MINUTES OF MEETING OF THE
CITY COUNCIL OF THE CITY OF SANFORD
SANFORD, NORTH CAROLINA

The City Council met at the Sanford Municipal Center, 225 E. Weatherspoon Street, on Tuesday, January 15, 2019, at 6 p.m., in Council Chambers. The following people were present:

Mayor T. Chet Mann
Council Member Byron Buckels
Council Member Charles Taylor
Council Member James Williams
City Attorney Susan Patterson
City Clerk Bonnie Davis

Mayor Pro Tem Rebecca Wyhof Salmon
Council Member Jimmy Haire
Council Member Norman Charles Post, III
City Manager Hal Hegwer
Management Analyst Holly Marosites
Deputy City Clerk Vicki Cannady

Absent: Council Member Sam Gaskins

CALL TO ORDER
Mayor Mann called the meeting to order. Council Member Williams delivered the invocation.

PUBLIC COMMENT
No citizens signed up to speak for Public Comment.

APPROVAL OF AGENDA
Mayor Mann requested that a closed session be added as Item 8-B-1. Mayor Pro Tem Salmon made a motion to approve the agenda as amended. Seconded by Council Member Buckels, the motion was unanimously approved.

CONSENT AGENDA
Approval of City Council Work Session Minutes Dated December 11, 2018 – (Book 95)

Approval of City Council Meeting Minutes Dated December 18, 2018 – (Book 95)

Approval Ordinance Establishing a Stop Sign at the Newly Developed Intersection of Scarlet Lane at Archer Lane – (Exhibit A)
Mayor Pro Tem Salmon made a motion to approve the consent agenda. Seconded by Council Member Buckels, the motion carried unanimously.

SPECIAL AGENDA
There were no items on the special agenda.

CASES FOR PUBLIC HEARING
Frazier Drive Sewer Extension Petition (for Council consideration only; not for consideration by Planning Board) – (Exhibit B)

City Engineer Paul Weeks explained that this petition was undertaken under the Council approved program through which 75 percent of the mainline cost is covered by the City. The homeowners pay the remaining 25 percent, the cost to run the line from the tap to the home and to decommission their septic tank. Original engineering estimates anticipated a cost of $1,270 but when
the three bids were opened on August 28, the apparent low bid was $1,918; it was later negotiated down to $1,725. Since this cost exceeded the original estimate by more than ten percent, homeowners were notified to determine how they wanted to proceed. This public hearing was advertised in The Sanford Herald; phone calls were made to those whose numbers were registered with the water billing department; door hangers were placed; and an electronic message board advertised the public hearing.

Mayor Mann opened the public hearing.

Jim Shook (of 421 Frazier Drive) stated that he had been in contact with Mr. Weeks for more than a year about this project which initially received support from more than 50 percent of the homeowners, with more than 50 percent of them requesting the tap. He stated his support of the project would increase tax values, make homes more marketable, and offer health benefits and commented that since the last meeting at City Hall, work has been done on three septic tank systems in the neighborhood; he is also having problems with his system.

Neil Darroch stated that he had lived at 510 Frazier Drive for 52 years and he questioned why grant funds can’t cover the cost of the sewer line. Many residents are retirees who live on fixed incomes and don’t want an additional expense.

Reid Craig (of 602 Frazier Drive) expressed frustration that the original estimate was $1,270 and now it is $1,700, with additional costs to hookup and monthly fees. He stated that as a retiree, he can’t afford those expenses and that when these properties were annexed years ago, the City promised sewer lines would be extended at no cost to the homeowners.

Christopher Britt stated that he was born and raised on Frazier Drive and his parents still live there. He questioned how repairs to driveways and yards damaged by the project construction would be handled (see response by Public Works Director Victor Czar below).

Tim Knowles (of 505 Greensboro Avenue, Sanford), questioned how City residents can be charged for a service provided to most homeowners with no discount; he understood that funds from coal ash treatment were to subsidize these projects (see response by Public Works Director Victor Czar below).

Jim Shook (who spoke earlier) stated that letters from the Public Works Department explained that homeowners’ costs for their 25 percent can be financed through the City for ten years at a cost of approximately $16 monthly. He also stated that no promises were made to him in the 26 years he had lived on Frazier Drive.

Anita Bowland (daughter of Neil Darroch, who spoke earlier) stated that there are costs in addition to the assessment and her father and other residents cannot afford them.

Kathy Persons stated that she has lived at 606 Frazier Drive for about 24 years. If homeowners pay the $1,725 and estimated $3,000 associated charges, their home value and property taxes will increase while neighborhood home values are decreasing.
Katherine Britt stated that she has lived on Frazier for 53 years and her husband has been disabled since 1979. She expressed frustration with street maintenance and City services, requesting that tax funds be used to help them rather than on sidewalks and benches in the Jonesboro area.

