REGULAR MEETING - MARCH 6, 2014

The Mayor and City Council met in regular session on Thursday, March 6, 2014 at 7:00 p.m. in the Council Chambers of City Hall, located at 114 West Sycamore Street, Lincolnton North Carolina.

Mayor Gilleland called the meeting to order and led in the Pledge of Allegiance. Council members in attendance were:

RHYNE CLONINGER EADDY HOVIS

Councilman Eaddy made the motion unanimously approved the **REGULAR AGENDA.**

Councilman Rhyne made the motion unanimously approved the **CONSENT AGENDA** as follows:

- Approved the following minutes of the February 6, 2014 Regular Meeting
- Approved the following Calls to Public Hearing for April 3rd meeting:
  CU-ZMA-1-2014 – Application from the BTR Communities Group, LLC requesting the conditional use rezoning of 9.77 acres of land from Planned Business (PB) to Conditional Use Residential Multi-Family (CU-RMF). The applicant wishes to construct a 56 unit residential multi-family development. The subject property is located on the west side of North Generals Blvd approximately 1000 feet north of the intersection of North Generals Blvd and Tait Mill Road (Parcel ID 21103)
  ZTA-1-2014 – Application from Radwan Yousef requesting an amendment to Section 153.113 of the Lincolnton Unified Development Ordinance to allow Hookah Cafes as a permitted use in the Central Business (CB) District.

REGULAR AGENDA:

APPLICATION FROM LINCOLNTON BUSINESS CENTER REQUESTING A CONDITIONAL USE PERMIT TO OPERATE A DISTILLERY IN THE GENERAL MANUFACTURING AND COMMERCIAL (GMC) DISTRICT. THE SUBJECT PROPERTY IS LOCATED AT 315 MOTZ AVENUE (PARCEL ID 00419):

CUP-2-2014

Mayor Gilleland opened the Public Hearing. The City Clerk administered the oath to all those wishing to speak for or against the request. Laura Simmons, Planning Director, reviewed the above stated request and provided detailed background for a conditional use permit to operate a distillery.

Laura spoke to the application as it complies with the CUP requirements, she noted several other CUP requirements for this specific application. She reviewed the findings of fact, the applicant's compliance with Section 153.237 and 153.238

of the UDO and the staff review committee comments. She concluded recommending on behalf of the Planning Board and Staff that the conditional use permit be granted subject to the Staff Review Conditions being met.

Mr. Corwin Carmichael, the applicant spoke in favor of the request, and again reviewed the findings of fact as they pertain to this CUP request. He said, "We would be taking 190 grain alcohol reducing it down to 80 proof to be sold in ABC stores, and that is the only place it can be sold." He said, "Storage capacity would be 16,000 square foot, and 15,000 gallons of 190 proof alcohol could be stored, but I do not see that being the case as we would be shipping it right back out the door." He concluded thanking City Council for their consideration on his request.

With no one else wishing to speak for or against the issue, Councilman Cloninger made the motion unanimously approved to close the Public Hearing.

Councilman Rhyne made the motion unanimously approved to consider the request.

Findings of Fact:

1. Councilman Cloninger made the motion unanimously approved that the use will not materially endanger the public health or safety if located where proposed and developed according to plan.
2. Councilman Hovis made the motion unanimously approved that the use meets all required conditions and specification,
3. Councilman Eaddy made the motion unanimously approved that the use will not substantially injure the value of adjoining or abutting property unless the use is a public necessity.
4. Councilman Rhyne made the motion unanimously approved that the location and character, if developed according to plan as submitted and approved, will be in harmony with the area in which it is to be located and will be in general conformity with the Lincolnton Land Use Plan ad other plans for the physical development of the City as officially adopted by the City Council.
5. Councilman Hovis made the motion unanimously approved that the use will not overly impact the ability of the City of collect and/or treat any wastewater generated by the use or the ability of the City to treat and distribute any potable water needed by the use.
6. Councilman Cloninger made the motion unanimously approved that the use will not overly impact (impact beyond capacity) the system of streets serving the use or that improvements will be made to the streets in consort with the development of the use, the result of which will be adequate handling of the additional traffic generated.
7. Councilman Rhyne made the motion unanimously approved that the use would not only meet the minimum screening requirements of this chap

ter, but also that such additional screening will be installed, as necessitated by the visual characteristics of the particular use, that the use will be screened from view of adjoining residential districts, or that the nature of the topography makes the screening from distant view from such residential areas impossible and that other measures such as heavy on-site landscaping will be taken to lessen any near or distant visual impacts.

