



---

City Council Meeting  
Mebane Municipal Building  
Regular Meeting  
Monday, December 9, 2013  
6:00 p.m.

The Mebane City Council met for their regular monthly meeting at 6:00 p.m. on Monday, December 9, 2013 in the Council Chambers of the Municipal Building located at 106 E. Washington Street.

Council members Present:

Mayor Glendel Stephenson  
Mayor Pro Tem Patty Philipps  
Councilmember Tim Bradley  
Councilmember Jill Auditori  
Councilmember Everette Greene  
Councilmember Ed Hooks

Also Present:

David Cheek, City Manager  
Chris Rollins, Asst. City Manager  
Charles Bateman, City Attorney  
Bob Louis, Fire Chief  
Montrena Hadley, Planning Director  
Darrell Russell, City Engineer  
Ken Stafford, Consulting Engineer  
Stephanie Shaw, City Clerk

---

Mayor Stephenson presided and called the meeting to order at 6:00 p.m. Mr. Hooks gave the invocation.

During the public comment period, Tomeka Ward-Satterfield, 209 Goldfinch Court, stated that due to the negligence of the developer of the Ashbury subdivision, Bill Spang, the water quality ponds remain noncompliant. She stated that she currently serves as a board member of Ashbury's Home Owners Association and their residents understand that Mr. Spang has been contacted by city staff about the criteria and qualifications for those ponds, yet he still chooses to not comply. Therefore they are requesting that Council do everything in their power to require Mr. Spang to bring the water quality ponds into compliance in a timely fashion. Mr. Cheek stated that Mr. Russell recently sent Mr. Spang a letter and staff is working to resolve this issue.

Ms. Shaw reported the results of the municipal election held on November 5, 2013, as certified by Alamance County and Orange County Board of Elections, to be as follows:

FOR THE OFFICE OF CITY COUNCIL:

	<u>Alamance County:</u>	<u>Orange County:</u>
Jill Auditori	456 votes	27 votes
Ed Hooks	443 votes	24 votes
Tim Bradley	437 votes	28 votes
Write In	172 votes	4 votes

Therefore, pursuant to such tabulation, it has been determined that: Jill Auditori having received 483 total votes from both counties, Ed Hooks having received 467 votes from both counties and Tim Bradley having received 465 total votes from both counties, have been duly elected members of the City Council of the City of Mebane, pursuant to law, for a term of four years.

City Clerk Stephanie Shaw then administered the Oath of Office to Jill Auditori, Ed Hooks and Tim Bradley. They then returned to their seats at the Council table.

Mayor Stephenson called for nominations for Mayor Pro-Tempore. Ms. Philipps made a motion to nominate Mr. Hooks, seconded by Mr. Greene. The motions carried unanimously.

A public hearing was held for Council to consider approving a proposal to extend economic development incentives for a proposed distribution facility in the Alamance County, City of Graham and City of Mebane Economic Development Zone. Mr. Cheek stated that the proposed project and partnership began over a year ago. He introduced Matt Powers, representative from Walmart. Mr. Powers announced they plan to open a 450,000 sq. ft. perishable distribution center in Mebane, making it the fourth in the state of

North Carolina. He stated this center would service their grocery stores. He stated they plan to hire 450 associates to work at the center. Mr. Powers added that they would like to begin construction early spring of 2015 with an opening in early fall of 2016. He stated ultimately this location would service approximately 123 stores and clubs throughout the North Carolina region. Mr. Cheek then made a presentation outlining the incentive plan and performance agreement. He stated that Walmart will make a minimum capital investment of \$85,000,000. He reiterated that they plan to employ 450 full-time associates with an average salary of a little over \$35,000 which is an annual payroll infused into our economy of nearly \$16,000,000. The 186-acre site lies within an economic development zone that was formed last November by three entities, Alamance County, the City of Mebane and the City of Graham.

Mr. Russell stated that a portion of the 186 acres fronts on Kimrey Road but the main access will be off of a new road that will be built by NCDOT. He identified infrastructure details depicted on a map that was presented to the Council and the audience. He explained that the sanitary sewer would be serviced by the City of Graham. He stated that the site would be served with water lines extended from both the Graham and the Mebane water system.

Mr. Cheek reviewed the proposed schedule. He stated by the end of December 2013, the site and easements will be purchased. In March of 2014 construction will begin on water and sewer and the road. By August 2014 Walmart will take title of the site. Road, water and sewer must be completed by March 2015 and a grand opening is proposed to take place in August 2016.

