease.

We appreciate having you as a Tenant and hope you will continue to lease this property.

Sincerely,

/s/
John Q. Agent

RESOLUTION NO. 6-2018

A RESOLUTION AUTHORIZING EXECUTION OF A LEASE AGREEMENT
BETWEEN THE NORFOLK SOUTHERN RAILWAY COMPANY AND
THE CITY OF SHELBY, NORTH CAROLINA

WHEREAS, Norfolk Southern Railway Company, a Virginia corporation, as landlord, is interested in proposing a Lease Agreement to the City of Shelby, a North Carolina government entity, as tenant; and,

WHEREAS, for and in consideration of the agreements set forth herein, to be paid, kept, and performed by the tenant, City of Shelby, landlord, Norfolk Southern Railway Company, hereby leases and rents to tenant, City of Shelby, certain real property located at Milepost SB-153.53 in Shelby, North Carolina, having an area of approximately 21,445 square feet, the location and dimensions of which are substantially shown on print of Drawing No. 1254923 dated November 1, 2017, attached hereto as EXHIBIT A, together with all improvements thereon, for public parking purposes commencing on March 1, 2018; and,

WHEREAS, the terms and conditions of the Rider with sample letter, if any, attached hereto as EXHIBIT B and EXHIBIT C, respectively, are incorporated herein by this reference; and,

WHEREAS, the lease is subject to all encumbrances, easements, conditions, covenants, and restrictions, whether or not of record.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SHELBY, NORTH CAROLINA:

Section 1. The Shelby City Council accepts the terms of the Lease Agreement described herein and attached to this resolution.

Section 2. The City Manager and City employees, as witnesses, are authorized to execute the Lease Agreement covered by this resolution.

Section 3. This resolution is effective upon its adoption and approval.

Adopted and approved this 5th day of February 2018.

O. Stanhope Anthony III
Mayor

ATTEST:

Bernadette A. Parduski, NC-CMC, IIMC-MMC
City Clerk

City of Shelby
Agenda Item Summary
February 5, 2018
City Hall Council Chamber

Agenda Item: C-9

- 9) Adoption of an ordinance authorizing demolition of a dwelling: Ordinance No. 6-2018

Consent Agenda Item: (Staff Resource, Walter Scharer, Planning and Development Director)

Summary of Available Information:

- Memorandum dated January 11, 2018 from Walter Scharer, Planning and Development Director to Rick Howell, City Manager
- Photo of Property
- Location Map 1017 Dodd Street
- Tax card for 2018
- Ordinance No. 6-2018

City Manager's Recommendation / Comments

Please note that the Building Inspector has duly conducted enforcement of the minimum housing code in accordance with the NC General Statutes and City Code. I do want to emphasize that it is the common practice of the City to err on the side of the property owner in most all cases giving them the benefit of the doubt when action is initiated. A thorough and fair due process is followed in all cases. Demolition of these homes is always the last resort after efforts to persuade a property owner to make these minimum standards have failed. As you all know once this ordinance is passed the City is empowered to enter onto the property to demolish the building. All associated demolition costs and administrative costs are then filed by the City Attorney as a lien against the property. This lien is normally only satisfied to the City's benefit upon the sale of the property.

Excerpt from Strategic Growth Plan

4. Community Appearance & Image

POLICY 4.4: Vacant and abandoned sites and buildings shall be properly cared for or removed, thereby preventing a blighting impact on the area in which they are located.

Action 4.4.1: Examine and implement standards for maintaining undeveloped or vacant lots and for repairing or removing abandoned structures and sites.

It is my recommendation Ordinance No. 6-2018 be adopted and approved by City Council at this time via the Consent Agenda.



Memorandum

To: Rick Howell - City Manager
From: Walter Scharer – Planning & Development Director
Date: January 11, 2018
Subject: **Demolition of Structure at 1017 Dodd Street.**

Executive Summary of issue – Background

The dwelling associated with this proposed demolition action is in a dilapidated condition and should be removed for the safety of the citizens of Shelby. Initial complaints came from residents, the Shelby Police Department and City Code Enforcement. The property owner has been given due process and has failed to comply with the City’s Minimum Housing Code.

