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City Council Meeting  
Mebane Municipal Building  
*Regular Meeting*  
Monday, December 1, 2014

The Mebane City Council met for their regular monthly meeting at 6:00 p.m. on Monday, December 1, 2014 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 Tim Bradley  
Councilmember Jill Auditori  
Councilmember Patty Philipps  
Councilmember Everette Greene

Also Present:

David Cheek, City Manager  
Chris Rollins, Asst. City Manager  
Lawson Brown, City Attorney  
Jeanne Tate, Finance Officer  
Darrell Russell, City Engineer  
Montrena Hadley, Planning Officer  
Stephanie Shaw, City Clerk

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Mayor Stephenson presided and called the meeting to order. Mr. Hooks gave the invocation.

During the Public Comment period, Brooks Gardner, 517 N. Carr Street, Mebane, introduced Mebane resident and Piedmont Laureate Jaki Shelton Green who was in attendance. Mr. Gardner spoke kind words honoring Mrs. Green. He stated that she has received many awards over the years for her poetry and stories and was recently inducted into the North Carolina Literary Hall of Fame. Mayor Stephenson congratulated Mrs. Green on her accomplishments and thanked her for her contributions to the state of North Carolina.

Mayor Stephenson presented the Consent Agenda as follows:

- a) Local Water Supply Resolution
- b) Tax Releases
- c) Approval of Minutes
  - November 23, 2014 Regular Meeting
  - September 18, 2014 Joint Meeting
- d) Reschedule January meeting to January 12, 2015

Mr. Hooks made a motion, seconded by Mr. Greene, to approve the Consent Agenda as presented. The motion carried unanimously.

A Public Hearing was held on a request for approval of an economic incentive performance agreement between the City of Mebane and Southern Season, Inc. to locate a logistics and distribution facility in the N.C. Industrial Center. Mac Williams, President of the Alamance County Chamber of Commerce, introduced Southern Season Chief Financial Officer Brian Fauver. Mr. Fauver stated they have been in business since 1975 and their flagship location is in Chapel Hill, North Carolina which has grown from a small coffee roaster to a 50,000 square foot mega store. They specialize in importing gourmet food items with most items coming from

small local businesses in North Carolina. They have a distribution center in Hillsborough, North Carolina however it is insufficient for expected growth. They are looking to build a new distribution center, one that will allow for future expansion and would help support their e-commerce customers which live all across the United States and beyond. They have approximately 45 full-time equivalent employees with an average wage of \$45,592.00. The employee list is expected to grow as the company grows.

Mr. Cheek added to the presentation by identifying the location for the proposed site on the map below. The initial warehouse will be 108,000 square foot with the ability to add another 100,000 square feet. The initial capital expenditure will be \$6.3 million. Construction is to be completed in the summer of 2015.



Mr. Brown covered details of the performance agreement. He stated the proposed incentive package includes cash grants over a five-year period totaling a maximum of \$90,000. The incentive also includes the reimbursement of the local impact, permit and inspection fees associated with the new facility. The incentives agreement is contingent upon the stated investment and jobs.

Mr. Cheek said the economic development project will generate \$238,140 in property taxes over the next 10 years. With \$90,000 in incentive payments, the long-term direct financial impact to the City is net additional revenue of \$148,140. Comparing property taxes to incentive payments only, the City will break even on the project in the third year.

Mary McFarland, 307 Wilba Road, questioned how many employees they currently have and how many do they predict they will have in the future. Mr. Fauver replied currently with seasonal staff they have approximately 60 full-time equivalent employees. The base level is around 45 but the goal is to open 1 to 2 stores per year and they would expect to hire 5-10

employees per store opening. The hiring of seasonal employees would add to that number.

Jim Scofield, questioned what the total improvement cost would be for the first phase including the land and what will they spend on the second 100,000 square foot addition. Mr. Fauver stated the total cost to build estimated at \$5.8 million with another \$400-500,000 in equipment to be purchased during the setup of the facility. Mr. Fauver stated he did not have a good figure to share for the addition.

Ms. McFarland questioned if they plan to use local builders when building the facility. Mr. Fauver stated Samet Corporation will be the general contractor and it is his understanding that they subcontract with local crews.

Mr. Greene made a motion, seconded by Ms. Philipps, to close the Public Hearing. The motion carried unanimously. Ms. Philipps made a motion to approve the performance agreement as presented.

Mr. Bradley stated the agreement includes the reimbursement of local impact, permit and inspection fees and questioned what the bottom line cost will be. Mr. Cheek stated they are estimating the fees to be around \$15,000.

