

LAW AND FINANCE MEETING
Wednesday, October 29, 2014
5:00 P.M. in Council Chambers
225 East Weatherspoon St., Sanford, NC

The Law and Finance Committee met on Wednesday, October 29, 2014, in the Council Chambers at City Hall at 5:00 P.M. The following people were present:

Law and Finance Committee:

Mayor T. Chet Mann
Council Member Byron Buckels
Council Member Jimmy Haire
Council Member Charles Taylor
City Attorney Susan Patterson
City Manager Hal Hegwer

Mayor Pro Tem James Williams
Council Member Sam Gaskins
Council Member Norman Charles Post, III
Council Member Rebecca Wyhof
City Clerk Bonnie Davis

Mayor Chet Mann called the meeting to order.

Consider Presentation by Brailsford & Dunlavey Regarding Feasibility Study for the Proposed Multi-Sports Complex

- Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2014-2015 (Feasibility Study for Multi-Sports Complex) – (Exhibit A)

Ray Covington, of 709 Croswell Court, Whissett, North Carolina, spoke as President of Friends of the Lee County Parks Foundation (“Parks Foundation”), a private foundation established to support all parks of Lee County which is raising monies privately in order to support studies of the parks. Mr. Covington stated that members of the foundation were excited to hear tonight’s presentation, encouraged by actions of the Council and hope that the project can proceed rapidly. He explained that the Foundation has significant resources, wants to support the parks privately and looks forward to teaming up with the County and City.

Kirk Bradley, of 603 Carthage Street, Sanford, NC, spoke about his recent trip to China for the Seventh Annual Sister City Convention in Wuxi. He noted that many of the cities represented there had great sports complexes as the centerpiece of attractions to their cities and as part of an economic development strategy. He stated that he believes Sanford needs such a complex and that there is an opportunity to do it, as an amenity and also as an economic driver and development asset to the city and county. If done correctly, it will increase the number of quality hotel rooms in our city and also increase sales tax revenue should tournament quality weekend events be attracted. In order to do the type of facility which has been envisioned by the Mayor and Foundation, millions of dollars will be required. This will necessitate a public-private partnership, which is in place. Mr. Bradley reiterated his belief that a quality study to guide this process is essential to a successful “world class” sports complex.

Mayor Mann thanked Mr. Covington and Mr. Bradley for speaking and acknowledged members of the Sanford Area Soccer League who were also in attendance at the meeting. He reminded everyone that a sports complex was part of his platform when he ran for the office of Mayor, which also included the expansion of O.T. Sloan Park as part of the project.

- Consider Agreement with Brailsford & Dunlavey – (Exhibit B)

Public Works Director Vic Czar summarized the selection process (Exhibit C) by stating that the first step was the passing of the Bond Referendum last year, which included \$2 million for a parks and recreational activities facility and that this was a milestone for Sanford. Since that time, it has been suggested that these funds could be leveraged as part of a larger project which would include an economic development component through the construction of a multi-sports complex. A committee was formed, which was composed of Mr. Czar, Planning Director Marshall Downey, Lee County Deputy Director of General Services Larry Bridges and Lee County Director of Parks and Recreation John Payne. The committee's purpose was to recruit consultants specializing in this type of work and to then present their recommendation to Council for approval. A Request for Qualifications (RFQ) was sent to advertise our need for a study of possible construction of a "21st century" multi-sport complex as a tournament-quality facility. Candidates were evaluated based on the RFQs, including how they would conduct a market analysis showing what opportunities exist for such a facility, the types of sports which would be suited for it, size of the complex and number of fields. The second matter to be reviewed would be the adequacy of our accommodations, including research on the number of restaurants and hotel rooms located in our community in order to determine whether or not we are deficient in these areas. Another consideration is the location of the Boys and Girls Club at the O.T. Sloan Park and how this may factor into project development at this possible site.

The RFQs would provide us with a firm overview of each candidate, including relevant experience in this area, an idea of staffing service, knowledge and experience, project management and a work plan. Four Statements of Qualifications were received, which were analyzed and rated individually by committee members in six categories as shown on the exhibit. Results were then reviewed and ranked, after which three interviews were conducted. This resulted in the unanimous consensus of the committee to recommend that Brailsford & Dunlavey ("B&D") conduct the Feasibility Study. Mr. Czar introduced Joe Collums, Assistant Project Manager with B&D, who would be working directly on our project.

Mr. Collums described the process and made the presentation. He described that his firm's value was in placing their client in the best position to make a very important decision. He noted that B&D has worked with hundreds of clients around the nation in planning sports facilities, including local government, higher education and primary schools. He also noted that one of their core themes is a thoughtful, deliberate approach to planning, which is necessary in considering such a competitive asset. He explained that B&D does not rely on data alone but integrates and synthesizes it with the community's needs. He stated that answering the question of why to build a sports complex is the most difficult step. Although a vision is inspiring, it is often difficult to relate it to practical decisions.

