REGULAR MEETING - FEBRUARY 5, 2015

The Mayor and City Council met in regular session on Thursday, February 5, 2015 at 7:00 p.m. in the Council Chambers of City Hall, located at 114 West Sycamore Street, Lincolnton.

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

RHYNE CLONINGER EADDY HOVIS

Councilman Eaddy asked that an item be added to the agenda; A brief discussion regarding the County moving their offices out of downtown. Councilman Eaddy then made the motion unanimously approved the REGULAR AGENDA adding discussion of the above item as requested.

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

- Approved meeting Minutes from the December 4th regular meeting and closed session and the January 7th regular meeting and closed session

REGULAR AGENDA:

PRESENTATION FROM PIEDMONT COMPANIES REGARDING POTENTIAL CENTRAL BUSINESS DISTRICT DEVELOPMENT:

Mr. Willie Heafner, owner of Piedmont Companies, spoke to Council about a proposed project he would unveil tonight, saying this project may be the single largest private investment to downtown Lincolnton. It is estimated to cost in the $ 45 million dollar range. Mr. Heafner said, "The families it will bring to downtown will help support the businesses in our City." He said, "This type development is what we have wished for in our lifetime but seem to never get." The City would be required to make some decisions to assist with getting the infrastructure to the areas and he plans to ask the County to join in, with what the City has already done as a City Council, and to pass the synthetic tax district credit. He met with representatives from DDA and they also have endorsed the project.

Mr. Heafner complimented the City staff, saying "The whole team has assisted in trying to figure out how to make this all work." He remembered three years ago, Mayor Gilleland and Crystal Gettys came into his office and asked him to think of ways to grow our downtown.

This project would take a large subsidy from Mr. Heafner but he is committed to making this work. He said, "If you are ever going to get anything in this downtown you are going to have to figure out how to fill in the missing infrastructure. Hopefully this project can ignite some things."

Mayor Gilleland thanked Mr. Heafner noting a bid packet requesting proposals was sent out to numerous companies regarding a project in downtown and Mr. Heafner was the only left standing at the end of the day. We appreciate your commitment to our downtown.

Mr. Craig UpShaw, of Piedmont Companies, reviewed a power point presentation of the three phases of the project. If built these homes would provide urban living in downtown Lincolnton. The three phases were expected to be built 6 to 9 months apart and consisted of the following; Phase I – Aspen Station Townhomes which include 14 Boston style townhomes wrapping around the corner of Aspen Street and Pine Street. Phase II – The Inverness – To be built on the site of the Inverness Hotel, these 12 condo-style units will offer urban sophistication to local executives. Phase III – Memorial Hall Townhomes – Twelve townhomes flanking the gardens of Memorial Hall with architecture derived from the historic building.

Site plans were provided by Mr. Dennis Williams, of Williams Design, and cost estimates were reviewed. Mr. UpShaw said to move the project forward the project would need property conveyance to the Piedmont Companies, County approval of Synthetic Tax District, Infrastructure Improvements (including utilities, roads and sidewalks) and some zoning adjustments.

Mr. UpShaw discussed the community impact noting the projects contribution to Smart Growth Concept, allowing sustainable development to include compact/walkable area with a range of housing options. The economic impact of one couple living in downtown was estimated to equal $ 18,773, which would be an increase to the City's tax base. The infrastructure improvements would serve as a catalyst for future development, increasing downtown activity 24/7.

He concluded saying the next step to get the project moving forward would be to (1) Lincoln County adopt Synthetic Tax District (2) title searches on all three properties (3) clearly define utility, road and sidewalk improvements, the related costs and return to City Council for approval. Action items for now were noted as; (1) endorsement of the concept of the three units, (2) Engage the Public Utilities Department in a design and cost study of the required utilities and (3) set a date to meet again to review and approve the utility upgrades and land conveyance.

Councilman Eaddy made the motion unanimously approved to go on record that City Council is in full support of the project and to assess the cost to build out infrastructure and report back in 30 to 60 days and IF the utilities work out agree to move toward the land conveyance.

Councilman Rhyne made a motion unanimously approved to set a date to meet again once the utility costs are established and move as quickly as we can. He said, "If not at Retreat at least by the March Council meeting."

