

LAW AND FINANCE MEETING
Wednesday, August 15, 2012
1:00 P.M.
Council Chambers

The Law and Finance Committee met on Wednesday, August 15, 2012, at 1:00 P.M., in the Council Chambers at City Hall. The following people were present:

Law and Finance Committee:

Mayor Cornelia Olive	Council Member Charles Taylor
Mayor Pro Tem Sam Gaskins	Council Member James Williams
Council Member Rebecca Wyhof	Council Member Walter McNeil, Jr.
Council Member L.I. (Poly) Cohen	City Attorney Susan Patterson
City Clerk Bonnie D. White	
City Manager Hal Hegwer	

Absent:

Council Member Jimmy Haire

Consider Ordinance Establishing No-Parking Zones Along Portions of Magnolia Street and York Street – (Exhibit A)

Street Superintendent Magda Holloway advised that the ordinance was requested by the Police Department to have no-parking on these portions of streets due to cars blocking the passageway.

Consider Entering Into a Reimbursement Agreement with NC Department of Transportation Regarding Pedestrian Signals at Woodland Avenue and Main Street – (Exhibit B)

City Engineer Paul Weeks explained that the Autumn Oaks project on Woodland Avenue had some funds remaining in it and Council chose to appropriate some additional funds so that we could install pedestrian heads at Woodland Avenue and Main Street so that we could have four crossings at that location. This is a draft reimbursement agreement with the North Carolina Department of Transportation to install the pedestrian signals at Woodland Avenue and Main Street. There will be a few edits to this agreement but staff wanted to get it before Council at its next meeting so the DOT can start work as soon as possible.

Consider Resolution Authorizing the Advertisement of an Offer to Purchase Block P Lot 8 Hudson Avenue Washington Park Redevelopment Area – (Exhibit C)

Community Development Manager Karen Kennedy stated that an offer has been received from Eddie and Cecilia Taylor to purchase a vacant lot, Lot 8, Block P on Hudson Avenue in the amount of \$3,300, which is the tax value of the lot. The lot adjoins Mr. and Mrs. Taylor's lot they live on and is located in the Washington Park Redevelopment Area. This resolution authorizes the advertisement for upset bids to sell the property.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2012-2013 – (Exhibit D)

Code Enforcement Officer Carl Anglin explained that the ordinance amends the budget to appropriate \$11,900 for the demolition and clean up of four arson damaged houses in the East Sanford district; 116 SanLee Drive, 608 Oakwood Avenue, 618 Matthews Street, 631A& B Matthews Street. They burned the week of July 4.

Council Member Wyhof asked if the expense for the demolition and cleanup is attached to those properties. Mr. Anglin replied yes. These houses are considered imminent hazards. Two of the owners have signed voluntary consent and will pay for the cleanup. Staff has been unable to get in contact with one of the owners who lives in Georgia, but the bill will be attached to the taxes on the property. One owner is contemplating the signature of a voluntary consent; if not, it will be attached to the taxes also.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2012-2013 – (Exhibit E)

Building and Grounds Superintendent Steve Stewart explained that the ordinance amends the budget to appropriate \$38,000 to rewire all of the city buildings with a CAT-6 system wiring to prevent any issues of viruses through our present computer setups. RFPs were sent out and we received two back. The proposal accepted was through Windstream for a Hosted VOIP System. Our monthly bill for service will be approximately \$6,750 equating to an annual savings of \$29,000 per year. This is for a five-year contract. This system will replace our current 30-year old Centrex System.

Consider Presentation Regarding W. Koury Company on Chatham Street – (Marshall Downey) - (Exhibit F)

Assistant Director of Community Development Director Marshall Downey presented a brief powerpoint presentation on the condition of the W. Koury Company building located on Chatham Street and presented a couple of options the City could explore to be proactive.

Mr. Downey said that the “Koury Building” includes an 8.63 acre site with 207,800 square feet of former textile manufacturing space. The lower portion of the lot along Third Street is located in a 100-year floodplain. There are two smaller parking lots off of Chatham Street and a loading dock as well.

He showed pictures of the structure labeled in three sections: Section 1, Section 2 and Section 3. The structure appeared to be added on in different phases. Most of the entryways are broken out and there was some attempt to close them up or bar them, but right now just about every entrance can be accessed. There is nothing to keep the public from going into the building. He showed images of the building. The Fire Department has placed a red “X” placard on the building which means they will not enter the building if there is a fire because of the hazardous conditions inside the building.

Mr. Downey gave a brief overview of the different phases of the building. Section 1 appears to be constructed in the late 1940s and early 1950s and has a brick and mortar foundation and appears to be the oldest section of the building as shown in Exhibit F. It is a one-

story section and it appears to contain the most substantial concerns regarding asbestos and lead-based paint. The floors appear to be completely removed and gutted. You have brick mortar foundation piers standing and one photo showed a 15-foot drop. Mr. Downey said it looks like the flooring was removed to salvage the wood. He showed pictures illustrating the danger to the public if anyone was to walk in the buildings. Vagrants and the homeless appear to be living in the structure. The elevator is still in the building but it is an open area and dangerous.

Section 2 is a hybrid and contains a concrete floor with an upper level. The planks have been removed and the biggest concern here is that there are some wooden sub-beams that have nails that are dangerously exposed throughout the whole area. There may also be some lead-based paint and some asbestos. Where the wood planking has been removed, the nails are sticking upward from the floor every three inches or so. In the office area of Section 2, there appears to be some skateboarders using it and gang graffiti on the walls. There is more evidence of vagrants using the building.

Section 3 is the newest section of the structure. It is all concrete; there is no wood surface material. It appears to have little or no concern for lead-based paint and asbestos. This section has three floors and the biggest concern is the roofing. The roof is deteriorating and leaking, and the floor is damp with moisture concerns. There are some new construction materials in this building. When the new owner came in and purchased the building in 2010, it appears that he was going to repair the building as some new wood and blocks were placed in the building; however, no activity or work has been done on it since 2010. Windows are still broken out.

