

**LAW AND FINANCE MEETING**  
**September 10, 2008**

The Law and Finance Committee met on Wednesday, September 10, 2008, at 1:00 P.M. in the Council Chambers at City Hall. The following people were present:

Present:

Law and Finance Committee:

Mayor Cornelia P. Olive	Council Member Mike Stone
Mayor Pro Tem Joseph E. Martin	Council Member James G. Williams
Council Member Walter H. McNeil, Jr.	City Attorney Susan C. Patterson
City Manager Hal Hegwer (arrived after meeting started)	
City Clerk Bonnie White	
City Staff	

Absent:

Council Member Charles Taylor  
Council Member Steve Brewer  
Council Member Linwood Mann

Mayor Olive called the meeting to order.

Consider Ordinance Amending the Sewer Use Ordinance Article VII Section 38-221 Through Section 38-364—(Exhibit A)

Director of Public Works Vic Czar explained that this is an update to our existing sewer use ordinance which is a small rewrite with some text changes to get our sewer use ordinance in compliance with the state sewer use ordinance, which has recently been rewritten to be in compliance with the federal pretreatment laws. This ordinance has been reviewed by the state; the changes are highlighted in red in Exhibit A. Council Member Mike Stone asked how the changes would affect our users. Mr. Czar says there is no change to the cost or to the users. The rules regarding technical operations have just been made a little tighter.

Mayor Olive asked if it is just conforming to state regulations that exist, why wouldn't we just function under the state guidelines. City Attorney Patterson explained that our ordinance currently refers to different aspects of the state rules, so it is the references to those that changed—the wording necessitated by reference to the state rules that we needed to update and a few modifications to certain rules and regulations.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2008-2009—(Exhibit B)

Finance Director Melissa Cardinali explained that this ordinance regards the North Carolina Governor's Crime Commission 2007 Gang Grant. This was brought before Council in the spring and was approved. This ordinance appropriates the revenue received from the North Carolina Department of Crime Control and Public Safety grant in the amount of \$52,434 and transfers \$17,477 from contingency funds to the Police Department to budget local match.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2008-2009—(Exhibit C)

Street Superintendent Magda Holloway explained that a dump truck and backhoe were approved in this year's budget. Bids have been acquired and they have come in totaling approximately \$21,715 over budget. Increases are due to increased prices of steel, plastic, and rubber that are contained on these pieces of equipment. She requested a modification in the Street Department budget to cover these additional costs. Council Member Mike Stone asked how much had been budgeted for this equipment. Ms. Holloway replied that they had budgeted \$65,051 for the backhoe and \$59,500 for the dump truck. Mr. Stone asked if this was state contract. Ms. Holloway said that they were able to do one that way, but had to get five quotes on the other.

Consider Resolution in Support of the Temporary Closure of a Portion of Gloucester Street for the Purpose of a Meeting of the Carthage Colonies Homeowner Association

Street Superintendent Magda Holloway requested this item be removed from the agenda because the petitioners were not able to get proof of insurance and have decided to hold the meeting on property owned by the homeowner's association.

Discussion of the Temporary Retail Sales Permit—(Exhibit D)

Assistant Community Development Director Marshall Downey explained that in the fall of 2007, he had brought to council several amendments to temporary use regulations to be made more aggressive. In particular, they changed the time limit on temporary uses. This applies, for example, to people who set up in a parking lot where they may display and sell products. City requires permission from the property owner to do that. In the past, they were allowed to be there sixty days, and there were some complaints. They updated those regulations and brought them to council and restricted temporary use to a ten-day limit for those retail sales. In the most part, that has worked great. There is one group most upset about these rule changes. Mr. Downey says this is being brought to council today for feedback to see if they want to make any changes for this specific group—food vendors who set up carts for hot dogs, etc. Their temporary use permit is for ten days. Then they would have to relocate and be off that site for thirty days before they could come back. In some cases, these vendors have been there quite a bit of time. If council desired to change it, one option would be a text amendment to the ordinance.

Mr. Downey has talked to City Attorney Patterson and found a combination of ways this issue could be addressed if council wants them to pursue it. Mr. Hegwer pointed out that it would go before the Joint Planning Board. If Council would like for them to explore this, staff will come up with a draft amendment and take it to the Joint Planning Commission where all our amendments go for the Unified Development Ordinance. The purpose of that is, if we adopt it, Broadway and Lee County will be looking at the same thing. If council wants to change, ultimately, it would come back to Council through a public hearing process through the planning board and Council would decide whether to approve it.

