

**FAYETTEVILLE CITY COUNCIL
AGENDA BRIEFING MINUTES
LAFAYETTE ROOM
SEPTEMBER 18, 2013
4:00 P.M.**

Present: Mayor Anthony G. Chavonne

Council Members Keith Bates, Sr. (District 1); Kady-Ann Davy (District 2)(arrived at 4:20 p.m.); D. J. Haire (District 4); Bobby Hurst (District 5); William J. L. Crisp (District 6); Valencia A. Applewhite (District 7); Wade Fowler (District 8); James W. Arp, Jr. (District 9)(arrived at 4:25 p.m.)

Absent: Council Member Robert A. Massey, Jr. (District 3)

Others Present:

Ted Voorhees, City Manager

Kristoff Bauer, Deputy City Manager

Rochelle Small-Toney, Deputy City Manager

Tracie Davis, Corporate Communications Director

Karen Hilton, Planning and Zoning Division Manager

David Nash, Planner II

Bart Swanson, Housing and Code Enforcement Division Manager

Dwight Miller, PWC Chief Financial Officer

Pamela Megill, City Clerk

Members of the Press

Mayor Chavonne called the meeting to order at 4:00 p.m.

City staff presented the following items scheduled for the Fayetteville City Council's September 23, 2013, agenda:

DEMOLITION CASES

Uninhabitable Structures Demolition Recommendations

Mr. Bart Swanson, Housing and Code Enforcement Division Manager, presented this item with the aid of a PowerPoint presentation and multiple photographs of the properties. He stated staff recommended adoption of the ordinances authorizing demolition of the structures. He reviewed the following demolition recommendations:

225 S. Eastern Boulevard

Mr. Swanson stated the structure is a vacant commercial structure that was involved in a fire in December 2012. As a result of the fire the structure was inspected and condemned as a dangerous structure on December 18, 2012. A hearing on the condition of the structure was conducted on January 9, 2013, which the owner attended. A subsequent Hearing Order to repair or demolish the structure within 120 days was issued and mailed to the owner on January 10, 2013. To date there have been no permitted repairs to the structure. The utilities to the structure have been disconnected since December 2012. In the past 24 months there have been 142 calls for 911 service to the property. There have been 6 code violation cases with no pending assessments. The low bid for demolition is \$1,489.00.

540 Frink Street

Mr. Swanson stated the structure is a vacant residential home that was inspected and condemned as a dangerous structure on November 13, 2012. A hearing on the condition of the structure was conducted on January 9, 2013, which the owner responded but did not attend. A notice of the hearing was published in the Fayetteville Observer newspaper. A subsequent Hearing Order to repair or demolish the property within 90 days was issued and mailed to the owner on January 10, 2013. To date there has been little repair done to the structure. The utilities to the structure have been disconnected since June 2010. In the past 24 months there have been 5 calls for 911 service to the property. There have been 5 code violation cases with no pending assessments. The low bid for demolition is \$1,900.00.

516 Lamon Street

Mr. Swanson stated the structure is a vacant residential home that was inspected and condemned as a blighted structure on November 21, 2012. A hearing on the condition of the property was conducted on December 5, 2012, which the owner did not attend. A subsequent Hearing Order to repair or demolish the structure within 60 days was issued and mailed to the owner on December 6, 2012. To date there have been no repairs to the structure. The utilities to this structure have been disconnected since September 2008. In the past 24 months there have been 7 calls for 911 service to the property. There have been 9 code violation cases with a pending assessment of \$1,261.50. The low bid for demolition is \$2,500.00.

520 Lamon Street

Mr. Swanson stated the structure is a vacant residential home that was inspected and condemned as a blighted structure on November 21, 2012. A hearing on the condition of the property was conducted on December 5, 2012, which the owner did not attend. A subsequent Hearing Order to repair or demolish the structure within 90 days was issued and mailed to the owner on December 6, 2012. To date there have been no repairs to the structure. The utilities to this structure have been disconnected since June 2011. In the past 24 months there have been 53 calls for 911 service to the property. There have been 6 code violation cases with a pending assessment of \$656.30. The low bid for demolition is \$2,500.00.