He stated that he has noticed two approaches to these projects by local governments: (a) thoughtful planning which requires thorough investigation; and (b) moving forward on the belief that the necessary information was already on hand. He then noted that B&D has been called on frequently to assist those in the second group who moved forward without prior planning, to sort through issues and to ask questions which could have been answered in advance had more planning been done prior to moving forward.

He further explained that answering in a thorough, comprehensive manner the question of why the complex is being built affects how every analysis is done and every recommendation that will be made by B&D. It will be determined through surveys and focus groups exactly what Sanford and Lee County citizens are seeking, through a sophisticated approach of analyzing demographical survey responses and qualitative information. Although ultimately designed to serve this community, the next step includes the larger vision of also drawing in those from outside the community and option of the facility also serving as a regional destination, creating a larger economic impact. Sanford and Lee County's competitive position against the market would be determined by looking at what other surrounding communities are doing and exploring nationwide which components are already in place and which are missing.

Other key questions to be answered, according to Mr. Collums, include determining what physical program is needed to achieve that vision, determining how many fields, how many acres and what mix of sports. He stated that complexes are typically in the 60 acre size range. A market analysis will be done to determine the participation levels among various age groups and particular sports. A very detailed analysis will help determine our market so that we can draw participants and serve as a competitive asset.

There is also the critical issue of achieving financial sustainability. Sports complexes often have thin margins and are similar to a new business, in that both require understanding your market.

Mr. Collums also informed the Council that B&D has a team architect who will help to determine whether the vision can be realized at O.T. Sloan Park. If this is a problem, perimeters will be established for selecting another site.

Mr. Collums explained that B&D is not a real estate developer, nor is it an architectural firm; instead, its focus and purpose is to work with institutional clients to empower them to make the best decisions possible. The firm has been in existence for more than 20 years and has partnered with local communities on more than 100 athletic facility projects. It is headquartered in Washington, D.C., is nationwide, coast to coast, and employs about 100 staff members. There are regional offices in Charlotte and Atlanta, where Mr. Collums is based. He explained that this is a niche industry and is very different from commercial real estate development, with its own components. Although he would be the first point of contact, other team members from the firm will also be involved and contributing resources to the project. He has already discussed our particular project with another team member from Washington, D.C., who has worked on a similar project recently.

Mr. Collums stated that what we would gain from this partnership with B&D would be national expertise and industry knowledge in sports facility planning, as well as its commitment to empowering Sanford and Lee County. Their sole purpose is not to recommend what the ultimate right decision may be (since they do not stand to gain on the size or scale of the facility), but rather to help us make the right decision. Their commitment is to provide information to us so that we can make the ultimate decision by synthesizing the community's vision and market based data, which is the hallmark of B&D.

One of the company's main areas of focus in their 20-plus years has been matching visions with practical decisions, or "strategic asset value analysis". It is one of the most important components of the process and will occur at the beginning of the project. Community stakeholders will work with B&D on specific categories to identify visions as well as gaps. Four categories are identified: (1) quality of life; (2) how this facility will affect community building; (3) the facility's financial projections; and (4) the facility concept. Further division into subcategories will identify misalignment or gaps in goals and establish a priority order that will guide the planning process.

An example was given by Mr. Collums in the financial performance category, a key component of the process. During the SAV analysis, one subcategory will be "generation of tax revenues". Using a scale of 0-10, questions will be posed, such as, "Where do you see this sports facility taking Sanford/Lee County?" A response of "0" would indicate that all programs and services will be targeted exclusively to Sanford and Lee County residents. On the other hand, a higher response would indicate a vision for the facility not being restricted or entirely oriented only to Sanford/Lee County residents, with significant efforts made to bring in visitors through tournaments and other special events. Mr. Collums stated that this appears to be the initial goal of our project based on the RFQ; however, there are various levels within this category which are detailed by national benchmarks and examples that illustrate what a ranking of "10" includes.

Mr. Collums noted that the answer to this one subcategory will affect comprehensively the direction of the project and also will impact the recommended ownership structure. Potential revenue sources vary greatly, depending on whether multiple tournaments are held yearly or if the facility is for use by local participants only. Access, staffing, program elements included on site and even market research will also be impacted, depending on this one fundamental decision.

He explained that another category, "quality", will attempt to ascertain the vision of how high quality the facility will be, with "0" indicating strictly functional (natural grass fields, basic parking) and "10" indicating use of the highest-quality components and finishes (synthetic turf fields, lighted fields and other amenities that would draw visitors and be competitive in this asset class market).

Tools that will help determine the appropriate decision, according to Mr. Collums, include a market analysis of our area and the surrounding areas (incrementally 30, 60 and 90 minutes away) in order to determine who may participate at this complex. Data to indicate what types of sports kids are playing in this particular area at this time will be gathered, along with median incomes, household sizes and ages, all indicators informing the type of facility which should ultimately be built.

He informed Council that a recently proposed addition is a competitive benchmark process based on nationwide research, including B&D's clients nationwide, in order to understand the size of facilities around the country, what they cost, how they operate, how they were financed and what the ownership structure was. Many communities are exploring methods to defray risks of ownership, such as public/private ownership. Knowing not only the local competition but also having information on national examples is another key component of this process.

