

**TOWN OF VALDESE  
TOWN COUNCIL MEETING  
JANUARY 4, 2016**

The Town of Valdese Town Council met on Monday, January 4, 2016, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor John F. "Chip" Black, Jr., Councilman Keith Ogle, Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, and Councilman Roy F. Sweezy. Also present were Town Manager Seth Eckard, Town Attorney Marc Mitchell, Deputy Town Clerk Thelda B. Rhoney, and various department heads.

Absent: Councilman Gary L. Delp

A quorum was present.

Mayor Black called the meeting to order at 6:00 p.m. He offered the Invocation and led in the Pledge of Allegiance to the Flag.

**OPEN FORUM/PUBLIC COMMENT:** No one spoke.

**CONSENT AGENDA:** (enacted by one motion)

**APPROVED REGULAR AND CLOSED SESSION MINUTES OF DECEMBER 7, 2015**

**SET PUBLIC HEARING DATE FOR MONDAY, FEBRUARY 1, 2016, 6:00 P.M., FOR ZONING ORDINANCE TEXT AMENDMENT - ALLOWANCE OF ARTISAN FOOD AND BEVERAGE PRODUCERS**

Councilwoman Hildebran made a motion to approve all items on the Consent Agenda, seconded by Councilman Ogle. The vote was unanimous.

*End Consent Agenda*

**ITEMS REMOVED FROM CONSENT AGENDA:** NONE.

**CONTINUE PUBLIC HEARING FOR ECONOMIC DEVELOPMENT INCENTIVES FOR "PROJECT GRAY"** Mayor Black continued the Public Hearing which was opened at the December 7, 2015 meeting. He asked if anyone wished to speak either for or against the project.

Town Manager Seth Eckard said the Town was offering Economic Development Incentives for a company in Valdese that was code named "Project Gray." He said if the company were to leave Valdese there would be a loss of 147 jobs, loss of property tax revenue, loss of \$500,000 in utility revenues (which is 10 percent of entire utility revenue and this would be a \$8 per person per month increase to become revenue neutral). The company "Project Gray" is proposing to stay in Valdese and expand its operation and create 20-40 additional jobs, invest \$8.5 million in capital investment, and anticipate up to 40 percent increase in water usage. The incentive is \$900,000 to be paid over five years or \$180,000 per year. There are performance measures in the incentive where the company is required to meet certain capital investment and water usage thresholds in order to receive their payments.

There being no one else wishing to speak, Mayor Black closed the public hearing.

**RESOLUTION AUTHORIZING INCENTIVES AGREEMENT WITH PROJECT GRAY**

WHEREAS, G.S. §158-7.1 grants to cities and towns the authority to make appropriations for economic development purposes; and

WHEREAS, Project Gray operates a textile dyeing facility at property adjoining US Highway 70 in Valdese, North Carolina; and

WHEREAS, Project Gray employs approximately 150 people at that facility; and

WHEREAS, in 2014, Project Gray paid the Town of Valdese (the Town) more than \$500,000 in water and sewer charges; and

WHEREAS, Project Gray has decided to expand and modernize its textile dyeing operations; and

WHEREAS, Project Gray has considered moving its textile dyeing operations out of the Town and possible new locations have included locations in other states; and

WHEREAS, to induce Project Gray to remain in the Town and to expand its textile dyeing operations in the Town, the Town has agreed to provide certain economic incentive grants as set forth in the proposed Incentive Grant Agreement (the Agreement) between Project Gray and the Town; and

WHEREAS, in exchange for the incentive grants provided in the Agreement, Project Gray has agreed to expand its textile dyeing operations at its Valdese location, which will include Project Gray investing approximately 8.0 million dollars in constructing a new textile dyeing facility, modernizing its existing facility and purchasing new equipment for its Valdese textile dyeing operations; and

WHEREAS, as a result of Project Gray maintaining and expanding its dyeing operation in the Town, the approximately 150 jobs Project Gray now provides in the Town are expected to be retained and within the next five (5) years at least 25 new jobs will be created; and

