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City Council Meeting  
Mebane Municipal Building  
*Regular Meeting*  
Monday, May 4, 2015

The Mebane City Council met for their regular monthly meeting at 6:00p.m. on Monday, May 4, 2015 in the Council Chambers of the Municipal Building located at 106 E. Washington Street.

Council members Present:

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

Also Present:

David Cheek, City Manager  
Chris Rollins, Asst. City Manager  
Lawson Brown, City Attorney  
Jeanne Tate, Finance Officer  
Stephanie Shaw, City Clerk  
Montrena Hadley, Planning Officer  
Esther Bennett, HR Director

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Mayor Stephenson called the meeting to order. Mr. Bradley gave the invocation.

During the public comment period Brooks Gardner, spoke about a special Mebane citizen, his 94 year old mother, Lula Gardner. He stated on May 15, 2015 she will receive an honorary high school diploma. He explained that she had to quit school during the Great Depression and began working in a hosiery mill. Mr. Brooks also shared his concerns with the current condition of North Carr Street and the need for it to be repaved. Additionally he requested staff and Council to consider installing sidewalks on North Carr Street. Mr. Bradley stated staff may need to check the minutes on this matter because several years ago when this request came before Council, the majority of the residents along North Carr Street opposed the idea. Ms. Philipps asked staff if North Carr Street is on this year's list to be repaved. Staff stated the first part of North Carr Street, directly off of Stagecoach Road, is scheduled to be repaved but not the entire street.

Mayor Stephenson presented the Consent Agenda as follows:

- a) Approval of Minutes-April 13, 2015 Regular Meeting  
- April 13, 2015- Closed Session (under seal)
- b) City Lease to T-Mobile South, LLC
- c) 2015 Quarterly Financial Report

By motion of Ms. Philipps, seconded by Mr. Hooks, the Consent Agenda was unanimously approved as presented.

A Quasi-Judicial Public Hearing was held on request from Ecoplexus, Inc., 650 Townsend Street, Suite 315, San Francisco, California, for a Special Use Permit (SUP) to allow a 4 Megawatt, ground-mounted Solar Farm and to sell the power output to Duke Energy under a 30-year Power Purchase Agreement. The Solar Farm would be located on +/-26.32 acres, 651 and 653 Mattress Factory Road. Simultaneously, a Board of Adjustment Public Hearing was held on a request from the same applicant for a Variance to allow a reduction of setbacks from 100' to the standard setbacks prescribed for the M-1 zoning district which are: 30 foot front, 25 foot side, and 20 foot rear. Mr. Brown stated anyone planning to speak on these matters would need to be sworn in. Ms. Shaw swore in the following persons:

- Mike Fox- Attorney with Tuggle Duggins representing the applicant
- Rich Kirkland- State Certified Appraiser
- Nathan Rogers- Project Developer with Ecoplexus
- Halsey Kendrick- Project Manager with Ecoplexus
- David Bergeron- Adjacent Property Owner
- Chris Rollins- Mebane Assistant City Manager
- Thomas Cleveland- P.E. with NC Clean Energy Technology Center (arrived late and was sworn in separately)

Mr. Rollins gave a brief overview of the requests and introduced Mike Fox. Mr. Fox handed out a booklet to the Council depicting the project. Mr. Fox continued by introducing those present to speak on the request and highlighted items that will be discussed during the presentation.

