

MINUTES

Regular Meeting
City Hall Council Chamber

November 6, 2023
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony, III, presiding; Council Members Andrew L. Hopper, Sr., David Causby, David White, Violet Arth, Charles Webber, and Emilie Bullock.; City Manager Rick Howell, MPA, ICMA-CM, Assistant City Manager Ben Yarboro, Assistant City Manager Justin Longino, MBA, City Attorney Jason Lunsford, City Clerk Carol Williams, Deputy City Clerk Breanna Jones, Director of Human Resources Deborah (Deb) Jolly, Director of Finance Elizabeth (Beth) Beam, CPA, Fire Chief William Hunt, EFO, Police Chief Brad Fraser, Public Works Director Scott Black, Director of Water Resources Brian Wilson, and Jennipher H. Harrill, Social Media Manager, Blue Eyes Media Connections;

Mayor Anthony called the meeting to order at 6:00 p.m. and delivered the invocation.

Mr. Hopper led the Pledge of Allegiance.

A. Approval of agenda:

- 1) Motion to adopt the proposed agenda as presented.

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

B. Special Presentation:

- 1) Development Finance Initiative, UNC School of Government – Sara VanLear

Ms. VanLear presented to Council an update on the work Development Finance Initiative (DFI) has done on the Hotel Charles Redevelopment Project. Ms. VanLear recapped the pre-development analysis as follows:

- The redevelopment of the Hotel Charles should add accommodations in Uptown Shelby that will support current arts, culture and visitor travel activity; preserve and reflect Shelby's history; efficiently leverage public investment to maximize private investment.

- The projected development program consists of renovating the 32,000 square foot building to include an estimated 38 guest rooms, with food and beverage located on the first floor, and retail opportunities on the street level.

Ms. VanLear continued the presentation by giving an overview of the expected solicitation timeline and process:

- Obtain Solicitation Release – after execution of the Council approved Resolution
- Engagement with interested development partners
- Development proposals due January 30, 2024
- Proposal review
- Development partner selection around late March/early April, 2024
- MOU and Development Agreement negotiations

Ms. VanLear gave the following key elements for the Solicitation for Development Partner (SDP) proposals:

- Detailed description of the Hotel Charles redevelopment opportunity, including the project's guiding public interests
- Overview of DFI's market analysis, including key hospitality and retail indicators
- Overview of Hotel Charles development program
- Summary of the project financial feasibility
- Summary of potential public-private partnership opportunities
- Detailed description of the SDP evaluation criteria and selection process

Ms. VanLear continued by describing the development partner outreach strategy which consists of DFI developing a targeted list of groups that have experience in developing historic properties for hospitality programs, the list includes:

- Private developers
- Architectural and Engineering firms
- Investor groups
- Financing institutions
- Boutique hotel management firms

The SDP will also be posted on the City of Shelby website, DFI's website, and circulated via several regional media outlets.

According to Ms. VanLear the proposals submitted from the developers should include several expectations:

- Development and site plans
- Project financial assumptions, and evidence of firm financial stability
- Development timeline
- Selection process for (1) hotel operator, (2) food and beverage partner, and (3) retail tenants
- Development team and experience
- References

After receiving the submissions from developers Ms. VanLear stated that City staff and DFI will review them and inform Council of their selection. Ms. VanLear stated the following core criteria will be used to assess all responses:

- 1) Qualifications and experience
- 2) Integration and guiding public interests
- 3) Quality and success
- 4) References
- 5) Ability to complete the project within the proposed timeframe.

At the end of Ms. VanLear's presentation she asked Council if they are prepared to authorize a resolution for Solicitation of Development Partners for the Redevelopment of the Charles Hotel (Resolution No. 72-2023). City Council gave consensus that they are prepared and eagerly look forward to further development. Council also thanked Ms. VanLear and DFI for their extensive work on the project and appreciated the presentation.

Mr. Howell interjected that with the partnership of Opportunity Appalachia and DFI this project has already gotten some exposure which has led to a few viable developer candidates.