Mr. Collums stated that financial analysis is critically important in order to identify and quantify potential revenue sources. B&D is familiar with various structures and they have the ability to provide a comprehensive financial model based on the program they see as logical. Scenarios are typically provided which show the financial impact of each.

He said that operational analysis, in addition to capital resources and funding, will also be provided to help ascertain how bills are to be paid month-to-month and year-to-year as operation continues, which may be more than 50 years into the future. Examples given by Mr. Collums included, "How do we determine the expense of lighted fields? How do we know how many tournaments can be brought to town and how much will they cost?" These issues will be investigated to provide a reasonable understanding, whether assumptions are conservative or aggressive, of what to expect after construction is complete. An economic impact analysis will also be conducted to measure and quantify what the anticipated impact will be on hotels, restaurants, job creation and total income from the facility.

Mr. Collums informed Council that the architect with B&D is familiar with sports facilities planning. He will be conducting a site suitability analysis for the O.T. Sloan site as its capacity for hosting the community's vision for a complex is investigated. The location of the Boys and Girls Club at this site will be considered and what the impact of building a new facility would be on this important community asset, including how it could be preserved and enhanced by a new investment.

The typical timeline for such a comprehensive study, according to Mr. Collums, is three to five months. It would include a series of visits from their team who would conduct the visioning session, hold multiple focus group meetings with community members and give interim presentations of preliminary findings in order to obtain feedback. This will be done through regular calls, online meetings and personal meetings.

He closed by stating that the final presentation, after planning the proper forum with us, will include a detailed report (similar to the 187 page Dolphin County report provided as a sample) and a carefully written executive summary with recommendations.

Council Member Taylor noted that he was familiar with the ongoing project at Columbia, South Carolina, and stressed that while he is not against the proposed multi-sports facility, he is concerned about spending \$68,000 on a survey. Considering the current state of the local economy, he wants to be able to justify this expense to taxpayers. Mr. Collums explained that the survey is only one component of the assignment and its cost is less than \$10,000; the project scope can be altered to fit the needs and requests of the community. The total fee is based on the amount of time involved for the components selected and would be adjusted and reduced if parts are removed, unless removal would result in the end goal being unreliable or useless. Budget concerns and constraints are factored into the scope and assignment. He cited an example where a community making a large investment in a sports facility ultimately spent more to "unwind" problems and resolve issues which could have been revealed by an intentional preliminary process. Communities who resolve key issues and obtain market data prior to the project, in a method similar to starting a small business, tend to receive the best results.

Mr. Taylor also questioned the possibility that the survey could indicate no facilities would be warranted for SASL, a stakeholder through their 11.7% contribution to the estimated project cost. Mr. Collums responded that B&D is committed to finding accurate results, regardless of what facility needs may be indicated. The value of their company's analysis is that there is no preconceived notion of what will ultimately be revealed by the data.

Mr. Taylor noted the need to discuss the budget for land acquisitions and funding. Mayor Mann explained that the Parks Foundation would be working on land acquisitions that will be privately funded and it is still early in the process. He also explained that the ultimate location of the park will be contingent upon the results of the feasibility study.

Council Member Jimmy Haire requested the definition of "competitive market". Mr. Collums stated that the typical gauge is the amount of driving time, not distance. Mr. Haire asked specifically about the facility at Elizabethtown, Kentucky, which Mr. Collums explained was not a B&D project; however, B&D has used information on this well-known project as a benchmark in their studies. Mr. Haire also questioned if it had already been determined that the site would be O.T. Sloan Park or if location were still on the table. Mr. Collums answered that the O.T. Sloan Park has been identified only as a potential site and that it will be analyzed to determine suitability for the appropriate facility and whether it could accommodate the facility. Mr. Haire questioned the typical time between completion of the study and commencement of construction and what potential impact a facility which may be constructed soon in Aberdeen (less than 30 miles away) may have. Mr. Collums stressed that this is a collaborative process, along with the importance of "eyes on the ground" to gather information on ongoing projects and projects which will begin soon and will ultimately be competing facilities. Mr. Haire questioned the typical travelling distance that would include overnight stays in a market area similar to Sanford; Mr. Collums answered that it was typically up to approximately 300 miles for areas not located in an "urban destination" market area (such as Orlando). He stressed that their database of community information would help define parameters for travelling assumptions.

Potential sources of income, such as concession sales, would also be included in the analysis. The question of design and layout of the actual facility was also discussed. Mr. Collums stressed that while B&D is not an architectural firm, an analysis of physical programs (how much to build, where to locate what specifics on the site) is in their expertise. They have staff whose background is in design and architecture; however, the ultimate architectural drawings are not included.

Mr. Haire questioned whether the facility should be covered and the type of bleachers to be used; Mr. Collums noted that these are the very types of details which are dependent on the results of the feasibility study. Once the vision and intent are established and defined, these questions can then be answered. If the vision is to be competition grade (such as a regional host for State AAU soccer tournaments), the physical quality of components necessary to fulfill expectations would be different than those required to fulfill a vision of another type of facility serving local market area participants only.