Councilman Cloninger made the motion unanimously approved the conditional use permit subject to the staff review committee conditions as outlined in the Planning Departments report.
(A copy of a detailed report noting these requirements is on file in the Planning Department available for reference)

APPLICATION FROM SKYGROUP CAROLINAS, LLC REQUESTING A CONDITIONAL USE PERMIT TO CONSTRUCT AN URGENT CARE FACILITY IN THE PLANNED BUSINESS (PB) AND SPECIAL HIGHWAY OVERLAY (SHO) DISTRICTS. THE SUBJECT PROPERTY IS LOCATED AT THE SOUTHEAST CORNER OF EAST MAIN STREET AND US HIGHWAY 321 (PARCEL ID 87366) :

Mayor Gilleland opened the Public Hearing. The City Clerk administered the oath to all those wishing to speak for or against the request. Laura Simmons, Planning Director, reviewed the request, summarizing the site and area description, the proposed site plan, the applicants compliance with Section 153.236 and 153.237 of the UDO. She reviewed the seven staff committee comments and concluded recommending on behalf of Planning Board and Staff that the CUP be approved subject to all requirements of the UDO and Staff Review Committee are met.

Councilman Rhyne asked is the developer would be required to install a sidewalk at this location, as he did not see a sidewalk depicted on the pictures enclosed.

Mr. Mike Joyner, representing the applicant, spoke in favor of the request. He said, "This project is an Urgent Care Center that will be operated by Carolinas Medical Center. This location is suitable for the site and I believe it will be a great asset to your community."

Councilman Cloninger asked, "Who would own the building once it was constructed, would it be the nonprofit hospital or would it be privately owned?" Mr. Joyner said he would own the property and it would be a taxable structure, not falling under the umbrella of a non-profit which is not taxable

Mr. Joyner said he would build the entrance road and would hope the City would take the road over in the future. He would put the street in according to state standards.

Having no other questions, Councilman Cloninger made the motion unanimously approved to close the Public Hearing.

Councilman Eaddy made the motion unanimously approved to consider the conditional use permit.

Findings of Fact:

1. Councilman Cloninger made the motion unanimously approved that the use will not materially endanger the public health or safety if located where proposed and developed according to plan.
2. Councilman Hovis made the motion unanimously approved that the use meets all required conditions and specifications.
3. Councilman Eaddy made the motion unanimously approved that the use would not substantially injure the value of adjoining or abutting property unless the use is a public necessity.
4. Councilman Rhyne made the motion unanimously approved that the location and character of the use, if developed according to the plan as submitted and approved, will be in harmony with the area in which it is to be located and will be in general conformity with the Lincolnton Land Use Plan and other plans for the physical development of the City as officially adopted by the City Council.

Councilman Cloninger made the motion unanimously approved the conditional use permit subject that all requirements of the LUDO and staff review committee comments are met.
(A copy of the Staff Review Committee Report is on file and available for inspection in the office of the Planning Director)

Mayor Gilleland thanked Mr. Joyner for choosing Lincolnton to locate and wished him the best of luck on his business.

PRESENTATION OF A PROCLAMATION RECOGNIZING MARCH AS AMERICAN RED CROSS MONTH:

Mayor Gilleland presented Ms. Hopper, American Red Cross Representative and Ms. LouAnn Freshour of the Lincolnton area Red Cross the following proclamation;

WHEREAS, March is American Red Cross Month - a special time to recognize and thank our Everyday Heroes – those who reach out to help their neighbors when they are in need.

WHEREAS, American Red Cross heroes are on the front lines every day. They volunteer their time, give blood, take life-saving courses or provide financial donations to help those in need.

WHEREAS, we would like to remember our heroes here in Lincolnton who give to help people in need. They work tirelessly to help in time of disaster, when someone needs life-saving blood, or the comfort of a helping hand. They provide round-the-clock support to members of the military, veterans and their families, and teach lifesaving classes in CPR, aquatics safety and first aid.

