

CITY COUNCIL WORKSHOP MINUTES OF THE
CITY OF SANFORD, SANFORD, NORTH CAROLINA
Tuesday, May 10, 2016

The City Council held a workshop on Tuesday, May 10, 2016, at 5:30 p.m., in the West End Conference Room, of the Sanford Municipal Center, located at 225 East Weatherspoon Street, Sanford, North Carolina. The following people were present:

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

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

Mayor Mann called the meeting to order.

Discussion Regarding Parking in Downtown Sanford and Jonesboro

Peggy Taphorn, Producing Artistic Director of Temple Theatre, read a statement (Exhibit A) regarding the theatre's unique parking and loading zone needs. She requested a loading zone and elimination of the two-hour parking limit in order to better serve their patrons.

Bob Joyce, speaking as Co-Chair of the Parking Committee and as a board member of Downtown Sanford, Inc. (DSI), presented a slide show (Exhibit B) and stated the following:

- DSI has held two meetings with merchants (one in the morning, one in the afternoon);
- Several parking studies have been completed over time with many common elements and they provided enough information to make good recommendations;
- The common perception is that downtown parking is inadequate unless spaces are available very near visitors' destinations (this was also seen in every other downtown area researched); and
- There are almost 1,500 parking spaces downtown and approximately 850 in the core area.

To overcome this perception of inadequate parking, Mr. Joyce made the following recommendations:

- Attractive and eye-catching signage is needed to direct people to parking;
- Off-street parking must be clean and well-lit;
- Off-street parking should be connected to the business district in a way that provides a feeling of safety;
- Temple Theatre's need for a loading zone and longer parking limits should be addressed;
- Time limits (such as "2 hour parking") could be shown on street striping and unobtrusive signs attached to light poles; and
- Pay stations could be installed to accept debit and credit cards.

Steve Brewer, also a Co-Chair of the DSI Parking Committee, spoke about the need to provide off-street parking for business owners and employees so that more convenient, on-street

parking could be used by customers and visitors. Electronic pay stations could be installed to provide the necessary revenue stream. Benefits of pay stations include the ability to transmit information electronically (rather than printed) and allow merchants to offer pre-paid “gift” cards to customers as a marketing tool. Mr. Brewer stated that none of the merchants at either meeting were opposed to paid parking. Richard Micro (representing The Steele Pig restaurant downtown) agreed that paid parking and electronic meters are both good options.

Mr. Joyce stated that studies have shown no loss of business in areas where visitors are charged for parking and also show that the public will accept paying for premium, on-street parking if safe and well-lit off-street parking is available at no charge.

Potential sites for off-street parking were discussed, some already owned by the city and others that could be acquired, such as the property behind Temple Theatre and property owned by the railroad on North Moore Street. The tract behind the Temple could provide approximately 60 to 65 parking spaces and the railroad property could provide as many as 30 additional spaces.

Mayor Pro Tem Gaskins noted that merchants located in the Special Tax District voluntarily pay more in taxes, giving them a voice in these decisions.

The following suggestions were made:

- Using the corner spaces on North Moore Street nearest its intersection with Carthage Street as a loading zone for deliveries (vendors, UPS, Federal Express);
- Using the spaces directly in front of the Temple Theatre as a loading zone for buses; and
- Offering valet service for theatre patrons.

The following topics were also discussed:

- Increasing fines for parking violations from \$5 to \$25 to encourage compliance;
- Diagonal parking:
 - It appeared that merchants are not in favor of diagonal parking if other solutions (such as additional off-street parking for employees) are pursued;
 - Approximately seven spaces would be gained on one side of Carthage Street if parallel spaces were converted to diagonal spaces.

City Manager Hegwer offered to lead a committee of Council members, staff and DSI representatives to develop an incremental parking plan. Mayor Pro Tem Gaskins, Council Member Post and Council Member Williams agreed to serve on the committee.

Peggy Taphorn stressed the urgency of designating a loading zone area for theatre patrons and school children attending the summer session. City Engineer Paul Weeks confirmed that an area could be marked temporarily until final decisions are made. He noted that DOT must review and approve any proposals since this will affect traffic signal timing and the railroad track. The parking committee will analyze these issues and make a recommendation. These decisions must be made soon since milling and paving are scheduled for June or July.

Mayor Mann summarized the discussion by stating that Council will review downtown parking in a comprehensive manner and develop a plan to fund it over time with recommendations from the parking committee.

Regarding parking and signage in Jonesboro, Public Works Director Victor Czar noted that streetscape construction contracts included reinstalling parking signs; however, that can be delayed if timed parking is being considered. Council Member Williams noted that several merchants in Jonesboro have requested more time to consider the return of parking limits since parking is not a problem in Jonesboro at this time, with several buildings still vacant.