Council Member Post requested clarification on the cost of the entire project. Mr. Collums answered that the cost of the entire feasibility project is estimated at \$68,000, which includes approximately \$10,000 for the survey portion.

Mr. Taylor expressed concern on timing the construction and the aging of a facility in a progressive area such as ours, due to potential construction in surrounding communities (such as Holly Springs' considering an ambitious sports complex) or facilities already constructed (such as the successful USA Baseball complex in Cary). He asked for Mr. Collum's opinion of how to minimize or mitigate potential problems in the scope and construction time frame relative to the completion of the report and to other facilities in our area. Mr. Collum explained that the market analysis would include projections since one of the components will factor items such as completion dates of competing projects. Mr. Taylor remarked that Holly Springs and Cary will likely proceed rapidly with financing their projects, while ours may not be financed as quickly, which will delay construction.

Mr. Mann noted the Parks Foundation may or may not acquire land, regardless of how the City ultimately decides to proceed with the project, since acquisition is their primary purpose and they are privately funded. He stressed the importance of our decision of what to build and its relation to what we, as a community, want to be. He noted Sanford's rich sports heritage and his belief that we seem to have fallen behind in the last 20 years as a site of sports activities. He explained that his own family has travelled to many other cities (including New Bern and Asheville) and spent money on meals, lodging, shopping and attractions in these other areas. Mr. Mann shared his personal belief that this facility could serve as a city center hub tying the middle of town together, linked by sidewalks to the expanded Civic Center and to Horner Boulevard. If the City is to spend millions of dollars on the facility (realistically up to \$6-\$12 million), spending \$68,000 on a study helping to plan it well is appropriate.

Council Member Wyhof noted the importance of public participation in the survey in order to determine and hone in on what the community wants, needs and will support, as well as market indicators and timing of construction. The study is a great opportunity to marry these elements and make a good public policy decision.

Council Member Gaskins remarked that the questions posed by Council tonight emphasize the need for a thorough evaluation in order to "do it right the first time", rather than spending money to remedy problems afterward. He also noted that all bids were over \$50,000 and that we simply did not understand initially just how in-depth the study needed to be.

City Manager Hegwer reminded Council that the County has approved their portion of this expense; Mayor Mann remarked that SASL has approved their portion as well.

Council Member Williams stated that the presentations made tonight by Mr. Bradley and Mr. Covington for the Park Foundation, along with the previous presentation by SASL representatives, indicated to him that people do support this project and that the \$2 million bond contribution from the City is a small price to pay for such a facility. He confirmed that he was ready to proceed with the study.

Public Works Director Czar noted that there are many questions currently unanswered and the study will help us make an intelligent, informed decision. Time frame will be determined by the type of facility to build; the type of facility to build will be determined by how far to reach and the budget. He noted that the additional expense was due to our request for additional public input in order to ascertain the local needs, something that the Interlocal Committee believes is

vital to the success of the project. The facility will be located here and ultimately funded and used by our local citizens, even if revenue might be generated by participants from outside the community. Mr. Czar closed by stating that a copy of the proposed budget amendment appropriating the additional \$15,000 for the City's share of the feasibility study is included in this agenda package and the contract will be provided at next week's meeting if the amendment is approved.

Charles Taylor asked whether the artist's rendering presented in the package would influence results of the assessment. Mr. Collums explained that unless a rendering is officially sanctioned, is produced by the city or a request is made to specifically consider a rendering, it is provided only as a visual aid and will not affect the front end of the analysis.

City Attorney Patterson noted that some of the terms of the contract have been renegotiated and the final contract will be included at the next meeting.

Mayor Mann thanked Mr. Collums for the presentation and requested a five minute recess prior to completing the agenda.

After a five minute recess, Mayor Mann reconvened the meeting.

Consider Taxpayer's Request for Tax Release of Late Listing Penalty According to NCGS 105-312(k) – (Exhibit C)

City Attorney Susan Patterson explained that Phoenix Fire Protection, Inc. has requested waiver of a late listing penalty in the amount of \$28.14 for 2014, due to their accountant's failure to file a timely extension for listing personal property. She informed Council that the Lee County Board of Commissioners granted a 50% abatement of delinquent county taxes at its October meeting. Ms. Patterson noted that statute requires independent review by City Council.

Consider Grant Request from Family Promise – (Exhibit D)

Cindy Hall, Vice-President of the Board of Directors for Family Promise of Lee County, stated that she has worked with the program for six years and that in the past three years, they have served 63 families who obtained housing. It has been funded with grants and donations for the prior three years but are currently in a "catch 22" situation as a result of being too old for start-up grants but not yet old enough to obtain grants given to established organizations. Currently, it is being funded strictly with donations and they would like assistance from the City since they are currently operating month-to-month.

