



Minutes of the Roanoke Rapids City Council

A regular meeting of the City Council of the City of Roanoke Rapids was held on **Tuesday, February 18, 2020 at 5:15 p.m.** in the Council Chambers at the Lloyd Andrews City Meeting Hall.

Present: Emery G. Doughtie, Mayor
Carl Ferebee, Mayor Pro Tem
Ernest C. Bobbitt)
Suetta S. Scarbrough)
Wayne Smith)

Council Members

Joseph Scherer, MPA, MS, City Manager
Geoffrey Davis, City Attorney
Traci Storey, City Clerk
Leigh Etheridge, Finance Director
Kathy Kearney, Deputy City Clerk/Human Resources Manager
Charles Vaught, Captain/Acting Police Chief
Kelly Lasky, Planning & Development Director
John Simeon, Parks & Recreation Director
Larry Chalker, Public Works Director
Jason Patrick, Fire Chief
Christina Caudle, Main Street Director

Absent: Councilwoman Sandra W. Bryant
Bobby Martin, Police Chief

Mayor Doughtie called the meeting to order and opened the meeting with prayer.

Adoption of Business Agenda

Mayor Doughtie asked Council members if there were any additions, corrections or any known conflicts of interest with respect to the matters before them this evening.

There being no conflicts, a motion was made by Mayor Pro Tem Ferebee, seconded by Councilman Smith and unanimously carried to adopt the business agenda as presented. Mayor Doughtie recalled City Council needed to have a Closed Session and called for a motion to amend the agenda. A motion was made by Mayor Pro Tem Ferebee, seconded by Councilwoman Scarbrough and unanimously carried to amend his previous motion to adopt the business agenda for February 18, 2020 with the addition of a Closed Session under Item 11 to discuss a legal matter as allowed by NCGS 143-318.11 (a) (3).

Approval of City Council Minutes

Motion was made by Mayor Pro Tem Ferebee, seconded by Councilman Bobbitt and unanimously carried to approve the February 4, 2020 Regular City Council Meeting Minutes as submitted.

Public Hearing

Consideration of Special/Conditional Use Permit Request

Mayor Doughtie opened the public hearing and called on Planning and Development Director Lasky. She presented the following Staff Report:

STAFF REPORT

To: Joseph Scherer, City Manager

From: Kelly T. Lasky, Planning & Development Director

Re: **Special Use/Conditional Use Permit for Multi-Family Residential Apartments at 632 Roanoke Avenue**

Date: February 12, 2020

EXECUTIVE SUMMARY

The City's Land Use Ordinance permits, by right, the second story residential use of commercial property in the B-1 Commercial Zoning District and multi-family residential use (entire building) is a use that is permitted with the approval of a Special or Conditional Use Permit. The Planning and Development Department received an application from David Machado, the owner of a small development company on the central coast of California, to renovate the commercial building at 632 Roanoke Avenue to market-rate multi-family apartments consistent with the North Carolina State Historic Preservation Office (SHPO) and historic tax credit incentives.

SUBJECT LOCATION

The property at 632 Roanoke Avenue is the subject of the Special Use (Conditional Use) Permit Application. The property is developed as a two-story commercial building that formerly housed the City's Police Department and Administrative Staff. The site has a **B-1 Commercial District** Zoning Classification.



Subject Location 632 Roanoke Ave. (former City Hall & Police Station); *photo taken by Planning Staff*

BACKGROUND & SITE INFORMATION

1. Applicant	David Machado
2. General Location	632 Roanoke Avenue
3. Existing Land Use	Commercial building (underutilized)
4. Existing Zoning District(s)	B-1 Commercial
5. Proposed Zoning Land Use(s)	Multi-family residences (apartments)
6. 2014 Future Land Use Plan Designation	Mixed Use – Town Center
7. Within City Limits	Yes
8. School District	Roanoke Rapids
9. Site Plan	N/A. Developer with work with existing conditions.

Notification

On February 7, 2020, notice of the public hearing on the proposed request was mailed to property owners within 100 feet of the subject parcel. The notice was published on the City’s website and posted on the subject property. The notice was advertised in the *Daily Herald* on February 8 and February 15, 2020. The notice was advertised on the *RRSPIN* website’s City Page section.

CRITERIA FOR CONSIDERATION IN REVIEWING SPECIAL/CONDITIONAL USE PERMITS

Planning and Development staff has made the following findings concerning this request:

SECTION I:

1. The requested permit is within its jurisdiction according to the table of permissible uses; or

Analysis: *The requested permit is within its jurisdiction subject to the approval of a Special or Conditional Use Permit, as indicated in the Table of Permissible Uses (Section 151-149), multi-family residential (use Classification 1.300).*

2. The application is complete; or

Analysis: *the application is complete.*

3. If completed as proposed in the application, the development will comply with all requirements of The Land Use Ordinance; or

Analysis: *The Development will comply with all of the requirements of the Land Use Ordinance if completed as proposed in the application. The site plan will be required and will go through the formal Development Review Committee process to ensure compliance. Once the site plan has been approved, the building plans are reviewed then a building permit will be issued. Development standards include, but are not limited to, ordinances regulating the following conditions parking facilities, vehicle accommodation areas, lighting, refuse, screening, etc.*

SECTION II:

The following seven items were also considered when evaluating item #4 (a), (b), (c) and (d) that follows:

1: ingress and egress to the lot and proposed structures, especially by pedestrians and automobiles, is safe and convenient in terms of access and traffic flow; and,

Analysis: *this is probably true; the preliminary site layout has direct access to Roanoke Avenue (NC Hwy 48). Traffic control measures and access on NC Hwy 48 are under the jurisdiction of the North Carolina Department of Transportation (NCDOT) and subject to its approval. Existing pedestrian sidewalks are located within the Roanoke Avenue right-of-way adjacent to the existing building.*

2: off-street parking and loading affects adjacent property (in terms of traffic generation, economic impact, noise, glare and odor) similar to uses permitted in that zoning district; and,

Analysis: *this is probably true; as currently proposed, the off-street parking requirements for the multi-family residential are provided by the Land Use Ordinance. The Ordinance requires one-and-a-half (1.5) spaces for each one and two-bedroom units; two 2 spaces for each unit having three or more bedrooms; plus one (1) space for every four units. The minimum required parking for the residential development as proposed is approximately 15 parking spaces (based on nine (9) one-bedroom and/or two-bedroom units; and 9 total units / 4 spaces).*

All proposed construction and site plans will be formally evaluated by city staff, the Development Review Committee, including NC Department of Transportation to ensure a proper design. The Development Review Committee includes the Sanitary District, NCDOT, Public Works, NC Dominion Energy, Fire Marshal and Code Enforcement.

The number of dwelling units proposed for construction is approximately nine or ten units divided among the existing building. According to the Institute of Transportation Engineers Trip Generation Manual (7th edition) the residential apartment use proposed is expected to average 6.72 vehicular trips per day per dwelling unit. Based on this manual,

which is utilized by NCDOT, approximately 62 vehicular trips per day could be added to Roanoke Avenue (NC Highway 48). The added vehicle trips would be insignificant compared to the approximate 8,000 trips per day currently experienced along Roanoke Avenue in the block area.