Nathan Rogers stated their company was founded in 2008 and began developing solar roof top projects on multifamily affordable housing and have graduated from there into doing commercial and industrial projects as well as municipal roof top projects. Over the last couple of years their focus has been developing ground mounted solar farms. Mr. Rogers explained how the solar farm would work and discussed the advantages. He stated the facility would be a maximum of 8 feet in height, would have visual buffering per Mebane's Unified Development Ordinance (UDO), a 50 foot riparian buffer along the perennial stream in the north eastern corner and would have less than 1% impervious surfaces. Mr. Rogers explained that the variance would allow for application of the standard setbacks prescribed for the M-1 zoning district which are: 30 foot front, 25 foot side, and 20 foot rear. If the strict interpretation of the UDO was applied in this instance, they would suffer an unnecessary hardship due to conditions that are peculiar to the site including the fact that the two tracts comprise 26.32 acres in total, are bisected by a 128 foot Duke Energy Carolinas transmission line easement, and jurisdictional wetlands in the northern portion of the eastern-most tract. The 100' minimum setback causes a hardship as a result of the natural conditions of the site, not personal circumstances, and reduces the useable land by 60%. If the 100 foot setbacks were applied, the remaining developable area would consist of 10.5 acres which is not enough area to construct the proposed 4 megawatt solar energy system. Mr. Greene questioned where the front of the farm would be. Mr. Rogers replied along Mattress Factory Road which would be the western side of the property line. Mr. Rogers presented the project's characteristics: emission-free, minimal disturbance and infrastructure requirements, almost no water use, safe and secure, visually screened, self-operating and environmentally sensitive development. He quickly highlighted the community benefits: energy security, healthy environment, contributes to a renewable energy industry in NC, hedge against utility rate inflation, construction jobs for the local work force, revenue for local businesses, and increase in the local tax base.

Mr. Cleveland explained in detail how the solar photovoltaic systems work and how they are installed. He testified that solar is safe for persons from potential injury and environmentally safe as designed for this project. He stated there are no site emissions. The sound generated from the invertors is minimal. Mayor Stephenson questioned the glare generated by the panels. Mr. Cleveland assured the Council that the panels are less reflective than dirt or grass when the sun is directly on them but when the sun hits them at a sharp angle there is reflection because it is a glass surface. Glare can occur at sunrise or sunset but will not be significant. Mr. Greene questioned which direction the panels would be facing. Mr. Cleveland replied to the South which would be facing the interstate. Mr. Bradley questioned if the panels would ever change position. Mr. Cleveland stated the panels in this particular project would not move. Ms. Philipps questioned why the City, when adopting the solar farm ordinance in the UDO, went with a 100 foot setback. Mr. Cleveland stated he personally worked on the state's template ordinance and it did not suggest a 100 foot setback, it suggested a 100 foot between equipment and residential dwellings for visual screen. Mr. Rollins added that when the City was drafting the ordinance they used multiple resources including other municipality's ordinances as well as the state's template and staff felt the 100 foot setback was the best compromise. Mr. Bradley questioned how the panels are handled during emergency situations. Halsey Kendrick replied the invertors need line voltage or they shut off immediately. The panels produce dc voltage and unless the invertors are working to step them up, there is no high voltage. Ms. Auditori asked about the life expectancy of the project. Mr. Rogers stated the contract would be for 30 years, predicting what would happen 30 years from now is difficult but assuming power is still generated and used the same way, it would be either repowered and output would be sold or it would be disassembled and sold for recyclables and scraps. Mr. Hooks questioned if there is a need for security. Mr. Rogers stated there is a lot of value in the equipment and materials and more security would be needed during the construction period. Mr. Kendrick stated that during the construction period an estimated 10 to 15 local laborers would be hired to help with the installation. Construction takes about approximately 6 months. Buffer requirements will be met per the UDO.

Rich Kirkland, State Certified Appraiser, 9408 Northfield Court, Raleigh, North Carolina gave testimony as to whether or not the project would substantially injure the value of adjoining or abutting property and whether or not the location and character of the project would be in

harmony with the area in which it would be located. Mr. Kirkland stated he has researched a number of solar farms in North Carolina to determine the impact of these facilities on the value of adjoining properties. He conducted a series of matched pair analysis. Based on his data and analysis it was his professional opinion that the proposed solar farm will not substantially injure the value of adjoining or abutting property and the proposed use is in harmony with the surrounding area.

Ms. Philipps questioned if there would be a permanent road or a temporary access for the entrance to the property. Mr. Fox said the applicant will apply for a driveway permit for access to the property, it will be a small commercial driveway. Ms. Auditori questioned if there is a plan to build a fence around the property. Mr. Fox replied yes, per the requirements of the UDO.