Mr. Weeks stated that his staff has contacted 13 of the 31 homeowners who originally supported the project to determine whether they wanted to proceed with the higher cost: one requested that his name be removed from the petition but the remaining homeowners still support the project. Since staff has not received responses from all homeowners who originally approved the petition, this public hearing was scheduled. Council Member Taylor requested clarification on how the project was quoted and more information on the costs, which Mr. Weeks agreed to provide to him (since he did not have it with him at the time).

Public Works Director Victor Czar explained that about two years ago, Council decided to use funds from coal ash leachate treatment to provide sewer service to City homeowners. Under this program, the City pays 75% of the cost and waives the $1,250 tap fee if the tap is made during construction. Prior to this program, homeowners were responsible for the entire cost and the tap fee. Regarding the tap, homeowners who tap into the system will be billed for sewer service once connected. Costs can be financed through the City at an interest rate of five percent, compared to the eight percent interest rate offered prior to the program. Mr. Czar stated that Council recognized the need to provide sewer service to City residents by providing a discount through coal ash leachate treatment funds. He also confirmed that driveway and yard repairs associated with the project would be included in the costs and properties would be returned to pre-construction condition.

Council Member Buckels questioned what approval rate is being sought for the project to proceed. Mr. Weeks explained that they would ideally like to hear from the other 18 homeowners. He also explained that a decision is needed soon since the project was bid in August. The contractor has held his bid since he understands the process, but at some point may not hold it any longer. Mr. Czar explained that our policy requires that when bid costs are more than ten percent higher than the original estimate, a second public hearing is held.

Mayor Pro Tem Salmon stated that this program is voluntary and Council does not want to force homeowners into the program which is an opportunity for homeowners to take advantage of the subsidy. She explained that she is not comfortable with proceeding until the 50 percent threshold is reached. She noted that she has heard concerns from Frazier Drive residents for years about failing systems. Mayor Mann agreed that he had heard about problems with septic tanks on Frazier Drive for years, which is one of the reasons it was selected for the subsidy program. Mrs. Salmon suggested staff determine how long the contractor is willing to hold the bid so that a time frame can be set for receiving responses from the remaining homeowners.

Mayor Mann closed the public hearing.

Consider Award of Bid for Frazier Drive Sewer Extension Project

Mayor Pro Tem Salmon made a motion to table awarding the bid for the Frazier Drive Sewer Extension Project until such time as additional information is received from homeowners. The motion was seconded by Council Member Taylor and carried unanimously.

Application by Harrington Properties of NC, LLC – to rezone one vacant 2.7 + acre tract of land off of Golf Course Road from R-20, Residential Single-Family to R-6-C, Residential Mixed Conditional
Zoning District for the purpose of developing a 10 lot residential single-family home subdivision with an additional lot dedicated for open space. The subject property is identified as Tax Parcel 9644-71-3681-00 as depicted on Lee County Tax Map 9644.04 (held jointly with the Planning Board) – Exhibit C

Zoning Administrator Amy McNeill reviewed information shown on the attached Exhibit C, explaining that this application is the first step in the proposed development of a new residential single-family home subdivision on a 2.7 ± acre tract of land off Golf Course Road to be served by public water, public sewer and a public street. The proposal is a conditional zoning district created for the purpose of allowing a property owner to place additional conditions upon an existing, equivalent conventional, general use zoning district. She reviewed design standards for the Residential-Mixed Use Conditional Zoning (R-6-C), which is what the applicant is proposing at this time, along with specific conditions for this subdivision as shown on the attached exhibit. The PlanSanLee Land Use Plan identifies the future land use place type for this tract as “suburban neighborhood”. A public informational meeting was held on November 29 which was attended by Planning staff, the developer, the project engineer, and four adjoining property owners. The major topics were tree removal, sanitary sewer extension, erosion control, traffic, and the condition of Golf Course Road.

Ms. McNeill informed Council that staff recommends that Council support this rezoning request. In making this recommendation, staff finds that the rezoning proposal from Residential Single-Family (R-20) to Residential-Mixed Conditional Zoning District (R-6-C) appears to be in keeping with the land uses described in the PlanSanLee land use plan. The inclusion of detached single-family dwellings and undeveloped open or green space is consistent with the “suburban neighborhood” land use plan for this parcel. The conceptual home designs proposed are similar to architectural styles found along McNeill Road. The proposed development would be created with a new public street with sidewalks, establishing its own “sense of place”, while maintaining vehicle connectivity to Hawkins Road by way of Golf Course Road. The request appears to be reasonable and in the public interest based upon the availability of public utilities. She noted that information presented at this public hearing should also be considered regarding a final decision on the requested zoning map amendment.