Fredrika Cook, Executive Director of Family Promise, informed Council that they are currently serving four families with a total of 15 people. In 2014, 21 families have been housed through their Shelter Program; however, it also acts as a resource for all homeless families. They are the only program in the county which provides services for an entire family (i.e., a 12 year old boy can stay with his family, rather than having to go to a Men's shelter alone). They also provide food and case management services identifying other agencies which could assist them. During the day, there is a facility with a computer that teaches budgeting, anger management and includes customized case management plans so they can be followed for one year after completing the program. This allows quick intervention to prevent chronic family homelessness.

Ms. Cook stated that they have received 93 referrals of homeless families this year. Although they have not provided a service to all 93 families, they have outsourced or referred them to other agencies or community programs which could help provide their need. She also explained that school-aged children in homeless families typically don't attend school on a regular basis and children 16 years of age or older in these families will likely drop out of school. Family Promise helps to provide stability by giving these families an address, a working phone number, a support team (through participation from local Churches which provides nurturing) and the support necessary to regain affordable housing.

Council Member Rebecca Wyhof asked about the requirements for non-profits to be classified as "established", which Ms. Cook explained was the five-year mark.

Council Member Haire asked if a request for funding had been made to the County; Ms. Cook explained that they had been turned down by the Board of Commissioners but they would be re-presenting soon. He also asked about the causes of homelessness. Ms. Cook explained that it could be due to a house fire, domestic problems, substance abuse, joblessness or a combination of these factors. Participants over the age of 16 require a background check. Mr. Haire asked if they tend to stay in the area after completing the program; Ms. Cook responded that the program is only for Sanford and Lee County residents, which insures that all program funds goes back into the community. She also explained that some families rent and others may qualify for a rental with the option to purchase, depending on their individual credit, income and employment histories. An assessment is done to individualize a plan for each family entering the program to assist in goal setting.

Mr. Haire noted that as a member of the Sanford Housing Authority Board, he knows they have no vacancies at this time and typically do not have any. Ms. Cook confirmed that they work well with the Housing Authority, which maintains one emergency apartment and refers families to Family Promise when the need arises. They are also in collaboration with Community Action and are part of the Lee County Regional Committee for Housing, indicators of our area's participation in reducing homelessness in North Carolina. Ms. Cooke confirmed that their fiscal year runs through the calendar year and there is concern about making it through November.

Mr. Gaskins questioned the current status of the \$18,000 in commitment pledges from repeat donors and the total goal of \$35,000 in pledges; Ms. Cook indicated that the Sustainers' Program appears quite promising but they are hoping for funds to take them through to January. Ms. Cook told Council that they had recently participated in the "No Scare Fair" and will be receiving some proceeds from this event.

Mayor Mann asked whether United Way assisted the program and requested an explanation of how the calculation was made for the \$20,000 funding request. Ms. Cook confirmed that United Way does provide funding to the program and has provided a little over \$5,000 this year. She also explained that the program typically provides services for three to four families every 90 days. The cost to provide service for one family for the entire 90 day period is approximately \$4,500, so the cost of four families for this same period is anticipated to run approximately \$18,000.

Council Member Buckels thanked Ms. Cook and Family Promise for their work on behalf of the area's homeless population. He stated that he helped cofound an organization that helps support Family Promise. He asked Ms. Cook if she saw any trends in Lee County for the homeless rate to either increase or decrease. Ms. Cook answered that the largest trend is underemployment or unemployment. Many families have homes but are working temporary jobs which are neither stable nor constant. Family Promise provides support up to 90 days, which is not always used by families since some are able to regain employment within 30-60 days.

Mayor Mann noted the high number of participants at the Bread Basket (150 people, including Christmas Day). He stressed that economic development is critical since it is the only way we can grow out of poverty and there are difficult decisions to be made until that happens.

Council Member Gaskins noted that a major consideration of this issue is how it affects the city. He cited the example of the Boys and Girls Club, which helps the police department by keeping juveniles occupied and noted that the County stands to gain more than the City. Ms. Cook reminded him that homelessness increases domestic violence, child abuse and theft, which is often a result of hunger. She also noted that food stamps help feed but do not provide a place for a homeless family to cook.

Consider Capital Project Ordinance Amendment – Sidewalk Improvements – (Exhibit E)

City Engineer Paul Weeks explained that this Amendment relates to the Sidewalk Bond projects and is for (a) engineering not included in the original design contract with Ken Bright Associates and (b) additional requirements resulting from the City's receipt of approximately \$275,000 in DOT funds.

Consider Preliminary Assessment Resolution – (Exhibit F)

City Engineer Paul Weeks explained that this is the first step in the Petition Assessment process through which a property owner seeks water or sewer service to be extended to them. This tool identifies length of the extension and properties impacted by the extension. Signatures are then obtained by all parties interested in obtaining the extension. If 51% or more of the property owners owning at least 51% of the property consent, the Petition is presented to Council for consideration. The City can then install the extension and divide the cost among the property owners; it is assessed to them for repayment, either (a) within 30 days after determination of cost, or (2) in annual installments over nine (9) years at 8% interest. Mr. Weeks explained that these multi-step petitions are not done frequently. This resolution states the intent, cost division (per lot), cost to be assessed (100%) and the date of public hearing (December 2, 2014). After the hearing, Council would direct staff to proceed with engineering and construction. The project would then be opened for bids, after which time the lowest bid will be presented to Council for funding approval prior to being reimbursed by petitioners. This petition assessment is specifically for extension of the Hawkins Avenue sewer line coming out of Hawkins Run Subdivision and would serve six lots owned 100% by petitioners, making it a unanimous petition.