Ms. Auditori questioned if this would be their only distribution facility and would it serve their stores and online customers. Mr. Fauver replied it would be their only distribution facility and yes, the facility would serve at least 10 stores and their online sales. Currently they have 3 permanent stores.

Mr. Bradley seconded the motion on the floor. The motion carried unanimously.

A Public Hearing was held on a request from Mebane 8540, LLC to amend their Arrowhead Planned Unit Development (PUD) to allow development of 144 apartments. The current amended PUD approved by City Council on July 11, 2011 allows 31 patio homes and a mixed use business/residential commercial lot in this area. Ms. Hadley briefly presented the request and introduced Paul Koontz, attorney representing the applicant. Mr. Koontz gave a PowerPoint presentation to highlight the major elements of the amended plan as follows:

- Construction of 144 apartments
- A total of six (6) 3 story buildings
- 36 – 1 bedroom units
- 72 – 2 bedroom units
- 36 – 3 bedroom units
- Amenities – clubhouse, pool, putting green, BBQ grill areas, fenced dog park, fenced playground, aerator/fountain within the existing pond, garages, and carwash area
- Clubhouse and pool to be installed in Phase 1
- Provision for two (2) ponds for compliance with storm water management rules

He stated the exterior will be brick and hardiplank. Projected rental costs would be \$800 a month for one bedroom, \$1,000 a month for two bedroom and \$1,200 a month for three bedroom. He stated the apartments will generate less than half of the traffic than the originally proposed commercial site and 31 patio homes. When the initial traffic study was completed, the weekday, twenty-four hour trip generator showed 2,073 trips but with the proposed apartment site, the trips decreased to 958.

Deborah Kaufman asked for clarification of location. Mr. Koontz explained the location.

Ms. Philipps stated while the Council is not directly responsible for the capacity of the schools, she understands there may be some pressure at South Mebane Elementary school and this development would add to that. She questioned what they, as councilmembers, can do to make sure they are communicating with the county commissioners regarding schools. Mr. Cheek stated they can informally let County Commissioners know about new development, however the County departments keep a check on new development and the impact they will have on schools. Mr. Hooks shared the same concern. Mr. Rollins stated when the Technical Review Committee is reviewing proposed project plans, they could begin sending a copy to the school system, if the project suggests an impact on the schools.

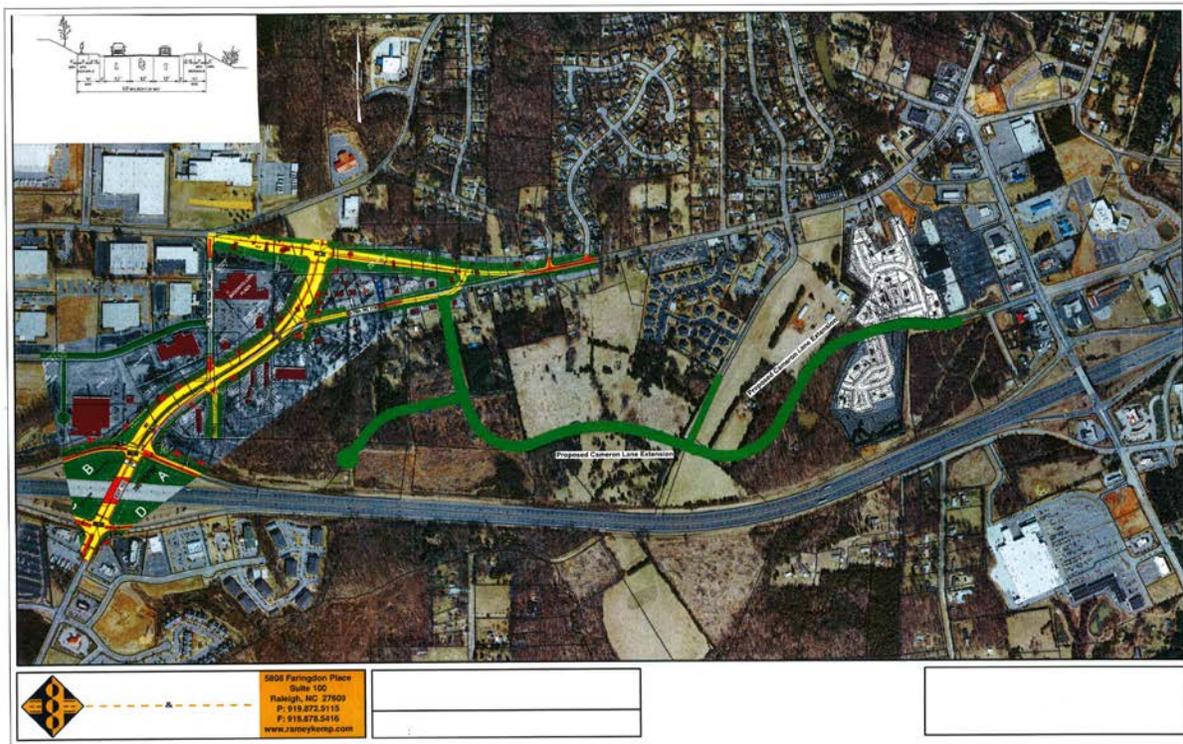
Mr. Bradley questioned what the expected demographics are for the development. Mr. Koontz stated generally within the multifamily homes you find young families and young professionals.