Mayor Mann opened the public hearing.

Jeremy Thomas, with J. Thomas Engineering of Sanford, project engineer representing the property owner and developer, Brandon Harrington, stated that he was available to answer any questions about the project.

Michael Talbot (of 2212 Hawkins Avenue) stated that he has discussed grading and drainage concerns with the landowner/developer. While he doesn't have a concern with the development moving forward, he requested that the City designate a staff member to oversee development sites since Lee County uses state standards for erosion control. Mayor Pro Tem Salmon questioned how drainage in the area near the development would be impacted. Mr. Thomas explained that the natural topography currently drains onto the adjacent Mullins property (in the Fairway Woods Subdivision) and they will attempt to improve the drainage situation by analyzing the flow and designing a ditch capable of carrying that flow to go down the lot line between the “Mullins and White properties” at Fairway Woods and get it to the drainage system for Bridgeport Circle.

Carol White (of 509 Fairway Drive) stated that she owns the property referred to by Mr. Thomas for constructing the ditch. She stated that she does not oppose construction but informed
Council that they have had drainage issues since they bought the property in 2011. She requested that the developer not contribute any additional drainage to their back yard.

Mayor Mann closed the public hearing.

Closed Session
Council Member Haire made a motion to go into closed session in accordance with N.C.G.S. 143-318.11(a)(3), to consult with an attorney-employee retained by the public body in order to preserve the attorney-client privilege. The motion was seconded by Mayor Pro Tem Salmon and carried unanimously.

Return to Regular Session
Council returned from closed session and Mayor Mann re-convened the meeting.

Application by Terry Slate to extend Corporate Limits of the City of Sanford to Pinnacle Partners (for Council consideration only; not for consideration by Planning Board) – (Exhibit D)

Senior Long-Range Planner David Montgomery clarified that this item is the first step in a two-step process. This first step is a public hearing for Council consideration, to extend the corporate limits of the City and the second step, if the ordinance for annexation is approved, will be a second public hearing to consider rezoning of the property from Residential-Restricted to Conditional zoning. If the property is annexed, a zoning classification must be assigned within 60 days. He reviewed the “Annexation Report for the City of Sanford and Pinnacle Partners, LLC – January 15, 2019” (included in the Exhibit D) which details the authority, procedure, notice, continuousness, consistency with the PlanSanLee Future Land Use Plan, rural fire protection district, provision of City services, estimated costs incurred by the City, revenue and rezoning of the annexed area.

Mayor Mann opened the public hearing.

Mike Riselli, a design consultant with Boller Engineering (4130 Park Lake Avenue, Raleigh), stated that he represents Terry Slate, the applicant, who would like to develop this property under the City’s design guidelines and ordinances and served with public utilities. He stated that any development on this tract would provide an increased tax base for the City; increase revenues generated during development and home sales; increase building permits, associated inspection fees, and property taxes. It represents a significant opportunity for growth of the City, the local economy and customers for local businesses. Any construction activities during development would meet City guidelines and would be subject to building permit rules. Approved erosion control plans will be necessary and building and site inspectors will have access to the site to enforce all applicable construction ordinances. In anticipation of annexation and development, the design team has gone through great effort to develop a proposal that will be presented during the public hearing on the rezoning. They have had discussions with planning staff, collaborated with home builders, reviewed City design guidelines and ordinances, and conducted planning and engineering design. A community meeting was held on December 6, at which time they heard from nearby residents who reviewed their design proposal. Mr. Riselli stated that changes were made to the proposal and respectfully reminded Council that this hearing is for annexation and not about specific development standards.

Terry Slate, representing Pinnacle Partners, stated that they purchased this property about 15 years ago with the intent to develop it when market conditions warranted. He stated that shortly after
he purchased the property, the City came to him with a proposal to extend the sewer main along Purgatory Creek and asked him to contribute to that sewer line and that was in keeping with his long-range plans of developing the property. Pinnacle Partners paid $658,000, with the idea being that the line would service this property, along with City water, and allow for higher density. In conjunction with the sewer line, they were provided easements along the sewer line across adjacent properties to provide sewer service to the property. He encouraged Council to approve the request.

Brenda Blue (of 800-D McKenzie Park Drive, Sanford), stated that she was also speaking on behalf of her mother who lives nearby and expressed concerns about the following in connection with the request for annexation and development (see letter included in Exhibit E): dog park regulations; trash pickup; proximity between homes; noise; changing the character of the area; effects on existing residents; flooding; cleaning up damage; and increased property taxes.