Review and Comments

Due to dilapidation this dwelling is unfit for human habitation and has the potential of increasing the hazards of fire, accident, and other calamities; it is dangerous and detrimental to the health, safety, and welfare of the citizens of the City of Shelby. The estimated cost of demolition and removal is \$5,000.00. Budgeted minimum housing funds will be used for this demolition.

Removal of this structure is in compliance with the City of Shelby Minimum Housing Code pursuant to N.C.G.S. 160A-441.

Removal of this structure is supported by the following Strategic Growth Plan Policy:

POLICY 9.2: Consistent, reliable enforcement of well written housing and nuisance abatement codes shall be employed to eliminate instances of unlawful activity and urban blight within the planning area of Shelby.

Recommendation

Please place this item on the consent agenda for the next City Council meeting on **February 5, 2018**. Staff recommends this minimum housing action.

Attachments: Photos of Structures, Location Map, Tax Card, and Ordinance

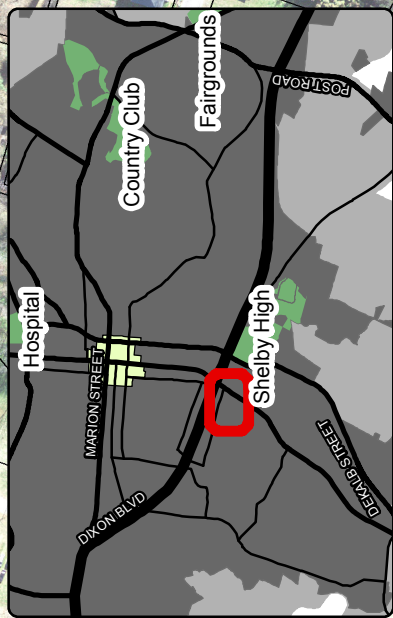
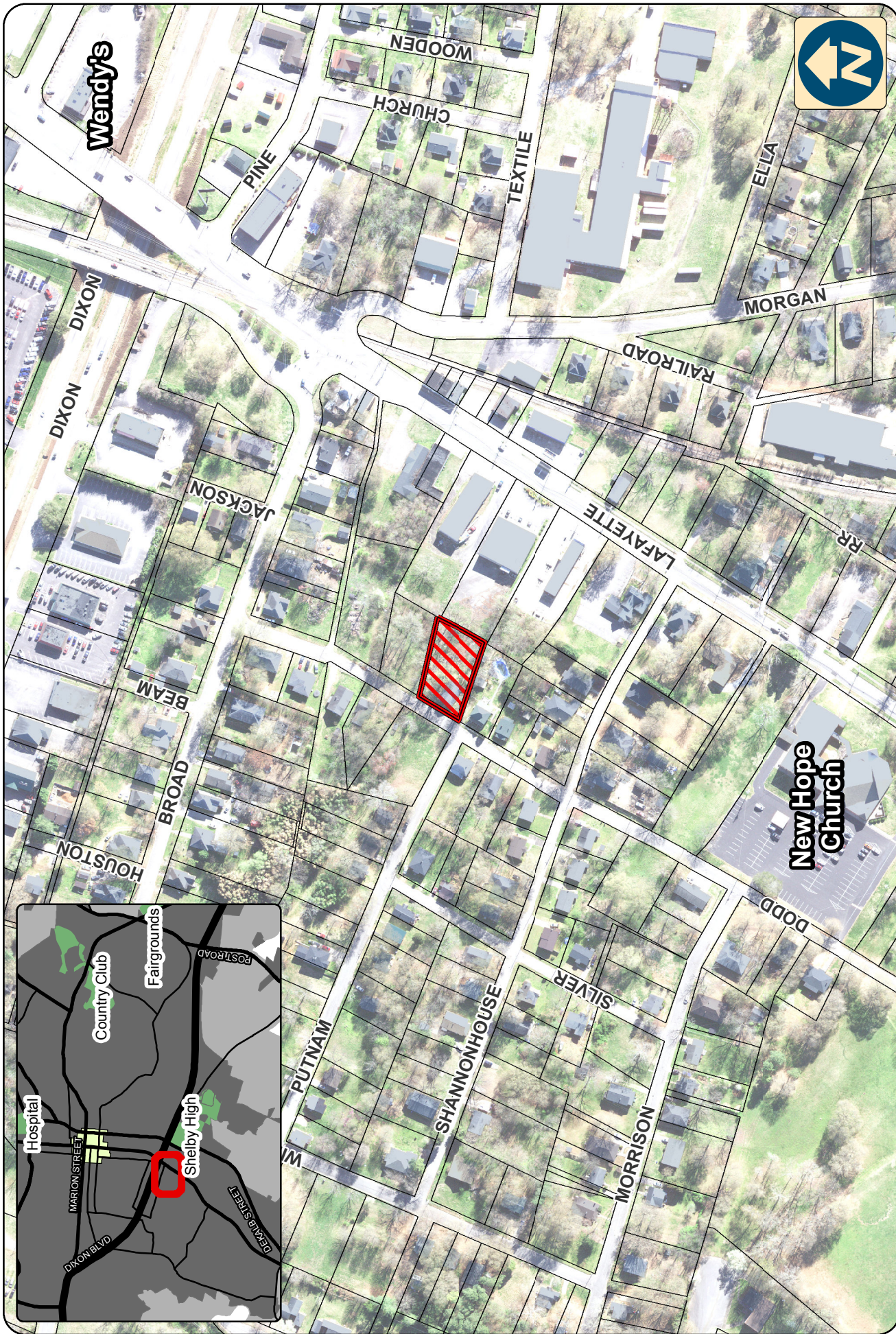


