

**FAYETTEVILLE CITY COUNCIL
REGULAR MEETING MINUTES
CITY HALL COUNCIL CHAMBER
JUNE 9, 2014
7:00 P.M.**

Present: Mayor Nat Robertson

Council Members Kathy Jensen (District 1); Kady-Ann Davy (District 2); H. Mitchell Colvin, Jr. (District 3); Chalmers McDougald (District 4); Robert T. Hurst, Jr.(District 5); William J. L. Crisp (District 6)Larry O. Wright, Sr.,(District 7); Theodore Mohn (District 8); James W. Arp, Jr. (District 9)

Others Present:

Theodore Voorhees, City Manager
Kristoff Bauer, Deputy City Manager
Rochelle Small-Toney, Deputy City Manager
Jay Reinstein, Assistant City Manager
Karen McDonald, City Attorney
Lisa Smith, Chief Financial Officer
Scott Shuford, Development Services Director
Rusty Thompson, Engineering and Infrastructure Director
Harold Medlock, Police Chief
Rebecca Rogers-Carter, Strategic Initiatives Manager
Michael Gibson, Parks, Recreation and Maintenance Director
Kecia Parker, Real Estate Manager
Michael Lallier, PWC Commission Chair
Wick Smith, PWC Commissioner
Dwight Miller, PWC Chief Finance Officer
Pamela Megill, City Clerk
Members of the Press

1.0 CALL TO ORDER

Mayor Robertson called the meeting to order.

2.0 INVOCATION

The invocation was offered by Chaplain Abdul Haneef, Islamic Chaplain for Foothills, Marion and Alexander Correctional Institute NC Department of Public Safety.

3.0 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the American Flag was led by Mayor Robertson and City Council.

4.0 APPROVAL OF AGENDA

MOTION: Council Member Wright moved to approve the agenda, with the exception of item 10.02 – Revenue and Expenditure Report for Annual Funds for the Nine-Month Period Ended March 31, 2014, to be placed on the June 23, 2014 regular meeting agenda, and with the addition of item 10.04 – Historic Tax Credit Resolution.

SECOND: Council Member Mohn

VOTE: UNANIMOUS (10-0)

6.0 PUBLIC FORUM

Ms. Beth Stitt, 305 Dawnwood Court, Fayetteville, NC 28311; promoted the “Wear Blue to Remember” event, and stated concerns regarding a locked gate at the Cape Fear River Trail.

Mr. Cleveland Reed, 6505 Amanda Circle, NC 28304; stated concerns regarding a \$5,000 assessment on his home for water and sewer services.

Mr. Reginald Cromartie (no address provided); stated concerns regarding the Development Services Department and his property located at 225 S. Eastern Blvd.

Ms. Sherry Odom, 401 Tartan Court, Fayetteville, NC; stated concerns regarding a locked gate at Cape Fear River Trail.

Mr. Patrick Cassidy, 109 Berwick Drive, Raeford, NC 28376; stated concerns regarding the proposed city employee 2% pay increase.

Ms. Kallia Mullins, 842 King Arthur Drive, Fayetteville, NC 28314; stated concerns regarding traffic at Raeford Road and Scotland Drive

Mr. Mike Dobs, 422 York Road, Fayetteville, NC 28303; stated concerns regarding crime and stated support for the request for additional police funding.

7.0 CONSENT

MOTION: Council Member Arp moved to approve the consent agenda.

SECOND: Council Member McDougald

VOTE: UNANIMOUS (10-0)

8.01 Adopt Resolution Authorizing Sale of City Owned Property

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE ACCEPTING AN OFFER TO PURCHASE CERTAIN CITY OWNED REAL PROPERTY AND AUTHORIZING THE SALE. RESOLUTION NO. R2014-025

8.02 Adopt a Resolution Confirming Non-Inclusion of Scottish Lane in the City of Fayetteville Street Plan

A RESOLUTION CONFIRMING NON-INCLUSION OF SCOTTISH LANE IN THE CITY OF FAYETTEVILLE STREET PLAN. RESOLUTION NO. 2014-026

8.03 The Federal Assessment and FY-2015 Federal Agenda

8.04 PWC FY-14 Budget Amendment #1 and Project Fund Amendments

RESOLUTION OF THE CITY OF FAYETTEVILLE NORTH CAROLINA ESTABLISHING 2014 REVENUE BOND CAPITAL PROJECT FUNDS. RESOLUTION NO. R2014-027

8.05 Special Revenue Fund Project Ordinance 2014-11 (2014 Badges for Baseball Program)

The funding source is a \$20,000 cash award and a \$1,500 in-kind equipment/materials donation from the Federal Office of Juvenile Justice and Delinquency Prevention passing through the Cal Ripken, Sr. Foundation. The attached ordinance will formally establish the budget for this program.