3: refuse disposal affects adjacent property similar to uses permitted in that zoning district; and,

Analysis: *This is probably true; the refuse collection requirements of the City of Roanoke Rapids shall apply to the development. Dumpsters are required to be properly screened according to the ordinance.*

4: utilities are available; and,

Analysis: *This is probably true; all utilities are currently available for the site. Connections and extensions shall be coordinated with appropriate entities. There are no specific utility considerations that should negatively impact this property at the present time. The developer will be subject to impact or user fees as established by the appropriate utility entities.*

5: the type, dimensions and character of screening and buffering satisfactorily screens adjacent property; and,

Analysis: *This is probably true; the parcel of land is zoned B-1 Commercial District and will be compatible to the adjoining uses. The Land Use Ordinance requires screening and buffering between neighboring land uses to provide an impression of separation of spaces by lessening any potential visual pollution that may otherwise occur in the urbanized area. Screening is necessary to safeguard public health, safety and welfare.*

The Ordinance does not require screening between the requested land use and the existing adjacent commercial uses.

6: signs and lighting affect adjacent property similar to uses permitted in that zoning district; and,

Analysis: *This is probably true; all signage will require a sign permit. All parking areas and buildings shall be sufficiently illuminated by the developer to meet Land Use Ordinance requirements.*

7: required yards, open space and existing trees and other attractive and natural features of the land are preserved.

Analysis: *This is probably true; there are no existing trees identified for preservation within the project area as the land developed. Any proposed changes are subject to review by Staff.*

SECTION III:

Given the preceding, the Staff has made the following findings concerning this request:

4: If completed as proposed, the development, more probably than not:

(a) Will not materially endanger the public health or safety; or

The staff has determined this is probably true; the residential use of the property does not endanger the public health or safety of the community. All safety and health codes will be enforced. The parking lot allows adequate access for vehicular movement and emergency service vehicles. The development shall be required to comply with all applicable federal, state and local codes and ordinances. An assessment of the previously referenced seven items used to evaluate 4 (a), (b), (c) & (d) indicates no specific endangerment to the public health or safety that is not adequately addressed.

(b) Will not substantially injure the value of the adjoining or abutting property; or

The staff believes this is probably true. The site is adjacent to non-residential uses (church, fire station, public parks) that are permissible in residential districts. The multi-family residential use is similar to other uses along NC Hwy 48. Staff cannot determine the impact of value this proposed use would have on surrounding properties however based on the seven additional items used to evaluate 4, (a) (b) (c) & (d) any potential negative effects on adjoining or abutting property should be minimal.

(c) Will be in harmony with the area in which it is to be located; or

The staff has determined this is probably true; a multi-family residential building that is planned and developed as an integral unit and consists of preserving the historical district themes and exterior architectural appeal. The residential use as proposed will be in harmony with the existing surrounding uses in the area based on the previously referenced seven items used to evaluate items 4 (a), (b), (c) & (d).

(d) the use will be in general conformity with the Comprehensive Development Plan, Thoroughfare Plan, or other plan officially adopted by the City Council.

The staff has determined this is probably true. The proposed request for the use of B-1 commercially zoned property for multi-family use is considered to be reasonable. Reasonableness is determined by considering the size of the area, any special conditions or factors regarding the area, the consistency of the zoning with the land use plan, the degree of the change in the zoning, the degree it allows uses different from the surrounding area, and the relative benefits and/or detriments for the owner, the neighbors, and the surrounding community.

City of Roanoke Comprehensive Plan (2014)

Section 6 describes the Future Land Use Patterns of the City's Planning & Zoning Jurisdiction, which includes a total land area of 7,998.21 acres.

The Main Street District, described in the Comprehensive Plan as "The Town Center" should provide a concentration of commercial, service, and residential uses that will serve Roanoke Rapids and the region. The district should encourage a mix of high intensity, pedestrian-oriented uses compatibly designed and arranged around the existing compact core. The district is intended to safeguard the unique architectural character, social activity and cultural value of the Town Center while promoting its continued success and redevelopment. Vertical mixed use is preferred. There is no minimum lot size.

The Comprehensive Development Plan states the following policies should be considered:

I.1 Support infill development. Infill development is development or redevelopment of land that has been bypassed, remained vacant, undervalued and/or is underused as a result of continuing urban development process. Use of such lands for new housing and/or other urban development is considered a more desirable alternative than to continue to extend the outer development pattern laterally and horizontally thus necessitating a higher expenditure for capital improvements than would be required for infill development.

I.19 Consider allowing different housing densities to abut one another as long as proper buffering and design is provided as needed and traffic generated by such land use does not mix within the neighborhood.

I.20 Encourage developers to utilize thoroughfares and natural topographic features to define the boundaries of a neighborhood and concentrate higher intensity uses at the outer boundaries of the neighborhood.

NCDOT Comprehensive Transportation Plan

NC Hwy 48 is designed as a Major Thoroughfare.

SECTION IV:

The applicant has addressed the requisite questions, which must be answered by the City Council in the application. It is your obligation to ensure each has been adequately addressed after hearing all parties prior to rendering your recommendation to City Council.

Questions from City Council

Councilwoman Scarbrough asked if City Council passes this request and once it is developed, since the developer is from California who will have oversight of the building as far as renting or general oversight. Planning & Development Director

Lasky replied that was a question the applicant could answer for her. The management of the property is a private decision.

Mayor Pro Tem Ferebee asked if she could cover the parking again. Ms. Lasky replied based on the City's requirements for parking, it is 1-1/2 spaces for every unit. Therefore based on the calculation as it is, 10 to 15 parking spaces could be required. They have some exceptions to that, but they do believe there is sufficient room within the property boundary that would allow for the minimum required parking. She referred back to the image of the property in her PowerPoint presentation and said there is a good amount of land area south of the building for that.

Mayor Doughtie said earlier in her presentation she mentioned questions arising about discussing market-rate or Section 8 apartments and asked if the City had any oversight if a project starts out one way and it moves to a different way over a period of time so far as the leasing of the units. Planning & Development Director Lasky replied no, because the City's ordinance does not allow for the discrimination of housing choice and in her opinion it would be illegal to make it a restriction on that and it has gone through the Federal Housing and Urban Development Office.

Attorney Davis said that was correct. Whether at this hearing or later on down the road, it was not a proper consideration for City Council to take up whether this was going to be Section 8 housing or market rate apartments.

Mayor Doughtie called upon those wishing to speak.

Sworn Testimony

David Machado stated he thought it may be helpful if everyone asked their questions first so that he could answer them in a wrap-up.