217 Old Wilmington Road

Mr. Swanson stated the structure is a vacant residential home that was inspected and condemned as a blighted structure on June 13, 2012. A hearing on the condition of the property was conducted on September 5, 2012, which the owner did not attend. A notice of the hearing was published in the Fayetteville Observer newspaper. A subsequent Hearing Order to repair or demolish the structure within 60 days was issued and mailed to the owner on September 6, 2012. To date there have been no repairs to the structure. In the past 24 months there have been 5 calls for 911 service to the property. There have been 9 code violation cases with a pending assessment of \$1,029.21. The low bid for demolition is \$1,900.00.

CONSENT ITEMS

P13-20F. The rezoning of a portion of a property from SF-6 Single Family Residential to CC – Community Commercial or to a more restrictive district located at 6243 & 6113 Yadkin Road and 663 Horseshoe Road and being the property of Moore Enterprises. (Applicant withdrew the rezoning affecting the remainder of the residential property.)

Ms. Karen Hilton, Planning and Zoning Manager, presented this item. Ms. Hilton showed vicinity maps and gave overviews of the current land uses, current zonings, surrounding land uses and zonings, and 2010 Land Use Plan. Ms. Hilton stated this property is located at the intersection of Yadkin and Horseshoe Roads. Currently this property is split zoned. The portion fronting Yadkin Road is zoned CC - Community Commercial. The remainder of the property is zoned SF-6 - Single Family Residential. The requested action is related to the area currently zoned SF-6. The applicant would like to extend the CC zoning into a portion of this area. This would make an existing auto repair business a legal use. The applicant no longer is requesting a rezoning all of the remaining SF-6 zoned property. The City's Land Use Plan calls for both heavy commercial and medium density residential on this property. This case was heard by the Zoning Commission on August 13, 2013. The Commission voted 5-0 to recommend approval. There was one speaker in favor and three in opposition. The speakers in opposition were all former employees of the old Diffin's auto repair and junk yard. The junk yard was required to shutdown and now they are opposed any business moving back to that location. The Zoning Commission and staff recommend approval of a portion of the property to be rezoned to CC based on (1) the Land Use Plan calls for Heavy Commercial on a portion of the property along Yadkin Road, (2) Extending the CC zoning will make the property more viable for commercial redevelopment, and (3) Extending the CC zoning will bring a nonconforming use (auto repair business) into compliance.

P13-25F. The initial zoning of property to HI – Heavy Industrial or to a more restrictive district, located at the Cedar Creek Industrial Park on Cedar Creek Road and being the property of Cumberland County.

Ms. Karen Hilton, Planning and Zoning Manager, presented this item. Ms. Hilton showed vicinity maps and gave overviews of the current land uses, current zonings, surrounding land uses and zonings, and 2010 Land Use Plan. Ms. Hilton stated park is vacant. Cumberland County has built an access road into the park. The County has petitioned the City for annexation of these properties so that PWC utilities may be extended. These properties are zoned M(P) - Manufacturing with a Plan by the County. This rezoning was done by the County when the project first started being developed. The requested action is to initially zone this property to HI which is the City's closest equivalent zoning district. This case was heard by the Zoning Commission on August 13, 2013. The Commission voted 5-0 to recommend approval. There were no speakers in favor and one in opposition to this case. The speaker in opposition expressed concern for the lack of frontage needed to access the industrial park and he also indicated that he did not wish to be annexed. The Zoning Commission and staff recommend approval of the proposed initial zoning based on (1) the Land Use Plan calls for Heavy Industrial on these properties, (2) Construction of an industrial park has already started, and (3) the property will be accessed from both Cedar Creek Road and Clark West Road.