Mr. Downey said that White Elephant out of Florida acquired the property in 2009 for \$68,000, which is a little more than 1/5 of the tax value of \$320,000. In 2010, staff (Building Superintendent Chris Riggins and Code Enforcement Officer Carl Anglin) made attempts to contact the owner, but most of the attempts have been non-responsive. He said that based on the bargain purchase price and the amount of lumber that was removed, staff suggests that White Elephant may have acquired the property for the express purpose of salvaging the wood to make money off of it, with little or no attempt to repair or renovate the building. As stated earlier even though there is new wood and brick placed in one of the buildings, there has been no attempt to repair the buildings.

Mr. Downey stated that Mr. Russell (Russ) Attree, President of White Elephant, met with staff on-site on June 25, 2010 to discuss the concerns of the building. Staff advised him that, at a minimum, the building needed to be secured. Mr. Attree verbally agreed to do so; however, that was the last contact and nothing has happened done since that time. Staff has made repeated follow-up attempts to contact him during the last half of 2010 to no avail. On January 12, 2011, the Building Inspections office sent a letter indicating that the building needed to be "secured, repaired or demolished." Again, no response was ever received.

In fall of 2011, staff was asked to gather quotes for the full cost of demolition of the site. Two quotes were received. One quote was received from Cecil Holcomb Renovations, Inc. in the amount of \$181,000 and one from D. H. Griffin Wrecking in the amount of \$389,000. D. H. Griffin Wrecking stated that an additional \$50,000 discount could be given if concrete and brick

can be crushed to a size of three inches and remain on-site, stockpiled in lower parking lot for future use. These figures do not include removal of asbestos.

Mr. Downey gave a brief report on the economic and geographic factors of the site. He said Lee County Economic Development Director Bob Heuts has indicated that the building was beyond economic viability.

Council Member Williams asked if any of the letters came back that were mailed.

Inspections Administrator Chris Riggins replied that the White Elephant Corporation is hard to track down. He had one letter to come back; however, he sent out multiple letters and they did not come back. He is assuming that they were either lost in the mail or there was some type of notification through that process. Mr. Downey said when staff researched the corporation, there are all kinds of sub-industries and sub-corporations related to it. It appears that the same gentleman is now in Minnesota doing very similar type of work.

After looking at the internet, Council Member Taylor said that a permit was issued for renovation on May 2, 2012 for this property. He asked how did that come about and what was it for? Mr. Taylor said that he is looking at a permits monthly report and a permit was issued on May 2, 2012 to a Mr. Russell Attree. Mr. Riggins said that may be a typo because there has been no building permit issued for that project since 2010 or 2009. He is unaware of that permit and he will check on it today.

Mr. Downey explained some options the City could consider to proactively address the concerns of the site. There are two options available to the City. One is under the unsafe buildings statute. North Carolina General Statutes 160A-425 to 428 allows corrective action if a building is declared unsafe. The building inspector can conduct a hearing and may issue an order to repair, close, vacate, or demolish the building as appears appropriate. Under this approach, staff feels the building should be demolished if the owner does not take appropriate corrective actions. If the City demolishes the building, a lien would be placed on the property for the amount of work done with the realization that the City may never receive repayment in the near future. It would be a substantial cost. The other option the City has is eminent domain. He explained the procedure the City would have to follow to acquire this property under eminent domain for a public purpose.

Mr. Downey stated that staff wanted to update Council on the status of the building. Attorney Patterson asked Mr. Downey to reiterate to the public and the viewers that this is a dangerous building; there are unsafe conditions and the fire department will not enter in order to save life. The public should stay out of the building at all costs and it is not public property. It is private property and it is not a place to play; it is very dangerous to play or go in.

Mr. Downey said that one of the options staff looked at, is going in and trying to secure the building in a more secure fashion, using something beyond just wood. It would eliminate the unsafe concerns or issues because people would no longer be able to access it but it would still be an unattractive site situation and may preclude our ability to go in and demolish it at some future point. This would be at the taxpayer's expense.

Council Member Williams said that even though it appears the owner has abandoned his plans with the building, he is paying the taxes on the building and maybe staff could get in touch with him and see if he wants to give the building to the City.

Mr. Hegwer recommended staff to aggressively try to get in touch with the owner. Staff's intent today was to show Council the status of the building.

Council Member McNeil expressed concerns about the building and the safety of the public.

Council Member Taylor said he is very wary of eminent domain. He suggested taking more exhaustive measures before we look at something more stringent.

Consider Discussion Involving Internet Sweepstakes – (Exhibit G)

City Manager Hal Hegwer advised that some council members had requested information on the sweepstakes businesses located within Sanford. Staff has prepared a list of the businesses and also a list of sweepstakes specific privilege license taxes from various municipalities. He gave an example of potential revenue that could be generated from taxation.

Mr. Taylor stated that there is a federal rule that is anticipating being made this month or early next month regarding video poker. Currently, there are three bills for next session in the North Carolina Legislature that has been introduced about taxation of internet poker in the State of North Carolina.

Mayor Olive asked if we have to take this to the Legislature to get approved. City Attorney Susan Patterson replied no. She said that one thing that Mr. Taylor is alluding to is currently, cities can levy their own business licenses and fees on businesses within their jurisdictions. You could enact that in Sanford and need no other authority. There have been bills introduced in the Legislature, or brought up this past time and some pending for next time, which might limit what municipalities can charge, or the State would levy it and share the revenue with the police departments, sheriff departments, etc. Until the State acts, the Council is free to enact whatever they need to.

Mr. Hegwer stated that the League has issued a statement that says it would not be prudent to rely on tax revenues from sweepstakes operations as a source of revenue to fund ongoing requirements. They are saying there is uncertainty regarding this issue.

Consider Discussion Regarding Recycling Cart Grant

Public Works Administrator Laura Spivey advised that the North Carolina Department of Natural Resources and the Division of the Environmental Assistance and Outreach has formally informed her that we have been approved for the \$75,000 curbside recycling rollout cart grant program. The grant contract period is for a period of one year and they have set us to begin our contract September 1. The maximum reimbursement is \$75,000 and the initial reimbursement would be up to 90 percent in the beginning and we would ask for the final 10 percent of the \$75,000 once we get on through the program in July of next year. She explained that we should

have the actual grant contract by the end of next week for Attorney Patterson to review and for Mr. Hegwer to sign. Then, we can get started on the program after September 1.

Closed Session

Mr. Hegwer advised that we did not need a closed session today.