1017



Location Map 1017 Dodd Street

Map Information:
Datum: NAD 1983
Coordinate: State Plane
North Carolina (Meier)
Projection: Lambert Conformal Conic
US National Grid
Grid Zone Designation (GZD): 17S
100,000m Square ID: MV/MU



500 Feet

250

125

0

1 inch = 250 feet

Scale 1:3,000

Date: 1/9/2018

USER ALAN

FOR YEAR 2018

CHAMPION COMELIA J HEIRS PARCEL ID.. 20551 PIN... S46 3 18
 LOCATION... 1017 DODD ST SHELBY
 DEED YEAR/BOOK/PAGE.. 2010 1215 1198 ASSESSMENT RECY
 PO BOX 2026 PLAT BOOK/PAGE.. OWNER ID.. 1270822
 LEGAL DESC:1017 DODD ST DISTRICT.. 6 CITY OF SHELBY
 TOWNSHIP... 6 SHELBY
 LINCOLNTON NC 28093-2026 NBRHOOD... 223 S MAPS 06
 DESCRIPTION RESIDENTIAL
 MAINTAINED.. 5/17/2017 BY MAYES VALUED.. 9/14/2016 BY MAYES
 VISITED..... 5/01/1998 BY ROUTING#..
 PARCEL STATUS... ACTIVE CATEGORY.. Real & Personal

----- SALES HISTORY -----

DEED BK/PAGE	SALE DATE	SALES INSTRUMENT	DISQUALIFIED	SALE AMOUNT	STAMP AMOUNT	DEED NAME
1215 1198	9/21/2010	DEATH REPORT	FAMILY TRANSACT			CHAMPION COMELIA J HEIRS
DEATH STATE: NC COUNTY: LINCO DATE OF DEATH: 9/21/2010 DEATH CERTIFICATE#:						
1215 1198	2/17/1998	DEED	NO STAMPS ON DE			CHAMPION GOMELIA J
6A 294	1/01/1948	SALE	QUALIFIED			

----- LAND SEGMENTS -----

LND #	ZONE	STRAT CODE	LAND TYPE/CODE	LAND QTY	LAND RATE	DPT%	SHP%	LOC%	SIZ%	OTH%	TOP%	ADJ	FMV
1	02	FF F	90.000	56.00	103.00	.00	100.00	.00	80.00	.00	82.40		4,152
		DPTH..	151			OTHER ADJ...	.00	.00	.00	.00			
		TOTAL ACRES..	.000			TOTAL LAND FMV..							4,152

----- IMPROVEMENT # 1 MAJOR IMPR-M -----

MAIN FIN AREA.. 1,072.00 ACT/EFF YR/AGE.. 1925 1973 43 VISITED.. BY
 STRAT..... 02 DESCRIPT.... SINGLE FAMILY DWELLING-WF MAINTAINED.. 5/17/2017 BY MAYES
 MAIN PERIM..... 136.00 MAIN GROUND SF.... 1,072.000
 LOCATION #..... DODD ST 1017