Council Member Williams asked why only one side of Hawkins Avenue is included. Mr. Weeks explained this is because property owners on the other side are residents of Hawkins Run Subdivision, which already has sewer access within the subdivision. The petitioners' lots are on the opposite side of Hawkins Avenue and are not in the subdivision.

Mayor Mann asked if there was a possibility that property owners could opt out of the agreement, which City Attorney Patterson stated they could withdraw but not after publication of the assessment role. Council Member Post noted that one of the property owners had approached him regarding the steps necessary to obtain the sewer service and there should be no problem whatsoever with agreement to terms of the assessment after work is commenced. Mr. Weeks stated that once bids were received, petitioners would be notified of their potential portion of cost. If bid price is more than 110% of the original estimate, there is an option not to proceed with the project.

Council Member Wyhof requested an explanation of the “reduced tap fee” and “finance tap fee” shown on the petition. Mr. Weeks explained that as part of the process, petitioners who have existing residences are entitled to obtain a tap at one-half (1/2) of the prevailing rate. Manager Hegwer noted that this was due to the fact that the contractor would be on the site and the work can be performed relatively inexpensively if done at the time of construction. This process has been done for many years and is typical; it was done often in the late 1990s.

Consider Entering into a Traffic-Review and Inspection Agreement with Department of Transportation for Downtown Streetscape – (Exhibit G)

City Engineer Weeks explained that this deals with street lights and pedestrian heads in the Jonesboro Streetscape area. The City will do the design work, it will then be submitted and reviewed by DOT and DOT charges their time to us. After it has been approved and installation begins, DOT will inspect to verify proper process and procedure have been followed. This agreement outlines the process, along with the estimated cost of \$8,000 to be paid up front. Any overage will be billed and any unearned fee will be refunded to us. Their estimates are typically accurate since they perform this type of work frequently. Funds are currently available for this expense.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2014-2015 – (Street Sweeper) – (Exhibit H)

Finance Director Beth Kelly explained that this amendment appropriates \$50,000 in installment purchase proceeds for an increase in cost of the street sweeper which was included in the Council approved budget for fiscal year 2014-2015. The street sweeper was originally approved to be purchased through installment purchase financing at \$189,633; it is now estimated that the cost will come in at \$239,633. The effect of this cost increase on the Installment Purchase financing will be covered in the next agenda item below.

Consider Resolution Approving Financing Terms for Installment Purchase of Fire Pumper, Street Sweeper, Leaf Vacuum Truck, Knuckleboom Truck and Rough Mower – (Exhibit I)

Finance Director Beth Kelly explained that Council had approved installment purchase financing of this “rolling stock”. Requests for Proposals were sent to all area banks and institutions requesting to be included on our list of proposals. We received seven proposals, with BB&T Governmental Financing offering the least total cash outflow. A summary of bids is included in the exhibit confirming BB&T’s lowest proposed interest rate of 1.46% for a term of five (5) years and no financing fees. There is also a resolution for approval to enter into this financing contract and authorizing the Mayor and Finance Director to sign documents.

Mayor Mann noted that this is fairly aggressive financing and includes no fees. Ms. Kelly also noted that the increases in budgeted cost of \$44,000 for the fire pumper and \$50,000 for the street sweeper will be offset by the lower interest rate, which will result in approximately \$6,800 in annual debt service payment savings compared to the original budget.

Consider Grant Submittal to the U.S. Conference of Mayors Gardens and Green Space Award Program – (Exhibit J)

Public Works Administrator Laura Spivey informed Council that the grant submittal will be for the 2015 “Gro1000 Gardens and Green Spaces Program”, a partnership between the US Conference of Mayors and Scott’s Miracle-Gro Company. It promotes and recognizes mayoral leadership in the development of green spaces across the nation. Through this partnership, Scott’s (which launched this program in 2011) has a goal to create more than 1,000 garden and green spaces in the United States, Canada and Europe by 2018, the 150th anniversary of their company. The winners of the grant will receive \$40,000 over a three-year period; in the first year, \$15,000 cash is awarded with an additional \$10,000 in Scott’s Miracle-Gro products; the second and third years include \$5,000 in cash and \$2,500 in product.

Mrs. Spivey explained that the proposed project is the Peace and Unity Garden, located on Hudson Avenue on city-owned lots which are leased to Brick Capital Development Corporation. The project was begun in 2012 by Crystal McIver, who had the vision to start a community garden. It has enjoyed great success. In the first year, ten families were fed and five different community organizations participated in caring for the garden. In 2014, more than 20 families were served by more than 40 garden plots supported by many local organizations, including the Boy Scouts, Family Promise, YMCA, Christians United Outreach Center, NC Corporate Extension, Lee County Health Department, various churches, the Workforce Investment Act, Lee County Industries, the Boys and Girls Club and several day care facilities. It serves as an opportunity to feed the hungry, to teach gardening skills, as a potential employment opportunity and a tool for community outreach.