Scott Osborne (of 2508 Valley Road, Sanford) stated that he owns almost 14 acres acquired in 1988 and about 864 feet of his boundary (the most of any adjoining landowner) adjoins the subject property, with 11 to 12 house sites and a spur road proposed for construction. He stated that the proposed development severely violates and deviates from our current and future land use plans in Lee County and provided reasons why the property should not be annexed due to the incompatibility with past and present land use. He expressed concerns regarding increased traffic; loss of farm and timber land; loss of open space, quality of future growth; land use compatibility; residents’ value of a natural environment; value for small town feel and rural character of the community; and increased water runoff (see letter - Exhibit F).

Eddie Winstead, a local attorney speaking on behalf of Greg Stone and other residents along Forestwood Park, spoke in opposition to the application for annexation. He noted that while this hearing is about annexation and not zoning, they are inextricably intertwined since one wouldn’t be heard without the other. He explained that the subject property is currently zoned “RR” and that it is open countryside, compatible with surrounding large tracts for development of houses on approximately 1.5 to 2 acres and it serves as a buffer between rural, industrial and residential areas. He suggested that the annexation petition pre-supposes the use of this property and noted that it is considered contiguous annexation solely by its proximity to a parcel across Highway 421 that is within City limits: other than that, it abuts no other property located within the City limits. It is significantly different in development style than other nearby residential areas, with lots in the adjoining Wildwood subdivision averaging about an acre. He questioned why a high-density development would be located in an area away from the City and suggested that it should be located in an area of the City with easy access to services, as “infill” development. He added that the state’s annexation statutes are designed to foster organized and reasonable growth, and suggested that the subject property is an outlier, totally distinctive from anything else in the community. He also noted that the annexation statutes state that even if the proposal meets all the criteria required for contiguous annexation, the bottom line is that Council “may” – not “shall” – annex: it is in Council’s discretion. He agreed that we want growth but questioned whether this is the type of growth we want at this time and suggested that when Council considers the reason for the annexation request, the character of property that exists now, the total change in character that this request portends and the fact that the long-term land use plan has other use types for this property, they should deny the request for annexation.

Jared Rivard (of 3201 Wildforest Road, Sanford) stated that he, along with many of his neighbors, oppose the proposed project and annexation, due to concerns about the neighborhood
character; the proposed high-density development; availability of public resources such as law enforcement and school funding; community management; and environmental factors such as flooding and erosion (as shown on letter included in the attached Exhibit D).

Gregory Davis stated that he is no longer a Sanford resident but owns property at 240 Forestwood Park, where his parents have lived since 1976. He expressed concern about their quality of life; traffic; noise; increased population; water problems; and nearby residents’ access to public services. If the annexation is approved, he requested that nearby residents have the opportunity to access the additional services provided by the City even if it is not annexed or to annex them as well, if necessary.

Jamie Kelly (of 937 Valley Road, Sanford) stated his opposition to this proposed annexation in its current form. He suggested that the City and County should strive to retain our culture and identity and stated that he would rather have businesses come to Sanford than serve as a bedroom community for others. He has 300 acres across the street from this property and wants it to conform to the rules so it doesn’t look and feel out of place. He encouraged Council to make a wise choice and balance tax revenue with the community’s future.

Dean Wilkinson (of 1312 Longleaf Lane) questioned whether the City is prepared to provide up to 1,300 people (based on Lee County’s average household size of 3.49 people) with schools, fire and police protection.

Ben Lucas (of 1310 Palmetto Path), who owns several lots in Wildwood, expressed concerns based on a traffic study provided at an earlier meeting, that showed that all of the traffic will flow out to Highway 421 on a road that would not exist until Phase 4 of the project, with no traffic flowing onto Valley Road (a two-lane road). If the project stalls before that point, the road may not be constructed.

Emily Lucas (1302 Palmetto Path) expressed strong opposition to the project, stating that she moved to the Wildwood subdivision in 1983, away from a home on Horner Boulevard because her family wanted to be in a quiet, rural community.

Council Member Taylor thanked everyone for the phone calls and open dialogue, stating that he saw both sides of the issue. While he is a staunch believer in landowner rights, he also believes in being a good neighbor. He acknowledged that things change and had this issue been presented eleven years ago, it may have been different since much less building was taking place. He explained that the Joint Planning Commission (on which the Mayor serves and he is Chair) was tasked with updating the 2020 Land Use Plan but since the future PlanSanLee Land Use Plan has not been adopted, it simply cannot be enforced. He stated that the current land use plan has been a good one but is dated, and weight must be given to whether current provisions have been met. He pointed out that it is possible that this annexation could be approved, but the rezoning request could be denied. He stressed that there is no proposal to annex the Wildwood Subdivision and noted that Mr. Slate purchased this property 15 years ago and has invested more than $2.3 million.