WHEREAS, across the country and around the world, the American Red Cross responded to hurricanes, tornadoes, floods and wildfires, the tragedy at the Boston Marathon, and typhoon Haiyan in the Philippines.

WHEREAS, when an injured service member ended up in a hospital far from home, the American Red Cross offered comfort. When a hospital patient needed blood, American Red Cross blood donors helped them. When a lifeguard jumped in to save a drowning child or someone stepped up to help a heart attack victim, the American Red Cross was there.

WHEREAS, we dedicate the month of March to all those who support the American Red Cross mission to prevent and alleviate human suffering in the face of emergencies. Our community depends on the American Red Cross, which relies on donations of time, money and blood to fulfill its humanitarian mission.

NOW, THEREFORE, I, John O. Gilleland, Jr., Mayor of Lincolnton, do hereby proclaim March 2014 as **"American Red Cross Month"**. I encourage all Americans to support this organization and its noble humanitarian mission.

IN WITNESS WHEREOF, I have hereunto set my hand this 6TH day of March, in the year of our Lord two thousand fourteen, and of Lincolnton, North Carolina.

Mayor Gilleland and City Council members thanked both representatives for their continued commitment to the Red Cross and for their excellent service in the Lincolnton and Lincoln County area.

REPORT FROM BUSINESS & COMMUNITY DEVELOPMENT DEPARTMENT:

Brad Guth, B&CD, Director, gave a presentation outlining accomplishments of his department. He provided back ground information on the Business and Community Development Department as well as information about the Downtown Development Association and the role of each. He recognized Abby Cole, Events and Marketing Coordinator. Brad noted that his department is the smallest department in the City with only two employees.

He talked about the top ten most frequently asked questions to the Business and Community Development Department, they were;

10. *Do you give grants for people to start a business*? Brad said, "No but we do have a number of programs that could help a business get started. Grant programs are targeted toward There are four grants available; Architectural grant, Store front rehab, Building rehab and our newest one is our Lincolnton Redevelopment Incentive Grant.

9. *What do you do besides events?* Primary business is real estate development. We work with property owners to help with improvements Ghost Sign Rehab, Pots on Parade, Historic Bench project just to name a few.

8. *What is the difference between the DDA and Business Community Development Department?* Brad recognized DDA Board members that were in attendance and he thanked them for their hard work. Brad explained the DDA is a 501C(3) non-profit organization. Business & Community Development is a City funded department just like our Planning Department, Public Works and all other City departments.

7. *What is the difference between the Business & Community Development Department and the Chamber of Commerce?* DDA is a preservation based program making sure buildings in downtown are used and we use the three R's approach retail, restaurants and residential. Chamber exist for the good of their members and are a 501C(6) DDA exists for the public good.

6. *When is the next Alive After Five Concert* ?– The last Thursday of each month, May through September. This will be the 15th year the Alive After Five Concert Series has taken place.

5. *When will the multiple complex Movie Theatre going to be built in downtown?* Don't hold your breath. This is one of the top requests in our downtown. They have contacted Carmike Theatres, fourth largest Theatre Company in the US, to discuss the desire from our citizens to have a new theatre.

4. *How many second story loft apartments are in downtown?* 100 people are on a waiting list for upper story housing in Lincolnton.

3. *What is going to happen downtown when the County offices moves out of our downtown?* The same thing that has happened to every other downtown when county offices move out. The loss of the customer's to downtown merchants.

2. *What are we doing about all these vacant buildings?* I usually have to correct peoples perception on this one. Sixty percent is office space. Actually downtown is ninety percent occupied.

1. *When are we going to get some new restaurants in Downtown?* Brad said, "Not soon enough. Brad said, "We had success early on with Court Street Grille, Fatz, and several others largely because of two reasons they are formula restaurants and Lincolnton doesn't fit the formula. If they thought they could make money in Lincolnton they would be here. "

Brad concluded thanking the City Manager and Mayor and Council for the opportunity to speak and offered to entertain any questions they may have.