David Bergeron, adjacent property owner, questioned if there would be any changes to the existing zoning within the Industrial Park for future redevelopment, such as, height limits on structures that could be built there. Mr. Rollins stated the particular request is site specific zoning. Mr. Bergeron asked for clarification of whether or not there would be glare issues for surrounding properties. Mr. Rogers stated based on the solar glare hazard analysis report that was conducted, the glare would be very minimal and would mostly be mitigated by the landscape buffering.

Mr. Greene made a motion, seconded by Ms. Philipps, to close the Public Hearing. The motion carried unanimously. Ms. Philipps made a motion, seconded by Mr. Bradley, to approve the SUP as presented with findings of fact that he application is generally consistent with the objectives and policies for growth and development in the City's 2010 Land Development Plan, and is both reasonable and in the public interest because it:

1. Will not materially endanger the public health or safety;
2. Will not substantially injure the value of adjoining or abutting property;
3. Will be in harmony with the area in which it is located ; and
4. Will be in conformity with the land development plan, thoroughfare plan, or other plans officially adopted by the City Council

The motion carried unanimously.

The Council acting as the Board of Adjustment (BOA), called the BOA into session by motion of Mr. Hooks, seconded by Mr. Bradley. The motion carried unanimously. Ms. Philipps made a motion, seconded by Mr. Greene, to approve the variance as presented. The application is generally consistent with the objectives and policies for growth and development in the City's 2010 Land Development Plan, and is both reasonable and in the public interest because the BOA finds that:

- a) Unnecessary hardship would result from the strict application of the ordinance. (It shall not be necessary to demonstrate that, in the absence of the variance, no reasonable use can be made of the property.)
- b) The hardship results from conditions that are peculiar to the property, such as location, size, or topography. (Hardships resulting from personal circumstances, as well as hardships resulting from conditions that are common to the neighborhood or the general public, may not be the basis for granting a variance.)
- c) The hardship did not result from actions taken by the applicant or the property owner. (The act of purchasing property with knowledge that circumstances exist that may justify the granting of a variance shall not be regarded as a self-created hardship.)
- d) The requested variance is consistent with the spirit, purpose, and intent of the ordinance, such that public safety is secured, and substantial justice is achieved.

A Public Hearing was held on a request for approval of an Economic Incentive Agreement between the City of Mebane and MGP Retail Consulting, LLC to locate a proposed regional headquarters and distribution facility in the North Carolina Commerce Park.

Mac Williams, President of the Alamance County Chamber of Commerce, spoke briefly about

the project and introduced Robert Lester, Development Manager for MGP Retail Consulting, LLC. Mr. Lester stated MGP Retail is a wholly owned subsidiary of Lidl Stiftung & Company which is a German based company. Lidl currently operates close to 10,000 retail stores in 26 countries throughout Europe and is Europe's largest grocer as well as one of the largest retailers in the world. Mr. Lester stated MGP has been working with the City of Graham, City of Mebane, and Alamance County during the site selection process. During the site selection process the company has been considering locations in neighboring states and municipalities along with the site in the NCCP. He said the NCCP site offers several advantages to the company's operations including convenient access to the state's infrastructure network, strong workforce, close proximity to major population centers and Alamance offers reasonable land value and tax rates. The site is 86.5 acres and the project would constitute an 850,000 square foot distribution center and would also include offices for a regional headquarters. They expect the project will create an estimated 200 jobs with an estimated capital investment of \$125,000,000. Mr. Cheek gave a basic overview of the agreement. He stated the incentive includes extending Melville Commerce Parkway all the way from the front of the Walmart site westerly to Governor Scott Farm Road. It also includes upgrades up to Governor Scott Farm Road. Those upgrades along with the extension are estimated to cost \$2,000,000 and that cost would be shared by Alamance County, the City of Graham and the City of Mebane. Additionally, the incentives will include cash grants over a 5 year period that would begin after the company pays taxes. The total would be \$3,375,000 over 5 years and Mebane's share would be one third. The project would be annexed by the City of Graham. Mr. Cheek said the agreement includes clawback provisions based on percent of tax value and jobs. The project completion date within the agreement is December 2017.