8.06 Special Revenue Fund Project Ordinance 2014 - 12 (2014 Badges for Baseball Program Grant #2)

The funding source is a \$20,000 cash award and a \$1,500 in-kind equipment/materials donation from the Federal Office of Juvenile Justice and Delinquency Prevention passing through the Cal Ripken, Sr. Foundation. The ordinance will formally establish the budget for this program.

8.07 Capital Project Ordinance Amendment 2014-27 (FY12 Transit Capital Grant 514)

In May, the City received notice that the NCDOT had approved a reallocation of its grant funds from buses to engineering and design costs for the multi-modal transportation center. This reallocation will allow the City to reduce its local match by \$31,570, and appropriate NCDOT state matching funds of \$31,570.

8.08 Special Revenue Fund Project Ordinance 2014-13 (2014 Badges for Baseball Program Grant #3)

The funding source is a \$5,000 cash award and a \$1,500 equipment/materials in-kind donation from the State of North Carolina Department of Justice passing through the Cal Ripken, Sr. Foundation. There is no local match requirement for this grant.

8.09 Special Revenue Fund Project Ordinance Amendment 2014-6 (FY2014 Fayetteville-Cumberland Juvenile Restitution Program)

In May 2014, the Department of Public Safety approved an additional \$16,623 for the purchase of an eight passenger van. The City's required local match of \$4,156 will be provided using Federal Forfeiture Funds. The budget for this project will increase by \$20,779.

8.10 Budget Ordinance Amendment 2014-10 for Fiscal Year-End Projections

The year-end budget projections have been communicated to City Council in the Fiscal Year 2015 Recommended Budget Document and have been considered in developing projections of fund balance available for appropriation for fiscal year 2015. The appropriation amounts in

excess of year-end projections are not planned to be expended, rather they are appropriated should unforeseen expenditures arise.

8.11 Approval of Minutes:

051214 - Discussion of Agenda Items

051214 - Regular Meeting

052114 - Agenda Briefing

052114 - Budget Work Session

9.0 PUBLIC HEARING

9.01 Pass a Resolution and Order Accepting and Closing Portions of Hopper Road

Ms. Kecia Parker, Real Estate Manager presented this item and stated a petition was received from a property owner adjoining portions of Hopper Road requesting said portions be permanently closed. NCGS §160A-299 gives authority and procedures for the City to close a city street or alley. These sections of the street were once NCDOT streets that have now been annexed into the City but were never formally accepted by the City which requires the City to accept and close simultaneously. The requested portions of Hopper Road are currently unopened. Notice of Public Hearing has been published for 4 consecutive weeks prior to this hearing. The Notice of Public Hearing has been mailed to all adjoining property owners and has been posted at each end of each section to be closed. Access to the abutting properties will not be denied as a result of this closure. The County Mapping Division is responsible for determining how the property is divided amongst adjoining property owners. Typically upon vacation of the street the closed portion is divided equally from the centerline and assigned to the property owners adjacent to said centerline. This closure will allow property to be consolidated for a future use.

There was no discussion.

This is the advertised public hearing set for this date and time. The public hearing was opened.

There being no one to speak, the public hearing was closed.

A RESOLUTION AND ORDER ACCEPTING AND CLOSING UNOPENED PORTIONS OF HOPPER ROAD. RESOLUTION NO. R2014-028

MOTION: Council Member Davy moved to pass the Resolution and order accepting and closing unopened portions of Hopper Road

SECOND: Council Member Colvin

VOTE: UNANIMOUS (10-0)

9.02 Amendment to City Code Chapter 30 to define and allow adaptive reuse of non-residential structures in certain residential districts