Mr. Bateman reviewed the essential provisions of the agreement. He stated the 186 acres with 5 or 6 landowners have individually been negotiated with and everyone sold their land at fair market value. He stated the land will be acquired by the cities of Mebane and Graham jointly. Alamance County is participating pursuant to our previous Interlocal Agreement that governs the zone and they will ultimately be providing one third of the cost, with the cities initially splitting the cost of the land. He stated the land will be annexed into Mebane in early 2014 as part of the Alamance Interstate Corridor Development Zone (AICDZ) which is actually split between Mebane and Graham but all the land within the zone will be governed by both cities in terms of revenue and taxation. He stated our obligations are to purchase the land and have it available, build the water and sewer to the site and make sure all necessary plats and title issues are resolved and to transfer that land to Walmart no later than August 2014. He stated the company's obligations are to construct and operate a 450,000 square foot perishable distribution center and to employ 450 people. He explained that in terms of incentives we are providing the land at no cost to the company. The State is providing an incentive, not only through the One North Carolina Fund, but they are also providing money building a road costing in excess of \$2,000,000 that will service not only this property but a vast portion of the 1,200-acre industrial zone. He stated the cities have also agreed to extend water and sewer to the zone which will cost approximately \$5,500,000. Some of the funds will be recouped from other sources. He stated the land acquisition will cost about \$4,500,000, along with the purchase of the easements and right of ways which adds another \$850,000. No tax increase or utility fee increase is expected. Also as an incentive the cities have agreed to waive certain fees and the Chamber of Commerce is providing temporary office and storage space. Mr. Bateman explained that as an assurance the contract provides that if Walmart does not proceed with the project, they will pay us \$10,600,000 or annual payments equal to the revenue that would have been paid to the City. Amanda Mann, attorney with Troutman and Sanders representing Walmart, briefly stated that she is available should there be any other questions and concerns.

Mr. Cheek shared the fiscal impact from the Walmart facility. He said that the major direct benefits to the cities and county is opening up the 1,200-acre development zone, an 8,000 foot road built by the NCDOT, 15,000 feet of water and sewer lines, an automatic emergency interconnect for water, improvements to Trollingwood-Hawfields Road, 450 jobs with \$16,000,000 in payroll and all the construction jobs generated due to the building of the site. He added that there will also be indirect multiplier affects from the project.

Ms. Auditori questioned when the county would begin repaying the cities for their portion. Mr. Bateman replied that they begin repaying us as soon as we begin collecting taxes for the zone.

Mr. Bradley clarified that throughout the life of the agreement with this zone, all revenue,

gifts, requests, grants or any other funds received from the state, federal and local governments or from the company, will be divided equally among the three entities. Mr. Bateman said that is correct.

Quentin Phillips, 2526 Kimrey Road, asked what kind of buffer would be required between the 186-acre site and his home on Kimrey Road.

Mr. Rollins stated there is a minimum 50-foot buffer requirement between the property line and any property that they develop. He added that the City of Mebane's landscaping standards in the Unified Development Ordinance (UDO) specifies how many trees or bushes are to be planted or the natural buffer that already exist could be used. Mr. Rollins said that once site plans are submitted, city staff will ensure that all UDO requirements are met.

Ken Walker, real estate agent with Re-Max Realty, asked staff to clarify how the new road will intersect onto Trollingwood-Hawfields Road. Mr. Russell explained at a point about halfway between NC-119 and the interstate ramp, there is a low point in the road and the new road will be just south of that low point. It will be signalized with turn lanes, a right turn lane from the interstate and a left turn lane coming in from NC-119.

Tom Boney, editor of Alamance News, asked for clarification in regards to the Interlocal Agreement entered into by Mebane, Graham and Alamance County that showed higher utility sales of \$500,000, but now the agreement reflects lower sales of \$205,000, making for a very different cost benefit ratio.

Mr. Cheek stated the utility figures first given were peak flow days and that information was misconstrued to be average gallons used per day. Now, the figures have been revised to reflect the correct utility usage.

Mr. Bateman thanked the Alamance County Chamber of Commerce Economic Development Foundation for the invaluable services they provided during the development of this project.

Brooks Gardner, 517 N. Carr Street, stated that this project is a fantastic opportunity for Mebane and Graham.

The Mayor declared the public hearing closed. Mr. Bradley commended all parties involved including city staff on a job well done during the development of the project and made a motion to approve the request for Economic Development Incentive as presented. Mr. Hooks seconded the motion. The motion carried unanimously.