COMPONENT TYPE/CODE/DESC	PCT	UNITS	RATE	STR#	STR%	SIZ%	HGT%	PER%	CDS%	COST	%Cmpl
MA 37W SINGLE FAMILY DWELLI	100	1072.00	62.11	1.00	100.00		100			66,581	
EW 06 WOOD SIDING	100	136.00	.00				0				
- EW 09 CORRUGATED METAL	100	1072.00	.00				0				
- FD 04 PERIMETER FOOTING	100	1072.00	.00				0				
- HC 06 UNIT HEATERS	100	1072.00	1.00-				1,072-				
- PL R RES PLUMB-EXTRA FIXT	100	5.00	717.00				0				
- PL R RES PLUMB-EXTRA FIXT	100	2.00	717.00				1,434				

RCN... PCT COMPLETE 100 x 66,943
 QUAL.. QG E3 E+- 65.00 x 43,512
 DEPR.. D6 43 YEARS OLD 74.00
 COND.. D 46 DEPRECIATION OVERRID x 46.00 34.04 - 14,811
 LOCA.. LOD LOCATIONAL OBS DEP 25.00 - 7,175 21,986 T

--FMV... MA 223 223 MARKET ADJ 90.00 x 19,373

DATE 12/28/17 CLEVELAND COUNTY PAGE 2
 TIME 8:21:30 PROPERTY CARD PROG# AS2006
 USER ALAN FOR YEAR 2018

CHAMPION COMELIA J HEIRS PARCEL ID.. 20551 PIN... S46 3 18

----- IMPROVEMENT # 1 MAJOR IMPR-M -----
 ----- MA 37W SINGLE FAMILY DWELLI FLOOR: 1.00 ----- TRAVERSE -----

D U 34.00 D R 6.00 D U 6.00 D R 20.00 D D 6.00 D R 2.00
 D D 34.00 D L 28.00

----- IMPROVEMENT # 2 MISC IMPR-Y -----
 MAIN FIN AREA.. ACT/EFF YR/AGE.. 1984 1998 18 VISITED.. BY
 STRAT..... 02 DESCRIPT.... MH MAINTAINED.. 5/17/2017 BY MAYES
 LOCATION #..... DODD ST 1017

COMPONENT	TYPE/CODE/DESC	PCT	UNITS	RATE	STR#	STR%	SIZ%	HGT%	PER%	CDS%	COST	%CMPL
MS 23	SHED		1.00									
	QUAL.. QG 100		MISC IMPR	QUALITY 10	100.00	x						0
	DEPR.. 25		18 YRS OLD	72.00	-	0		0	T			
			PCT COMPLETE	100								
	--FMV...					300						

TOTAL PARCEL VALUES----	LAND / OVR	IMPROVEMENTS / OVR	TOTAL LAND/IMPROVE	2017 VALUE
FMV.....	4,152	19,673	23,825	23,825
APV.....	4,152	19,673	23,825	23,825

----- COMMENTS - -----

ORDINANCE NO. 6-2018

AN ORDINANCE AUTHORIZING DEMOLITION OF A DWELLING

WHEREAS, pursuant to the provisions of Chapter 160A, Article 19, Part 6, of the North Carolina General Statutes, the single family dwelling located at **1017 DODD ST.** Shelby, North Carolina, has been inspected and found to be unfit for human habitation and to otherwise constitute a danger to persons and a threat to the health and welfare of the citizens within the City; and,

WHEREAS, according to the procedure provided by law, the owner(s) of said property, **GOMELIA CHAMPIOM HEIRS, MICKEY HAL CHAMPION, BUDDY JOE CHAMPION AND WIFE KATHLEEN CHAMPION AND KENNETH DEAN CHAMPION** has or have been given notice of the aforesaid inspection, determination, and orders to bring said property into compliance with the housing standards of the City of Shelby by appropriate repair or removal of said dwelling; and,

WHEREAS, no action of any kind has been taken or initiated by the owner(s), or any party on behalf of said owner(s), to achieve compliance with said ordinances within the periods allowed by law; and,

WHEREAS, the said dwellings remain at this time unfit for human habitation, dilapidated, and a danger to the health and safety of the citizens of the City of Shelby, and should be removed by demolition in order to prevent and alleviate such continuing danger and dilapidated conditions.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA:

Section 1. The dwellings on the property known as **1017 DODD ST.**, Shelby, and described in the Cleveland County records as Tax Parcel No. **20551** be demolished forthwith, the remnants thereof disposed, and a lien for the costs of such demolition and removal, less any credits due the owner(s), be filed against the property and collected pursuant to the provisions of North Carolina General Statutes § 160A-443, et seq.; and,

Section 2. Said lien bear interest until paid, as allowed in Article 10 of Chapter 160A of the N.C. General Statutes, at the rate of eight percent (8.0%) per annum.