WHEREAS, as a result of the modernization and expansion of Project Gray's textile dyeing operations, Project Gray expects that within three (3) years after the expansion is completed it will use approximately 30% more water than it presently uses, which will help the Town maintain lower utility rates; and

WHEREAS, retaining and expanding Project Gray's textile dyeing operations in the Town will increase the taxable property, employment, industrial output and business prospects of the Town;

IT IS THEREFORE RESOLVED AS FOLLOWS:

1. The Agreement between the Town and Project Gray is hereby approved.
2. The Town is authorized to appropriate and expend the amount of Town funds necessary for the Town to comply with the terms of the Agreement.
3. The Town Manager of the Town is authorized to execute the Agreement on behalf of the Town.

ADOPTED THIS 4<sup>th</sup> DAY OF JANUARY, 2016.

/s/ John F. Black, Jr., Mayor

ATTEST: /s/ Town Clerk

Councilman Ogle made a motion to adopt the aforementioned Resolution approving the Incentives Agreement with Project Gray, seconded by Councilwoman Hildebran. The vote was unanimous.

**AUDIT REPORT PRESENTATION - FY 14-15 - LOWDERMILK CHURCH & CO., LLP** (Copy of audit on file in the Office of Finance Director.) Mr. Phil Church of Lowdermilk Church & Co., presented the 2014-2015 audit. He said they gave a clean, unmodified opinion and the audit was submitted to the Local Government Commission which was approved. There were no compliant issues with state and federal funds received. Mr. Rick Hammer reviewed the general fund, utility funds and audit highlights. He said the fund balance increased \$150,028; ad valorem tax collections were \$1,650,910 which was 97.17 percent of the levy.

After a brief discussion, Councilman Ogle made a motion to accept the 2014-2015 audit report as presented, seconded by Councilwoman Stevenson. The vote was unanimous.

**APPROVAL OF FY 15-16 AUDIT CONTRACT - LOWDERMILK CHURCH & CO., LLP** Town Manager Seth Eckard recommended approval of a contract with Lowdermilk Church & Co., to audit the Town's accounts for FY 2015-2016 in the amount of \$15,570, an increase of \$305 from last year.

Councilman Ogle made a motion to approve the Audit Contract for FY 15-16 in the amount of \$15,570, seconded by Councilwoman Hildebran. The vote was unanimous.

**OPTION TO PURCHASE CROWHILL PARK PROPERTY LOCATED AT 605 PINEBURR AVENUE** Mayor Black introduced Western Piedmont Council of Governments Assistant Executive Director Sherry Long. Ms. Long said she was also chairman of the Western NC Housing Partnership, an agency established in the 90s whose mission is to provide affordable housing in Western North Carolina. It was established through Appalachian Regional Commission

(ARC). Ms. Long introduced Ms. Joy Strassel, Western NC Housing Partnership Executive Director. Ms. Long said a tax credit project is a long, drawn-out process. An application would be submitted this January and you would not know until fall. You cannot own the property until you know if you get the tax credits.

Ms. Strassel said they were founded in 1996, non-profit organization, and have assistance with the ARC. They are committed to providing high quality apartment residences for aging populations and workforce families, and are only in the 31 county region of Western North Carolina. They obtain tax credit funding and have developed more than 525 apartments in 16 assets. They have won awards for design. One would qualify with 50-60 percent of median income; rents would be \$400 - \$525. This is not Section 8 Housing.

They are looking at making a \$4 million investment in the Town of Valdese. Their preliminary plans offer 46 units with 8 one bedrooms; 30 two bedrooms; and 8 three bedrooms. Amenities would be a club room, picnic and grill area, playground, benches, walking trails, computer room, and outside management office. Interior amenities include washer/dryer hookups; wood or tile flooring, abundant cabinets, ample closets, they are LEED certified, and space is optimized in all units. They use vinyl siding with brick or stone accents. There would be 92 parking spaces for this development. She said they have high standards, provide ongoing asset management and frequent unannounced site visits. There would be job creation during construction and onsite management jobs once the community is complete. Tise-Kiester Architects serves as their architect and she offered a rendering of a two story walkup building. She also offered photos of facilities in Hudson, Taylorsville, and Newland, NC.