Mr. Greene made a motion, seconded by Ms. Philipps, to close the Public Hearing. The motion carried unanimously.

Mr. Bradley made a motion, seconded by Ms. Auditori, to approve the amendment as presented. The motion carried unanimously.

A Public Hearing was held to receive comments on the Small Area Thoroughfare Plan for the proposed Cameron Lane Extension between Mebane Oaks Road and NC Hwy 119. Mr. Russell shared some introductory comments. He stated staff began receiving inquiries about development in this area and the process to develop a plan began six months ago. The City contracted with Ramey Kemp & Associates and a Draft Small Area Thoroughfare Plan has been completed. Two informational meetings were held and several modifications were made to the preliminary alignment of the proposed road based on property owner input. He said another player in the process was determining a connection point with Hwy 119 which required meetings with NC Department of Transportation (NCDOT). NCDOT designated the connection point reflected in the plan. Mr. Russell said many people have questioned why the City is doing this. One reason is to provide for the orderly extension of roads between points with directness, ease of travel and safety. Another reason is Cameron Lane extension will help mitigate the impacts of traffic on the existing road network, especially South Fifth Street, by providing a more efficient route for new developments and businesses locating in the area. Lastly, a street plan provides for the basic framework of how cities are developed and grow.

Stephen Greene, P.E. and Vice President of Ramey Kemp & Associates, presented an overview of the Small Area Thoroughfare Plan. He stated the area under consideration was approximately 300 acres and could consist of shopping center or retail space, single family residential and multifamily residential. Based upon those initial zoning predications and the changing of current zoning, the potential development could have generated over 22,000 trips per day and those trips would have been accommodated by a four lane divided facility with a turn lane or a four lane undivided facility with a center turn lane but after Council expressed their desire to see no changes in the zoning, the traffic projections were revised and the trips per day decreased by nearly 50% and would allow for a two lane divided facility with turn lane or a two lane undivided facility with center turn lane. Mr. Greene explained the map of the recommended plan, shown below. The recommended plan allows for the construction of a 3 lane road of 36 ft. of pavement width with curb and gutter (41 ft. to back of curbs) and sidewalks in a 60 feet right of way as the typical section for this street to accommodate the anticipated traffic in this area. The intent of the plan is for the road to be built in phases by developers as the individual properties are developed. There was considerable discussion among staff and Council.



Mr. Gardner expressed he was having difficulty hearing people speak and requested that city staff look into a solution to allow attendees of the meeting to hear speakers clearly. Staff stated they will work on the issue.

Ms. McFarland said she would like to see this plan include a bike friendly path.

Tom Boney, Editor of Alamance News, stated at earlier meetings the plan proposed two connection points on Fifth Street and questioned if NCDOT had vetoed one of those points. Mr.

Russell stated yes, the connection point shown on the map is the one NCDOT gave a favorable response to. He added that Airport Road is a connector street and as other properties are developed, there will be more connector streets. Mr. Rollins stated the plan presented reflects the preferred connector streets but there is some flexibility.

Ellis Coleman, Real Estate Developer and land owner of property within the area under consideration, questioned the cost of the thoroughfare plan. Mr. Russell stated the preliminary estimates are in the 2.5 million dollar range, not including the cul-de-sac. Mr. Ellis spoke in favor of the plan but expressed his concern and displeasure with the city obligating developers to fund the construction of the road.

Shawn Cummings, Developer of The Landings at Fair Oaks, spoke of a bifurcated plan to fund the road construction, such as an impact fee.

Linda Wright, property owner within the area under consideration, expressed her concerns with the plan and urged the Council to approve the recommended plan as presented because she feels it reflects the input of the people that will be most affected.

Scott Wallace, Owner and Developer with Keystone Homes, stated Keystone will be building 330 apartment homes within the plan area and they would like to continue working with city staff during the process so their project can continue to move forward.

Mr. Russell added that the plan is a living document and at any point it can be changed.

Mr. Brown suggested that Council close the Public Hearing and make a decision on the road location. Then Council could defer the decision on how they will fund the plan by continuing the Public Hearing.