Adopted and approved this 5th day of February 2018.

O. Stanhope Anthony, III
Mayor

ATTEST:

Bernadette A. Parduski, NC-CMC, IIMC-MMC
City Clerk

APPROVED AS TO FORM:

Robert W. Yelton
City Attorney

City of Shelby
Agenda Item Summary
February 5, 2018
City Hall Council Chamber

Agenda Item: D-1

Old Business

- 1) Consideration of appointments to City advisory boards and commissions:
 - a. Shelby Cleveland County Regional Airport Advisory Board

Old Business Item: (Staff Resource, Bernadette Parduski, City Clerk)

Summary of Available Information:

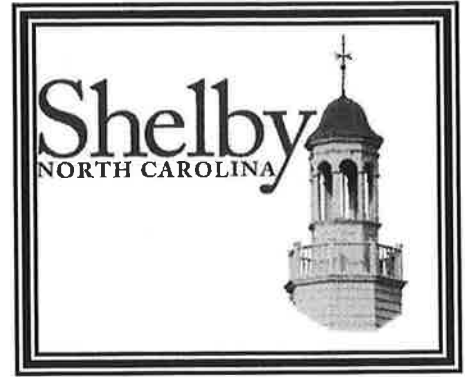
- Memorandum dated January 30, 2018 from Bernadette A. Parduski, City Clerk to Rick Howell, City Manager
- Shelby Cleveland County Regional Airport Advisory Board Roster 2018
- Application of Richard F. (Dick) Baker, Jr.

City Manager's Recommendation / Comments

Volunteers are an essential part of the work the City performs each year. As always this is just a reminder that we all should work to recruit qualified and quality people to serve whenever possible. Solicitation of both qualified and interested citizens to serve on these important advisory boards remains a priority for 2018. I would challenge each of you to recruit viable candidates that possess the knowledge and willingness to serve during the coming months.

I cannot emphasize enough the importance of appointing quality people to these very important citizen boards and commissions. It is incumbent upon Council as the appointing authority to ensure members are responsible members of the community who will make decisions that reflect the established and recognized values of the City. These appointees after all reflect upon Council as the appointing authority as well as the City as they conduct business month to month.

**OFFICE OF THE
CITY CLERK**



Memo

To: Rick Howell, City Manager
From: Bernadette A. Parduski, City Clerk
Date: January 30, 2018
Re: Appointments to City Advisory Boards and Commissions

BOARD REVIEW:

SHELBY CLEVELAND COUNTY REGIONAL AIRPORT ADVISORY BOARD:

There are three vacancies for new terms concluding February 2020. All three incumbents, Jim Robinson, Dr. Jones, and Dennis Sessom, wish to continue their service.

There is one application on file in the Clerk's Office:

1. Richard (Dick) Baker, Jr.

POSSIBLE ACTION:

Council can begin the nominating process or take appointive action for three new terms concluding February 2020.

Attachments:

- A. Shelby Cleveland County Regional Airport Advisory Board Roster 2018
- B. Application of Richard F. (Dick) Baker, Jr.