Councilman Ogle said Ms. Strassel mentioned aging and workforce and what did workforce mean to her. Ms. Strassel said workforce to her was individuals who were working in the community or nearby and need to find affordable, high-quality housing. He asked if that would be families. She said any mix of folks.

Councilwoman Stevenson said it would not be all seniors or all workforce. She also asked about handicap accessible units. Ms. Strassel said a number of the units would be first-floor, handicap accessible units.

Councilwoman Hildebran had a question about the option on the property. Town Attorney Marc Mitchell said the project may not go through and the partnership is asking for an option to buy the property that would last through August 2016, which could be extended for 10 months. The purchase price would be the lesser of a fair market appraisal and was covered in the following resolution.

Councilman Ogle said there were two citizens in the audience from the Crowhill area, former Councilwoman Vickie Oxentine and Mt. Calvary Baptist Church Minister Jeff Carter and he asked for their opinion. Both Ms. Oxentine and Pastor Carter said this would be a good project for the community. Councilman Ogle asked Pastor Carter if the church would allow a community meeting and he answered yes.

Planning Director Larry Johnson said if the project comes to fruition, the property would be subject to a conditional use permit and there would be a review of construction plans and the entire project and Council would hold a public hearing for citizen input. He said buffering and transportation/traffic would be covered in the review process.

Mayor Black asked about rent payments and subsidizes. Ms. Long and Ms. Strassel explained. Ms. Long said the median income for two people would be \$25,200 and people would have to have a job to pay their rent. Ms. Strassel said residents would have to have some income to move into the communities.

Councilman Sweezy asked if the project was associated with HUD in any way. Ms. Strassel said not in any way. Ms. Strassel and Ms. Long further described income, personal assets and rent payments.

Town Manager Seth Eckard said the \$4 million nonprofit project would be subject to taxes. Ms. Long said there would also be fees for water and sewer taps and 46 new utility customers. Increased population would increase state shared revenues.

Ms. Strassel said the application would be submitted this month, initial scoring in May 2016, and if they score well they would know if they are awarded credits in August 2016 then after 10 months the land would be purchased and construction would begin which would take 12 months – early summer 2018 for move in.

Councilwoman Hildebran asked what if the project fell through. Ms. Strassel said if they did not get the tax credits they would be done.

Councilwoman Hildebran said she grew up in the Crowhill Community and knew the citizens and in the past the citizens did not want the apartments, but this was a different type project. She visited Millside Manor in Morganton and

spoke with the manager and she believed having an onsite manager would be beneficial and if the citizens didn't meet standards they would be out. She was concerned about adjoining property owners and would need proper buffering. The ingress/egress would be between two houses. The development was proposed for her ward but she represented the entire town. The Town is in need of housing. She said there could be a public hearing and we need population growth and tax base. She said it was a tough decision for her and she appreciated former Councilwoman Vickie Oxentine for being in attendance. She also said she had the upmost respect for Sherry Long and the Western Piedmont Council of Governments staff.

Ms. Strassel said they would be available if there were meetings and would be available to answer questions.

Councilwoman Stevenson said this was a major decision and housing was needed and this would be a nice project for the community.

Councilman Ogle recommended a meeting with the citizens on getting the word out about the project.

Councilman Sweezy said there would be a public hearing for the conditional use and what would happen if the conditional use were not approved. Mr. Mitchell said if the option were approved then you would want to approve the conditional use permit, it would be like any other conditional use.

Mayor Black said a public meeting in the community was recommended by Councilman Ogle and could be scheduled to talk about the project and what was being considered. Councilman Ogle agreed.

Mayor Black asked Pastor Carter if the meeting could be held at Mt. Calvary and the pastor said yes. Mr. Eckard said information could also be posted on the Town's website regarding frequently asked questions about this project. Mr. Eckard said there could be pictures, information, process, and answers to anticipated questions from the public.