Case No. 13-27F. Request for rezoning from SF-10 Single Family Residential to O&I Office and Institutional or to a more restrictive district, located at parcel contiguous to 8030 Raeford Road to the rear of the Alpha Academy containing 9.54 acres more or less of 27.52 and being the property of Broadwell Land Company.

Ms. Karen Hilton, Planning and Zoning Manager, presented this item and showed vicinity maps and gave overviews of the current land uses, current zonings, surrounding land uses and zonings, and 2010 Land Use Plan. Ms. Hilton stated this property is located to the north and contiguous to the existing Alpha Academy. The access to this property is from Raeford Road. The property to be rezoned is 9.54 acres. The existing school is zoned CC - Community Commercial and the rear is zoned SF-10 - Single Family Residential. The City's Land Use Plan shows low density residential for the surrounding properties. The owners of this property would like to rezone the land to the rear of Alpha Academy so that it may be utilized as a recreational area and in the future it may accommodate classroom additions to the current facility. This case was heard by the Zoning Commission on August 13, 2013. The Commission voted 5-0 to recommend approval. There were two speakers in favor and none in opposition to this case. The Zoning Commission and staff recommend approval of the rezoning request to O&I based on (1) the Land Use Plan calls for Lower Density Residential and the requested zoning district is intended to accommodate small-scale, low-intensity institutions. The O&I districts are generally near residential neighborhoods, (2) the portion of the property to be rezoned will serve as a buffer or transition between the future neighborhood and the more intense business district, and (3) the area zoned SF-10 is currently undeveloped and will be supportive to the Alpha Academy without being in a less restrictive commercial district.

P13-28F. The conditional rezoning of property from SF-6 Single Family Residential to MR-5/CZ Mixed Residential Conditional District or to a more restrictive district located at 5204 Patton Street between Bragg Boulevard and Old Shaw Road and being the property of N. Earl Jones, Jr. and wife, Diane B. Jones.

Ms. Karen Hilton, Planning and Zoning Manager, presented this item. Ms. Hilton showed vicinity maps and gave overviews of the current land uses, current zonings, surrounding land uses and zonings, and 2010 Land Use Plan. Ms. Hilton stated these properties are located between Old Shaw Road and Bragg Boulevard in the Bonnie Donne area of Fayetteville. These properties have access to both roads. The former use of one of these properties was a mobile home park. The other property is wooded. The owner of this property is requesting a rezoning to MR-5/CZ - Mixed Residential Conditional zoning. The owner's goal is to build apartments on this property at some time. The owner is conditioning this rezoning to a maximum of 400 units, where 936 units could be built under a straight MR-5 rezoning. Under the current SF-6 zoning district, 499 units could be developed through the Special Use Permit process. If this property is developed as multi-family, the owners will have to adhere to all the standards of the City's Unified Development Ordinance. This would include transition standards between single family

residential and multi-family residential. This case was heard by the Zoning Commission on August 13, 2013. The Commission voted 5-0 to recommend approval. There was one speaker in favor and none in opposition to this case. Conditions offered by the applicant:

- Maximum of 400 units (99 units less than what could be developed under the current zoning).

The Zoning Commission and staff recommend approval of a rezoning to MR-5/CZ based on (1) the Bragg Boulevard Plan calls for multi-family development on this property, (2) redevelopment of a blighted area, and (3) proximity to Fort Bragg and the need to provide off-base housing.