Sarah Deese Davis

Sarah Deese Davis of 620 Roanoke Avenue, having been duly sworn by City Clerk Storey, said she lives about 100 feet from the building. She has lived on Roanoke Avenue all her life and she is 44 years old. She has lived in her house currently since 1997. She has some questions about what the first bullet says about endangering public health and safety. She is a public health nurse by background and she has some questions on the way the building was constructed and how that process will be handled. She asked if there would be an EPA evaluation done prior to the demolition or whatever they were going to do to put the building up. The reason she was asking about that was because it was her understanding there were underground gas tanks there when the City had the police station and they would fill up 15 police cars a day from those tanks. To her knowledge they have not been dug up. For her

that was a scary thing to think she was 100 feet from something that was going to be drilling on top of a gas tank. Her second question was about the plan for parking. The back alley was destroyed a couple of years ago by the Sanitary District. They had to come put some pipes in there and completely took this nice back alley that was fully paved and now have patched it up. It is falling apart and crumbling now. She asked if they add a bunch of extra cars coming up and down the back alley is the City going to finance repaving that. It has always been nice and she would hate to see what is already halfway dilapidated get even worse. She said there was also a fall-out shelter room that they had during the Cuban Missile Crisis. She assumed that room was still there and was not sure what was in it and did not know if that would collapse potentially with all these extra cars. She asked about abatement of any lead based paint and asbestos which she was sure was in that building. They have a lot of young children that live up and down the back alley and children under six are at risk for lead poisoning. She was concerned about that. In the summer time you look up at the sky and see nothing but bats coming out of this building. She was sure there were bat colonies up in the top which is a nuisance and something by itself to get rid of. Pups still come back for up to three years looking for their home once that is abated. She was also concerned about that. She was concerned about standing water. There is always mosquitos and stuff in the summer time coming from around the building. There are large rodents that come out in the back alley so she is concerned about where they are going to go and how that was going to be handled. She was sure there was a plan for it. She stated she does not see young people moving to Roanoke Rapids and certainly not to apartments. People that are going to be able to afford nice apartments are going to be able to afford homes. She thinks in the end it is going to have to end up being Section 8 housing or something like that. We already have plenty of that in town. She does not understand why they would do that. The current Rooney Ridge apartment complex on Becker Drive is still empty and it is a very nice apartment place. She wishes they would consider all the options before they make hasty choices on what they are doing on Roanoke Avenue. Her main concern was what it was going to take to get the building in the shape where someone could live it.

W.C. Jones

W.C. Jones, current owner of the property, having been duly sworn by City Clerk Storey, stated he was here in support of Mr. Machado and his efforts, not only from a financial standpoint that he can sell this building, although he will lose a substantial amount of money at the price they have agreed upon. So it is not solely financial. He met him for the first time tonight. But in talking through third parties and the information he has been given, he comes with a ton of experience and for lack of a better term, deep pockets. He did not mean that derogatory. Mr. Machado has done this multiple times and thinks any question they may have about paint or water standing or anything else he would guess he has crossed that bridge before. They

talked about the fact it was already zoned as B-1 for multi-family upstairs and business downstairs so this meeting would not be necessary if he intended to do that. This was the logic in his mind, if they were talking about 9-10 single bedroom apartments, half upstairs and half of them downstairs, they are already going to have the parking for the ones upstairs. It is not feasible for whatever parking for businesses would be downstairs for employees and customers that the parking requirement would not be the same for businesses downstairs as it might be for single family dwellings downstairs. If there is enough parking there to run a complete city and fire department, he would think there would be enough parking there to accommodate upstairs and downstairs apartments. With reference to the problems the building now has, he is completely apologetic. He had great ideas when he bought the property. He spent upwards of \$30,000 putting a roof over the fire department and replacing the door. He had all the interior walls of the fire department soda blasted to reveal the original brick veneer. It was his intentions to do something with it and because of life, his plans have changed. He would love to see somebody take it and restore the building to its potential. He thinks it deserves it and feels like Mr. Machado is the guy to do it. He has tried to sell it locally, but there was not a lot of interest. A lot of people are complaining, a lot of people don't like it and wish he would go in and invest millions of dollars to do what they want to see done with it, but he has not seen anyone reaching into their pockets and making an effort. Mr. Machado is the first guy and hopes they will give him a shot. He does not know of anything that happens anywhere that people don't have their feet held to the fire. He cannot imagine Mr. Machado coming in here and just having free reign to do whatever he wants to do without going through the Planning Department or City Council. They will have ample opportunities to make sure he does the right thing. But they will never get to see what he can do until they give him a shot. He thanked them for their time and hopes they will approve this. He thinks it will be good for the City and good for Roanoke Avenue.

William White, Jr.

William White, Jr. property owner of 644 Roanoke Avenue, having been duly sworn by City Clerk Storey, said he was excited for this guy and W.C. Jones, if he can pull it off. Before Mr. Jones and his mother bought this building, he had a Roanoke Rapids High School alumnus who wanted to turn it into a learning lab. He deposited \$400,000 in his trust account as a deposit and was prepared to put up close to a million and a half dollars to make it happen. For four straight days he went back and forth from his office to the fire department to get the key Rick Benton allowed him to get from firemen to go through it with all kinds of engineers. To do what this gentleman wanted to do could not be done for a \$1.5M. So Mr. Machado, I hope your pockets are deep and I mean really deep because they are going to need to be deep. That building has a ton of deficits because of the way it was constructed, when it was constructed was proper, but times have changed. There are bats in it that are going

to be a problem. Have any wildlife person look. You can see the scratchings up on the outside of the cupola that is where the bats are walking up. There are rodents in it and asbestos around the pipes and the boiler that was in there at one time. That's going to be a problem. Any kind of retrofitting on that building is going to be difficult. He thinks where the Council needs to be is not so much to maintain the façade that is there and hope it will be profitable, but use a little common sense. If someone is going to put x amount of dollars in it and rent 9 or 10 units. In order for that thing to cash flow, what's the rent got to be. If it can't be rented on a market rate basis then it is going to have to be rented somehow through some subsidies because you are going to have to get some kind of rent return. You can't discriminate on that. He was not sure they need more multi-family housing in Roanoke Rapids with the number of rental units already here. The back alleys in the city have concerned him for a number of years. Too often they become blocked long thoroughfares with people going up them too quickly. The more traffic you put on that back alley, the more likelihood some child walking out of their back yard will be hit. A lot of these kids will use these back alleys as they go to and from Roanoke Rapids High School or Manning School or wherever they are walking, or riding to and from the Recreation Center or wherever else. So he thinks safety is a problem. He thinks it is exciting that someone wants to do something to this building. It is an eyesore. He is glad to know Mr. Jones has other plans because he would hate to see him get too far in it and could not get out of it. He does not want to see Mr. Machado get too far in it and can't get out of it. He thinks therein is the problem, once it gets started what happens when they stop or it can't go through and then it is sold, foreclosed or changes ownership. He believes when the City sold it, there were some conditions and restrictions put in the deed. He hasn't looked at it recently. City Council will recall if they go back in the minutes, he and his law partner and wives made an offer on that building before then. But couldn't make a promise that it would stay in its current location. It probably would have been raised had they had bought and if they would have agreed on the price because, it was too far gone. This was years before Mr. Jones and his mother had any interest in it. If this gentleman can pull it off and become a dedicated corporate citizen and taxpayer of the City of Roanoke Rapids, Halifax County, North Carolina, more power to him, all for it. But it is a very, very dangerous, difficult undertaking. It is not going to be like any that he thinks Mr. Machado has done that he was aware of.

