

LAW AND FINANCE COMMITTEE MEETING

Wednesday, April 13, 2011

1:00 P.M.

Council Chambers

The Law and Finance Committee met on Wednesday, April 13, 2011, at 1:00 P.M. in the Council Chambers at City Hall. The following people were present:

Law and Finance Committee:

Mayor Cornelia P. Olive	Council Member Samuel Gaskins
Council Member L. I. (Poly) Cohen	Council Member James Williams
Council Member Walter McNeil, Jr.	Council Member Bob Brown
Council Member Linwood Mann, Sr.	City Clerk Bonnie White
Council Member Charles Taylor	City Attorney Susan Patterson
City Manager Hal Hegwer	

Mayor Cornelia Olive called the meeting to order.

Consider Discussion with Bob Etheridge, Director of the Office of Economic Recovery and Investment – (Exhibit A)

Director of the Office of Economic Recovery and Investment Bob Etheridge gave a brief summary of the stimulus funding that Lee County and Sanford have received. He advised that that Sanford and Lee County received ARRA funding that created a lot of jobs and made a huge difference in this local economy. He said that North Carolina, being the tenth largest state, ranked from fifth to eighth in the number of jobs created and maintained during this whole process.

Mr. Etheridge advised that the recovery portion was in three parts; one-third was in tax breaks for individuals; one-third was in help to states and counties to keep teachers, people in first responders, law enforcement, fire fighters, nurses and some doctors; and the third portion was for infrastructure – direct appropriated monies to be allowed to build roads, bridges, highways, water, sewer and bonds. North Carolina received right at one-half billion dollars of school zero-interest bonds.

He said that his office is charged by the governor with the responsibilities from the Federal government to account for those dollars. It is the most transparent piece of legislation in history. You can find it at www.gov and it has a website with all the information he will be presenting today.

Mr. Etheridge stated that the ARRA package has a total value of \$787 billion. North Carolina received \$16.5 billion. Lee County has received almost \$100 million in American Recovery funds in grants, loans, bonds, and contracts; \$22.7 million in the increased unemployment insurance payments; \$2.9 million in Supplemental Nutritional Assistance Programs or food stamps (SNAP); \$2.6 million in SSI payments; \$6 million in housing program funds; \$10 million in bonds for new educational facilities; \$10 million in grants for educational support to Lee County Schools and Central Carolina Community College; \$67,000 in equipment

and technical funds; roughly \$1 million will be flowing to this county in the race to the top funds- those monies do not start until this fall; five businesses received Small Business Grant Loans; \$33 million in highway planning and construction which included the Endor Iron Furnace Greenway; and \$1.8 million in drinking water funds to the City to rehab the existing water plant and prevent a shutdown; \$500,000 for rural law enforcement grants; and \$650,000 in COPS grants which enabled the City of Sanford to hire four new police officers.

Mr. Etheridge said that he and his staff can be reached 919-733-1433 or www.NCRecovery.gov. He said that in the education statewide bond allocation, North Carolina was allocated almost one-half million dollars.

Mayor Olive stated that it impressed her with what our City staff did when they went to apply for bonds for the City. City Manager Hal Hegwer stated that there was a combination of two financings; one was the Recovery Zone Bond Program and a State Revolving Loan. It was a total project of about \$70 million, but over the life of the loan, the City saved approximately \$14.7 million through a combination of those two programs for the the wastewater treatment plant project so all of our wastewater users will see those savings over time.

Consider 2011-2012 - DSI Capital Improvement Request – (Joni Martin and Alan Button) – (Exhibit B)

Joni Martin spoke on behalf of the Downtown Sanford Board of Directors. A power point presentation was presented as Mrs. Martin spoke on Downtown Sanford. She said that she has served on the board for the last ten years. Mrs. Martin said that Downtown Sanford is where their fifteen member board of directors own a business, own property, invest their time and money, shop, entertain, and dine. They are invested financially and emotionally to the historic hub of Downtown Sanford.