PUBLIC HEARINGS

P13-12F. Initial zoning of property from R6A County Residential to LC – Limited Commercial or to a more restrictive district located at 1030 Palm Springs Drive and Honeycutt Road and being the property of James Sanders, Donna Muraski and Charlotte Strickland. (Tabled item from July 22nd and August 26th)

Ms. Karen Hilton, Planning and Zoning Manager, presented this item. Ms. Hilton showed vicinity maps and gave overviews of the current land uses, current zonings, surrounding land uses and zonings, and 2010 Land Use Plan. The owner of these properties has petitioned for annexation into the City of Fayetteville in order to connect to public utilities when this property is developed. As part of the petition, the applicant has requested that this property be initially zoned to LC - Limited Commercial. Currently these properties are zoned R6A in Cumberland County's jurisdiction. The Land Use Plan calls for these properties to eventually convert to heavy commercial. It is staff's opinion that development in this area has not progressed enough to warrant the conversion of these properties to commercial. As shown on the attached aerial photo and photographs of the surrounding properties, there are already several properties in this area zoned for commercial use that are either undeveloped or underdeveloped. Less than a mile to the south of this project on McArthur Road, there will be an interchange built for Interstate 295. An increase in traffic will be expected in this area. As stated in previous reports to the City Council, Fayetteville has an overabundance of property already zoned for commercial use. The City's staff would encourage this developer to look at infill development instead of expanding the commercial zoning footprint in the City. If annexed, it is staff's opinion that this property should remain residentially zoned at this time. The Zoning Commission held a public hearing on this case on May 14, 2013. There were no speakers in opposition. The Commission voted to recommend approval of this rezoning request.

The Zoning Commission recommends approval of the initial zoning to LC based on (1) the City Land Use Plan calls for heavy commercial, (2) the proposed development fits with the character of the neighborhood, and (3) new investment in a blighted area of the City.

The staff recommends denial of the initial zoning to LC based on (1) 2030 Plan discourages rezoning property to commercial solely based on it being adjacent to a thoroughfare, (2) undeveloped and underdeveloped commercial property at this intersection should be developed or redeveloped before additional land is zoned for commercial use, (3) if annexed this property should remain residentially zoned at this time, (4) an intense use such as fast-food encourages more commercial adjacent to this site and begins the strip commercial pattern while leaving larger properties underutilized, and (5) should the proposed use not go forward, other commercial uses could have a destabilizing effect.

P13-24F. The issuing of a Special Use Permit to allow for an automotive wrecker service to be located at Phillips Towing, 314 Alexander Street and being the property of Phillips Leasing Systems LLC.

Ms. Karen Hilton, Planning and Zoning Manager, presented this item. Ms. Hilton showed vicinity maps and gave overviews of the current land uses, current zonings, surrounding land uses and zonings, and 2010 Land Use Plan. This project will be part of Phillips Towing & Recovery Operations at 314 Alexander Street. The applicant has several properties and existing towing facilities on Alexander Street. Most of the area along Alexander Street is zoned Heavy Industrial. The use requirements associated with Automotive Wrecker Services (Section 30-4.C.4(j)(5)) require that the use be at least 250 feet from any residential district, school or child care center. This use is immediately adjacent to one remaining residence at 247 S. Cool Spring Street and a

residence at 304 Alexander Street. A text amendment was approved recently that allows a reduction in the separation requirements through a special use permit, upon showing of good cause with supporting evidence and mitigation of impacts. The facility will be used to provide maintenance for their existing equipment. Improvements to the site have already been made in order to remove three underground storage and fuel tanks, remove an old modular trailer as well as clean up the existing site and the appearance of the building. Normal business hours will be from 8AM to 5PM, while being available by request for emergency situations. Existing vegetation on either side of the house located at 247 S. Cool Spring Street is enough to satisfy the Type D buffer required in the special use permit conditions. Along the rear of the house, the applicant is requesting to install a block masonry wall in order to screen the facility from the single family residential property. There is not enough room along the backside of the applicant's facility to add anything other than a block wall due to the need for a safe aisle space width for the larger truck traffic. The applicant will also place a Type D buffer where applicable along the property line adjacent to the home that sits at 304 Alexander Street. Due to the nature of the proposed use and the layout of the current property, the applicant would like to construct a masonry wall along S. Cool Spring Street and along the portion of Raymond Avenue that is currently zoned LC. This will allow for significantly more screening than currently exists. This case was heard by the Zoning Commission on August 13, 2013. The Commission voted 5-0 to recommend approval. There was one speaker in favor and none in opposition. Conditions recommended by the Zoning Commission and staff are:

1. Removal of barbed wire within 90 days.
2. Maintaining the equivalent of a Type D buffer on either side of the residence at 247 S. Cool Spring Street.
3. Installation of Type D buffer along the residence at 304 Alexander Street.
4. No storage of vehicles beyond the front facade of the existing building.