David Machado

David Machado, applicant, having been duly sworn by City Clerk Storey, said he would address some of the questions and concerns. Rodents are there because there is nobody disturbing them. There are open vents and doors and landscaping so it is a great habitat for them at the moment. When you start putting the building back together, those broken vents under the building get closed up, windows get repaired and the doors are shut, the rodents leave. Bats, he has been there before. He was

not aware there were bats in the belfry/cupola. There is a time of the year when you deal with bats and if he recalls correctly it is in the fall. The mediation is they screen where the bats are going in, but the screens the bat remediation companies put in have little exits where the bat leaves but they can't come back. The problem is the time of year the screens are put on because there are baby bats and the mama bat will bash itself to get to its babies. So when you put the screens on are critical. He has been there, done that. Standing water – he was not aware of that, that's a problem. Most old buildings have lead paint and asbestos. The boiler room under the building is clearly wrapped in asbestos, but what you do is abandon that, encapsulate it and not disturb it. They will be going with brand new heating and air-conditioning systems outside of the old boiler room. As to his experience, he has been doing this for 30 years. What brought him to North Carolina? There is an organization called Preservation North Carolina. They have a website and they try to save old buildings and houses from demolition. Cities that are in the process of issuing demolition notices, Preservation North Carolina steps in and tries to get the city to work with them to market it. So that is what brought him to North Carolina three years ago. He looked at their product and then that led him to Kinston because there was a building that was on their website. Then that led him to their Main Street Coordinator which led me to other buildings, which led him to purchase two badly burnt buildings. Both were lawyer's offices. One had been fire bombed and one was an electrical fire which smoldered most of the night and burned a hole in the second floor. The lawyer did not get anything out of the building. They both took the insurance money and brought other buildings in town. Those buildings sat dilapidated for six years. The windows were broken out and vagrants were living in them. Each building is a first floor apartment and a second floor apartment at market rate. You do the best to guesstimate the rents because you don't know. The phone call he got before the Kinston City Council from their Downtown Coordinator was the mayor wants to know if it's going to be low income. His answer was no. In his 30+ years of owning apartments he has no Section 8 housing tenants. They are market rate in Kinston. His tenant mix in Kinston is one unit is a 50 year old couple, the ground floor tenant is a Master's Degree graduate of ECU who is a Probation Officer in Pitt County. The tenant of the other ground floor unit is the CAO of Lenoir County and the upstairs tenant is the Marketing Director of Chef and the Farmer. They have great tenants and they are almost at the first year of occupancy. He got more than market rate rent and is quite happy with the return on investment they have going there. He said another question was who was going to manage the project. There are two management firms in town. Kinston is Conway Management but they do not come up in this direction. As a developer you find a professional property management firm, sign a contract with them and they manage your intake, outtake, move-ins, move-outs and they have a maintenance crew. His deal is call me first because he wants to know what the issue is and then they fix it. Those were some of the questions. They will deal with the

cupola and rodents.

He explained the historical program that the State operates. They have to apply to the State Office of Historic Preservation. They have an employee that has a district in the state and that person will come to this project and walk through it with him and his architects. You end up negotiating with them. In Kinston the buildings were all busted out. The wood frames were severely rotted so with the tax credit program you cannot slap in vinyl windows. You have to go out and buy expensive wood Anderson windows, you have to match the window pane, mullion and there is some stuff they put you through. If it is a brick building, you can't paint it. If it is a dilapidated brick building you have to refresh the mortar. This one the brick is in good shape. Probably the biggest issue will be what to do with the fire department door. He has to make it look like a residential storefront but they want it to look historical. They will discuss doing some kind of carriage door (he passed a photo to City Council members of a door concept similar to what he was proposing – *See Exhibit 1*). There is a man door to the right of the existing fire door. That will be the access door to what will be an apartment of half of fire department parking garage. That will be approved by the SHPO officer, himself and architects. His architects are Dunn and Dalton which is a firm from downtown Kinston. They did his Kinston project and they were here all day yesterday measuring the building. They are currently in the process of drawing it up and coming up with floor plan concepts for his approval. (He passed a photo showing a similar design of what the kitchens will look like - *See Exhibit 2*). They will do all new cabinets, tenants get new appliances, gas stoves, microwaves, dishwashers, garbage disposals – it's a nice setup. Another area he has to deal with SHPO is the front door of old City Hall because currently it is a commercial glass store front. They are going to want something that looks historical. This is no way the final product (he passed another photo to City Council – *See Exhibit 3*). If you go to the website of Black Dog Salvage in Roanoke, Virginia, they have a door and sidelight that is the replica of the windows in old City Hall. He does not know yet it fits in the opening but if it does, he will probably purchase it and that will be the new front door of the old City Hall which will match the windows. It is a lot of curved glass and that will make the historic officer happy and be a good looking product. Back on why he came to North Carolina. With the demise of the mills the economy is taint, but North Carolina's government got involved. Most of you created a Main Street program and most created historic districts. Those are good tools for somebody like him to have on a project. Quite a few cities don't fund a Main Street Coordinator and that is the missing piece when he looks at a town. He was in Kinston looking at this Preservation North Carolina building and it doesn't work, but the downtown coordinator says for him to follow them to get into some other buildings. The coordinator said this property belongs to this person and will probably sell for this amount and that led to the deal. It would not have a happened if it wasn't for Kinston's Main Street Coordinator, who happens

to be a City employee. So he was back on his search and he was looking at Roanoke Rapids but was looking for properties that were officially listed for sale. Then he gets ahold of Main Street Director Caudle and he comes into town. The buildings he looked at did not work out but she said if he had time she would like to show him some other buildings. She proceeded to show him buildings. He got interested because she was showing him stuff he could not find from California, but he was here and she was opening doors for him. That led to analyzing three buildings when he was here a month ago and Mr. Jones' building was the best fit. It has the best parking, the best look for residential, it has the brick and it is in a historic district. That has led to being here tonight. He believes he answered the questions, but he would answer any other questions.

Councilwoman Scarbrough said when Mr. Jones was making his presentation he made reference to the first floor being businesses. She asked if the first floor was going to be apartments or a beauty salon or spa or is the whole building going to be apartments. Mr. Machado replied he was asking for full residential. With people ordering things off the internet, it is a sad state of affairs. He has several buildings with ground floor commercial tenants – mom and pop businesses. He also owns a large antique mall in California. The mom and pop business is going by the wayside. It is a sad situation. He did not want to be the landlord of mom and pop businesses because they go in and out of business too frequently. Residential tenants are more stable. His business model is to find buildings where he comes in and does full residential and does not do commercial. That is what he did in Kinston. Back in the old days, downtowns had ground floor commercial and the merchant lived upstairs. One of his two Kinston buildings was an original 1905 apartment that had long been abandoned. The lawyer stored stuff upstairs and his office was downstairs and it had an internal stairway. These two buildings also had separate stairways that led to the second floor which is another thing he looks for. If you are going to turn the second floor into units you have to be able to get there in a good fashion. His business model is buildings with downstairs access, second floor access without going inside the store to get to the second floor. This building meets that standard. He does not want to be a landlord of ground floor commercial tenants any longer and is moving into full residential.

Councilwoman Scarbrough asked to be clear, there will not be businesses in there, it would be all apartments. Mr. Machado replied that was correct. On the ground floor you have the entrance, historically he has to keep all the corridors in place. There was probably a billing department on the left and he was not sure what was on the right side, each of those will end up being one-bedroom apartments. Then you have the terrazzo flooring where you get to the stairs that step down which takes you to the hallway that historically he has to keep. That hallway leads to the second floor

stairs that have exterior doors which makes for second floor apartment access really well. There are six or seven jail cells will be coming out and the jail cell area will be a unit. He has done this before and has an experienced architect, they are in the process of looking for general contractors.