Discussion Regarding Central Carolina Enterprise Park (“CCEP”)

City Manager Hegwer referred to a letter from Kirk Bradley regarding development of CCEP (Exhibit C). Staff has been working with Lee County and the private sector on developing an industrial park. We have been told for quite some time that we must have a product, which Lee County has pursued for many years but due to the expense and changes in board members, has been unable to proceed. The private sector and the Sanford Area Growth Alliance’s (SAGA) Product Development Committee have researched how to work together to create a product by sharing in the risks and costs.

Community Development Director Marshall Downey displayed maps and information on the city limits, the proposed CCEP and Triassic Parks, and the Deep River Forest planned community (Exhibit D). Deep River Forest, now about 1,200 acres, will eventually be approximately 1,800 acres.

Staff has met with the property owners of CCEP and Triassic to identify how to move forward on several issues. The CCEP property owners have requested voluntary annexation of the 293 +/- acres. Since involuntary annexation is no longer allowed, it is in the City’s best interest to work with property owners when there is an opportunity to grow. Another annexation request will be made for two parcels owned by the County (at the intersection of Womack Road and Clyde Rhyne Drive and the right-of-way of Clyde Rhyne Drive, from Womack Road to Colon Road). As proposed, CCEP includes an eight-lot business/industrial park with a focus on recruiting industries seeking structures in the 20,000-100,000 square-foot range, and an emphasis on 100,000 square-foot buildings, which appear to be the most popular sized structure for this type of park.

Mr. Downey explained that conditional zoning is being proposed to allow for input on design standards for building and landscape. Staff has spent a great deal of time working with the property owners identifying uses to be allowed in the park and there is a tentative agreement. By working with the owners on conditional zoning, we can promote the type of business and industry we would like to see in the park and ensure that our vision of the project – a new, modern industrial park with the amenities, look and feel to make us competitive in the marketplace – aligns with theirs. The goal is to create product for job creation and investment inside the city limits, as opposed to the existing park which was developed outside the corporate city limits. Plans also include limiting secondary uses (such as restaurants and hotels) to no more than 20 percent of the land area within the park so that it doesn’t become more retail oriented.

The Triassic site, approximately 490 acres bisected by US Highway 1, will also be voluntarily annexed. It is being marketed to accommodate one or two very large industries, so details and plans on this site are less determined at this point. The owners will likely petition for rezoning from the current County Light Industrial (LI) and General Commercial (C-2) to the equivalent City L1 and C-2. Mr. Hegwer noted this is the site which had been seriously considered by Baxter Pharmaceutical for its \$700 million investment and more than 1,000 employees. This

site will likely attract a business with plans for a larger campus-style setting and several buildings for a large number of employees.

Mayor Mann reminded Council that the recent presentation by Mark Sweeney (Duke's largest economic development consultant) informed us of what is needed to attract jobs. He noted that SAGA was formed to create 1,000 jobs in five years and about 250 have been created to date. Mr. Hegwer stressed that it is a huge advantage to have these large tracts available, purchased by investors with no public funding. Many other cities and counties have undertaken similar projects but they had to purchase the property.

Public Works Director Czar explained that this is very much a negotiated process. The owners are willing to request annexation and forfeit some control with conditional zoning, but have requested that we install water infrastructure (approximately 8,000 feet of 16 inch waterline) through the entire project; sewer to serve all lots, and a sidepath. Estimated costs of approximately \$1.2 million for waterline and \$2.3 million for sewer lines would be paid through the Utility Fund. The estimated cost of the sidepath is approximately \$1.5 million and it would be paid through the General Fund. The developers have indicated they would be willing to delay sidepath construction until construction activity begins, except for the area near the entrance on Colon Road. Sewer line will also be needed to serve the Triassic site (as shown on Exhibit D), but they are not as far along in their development plan as CCEP. The county has agreed to provide broadband service to the site and the developers have requested that they provide grant funding for construction of improvements near the intersection of Colon Road and US Highway 1.

City Manager Hegwer noted that extending infrastructure will also provide redundancy (extra strength) and additional capacity to the existing industrial park. There has been some conversation between SAGA and existing park property owners who have some interest in annexation due to concerns with sign aesthetics and lighting, which is individually owned and gaps have developed over time. These properties are already served by city water and sewer but annexation would lower those rates and also provide fire and police protection, street lighting and snow removal. Mayor Mann has been contacted by one of the larger companies about the need for timely snow removal and improved lighting.

Financial Services Director Beth Kelly stated that the current assessed tax value of the vacant land owned by CCEP and Triassic is \$9,000,000, generating approximately \$55,000 in tax revenue. The existing industrial park has an assessed tax value of more than \$300 million (approximately \$205 million in personal property valuation and \$106 million in real property valuation), proving that the risk taken by the County has paid off with this tax base.

Mr. Hegwer stated that in the past, county representatives saw city involvement as an impediment to growth; however, that paradigm has completely changed. Developers want more than just a park with a road running through it. Mayor Mann noted that Mebane and other cities similar to us in size have found that this model has worked well for them: being annexed and having the infrastructure meets many of the requirements developers are looking for when choosing sites for modernized parks.