The Zoning Commission and staff recommend approval of the proposed SUP based on:

1. Conditions listed above.
2. Minimal impact to the surrounding district and existing residences once required landscape buffers and solid walls are in place compared to historic uses on the site.
3. This project is located within the HI zoning district where automotive wrecker services are permitted subject to applicable requirements.
4. Minimal visual impact from Alexander Street which contains various other industrial uses.
5. Once complete, this project will have significantly less impact than the previous use.
6. Applicant's proposal for screening will mitigate buffer concerns from residential uses.

A Special Use Permit shall be approved only upon a finding that all of the following standards are met:

1. The special use complies with all applicable standards in Section 30-4.C, Use-Specific Standards.
2. The special use is compatible with the character of surrounding lands and the uses permitted in the zoning district(s) of surrounding lands.
3. The special use avoids significant adverse impact on surrounding lands regarding service delivery, parking, loading, odors, noise, glare, and vibration.
4. The special use is configured to minimize adverse effects, including visual impacts of the proposed use on adjacent lands.
5. The special use avoids significant deterioration of water and air resources, wildlife habitat, scenic resources, and other natural resources.
6. The special use maintains safe ingress and egress onto the site and safe road conditions around the site.
7. The special use allows for the protection of property values and the ability of neighboring lands to develop the uses permitted in the zoning district.
8. The special use complies with all other relevant City, State, and Federal laws and regulations.

Public Hearing to Consider a Petition Requesting Annexation of a Non-Contiguous Area Known as the Honeycutt Road at Palm Springs Drive Property (Tabled from July

22 and August 26.)

Mr. David Nash, Planner II, presented this item. Mr. Nash showed vicinity maps and gave overviews of the current land uses, current zonings, surrounding land uses and zonings, and 2010 Land Use Plan. This annexation item was originally scheduled for the City Council meeting on July 22, 2013. However, due to problems with the legal description of the boundaries of the site, the item was tabled until August 26. On August 26, 2013, the item was again tabled until September 23, 2013.

The information below has been updated to reflect several recent changes. For example, the site originally consisted of three tax parcels; these three parcels have now been combined into one parcel. The site originally consisted of 1.32 acres; the site is now assumed to have 1.16 acres. Mr. Eric Nelson proposes new commercial development on a site located on Honeycutt Road at Palm Springs Drive in the Eureka Springs community. This site is not contiguous to the City. There are currently two vacant houses on the site. If the site is annexed and initially zoned as commercial, Mr. Nelson plans to buy the land in the site. He then plans to remove the two vacant houses. He then plans to develop the site commercially. Mr. Nelson has said that he intends to build a Subway Restaurant on the site. However, commercial zoning would allow a range of commercial uses. Mr. Nelson wants to use PWC water and sewer for the proposed commercial development. The site is in the Fayetteville Municipal Influence Area (MIA). Policy 150.2 requires that the property be annexed before PWC water and/or sewer will be provided or expanded. Mr. Nelson has not yet purchased the site. Therefore, he has asked the current owners to submit an annexation petition. The City staff received the petition on March 5, 2013. The petition was signed by James Steven Sanders, Donna Lynn Muraski, and Charlotte A. Strickland. On April 9, 2013, the Zoning Commission held its public hearing on the initial zoning of this area. On July 22, 2013, the City Council was to hold public hearings on the initial zoning and annexation. Prior to this meeting, the City staff attempted to write a legal description for the ordinance, and the staff discovered that there was a gap problem and an overlap problem along the boundaries of this area. On July 22, the public hearings were tabled until the City Council meeting of August 26. By August 26, 2013, the problems had not been resolved, so the public hearings were tabled until September 23, 2013. As the September 23 City Council meeting approaches, the City staff believes the overlap area boundary problem has been resolved and has been able to prepare a legal description for the proposed annexation ordinance. The City staff has also been able to prepare a legal description map. Both the legal description and the legal description map show that the area consists of 1.16 acres, rather than 1.32 acres. Both the legal description and legal description map also show that the area consists of one parcel, rather than three.