The DSI Board meets monthly to address the business of Downtown Sanford. Their focus is, but not limited to, marketing for the downtown merchants, parking for merchants and shoppers in the district, allocating façade grants to downtown merchants, planting and maintaining the large flower pots in Downtown, setting policy and guidelines, establishing and prioritizing capital improvement projects, and uniting everyone for the overall good of Downtown Sanford.

She said they are proud of what they have been able to accomplish and look to the future for a continued effort to improve the downtown area. In the past five years, DSI has provided façade and rehabilitation grants to over 30 businesses in excess of \$75,000 in Downtown Sanford. They have completed the renovation of the Cole Street Parking lot providing lighting and an aesthetically pleasing landscape design. They have worked with the City and Progress Energy to enhance the lighting levels in the downtown area. Historic murals have been recreated. A dumpster program has been implemented to reduce the number of unsightly dumpsters behind their buildings. A weekly free concert series, that starts in June and runs through August along with a free family movie series that runs in the spring, are all available to the citizens of our community in Depot Park.

Mrs. Martin showed pictures of Depot Park before and after renovations. She said it was renovated by dedicated individuals, Downtown Sanford, the City of Sanford, supportive citizens and businesses of Sanford, civic clubs, the Board of Realtors, and The Railroad Historical Association, and \$167,000 in grants and private donations and \$422,000 in a City loan.

Depot Park is a park located in the heart of downtown. Mrs. Martin stated that it is a place where people gather for concerts, festivals, movies, business meetings, weddings, and parties - a place where families enjoy time together on Sunday afternoons, a place where history buffs enjoy the museum, the historic depot and surrounding historic buildings of downtown Sanford - a place where children of all races and ages enjoy the cool splash fountain on a hot, summer afternoon - a place where children ring the bell and imagine they are the conductor of the historic engine No. 12. - a place that has put Sanford on the map in articles in *The Sanford Herald*, *The Triangle Business Journal*, *Our State Magazine*, *The Pinehurst Magazine*, *Boom Magazine*, *The Fayetteville Observer*, and multiple recognition in *The News and Observer*.

She said the enthusiasm grows as they see areas of downtown revitalized. New plantings, fresh paint, new awnings, new businesses, decorative lighting, new sidewalks, - all are great and pleasing to the eye, but what does it mean economically - how does it affect the bottom line for business, Downtown Sanford, and The City of Sanford? She showed pictures of Chatham Street before and after renovations and how it revitalized Downtown Sanford. The buildings were purchased and with private investment and a CDBG grant, the revitalization began. A new streetscape, new storefronts, complete interior restorations - this block was transformed into a vibrant, attractive, business center adjacent to Depot Park.

She said that the City's CDBG grant investment of \$311,000 to provide streetscape improvements encouraged a private investment of \$2.8 million with \$3.15 million more to come with the completion of The Buggy Factory. Currently, there are 8 business located on Chatham Street that provide jobs for 49 employees, generating approximately \$1.8 million in wages per year. Also benefitting the City is an increase in property tax values of \$790,200. This shows a direct correlation between public and private investment and its positive return on investment.

She introduced Alan Button, Downtown business owner, and board member of Downtown Sanford. He shared the statistics of Sanford's Downtown compared to other downtowns in the state. Mr. Button said that it is a municipal service district and it has approximately 300 operating businesses. Those businesses range on the retail end from sellers of jewelry, furniture, flowers, antiques, and gifts to various service businesses such as restaurants, lawyers, insurance agents, photographers, banks, etc. These businesses employ approximately 1,300 people and generate over \$35 million in annual wages. This is where it is currently. He said the Downtown District generates approximately \$6,541 per acre and that is more per acre than any other retail shopping center or residential neighborhood in Lee County. Individuals and businesses have committed significant dollars in private investment Downtown. From 1984 to 2009, the private investment in Downtown Sanford totaled \$14 million.