Other Business

Mayor Pro Tem Sam Gaskins said that he has learned that unlike traffic tickets that are recorded by the State, our parking tickets are not maintained in any database. With this consideration, the two-level fine system would be inconvenient and difficult to administer. Parking tickets are not, and will not likely ever, be a significant source of revenue. To resolve the administration problem, he recommended that in place of the two-tier system that he introduced last week, we should change all fines to \$5. This should be sufficient to discourage employees of downtown businesses to park in front of neighboring businesses while not irritating those who might have an occasional violation. He asked that this item be put on the agenda for Tuesday's night Council meeting.

City Manager Hegwer thanked everyone participating in National Night Out (NNO) and he received a lot of positive feedback. Mayor Olive echoed his comments.

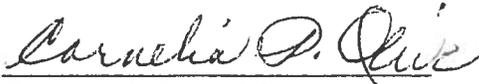
Mayor Olive extended sympathy to the family of Marvin Lee. Mr. Lee was on the City's first youth council and was a good member. Mr. McNeil asked that a card be sent to the family from the City on behalf of the youth council.

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 & Finance Committee, the meeting was adjourned upon the motion of Council Member L. I. "Poly" Cohen, seconded by Council Member James Williams, the motion passed unanimously.

Respectfully submitted,


Cornelia P. Olive, Mayor

ATTEST:


Bonnie D. White, City Clerk

**AN ORDINANCE ESTABLISHING NO-PARKING ZONES
ALONG PORTIONS OF MAGNOLIA STREET and YORK STREET
OF THE CITY OF SANFORD**

BE IT ORDAINED by the City Council of the City of Sanford, North Carolina:

SECTION 1: From and after the effective date of this ordinance, a no-parking zone shall be established on both sides of Magnolia Street. Said no-parking zone shall begin at Simmons Street and continue eastward to the Seaboard Coast Line Railroad.

SECTION 2: From and after the effective date of this ordinance, a no-parking zone shall be established on both sides of York Street. Said no-parking zone shall begin at Simmons Street and continue southward to Magnolia Street.

SECTION 3: The Director of Public Works is directed to erect such signs, markers and other notices as necessary to advise the public of the affected parking area and constraints in accordance with Section 1 hereof.

SECTION 4: This ordinance shall become effective from and after the erection of the signs, markers and notices above mentioned.

SECTION 5: All laws and ordinances in conflict with this ordinance are hereby repealed.

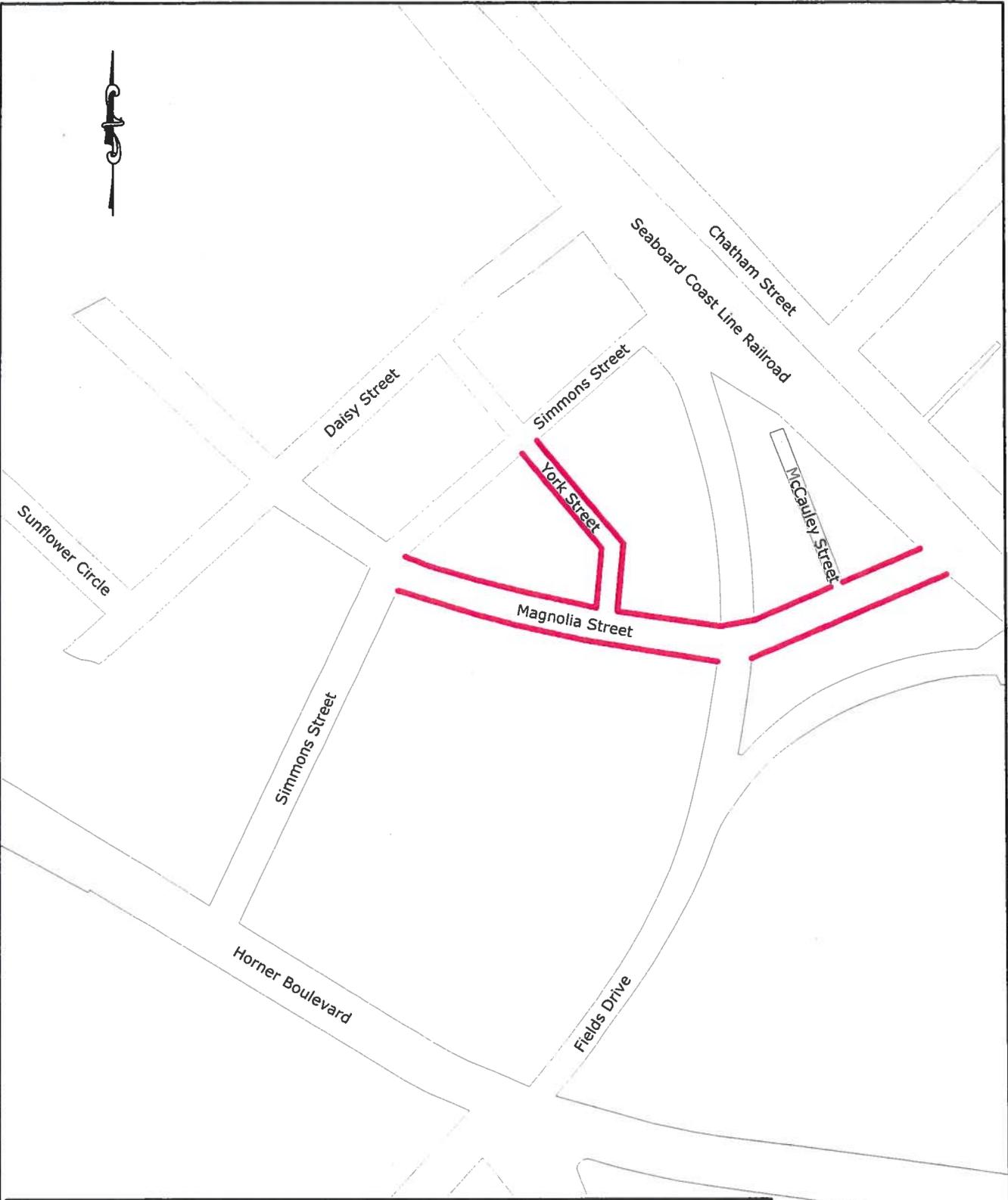
ADOPTED this 21st day of August, 2012.