- 2) Presentation from Uptown Shelby Association Executive Director, Carly Bostic, regarding a potential social district

Ms. Bostic began her presentation by updating Council on some of the recent activities and highlights:

- Hosted an Economic and Local Planning workshop led by Hilary Greenberg, Jeff Emory, and Michael Cooper with 31 participants that were broken into groups consisting of retail, restaurants, property owners and realtors.
- ElectriCities has approved funding in the amount of \$10,000-\$12,000 which will either be used for an Uptown Shelby market feasibility study or the Retail Strategies Downtown Development program.

- Received the City of Shelby Travel and Tourism grant, which is much appreciated.
- Two new businesses have opened or relocated to Uptown Shelby.
- There was an article in Good Grit magazine covering Uptown Shelby and the various businesses.
- Partnered with Queen City News reporter Maureen Wurtz for a three-piece segment which covered Clifford's Army/Rollover Pets partnership, the Rail Trail Boardwalk, the Rogers Theater, Banker's House, and the Corn Maze, as well as an interview with Mayor Anthony.
- A New Business Welcome packet has been created.
- Angie Brooks Boutique, Rollover Pets, and Laura Beam Interiors have all been Façade Grant recipients this year.
- Main Street trainings and conferences were also attended this year.

Ms. Bostic continued her presentation discussing a potential social district:

- A social district is defined as an outdoor area in which a person may consume alcoholic beverages sold by a permittee
- Created by the NC General Assembly with the intent to increase economic vitality in business districts
- It does not allow visitors to BYOB into the district
- May include private property, including permittee and non-permittee businesses, multi-tenant establishments, public streets, crosswalks, and/or parking areas.

Ms. Bostic discussed the reasons for a social district which include:

- Allows downtown areas to further economic growth and development because many businesses now prefer to only expand to areas where social districts exist.
- Visitors are eager to explore areas where social districts have been established
- Will allow Uptown Shelby to be marketed as a premier entertainment destination which provides another layer of economic stimulation to individually owned small businesses.

Ms. Bostic provided feedback based on a survey produced by Uptown Shelby Association which resulted in 27 out of 30 respondents and showing 93% of the respondents were in favor of a social district. Ms. Bostic provided positive feedback from the cities of Norwood and Hickory that have established social districts; and the Mayor of Lenoir's feedback was that they've seen some weekdays use but the social district mainly comes into play when hosting downtown events or festivals.

Ms. Bostic pointed out that in January, 2023 the North Carolina ABC Commission had only 18 social districts, by October, 2023 there are now 48 social districts which shows how fast this is growing in popularity.

Ms. Bostic continued by stating the NC legislation requires cities and counties to opt-in to social districts via an ordinance; cities may designate a social district within the municipal limits; and counties may designate a social district outside of municipal boundaries.

Ms. Bostic explained the social district Rules and Regulations which consist of:

- **The City selects and approves the social district days and times**
- **Special signage must be provided denoting district boundaries and participating establishments**
- **Any beverage must be in a specially marked cup provided by businesses**
- **Business owners are responsible for maintaining permits and ensuring that employees follow all NC ABC laws**
- **Beverages purchased outside the district are not permitted, and participants may not refill their own cups**
- **Beverages may not be taken outside the designated area.**

Ms. Bostic showed an example of the City of Lenoir’s beverage cup with these rules:

- **Cups cannot hold more than 16 ounces**
- **Glass is prohibited**
- **The permittee’s logo and district logo must be prominently displayed**
- **Every container must include a time and date stamp and the statement “Drink Responsibly – Be 21.”**

Ms. Bostic displayed some examples of signage that other cities are using which show “Beverages sold here”, “Beverages not sold here”, “Not permitted” and additional signage showing the boundaries of the social district.

Ms. Bostic finished her presentation by stating that this and more information is included in the social district packet she provided to Council.

By consensus, Council thanked Ms. Bostic for her presentation, and they’ll take time to look over the packet she provided.