Mayor Doughtie said there was a question earlier about the foundation and asked Mr. Machato if he had the opportunity to have some professionals look at it. He replied his structural engineer from Greenville was in the building yesterday for about four hours and he had the chance to walk around with him several times while he snapped photos and took notes. He'll get a summary of his issues if he had any and he will also be getting a full report on it. The building structurally is in good shape but there is an issue with the back right corner of the shop space where there is some cracking in the brick. Foundation wise it is in great shape. He learned something tonight and is hoping Mr. Jones or someone can clue him in. He was not aware there were gas tanks still in the ground. You either need to remove them, but they will not be doing any drilling anywhere on the property as mentioned earlier. Yesterday they gained access to the old boiler room. The fire department removed the plywood off the doors and they saw the old bunker. You go down the stairs and the bunker is to the left. That bunker is probably 8-inch steel rebar concrete reinforced – it's never going to collapse. He will more than likely will be putting a door on with a lock and nobody will go in there.

Mayor Doughtie asked if they do find out there are one or some underground storage tanks, he's had to live through that process, would he take that as part of his project and work through it. Mr. Machato replied yes, he has done it before. There are underground tank removal contractors that come dig it out, test the soil, put the soil back, the tank goes away and you are done.

Attorney Davis said independent of the process they were going through tonight, there are significant State laws that apply to taking properties that have underground tanks on them and the removal and remediation of those. Regardless of what City Council does tonight if there was an underground gas tank, he knows Mr. Machato would have to go through that process. The same is true with any other State or environmental laws regulating things like lead paint.

Mr. Machato stated his first question tomorrow is for someone to tell him where the tank is, if there is a tank.

Mayor Doughtie said the reason he brought it up was because the question was asked earlier and it had not been discussed. He asked Mr. Machato if the project he did in Kinston was completed. Mr. Machato replied yes. Mayor Doughtie asked how long it

had been completed. He replied May of 2019. Mayor Doughtie asked if the apartments came out like he thought they would. Mr. Machato replied they are beautiful. They saved the hardwood floors, they have beautiful open concept kitchens, bedrooms with closets, brand new heating and air-conditioning. There are two 3-bedroom, 2-bath apartments and two 2-bedroom, 2-bath apartments. If he wanted to save some money he could have done a 2-bedroom, 1-bath but they did a 2-bedroom, 2-bath. This meant more plumbing, electrical and fixture costs, but they are gorgeous. They have laminate flooring and one of units had bead board ceiling in the lobby. The building was burned so in the demolition they removed it but the historical officer asked them to put the bead board back in so they did. It goes through the family room all the way down the hallway. It is the best looking unit they have.

Mayor Doughtie asked if he was required to install elevators in historical buildings like this. Mr. Machato replied no.

Mayor Pro Tem Ferebee said they have been talking about market-rate all night and asked if he had a guesstimate of the going market now. Mr. Machato replied he would like for them to tell him. It was the same thing in Kinston. You find there was a lot of low income housing but he was not doing that. You say a low income unit in Kinston is "x" so I'm shooting for "y". He said Kinston city sells electricity and it is expensive while gas is cheap. So the advice he got was to put as many of the appliances on gas and stay away from electricity. So they have gas stoves, gas water heaters, gas furnace and electric lights. They plumbed for gas dryer but most come with electric dryer so they did both. The property manager they interviewed early on and thought they could get \$800 for the 3-bedroom but they got \$850 because of the size and quality. Here they are digging and scratching. He stopped at Starbucks and asked if anyone that rented an apartment could tell him how much their rent was. He does his research. He said the reason he was hesitant to throw out a number was because the analysis he was running now was whether to include any utilities. If he does ten electric meters that is a cost to him versus one meter and he absorbs the electricity in the rent. The same would go for the water meters. He is working through that analysis right now. He was told a 2-bedroom unit would be \$650 per month.

Mayor Pro Tem Ferebee asked with hearing all the concerns was he still enthused and willing to move forward with the project and make it a success. Mr. Machato replied yes. The more they walk through the project, and as he said earlier the structural engineer was here yesterday and other than this one issue gave him a good thumbs up. Had contractors through and with the barricades taken down by the fire department they were better able to investigate everything, we are there.

Planning & Development Director Lasky said with some of the issues that have been

brought up, she wanted to remind them the reason they were holding the public hearing tonight which was the ground floor that has been existing commercial or office use, they want to use that for multi-family residential. Everything above the first floor is permitted by right to do that. The question here tonight is can the entire building be used as a multi-family residential project. Throughout their developmental review process there are a lot of other things that would be addressed and many of the concerns that have been brought up that are environmental are regulated by the State and Federal government. Mr. Machato cannot move forward with that without the City Council in this zoning decision. It would not be feasible for him to move forward with investigating a lot of these and paying consulting fees and looking into a lot of this because they were looking into making a zoning decision about whether or not this can be used as a multi-family project subject to the application that has been proposed. If City Council approves this tonight, our conditions within that are as he has presented it in the public hearing and the application. Should the project change substantially from the way it has been described tonight, they would have to come back to City Council with a public hearing and approval. The things that they have certainties on and the Planning Department records conditional use permits with the property. They run with the property, not the applicant. So if the exterior were to substantially change, he would have to come back to City Council. She did not want there to be any misconceptions that Mr. Machato was going to buy the property and if it doesn't work one way then he's going to tear it down and build apartments. That could not happen without it coming back to City Council with a new conditional use application. What they are looking at is what has been presented to them tonight: maintaining the historic integrity of the building and converting it to multi-family use. She wanted to follow back up with that before they got too far ahead in the procedural steps in the development process.

Mr. Jones asked if he could come back before City Council to address some of the questions brought up. Mayor Doughtie allowed Mr. Jones to speak.

Mr. Jones apologized to Councilwoman Scarbrough if he muddied the water with the lower business comment. His only point was if it is already approved for businesses to be down there, he did not see the parking for businesses to be less or more than parking for apartments. That was the only reason he made that statement. If it's already approved for businesses, it's probably going to be as many parking spots necessary for a business as there would be for some type of residence. Secondly, in regards to the gas tank. This is the first he was hearing of a gas tank on the property. As far as he knows there is not one. If one pops up was it the City's responsibility to let him know it was there or was he a failure in his due diligence to find out there was one there or not. As far as he knows there is not a gas tank on the property. He will be as shocked as anyone else if there is one. As far as deed restrictions Mr. White

brought up, the only ones he remembers are the flooring in the foyer remain intact which he thinks Mr. Machato has expressed that is his intention. The only other restriction he remembered was the plaque in the foyer remain on the wall. Based on what he has heard Mr. Machato say his idea is, he cannot imagine him wanting to get rid of the plaque or having a problem with the restriction. Tons of respect for Mr. White, he does not want to debate him, he does that for a living. Mr. White and Mr. Wellman who are successful businessmen took on a similar project next door and have made a big success out of it. They have been there for 22 years and not to take anything away from them but they are attorneys not contractors and Mr. Machato does this for a living. If they were able to pull it off, he feels if anybody could, Mr. Machato with his track record might be able to pull it off. He asked what is their alternative. Are you going to let the building fall to the ground? Are they going to come to him and make him bulldoze the property? He hopes it is a huge success, but even if he is a failure and comes here and makes the building structurally sound. If in the beginning processes he fixing the problems he sees with the cracks on the back right corner or contains any asbestos that might be in there, if he fixes the fascia and replaces the windows which he was financially capable of putting windows in the place. They are going to make the Avenue so much more attractive. Anything he does even if he only gets a third or halfway through the project before he may have to give it up is going to do nothing but make the building more structurally sound and better looking for the people that drive through this town. He just wanted to clarify some of the statements that were made.