Mr. Scott Shuford, Development Services Director presented this item with the aid of a PowerPoint presentation and stated the Unified Development Ordinance (UDO) became effective August 1, 2011. Article 30-4 establishes the various uses, the districts in which they are allowed, and special standards for certain uses. However, except perhaps through a conditional rezoning that is costly and time-consuming, the provisions do not exist to facilitate re-using existing buildings for many of the uses that are appropriate for those buildings and, with specific standards, compatible with the surrounding area. The most common examples of such structures are former schools or churches in residential districts, and, often, old factory buildings in what are now office or even residential areas. These buildings are often distinctive and are already an established part of the area. When this occurs within residential districts the objective is to establish the appropriate range of uses and any standards that should accompany re-use of such buildings so that re-use is encouraged. The challenge is to identify the range of uses, process and additional standards that encourage a compatible, complementary re-use of the vacant structure(s). The amendment recognizes that changes in the building scale and circulation/parking may be limited by existing conditions, but performance characteristics can be set, such as hours of operation, exterior lighting and landscaping, noise, and limited range of uses by specific standards or by conditions of approval through the Neighborhood Compatibility process. Unless appealed, that process is shorter than rezoning or

a special use review. The uses minimize commercial intrusion into the neighborhood area and emphasize housing, institutional or office uses. This bundle of standards is proposed as a new section in the introductory portion of Article 4-Uses, to make it most visible and accessible. Mr. Shuford concluded by stating the Planning Commission and staff found that the amendment meets the seven evaluation criteria established by the City Code Article 30-2. There were no speakers for or against at the Public Hearing on May 20, 2014, and the Planning Commission voted unanimously to recommend approval.

This is the advertised public hearing set for this date and time. The public hearing was opened.

There being no one to speak, the public hearing was closed.

ORDINANCE AMENDING ARTICLE 30-4.B.1 A AND RELATED SECTIONS OF THE CODE OF ORDINANCES OF THE CITY OF FAYETTEVILLE TO ALLOW FOR ADAPTIVE REUSE IN CERTAIN ZONING DISTRICTS. ORDINANCE NO. S2014-010

MOTION: Council Member Arp moved to adopt the Ordinance amending article 30-4.B.1A and related sections of the code of Ordinances of the City of Fayetteville to allow for adaptive reuse in certain zoning districts.

SECOND: Council Member Wright

VOTE: UNANIMOUS (10-0)

9.03 Phase 5 Annexation Areas 16 and 17 Public Hearing

Mr. Mark Brown, PWC Customer Services Director, presented this item with the aid of a PowerPoint presentation and stated the City Council approved the Preliminary Assessment Resolution at the meeting held on May 12, 2014 for Areas 16 and 17 of the Phase 5 Annexation. The Resolution set the date of the public hearing for Monday, June 9, 2014 to hear public comment. A notice was published in the Fayetteville Observer and copies of the Preliminary Assessment Resolution were mailed on May 19, 2014 informing the property owners of the public hearing date. After the public hearing, the next step in the process is to approve the Resolution Directing Project be Undertaken. This item will be scheduled for June 23, 2014. Mr. Brown said the typical single family residential lot is \$5,000. There is a per front foot rate of \$55.56 (90' minimum) plus average lateral charge for all other properties. No payment is due until construction is complete and the assessment roll is adopted. There is financial assistance available for those that qualify. The payment options are to pay in full (no interest within 30 days), Finance at 10 year term at an interest rate not to exceed 8% (prime rate as reported on July 1st, of fiscal year assessments to be confirmed plus 2%), or payment in annual or monthly installments.

This is the advertised public hearing set for this date and time. The public hearing was opened.

Mr. Mario Travieso, 6517 Applewhite Road, Fayetteville, NC 28304; appeared in opposition and stated he objected to paying the \$5,000 assessment with an 8% rate of interest.

Mrs. Christine Travieso, 6517 Applewhite road, Fayetteville, NC 28304; appeared in opposition and stated she could not afford to pay the \$5,000 assessment, and had not chosen to be annexed into the city.

There being no one further to speak, the public hearing was closed.

A brief discussion ensued. Ms. Rochelle Small-Toney, Deputy City Manager and Mr. Victor Sharpe, Community Development Director went to speak with Mr. and Mrs. Travieso regarding financial assistance programs to those that qualify.