Council Member James Williams referred to the hot dog vendor set up at Lowe's who has been there for years. Mr. Williams asked what would be the difference if he just bought a regular business license. Mr. Downey said that a privilege license is a kind of tax; the temporary

use permit involves a zoning issue which they regulate separately from the business tax license. Mr. Stone said we need to decide what is temporary. It sounds like to him that they want something fixed. Mayor Pro Tem Martin said it comes back to being fair to other merchants who put a substantial amount of money into a building and landscaping and pay property and business taxes, and then someone comes in with \$500 and a cart and cleans house. If they are looking at being there forever, then something needs to be different as to what kind of fees we are collecting. Mr. Stone said that this is a way to get around the privilege tax. He said full-time vendors are not turning in all the information other merchants had to turn in for the privilege tax. Mr. Hegwer explained that there are two distinct issues. All of these merchants have to pay a privilege license. There are zoning issues to be considered and the length of time for a temporary use permit to last. Additionally, some businesses see these vendors as marketing tools. Mr. Martin said that Lowe's is a good tax base and if they own the parking lot and they want the vendor out there, that needs to be explored. Mr. Downey said they do have to have permission from the property owner now. Mr. Williams asked if they are regulated by the Health Department. Mr. Downey said that depending on the product, some of them are.

Community Development Director Bob Bridwell interjected that it is common for downtown areas to allow food vendors to have carts on downtown streets. In some cities, it is encouraged and they are charged a franchise tax for having a corner. Mr. Stone said that the City owns the sidewalks and pointed out that the vendor could be in competition with the merchant. Mr. Williams asked about fees. Mr. Downey said there is no charge for the temporary use permit, but there is a cool down period; you can't get ten days and then come right back and get another ten days. The intent was not to allow someone to continuously be set up; these are temporary uses and require a thirty-day cool down period.

As a point of clarification, City Attorney Patterson pointed out that Mr. Downey is talking about the temporary use zoning permit for which there is no charge. There is a charge for the business privilege tax—an itinerant merchant charge. Additionally, we do not allow for sales on city streets and sidewalks, so you do not have the push cart vendors operating in downtown. Itinerant merchants have to have the property owner's permission to sell on their property. What the temporary use zoning change does is allow us to categorize these vendors in a manner such that they would not fall under this temporary use regulation, but that they would have an exemption or a different type of rule to apply to them--perhaps that a business would be allowed to have a concessionaire or something adjacent that they authorize to be there. She said that they need to know if council is desirous of this to happen and whether we can then write a rule that will accomplish this.

Mr. Hegwer said that when we have looked at these changes in months past, part of what compelled some of the changes to temporary uses involved aesthetic complaints, although competition with other merchants was mentioned. Mr. Martin said he agreed with the path we are going down and our committees need to work on it. Mr. Stone pointed out that the ten-day rule would discourage some temporary merchants because of the amount of work required to move. Mr. McNeil said it is up to us how we zone the property and the property owner to regulate. Mr. Downey pointed out that the vendors are not directly related to places like Lowe's. Mr. Williams suggested checking with other cities. Mr. Downey said the roadside issue has been resolved with the ten-day rule. This issue seems to be more related to outside the storefront itself

where the traffic would be walking from the parking lot, not from the street. He said they could talk to other jurisdictions to see how they handle it.

Mr. Hegwer asked if there was council consensus to have the Joint Planning Commission to study the issue a little and see if we can refine the process and then come back to council with a recommendation. There was consensus.

#### Consider Update on Second Century Project and Project Ordinance

Bob Joyce, Executive Director of the Sanford Chamber of Commerce, gave a report on the Lee County Second Century initiative. Mr. Joyce explained that the Second Century Project began about eleven months ago; it was started with a committee of private business people who recognized that there was a need in our committee for a broad-based effort to actively promote our community and to sell our county's unique attributes. Our community does not have a funding source for a coordinated marketing effort. These business men and women raised money privately to begin laying the groundwork for this effort. The future goal would be a comprehensive advertising campaign to create awareness of the quality of life in Lee County to the rest of the state and the southeastern part of the country.