Mr. White said when they bought their building, it was originally built as a post office with WPA (Works Progress Administration) federal money. They have the original plans so it was easy for them to get engineers, architects and the City Clerk worked with one of the draftsman on that. If they are going to approve this he would want the City Council to commit an earnest attempt to find the plans for that building. They will remember they use to have district court on Fridays upstairs in the municipal building. There was a fireman stationed there and you could only have 77 people up stairs at any given time. Because when you walked into the building to the left and right of those pretty terrazzo floors there are two vaults in there. One was where the police kept their hazard guns and the other was where the fire department kept theirs if he was not mistaken. Those vaults are what is supporting that second floor. So somebody needs to take a long hard look at how they start rearranging those vault rooms as what is going to be structural sound for that second floor. The other side has the jail cells. When they looked at it, Charlie Winston that started Darrell's Restaurant gave him some contacts to get those cells out so they could be sold to other Darrell's type restaurants. According to the experts they had in there and the people that knew how that building was built, those cells were delivered and the building was built around it. It is going to take some torches or something to get them

out and they will need to be extremely careful using cutting torches in that kind of building. If this is going to be a success it's got to be a community success and if those plans are available, they need to be furnished to Mr. Machato's engineers and architects immediately so they can get this done right so it will be a success. He wishes him all the luck in the world.

Mr. Jones asked if he could speak again. Mayor Doughtie agreed.

Mr. Jones stated in regards to the vaults being the support, if he is correct, it is possible that the cells were built then the building built around it. But the vault is not a support for floors upstairs. The vault was built, it was bolted together then there was a concrete ceiling poured on top of the jail cell and then the building could have possibly been built around it. But the floor joists for the first level are no way connected to the vault. So the vault can be removed; it is going to be a chore. He believes Mr. Machato has looked at and he had people here looking at it. With regards to torches and fire, he thinks it all bolts together but that doesn't mean if it seized up you're not going to have to put a torch on it. It should not in any way affect the structural integrity of the first floor.

Attorney Davis interrupted and stated although he appreciates the discussion, he believes they are getting a little far field from the zoning issues.

Mr. Jones said he had never seen the original plans but there was a company that drew some pretty significant plans and he believes Mr. Machato has those.

Planning & Development Director Lasky said they had the plans.

Mayor Doughtie stated all these questions will be answered in due time.

Mayor Doughtie said Mr. Jones made a comment that the building was continuing to deteriorate and did not see where they would be changing that conception tonight. He did not really see a whole lot of promising future for the building. He asked if they were going to let it lapse into a state where it ends up that the taxpayers were going to have to take it down and file a lien on the property. They have gotten in that situation several times. He thinks it fits in their master plan well for this type of business to come here. Mr. Jones, Mr. White and Ms. Davis were all citizens that contribute to the community so he knows they like himself want to see Roanoke Rapids do better in the future. They have had some considerable changes in the way people look at our community when they come here. What he means by that is, he thinks there is a market for rental apartments for professional or skilled labor people

or whomever can afford market price apartments that may not want to live in Roanoke Rapids like they have all their lives. The housing market has had some considerable changes so when people come here now, they may not be looking to buy a house because they may have difficulty in selling it and moving on where they want to go. He thinks the concept for people coming to look at our community would go over well for those looking to stay 3-5 years and then move on. Apartments are pretty easy to divest yourself of if you come to the end of the rental agreement, you can move on with no loss. They have a great opportunity with Vidant here and he sees that will enhance the community. They may have individuals coming here looking for housing. What are the alternatives for this building? Obviously, the average developer or person off the street does not have the resources. This gentleman knows and understands the programs that are available to developers. He has already told them about things he has done and have worked out. That encourages me. He thinks it is a positive versus looking at the alternative.

Mayor Pro Tem Ferebee said after hearing everything and that Mr. Machato was willing to move forward so he was ready to move forward.

Councilman Smith stated if there were not anymore speakers from the public, he would like to see the public hearing closed and City Council vote on the matter.

Mayor Doughtie declared the public hearing closed.

City Council used the following worksheet to evaluate and vote on the matter:

City Council Quasi-Judicial Forum and Conditional Use Permit Evaluation Work Sheet

SECTION I:

1. The requested permit is within its jurisdiction according to the table of permissible uses; or
2. The application is complete; or
3. Multi-family residential is a use subject to Conditions in the Land Use Ordinance; or

SECTION II. *The following items are to be considered per Section 151-94(d)(5):*

1. The establishment, maintenance, or operation of the conditional use will not be detrimental to or endanger the public health, safety or general welfare.
2. The conditional use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purposes already permitted, nor diminish or impair property values within the neighborhood.

3. The establishment of the conditional use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.
4. The exterior architectural appeal and functional plan of any proposed structure will not be so at variance with either the exterior architectural appeal and functional plan of the structures already constructed or in the course of construction in the immediate neighborhood or the character of the applicable district, as to cause a substantial depreciation in the property values within the neighborhood.
5. Adequate utilities, access roads, drainage, parking, or necessary facilities have been or are being provided.
6. Adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.
7. The conditional use shall, in all other respects, conform to all the applicable regulation of the district in which it is located.
8. Public access shall be provided in accordance with the recommendations of the city's land use plan and access plan or the present amount of public access and public parking as exists within the city now. If any recommendations are found to conflict, the system requiring the greatest quantity and quality of public access, including parking, shall govern.
9. The proposed use shall be consistent with recommendation and policy statement as described in the adopted land use plan.

SECTION III *Please refer to the Public Hearing Testimony, Staff Report and items 1-9 of Section II on previous pages when evaluating the following motions.*

Is it the consensus of the City Council that the requested permit:

(a) Will not materially endanger the public health or safety; or

Motion was made by Mayor Pro Tem Ferebee, seconded by Councilman Smith and unanimously carried that based on the public hearing testimony and the foregoing staff report dated February 12, 2020 it is the consensus of the City Council that the requested permit will not materially endanger the public health or safety.

Is it the consensus of the City Council that the requested permit:

(b) Will not substantially injure the value of adjoining or abutting property; or

Motion was made by Mayor Pro Tem Ferebee, seconded by Councilman Smith and unanimously carried that based on the public hearing testimony and the foregoing staff report dated February 12, 2020, it is the consensus of the City Council that the requested permit will not substantially injure the value of adjoining or abutting property.

Is it the consensus of the City Council that the requested permit:

(c) Will be in harmony with the area in which it is to be located; or

Motion was made by Mayor Pro Tem Ferebee, seconded by Councilman Smith and unanimously carried that based on the public hearing testimony and the foregoing staff report dated February 12, 2020, it is the consensus of the City Council that the requested permit will be in harmony with the area in which it is to be located.