No action was required for this item

10.0 OTHER ITEMS OF BUSINESS

10.01 The City of Fayetteville's Strategic Plan FY 2014-2015

Ms. Rebecca Rogers-Carter, Strategic Initiatives Manager, presented this item with the aid of a PowerPoint presentation and stated as the City of Fayetteville continues to grow and thrive and the City Council looks to chart a course with a strategic plan which articulates a vision for our community's future that will ensure vitality and sustainability. The City of Fayetteville is guided by a comprehensive strategic planning process. City Council meets annually to refine the items

that comprise the City's strategic plan and to ensure that it is reflective of the changing needs of our growing community. The strategic plan has five main areas that represent a commitment to serving the community. The plan is comprised of the following components: The Vision for the community, the organizational Mission and Core Values, 5-Year Goals that support the long-term vision for the City and annual Targets for Action (TFA) to advance progress toward the goals. This model aligns City programs and spending with long-term goals, brings critical needs into focus and provides an organizational roadmap for success. The City's strategic plan is a critical component of a larger system of planning for our organization's success, which includes the annual budget process, citizen input, capital and technology prioritization and financial planning. The City's strategic planning process is designed to build upon past successes, yet also accommodate proactive response to changing environments. This year we incorporated input from staff and citizens to shape the priorities of the plan, and to focus on areas of unity and common interests among the City Council, staff and citizens. The City of Fayetteville is a result-focused organization and as such, evaluates and reports on the advancement of the strategic plan to ensure accountability. Six goals were identified for the next five years, which help achieve the community's vision:

1. The City of Fayetteville will be a safe and secure community.
2. The City of Fayetteville will have a strong, diverse and viable local economy.
3. The City of Fayetteville will be designed to include vibrant focal points, unique neighborhoods and high quality, effective infrastructure.
4. The City of Fayetteville will be a highly desirable place to live, work and recreate with thriving neighborhoods and a high quality of life for all residents.
5. The City of Fayetteville will have unity of purpose in its leadership, and sustainable capacity within the organization.
6. The City of Fayetteville will develop and maintain strong and active community connections.

Ms. Rogers-Carter introduced Mr. Warren Miller, of Fountainworks (a market research and policy consulting company). Mr. Miller is one of the facilitators of the Council's Strategic Planning retreat. Mr. Miller provided Council with an overview of the Strategic Planning process and stated in February, Fountainworks consulting firm met with City Council in a two-day planning retreat. The session included opportunities for participants to build upon ideas and interact in open conversation. Council worked to confirm the community vision statement which reflects a vibrant and engaged City of Fayetteville. Drawn from environmental scans, City Council determined the path our organization must follow in order to reach the community's vision and worked to confirm five year goals. During the March follow up work sessions and in preparation for budget development, City Council prioritized elements of a one-year tactical action plan. These are the activities that Council and staff will spend a majority of their time undertaking during the fiscal year. The City Council prioritized five top policy items and other specific targets for action for staff to enact this year to achieve these goals. Performance measures were incorporated for each of the goals so that the City can measure the impact.

Mayor and Council thanked Mr. Warren and staff for their hard work with the Strategic Planning process.

MOTION: Council Member Hurst moved to approve the City of Fayetteville's Strategic Plan FY-2014-2015.

SECOND: Council Member Arp

VOTE: UNANIMOUS (10-0)

10.02 Revenue and Expenditure Report for Annual Funds for the Nine-Month Period Ended March 31, 2014

This item was pulled from the agenda; to be placed on the June 23, 2014 regular City Council meeting agenda.

10.03 Fiscal Year 2015 Budget Ordinance and Fee Schedule.

Mr. Ted Voorhees, City Manager presented this item and provided to Council a revised fiscal year 2015 budget ordinance based on the results of the budget work session held earlier at 5 p.m. today. Council took several minutes to review the revisions. Mr. Voorhees stated Council is

asked to consider adoption of the Fiscal Year 2015 Budget Ordinance which incorporates changes to the recommended budget necessary to reduce the general ad valorem tax rate increase for enhancements for Police, Economic Development and Development Services from 4.2 cents to 3.0 cents. In addition, other modifications consist of accelerating \$150,000 in the CIP from FY-2016 to FY-2015 for the Farmers Market (includes the Murchison Road and CEED projects); funding the Enterprise Avenue transit route beginning October 1, 2014; and freezing a public information officer position and transit supervisor position for six months. Mr. Voorhees gave an overview of the budget ordinance, and stated in addition to setting the general ad valorem tax rate at 48.6 cents (3 cents more than the current rate), the Central Business Tax rate at 10.0 cents, and the Lake Valley Drive Municipal Service District rate at 24.5 cents, the ordinance also levies the stormwater fee (\$3.50 per month) and the residential solid waste fee (\$40.00 per year), and adopts the fee schedule as presented. Mr. Voorhees gave an overview of the 16 sections included in the ordinance.