Mayor Black asked if the resolution were adopted, would the Town Manager schedule an informational meeting for the citizens. Mr. Eckard said yes. Councilwoman Hildebran said there needed to be a fact sheet in advance advising citizens this would not be a Section 8 housing unit as the citizens in the Crowhill Community would not know what that meant and that it would be affordable housing and not public housing or low to moderate. Ms. Strassel said it would be 50 and 60 percent median income. Councilwoman Hildebran said they need to be on the same page as a Council and speak the same terminology such as the project would be affordable housing and if the term low to moderate were used that would refer back to Section 8.

Mr. Mitchell said he used low to moderate in the proposed resolution because that was the language in the NC Statutes for public use.

Mr. Eckard asked Ms. Strassel to review the application process. She said the property management agent would require proof of income, background and credit checks, and previous landlords would be contacted.

Mr. Eckard asked if someone wanted to rent and had a domestic violence charge against them that they would not be able to live there. Ms. Strassel said that was correct.

Mr. Eckard asked if this would be an official meeting of the Town Council or just a public input meeting and Mayor Black said this would be a public input meeting for the education of citizens in the community.

**RESOLUTION APPROVING THE GRANTING OF AN OPTION TO  
WESTERN NC HOUSING PARTNERSHIP, INC.  
TO PURCHASE TOWN PROPERTY PURSUANT TO G.S. 160A-279**

WHEREAS, the Town of Valdese owns two adjoining lots, a 5.62-acre more or less tract (PIN 2733637157) and a .388-acre more or less tract (PIN 2733639402), said parcels being the parcels on which the Crow Hill Park was located (the property); and

WHEREAS, G.S. 160A-279 authorizes a town to convey real property by private sale to a nonprofit corporation if the town is authorized to appropriate money to that corporation; and

WHEREAS, G.S. 160A-456(b) authorizes a town council to exercise directly those powers that are granted to housing authorities; and

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WHEREAS, a basic power granted to housing authorities is the power to prepare, carry out, and operate housing projects; and

WHEREAS, a housing project, as defined in G.S. 157-3(12), includes programs that assist developers of multifamily housing; and

WHEREAS, G.S. 160A-20.1 authorizes towns to appropriate money to private organizations to carry out any activity that a town could carry out directly; and

WHEREAS, the Town of Valdese is therefore authorized to appropriate money to private organizations that develop multifamily housing for persons of low or moderate income; and

WHEREAS, because a town may appropriate money to such organizations, G.S. 160A-279 authorizes the private sale of real property to such organizations; and

WHEREAS, Western NC Housing Partnership, Inc. (WNC) proposes to purchase the property and use the property to provide housing for persons making not more than 60% of the median income of the area; and

WHEREAS, providing affordable housing to such low or moderate income persons would benefit the Town of Valdese and help meet the housing needs of its citizens; and

WHEREAS, WNC has asked the Town of Valdese to grant to WNC an option to purchase the property at a purchase price that is the lesser of the fair market value of the property as determined by appraisal, the sum of \$60,000 or \$10,000 per acre; and

Whereas the proposed option would terminate on August 31, 2016, subject to it being extended by WNC for an additional 10 month period; and

Whereas, the town council is of the opinion that providing housing for persons of low and moderate income would be in the best interest of the citizens of the town and that the construction of housing units would increase the town's tax base;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Pursuant to G.S. 160A-279, the mayor of the Town of Valdese is authorized to execute on behalf of the Town of Valdese an option agreement with WNC upon the terms set forth above.
2. If WNC exercises its option to purchase the property, the mayor is authorized pursuant to G. S. 160A-279 to execute on behalf of the Town of Valdese a deed conveying the property to WNC.
3. The town clerk shall publish a notice pursuant to G.S. 160A-267 summarizing the contents of this resolution, and the sale of the property may not be consummated until 10 days after the publication of that notice.

THIS, the 4<sup>th</sup> day of January, 2016.