PROPOSED BUDGET AMENDMENTS TO THE 2013-14 FY BUDGET AS FOLLOWS: (BA-01-14)

Jeff Emory, City Manager, reviewed the below proposed budget amendment highlights:

- Solid Waste Fees (From $ 5 to no fee) $ 237,500 from Fund Balance
- CMAQ Grant-East Main St. & Generals Blvd $ $ 116,250 from Fund Balance
- Flood Insurance Proceeds $ 185,000 credit to Recreation Miscellaneous-Other Revenue

- Unemployment Insurance (UI) & HVAC-Council Chambers
  $ 53,000 from Fund Balance
- Flood Insurance Proceeds $ 40,000 credit to W&S Fund debit of
  $ 305,000 from Fund Balance

BE IT ORDAINED by the Governing Board of the City of Lincolnton, North Carolina, that the following amendment be made to the Annual Budget Ordinance for the fiscal year ending June 30, 2014.

Section 1: To amend the General Fund, the revenues and expenditures are to be changed as follows:

ACCOUNT NUMBER	DEPARTMENT/ACCOUNT DESCRIPTION	DEBIT	CREDIT
	Solid Waste Fees (From $5 to no fees)		
10-00-3470-400	Solid Waste fees-Revenue	237,500.00	
10-00-3991-900	Appropriation from Fund Balance		237,500.00
	Net effect to budget is zero		
	CMAQ Grant-East Main St & Generals Blvd.		
10-00-3315-300	State Grants-Revenue	465,000.00	
10-00-3991-900	Appropriation from Fund Balance	116,250.00	
10-40-4910-500	Planning & Zoning-Capital Expense		581,250.00
	Net effect to budget is decrease of ($ 581,250)		
	Flood-Insurance Proceeds of $ 185K for Recreation		
10-00-3840-800	Miscellaneous-Other Revenue		185,000.00
10-80-6100-351	Recreation-Building Maintenance	26,993.00	
10-80-6100-359	Recreation-Parks & Trail Maintenance	36,469.00	
10-80-6100-500	Recreation-Capital Expense	121,538.00	
	Net effect to budget is increase of $ 185,000		
	Unemployment Insurance (UI) Fund & HVAC-Council Chambers		
10-00-3991-900	Appropriation from Fund Balance		53,000.00
10-00-4280-185	General Expense-Unemployment Insurance	44,000.00	
10-00-4280-500	General Expense-Capital Expense	9,000.00	
	Net effect to budget is increase of $ 53,000		
		1,056,750.00	1,056,750.00

This will result in a $ 343,250 decrease in the expenditures and revenues of the General Fund.

Section 2:: To amend the Water and Sewer Fund, the revenues and expenditures are to be changed as follows:

ACCOUNT NUMBER	DEPARTMENT/ACCOUNT DESCRIPTION	DEBIT	CREDIT
	Flood Insurance Proceeds of $ 40K for Water & Sewer Fund		
61-91-3839-800	Miscellaneous-Other Revenue		40,000.00
61-91-3991-900	Appropriation from Fund Balance		305,000.00
61-91-7110-500	Distribution & Collections-Capital Expense	345,000.00	
	Three Lift Stations have to be replaced:		
	Betty Ross Station $103,000		
	Generator $70,000		
	Rhyne's Mill $140,000		
	Hwy 150 Southfork $32,000		
	Net effect to budget is increase of $ 345,000	345,000.00	345,000.00

This will result in a net increase of $ 345,000 in the revenues and expenditures of the Water & Sewer Fund.

Councilman Eaddy made the motion unanimously approved to adopt the budget amendment as recommended by the City Manager.

RESOLUTION ENDORSING SUBMISSION OF AN APPLICATION FOR A MAIN STREET SOLUTIONS FUND GRANT TO ASSIST FBSM AND CSG'S UPPER FLOOR EXPANSION PROJECT:

Brad Guth, B&CD Director told Council the Department of Commerce established a reimbursable matching grant program available for active North Carolina Main Street Communities. The program is known as Main Street Solutions Fund. The purpose of the MSSF is to provide maximum support to small businesses in designated NC Main Street communities. Grants would be used to assist with efforts to revitalize downtown by creating jobs, funding infrastructure improvements and rehabilitating buildings.