CONSIDERATION OF CONTRACT BETWEEN THE CITY AND FIRST TRYON ADVISORS TO PROVIDE FINANCIAL ADVISORY SERVICES RELATED TO BOND REFINANCING (NOT TO EXCEED $ 25,000):
(C-01-15)

Jeff Emory, City Manager, said deferred to Steve Zickefoose, Finance Director, to present information on this item. Mr. Zickefoose told Council that in reviewing our existing debt payments, there is a good opportunity for the City to save significant dollars on existing debt due to lower interest rates. He said "We could save $ 700,000 or more on the 2005 Series alone over a seven year period." He provided a handout to Council regarding the rate structure should the City decide to refinance the bonds.

Mr. Zickefoose recently talked with the Local Government Commission regarding the possible refunding of our 2005 Series Bonds. They indicated that the City may want to consider a conventional refinancing method verses doing refunding. They noted the City is an excellent candidate for a conventional refinance and it would be less expensive.

Steve recommended the use of a neutral third party underwriter in order to have a cleaner process. He said First Tryon Advisors in Charlotte have a lot of experience in this type refinancing. They have been utilized by numerous municipalities near us such as Gastonia, Concord, Shelby, Newton-Conover and Matthews. Steve said he has met with them and has reviewed their analysis of our bonds and feel that they would do a very good job. He concluded recommending that Mayor and Council execute the engagement letter with First Tryon Advisors, to allow them to act as our advisor and begin the process as soon as possible. The fee for this type service is not to exceed $ 25,000, which is $ 10,000 less than doing a public sale.

Councilman Cloninger made the motion unanimously approved to execute the engagement letter and begin the refinance process as soon as possible.

CONSIDERATION OF CONTRACT BETWEEN THE CITY AND EAST COAST PYROTECHNICS FOR THE 2015 JULY 4TH CELEBRATION ($10,000 FIREWORKS DISPLAY):

(C-02-15)

Jeff Emory, City Manager, presented a proposed contract between the City and East Coast Pyrotechnics for the 2015 July 4th Fire Works Display. He noted that East Coast has been excellent to work with over the past years and has not recommended a price increase from last year's display. If Council considers entering into this contract the cost would be $ 10,000 for the fireworks display, with a total cost of $ 12,000 to host the event. Lincoln County provides $ 6,000 to the City towards this event and that amount was included in the 2014-15 fiscal year budget for both entities.

Councilman Rhyne made the motion unanimously approved to enter into a contract with East Coast Pyrotechnics for the 2015 Lincolnton fireworks display.

APPLICATIONS WERE RECEIVED FOR VACANCIES TO THE LINCOLNTON TOURISM DEVELOPMENT AUTHORITY FOR FOUR VACANCIES – ONE (1) FROM THE HOTEL INDUSTRY AS REQUIRED BY LEGISLATION AND THREE (3) FROM CITIZENS:

(APPT-01-15)

Mayor Gilleland and City Council reviewed the applications received for four vacancies and one re-appointment to the Lincolnton Tourism Development Authority. Upon review, Mayor Gilleland called for nominations. They were as follows;

Councilman Cloninger made the motion unanimously approved to re-appoint Heather Sain, of the Hampton Inn, to serve a first three year term on the LTDA, beginning effective immediately with the term expiring December 2017. (Note*: Her initial appointment was to fill the unexpired term of Fran Manley who served on the original 3 member LTDA)*

Councilman Rhyne made a motion unanimously approved to appoint Carol King to serve as Chair of the LTDA and begin a first three year term effective immediately, expiring December 2017

Councilman Cloninger made the motion unanimously approved to appoint Linda McGinnis, Manager of Comfort Inn, to serve a two year term beginning effective immediately, expiring December 2016.

Councilman Eaddy made the motion unanimously approved to appoint Lou Ann Cain to serve a two year term beginning effective immediately, expiring December 2016.

Councilman Rhyne made the motion unanimously approved to appoint Cynthia Koehler to serve a one year term beginning effective immediately, expiring in December 2015.

The City Clerk will serve as Secretary to the LTDA and the Finance Director will serve as Treasurer on the City's behalf. These appointments create a newly formed LTDA as required by the State and in accordance with the recently adopted resolution amending the LTDA and changing the member numbers. The LTDA Chair will report to Council quarterly on the expenses and revenues of the Occupancy Tax Fund.