/s/ John F. Black, Jr., Mayor

ATTEST: /s/ Town Clerk

After a brief discussion, Councilman Ogle made a motion to adopt the aforementioned Resolution, seconded by Councilman Sweezy. The vote was unanimous.

**AWARD OF BID – I & I SEWER IMPROVEMENTS** Mr. Benjie Thomas with West Consultants said Cavanaugh was hired a number of years ago through a grant to try to find out where rain water was getting into the sewer system and it was discovered that the Cline Avenue area was one of the main contributors. West Consultants was hired to do an engineering report, produce plans and specifications, bid the project, and oversee construction. He presented the following bids: The low bid submitted for Contract A for Sewer Pipe Rehabilitation was Insituform Technologies, LLC of Chesterfield, MO, in the amount of \$72,167.60. (Other bids: Iron Mountain Construction Co., Inc., Mountain City, TN - \$79,382.76; Layne Inliner, LLC, Gastonia, NC - \$97,928; Steppe Construction, Inc., Mill Spring, NC - \$109,996.40; and Atlantic Coast Contractors, Inc., Denver, NC - \$131,790.) The low bid submitted for Contract B for Various Sewer System Improvements was from Iron Mountain Construction Co., Inc., of Mountain City, TN, in the amount of \$116,880 plus the addition of the Alternate Bid of \$4,400 = \$121,280, which was recommended by West Consultants. (Other bids: Atlantic Coast Contractors, Inc., Denver, NC - \$129,681 plus \$1,600 = \$131,281; Insituform Technologies, LLC,

Chesterfield, MO – \$140,292.50 plus \$4,807 = \$145,099.50; Shiloh Utilities, Inc., Eden, NC - \$140,455 plus \$3,000 = \$143,455; and Steppe Construction, Inc., Mill Spring, NC - \$140,955 plus \$4,000 = \$140,955.) Total for lowest bids of both Contract A and Contract B = \$193,447.60.

Mr. Thomas recommended that Council also adopt the following resolution:

**RESOLUTION OF AWARD TOWN OF VALDESE  
2015 SEWER SYSTEM I/I IMPROVEMENTS  
BURKE COUNTY, NORTH CAROLINA  
CWSRF NO. CS370396-08**

WHEREAS, the Town of Valdese solicited for bids for the 2015 Sewer System I/I Improvements project; and

WHEREAS, the Bids were publicly opened on December 8, 2015 and read aloud; and

WHEREAS, the Town of Valdese received a loan offer from the NCDEQ State Revolving Fund (SRF) program in an amount of up to \$285,917.

NOW; THEREFORE BE IT RESOLVED BY THE TOWN OF VALDESE TOWN COUNCIL that the construction contracts be awarded to, subject to final documentation and final funding being approved by the aforementioned funding agency, in accordance with the Engineer’s recommendation:

Contract A: Sewer Pipe Rehabilitation  
Insituform Technologies, Chesterfield, MO \$72,167.60

Contract B: Various Sewer System Improvements  
Iron Mountain Construction, Inc., Mountain City, TN \$121,280.00

Adopted this the 4<sup>th</sup> day of January, 2016, at Valdese, Burke County, North Carolina.

/s/ John F. “Chip” Black, Jr., Mayor

ATTEST: /s/ Town Clerk

After a brief discussion, Councilman Ogle made a motion to approve aforementioned resolution approving the lowest bid for Contract A and Contract B, seconded by Councilwoman Stevenson. The vote was unanimous.

**LEASE AGREEMENT WITH NORFOLK SOUTHERN RAILWAY COMPANY** Town Manager Seth Eckard said he was contacted by Norfolk Southern Railway Representative regarding a lease agreement for property across from the Parks and Recreation Center used for parking. The amount of the lease would go from \$182 to \$2,500 per annum. He negotiated a price of \$1,750 per annum.

After a brief discussion, Councilwoman Hildebran made a motion to approve the aforementioned lease agreement with Norfolk Southern Railway in the amount of \$1,750 per annum, seconded by Councilman Sweezy. The vote was unanimous.