Mr. Button said that the total tax property valuation of Downtown grew from \$27 million in 1990 to more than \$41 million in 2010; a result of significant private investment. They have looked carefully as a board at what they feel is objective data to support the proposition that

investment in Downtown by the City makes a lot of sense. They have compared public investment with private investment and done some comparisons with other main street communities in North Carolina. Public investment, which includes city funds, state and federal funds, has not come close to keeping pace with the private investment – the \$14 million he alluded to previously. Since 1984, investment of public funds has averaged a little over \$76,000 annually. Of the 57 main street communities in North Carolina, that puts Sanford at 48th out of 57; the lowest 16 percent. In contrast, the private investment in Downtown since 1984 has amounted to some \$534,000 annually and that puts Sanford close to the median of those 57 main street communities in private investment. For every \$1 of public funds invested in Downtown, nearly \$7 has been invested privately. While Sanford's investment of public funds has been limited, it is none the less getting a whole lot more from private investors than many other communities; one to seven. This is an indication of the tremendous commitment of private investors in the City of Sanford and how much more might be accomplished if the City stepped up and invested public funds in amounts more like what other main street communities are doing. There is a limit on what private investors will invest and that limit is related to what the community, through its elected officials, is willing to commit. He concluded that Joni Martin and he are representatives of this board and the board is made up of individuals who have committed much time and energy in the recent years to the revitalization of Sanford. The DSI board has been encouraged to recommend infrastructure and other priorities for the Downtown and they have made efforts this year to do that. They have put together a plan for Council to review and they have met with the City Manager to look at approaches for funding these infrastructures.

Joni Martin stated that part of their request for funding and implementation is about the Downtown Enhancement Plan which Council was presented a presentation by McGill and Associates. There are four categories of funding they are requesting and they are \$1,632,000 to begin the work of the Downtown Enhancement Plan; \$75,000 for the acquisition of existing surface parking lots; \$400,000 enhancements for Depot Park; and \$80,000 for Downtown Branding and Way finding signage. Mrs. Martin explained each of the funding areas. Pictures were shown of the potential improvements at the intersection of Carthage and Wicker Streets, the proposed streetscape on Steele Street; improvements to Charlie Watson Lane; and parking lot acquisitions, upgrades to the fountain in Depot Park; and wayfinding signage.

She said that the Downtown Sanford Board of Directors believe that the Depot building is the anchor of this park and should be owned by the City. They have met with the board of directors of the Board of Realtors to better understand each other in their intentions. It is their hope that they can further discussions and settle upon a solution that is acceptable to everyone.

Mr. Hegwer presented to Council Members several possible funding opportunities (Exhibit C) for the proposed projects submitted by DSI Board of Directors, along with the Skate Park, City Hall Improvements, and the Greenway Trail.

Mayor Olive said that some council members went to Wilson, North Carolina, to see what is being done there because Sanford lost two industries to Wilson. They are having to undertake a second industrial park because of the success of what they have done with their

community investments. Also, Council has a trip planned to see Concord's downtown areas to see their revitalization efforts.

Consider Whether to Provide Fire Protection Services to Clearwater Forest Fire Protection District – (Exhibit D)

City Manager Hal Hegwer advised that several months ago, City staff was contacted by a group of property owners from the Clearwater Forest community because they are interested in extending the City's fire service to that neighborhood. The City followed up with subsequent meetings with the residents with discussions regarding annexation, fire protection, and what types of services the City has to offer. Currently that area is served by the Cape Fear Fire Department and they are in a fire district. He said that there are some unique characteristics of the neighborhood which Fire Chief Wayne Barber will explain to help Council understand why they have approached the City for fire protection. No decision needs to be made today; staff needs to know Council's feelings on this issue. Residents were present for the meeting in order for Council Members to ask them questions.