RESOLUTION IN SUPPORT OF RESTORING TAX CREDIT PROGRAM:

Jeff Emory, City Manager, and Vicki Davis, B&CD Director, asked Council to consider adopting the following resolution support of restoring the tax credit program in North Carolina:

RESOLUTION SUPPORTING NORTH CAROLINA'S HISTORIC PRESERVATION TAX CREDIT PROGRAMS (R-03-15)

WHEREAS, the *CITY OF LINCOLNTON*, along with other local and regional partners are working towards the revitalization of Lincolnton's historic central business district to establish it as a vital economic sector of the City for the community's benefit; and

WHEREAS, the *CITY OF LINCOLNTON* realizes that a healthy, vibrant downtown makes all other economic development initiatives in the community easier to achieve; and

WHEREAS, the *CITY OF LINCOLNTON*, as well as many private investors, have made significant advancements towards our downtown's improvement through strategic planning and reinvestment; and

WHEREAS, the *CITY OF LINCOLNTON* understands that the City is fortunate to retain a wealth of historic commercial and residential structures that offer unique opportunities by differentiating our community from other communities and thus, we wish to preserve them when appropriate for future use and re-investment; and

WHEREAS, the *CITY OF LINCOLNTON* recognizes that the highest concentration of our historic structure stock is in the downtown area and this area provides more tax base value per acre than any other segment of the community.

WHEREAS, the _____*CITY OF LINCOLNTON*_________recognizes that these buildings offer opportunities for small business development, job creation and desirable living spaces in an existing built environment with previously invested infrastructure; and

WHEREAS, the _____*CITY OF LINCOLNTON*_______is interested in building upon these established investments to strengthen our tax base thus decreasing the potential of future tax increases for our citizens to maintain existing levels of service throughout the community; and

WHEREAS, the historic residential and commercial structures play a vital role in our capabilities to entice re-investment and create our market niche; and

WHEREAS, the rehabilitation of historic structures is challenging in terms of acquiring needed bank financing, meeting building code regulations and overcoming general risks of unknown conditions and securing private investment in blighted or transitional neighborhoods; and

WHEREAS, the economic impact of North Carolina historic rehabilitation construction investments results in 41.4 jobs created or retained for every $1M invested/spent; and

WHEREAS, the North Carolina historic rehabilitation investment spurs $801,000 to local household incomes for every $1M invested/spent, a historic rehabilitation project; and

WHEREAS, the ______*CITY OF LINCOLNTON*_________recognizes that these programs offer an often necessary financial tool that level the private investment risks and opportunities when competing for sites outside the built area and also provide the leverage needed to meet financial gaps experienced with traditional lending institutions; and

WHEREAS, the _____*CITY OF LINCOLNTON*_______believes that believes the HPTC programs is a worthy leveraging tool to stimulate a specific, challenged area of our economy that will support the entire community; and

WHEREAS, the North Carolina Downtown Development Association has adopted a position paper, titled, "*Position Paper of Support for North Carolina's Historic Preservation Tax Credit Programs*" and the _____*CITY OF LINCOLNTON* ____________ has reviewed this document and agrees that the HPTC programs are a necessary economic development tool and thus, generally agrees with the NCDDA Position Paper and will utilize it to advocate for the continuation of the HPTC programs; and

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the *CITY OF LINCOLNTON*______, on behalf of themselves, the other City officials and employees and the citizens of the *CITY OF LINCOLNTON*_____, do hereby support North Carolina's Historic Preservation Tax Credit Programs and their continued availability as a tool to spur economic recovery in traditionally blighted or underutilized areas of our communities; and

BE IT FURTHER RESOLVED that a copy of this Resolution will be submitted and shared to persons and organizations that the ______*CITY OF LINCOLNTON* partners with related to our ___*Downtown Lincolnton Main Street Plan* _ to encourage support of our position to maintain the NC Historic Preservation Tax Credit programs for continued availability to those interested in reinvesting in our historic structures.

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

CONSIDERATION OF ENGINEERING FIRM FOR DESIGN OF IMPROVEMENTS TO INTERSECTION PROJECT – GENERALS BLVD AND EAST MAIN STREET:

Laura Simmons, Planning Director, told Council that the City has received authorization from NCDOT that the City could proceed with awarding services for engineering and design for the Generals Blvd and East Main Street intersection improvement project.