Ms. McIver and the Boards of both Brick Capital and the garden have also built many local partnerships in the past several years, among them the City of Sanford, Lowe’s, Jackson Brothers, Tramway Mulch and Stone, Walmart and Big Bloomers. The grant will be awarded on December 21, 2014. If received, funds would be used to expand and improve the garden and to assist in further realizing the vision of the project, including fencing the facility, construction of a parking lot and possibly a greenhouse. A team, including Mrs. Spivey, Ms. McIver and John Payne (Parks and Recreation Chairman), also has a vision for improving Horton Park. The County has submitted grant requests to obtain funds in order to make it more enticing to the community. Grant funds could possibly assist with this revitalization plan. Ms. Spivey plans to submit the application on or before November 14, 2014.

Mayor Mann noted that he, City Manager Hegwer and Council Member Buckels, have visited the garden and found it to be a wonderful example of the community at work and a great place to visit. He encouraged community participation and also noted that the Conference of Mayors was the same source of grant funds as those received by Arden, another local company.

City Manager Hegwer noted that although no matching funds are required for this grant, we may want to consider what could be done to enhance our garden policy, since we own the property and there are ways to improve its' operation, maintenance and access.

Mrs. Spivey remarked that Horton Park needs the garden and the garden needs the park, especially in light of the fact that properties are adjacent to each other.

Ms. McIver thanked the members who have supported the garden, through visits and by spreading word through the community.

Council Member Buckels noted his appreciation for the work done by Ms. McIver at the park and stated that this is a prime example of smart growth. It provides not only aesthetic appeal, but also food and educational opportunities to our community.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2014-2015 (Public Building) – (Exhibit K)

City Manager Hal Hegwer explained that this ordinance covers the need for contractual employment services while an employee is out on medical leave.

Consider Request for Lee County to Donate Properties to the City of Sanford – (Exhibit L)

City Manager Hal Hegwer explained that properties on this list have been foreclosed on by the County over the past several years and they are now owned jointly by the City of Sanford and County of Lee. Mr. Hegwer said that he has discussed with County Manager John Crumpton the fact that many of these properties are vacant or wooded and have become a problem in the neighborhood regarding yard maintenance. The City has maintained many of them over the years as a result of the properties falling into disrepair or yard maintenance going undone while foreclosure is in process. The citizens in these neighborhoods rely on the City to manage these properties until the foreclosure is completed, after which time the houses are demolished and the lots are cleared.

Manager Hegwer explained that if the lots are owned jointly with the County, time and effort are required in order to bill the County for its share of work done by the City, creating much "red tape". County Manager Crumpton has agreed to submit to the Board of Commissioners a request to convey ownership of the properties to the City as sole owner. The City can then sell them independently since there is no need to retain ownership and maintenance responsibilities. Mr. Hegwer also said that if the City requires property owners to maintain their yards and properties, the City should be responsible for doing the same. The exhibit gives tax values and expenses incurred to date. He suggested that perhaps the properties can be sold to adjacent property owners or to developers interested in redevelopment. The property on Washington Avenue is a very small tract adjacent to the Martin Luther King Jr. Memorial Park. Mr. Hegwer confirmed that all of the dwellings shown on this list have been demolished; the lots are now vacant and could be sold immediately.

Consider Update/Discussion on Status of UDO Text Amendments as It Relates to (a) Sidewalks/Curb and Gutter and (b) Revisions to Industrial Design Standards

Community Development Director Marshall Downey explained that this update addresses two amendments listed above which were identified back in the spring when visions

and priorities were established. Since that time, amendments have been drafted which have cycled through the Joint Planning Commission (composed of representatives from the City, County and Town of Broadway) for feedback. As part of that strategy, the amendments were presented to the development community and tenants moving into some of these facilities with a request for feedback.

One of these two amendments addresses industrial standards thought to be too rigorous compared to UDO standards applied to corridors. The corridor standards seem to have worked well for retail establishments but not so well for industrial, wholesale establishments that are more employee and manufacturing based operations, not geared toward the general public.

The second amendment involves sidewalk and curb and gutter, with requirements applied to all subdivisions. The current UDO requirement applies to residential subdivisions and only for projects where proposed lots are less than 20,000 square feet.

Mr. Downey informed Council that a Public Information Meeting was held last Thursday, October 23. Notices were mailed to more than 60 stakeholders, which included general contractors, contractors, developers, real estate professionals (both appraisers and brokers) and design professionals. Even though only three attended the meeting, much feedback was received through office visits and phone calls as a result of many of these professionals' one-on-one relationships with current Planning Department staff members.