CORNELIA OLIVE, MAYOR

ATTEST:

BONNIE D. WHITE, CITY CLERK

SUSAN C. PATTERSON, CITY ATTORNEY



 Area designated as "No Parking Anytime"



**No Parking Restriction On Portions of
York St. and Magnolia St.**
City of Sanford
Engineering Department - P.O. Box 3729 - Sanford, NC 27331

Date: 08/09/12
Scale: Not To Scale
Drawn By: ddb

NORTH CAROLINA
LEE COUNTY

REIMBURSEMENT AGREEMENT

DATE: 7/13/2012

NORTH CAROLINA DEPARTMENT OF
TRANSPORTATION

AND

WBS Elements: 36249.3168

CITY OF SANFORD

THIS AGREEMENT is made and entered into on the last date executed below, by and between the North Carolina Department of Transportation, an agency of the State of North Carolina, hereinafter referred to as the "Department" and the City of Sanford, hereinafter referred to as the "Municipality".

WITNESSETH:

WHEREAS, the Municipality has requested for the Department to perform certain construction, maintenance, or improvement work on non-system streets within the Municipality; and,

WHEREAS, the parties to this Agreement have approved the construction of said Project with cost participation and responsibilities for the Project as hereinafter set out.

NOW, THEREFORE, the parties hereto, each in consideration of the promises and undertakings of the other as herein provided, do hereby covenant and agree, each with the other, as follows:

SCOPE OF PROJECT

1. This project consists of certain construction, maintenance and/or improvement work on non-system streets and state maintained streets with the City limits as requested by the Municipality.

PHASES OF THE WORK

2. The Department shall be responsible for phases of the project which include planning, design, right of way, utilities, construction and contract administration. All work shall be done in accordance with departmental standards, specifications, policies and procedures.

FUNDING

3. The Municipality shall reimburse the Department one hundred percent (100%) of the actual cost, including administrative costs, of the work performed by the Department and associated with said

work. All work shall be charged against this WBS number which shall remain open, until further notice for the City of Sanford. The Municipality shall reimburse the Department for said costs from the Municipality as follows:

A. On a monthly basis the Department shall submit an itemized invoice to the Municipality for cost incurred. Billing will be based upon the contract unit cost and actual quantities used.

B. Payment shall be received within sixty (60) days of invoicing by the Department. In accordance with General Statutes 147-86.1, 147-86.21 and 105-241.1(l), the Department shall charge interest on any unpaid balance from the date the account receivable was due until it is paid.

C. In the event the Municipality fails for any reason to pay the Department in accordance with the provisions for payment hereinabove provided, the Town hereby authorizes the Department to withhold so much of the Municipality's share of funds allocated to said Town by the General Statutes of North Carolina, Section 136-41.1, until such time as the Department has received payment in full.

MAINTENANCE

4. Upon completion of the work, the Municipality shall assume all maintenance and liability responsibilities for the non-system streets within the City limits.

ADDITIONAL PROVISIONS

5. To the extent authorized by state and federal claims statutes, each party shall be responsible for its respective actions under the terms of this agreement and save harmless the other party from any claims arising as a result of such actions.
6. "By Executive Order 24, issued by Governor Perdue, and N.C. G.S. § 133-32, it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, Transportation, and the Office of the Governor).

IT IS UNDERSTOOD AND AGREED that the approval of the Project by the Department is subject to the conditions of this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed, in duplicate, the day and year heretofore set out, on the part of the Department and the Municipality by authority duly given.

ATTEST:

CITY OF SANFORD

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

Approved by _____ of the local governing body of the City of Sanford as attested to by the signature of Clerk _____ of said governing body on _____ (Date)

N.C.G.S. § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of any response in this procurement, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

(SEAL)

Federal Tax Identification Number

Remittance Address:

City of Sanford

DEPARTMENT OF TRANSPORTATION

BY: _____
(CHIEF ENGINEER)

DATE: _____

PRESENTED TO BOARD OF TRANSPORTATION ITEM O: _____

MEMORANDUM

TO: Mayor and Council Members
City Manager

FROM: Karen Kennedy, Community Development Manager

DATE: August 6, 2012

SUBJECT: Offer Received to Purchase Lot 8 Block P Hudson Avenue

We have received an offer from Eddie & Cecelia Taylor to purchase Lot 8 Block P on Hudson Avenue, PIN #9642-74-0206 in the amount of \$3,300.00. This lot is in the Washington Park Redevelopment Area and adjoins a lot Mr. & Mrs. Taylor currently own.

Attached is a Resolution to authorize the advertisement for Upset Bids to sell the property. If you have any questions, please let me know.

August 2, 2012

Mayor Cornelia P. Olive
City of Sanford
P.O. Box 3729
Sanford, NC 27331-3729

RE: Offer to Purchase City-Owned Land
Block P Lot 8, Hudson Avenue
Brick Capital Redevelopment Area

Dear Mayor Olive and City Council Members:

I would like to offer the City of Sanford \$3,300.00 to acquire a city-owned parcel of land adjoining my property located at 1412 Hudson Avenue. The parcel is identified as Block P Lot 8 on the Brick Capital Redevelopment Map and Lee County PIN #9642-74-0206. I do not have plans to build at this time, only to use this as additional lawn area for my adjacent property. I have been given a copy of the deed restrictions for redevelopment land and understand the requirements. I also understand that I will be responsible for all costs, including publication, incurred for this transaction.

Feel free to call me at 919-842-6248 if you have additional questions.

Sincerely,

Eddie Taylor and Cecilia Taylor

A handwritten signature in cursive script that reads "Eddie + Cecilia Taylor".

RESOLUTION AUTHORIZING THE ADVERTISEMENT
OF AN OFFER TO PURCHASE LOT 8 BLOCK P HUDSON AVENUE
WASHINGTON PARK REDEVELOPMENT AREA
SANFORD, NORTH CAROLINA

WHEREAS, the City of Sanford obtained property by deed from Gary Lyons and wife, Phyllis Lyons, in Deed Book 329 Page 798 in the Office of the Register of Deeds for Lee County which property is more particularly described as follows:

BEING all of Lot 8 in Block P as shown on a plat entitled "Disposal Plat – Section III, Washington Park Redevelopment Area, Survey for City of Sanford", prepared by Mitchell W. Cole, Registered Land Surveyor, dated April 22, 1986, as appears of record in Map Book 17, at Page 19, to which record reference is hereby made for a more complete description of said lot. For further reference see Book 329, at Page 798.