**SHELBY CLEVELAND COUNTY REGIONAL
AIRPORT ADVISORY BOARD 2018**

MEMBERS	ADDRESS	TERM EXPIRATION	PHONE NUMBER
Jim Robinson jim@jacksonwilliams.com	149 Lakemont Drive Shelby, NC 28015	February 2018	H: 704 480-1392 W: 704 482-0221
Dr. Stephen W. Jones swjskidoc@yahoo.com	164 North Shore Drive Cherryville, NC 28021	February 2018	H: 704 487-9485 W: 704 487-5228
Dennis H. Sessom	170 Zeb Cline Road Shelby, NC 28150	February 2018	H: 704 482-9110
Richard Fletcher rpfletch@bellsouth.net	212 Deerchase Road Shelby, NC 28150	February 2019	H: 704 487-7316 C: 704 418-4095
Eric Bester	P O Box 2026 Shelby, NC 28151	February 2019	H: 704 471-0415 W: 704 482-2424
Paul B. Hounshell Jr. drpaulbhj@yahoo.com	212 Vauxhall Drive Shelby, NC 28150	February 2019	H: 704 692-8825 W: 704 482-7739
Billy A. Wright bill.wright57@gmail.com	2612 Flagstone Court Shelby, NC 28152	February 2019	H: 704 481-1351 C: 828 817-4383
Doug Bridges doug.bridges@clevelandcounty.com	P O Box 1210 Shelby, NC 28151-1210		C: 704 472-8312 W: 704 484-4800

Meetings are held once per quarter during each calendar year or as needed at 12:00 Noon, Shelby-Cleveland County Regional Airport Terminal Building, 830 College Road, Shelby, NC

Two (2) year appointments

City Council Liaison: Ben Kittrell Jr. – Ward 5
715 Cedar Hill Drive
Shelby, NC 28152
704 300-9202
E-mail: ben.kittrell@cityofshelby.com

Staffed by: Ben Yarboro, Director of Engineering Services, 704 669-2060
ben.yarboro@cityofshelby.com

Jack Poole, Airport Supervisor, 704 487-1161
jack.poole@cityofshelby.com



APPLICATION FOR APPOINTMENT TO
BOARDS AND COMMISSIONS

RECEIVED

NOV - 3 2017

CITY OF SHELBY NC
OFFICE OF THE CITY CLERK

The Shelby City Council believes that all citizens should have the opportunity to actively participate in governmental decisions. One way of participating is by serving as a voluntary member of one of the City's boards, commissions, or committees as outlined below. If you have an interest in being considered for appointment, please complete the form below and mail it to the City Clerk, City of Shelby, P O Box 207, Shelby, NC 28151-0207 or email it to bernie.parduski@cityofshelby.com. If you have questions or need assistance, please call 704 669-6588. Thank you!

Keep Shelby Beautiful Commission
Shelby-Cleveland County Regional Airport Advisory Commission
Shelby Alcoholic Beverage Control Board
Shelby Zoning Board of Adjustment
Shelby Firefighters Relief Fund Board of Trustees
Shelby Housing & Redevelopment Advisory Board
Shelby Parks & Recreation Advisory Commission
Shelby Planning & Zoning Advisory Board

DATE November 3, 2017

NAME Richard F. (Dick) Baker, Jr.

ADDRESS (No P O Boxes please) 1810 Country Garden Drive

CITY / STATE / ZIP Shelby, NC 28150

DO YOU RESIDE WITHIN THE CITY OF SHELBY'S CORPORATE LIMITS?
YES

DO YOU RESIDE WITHIN THE CITY OF SHELBY'S EXTRATERRITORIAL JURISDICTION (ETJ)?
N/A

WARD 2

PHONE NUMBERS: Cell 704-574-1443 Work 980-487-3787

EMAIL ADDRESS Rbaker51@carolina.rr.com

OCCUPATION Executive Director, HealthCare Foundation of Cleveland County

EDUCATIONAL BACKGROUND University of Georgia, Non-profit executive for over 30 years, former chamber of commerce executive, civic volunteer. Current Chair of Leadership Cleveland County program, member of Shelby Rotary Club

BOARD OR COMMISSION INTERESTED IN:

1. Parks & Recreation Advisory Commission
2. Regional Airport Advisory Commission (US Air Force Veteran)
3. Keep Shelby Beautiful Commission

OTHER COMMENTS

SIGNATURE

DATE

11/3/17

City of Shelby
Agenda Item Summary
February 5, 2018
City Hall Council Chamber

Agenda Item: E

New Business

None

Agenda Item: F

City Manager's Report

1. NCDOT Project Update
2. 911 Center Update

Agenda Item: G

Council Announcements and Remarks

H. Adjournment:

To adjourn a meeting of City Council, a majority of the Council members must vote for a motion to adjourn.

- 1) Motion to adjourn