

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, June 3, 2008, at 7:00 P.M. The following people were present:

Mayor Cornelia P. Olive	Council Member Linwood S. Mann, Sr.
Mayor Pro Tem Joseph Martin	Council Member James G. Williams
Council Member Charles Taylor	Council Member Walter H. McNeil, Jr.
Council Member Mike Stone	Council Member Steve Brewer
City Manager Hal Hegwer	City Attorney Susan C. Patterson
City Clerk Bonnie D. White	

Mayor Olive called the meeting to order. Mayor Pro Tem Joseph Martin delivered the invocation.

APPROVAL OF AGENDA

City Manager Hal Hegwer requested to add the May 6, 2008, City Council minutes to the Consent Agenda. Council Member Mike Stone stated that he received the minutes late this afternoon and he would like to table them until the next City Council meeting because he did not have time to read them. Mr. Hegwer stated that there is a time constraint regarding a grant opportunity and these minutes need to be approved.

On motion of Mayor Pro Tem Joseph Martin, seconded by Council Member Linwood Mann, the May 6, 2008, City Council minutes were added to the Consent Agenda by a vote of six to one in favor to add the minutes. Council Member Mike Stone cast the dissenting vote.

Council Member Walter McNeil, Jr. made the motion to approve the amended agenda. Seconded by Council Member Charles Taylor, the motion carried unanimously.

CONSENT AGENDA

Approval of Ordinance to Erect Stop Sign at Intersection of Carrington Lane and Darryls Drive – (Exhibit A)

City Council Minutes Dated May 6, 2008, - (Filed in Minute Book 69)

The consent agenda items were approved upon motion of Council Member Steve Brewer. Seconded by Council Member James Williams, the motion carried unanimously.

CASES FOR PUBLIC HEARING

Public Hearing - Economic Development Incentives – 3M Company- Request by Lee County Economic Development Corporation – (Exhibit B)

Lee County Economic Development Director Bob Heuts stated that this project is recommended by the Lee County Economic Development Corporation. He said it is the possibility of offering an incentive for a company called 3M located at the Simpson Industrial Park off Rosser Road. The company occupies four buildings totaling over 200,000 square feet and employs approximately 180 people. All buildings are leased for five years with a five-year additional option. 3M acquired this division from Static Control and J & J Converting back in 2006. The products include anti-static bags, other accessories to prevent static damage to electronic components and also film coating facility. The new proposed project adds new equipment to the film coating facility and building renovations to accommodate the new equipment. The project is anticipated to generate over \$140,000 in new taxes to the City and the County (together) and the grant to the company from the EDC is based on 50 percent of those taxes paid out over a five-year period by the company. The EDC Executive Committee voted unanimously to recommend this project to the City and to the County. Mr. Heuts referred to the grant agreements with the City and County and the agreement between the EDC and 3M. The documents show the payments that would be made and the dates of those payments which are after the company actually makes its payment to the County for the taxes it owes the City and the County. Included in the agreement are clawback agreements if something happens; we do not continue to make payments if the company goes away. The project includes \$1.1 million in renovations and \$1.6 million for machinery.

Council Member Williams asked if the renovations are being made on the rental property. Mr. Heuts replied yes. Mr. Heuts commented that this is the first time since he has been here that it involves leased buildings versus owning the buildings. There are very often companies that lease space and in the lease agreements, the company is responsible for making those renovations. The deal EDC makes is with the company, and the company is responsible for making sure those improvements get in place. The company meets the minimum requirements that are set in the guidelines that have been adopted by the City, County, and Town of Broadway in terms of the value of the jobs and exceeding the million dollar threshold for existing businesses.

Mayor Olive opened the public hearing. Mr. Heuts said he wanted to go on record as speaking in favor of the project.

John Daniel, Chairman of the Economic Development Corporation, spoke in favor of the project. He stated that this application was scrutinized to the tenth degree and was endorsed unanimously. He addressed a question asked by Mr. Williams previously. He said that many times corporations do not own their real estate and that can be from retail to industrial. Mr. Daniel informed Council that he was employed by 3M to do a market study and a discounted cash-flow analysis of their purchasing this property. He performed this and it was stamped and certified that he had no agenda there and had nothing to do with this. At that time, he did not know 3M was going to apply for grant incentives. They tried to purchase the property and Mr. Simpson's decision was not to sell. All the leases are net leases and net leases mean they are responsible for paying all the taxes and insurance plus any additional because of the alterations, both real and personal. 3M has a ten-year lease. Council Member Stone clarified that this is set up for five years and the machinery is set up on the state level on an advancement where it

depreciates much quicker. Mr. Stone added that there is no chance of them leaving until after five years.