WHEREAS, the City Council of the City of Sanford desires to dispose of said property as being surplus to their needs;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sanford as follows:

1. That Lot 8 Block P, Hudson Avenue, Sanford, North Carolina, hereinbefore described is hereby declared to be surplus to the needs of the City of Sanford.
2. That an offer has been received from Eddie and Cecelia Taylor to purchase the property for the sum of Three Thousand Three Hundred Dollars (\$3,300.00).
3. The offeror shall deposit with the City of Sanford a sum equal to five percent (5%) of its offer. The deposit shall be retained until, either an upset bid is made, the offer is accepted and the sale is executed, or the offer is rejected.
4. The City Clerk shall cause a notice of such offer to be published in accordance with the requirements of N.C.G.S. 160A-269.
5. Within ten (10) days following the publication of the notice of such offer, any person may upset the bid by a written offer to purchase the property at a sum which is greater than the original offer by ten percent (10%) of the first One Thousand Dollars (\$1,000.00) and five percent (5%) of the remainder, accompanied by a deposit of five percent (5%) of the increased bid, said sums to be paid either in cash, certified check, cashier's check or bank money order. Bids with conditions or terms not contained in the original offer will not be accepted or considered. The highest qualifying bid becomes the new offer

under consideration. In the case of identical bids, the one submitted earliest will be accepted as the high bid.

6. The City Clerk is directed, should a qualifying upset bid be received, to re-advertise the offer at the increased bid amount as often as is necessary until a final qualifying bid which has not been upset is received.
7. After a final bid is received and accepted by the City Council, the Mayor and Clerk are directed to execute a deed on behalf of the City Council to transfer such property to the highest bidder. The highest bidder shall pay all advertising costs associated with the sale.
8. The City Council may at any time reject any and all offers.

Adopted this the ____ day of August 2012.

Cornelia P. Olive, Mayor

ATTEST:

Bonnie D. White, City Clerk

NORTH CAROLINA
LEE COUNTY

NOTICE OF OFFER

The City of Sanford has received an offer in the amount of Three Thousand Three Hundred Dollars (\$3,300.00) to purchase certain real property owned by it, which offer the City Council proposes to accept. The real property is described as follows:

BEING all of Lot 8 in Block P as shown on a plat entitled "Disposal Plat – Section III, Washington Park Redevelopment Area, Survey for City of Sanford", prepared by Mitchell W. Cole, Registered Land Surveyor, dated April 22, 1986, as appears of record in Map Book 17, at Page 19, to which record reference is hereby made for a more complete description of said lot. For further reference see Book 329, at Page 798.

Pursuant to the requirements of North Carolina General Statutes 160A-269, notice is hereby given that within ten (10) days following the publication of the notice of such offer, any person may upset the bid by a written offer to purchase the property at a sum which is greater than the original offer by ten percent (10%) of the first One Thousand Dollars (\$1,000.00) and five percent (5%) of the remainder, accompanied by a deposit of five percent (5%) of the increased bid, said sums to be paid either in cash, certified check, cashier's check, or bank money order. Bids with conditions or terms not contained in the original offer will not be accepted or considered. The highest qualifying bid becomes the new offer under consideration. In the case of identical bids, the one submitted earliest will be accepted as the high bid. The highest bidder shall pay all advertising costs associated with the sale.

The City Council may at any time reject any and all offers.

Bonnie D. White
City Clerk

Please publish on Friday, _____, 2012

Please prepare publisher's affidavit and mail to:
Susan C. Patterson, City Attorney
PO Box 3729
Sanford, NC 27331

Account No. 01103313



Parcels

OWNER:	SANFORD, CITY OF	OWNER2:		PIN:	9642-74-0206-00
ACRES:	0.136553	LEGAL1:		LEGAL2:	
LEGAL3:		ZONING:	R-6	New Field:	
Assessed Land:	3300	Assessed Building:	0	Assessed Total:	3300
SALE DATE:	4/30/1985 12:00 AM	TAX DISTRICT:	CSF	ADDRNO:	0
ADDR 2:		ADDR DIR:		ADDR PRE:	
ADDR STREET:	HUDSON	ADDR SUF:	AVE	PARCEL ADDRESS:	0 HUDSON AVE
MAIL ADDRESS:		MAIL SUFFIX:		MAIL STREET DIR:	
MAIL STREET:	PO BOX 3729	MAIL CITY:	SANFORD	MAIL STATE:	NC
MAIL ZIP:	27331	SUBDIVISION:		SUBDIVISION NUM:	
DWELLING STYLE:		DWELLING YRBLT:	0	DWELLING SFLA:	0
DWELLING DESCR:		DWELLING CARD:	0	BOOK:	329
PAGE:	798	APPRAISED BLDG:	0	APPRAISED LAND:	3300
APPRAISED TOTAL:	3300	SALE PRICE:	0	OUT BLDG AREA:	0
OUT BLDG YRBLT:	0	OUT BLDG DESCRIB:		OUT BLDG CODE:	
OUT BLDG LINE:	0	OUT BLDG CARD:	0		

1:322 feet

LEE COUNTY



Committed Today for a Better Tomorrow

2012-2013 BUDGET ORDINANCE AMENDMENT

GENERAL FUND

Transfer from the Following Funds - results in decreasing of budget

Contingency	11,900	To transfer contingency funds required to offset expenditures as described below
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Transfer to the Following Funds - results in increasing of budget

Code Enforcement	11,900	Additional funds required to demolish 4 arson houses in East Sanford district
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**AN ORDINANCE AMENDING THE ANNUAL OPERATING BUDGET
OF THE CITY OF SANFORD FY 2012-2013**

BE IT ORDAINED by the City Council of the City of Sanford, North Carolina in regular session assembled.

Section 1: The following amounts are hereby amended to ordinance 2012-37 per G. S. 159-15 for the continued operation of the City of Sanford, its government, and activities for the balance of the fiscal year 2012-2013.