Is it the consensus of the City Council that the requested permit:

(d) Will be in general conformity with the Comprehensive Development Plan, Thoroughfare Plan, or other plan officially adopted by the City Council.

Motion was made by Mayor Pro Tem Ferebee, seconded by Councilman Bobbitt and unanimously carried that based on the public hearing testimony and the foregoing staff report dated February 12, 2020, it is the consensus of the City Council that the requested permit will be in general conformity with the Comprehensive Development Plan, Thoroughfare Plan, or other plan officially adopted by the City Council.

SECTION IV FINAL DECISION

Motion was made by Mayor Pro Tem Ferebee, seconded by Councilwoman Scarbrough and unanimously carried that based on the public hearing testimony and the foregoing staff report dated February 12, 2020 it is the consensus of the City Council that the requested Conditional Use Permit be granted for a multi-family residential use (apartments) located at 632 Roanoke Avenue.

Old Business

Consideration of Ordinance Adopting Updated City Code of Ordinances

City Manager Scherer stated City staff recently completed the process of re-codifying the City's Code of Ordinances. City Council held a Public Hearing on February 4, 2020 and decided to postpone a decision until tonight in order to allow additional time to receive public comments. The link to the new ordinance updates was posted on the City's website asking to notify the City Clerk with any comments. The Clerk's Office did not receive any public comments, therefore Ordinance No. 2020.02 has been drafted for your review and consideration in order to adopt and publish the updated City Code of Ordinances. He presented the following ordinance for City Council's consideration:

ORDINANCE NO. 2020.02

**AN ORDINANCE READOPTING, ENACTING AND PROVIDING FOR THE
ONLINE PUBLICATION OF THE CITY OF ROANOKE RAPIDS, NORTH CAROLINA
CODE OF ORDINANCES**

WHEREAS, the Acts of the Legislature of the State of North Carolina empower and authorize the City of Roanoke Rapids to revise, amend, restate, codify and compile any existing ordinances and all new ordinances not heretofore adopted or published and to incorporate such ordinances into one ordinance in book form; and

WHEREAS, the Roanoke Rapids City Council has authorized a general compilation, revision, and codification of the ordinances of the City of Roanoke Rapids of a general and permanent nature and publication of such ordinance in book form; and

WHEREAS, the Roanoke Rapids City Council desires to revise, amend, restate, codify and compile any existing ordinances and all new ordinances as set forth herein to ensure proper passage and public notification of City Ordinances.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROANOKE RAPIDS, NORTH CAROLINA:

Section 1. The Code entitled "City of Roanoke Rapids, North Carolina Code of Ordinances," published by American Legal Publishing, consisting of the City Charter and Chapters 10 to 155, each inclusive, is adopted.

Section 2. All ordinances of a general and permanent nature enacted on or before December 18, 2018 and not included in the Code or recognized and continued in force by reference therein, are repealed.

Section 3. The repeal provided for in Section 2 hereof shall not be construed to revive any ordinance or part thereof that has been repealed by a subsequent ordinance that is repealed by this ordinance.

Section 4. A copy of the Code of Ordinances shall be kept on file in the office of the City Clerk, and it shall be the express duty of the Clerk, or someone authorized by the Clerk, to insert in the designated places in such official copy all duly adopted amendments to the Code of Ordinances, and to extract from the Code all provisions which may from time to time be duly repealed. A copy of this Code shall be available for all persons desiring to examine it during reasonable business hours, under the supervision of the Clerk.

Section 5. In addition to the book form copy of the Code held by the Clerk, the Code of Ordinances of the City of Roanoke Rapids shall be published and available online, on the internet, in a form and format directly viewable or linkable from the official internet website of the City of Roanoke Rapids.

Section 6. Unless another penalty is expressly provided, every person convicted of a violation of any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof shall be punished according to code Section 10.99. Each act of violation and each day upon which any such violation shall continue or occur shall constitute a separate offense. The penalty provided by this section, unless another penalty is expressly provided, shall apply to the amendment of any Code section, whether or not such penalty is reenacted in the amendatory ordinance. In addition to the penalty prescribed above, the City may pursue other remedies such as abatement of nuisances, injunctive relief and revocation of licenses or permits.

Section 7. Additions or amendments to the Code when passed in such form as to indicate the intention of the City to make the same a part of the Code shall be deemed to be incorporated in the Code, so that reference to the Code includes the additions and amendments.

Section 8. Ordinances adopted after December 18, 2018, that amend or refer to ordinances that have been codified in the Code, shall be construed as if they amend or refer to like provisions of the Code.

Section 9. This ordinance, and the Code of Ordinance which it readopts, shall be in full force and effect from and after the date of adoption hereof.

Passed and duly adopted by the City of Roanoke Rapids City Council this 18th day of February, 2020.

Emery G. Doughtie, Mayor

ATTEST:

Traci V. Storey, City Clerk

Motion was made Councilman Smith, seconded by Councilman Bobbitt and unanimously carried to adopt Ordinance No. 2020.02 ordering the updated City of Roanoke Rapids Code of Ordinances be adopted and published.

New Business

Consideration of Budget Amendment (FEMA Firefighter Grant)

Finance Director Etheridge stated the Roanoke Rapids Fire Department has been awarded an AFG grant through FEMA for fiscal year 2019-2020. The department intends to purchase a Safety House to enhance our Fire Prevention efforts throughout our community with this grant award. The Federal match that will be reimbursed after the City commits to funding will be \$119,047.62. The City match will equate to \$5,952.38 from the Fire Department budget. She said pictures of the smoke house were included in their packets along with training that will take place with this unique tool. She presented the following ordinance for City Council's consideration:

**Ordinance No.: 2020.03
CITY OF ROANOKE RAPIDS
BUDGET AMENDMENT**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROANOKE RAPIDS:

SECTION 1. The following additional amounts are hereby appropriated for the operation of City Government and its activities for the fiscal year beginning July 1, 2019 and ending June 30, 2020, according to the following schedule:

SCHEDULE A – PROJECT FUND REVENUES

FEMA Firefighter Grant – Federal Resources	\$119,047.62
Project Revenues (To be reimbursed by Grant)	_____
GRANT FUND PROJECT TOTAL	\$119,047.62

SECTION 2. The following additional revenues and reductions in appropriations are available for the fiscal year beginning July 1, 2019 and ending June 30, 2020, in order to meet the foregoing appropriations, according to the following schedule:

SCHEDULE B – PROJECT FUND EXPENDITURES

FEMA Firefighter Grant	\$119,047.62
Project Expenditures (To be reimbursed by Grant)	_____
GRANT FUND PROJECT TOTAL	\$119,047.62

SECTION 3. This ordinance shall become effective upon adoption.

Motion was made Councilman Smith, seconded by Mayor Pro Tem Ferebee and unanimously carried to adopt Ordinance No. 2020.03 approving a budget amendment to appropriate funds in the amount of \$119,047.62 in order to purchase a Smoke House for fire prevention and educational training.

Consideration of Budget Amendment (Carolina Chips Economic Development Incentive Grant)

Finance Director Etheridge stated in 2016, City Council agreed to provide an economic development grant to Carolina Chips in five annual installments of \$125,000. The grant is predicated on them meeting certain contractual economic development benchmarks set forth by the County Economic Development Director.