No one spoke in opposition.

Council Member Steve Brewer made a motion to continue the public hearing and table any further discussion until the June 17, 2008, City Council Meeting at 7 P.M., in the Council Chambers. Council Member Mike Stone seconded the motion.

Council Member Charles Taylor stated that he is employed by 3M and requested to be recused from any discussion and voting regarding this matter. Mayor Pro Tem Martin made the motion to recuse Mr. Taylor from discussion and voting on this issue. Seconded by Council Member Mike Stone, the motion carried unanimously.

Council Member Brewer said the reason he wanted to table and continue this is because there has been some discussion about when the information was let out and people getting a chance to review it and the public hearing held on this. He would like for everybody to have a chance to review it and digest it and come back and vote on it in two weeks. The vote was unanimous to continue the public hearing and table any further discussion until the June 17, 2008, City Council Meeting at 7 P.M., in the Council Chambers.

- Consider Adoption of Resolution Authorizing the Expenditure of Funds for an Economic Development Project and Approving an Agreement with Lee County Economic Development Corporation – (Pages 1 – 35)
(Tabled)

Public Hearing on Annual Budget for Fiscal Year 2008-2009

Financial Services Director Melissa Cardinali explained that the public hearing on the budget is required to receive public comment on the budget. After the public hearing, Council can consider adopting the annual budget ordinance.

Mrs. Cardinali stated that there are a couple of items she needed to update and bring to Council's attention and the public -- one being that the Homeowner Recovery Fee was noted as a four dollar fee, and it should be nine dollars and it has been reflected in the ordinance. During staff's subsequent review of the Inspections Department budget, staff discovered that the IBR Phone System was included two times and felt this amount was significant enough to be eliminated which was \$18,500. That amount has been reduced from Inspections Department's budget. To continue to facilitate sidewalk improvements that staff was not able to achieve in a grant, staff had included \$75,000 in the Street Department budget, but the mayor has asked that this item be removed at this time, so the net effect to these changes would be an \$18,500 change.

Mayor Olive opened the public hearing. No one spoke in favor or in opposition. The public hearing was closed.

- Consider Adoption of Annual Budget Ordinance for Fiscal Year 2008-2009 – (Exhibit C)
Council Member Linwood Mann made the motion to adopt the Annual Budget Ordinance for Fiscal Year 2008-2009. Seconded by Council Member Steve Brewer, the motion carried unanimously.

Council Member Stone thanked staff for their hard work preparing the budget. There were a lot of positive things in the budget such as the lighting program and park program, but the only concern he had was that council only had thirteen days to prepare for the budget. He said the budget was not accessible to the public. He would like for the proposed budget to be more available to the public next year. Mr. Stone said he asked for two proposed budgets and staff did not have them; there were none available at the library and it is not available on line. He would like to have more people in the public involved. Mrs. Cardinali advised that a copy is always filed in the City Clerk's office for the public and the final copy will be on line. Mr. Stone would like for the citizens to have a chance to look at it before the public hearing.

Council Member Charles Taylor concurred with Mr. Stone's remarks. He said these are PDFs and easy to load on line. It should not be an issue to have the budget on line.

DECISIONS ON PUBLIC HEARINGS

Petition by Norman Block of CRD Investors, LLC - to rezone 251.49+/- acres from the current South Park Conditional Zoning District to Barrington Park Conditional Zoning District, an area of land located along the southwest side of Commerce Drive in the South Point Business Park. The conditional zoning district will include a mix of single-family detached homes, townhomes, apartments, as well as non-residential uses such as office-institutional and retail commercial uses. The property is the same as depicted on Tax Maps 9660-38-1012-00, 9660-27-8490-00 (part of), 9660-27-6977-00, 9660-27-3949-00, 9660-18-9060-00, 9660-18-6308-00, 9660-18-1630-00, 9660-07-2268-00 and 9650-98-6366-00 (part of), Lee County Land Records Office. – (Exhibit D)

Assistant Community Development Director Marshall Downey explained that this is a project that was approved in 2007 for Barrington Park. It is a 251-acre project that they got approval from this council for a conditional zoning for a mixed-use project. They are applying for an update or a revision to that based on the fact that they want to tie-in to another 133 acres located south of the subject property. The Planning Board met on May 20, 2008, and recommended unanimously that City Council approve the petition.