Regarding fire protection, Fire Chief Wayne Barber explained that he has discussed the matter with Northview and Deep River representatives and they are interested in contracting with the city since the properties will be undeveloped initially and incapable of providing revenue to

support a full-scale station. As the park grows, we can add paid staff but it would remain a joint venture. If Deep River Forest grows, he would like to have a city station at the entrance which could also cover the industrial parks. Details of coverage, purchasing equipment and possible fee structures were also discussed. Chief Barber noted that CCEP is located in both Deep River and Northview fire districts but he felt it would be in the city's best interest to contract with Northview since they are located nearer the city and can respond to those calls. When full-time paid staff is needed at the Northview department, they can also respond back into the city, serving a dual purpose.

Mr. Hegwer explained that due to changes in annexation policy, the older model of annexing areas already developed with an established tax base to support a fire station is no longer possible. We can't build a station until Deep River Forest develops and it could then serve CCEP and Triassic also.

Along with providing police and fire protection, the city will be responsible for the roadway but Powell funding will be available for that. Road maintenance and improvements will also be needed, along with street lights, estimated at approximately \$23,000 initially and \$1,000 monthly.

Mayor Mann reminded Council that ongoing updates to the Master Land Use Plan and Wastewater Plan could help solve the problem of the undeveloped "doughnut hole" areas. With the development of 1,800 acres for residential use and more industrial and commercial development nearby, we have an opportunity to direct growth to that area.

Mr. Hegwer explained that unless Council directs otherwise, he will factor these costs into the budget, noting that the major expense is on the utility side. Mrs. Kelly explained that a portion can be funded with cash and a portion must be financed. There are also capital needs for the Little Buffalo sewer line; combining all these costs would require borrowing approximately \$9 million. Options include installment purchase financing and the State Revolving Fund (SRF), which would likely carry a lower interest and longer payback period. She estimated the annual debt payment would be no more than \$750,000 and explained that current debt owed by the Utility Fund includes the bond issuance of \$52.8 million for the Wastewater Treatment Plant expansion, \$16.5 million to the SRF for a portion of the Wastewater Treatment Plant expansion, a SRF loan on the Clear Well Rehab and a small balance owed on another SRF. She noted that by issuing additional debt in the Utility Fund, our debt coverage ratio becomes even more important in connection with bonds and the ratings agencies' review every two years. We must continue to maintain adequate reserves in the Operating Fund for those debt payments, as we have in the past.

Mr. Hegwer explained that the extension projects alone would not require rate increases; however, there have been no increases in two years. He reminded Council that there are constant needs for such a large utility with hundreds of miles of water and sewer lines, along with changes in regulatory practices. Even though we have made great progress, there are still some problems with overflows; heavy rains create back-ups in the gravity sewer line that feeds Little Buffalo and state regulators want to know how we are working to present that. Approximately \$3.5 million will be included in the upcoming budget to deal with this issue.

There was discussion about revisions to the tap fee policy and additional revenue recently received from leachate treatment. Mrs. Kelly note that this treatment has been underway for only a

short time and is quite dependent on weather. Mr. Czar cautioned against overestimating revenue from the treatment.

Mr. Hegwer reminded Council that the wholesale purchase of water and sewer is quite common and we already sell water to Chatham County, Broadway and other entities. As growth increases, he believes there will be more agreements to provide water and sewer to other clients. Mrs. Kelly stated that ratings agencies view this practice favorably, since it indicates diversification and strength; additional wholesale contracts and potential growth in consumption associated with CCEP and Triassic could help more. There was discussion about how the recent purchase of the poultry plant near Siler City could affect water consumption in Chatham County. Mr. Hegwer also noted that Chatham Park, one of the premier megasites in the country, is located in Chatham County.

Mr. Mann stated that if water and sewer infrastructure is extended and Triassic attracts a major auto or tire manufacturer, we will see growth as never before. Council must decide whether we can afford it and he hopes they decide we can.

Mayor Pro Tem Gaskins stated that an article in today's *The Sanford Herald* detailing our water quality and the treatment process makes it even more desirable for people to look toward Sanford for their water.

Mr. Czar informed Council that they would be seeing a developers' agreement soon detailing each party's responsibilities, which is a different process than previously used.

City Engineer Paul Weeks updated Council on the status of the streetscape project by stating that after the older poles remaining are removed and those areas patched, paving will be done, likely in July. Park benches in Jonesboro have been moved further back from the curb. The Windstream phone lines on Chatham Street, down McIver and Charlotte (around the Buggy Company) will not be removed as part of the project, but those in the two-block area of the project will be removed, likely by the first of June. The electricity has been converted to the underground circuit, so Duke Energy is removing the older material on poles.

ADJOURNMENT

Council Member Post made the motion to adjourn the workshop. Seconded by Mayor Pro Tem Gaskins, the motion carried unanimously.

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

Respectfully Submitted,



T. CHET MANN, MAYOR

ATTEST:



BONNIE DAVIS, CITY CLERK