Fire Chief Wayne Barber explained that North Carolina has a fire rating system. The State rates their departments; they have a single rating which is a Class 4 in our entire district. A lot of the volunteer departments have a split rating. They have a rating that goes for five road miles from their station and, in the recent years, they were able to get passed an additional one mile district that drops them back to the very basic Group 9 classification. Currently, Cape Fear is unable to serve a rated area in Clearwater Forest. Their six-mile district does not get down to cover the prime residential area and Cape Fear has a straight rating of Class 7, but not being within the six-mile district, these residents are not able to take advantage of that for their tax rates for their property. The County has looked at several different prospects and they have opened several different substations in different areas of the County to help provide coverage for residents that were not in rated districts but; at this time, they do not have anything that will cover Clearwater Forest. He referred to the maps in the agenda packets. Lee County looked at using two different fire departments – Northview and Carolina Trace and both of their five mile districts came close but they could not cover the residential area. They could cover them in the six-mile district but that would only be a Class 9 rating, which is one notch above not rated which is what they are right now. They are within 2.5 miles of the City's Central Station or Number 2 Station, so they would be rated a Class 4 if we provide the fire protection for the district under a contract with the County. He referred to a map defining the borders of what the City would cover in the neighborhood so there would be no questions when a call came in to the 911 center whose department is to respond. There are provisions for the City to contract with the County for a fire service district. Staff looked at several different ways to figure the cost but they looked at the call ratio for this area. The Cape Fear Fire Department had eighteen calls in the last three years in the area the City would service. This could be anything from a woods fire to a motor vehicle accident.

Mr. Hegwer said that one of the very first questions they had was: will it diminish our ability to serve the rest of the City? With this call volume increase of six-tenths of one percent, staff did not feel it was significant. Staff has met with County officials several times and we need to find an amenable solution if Council wants to proceed with this issue. Mr. Hegwer explained several methodologies as to how to charge for this service.

Attorney Patterson explained that the statutes require that the whole process needs to be completed prior to the new fiscal year which begins July 1. We would have a contract with Lee County to provide this service. Mr. Hegwer added that the County would be responsible for whatever tax collection and tax rate and how they collect the money from the individuals. We would have a contractual agreement that we need \$35,000 to provide this service. It is up to Lee County to meet with these individuals and talk about the service.

It was the consensus of Council Members to pursue providing this service to these residents in Clearwater Forest.

Matt Garrett residing at 1305 Clearwater Drive, spoke on behalf of some of the residents in Clearwater Forest. He is president of the homeowner's association in Clearwater Forest. He said they had 87 signatures on a petition requesting Council to consider this matter. They are requesting this because of the response time and the insurance rating. They had a brush fire about two months ago and it took twenty minutes for the Cape Fear Fire department to get to the fire. The City has a fire department with a full-time staff within a couple of miles of Clearwater Forest. They have discussed the tax increase and they feel it is a good value to the residents. Their homeowner's insurance is high due to the Class 9 rating.

Attorney Susan Patterson stated that if there is no objection, she will let the county attorney know to proceed with the process. Mayor Olive replied she felt this was the consensus of the Council.

Council recessed for a ten minute break at 2:35 P.M. Council Member Charles Taylor left the meeting at this time.

The meeting was reconvened at 2:45 P.M.

Consider Pottery Festival Requests and Participation

Community Development Director Bob Bridwell informed Council that the city manager asked him to look into the potential of putting signs and banners on state highways, bridges and overpasses. Staff has spoken with the Department of Transportation officials and to get their permission and abilities including encroachments are not easily done and cannot be done within a few weeks. If we are to do this for next year, we need to start working on it now. It is not real easy to do this. They are very reluctant to grant agreements for anything that does not fall within their narrow policy but he will pursue this avenue.

Public Works Director Vic Czar informed Council that staff checked with the D.O.T., who is over the Seagrove area and they said that they did not issue any approvals; they are not saying that banners were not put up but they did not condone the placement of the banners. Mr. Bridwell said that we looked at the UDO and how we treat signs and banners. He did not believe our UDO is the most restrictive ordinance in the state nor the least, but we treat banners like signs. The most important thing is that we do not allow for offsite banners and signs. The only offsite signs that we do allow and they cause a problem every year, are campaign and real estate signs.