Brad said he would like to apply for all these funds on behalf of two local projects; Farmer Baker Sausage Maker and Court Street Grille. Main Street Communities can apply for a MSSF grant up to $ 200,000 with a match of a minimum of two non-state dollars ($ 2.00) for every one dollar ($1.00) provided by the state from the MSSF. Brad explained the formula and asked that Council consider endorsing the following resolution;

RESOLUTION
AUTHORIZING MAYOR TO SUMBIT
A NORTH CAROLINA MAIN STREET SOLUTIONS FUND APPLICATION
(R-05-14)

WHEREAS, the City of Lincolnton's Council has previously indicated its desire to assist in economic development efforts within the City; and,

WHEREAS, the Council heard at its regular meeting on the 7th day of March, 2014 concerning the proposed application for a North Carolina Main Street Solutions Fund Grant; and,
WHEREAS, the Council recognizes the benefit to the community by providing employment opportunities and adaptive reuse of existing downtown buildings,
WHEREAS, the Council wishes the City to pursue a formal application for a North Carolina Main Street Solutions Fund Grant to benefit Farmer Baker Sausage Maker and Court Street Grille,
WHEREAS, the Council certifies it will meet all applicable federal regulatory and statutory requirements,
NOW, THEREFORE BE IT RESOLVED, by the City Council that the City of Lincolnton Mayor is authorized to submit a formal application for up to $200,000, to the North Carolina Main Street Program for approval of a North Carolina Main Street Solution Fund Grant.
Adopted this the 6th day of March, 2014.

Councilman Eaddy made the motion unanimously approved to adopt the resolution as presented.

CONSIDERATION OF CONTRACT BETWEEN THE CITY AND DOWNTOWN DEVELOPMENT ASSOCIATION FOR 2014 ALIVE AFTER FIVE CONCERT SERIES:

(C-03-14)

Brooke Sherrill, DDA Board Chair, presented the proposed 2014 Alive After Five contract to City Council. The contract stated dates of the third Thursday of each month beginnings in May and running through September for Alive After Five concerts. She also presented a map of the area that the proposed beer garden would be for this year's event.

Councilman Hovis spoke against the beer sales and asked that the DDA try the event one year without the sale of beer. This item generated much discussion by Council members.

Upon conclusion of discussions, Councilman Eaddy made the motion to approve the contracts as presented. The motion passed by a three to one vote. Councilman Hovis voted NO and Councilmen Rhyne, Cloninger and Eaddy voted YES.

CONSIDERATION OF CONTRACT BETWEEN THE CITY AND DOWNTOWN DEVELOPMENT ASSOCIATION FOR 2014 HOG HAPPENIN EVENT TO BE HELD JUNE 6 & 7

(C-04-14)

Brooke Sherrill, DDA Board Chair, spoke to Council regarding the request for the 2014 Hog Happenin event. She recommended that Council approve the contract as submitted. She reviewed the map depicting the additional space for the corn hole tournament and expanded beer garden. Ms. Sherrill told Council every event doesn't appeal to every person but this event has proved to be successful for the DDA, and has been recognized nationally.

This item generated much discussion from City Council. Ms. Sherrill debated her opinion with Councilman Hovis.

Councilman Cloninger made the motion unanimously approved to enter into the contract with the Downtown Development Association for the 2014 Hog Happenin.

At the conclusion of this item, Mayor Gilleland called for a seven minute recess.

ENDORSEMENT FROM CITY COUNCIL TO REQUEST FUNDING FROM THE TOURISM DEVELOPMENT AUTHORITY FOR USE OF MONIES FROM THE OCCUPANCY TAX FUND FOR A LEGACY BAND FOR THE 2014 HOG HAPPENIN:

Brooke Sherrill, DDA Board Chair, requested that Council consider endorsing $ 10,000 for a legacy band for the 2014 Hog Happenin event. The endorsement would then be taken to the Lincolnton Tourism Development Authority who has the actual authority to appropriate the funding.

This item generated much discussion among Council members and Ms. Sherrill. Councilman Rhyne expressed concerns about spending $ 10,000, saying "I think these monies can be spent on better things." After further discussion and upon conclusion, Councilman Rhyne suggested that the City not use Occupancy Tax Funds for a band and to let the Downtown Development Association use $ 6,000 from their own funds for a band for the event.