Sufficiency -The City's Real Estate staff has verified that the persons who signed the petition (James Steven Sanders, Donna Lynn Muraski, and Charlotte A. Strickland) are still the owners of the properties.

Services - City operating departments and PWC divisions have reviewed the proposed annexation and they should be able to serve the property.

City Services - The Fire Department has reported that the travel distance is 1.5 miles (4 minutes travel time) from the closest City station. The department's goal is 5.3 minutes for the first arriving unit. The Fort Bragg Fire Department is 2 miles (4.5 minutes travel time) from the site. There should be 24 hour uninterrupted response service for the site. An automatic/mutual aid agreement is currently in place for Fort Bragg and the West Area Fire Departments to provide response coverage to the site. The Police Department reported that it will be able to provide service to the property without any additional staff or equipment. The Engineering and Infrastructure Department reported that it would serve the area as it serves other commercial areas in the City. The Environmental Services Department reported that if the area is developed commercially, the department would not serve the business; instead, services would be provided by a commercial hauler. If the two houses on the property remain and are rented out, the department would be responsible for garbage collection.

PWC Services – PWC Water is available on Honeycutt Road, and a fire hydrant is located along the edge of Honeycutt Road, in front of the two houses. PWC Sewer is about 500 feet away on McArthur Road and an extension would be needed in order to provide sewer to the site. Regarding PWC Electrical service, this site is not within the PWC electrical service area. There are five standards that a satellite annexation must meet in order to be annexed. This area meets the five standards, as shown in the ordinance. Regarding the "do not split a subdivision" standard, there is no evidence in the County tax records of this land being included in a subdivision plat. Instead, the property has been conveyed over the years by deed. The recombination survey map shows an overlap area and a gap area. The City staff now believes that Mr. Nelson and the petitioners have taken steps to resolve the overlap area, so the staff has been able to prepare a legal description and legal description map for the proposed ordinance. City Council should be able to consider the ordinance at its meeting on September 23, 2013. The 2011 changes to the state annexation law regarding effective dates did not apply to satellite areas. The law remains the same; a satellite annexation may be made effective immediately, or on any specified date within six months from the date of passage. Analyzing the budgetary impact of an annexation involves comparing projected revenues with projected costs. If this area is annexed, the City will receive revenues from the property tax and the stormwater fee. However, these revenues have not been projected. There will be no population-based revenues because the area has no population. No City operating departments have expressed concerns or unusual increases in costs to serve this area, if it is annexed. If this area is annexed, it is expected that revenues will exceed costs; therefore, it is projected that the fiscal impact will be positive for the City.