- Consider Ordinance Amending the Official Zoning Map of the City of Sanford, North Carolina – (Exhibit E)
Mayor Pro Tem Martin made the motion to go along with the Planning Board's recommendation and adopt the Ordinance Amending the Official Zoning Map of the City of Sanford, North Carolina. Seconded by Council Member Walter McNeil, Jr., the vote was six to one in favor to adopt the ordinance. Council Member Linwood Mann cast the dissenting vote.

Petition by Catherine Thomas - to rezone 0.929+/- acres located from the current O-I Office-Institutional Zoning District to R-12 Residential Mixed Zoning District. The property is located along the west side of the 700 block of Hawkins Avenue and is currently owned by Sandra Wilson. The property is the same as depicted on Tax Map 9643-63-0333-00, Lee County Land Records Office.- (Exhibit F)

Assistant Community Development Director Marshall Downey explained that a public hearing was held on May 20, 2008. This is a request from a third party to rezone this property from the current O&I Office-Institutional Zoning District to R-12 Residential Mixed Zoning District.

The Planning Board met on May 20, 2008, and recommended unanimously for City Council to approve the petition to rezone this property from O & I Office-Institutional Zoning District to R-12 Residential Mixed Zoning District. The Planning Board provides this recommendation based on the finding that the request is reasonable and is in the public interest because it provides for planned orderly growth, by attempting to protect the integrity of an existing residential neighborhood along Hawkins Avenue.

City Attorney Susan Patterson asked Mr. Downey if the new law requires that a statement in the ordinance itself regarding the compliance with the 2020 Land Use Plan. Mr. Downey replied that the ordinance will need to be updated. Attorney Patterson suggested that this information was left out and asked that the following statement be included in the ordinance before it is adopted, "The 2020 Land Use Plan Map simply recognizes this area as "historic district", but does not identify a specific land use for the subject property. The recommendation as historic district is intended to recognize the historical significance of this area, but does not address specifics in regards to land use."

- Consider Ordinance Amending the Official Zoning Map of the City of Sanford, North Carolina – (Exhibit G)
Council Member Charles Taylor made the motion to accept and adopt the Ordinance Amending the Official Zoning Map of the City of Sanford, North Carolina, with the amended changes to be added to the ordinance - "The 2020 Land Use Plan Map simply recognizes this area as "historic district," but does not identify a specific land use for the subject property. The recommendation as historic district is intended to recognize the historical significance of this area, but does not address specifics in regards to land use." So moved by Council Member Steve Brewer, the motion carried unanimously.

REGULAR AGENDA

PUBLIC COMMENT

No one signed up for public comment.

OTHER BUSINESS

Council Member Mike Stone said the Council has worked hard and asked a lot of questions regarding the budget. He said Mr. Hegwer has a lot of good ideas and is moving in

the right direction. Mr. Stone continued that next year, he will be expressing a lot more involvement where he can. He saw room for improvements to make this budget even better. He felt good about the one-cent property tax cut; however, he wanted a two-cent property tax cut.

Council Member James Williams thanked the City staff for doing a good job on the budget.

Council Member Charles Taylor brought up the issue of a skate park which he mentioned at the meeting last week. He said on Sunday morning going to McDonalds, he saw a gentleman on a skateboard in the middle of the lane over the bridge and he spoke with the gentleman. The young gentleman was very appreciative. Mr. Taylor said we need to look at what funding is available even at the State Legislature level.

Council Member Taylor thanked staff for the work on the budget. This was his first budget process and there are some things that can be done better. He thanked the citizens for being involved in city government because this is their government.

City Manager Hegwer informed Council that the Lee County Board of Commissioners voted this week and approved the transfer of property along Pineland Street and Woodland Avenue to the City. The only language they wanted to include in the legal documents was that the City would maintain this site as a park and it would not be used for any other purpose. He thanked Lee County for the contribution.

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

ADJOURNMENT

With no further business to come before the council, the meeting was adjourned on motion of Council Member Steve Brewer. Seconded by Council Member Mike Stone, the motion carried unanimously.

Respectfully submitted,

CORNELIA P. OLIVE, MAYOR

ATTEST:

BONNIE D. WHITE, CITY CLERK