Mr. Taylor asked Mr. Slate if he had a back-up plan in case the annexation is approved but the rezoning is not and Mr. Slate replied that he did not. He confirmed that he has received interest in the property with the plan currently before Council for consideration and suggested that Sanford is on the radar from a growth and building standpoint right now.
Community Development Director Marshall Downey clarified for Mr. Slate that if the property was annexed and the conditional use rezoning does not pass, we have up to 60 days, as indicated by statute, to assign zoning. At that point, staff would provide him options for some type of general use zoning. We would likely look at something that might be compatible, depending on whether his interest was to have something similar to surrounding properties in terms of that density, such as R-20, but we would provide options for different types of residential zoning districts.

Mr. Downey also explained that if the annexation does not pass, there would be no further discussion; the public hearing on the rezoning would not be held if the property is not annexed.

Mr. Taylor noted that the opportunity does certainly exist, if Mr. Slate pursues the county option, he could potentially have a septic system with one-acre lots. Mr. Downey replied yes. It would go before the County Planning Board and a recommendation would be made to the County Commissioners.

Mr. Downey added that staff has worked with Mr. Slate for the last nine months to a year. Staff had some concerns and to Mr. Slate’s credit, he worked with staff by bring in a landscape architect, added some amenities, added some design features and somewhat incorporated some of the elements that staff was looking for; however, there are some areas within that design, which is reflected in staff’s report, that staff was not entirely satisfied, in terms of what they would like done.

Council Member Williams made the motion to annex the property. Mayor Mann stated that the public hearing was still open.

Ben Lucas (who spoke earlier) stated that he purchases stock and noted that the applicant, as a real estate investor, should have a plan similar to what an investor would have when the value is reduced.

Faye Baker (a resident of Valley Road, Sanford) expressed concern about the proposed development possibly having a dog park behind her property, since there would likely be a large number of dogs.

With no other citizens requesting to speak, Mayor Mann closed the public hearing.

- Consider Ordinance to Extend Corporate Limits of the City of Sanford to Pinnacle Partners – (Exhibit G)
  Council Member Williams made a motion to extend the corporate limits of the City of Sanford to Pinnacle Partners. The motion was seconded by Council Member Taylor.

Mayor Pro Tem Salmon thanked everyone for their engagement on this issue and suggested it was about two different visions and aspirations for where we are going. She acknowledged the annexation and re-zoning are two separate issues but suggested they are linked. She did not feel comfortable with the re-zoning being requested.

Council Member Buckels concurred with Mayor Pro Tem Salmon’s comments concerning growth. He stated that he is in favor of growth and housing but there is a difference between density
and crowding and a difference between growth and smart growth. He commended Mr. Slate for the work he did and his attempts to match the vision for the City.

Mayor Mann called for a vote on the motion to approve the ordinance extending the corporate limits of the City of Sanford to Pinnacle Partners. Council Members Taylor and Williams voted in favor while Mayor Pro Tem Salmon, and Council Members Haire, Post and Buckels voted against it; therefore, the motion failed.

Recess

Mayor Mann called for a brief recess at approximately 9:05 p.m. and the meeting reconvened at approximately 9:10 p.m.

The Planning Board retired to the West End Conference Room.

Application by Terry Slate – to rezone three vacant tracts of land totaling 168 + acres with frontage/access off of Boone Trail Road/US Hwy 421, Forestwood Park Road (SR 1384), and Valley Road (SR 1325) from RR, Residential Restricted to Stone Brook Conditional Mixed Use-PUD Conditional Zoning District to allow the development of a 390-lot residential subdivision with a future townhome area and a future mixed use area. The subject property is identified as Tax Parcels 9634-14-7642-00, 9634-04-4681-00, and 9624-96-0209-00 as depicted on Lee County Tax Maps 9634.03, 9634.01, 9624.02, and 9624.04 (Exhibit H)

Since this item was contingent upon the subject property being annexed into the corporate City limits in the preceding item and the annexation was not approved, Council Member Taylor made a motion to remove this item from the agenda; seconded by Council Member Buckels, the motion carried unanimously.

DECISIONS ON PUBLIC HEARING

There were no decisions on public hearings.

REGULAR AGENDA

Consider Financial Statement Audit for June 30, 2018 – (Exhibit I)

Financial Services Director Beth Kelly introduced Keith Joyce, Partner with Joyce and Company, CPA who summarized the City’s audit (Exhibit I) for Fiscal Year ending June 30, 2018. He informed Council that the City had a clean, unmodified opinion, which means the financial statements are fairly stated and there were no problems; no management letter or findings of any kind. Mr. Joyce stated that the City is in very good financial health. He referenced a governance letter (Exhibit J) addressed to the mayor and council, which was placed at each council member’s seat.