**GENERAL FUND
TRANSFER OF FUNDS**

Transfer from the Following Accounts:

Transfer to the Following Accounts:

10016650 69900	Contingency	38,000	10015000 00000	Public Building	38,000
	Total Appropriation	\$ 38,000			

Section 2. This ordinance shall be in full force and effective from and after the date of its adoption.

ADOPTED this, the 21st day of August, 2012.

Cornelia P. Olive, Mayor

ATTEST:

Bonnie D. White, City Clerk

Susan C. Patterson, City Attorney

2012-2013 BUDGET ORDINANCE AMENDMENT

GENERAL FUND

Transfer from the Following Funds - results in decreasing of budget

Contingency	38,000	To transfer contingency funds required to offset expenditures as described below
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Transfer to the Following Funds - results in increasing of budget

Public Building	38,000	To budget funds for phone system upgrade at city hall
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MEMORANDUM

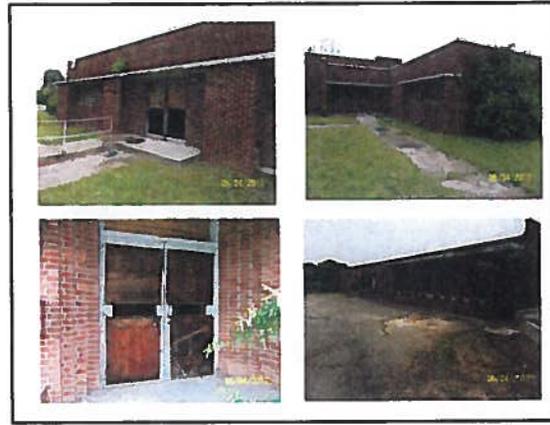
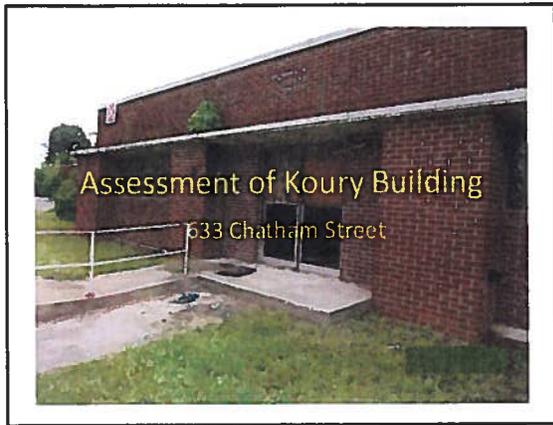
TO: City of Sanford City Council
Hal Hegwer, City Manager
Bob Bridwell, Planning and Development Director

FROM: Marshall Downey, Asst Planning and Development Director

DATE: August 13, 2012

REF: Presentation regarding 633 Chatham Street (commonly known as the Koury Building)

Staff would like to make a presentation to the City Council regarding the current status of the property at 633 Chatham Street. Included in the presentation is an assessment of the current building and property as well as discussion regarding options to address the blighted conditions that currently exist. Carl Anglin, Code Enforcement Supervisor, and Chris Riggins, Building Inspections Supervisor, also plan to participate in the discussion.



- The "Koury Building" includes an 8.63 acre site with 207,800 square feet of former textile manufacturing space.
- The site also includes a large paved parking lot on the lower/rear side along Third Street that is accessed via Alcott Street. Most of this area is located within the 100-year floodplain.
- Two smaller parking lots and a loading dock are accessed from the front side via Chatham Street.



- ### Building overview
- The structure at 633 Chatham Street appears to be a collection of at least 3 different phases/types of construction.
 - The first construction appears to have begun in the late 1940s/early 50s.



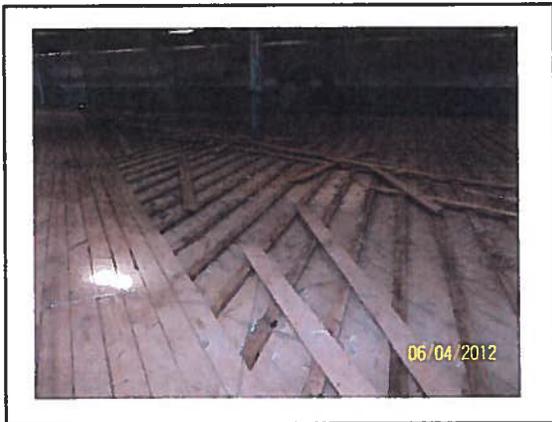
Building overview

- Section "1" is a brick and mortar foundation and appears to be the oldest of the three sections.
- It is located closest to the intersection of Chatham and Alcott.
- This is a one-story section and appears to contain a substantial amount of Asbestos and lead-based paint concerns.



Building overview

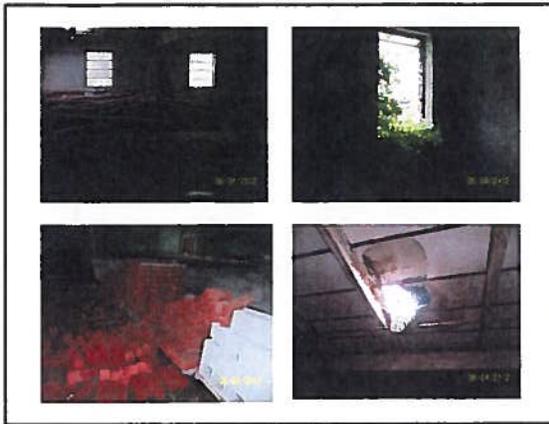
- Section "2", the middle section, contains two floors.
- This section has a concrete floor with the upper level having had a wood surface added.
- The majority of the surface planks have been removed leaving a substantial amount of wooden sub-beams with dangerously exposed nails.
- Initial review of this Section suggests that Asbestos and lead-based paint are much less of a concern as compared to Section 1.



Building overview

- Section "3", which appears to be the newest section, contains three floors.
- This section is the most basic in that all floors were concrete with no wood surface material added.
- Initial review of this Section also suggests that Asbestos and lead-based paint are much less of a concern as compared to Section 1.
- The main concern in this section is the roofing.





Current Ownership concerns

- Staff (Building Inspections and Code Enforcement) first contacted White Elephant in June 2010.
- Mr. Russell (Russ) Attree, President of White Elephant, met with staff on-site on June 25, 2010 to discuss concerns with the building.
- Staff advised that, at a minimum, the building needed to be secured. Mr. Attree verbally agreed to do so.