Mr. Hooks made a motion, seconded by Mr. Greene, to close the Public Hearing. The motion carried unanimously.

Mr. Bradley made a motion, seconded by Ms. Philipps, to approve the recommended roadway as presented which seems to be agreeable to the landowners. The motion carried unanimously.

Mr. Bradley requested that Mr. Russell fine tune the cost and bring back a report to Council. Mr. Brown asked if Council would like staff to report back additional options for funding the project. Council replied yes. Mr. Hooks suggested contacting the state for possible funding and Ms. Auditori suggested looking into the idea of a transportation impact fee.

Ms. Philipps made a motion, seconded by Ms. Auditori, to continue the Public Hearing for the financing portion of the plan until the January meeting. The motion carried unanimously.

Mr. Boney questioned if the Keystone developers will need to amend their plan to allow for the 3 lane road plan instead of their previously approved 4 lane road. Mr. Brown replied yes they will need to redesign their road portion and present the amendment to Council for approval. Mr. Brown feels this will not be an issue for either party.

Mr. Rollins presented a request for approval of a Park and Ride lease agreement with Alamance Regional Medical Center Inc. (ARMC) for a park and ride at the existing 101 Arrowhead Boulevard facility. This would allow 50 non-exclusive parking spaces to be used at MedCenter Mebane for the park and ride service. Improvements will also be made on the property for a covered bus stop. Triangle Transit Authority (TTA) and Piedmont Area Regional Transportation (PART) have agreed to provide this service in Mebane and cover cost for the lease and the bus stop. He said insurance will be needed to cover liability. Mr. Hooks made a motion, seconded by Ms. Philipps, to approve the agreement as presented contingent upon TTA and PART paying their portion. The motion carried unanimously.

Ralph Gilliam, Executive Director of Alamance County Transportation Authority (ACTA), presented a request for approval of emergency funding. Mr. Gilliam stated the cities began participating in the funding of ACTA about three years ago. ACTA has experienced unexpected State budget cuts and as a result is requesting emergency funding assistance from the county and cities for \$101,012. The county is being asked to provide 50% or \$50,506, and the cities are considering the other 50%. Based on the number of trips funded, Mebane's share of the requested emergency subsidy is \$4,972. Mr. Hooks made a motion, seconded by Mr. Bradley, to approve the emergency funding and to appropriate \$4,972 from fund balance to pay Mebane's portion. The motion carried unanimously.

BE IT ORDAINED by the Council of the City of Mebane that the Budget Ordinance for the Fiscal Year Beginning July 1, 2014 as duly adopted on June 2, 2014, is hereby amended as follows:

**ARTICLE I**

<b>APPROPRIATIONS</b>	<b>Current Budget</b>	<b>Change</b>	<b>Revised Budget</b>
<b>GENERAL FUND</b>			
Non-Departmental:			
ACTA Subsidy	\$ 6,100	\$ 4,972	\$ 11,072

**ARTICLE II**

<b>REVENUES</b>	<b>Current Budget</b>	<b>Change</b>	<b>Revised Budget</b>
<b>GENERAL FUND</b>			
Appropriated Fund Balance	\$2,513,999	\$ 4,972	\$2,518,971

This the 1st day of December, 2014.

Ms. Hadley presented a request from Shawn Cummings of Agency Partners, LLC for approval of a Final Plat for The Landings at Fair Oaks-Section 5-Phase 5. Ms. Hadley stated Mr. Cummings has revised his request which originally would have subdivided the +/- 14.77 acre property on Stonewall Drive and Fair Oaks Court into 30 lots and dedicate 1.95 acres to public right of way for City streets. He is now requesting to subdivide the property on Stonewall Drive into 14 lots and come back at another time to request subdivision of the lots on Fair Oaks Court.

Mr. Cummings stated there are two reasons for revising his request. One is to restrict the amount of lots available to developers and/or retail buyers. The second reason is based on finances, platting 30 lots will require paying taxes on all 30 lots and since selling 30 lots in a 12 month period is not very realistic, he feels it's more feasible to plat only 14 lots now and plat more at a later time.

Mr. Rollins requested Council make their approval contingent upon staff verifying the revised plat since they received it late. Ms. Philipps made a motion, seconded by Ms. Auditori, to approve the request as presented contingent upon staff verification. The motion carried unanimously.

Mr. Cheek announced Mr. Bradley's recent appointment to the NC League of Municipalities, General Government Legislative Action Committee.

There being no further business, the meeting adjourned at 8:33pm.

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Glendel Stephenson, Mayor

ATTEST:

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Stephanie W. Shaw, City Clerk