Ms. Philipps asked for clarification of the job goals. Mr. Brown replied 80 jobs with an average salary of \$80,000. Ms. Auditori asked if the company anticipates using Governor Scott Farm Road. Mr. Lester replied not much but they felt it was important to have multiple points of ingress and egress. Mr. Hooks stated truck traffic would not be encouraged on Hwy 119.

Tom Boney, Editor of Alamance News, asked for clarification of the road contribution. Mr. Williams replied that the 3 local governments will share the cost of the \$2,000,000 for the extension of Melville Commerce Parkway and additionally \$750,000 is being pursued by a straight NCDOT project therefore the total for both roads would be \$2,750,000.

Stephen Laughead, 624 Collington Drive, shared his concerns with the city giving economic incentives. Mr. Greene explained that site selection is a very competitive process and municipalities everywhere offer incentives.

Mr. Greene made a motion, seconded by Mr. Hooks, to close the public hearing. The motion carried unanimously. Mr. Bradley made a motion, seconded by Ms. Philipps, to approve the Economic Incentive Agreement as presented. The motion carried unanimously.

A Quasi-Judicial Public Hearing was held on a request from Summit Design and Engineering on behalf of The Ryland Group, Inc. to amend the original Special Use Permit (SUP) previously approved by the City Council on June 2, 2003. Mr. Rollins said that Summit is requesting to amend the front and rear setbacks in the "Arbor Creek" Single Family Residential Section. The requested lots are undeveloped and have a steep grade and Ryland Homes, the current builder, is having trouble meeting setback requirements on the lots and are unable to build on them for the product homes they are currently selling. The request is to revise rear setback from 25 feet to 10 feet to accommodate grade transition at front of lot. He stated there is open space and wetlands located behind those lots which would never be developed. Ms. Shaw swore in the following:

- Chad Abbott- P.E. Summit Design and Engineering
- Roger McClure- resident of Arbor Creek
- Jay Almers- resident of Arbor Creek
- Randy Herman- future resident of Arbor Creek

Mr. Abbott spoke on behalf of the applicant, The Ryland Group. He explained due to grade changes, the homes desired for subject parcels cannot be built with current setbacks. He stated some of the homes on these lots will have crawl spaces just like some of the existing adjacent homes. He said the requested amendment will not materially endanger the public health or safety because the homes would be like the homes already existing within the subdivision. The request will not substantially injure the value of adjoining or abutting property

because lots 6-15 would be shifted backwards and the property located behind those lots is open space and wetland area. Lots 70 and 71 are narrower to the rear and the applicant would like to move those homes closer to the front of the lots. He continued by stating the request would be in harmony with the area in which it is located because it is an existing subdivision. It would be in conformity with the land development plan, thoroughfare plan, or other plans officially adopted by the City Council because the request is an amendment of an already approved SUP for this subdivision and completing this development would carry out the long term plan for this property. Ms. Philipps questioned if the homes to be built on Lots 6-15 would look different from the front in comparison to the existing homes on the first 5 lots. Mr. Abbott stated the front setbacks will remain the same therefore the look from the front will remain the same. Mr. Bradley questioned why the Council could not hear this request as a variance instead of an amendment to the SUP. Mr. Brown replied that all of the setbacks were specific conditions in the SUP and there were 3 different size lots with 3 different sets of setbacks.

Mr. McClure stated if the builder is proposing to build the same type of homes on the requested lots, he supports the amendment.

Mr. Almers shared his concern with the footprint of the homes in relation to the grade of the lots. He stated if the plan is to build homes with crawl spaces or walkout basements that would allow the homes to be level with the street, he would that plan.