Consider Presentation of Popular Annual Financial Report – (Exhibit K)

Beth Kelly presented Council with a Popular Annual Financial Report (PAFR). This report started with an idea from the Citizens Academy. She thanked Cindy O’Quinn for the preparation of the financial data and Kelly Miller for the preparation of the PAFR. Mrs. Kelly reviewed the information in the document and noted that she will make this information available on the website and also give copies of the PAFR to SAGA and other entities.
Consider Community Development Project Ordinance Amendment – (Exhibit L)

Community Development Manager Karen Kennedy explained that in the past, the City often gets loan proceeds when a home may sell that had a lien on it. Those funds accumulate and sit in an account, which can only be used with the Federal guidelines that are in place when the City receives the grant money. These funds can be used for cost overruns on projects. This ordinance amendment transfers $5,000 from the rehabilitation line item into the expenditure line item for cost overruns.

Council Member Taylor made the motion to approve the Community Development Project Ordinance Amendment. Seconded by Council Member Buckels, the motion carried unanimously.

Consider Grant Project Ordinance Amendment – North Carolina Housing Finance Agency 2017 Urgent Repair Program (URP 1731) – (Exhibit M)

Community Development Manager Karen Kennedy explained that when the City receives grant funds for urgent repair, we have to place them in an interest-bearing account and often at the end of a project, we receive interest accumulated during the project. These funds can be used to help with cost overruns with housing rehab. This amendment allocates $975 from interest income to the project.

Council Member Buckels made the motion to approve the Grant Project Ordinance Amendment. Seconded by Mayor Pro Tem Salmon, the motion carried unanimously.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2018-2019 – (Transmission Water Main and Wastewater Treatment Plant Repairs) – (Exhibit N)

Financial Services Director Beth Kelly explained that this item amends the budget by transferring $100,000 from contingency and appropriating $275,000 in Retained Earnings for a total of $375,000 to be used for repair of two 18-inch sewer force mains (Skunk Creek and Water Reclamation Plant) and two 24-inch transmission water main repairs (Poplar Springs Church Road and Lick Creek Road). It also appropriates $557,136 of retained earnings to the Water Reclamation Department for repairs at the plant related to hurricane damage and an alternate disposal method for sludge removal due to excessive rain.

Council Member Buckels made the motion to approve the ordinance. Seconded by Mayor Pro Tem Salmon, the motion carried unanimously.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2018-2019 (Central Carolina Enterprise Park Water and Sewer Project) – (Exhibit O)

City Engineer Paul Weeks explained that the next three items are related. He referred to Exhibit O, a map displaying the Central Carolina Enterprise Park; it is an extension of the Industrial Park between Womack Road and Colon Road, on the old Clyde Rhyne Road. There are about 17 tracts in that area and for consideration tonight is an award of bid to extend sewer to tracts 1, 14 and 17. The tracts are outlined in red. When staff opened bids on December 8, 2018, there were four bidders and the apparent low bidder was North American Pipeline Management, Inc. Staff bid the project as a base bid and alternate bid. The alternate bid was a deeper gravity sewer so the Spec building could be served and staff’s intent was to go with the alternate bid. The numbers received on the base bid came in higher than funds available, so staff had to choose a contractor as our apparent low bidder. Our specifications say we will negotiate with the base bidder, but in this case, we waived that as an informality in negotiating with the apparent low bidder and the alternate bidder for two reasons. One reason is we have in our specifications to waive informalities and also in the
specifications it says it is in the best interest of the City. In this case, the alternate bidder was $60,000 less, so we felt we were well within our means to waive it as informality. Staff entered into negotiations with North American Pipeline Management, which is based out of Georgia. Staff checked references (they have worked in Gastonia and Winston-Salem) and the references came back good. At the conclusion of negotiations, we arrived at a price of $269,270.

Financial Services Director Beth Kelly explained that this ordinance amends the operating budget to transfer $210,204 to the Central Carolina/Triassic Park Water and Sewer Project No. U1601. Council Member Buckels made the motion to approve the ordinance amending the budget. Seconded by Mayor Pro Tem Salmon, the motion carried unanimously.

Consider Capital Project Ordinance Amendment – Industrial Park Water and Sewer Improvements Project No. U1601 – (Exhibit P)

Financial Services Director Beth Kelly explained that the amendment appropriates the $210,204 to the capital project that is already set up. Council Member Haire made the motion to approve the Capital Project Ordinance Amendment. Seconded by Council Member Buckels, the motion carried unanimously.