Mr. Cheek stated with the approval of the incentive, a budget amendment is needed to purchase the land. He stated the budget amendment is to purchase land and right-of-way in the amount of \$2,675,000 and will come from the general fund balance. Mr. Hooks made a motion to approve the budget amendment, seconded by Ms. Philipps. The motion carried unanimously.

A public hearing was held for the 2010 West End Community Development Block Grant (CDBG) Closeout. Michael Blair from the Piedmont Regional Triad Council gave a brief powerpoint presentation on the work that was completed during the project in the West End area. Two houses were rebuilt, four houses were remodeled and four other dilapidated structures were demolished and cleared. The obligation deadlines, funds expended deadlines, and activities completed deadlines have been met.

Mr. Boney asked if the tax value has been modified on the rehabbed and rebuilt homes. Mr. Rollins stated that the County keeps track of the city's building permits and when a house is completed they follow up on reevaluating the property for tax purposes.

Mayor Stephenson closed the public hearing. Ms. Philipps made a motion, seconded by Mr. Greene, to close out the grant. The motion carried unanimously.

A public hearing was held on a request for approval of a Resolution Approving Financing Terms for the construction of a fire station on Mebane Oaks Road. City Manager David Cheek presented information in regards to the request. He stated that the city solicited proposals from area banks for installment financing for the project and four (4) bids were received. He said debt service payments will result from this financing. He added that

there will be no tax increase and staff recommends approval.

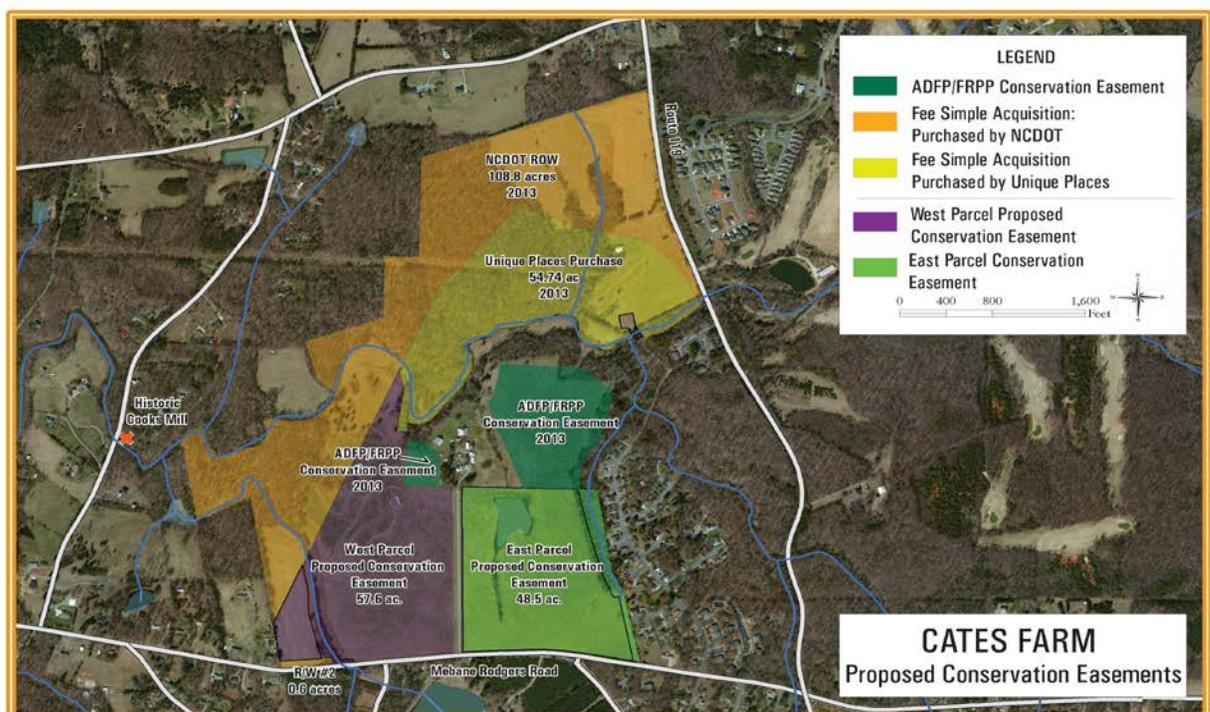
City Engineer Darrell Russell briefly reviewed the process. He stated that the public hearing is for Council to consider approval of the Resolution Approving Financing Agreement with BB&T. He reiterated that four (4) bids were received and after staff review they are recommending that BB&T be approved for this financing. He stated that their fixed interest rate is 2.84% for 15 years. Mr. Russell said that BB&T's proposal was the only one received that offered a 15-year term. He added that the amount of the financing is \$2.6 million.