Current Ownership concerns

- White Elephant Development Corp. acquired the property in 2009 for \$68,000, a little more than 1/5 of the tax value of \$320,000.
- White Elephant, whose owner is based in Florida, has been non-responsive to staff's past attempts to address the building and grounds issues.

Current Ownership concerns

- No substantial effort was ever made on White Elephant's part to secure the building.
- Staff made repeated follow-up attempts to contact Mr. Attree/White Elephant during the last half of 2010 to no avail.

Current Ownership concerns

- Based on the bargain purchase price and the amount of lumber as removed to date, staff suggests that White Elephant acquired the property for the express purpose of salvaging the wood product and has little or no incentive to renovate/repair the building further.
- While some new construction materials (block and brick) are located on-site, no substantial activity has occurred since 2010.

Current Ownership concerns

- On January 12, 2011, the Building Inspections office sent a letter indicating that the building needed to be "secured, repaired or demolished".
- Again, no response was ever received from White Elephant.

Current Ownership concerns

- In the fall of 2011, staff was asked to gather quotes for the full cost of demolition of the site.
 - \$181,000.00 (Cecil Holcomb Renovations, Inc.)
 - \$389,000.00 (D.H. Griffin Wrecking)*
- *additional \$50,000 discount could be given if concrete and brick can be crushed to a size of 3 inches and remain on-site, stockpiled in lower parking lot for future use.

Economic and Environmental factors

- The site is surrounded by public streets and/or railroad right-of-way with the exception of the north/northwest border.
- These parcels are zoned LI also, but include a mix of businesses and single-family dwellings.
- As with the subject property, there are no other active large-scale industrial users remaining in the vicinity.

Economic and geographic factors

- The subject property is zoned LI Light Industrial which is intended to allow for areas that contain "a mix of light manufacturing uses, office park and limited retail and service uses."
- The property anchors the south end of a series of LI zoned parcels on the east side of Chatham Street as they extend southward from downtown.

Economic and Environmental factors

- Bob Heuts, EDC Director, indicated that the building was beyond economic viability.
- The deterioration/elimination of the flooring, low ceilings, close interior spacing of support preclude what contemporary manufacturers are looking for in a space.



Economic and Environmental factors

- Location is also a limiting factor as it is likely too far from downtown to be a potential conversion to a mixed use of residential units and retail.
- Additionally, the location of the 100-year floodplain on the rear (northeast) half of the property further complicates any opportunities for redevelopment.

What can the City do?

- There are a couple of options that the City could consider to proactively address the current blighted site at 633 Chatham Street.
- The methods identified herein are certainly not the only possibilities, but are the two means that are available to the City that are commonly used to address this type of situations.

Option 1: Unsafe Building

- NCGS 160A-428 also states that upon conclusion of the hearing, the inspector may issue an order to “repair, close, vacate, or demolish the building or structure as appears appropriate”.
- Under this approach, the City could ultimately demolish the building should the owner not take appropriate corrective actions.

Option 1: Unsafe Building

- The NCGS Sections 160A 425-428 define the conditions under which a building inspector is authorized to determine the status of a building as “unsafe” and the subsequent methods for remedying this situation (notice to owner, hearing, etc.).

Option 1: Unsafe Building

- It is staff’s opinion that should this option be initiated and based on the lack of response by the owner in the past, it is likely that it would fall to the City to select a contractor to demolish and clean-up the site.
- A lien would then be placed on the property for the amount of the work (with the realization that the City may never receive repayment).

Option 1: Unsafe Building

- More specifically 160A-428 allows corrective action if a building is in a condition to meet one or more of the following:
 - Constitutes a fire or safety hazard.
 - Is dangerous to life, health, or other property.
 - Is likely to cause or contribute to blight, disease, vagrancy, or danger to children.
 - Has a tendency to attract persons intent on criminal activities or other activities which would constitute a public nuisance.

Option 1: Estimates for Demolition

- As a reminder, 2011 quotes for demolition were:
 - \$181,000.00 (Cecil Holcomb Renovations, Inc.)
 - \$389,000.00 (D.H. Griffin Wrecking)*

*additional \$50,000 discount could be given if concrete and brick can be crushed to a size of 3 inches and remain on-site, stockpiled in lower parking lot for future use.
- Note that staff contacted both of the contractors and verified that these quotes are still valid as of August 2012

Option 2: Eminent Domain

- NCGS 160A-240.1 states, "A city may acquire, by gift, grant, devise, exchange, purchase, lease, or any other lawful method, the fee or any lesser interest in real or personal property for use by the city or any department, board, commission or agency of the city."
- The City shall follow the procedures as set forth in NCGS 40A "Eminent Domain".

Option 2: Eminent Domain

- Under this option, the City could involuntarily acquire the former Koury site subject to:
 - Fair compensation/reimbursement
 - An expressly stated public purpose
- Note that acquisition using this method means the site **MUST** be used for a "public purpose" and this shall be pre-determined prior to initiating condemnation.

Option 2: Eminent Domain

- Options for public use include:
 - Public park (active or passive) – would allow for total demolition of building and removal of all or some of parking areas
 - Adaptive re-use for City offices – this could allow for salvaging of the "northern" newer portion of the building for re-use.



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City of Sanford

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Hal Hegwer
City Manager

MEMORANDUM

TO: Mayor and Council Members
FROM: Hal Hegwer, City Manager
DATE: August 13, 2012
SUBJECT: Information Requested Regarding Internet Sweepstakes

Attached you will find a list of sweepstakes specific privilege license taxes from various municipalities. Also, there is a list of sweepstakes locations within the City of Sanford and the number of terminals that are located on premises. This list is constantly changing as some move in and some move out. There is also an example of potential revenue that could be generated from taxation.