Consider Award of Bid for Central Carolina Enterprise Park Sewer Extension Project – (Exhibit Q)

Council Member Buckels made the motion to approve the award of bid to North American Pipeline Management, Inc., for the Central Carolina Enterprise Park Sewer Extension Project in the amount of $269,270. Seconded by Mayor Pro Tem Salmon, the motion carried unanimously.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2018-2019 (Americans with Disabilities Act Compliance Assessment) – (Exhibit R)

Financial Services Director Beth Kelly stated that the ordinance appropriates $12,500 from Fund Balance and $12,500 of Retained Earnings to the Risk Management Department for ADA Compliance consulting fees discussed at the prior workshop. Council Member Taylor made the motion to approve the ordinance. Seconded by Council Member Post, the motion carried unanimously.

NEW BUSINESS
Consider 2019 Taxicab Operator’s License Renewal - (Exhibit S)

Detective Sergeant Eric Pate explained that D.A.Y. Taxi Service, owned and operated by Juana Maria Guillen, has submitted an application for renewal of its taxicab operators’ license for 2019. She has requested to operate one vehicle and it has passed inspection. A criminal background check has been completed and no violations were found to prevent her from being issued a license to operate a taxicab within the City limits.

Council Member Buckels made a motion to approve the renewal. Seconded by Mayor Pro Tem Salmon, the motion carried unanimously.

Request from the Raleigh Exec Airport Authority to Access Funds from the Airport Reserve Fund for Capital Project Improvements at the Airport - (Exhibit T)

City Manager Hal Hegwer explained that the airport was allocated $4 million from General Assembly in order to construct a new terminal building. When the bids came in, the Airport Authority could not do everything it wanted, so the upstairs portion of the terminal building will not be finished; however, in order to lease the building, the airport needs an elevator. The airport
authority is asking for $118,000 to install an elevator and $100,000 (ten percent match from Authority) to take advantage of a Department of Transportation grant in the amount of $1 million, which will be used for the parking lot and access road. The total being requested is $218,000 coming out of the Airport Reserve Account.

Council Member Post made a motion to approve. Seconded by Council Member Haire, the motion carried unanimously.

Resolution Authorizing the Sale of 110 Alcott Street (PIN 9642-97-2671) – (Exhibit U)

City Attorney Susan Patterson explained that the City and County received an offer from Outreach Mission to purchase 110 Alcott Street for $400. This is a vacant lot which adjoins their property, to be used as additional property at the current men’s shelter location. The City and County own the property jointly due to a tax foreclosure; because Lee County collects taxes for the City, they propose to sell it through the offer, advertisement and upset bid process. In order for them to sell it on our behalf, the City needs to deed its interest to Lee County so they could execute a deed to the purchaser. The County will consider this offer at its February meeting. The tax value of the property is $8,000. The City and County incurred tax foreclosure costs of $1,560.79.

Council Member Taylor questioned whether the Outreach Mission would be responsible for closing costs, which Attorney Patterson confirmed they would be. He questioned whether other non-profits had paid closing costs when purchasing property from the City and County and whether we could extend the same courtesy in this situation. Attorney Patterson agreed to research this issue. Mr. Taylor stated he would include in his motion authority for Attorney Patterson to research this and waive fees if that had been the case in other situations, “subject to confirmation”. Byron Buckels seconded the motion.

Council Member Taylor made a motion to transfer 110 Alcott Street to Lee County and authorize City Attorney Patterson to research whether closing costs had been waived for non-profits and if so, to waive closing costs on this transfer for Outreach Mission. The motion was seconded by Council Member Buckels.

Attorney Patterson noted that since the County will be handling the sale, the only charge in transferring the property from the City to the County would be recording fees. City Manager Hal Hegwer suggested that if the intent is to convey the property to Outreach Mission for expanding homelessness operations, perhaps a process other than the advertisement and upset bid process should be used. Ms. Patterson explained that there are only certain methods by which property can be conveyed. We have in the past taken some steps towards non-profits that deal with low- and moderate-income housing and we likely went through this process when transferring property to them but she will research this issue. Mr. Hegwer stated that if our goal is to convey it to a non-profit that will use it to expand the work of the Outreach Mission, he was not sure if this is the method needed. She suggested we include a contingency on the transfer of the property; she stated that private sale is a method that is not allowed for transfer of property in most circumstances. We would be giving it to Lee County. Lee County would go through a process to make sure that they receive whatever fair market value is necessary. We entertained this type of offer from the non-profits dealing with low- and moderate-income housing because they serve a public purpose. So for entities carrying out a public purpose, there’s a different statute that allows you to transfer property but she felt that Lee County would then consider whether, if there is an upset bid, whether to honor it or not. They can at any time reject any and all bids, so we could make it a point in our transfer to them that we are
interested in this being used for low- and moderate-income housing. Council Member Taylor amended his motion, that the lot be conveyed to Lee County with the intent that it go to the non-profit (Outreach Mission) for low- or moderate-income housing or non-profit use to address homelessness. Council Member Buckels seconded the amended motion and it carried unanimously.