Public Hearing to Consider a Request from Cumberland County to Annex the Cedar Creek Industrial Park as a Non-Contiguous Area

Mr. David Nash, Planner II, presented this item. Mr. Nash showed vicinity maps and gave overviews of the current land uses, current zonings, surrounding land uses and zonings, and 2010 Land Use Plan. Around 1999, Cumberland County began developing the Cedar Creek Industrial Park that comprises over 470 acres. It is located along Cedar Creek Road, about 1.5 miles east of I-95 and about 1.2 miles beyond the existing Fayetteville city limits. The County developed the park for the purpose of providing sites for the location of new industries and businesses. The County hoped that new industries and businesses would locate in the park, which would lead to the creation of new jobs and the enhancement of the tax base. The County has made a major investment in planning/design, land, and infrastructure. For example, two sections of a road (Clark-West Road) have been built, and PWC water and sewer lines have been installed. Development sites are now available in the park. However, no industries or businesses have located in the park since it was developed. Development officials believe that the lack of three-phase electrical power service might be hindering effective marketing of the park. Both PWC and the South River Electric Membership Corporation are able to extend three-phase electrical power to the park. City and County staffs have negotiated an interlocal agreement that would establish an economic development incentive program for the park. The interlocal agreement would bring the park into the City through annexation, and it would establish a specific package of development incentives designed to mitigate the tax consequences of annexation. Both the City Council and the County Commissioners have approved the interlocal agreement. Section 9 of the agreement says that the agreement will become effective upon the effective date of the annexation. On July 3, 2013, the City received the final signed copy of the interlocal agreement, along with a legal description. Since Section 1 of the agreement says that the agreement shall be construed to constitute a petition by the County for the annexation of the entire park into the City, the City staff has treated this request as a satellite annexation petition. On August 13, 2013, the Fayetteville Zoning Commission held an initial zoning public hearing on this annexation request. On September 23, 2013, the City Council will consider the initial zoning of the park as part of the consent agenda, and the City Council will also hold a public hearing on the annexation request.

Sufficiency - The City's Real Estate staff has verified that the County is the owner of the four parcels that make up the park.

Services -City operating departments and PWC divisions have reviewed the proposed annexation and they should be able to serve the property.

City Services - The Fire Department has reported that the park is not within the adopted baseline travel time established in the City Fire/EM Standard of Cover document. The travel distance is 7.8 miles from the closest City station (Station 1). The closest County station is Vander, which is 4.0 miles from the park. The primary coverage will need to be contracted with the Vander Fire Department. The proposed City Fire Station 16, proposed for a site on Fields Road, will only be 2.8 miles from the park. The Police Department reported that it does not need any additional resources to serve the park at this time, since the park is close to the city limits and there are no businesses or industries in the park as of now. The Engineering and Infrastructure Department reported that it would provide street maintenance, storm drainage, and sign maintenance services. The Environmental Services Department reported that industries and businesses in the park would be served by commercial garbage haulers. This department noted that the Master Plan for the park shows recreation and open space (with a trail, a nature area, and a botanical preserve) along the southern edge of the park. The department raised the question of who would pay for maintenance of the trail and botanical preserve.

PWC Water and Sewer Services – PWC Water has already been installed in both the eastern and western sections of Clark-West Road. PWC sewer has already been installed in the eastern section of Clark-West Road. At the end of the eastern section of Clark-West Road, the PWC sewer turns south toward a sewer lift station. From that lift station, sewer is forced under the Cape Fear River toward the Rockfish Wastewater Treatment Plant, where the sewer is treated.

PWC Electrical and Street Light Services - PWC Electrical lines currently serve the sewer lift station (which is located along the southern edge of the park). It is from this sewer lift station that PWC would be able to serve other sites in the park with three-phase electrical power, if the South River EMC fails to make such service available. (The park is in the South River EMC Electrical Service Territory.) PWC does not currently serve the park with street lights.

Other Providers of Electrical and Street Light Services - Both Duke Energy and South River EMC have electrical lines near the park. However, this park is in an area designated as the South River EMC Service Territory. The interlocal agreement provides that if South River fails to provide three-phase electrical service to the park, then PWC will provide this. Regarding Street Lights, South River EMC does not currently serve the park with street lights. PWC reports that it will provide street lights, if South River EMC is unable to do so.

Compliance With Satellite Annexation Standards- There are five standards that a satellite annexation must meet in order to be annexed. This area meets the five standards.