Internet Sweepstakes Cafes

Municipality	Population	Fee
Aberdeen	5,000	\$2,500 per machine + \$2,000 per business location
Ahoskie		\$750 per machine + \$2,500 per business location
Albemarle		1 st 2 machines \$2,000, thereafter \$3,000 ea. Max 20
Archdale		\$500 per machine
Black Mountain		\$500 per machine + \$2,000 per location
Canton	4,042	\$2,500 – 1 st 4 machines, \$700 per machine thereafter
Carolina Beach	5,089	\$5 per machine + % of gross receipts
Clinton	8,645	\$500 per machine; maximum 12 machines
Columbus		\$2,000 per machine + \$3,000 per business
Creedmore		\$750 per machine + \$2,000 per location
Conover		\$2,500 per location + \$1,000 annual fee
Dunn	9,712	\$2,600 per business location + proposing per machine
Durham	187,847	Gross receipts
Elkin	4,192	\$500 per machine + \$5,000 per business
Fairmont	2,613	\$2,500 per machine
Fayetteville		\$2,500 per machine + \$2,000 per location
Franklin	3,508	\$2,600 per location
Graham	12,894	\$1,000 per business
Granite Falls		\$500 per machine
Greensboro		Proposed \$500 per machine + \$2,500 per location
Hendersonville	12,997	\$2,600 for 1 st five, and \$500 for each thereafter
Hillsborough	6,677	\$75 per location
Kannapolis	37,135	\$500 per machine
Kinston	22,800	\$500 per machine
Kure Beach	2,200	\$2,000 per location + \$2,500 per machine
Laurinburg	15,974	\$2,500 per machine + \$2,000 flat fee
Leland	12,623	\$3,000 per machine
Long View	4,963	\$1,000 per establishment
Lumberton		\$2,500 per machine + \$5,000 per location
Maggie Valley	1,142	\$2,500 1 st 4 machines & \$750 per machine after; 1 machine per 1,000 square feet of floor space
Matthews	22,613	\$2,000 per location
Mayodan	2,420	\$5,000 flat fee with maximum of 12 machines
Morganton		\$1,500 per machine + \$2,000 per location
North Wilkesboro		\$2,600 per location
Oak Island		\$500 per machine
Oxford	9,500	\$1,000 per machine + \$500 per location
Pinebluff		\$1,000 per machine + \$2,000 per location
Rowland	1,150	\$300 per machine
Roxboro	8,722	\$1,000 per business + \$500 per machine
Spring Lake		\$300 per machine + \$500 per location
Sylva		\$2,500 per machine up to 4, thereafter \$700 each
Washington		\$500 per machine

Waxhaw		\$100 per machine
Wendell	5,796	\$1,000 pre machine + gross receipts
White Lake		\$250 per machine, + \$1,000 per location
Whiteville	11,010	Based on gross receipts
Wilkesboro	3,174	\$1,000 per machine + \$2,600 per location
Williamston		\$500 per machine
Wilmington	101,526	\$3,000 per machine
Winston-Salem	228,362	\$500 per machine + \$2,500 per location
Winterville		\$500 per machine + \$2,500 per location
Zebulon	5,444	\$200 per machine + \$600 for special use permit

City of Sanford

Internet Sweepstakes Locations

August 10, 2012

Business Name	Address	Site Plan Reference	# of Computer Terminals	Stand Up Poker Machines	Notes
Internet Express	2508 Lee Avenue	SP-17-08	18	4	
Sanford Business Center	1720 S. Horner Boulevard	SP-56-09	50	n/a	
Hawkins Hall	1312 Hawkins Avenue	SP-30-2010	19	5	
Oasis Internet Sweepstakes	2805 Lee Avenue	SP-58-2010	44	n/a	
Xtech Interner Café	1947 S. Horner Boulevard	SP-96-2010	38	8	
Jay's Internet II	902 & 904 S. Horner Boulevard	SPP-117-2011	108	n/a	2 adjoining lease spaces
Triumph Entertainment	1948 S. Horner Blvd.	SPP-124-2011	27	n/a	
All-In-One Copy Center	711 Carthage Street	SPP-141-2011	25	8	May need shared parking agreement
Network Express Business Center & Sweepstakes	1934 & 1936 Horner Blvd.	SPP-160-2011	n/a	n/a	No longer in Operation as of 08/10/2012
S&H Internet Café	2604 Lee Avenue	SPP-183-2011	14	n/a	Within existing laundry mat
C & C Internet Sweepstakes	2813 S. Horner Blvd.	SPP-261-2011	38	n/a	
Dotty's Bingo	1603 S. Horner Blvd.	SP-04-2012	14	5	Bingo/Internet Sweepstakes
Lucky 7 Business Center	2571 Hawkins Avenue	SP-85-2012	tbd	n/a	Not in Operation (Closed)
S & W Sweepstakes	2602 Lee Avenue	SP-86-2012	11	12	
Jay's Internet Café 4	2606 Lee Avenue	SPP-141-2012	30 proposed	n/a	Not opened yet (08/10/2012)
Let It Ride Sweepstakes	2567 Hawkins Avenue	SPP-157-2012	22	2	
Treasure Chest	1003 Short Street	SPP-147-2012	15 Max	n/a	Not in Operation (Closed)
Crazy Hank's Internet Café	1011 Spring Lane	SPP-192-2012	30 Proposed	n/a	Not in Operation; Zoning Clearance Permit In Review
Total			428	44	

INTERNET SWEEPSTAKES CAFES

August 10, 2012

Cities/towns with population range from 20,000-37,000 (did 37,000 rather than 35,000 so we would have at least 3 to compare to):

Kannapolis (population 37,135)
\$500.00 per machine
No fee per business location.

Kinston (population 22,800)
\$500.00 per machine
No fee per business location.

Matthews (population 22,613)
No fee per machine.
\$2,000.00 per business location.

Average for Sanford would be either \$2000.00 per location or \$500.00 per machine.

Cities/towns located close to Sanford:

Aberdeen (Moore County)
\$2500.00 per machine
\$2500.00 per business location

Dunn (Harnett County)
No fee per machine at this time; however, this is being considered.
\$2600.00 per business location

Fayetteville (Cumberland County)
\$2500.00 per machine
\$2000.00 per business location

Chatham County
Did not see any towns/cities listed.

Rates are varied in the cities/towns listed with 2500.00 per location and 500.00 up to 2500.00 per machine being the most common.

For Sanford based on Mr. Bridwell's report –

Per business location – $14 \times 2500.00 = \$35,000.00$
Per machine – $472 \times 500.00 = \$236,000.00$ PLUS the unknown machines for the last two entries on his report. **Total calculated revenue = \$271,000**