In the beginning, the project committee hired two professional firms for the first two phases of the project—Kathleen Rose with Rose & Associates was hired to do an economic development action plan and Ben Muldrow of ArnettMuldrow & Associates was hired to do the art work and community branding aspect of the project. Those two parts are finished. Ms. Rose has left us with a very comprehensive economic development action plan and Mr. Muldrow has given us the artistic portion of that—artwork, logo, tagline, print ads. Now that the preliminary work is completed, they are ready to roll it out. Mr. Joyce feels that the public will see the excitement. Roll-Out Day is October 2 and details of the events for that day have not yet been finalized. Council would be special guests at that presentation. The plan is for a three phase roll out: There will be a special presentation at 5:00 P.M. at Kirk Bradley's office. At 6:00 P.M., they will go across to the Temple Theater where Ben Muldrow and Kathleen Rose will make their presentation. At 7:00 P.M., a big public event is planned for Depot Park when the work of the group will be unveiled to the general public.

In her economic development action plan, Ms. Rose has identified about \$300 million in retail sales leakage (going out of our county). If this effort is effective, we will be able to recapture a great deal of this. Council Member Williams asked if the report specified why we had this leakage. Mr. Joyce had not seen the details, but feels sure it is included in the report. He knows it is broken down into which segments are performing well for the economy and which are not. Mr. Joyce said that we are losing in the clothing area. Mayor Olive asked about a study the chamber did several years ago to determine what products were available here and bought here and then what people felt they couldn't find here and went elsewhere to buy. Mr. Joyce said the "Leadership" class from four years ago that Council Member Taylor was part of did a fairly extensive survey and received 1,020 responses. The automotive dealerships fared well. Some other areas did not fare well. Mayor Olive added that nurseries and lawn care did well. Mr. Joyce said there is always concern about the need for more restaurants. Mr. Stone thinks brand loyalty has a lot to do with clothing sales going out of town. Mr. Williams said there was not a lot of choice in buying music and instruments in Sanford. Mayor Olive inquired

if anything was done at the time of the previous survey to address the concerns such as encouraging those people who provide those services here to create a wider, broader product line to keep people here by offering more things that they want. Mr. Joyce said the report was distributed to chamber members and local merchants. He said it is difficult to convince the real estate developer for Target when he is looking at a matrix and we may have the right number of rooftops, but we may not have quite the median family income they are looking for.

David Nester, Vice Chairman of the Sanford Area Chamber of Commerce, said that the fact is that all the information they have gathered will be available, and a lot of it is available now on the Second Century website. It is free of charge and they want people to use it. Mr. Williams said that we have made some progress and we will continue to make progress. Mr. Nester said that with the foresight that Sanford has and with the subdivisions that are on the books and the values of the homes that will go in those subdivisions, he believes we will see the income base go up and it will look more and more appealing to Target and restaurants. Mayor Olive mentioned that Kathleen Rose has won national awards for her work in other areas. Mr. Stone thanked the businesses that came together and paid to get this work done. Mr. Nester said they had about \$80,000 invested.

Chet Mann, Chairman of the Sanford Area Chamber of Commerce, said that what we are lacking is the branding that accentuates what is good about us and makes everyone (Sanford, Broadway, Lee County) share the same identity. He believes this will make it easier to attract the businesses to the area that people want to see. Mr. Williams asked what the greatest strength of the area is. Mr. Mann responded that there are many. One unique thing about Sanford is that you can go in any direction sixty miles from here and there are signs pointing to Sanford. Sanford's location is a strength. We have un-marketed attractions/activities in Sanford—quality of life things that ought to be marketed to attract people who will add the kind of people who will add positively to our tax base. With a unique brand and unique identity, we should be able to go to major retailers and point out the opportunities here. Mr. Martin said he is excited that this is coming from the people, not the government and that the chamber has taken a lead role. If this goes the way he thinks it will, Mayor Pro Tem Martin said he feels that the City does need to participate in it at the appropriate time because everyone is going to benefit from it. Mr. Mann said it can only work if we do it together, but there is no reason why private industry shouldn't do the bulk of the heavy lifting early on and bring you something substantial. Mr. Martin said he appreciated the support given this by the chamber.

#### Other Business

Council Member McNeil said that after National Night Out this year, there were concerns about moving the date around. Today, Ms. White received notification from the national organization that there was a movement afoot to change the date, but 82 percent of the coordinators were opposed to changing the date. Right now, August 4 is the date for 2009.

Council Member Stone said that at the last meeting someone had brought up the garage on Bragg Street. He said now it is wonderful, no mess, just beautiful—just needed communication.

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Council Member Williams thanked Mr. Stone for stopping by and relaying the Council's feelings.

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

Adjournment

Having no further business to come before the Law and Finance Committee, the meeting was adjourned upon the motion of Council Member James Williams; seconded by Council Member Walter McNeil, Jr., the motion carried unanimously.

Respectfully submitted,

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Cornelia P. Olive, Mayor

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Bonnie D. White, City Clerk