MOTION: Council Member Colvin moved to adopt FY-2014-15 Budget Ordinance (2015-1) and Fee Schedule, provide for a 48.6 % property tax rate, and removing sections 15 and 16.

SECOND: Council Member Hurst

Council Member Arp asked Council Members Colvin and Hurst if they would consider in their motion accepting the removal of Section 13 – Compensation of Council, and stated we are not here to make money we are here to serve. Council Members Colvin and Hurst agreed to the amendment.

Council Member Mohn thanked the Manager and staff for the many hours of hard work preparing the budget, and said we have great city staff.

Mr. Voorhees stated Ms. Smith is one of the finest public service employees he has ever had the privilege of working with. Mr. Voorhees gave recognition to his Deputy and Assistant Managers, the Senior Management team, and staff.

Council Member Arp asked Mr. Voorhees if the delay of section 15 and 16 would affect Schedule L – Public Works Commission Electric and Water and Waste Water funds. Mr. Voorhees stated it was his understanding the motion was to delete Sections 15 and 16.

Discussion ensued pertaining to Schedule L - PWC contingency funds. Mr. Lallier, PWC Commissioner, addressed the Council on the PWC contingency funds.

Mayor Pro Tem Davy stated there is enough interest in this issue to discuss further at a meeting in August, not necessarily a work session, but rather at a Special meeting; and stated all Council members want input on this item.

AMENDED MOTION: Council Member Colvin moved to adopt FY-2014-15 Budget Ordinance (2015-1) and

Fee Schedule, setting the general tax rate at 48.6% and eliminating Section 13, and delay Sections 15 and 16; to

be discussed at a meeting in August 2014.

SECOND: Council Member Hurst

VOTE: PASSED by a vote of 6 in favor to 4 in opposition (Mayor Robertson, and Council Members Jensen, Arp, and Mohn)

10.04 Historic Tax Credits Resolution

Ms. Rochelle Small-Toney, Deputy City Manager, presented this item and stated in 1998, North Carolina expanded its tax credit for the rehabilitation of income-producing historic properties and non-income producing historic properties that also qualify for the 20 percent federal tax credit. Qualifying rehabilitations of income producing historic properties and non-income producing properties are eligible for 20% tax credits and 30% tax credits from the State, respectively. Only certified historic structures qualify for the credits, and rehabilitation of the structures must be substantial in order to qualify. The State's current historic rehabilitation tax credit program is scheduled to sunset on January 1, 2015. This year a House Bill was introduced that combined two tax credit programs, one for films and the other for historic rehabilitation each with a January 1, 2015 sunset provision. HB 1142 Modify Film/Historic Tax

Credits removes the sunset date for both tax credits. Although the bill has been referred to the House Finance Committee, it has not been scheduled for a hearing. No action by the legislature before December 31, 2014 would put into effect the sunset provision and essentially end the state historic tax credit program. The North Carolina Historic State Tax Credit is scheduled to expire on January 1, 2015 if legislative action is not taken to either eliminate the sunset provision or extend the historic rehabilitation tax credit. This tax credit has been utilized to successfully rehabilitate 17 historic properties in our City, resulting in a direct investment of \$24.2 million dollars. Six of these properties also utilized \$1 million in funding from the City's downtown loan and façade grant programs. Potential historic rehabilitation/preservation projects such as the Prince Charles Hotel and the E. E. Smith House could benefit from the tax credits, if the program is continued.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE CONCERNING HISTORIC TAX CREDITS. R2014-029

MOTION: Council Member Arp moved to pass the Resolution concerning historic tax credits

SECOND: Council Member Wright

VOTE: UNANIMOUS (10-0)

10.05 Budget Work Session – June 10, 2014 @ 4:30 p.m.

MOTION: Council Member Arp moved to cancel the special called Budget Work Session, scheduled for June 10, 2014 @ 4:30 p.m.

SECOND: Council Member Wright

VOTE: UNANIMOUS (10-0)

11.0 ADJOURNMENT

There being no further business, the meeting adjourned at 8:48 p.m.