**Resolution Authorizing the Sale of 304 Oakwood Avenue (PIN 9642-98-3679) – (Exhibit V)**

City Attorney Susan Patterson explained that this issue is similar to the item just discussed, where the City and County have received an offer from Outreach Mission to purchase 304 Oakwood Avenue for $400. It is a vacant lot to be used for a potential homeless shelter. The City and County own the property jointly due to a tax foreclosure and propose to transfer it to the County.

Council Member Taylor made the motion that the lot be conveyed to Lee County with the intent that it go to the non-profit (Outreach Mission) for low-or-moderate income housing or non-profit use to address homelessness. Council Member Buckels seconded the motion and it carried unanimously.

**Consider Discussion of One NC Fund Grant – Dowa Thermotech North Carolina, Inc.**

SAGAEconomic Development Director Bob Joyce explained that One NC is a discretionary grant program administered by the Department of Commerce that assists with the state’s rapid response for competitive job creation projects. Dowa Thermotech, our recent new industry announcement at the Central Carolina Enterprise Park (CCEP), applied for and received a One NC Grant in the amount of $200,000. Awards are allocated through local governments as part of a challenge grant and by statute a One NC Grant requires a local match from a Tier 2 match, such as Lee County, of $1 for every $2 provided by the grant. The match can be provided by cash, fee waiver, in-kind services, infrastructure improvements, property donation or other assets. The tax grant incentive that the City previously approved for Dowa Thermotech is more than sufficient as the match for this grant. SAGA is not requesting any funds; they are requesting Council to authorize at the appropriate time, receipt of grant and pass through that payment to Dowa after they meet the requirements of the grant.

Mayor Mann noted that this matter will come back to Council. Mr. Joyce added that Dowa will sign all the appropriate documents and return them to SAGA. Mr. Hegwer stated that he wanted Council to be clear on the matter before the document came back for signature. No action was taken.

**Revised Preliminary Plat Labeled “Nottingham Subdivision, Phase V”** for a new 49-lot phase of an existing residential subdivision located off of Crusaders Drive within the City of Sanford’s corporate City limits that is proposed to be served by public water, sewer and streets. This phase was originally approved in June of 2018; however, the discovery of more rock on site than initially anticipated once grading was started caused the developer to redesign the site to better accommodate the existing conditions and to avoid adding significant costs to the project. Both the original design and the revised design are provided for your reference.

Community Development Director Marshall Downey explained that this is a revision to Phase 5 of Nottingham Subdivision. The plat was brought and approved by Council in June for the 49 lots; however, after approval, the developer submitted construction drawings and started work on the property and ran into significant design issues due to rock. This revised design is a result of issues with rock. He referred to the original design and the new design for Council’s review. It is the same
number of lots; there are some minor changes to the interior in terms of street and lot layouts but not to the exterior connections. Van Groce was present to answer any questions.

Consider Approval of the Preliminary Plat (Exhibit W)
Mayor Pro Tem Salmon made the motion to approve the revised preliminary plat. Seconded by Council Member Post, the motion carried unanimously.

OTHER BUSINESS
Mr. Taylor wished everyone a Happy New Year. He thanked staff for their work, especially on the annexation and zoning issues. It is a difficult process and when UDO changes are made, it needs to be holistic. Mayor Mann added that the changes that are made will be so that developers will have a clear understanding on the desires and wishes of Council.

Mr. Taylor stated that two companies plan to make a presentation at Council’s workshop on Tuesday, January 22, 2019 for playground equipment. Once the company is chosen, there will be a six to ten week window to have something in place, so if there is a delay on the splashpad, there will be a playground.

Mayor Mann announced there will not be a Council meeting on February 5 and a retreat is being planned for the last few days of February.

CLOSED SESSION
Attorney Patterson read a motion to go into closed session pursuant to NCGS 143-318.11(a)(4) to discuss matters relating to the location or expansion of industries or other businesses in the area to be served by the public body. So moved by Council Member Buckels, and seconded by Council Member Post, the motion carried unanimously.

RETURN TO REGULAR SESSION and ADJOURNMENT
Council Member Post made the motion to adjourn the meeting; seconded by Council Member Buckels, the motion carried unanimously.

ALL EXHIBITS CONTAINED HEREIN ARE HEREBY INCORPORATED BY REFERENCE AND MADE A PART OF THESE MINUTES.

Respectfully Submitted,

T. CHET MANN, MAYOR

ATTEST:
Bonnie Davis, City Clerk