Whether Annexation of the Park Might Discourage Industries and Businesses from

Locating in the Park - If the park is annexed, industries and businesses that might locate in the park would have to pay City taxes. However, the interlocal agreement contains incentives to offset the higher City taxes. (For each year during a period of ten years, a project would receive a grant-back of 70% of the City taxes paid. For each year during a period of five years, a project would receive a grant back of 50% of the County taxes paid.) If the park is annexed, industries and businesses would also have lower costs for PWC water and sewer because PWC rates are less inside the City than outside the City. Finally, if the park is annexed, three-cycle electrical service will be available to industries and businesses that locate in the park.

Estimated Acreage - According to page 1 of the interlocal agreement, the Cedar Creek Industrial Park consists of 474 acres. However, according to the map drawn by the City staff and the legal description prepared by the City staff, the area to be annexed consists of 471.52 acres. There are three reasons for this difference (1) the figure of 474 acres is based on the sum of the number of acres for the four original tracts that made up the park, as shown on the original plat for the park recorded in 1999 (at Plat Book 99, page 33). However, since 1999, a 5.501 acre tract at the entrance to the park was deeded to a church, (2) the annexation boundary includes

the western section of Clark-West Road; the acreage of this road was probably not included in the original acreage of the park. (3) The annexation boundary runs along the eastern side of Evans Dairy Road rather than along the western boundary of Evans Dairy Road as shown on the original plat. The 2011 changes to the state annexation law regarding effective dates did not apply to satellite areas. The law remains the same; a satellite annexation may be made effective immediately, or on any specified date within six months from the date of passage.

Projected Revenues - There will be no property tax revenues, because all of the land in the park is currently vacant and owned by Cumberland County, which means the land is exempt from taxation. There will be no population-based revenues because the area has no population.

Projected Costs - With no industries or businesses in the park, service demands should be minimal and no service costs are projected. There would normally be the cost of contracting with the Vander Fire Department, but without any taxable value, these costs are projected as zero.

Projected Revenues - As industries and businesses begin to locate in the park, they will purchase sites, and these sites, along with new buildings, will become taxable. This means the City will receive property tax revenue. However, the amount of tax revenue to the City will be reduced by the incentives built into the interlocal agreement. (For each year over a period of ten years, a project will receive a grant-back of 70% of the City property taxes paid.) After a project has benefitted from the grant-back for ten years, the grant-back will end, and the City will then receive the full tax revenue from the project.

Projected Costs - Service demands will increase as industries and businesses locate in the park, but it is not possible to project these costs. There might be a cost for contracting with the Vander Fire Department, but it is not possible to project this cost at this time.

OTHER ITEMS OF BUSINESS

RESOLUTION STRENGTHENING CITY COUNCIL OVERSIGHT REGARDING THE PUBLIC WORKS COMMISSION

Mr. Voorhees introduced this item and stated the resolution was drafted to authorize and direct implementation of the policy and operational activities recommended by the City Manager in response to the DL study. The immediate (1-3 months) recommendations include:

- Reestablish appropriate City Council oversight
- Realign Legal, Communications and branding
- Reestablish Charter-defined treasury role
- Develop transition plan for non-operating accounts
- Develop treasury procedures
- Initiate Phase II of the Study for Support Services
- Revise cost plans and Service Level Agreements;

Mr. Voorhees stated the resolution provided the opportunity for Council to clarify its policy expectations for revising the City's working relationship with its utilities. The revised resolution reflects changes made in response to Mayor and Council feedback. The FY 14 Budget includes \$100,000 to support further study of this issue. A number of the policy objectives identified in the resolution will need to be supported by specific Council action to revise the budget consistent with revised operational responsibilities and expectations.

Discussion ensued.

Consensus of the Council was to bring this item back for further discussion and formal vote at the September 23, 2013, regular City Council meeting.

There being no further business, the meeting adjourned at 6:18 p.m.