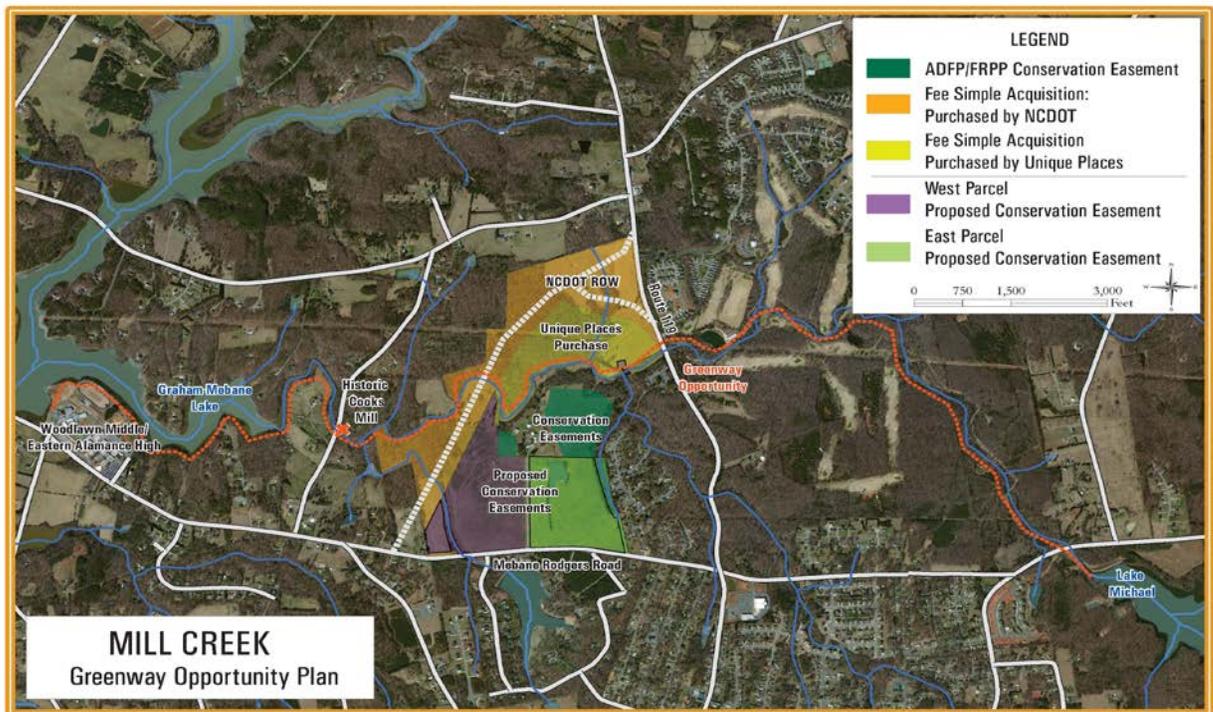
No one from the public spoke concerning the matter.

Mayor Stephenson closed the public hearing. Patty Philipps made a motion, seconded by Ed Hooks, to approve the Resolution Approving Financing Terms as presented. The motion carried unanimously.

As an additional item, Chief Louis requested approval to proceed with acceptance and closing on a no-interest loan for two fire trucks and some equipment that are included in the current budget. He stated while working with the Piedmont Electric Membership Corporation and the United States Department of Agriculture's (USDA) Rural Economic Development Loan and Grant program (REDLG) the City has qualified for a 10-year no interest loan in the amount of \$1,268,000. Mr. Greene made a motion, seconded by Ms. Philipps, to approve the request as presented. The motion carried unanimously.

Jeff Fisher, with Unique Places, LLC, (UPLLC) presented a request for the City to hold conservation easements on the East Parcel shown on the Cates Farm map in a continued effort to protect the historic farm adjacent to the future NC-119 bypass and Mebane-Rogers Road. He also presented an idea of a greenway from Lake Michael to Cooks Mill. He explained this project has been ongoing since 2009. There will be no direct costs for holding the conservation easements. There would be minimal staff time required to monitor and control development/construction, if any, in keeping with the farmland conservation easement.





Mr. Greene made a motion, seconded by Ms. Philipps, to authorize staff to work with UPLLC to pursue a conservation easement on the East Parcel before the end of 2013. The motion carried unanimously.