She said the next step in the process would be to engage a private engineering firm to prepare the design plan for the improvement project. A Request for Qualifications (RFQ) has been advertised which outlines the criteria and rating system to be used in making the selection of the engineering firm.

Once City Council has selected the firm to provide engineering services, then Staff would negotiate a contract with the selected firm and would proceed with the intention of having the contract on the next available agenda for Councils consideration. The City Manager noted that between grants received and Powell Bill funding, there should be no General Fund tax dollars spent on this project.

Councilman Hovis made the motion unanimously approved to accept TGS Engineering as the firm and to begin negotiations for a contract.

Mayor Gilleland thanked Laura for all of her work on this project.

APPROVAL TO SEND RFQ (REQUEST FOR QUALIFICATIONS) FOR UPGRADES TO RHYNE MILLS AND NC HWY 150 SEWER PUMP STATIONS:

Jeff Emory, City Manager, and Steve Peeler, Director of PW&U, reviewed proposed options to repair two City pump stations, Rhyne Mills and Highway 150, which were damaged during the flood in 2013. The City Manager felt after exploring the entire area that the stations serve, it might be a golden opportunity to increase capacity which could lead to future growth.

Pease and Associates were asked to look into various options for improvements. One option would repair the stations and give much needed additional pumping capacity from what we currently have. The estimated cost for the total project is approximately $ 630,000. The City currently has $ 370,000 of FEMA money available for use. We actually have $ 200,000 on hand and $ 170,000 that we are eligible to receive. There is also a cash balance of $ 4.7 million dollars in the Water and Sewer Fund, which equates to 61% fund balance.

The City Manager recommended that the City proceed with RFQ's to provide engineering services for this project, based on the estimated project cost of $ 630,000. He said he is more than comfortable with spending $ 250,000 to $ 300,000 of cash on hand from the Water and sewer Fund to complete this project.

Steve Peeler, said "I have been worried about this pump station for years, and this would allow for room to expand." He noted that Lincoln Economic Development supports the upgrade to assist with future industrial expansion.
After some discussion among Council, Councilman Rhyne made the motion unanimously approved to table this item until the March 5th City Council meeting.

MONTHLY FINANCIAL/ OVERTIME REPORT:
Jeff Emory, City Manager, reviewed the monthly financial report prepared by the Finance department. The report read as follows:

ITEM ADDED AT THE BEGINNING OF THE MEETING – MOVING COUNTY OFFICES OUT OF DOWNTOWN:

Councilman Eaddy said, "I have read with a great deal of disappointment that the County was going to move out of the City. I know the group Citizens for Smart Spending presented a proposal with another option to keep those offices downtown. Did the Commissioners ever see that proposal?" Dr. Eaddy would like to see if this issue can be revisited as the plan he saw from that group would save tax payers across Lincoln County money.

Councilman Rhyne suggested sending a letter asking the Commissioners if they have seen the proposal and asks them if they would consider staying downtown. After some discussion, Councilman Eaddy made the motion unanimously approved to send a copy of the proposal we received from the Citizens for Smart Spending to the Lincoln County Commissioners.

Mayor Gilleland confirmed that he had given the proposal to one commissioner and thought it was to be shared with everyone, but maybe it was not. He said he would reach out to Commission Chairman Carrol Mitchem tomorrow to make sure he has a copy of the proposal.

PUBLIC COMMENT

Mr. Robert Tomlinson spoke regarding the selection of applicants for the Lincolnton Tourism Development Authority. He expressed concerns that all appointees were females when there was, in his opinion, a qualified male applicant. He expressed dissatisfaction that neither Dale Punch nor Shirley Smith were considered for the vacancies. He suggested that Council consider expanding the LTDA to nine members to allow others to serve.

CLOSED SESSION:

Councilman Eaddy made the motion unanimously approved to enter into Closed Session in accordance with NCGS 143-318.11(a)(4) & (5) to discuss economic development incentives and potential property acquisition.

Councilman Eaddy made the motion unanimously approved to return to Regular Session. There was no action taken during the closed session portion of the meeting.

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

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

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