**MAYOR AND COUNCIL COMMENTS:**

**DOWNTOWN CHRISTMAS LIGHTING** Councilwoman Stevenson said the Christmas lights on the downtown poles approximately every other one was out. Mr. Duckworth said there were several accidents in town that took out street lights and when that happens it takes out several.

Mr. Eckard said there were approximately 100 light poles along Main Street and there are approximately 20 hit by vehicles every year.

Councilwoman Hildebran said she received complaints about the downtown Christmas lights regarding the blue bulbs, small bows, etc., and she recommended this issue be discussed at the Budget Retreat.

Mayor Black said he remembered the choices were limited. Public Works Director Bryan Duckworth said that was correct as the electrical circuits were owned by Duke Energy and with the old arrangements with the star on top of the power poles and due to age and electrical service along Main Street there was stress on the poles that overloaded the electrical circuit. Staff looked at the situation with Duke Energy we were forced to go with LED lighting with less

electrical draw and something the system could support. Duke Energy would not allow the Town to place any type lights on the poles if it were up to them.

Mr. Eckard said the Town was grandfathered in with some exceptionally low lease rates for the current poles and if we were to go with new poles and LED state-of-the-art lighting we would have to pay for the poles and a higher lease payment every month which would significantly increase the operating expenses.

Mayor Black said this could be discussed at the Budget Retreat.

Mr. Duckworth said this issue was discussed with his staff this date and he asked Members of Council to please ride through downtown from the 100 Main Block East (from Rodoret Street to Italy Street) and look at the bulbs.

**GARBAGE/LEAF REMOVAL** Councilman Ogle thanked the Public Works Department Staff for cleaning streets of garbage and leaves. He said he received several compliments about the fine job by staff.

Mr. Duckworth said the Public Works Department began tracking the number of trash stops and the tons of garbage picked up on a weekly basis. During a normal week they would pick up approximately 25 tons of garbage and over Thanksgiving they picked up 38 tons and over Christmas they picked up 41 tons of trash, 16 extra tons of trash. Staff would be looking at recycling opportunities such as a campaign to encourage recycling and other ideas.

**POTHOLE – MAIN/LAUREL STREETS** Councilwoman Hildebran said there was a pothole at Main/Laurel and requested that staff report the pothole as this was a NCDOT issue.

**COUNCIL RULES OF PROCEDURES** Mayor Black said he attended the New Mayor Conference along with Town Manager Eckard and there were three things Council does not have:

1. Contentious meetings;
2. Local rules of procedures, we have local rules but they are not written such as a second for motions which are not required. The NC School of Government has written rules of procedures to consider. He asked Members of Council if that would be something they would like to consider or look at; and
3. Rules regarding public comment/open forum which has never been a problem; however, in some cases there could be a staff member to assist citizens in signing up to speak at the meeting. It was discovered that concerns from citizens could be routinely handled by staff such as Public Works issues before bringing to Council.

Mayor Black said the time to consider implementing the rules would be before there was a problem. He said if Council was interested he would ask the Manager to get booklets from the NC School of Government. Council agreed to Mayor Black's suggestion.

**MANAGER'S REPORT:**

**CITIZENS ACADEMY** Community Affairs Director Barbara Hefner said it would begin March 24, 2016, and it had been posted on the website and added to the Calendar of Events that was sent out this date.

Mr. Eckard said they would accept applications for up to 20 citizens of Valdese and there would be seats for our youth and they would like a diverse class. He asked that anyone who would like to know more about their local government to please apply for the Citizens Academy. There was an agenda posted on the Town's website for people to review and there would be a press release in the near future.

**TOWN OFFICES CLOSED MONDAY, JANUARY 18, 2016, IN OBSERVANCE OF MARTIN LUTHER KING, JR., HOLIDAY**

At 7:22 p.m., there being no further business to come before Council, Councilman Ogle made a motion to adjourn, seconded by Councilwoman Hildebran. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, February 1, 2016, 6:00 p.m., Valdese Town Hall.

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Town Clerk

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Mayor

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