Mr. Rollins presented a request for a voluntary non-contiguous “satellite” annexation of city owned property. The annexation contains 1.5 acres located off of Mebane Oaks Road. This property will be the location for the new fire station. Per G.S. 160A-58.7, in lieu of filing a petition, the City Council may initiate annexation of property not contiguous to the primary corporate limits and owned by the city by adopting a Resolution Stating its Intent to Annex the Property. Mr. Hooks made a motion, seconded by Mr. Greene, to adopt the Resolution and set a date of public hearing for January 6, 2014. The motion carried unanimously.

Mr. Stafford reported the results of the December 4, 2013 bid opening for the construction of the new fire station on Mebane Oaks Road. He stated that eleven bids were received and the low bidder was S&S Building Development from Greensboro in the amount of \$2,105,864.. He stated as part of the bid process, they received an alternate bid for the addition of a photovoltaic electrical system. S&S’s price for this alternate item was \$72,300. If Council chooses to add this alternate item to the included work, it can be paid for using a portion of the general contingency. He recommended awarding the bid to S&S Building Development. Mr. Hooks made a motion, seconded by Mr. Greene, to award the contract to the lowest bidder, S&S. The motion carried unanimously.

Mr. Russell reported the results of the December 4, 2013 Bid Opening for the water and sewer improvements to serve the new fire station on Mebane Oaks Road. He stated seven bids were received and the low bidder was J.F. Wilkerson Contracting, Inc. from Morrisville, N.C. in the amount of \$480,875.78. He recommended awarding the contract to the J.F. Wilkerson. Ms. Philipps made a motion, seconded by Mr. Bradley, to award the contract to the lowest bidder, J.F. Wilkerson. The motion carried unanimously.

Ms. Hadley presented a request from Pulte Group to approve a Final Plat for the last phase of the Collington Farms Subdivision. The final plat will subdivide the remaining 9.80 acres into 34 lots. The Technical Review Committee (TRC) has reviewed the final plat. She added that the plat conforms to the Preliminary Plat and the subdivision of this property meets the provisions of the City of Mebane’s old zoning, Subdivision, and Landscaping Ordinances and was approved prior to the adoption of the Unified Development Ordinance (UDO). All infrastructure must be completed and approved to meet the City of Mebane Specifications. All infrastructure not completed shall be bonded or a letter of credit provided prior to recordation. Mr. Hooks made a motion, seconded by Mr. Bradley, to approve the final plat. The motion carried unanimously.

Ms. Hadley presented a request from North Carolina Industrial Center to approve a Final Plat for Park Center Drive West. The final plat will include a new 60-foot public right-of-way with 37,045 square feet per .85 acres and a new temporary right-of-way with 11,394 square feet per .262 acres to be abandoned in the event Park Center Drive is extended in the future. The TRC has reviewed the final plat. It is in conformity to the Preliminary Plat

and the subdivision of this property meets the provisions of the Unified Development Ordinance (UDO). All infrastructure must be completed and approved to meet the City of Mebane Specifications. All infrastructure not completed shall be bonded or a letter of credit provided prior to recordation. Ms. Philipps made a motion, seconded by Mr. Hooks, to approve the final plat. The motion carried unanimously.

Ms. Hadley presented a request from Stella Crawford for approval of a Final Plat subdividing an approximately 5.1-acre tract into two lots at 1308 Holmes Lane. The Final Plat will subdivide the tract into Lot 1 with 4.22 acres and Lot 2 with .88 acres. The TRC and the Health Department have reviewed the Final Plat and the applicant has revised the plat to reflect the comments. This is a non-conforming lot with two residences on one lot and approving this plat will correct the non-conformity. Ms. Philipps made a motion, seconded by Mr. Greene, to approve the final plat. The motion carried unanimously.

The Tax Releases and Refunds were approved by motion of Mr. Hooks, seconded by Mr. Bradley. The motion carried unanimously.

The minutes of the November 4, 2013 regular monthly meeting were approved as presented.

Mr. Rollins announced that flood insurance maps for the entire county have been revised and flood insurance rates may have changed. He stated city staff will be notifying Mebane residents that could possibly be affected by those changes. He said that the public meeting on this matter will be held on December 19, 2013 at 6:00pm at the Kernodle Center in Burlington.

There being no further business, the meeting was adjourned at 7:55pm.

---

Glendel Stephenson, Mayor

ATTEST:

---

Stephanie W. Shaw, City Clerk