Mr. Abbott assured the residents that the builder intends to build on those lots the same homes that are at the rear of the subdivision.

Mr. Herman stated he is under contract with Ryland Homes to purchase lot 15 and he has been told that the homes on the aforementioned lots will have crawl spaces. He also stated the elevations and floorplans he was allowed to choose from, when going under contract, were the same elevations and floorplans of the homes already existing in the rear of the subdivision.

Mr. Greene requested Mr. Abbott elaborate on lots 70 and 71. Mr. Abbott replied that the current house footprint will not currently fit on those lots with the setback requirements and the applicant would like to move those homes closer to the front of the lots because they are so narrow in the rear.

Mr. Greene made a motion, seconded by Ms. Auditori, to close the public hearing. The motion carried unanimously. Ms. Philipps made a motion, seconded by Ms. Auditori, to approve the SUP as presented. The application is generally consistent with the objectives and policies for growth and development in the City's 2010 Land Development Plan, and is both reasonable and in the public interest because it:

1. Will not materially endanger the public health or safety;
2. Will not substantially injure the value of adjoining or abutting property;
3. Will be in harmony with the area in which it is located ; and
4. Will be in conformity with the land development plan, thoroughfare plan, or other plans officially adopted by the City Council

The motion carried unanimously.

Mr. Cheek presented the proposed budget for fiscal year ending June 30, 2015. He proposed a General Fund budget of \$16.1 million and a Utility Fund budget of \$6.9 million. He highlighted several revenue and expenditure impacts on the budget with no property tax increase or utility rate increase. He proposed a 1.7% cost of living adjustment (COLA) for all employees along with the pay plan step increases but no merit increases. Also included in the proposed budget were captain and corporal positions within the police department, 4 new police officers, 2 new positions in public works and a planner position. There was significant discussion among Council and staff in regard to the proposed COLA, step increases and merit increases. Council directed Mr. Cheek to come up with some options that would allow fairness across the board for all employees in regards to the COLA, step increases and merit increases. Ms. Philipps made a motion, seconded by Mr. Bradley, to set a date of Public Hearing for June 1, 2015. The motion carried unanimously.

Mr. Cheek stated in January 2014 the City adopted the 2014-2024 Recreation and Parks Comprehensive Master Plan. The plan identified the McLeod Property as a possible community

park as one of the first five year priorities. Staff began searching for available land for a possible community park in the 30-40 acre size range. Tracts were studied all over town and when considering a central location, ease of access, topography and available utilities the McLeod Property scored well. In January of 2015 the Samet Corporation through one of their subsidiary companies SST Development, LLC executed an Agreement for Purchase with Hilda S. McLeod, Trustee for 31.5 acres of land located at 627 West Center Street. The assignable agreement was for \$18,500 per acre. Mr. Cheek presented a conceptual drawing which included a variety of athletic fields from soccer to lacrosse along with a picnic site, tennis courts, a playground, a splash park, walking trails as well as Frisbee golf. Mr. Cheek stated staff is bringing the idea of a community park to Council for consideration however the public should have time to review the plan and give input and express any concerns or ideas they may have. Staff recommended the Council request Samet to assign the option on the property to the City to close before July 21, 2015 and allow staff to send a Letter of Retroactivity to the NC Parks and Recreation Trust Fund (PARTF). This letter would allow the City to apply for a grant in their next funding cycle to reimburse the City for up to half the purchase cost of the land. Staff also recommended that Council approve the assignment of the Agreement to Purchase to the City and authorize the staff to proceed with purchase of the property. Mr. Hooks made a motion, seconded by Ms. Philipps to approve the request as presented. The motion carried unanimously. Council requested that staff contact surrounding property owners for their feedback. Staff agreed to do so.

Council stated with the growth Mebane is experiencing, they want to be proactive in meeting needs in areas of housing, traffic, schools, etc.

There being no further business, the meeting was adjourned at 8:54pm.

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Glendel Stephenson, Mayor

ATTEST:

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Stephanie W. Shaw, City Clerk