Originally the County Economic Development Director notified us that the company had not met their required benchmarks this past budget year and we were not obligated to pay their grant. However, due to a contractual error, the benchmark requirements were determined by the County to have been met. We disputed our payment obligation through legal means but were unsuccessful, so we are now required to provide the company with their grant of \$125,000. She presented the following ordinance for City Council's consideration:

**Ordinance No.: 2020.04
CITY OF ROANOKE RAPIDS
BUDGET AMENDMENT**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROANOKE RAPIDS:

SECTION 1. The following additional amounts are hereby appropriated for the operation of City Government and its activities for the fiscal year beginning July 1, 2019 and ending June 30, 2020, according to the following schedule:

SCHEDULE A – PROJECT FUND REVENUES

Carolina Chips Economic Development Incentive Grant	\$125,000
Project Revenues	_____
FUND PROJECT TOTAL	\$125,000

SECTION 2. The following additional revenues and reductions in appropriations are available for the fiscal year beginning July 1, 2019 and ending June 30, 2020, in order to meet the foregoing appropriations, according to the following schedule:

SCHEDULE B – PROJECT FUND EXPENDITURES

Carolina Chips Economic Development Incentive Grant	\$125,000
Project Expenditures	_____
FUND PROJECT TOTAL	\$125,000

SECTION 3. This ordinance shall become effective upon adoption.

Mayor Pro Tem Ferebee asked if initially they were thinking Carolina Chips did not meet their requirements and now they have and do we have the funds to take care of this.

Finance Director Etheridge replied they were requesting the funds to be appropriated from fund balance because this came about after FY 2018-2019 was closed. Prior year funds that would have paid this were closed to the General Fund's fund balance.

Mayor Doughtie asked if this was error on the County's contract. She replied it was a contractual error made by the County, because the City does not determine the benchmarking that is used for the initiative set forth for this economic development agreement.

City Manager Scherer stated it was based upon an error of what date to use to calculate the benchmark achievements. After all the lawyers got together they determined a correct date.

Councilman Smith asked what was this going to do to the fund balance. Finance Director Etheridge replied at the present time, it will lower it to 15% from 16%.

Mayor Doughtie asked how many more years does the City have in this contract. Finance Director Etheridge replied two years.

Councilman Smith asked if this was just a proportion of the tax money they are paying the City that we agreed to put back in the grant money to them. She replied yes, it was a tax incentive agreement. City Manager Scherer added it was an economic development grant the City offered them for five years.

Mayor Doughtie stated for the public's information, this was not a fine or a penalty, it was money the City collected and Carolina Chips had met their obligation but at that time we did not think they had.

Councilman Smith asked if the original agreement was Carolina Chips would pay the tax and the City would make a grant back to them 50%. City Manager Scherer replied

that was how the economic development grant was designed. It was not a rebate, it is grant of monies back to them.

Motion was made by Councilman Smith, seconded by Mayor Pro Tem Ferebee and unanimously carried to adopt Ordinance No. 2020.04 approving a budget amendment for payment of the Carolina Chips economic development grant of \$125,000 to bring our agreement obligations current and the money to be taken out of fund balance.

City Manager's Report

City Manager Scherer gave the following report:

It is time to begin planning for everyone in the City to participate in the 2020 Census counting. Every 10 years, the Federal government counts every person living in the U.S. The census is a short 9 question survey asking basic information about your household and the people who live in it.

Census data is important for all communities but especially for cities like our in rural North Carolina. The census determines political representation as well as funding for vital services like schools, infrastructure, economic development and public safety. It is anticipated the state may gain an extra seat in the Federal House of Representatives, from 13 to 14 seats, if we can get as many people counted as possible. Census data is also used to redraw district lines for everything from congressional elections to local school board races.

Census data is also used by businesses, state and local governments and economic developers to determine what type of services are needed and where to invest resources. North Carolina receives a little over \$16 billion annually from census-guided Federal programs, which equates to about \$1600 per person, so the more people that are counted, the more money our city could receive.

The 9 questions on the census only ask general information about how many people live in your household, their names, a phone number, and demographic information (race, sex, age, etc.) They DO NOT ask for your social security number, political affiliation, financial information or citizenship. The information is kept only by the Census Bureau and is not shared with anyone else.

This is the first census where one can participate online. Invites to complete the census questionnaire will be mailed out in mid-March with options to respond online, by phone or by mail. Census takers will go to households who have not responded by May 2020.

You can visit their website, nccensus.org, to get additional information and resources regarding the state-wide census efforts.

We encourage everyone to participate in the upcoming census, so that our needs like better health care, broadband access, economic development and Federal aid can be rightfully provided to our community.

Motion was made by Councilman Smith, seconded by Mayor Pro Tem Ferebee and unanimously carried to have the Financial Report and dismiss the other departmental reports since City Council has a closed session.

Finance Director's Report

Finance Director Etheridge presented the January 2020 Financial report. She reported the General Fund year to date receipts totaled \$10,215,326. General Fund year to date expenditures totaled \$9,721,185. After the month of January, 58.33% of the budget year has been completed. As a result, year-to-date revenues exceeded expenditures by \$494,141.

She said during the month of January, the City received the following revenues:

- Ad Valorem Tax Revenue
- Sales & Use Tax Revenue for service month of November
- Motor Vehicle Tax Collections

She noted the month of January recognized higher Ad Valorem Tax collections, as a result of tax payers remitting payments in December before the assessment of penalties.

She said the Finance Director completed and submitted the required cash and investment reporting (LGC 203) to the Local Government Commission. Payroll Staff processed 267 W2's for all staff during the month of January.

Finance Director Etheridge reported initial budget work has begun on Administrative expenditures for the FY 2020-2021 budget. Additional budget guidance will be forthcoming in subsequent weeks.

Councilman Smith said he saw on the report that the collection of ad valorem taxes was about \$1M behind and asked if that normally comes in during March and April. She replied this report is for January collections and they have already received

February collections and they were strong. They will receive more into March and April.

Departmental Reports

City Council voted to dismiss the monthly departmental reports, therefore no verbal reports were given.

Other Business/Closed Session

Councilwoman Scarbrough stated since the departments were not giving their reports tonight, she as liaison to the Senior Center Advisory Committee announced the Jo Story Senior Center would be hosting the Stew & Sandwich Dinner on Thursday, February 20, 2020 from 4:30 – 6:30 p.m. Tickets were \$7 donation and the event would be held at Kirkwood Adams Community Center.

Motion was made by Councilman Smith, seconded by Councilman Bobbitt and unanimously carried go into Closed Session to discuss a legal matter as allowed by NCGS 143-318.11 (a) (3).

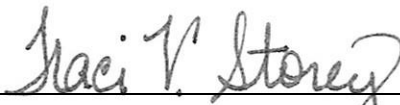
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Minute Book Pages 19788 - 19794 contain Minutes and General Account of a Closed Session which have been sealed until such time as public inspection of those minutes would not frustrate the purpose of the Closed Session.

Adjournment

City Council returned to Open Session. No action was taken.

There being no further business, motion was made by Councilwoman Scarbrough, seconded by Councilman Bobbitt and unanimously carried to adjourn. The meeting adjourned at 7:45 p.m.



Traci V. Storey, City Clerk

Approved by Council Action on: March 17, 2020