Mr. Bridwell stated that we could promote the City and the events that take place within the City. He said he is not promoting us building outdoor advertising but there are a lot of outdoor signs that we could participate in to promote something like the Pottery Festival. Mayor Olive asked how we could do this. Mr. Bridwell replied that we could buy selective outdoor boards that would promote our market and asked groups to help support doing this by doing the artwork or help pay for part of the outdoor board and, at the same time, we are promoting the City.

Mayor Olive asked how much it would cost. Mr. Bridwell replied that it depended on the location and could cost between \$200 and \$800 per month.

Mr. McNeil asked if this would be an electronic board. Mr. Bridwell replied no. Mr. McNeil expressed concern that when you are doing this and you are talking about promoting Sanford and civic groups, you could have an electronic board where you can promote different events such as the Lee County Fair, etc. He said we will have to be fair to everybody. Mr. Mann said you have to tread softly and where you draw a line; if you open a door, there is no end to it. Mr. Mann felt it should be confined to one or two simple things.

Mayor Olive mentioned the possibility of putting a sign or banner on the wall in front of Applebee's.

Consider Resolution in Support of the Temporary Closure of a Portion of Watson Street for the Purpose of a Block Party – (Exhibit E)

Street Superintendent Magda Holloway stated that this is a request scheduled for Monday, April 25, 2011 for the purpose of a block party to be held on a municipal parking lot located at 2520 Watson Avenue. The request is from Alternative Care Treatment Systems. They would like to close a portion of Watson Avenue between East Trade Street and East Raleigh Street for the safety of their patrons and the surrounding community that would be attending this event.

Consider Ordinance Prohibiting Certain No Through Trucks Traffic – (Exhibit F)

City Engineer Paul Weeks explained that staff has received comments from residents along Frazier Drive concerning through truck traffic. Frazier Drive is not designed for heavy truck traffic specifically tractor-trailers. Some people are using this road to get from Lemon Springs Road to Industrial Drive. This ordinance prohibits through truck traffic along Frazier Drive between those two roads. Mr. Czar added that Frazier Drive is only about 20 feet wide and the Department of Transportation roads are designed to handle these trucks.

Attorney Patterson added that the Department of Transportation regulations and state statutes have some definitional requirements; they say that a no-through truck does not apply to pickup trucks or vans. This helps with the enforcement issue.

Consider Mowing Agreement with the North Carolina Department of Transportation – (Exhibit G)

Refuse Superintendent Larry Craig explained that the City currently has a mowing agreement with the Department of Transportation that was executed in 2009 to mow D.O.T.

rights-of-way within the City limits. The D.O.T. has indicated that it will reimburse the City for five mowing cycles, two clean-up cycles, and three routine for 2011. The agreement does not include U.S. Highway 1 or the 421 Bypass, to include interchanges of U.S. #1 at Burns Drive and U.S. #1 at the 421 Bypass. The agreement may be extended with written mutual consent by the City Manager Hal Hegwer.

Consider Discussion Regarding Speed Limit on Horner Boulevard Between Main Street and the City Limits of Sanford – (Exhibit H)

Public Works Director Vic Czar stated there was a request at Council's meeting as to where this issue stood. It was requested some time ago. The Department of Transportation had stated that they would get back with us in 30 days and they did not do it. Staff called and asked about the status and they said they will be out there with counters to begin this study. It may be impacted with the construction of the bypass and they are going to look at that also. We should hear something back from them soon.

Other Business

Adjournment

The regular session was closed upon motion of Council Member James Williams; seconded by Council Member Walter McNeil, Jr., the motion carried unanimously.

Respectfully submitted,

Cornelia P. Olive, Mayor

ATTEST:

Bonnie D. White, City Clerk