Again, this item generated much discussion. The amount of $ 5,000 from the Tourism Development Authority was also suggested. Dr. Eaddy said, "I hate to pull the rug out from someone without any notice. Maybe give them a portion this year and then let them know they may need to consider finding other funding in future years. It was the consensus of City Council to not make a decision for endorsement tonight but to discuss this item at their upcoming Planning Retreat to be held March 7 & 8.

UPDATE ON PROPOSALS RECEIVED FOR BOD (BIOCHEMICAL OXYGEN DEMAND) STUDY FOR THE WASTE WATER TREATMENT PLANT:

Jeff Emory, City Manager, told Council that he had not heard back from vendors he has contacted about a quote for a Biochemical Oxygen Study for the Wastewater Treatment Plant. He said he would have more information for the April 3rd agenda and would plan to have a recommendation to Council at this meeting.

CONSIDERATION OF GRANT MATCH FOR LINCOLNTON-LINCOLN COUNTY AIRPORT – THROUGH NC DEPARTMENT OF AVIATION - $ 150,000 GRANT WHICH REQUIRES A 10% LOCAL MATCH OF $ 8333.50 FROM CITY:

Jeff Emory, City Manager, reviewed the request from the Lincolnton-Lincoln County Airport Authority. Jeff told Council that while the City made a firm decision to not fund any additional specialized grants for the Airport, no decision was made on an annual grant that each aviation airport in North Carolina is eligible to receive. Jeff said the Airport can receive a yearly grant in the amount of $ 150,000 which requires a ten percent match. The City's portion of the match is $ 8,333,50. Lincoln County provides the other half of the match. If approved this grant is actually for fiscal year 2017. The City already has two of these grants that have been previously approved that have not yet been paid out to the airport.

Councilman Eaddy made the motion unanimously approved to appropriate the grant match to the airport in the amount of $ 8333.50.

MONTHLY FINANCIAL REPORT/OVERTIME REPORT:

Jeff Emory, City Manager said he feels good about the general fund and where it is at this point in the fiscal year. He said, "Our numbers are up from last year." "The fund that still concerns me is the Water and Sewer fund obviously." He reviewed the following summary sheet for the various funds and the overtime figures for this year;

March 2014 Council Meeting

Executive Summary

General Fund		13-14	% of Budget	12-13	Difference
Fund 10	Revenues	5,792,976.54	53.02%	5,295,396.13	497,580.41
	Expenses	4,901,857.10	49.11%	5,113,309.02	(211,451.92)
	Difference	891,119.44		182,087.11	709,032.33
Water & Sewer Fund					
Fund 61	Revenues	4,938,677.39	56.64%	5,148,695.41	(210,018.02)
	Expenses	3,324,821.75	43.21%	3,271,736.03	53,085.72
	Difference	1,613,855.64		1,876,959.38	(263,103.74)
Electric Fund					
Fund 63	Revenues	4,096,967.00	52.08%	3,980,611.42	116,355.58
	Expenses	4,023,336.15	70.51%	3,959,763.31	63,572.84
	Difference	73,630.85		20,848.11	52,782.74
Overtime		168,661.45		162,617.99	6,043.46

PUBLIC COMMENT:
Mr. Robert Tomlinson, of 501 S. Grove Street, spoke to Council thanking Dr. Eaddy and the City Council for allowing department heads to speak each month. He commended the news media for informing the citizens of these meetings and for the opportunity to speak out to various items each month. He feels getting involved in government is a positive and can help educate our citizens about what is going on in our community.

NEWS MEDIA:
There were no questions from the News Media.

CLOSED SESSION:
Councilman Rhyne made the motion unanimously approved to enter into Closed Session in accordance with NCGS 143-318.11 (a)(3) to discuss a legal matter.

Councilman Eaddy made the motion unanimously approved to return Regular Session.

ADJOURNMENT:
Councilman Cloninger made the motion unanimously approved to ADJOURN the meeting.

DONNA C. FLOWERS, MMC **CITY CLERK**	**JOHN O. GILLELAND, JR.** **MAYOR**