He explained that throughout discussion on both amendments, industrial standards received little negative feedback as the process moves forward with the formal presentation and public hearing; however, local developers did express concern on the sidewalk amendment. They are in agreement with the original 2006 requirement for sidewalks in higher density projects; their concern is the 20,000 square foot lot requirement ("R-20"). Back in the spring, former Director Mr. Bridwell noted that the goal should be to have sidewalks in all subdivisions and that we will need to remove the R-20 model as the standard default for single-family development. Mr. Downey stated that proceeding on the current amendment course will accomplish only one of those two goals. Unfortunately, since there has been little new residential development, there has been no opportunity for the current Council and Planning Department to illustrate their willingness to make that change or adopt a higher density development pattern. The current sentiment, as seen by Mr. Downey, is that the development community is comfortable with the idea of sidewalks but uncomfortable as to whether or not Council will maintain the standard default zoning as R-20 or higher type density.

Council Member Williams questioned whether there were that many R-20 neighborhoods, other than those grandfathered and annexed into the City. Director Downey explained that, in terms of the development patterns from the 1990s, there are not many new developments with this designation, nor does it seem likely there will be many R-20 requests in the future. He stated his opinion that if we could, we would have shown the development community that this Council, had there been the opportunity, would have phased out this model.

Mayor Mann asked if higher density is the trend in other leading communities, such as southern Wake County. Mr. Downey confirmed that this was indeed the case. Mayor Mann noted that our area is one of the least dense communities in this area. Mr. Downey explained that

much of the current housing is of a mixed-village concept, larger projects with varying degrees of lot sizes. He went on to say that 20,000 square feet is no longer the standard lot size: 15,000 square feet is seen as a larger lot while 10,000 square feet would be the more standard lot size. Mr. Downey also stated that in Concord, North Carolina (where he was previously employed), 15,000 square feet was the standard lot size, 10,000 square feet was a smaller lot size and there were even lots of only 6,000 square feet.

Mayor Mann stated that lots defined as R-20 would be permitted but sidewalks would be required in front of these lots. Mr. Downey stated that if this amendment is adopted, as proposed, sidewalks would be required regardless of lot size. Developers gave the example that they may have previously wanted to do lot sizes of R-12 (12,000 square feet) or R-14 (14,000 square feet), but reception was less than positive since they were required to default back to lots of 20,000 square feet. Their concern now is that if a higher density project is proposed, sidewalks would still be required, resulting in a negative economic impact on the project.

City Manager Hegwer noted that this may lead to requests for rezoning in existing subdivisions. Director Downey confirmed this appears likely, since specific questions have been posed as to whether there would be the opportunity to request higher density zoning and which would result in a shift in policy.

Council Member Williams remarked that his neighborhood was annexed in 1996 and lots were approximately one-half acre; however, in the county, extra land is needed for the septic tanks and drain fields. Director Downey stated that existing developments on septic tanks won't see this type of situation and confirmed that no action is requested at this time. In November, there will be a series of amendments which are corrective in nature. These two items, and possibly others, will likely be coming to the Council in December or January after being "fine-tuned".

Other Business

Council Member Haire encouraged everyone to go vote next Tuesday on Election Day.

Council Member Wyhof also encouraged voting and noted that the final Citizens Academy had been held this past week. The closing session is scheduled for November 18, at which time the participants will share their observations.

Council Member Buckels thanked Mayor Mann and Council Members Gaskins and Williams for representing Sanford so well recently at the Sister City Convention in China and welcomed them back.

Manager Hegwer noted that the Law and Finance Committee scheduled for Wednesday, November 26, has been cancelled. The City Council Meeting scheduled for the following Tuesday, December 2, 2014, will be held.

Mayor Mann extended his appreciation of the support given during the recent trip to China with fellow Council Members Gaskins and Williams, Mayor Mann, local businessman Kirk Bradley, Chamber of Commerce Director Bob Joyce, and former Sanford resident Frank Proctor, who is currently a resident of Hong Kong. He explained that the trip had been quite successful.

Posts had been made to Facebook and on the City website. He told everyone that more details will be provided and a slideshow presentation will also be made. He stated that he is optimistic that the trip will bear fruit, though not immediately, and noted that the Chinese appear hungry for investment with us. Our common heritage of pottery production and the Confucius classroom at Central Carolina Community College are two of the common bonds of the relationship.

Mayor Mann also noted that the ribbon cutting ceremony for the completion of the Big Buffalo Wastewater Treatment Plant will be held October 31 and invited everyone to attend.

Closed Session

City Attorney Susan Patterson read a motion to go into closed session in accordance with N.C.G.S. 143-318.11(a) (3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege.

So moved by Council Member Haire and seconded by Council Member Gaskins, the motion carried unanimously.

Mayor Mann stated that no further action would be taken after returning from Closed Session.

Adjournment

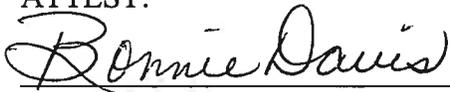
Council Member Williams made the motion to adjourn the meeting. Seconded by Council Member Gaskins, the motion carried unanimously.

Respectfully Submitted,



T. Chet Mann, Mayor

ATTEST:



Bonnie Davis, City Clerk