C. Consent Agenda:

Mayor Anthony presented the consent agenda. Ms. Arth moved to approve the consent agenda and the following items were unanimously adopted:

- 1) Approval of the Minutes of the Regular Meeting of October 16, 2023
- 2) Approval of a resolution authorizing Solicitation of Development Partners for the redevelopment of the Charles Hotel: Resolution No. 72-2023
- 3) Approval of a resolution directing the City Clerk to determine sufficiency of a voluntary annexation petition from True Homes, LLC: Resolution No. 73-2023
- 4) Approval of a resolution authorizing selection of McGill Associates based on qualifications for Professional Civil Engineering Services for the Citywide Stormwater Modeling, Infrastructure Assessment, and Master Plan: Resolution No. 74-2023
- 5) Adoption of an ordinance establishing a capital project ordinance and budgets for the City of Shelby's Seattle Crossing Underground Electric Project: Ordinance No. 51-2023
- 6) Electric material purchase for the 2023 Residential Development Projects
 - a) Adoption of an ordinance establishing a capital project ordinance and budgets for the City of Shelby's Underground Electric Projects FY24: Ordinance No. 52-2023
 - b) Approval of a resolution awarding the contracts for the purchase of the underground electric materials for the 2023 Residential Development Projects: Resolution No. 75-2023
- 7) Management Reports:
 - a) Financial Report – September, 2023

D. Unfinished Business:

None

E. New Business:

None

F. City Manager's Report:

Regarding Depot Park – Continuing with the engineering and architectural design and hope to have it out for bid around the first of the year, 2024.

Regarding Shelby City Park Aquatics Project - The surface cracking on the deck is being repaired and is almost completed.

Regarding County Home Road Replacement Project – Will have to put that project out for re-bid, more details forthcoming.

Regarding Hickory Creek Sewer Outfall Project – Making good progress and on schedule at this time.

Regarding Phase II of the 24” Crosstown Waterline Project – Currently waiting on materials to begin that next phase.

Regarding Water Treatment Plant Infiltration Project – Currently moving forward.

Most of the larger water/sewer projects are underway due to the time constraints of the ARP funding. Smaller water/sewer projects will be targeted later with any remaining ARP funds.

Mr. Howell informed Council that the six-acre parcel at the old Shelby Middle School ballfield has been identified as a dog park. Funding needs to be addressed and some stormwater issues resolved. Mr. Longino will be heading up this project.

Mr. Howell stated the former Shelby Police Department building renovation project is not fully funded at this time; however, the architectural work is complete.

G. Council Announcements and Remarks:

Mayor Anthony wanted to publicly thank City Staff, in particular Chip Nuhrah and Ben Yarboro, for the outstanding job on the opening of the Carolina Harmony Trail. He believes the trail and the new dog park will be “another gem in our crown.”

Mayor Anthony asked Council to review the upcoming events handout they received and also stated that tomorrow, November 7th, is Election Day, please get out and vote if you haven’t already.

Mr. Hopper reminded everyone that voting opens at 7:00 a.m. and goes on until 7:00 p.m. tomorrow and listed the various precincts.

Closed Session:

- 1) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged regarding Allen v. City of Shelby pursuant to North Carolina General Statute 143-318.11 (a)(3).**
- 2) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations, or to discuss matters relating to military installation closure or realignment. Any action approving the signing of an economic development contract or commitment, or the action authorizing the payment of economic development expenditures, shall be taken in an open session pursuant to North Carolina General Statute 143-318.11(a)(4).**
- 3) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract pursuant to North Carolina General Statute 143-318.11(a)(5).**

ACTION TAKEN: Mr. White made a motion to enter a closed session pursuant to the appropriate North Carolina General Statutes as cited. Mayor Anthony invited all Council members present along with Mr. Howell, Mr. Lunsford, Mrs. Williams, Mrs. Jones, Mr. Longino, and Mr. Yarboro to attend, as well as Attorney Natalia Isenberg remotely. The motion passed unanimously, and Council moved into closed session at 6:34 p.m.

ACTION TAKEN: Attorney Isenberg departed the meeting at 7:17 p.m. at the conclusion of the first Closed Session item.

At the conclusion of the third Closed Session item, Mr. White made a motion for City Council to return to the regular session at 7:56 p.m.

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

ACTION TAKEN: Upon a motion made by Ms. Arth, City Council voted unanimously to adjourn the meeting at 7:57 p.m.

Respectfully submitted,

**Carol Williams
City Clerk**

**O. Stanhope Anthony, III
Mayor**

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