

Salisbury, North Carolina
February 15, 2011

REGULAR MEETING

PRESENT: Mayor Susan W. Kluttz, Presiding; Mayor Pro Tem Maggie A. Blackwell, Councilmen William (Pete) Kennedy, and William Brian Miller; City Manager David W. Treme; City Clerk Myra B. Heard; and City Attorney F. Rivers Lawther, Jr.

ABSENT: Councilman Paul B. Woodson, Jr.

The meeting was called to order by Mayor Kluttz at 4:00 p.m. The invocation was given by City Manager David W. Treme.

PLEDGE OF ALLEGIANCE

Mayor Kluttz led those present in the Pledge of Allegiance to the United States flag.

RECOGNITION OF VISITORS

Mayor Kluttz welcomed all visitors present.

ADDITIONS/DELETIONS TO THE AGENDA

Mayor Kluttz noted the following changes to the Agenda:

Add – Proclamation - Rotary Day February 23, 2011

Mayor Kluttz indicated item 11(a) Impact of Revaluation on the City of Salisbury will be moved to be heard following item 9.

CONSENT AGENDA

(a) Approval of Minutes

Approve Minutes of the Regular meeting of February 1, 2011.

(b) Petition to Close Alley – 200 block of North Arlington Street

Receive a petition to close an alley in the 200 block of North Arlington Street, and adopt a RESOLUTION setting a public hearing for March 15, 2011.

RESOLUTION PERTAINING TO THE PROPOSED CLOSING OF ALLEY IN THE 200 BLOCK OF NORTH ARLINGTON STREET AND SETTING A PUBLIC HEARING FOR MARCH 15, 2011.

(The above Resolution is recorded in full in Resolution Book No. 13 at Page No.2, and is known as Resolution 2011-02.)

Thereupon, Mr. Miller made a **motion** to approve the Consent Agenda as presented. Mr. Kennedy seconded the motion. Messrs. Kennedy, Miller, and Mses. Blackwell and Kluttz voted AYE. (4-0)

DISTRICT MAP AMENDMENT – CD-08-2010, ROWAN COUNTY HOSPICE

(a) Senior Planner Preston Mitchell addressed Council regarding CD-08-2010, Rowan County Hospice. He noted the request is a zoning petition for an amendment to an existing Conditional District Overlay. He stated Rowan Regional Medical Center (RRMC) is the petitioner, and the property is owned by Milbrook Medical Park who has authorized RRMC to make the petition.

Mr. Mitchell indicated the site consists of two parcels totaling approximately six acres, and is located along the south side of Statesville Boulevard in the Milford Hills and Meadowbrook neighborhood areas.

Mr. Mitchell stated the existing zoning is Residential Mixed-Use (RMX). He noted the property was under an “S” district under the old Code, and converted to a Conditional District with the adoption of the Land Development Ordinance (LDO).

Mr. Mitchell noted the request is to maintain the RMX zoning as the base district, and to amend the existing Conditional District Overlay to allow for the development of a 14-bed hospice facility, with the ability to expand by 12 beds. He reviewed the proposed site plan depicting an approximate 15,000 square foot building, along with future phases for additional beds at the rear of the structure. He pointed out parking will be located in front of the property, with one point of ingress and egress from Statesville Boulevard.

Mr. Mitchell indicated he spoke with the landscape architect for the project, and noted the site plan included proposed gates, but the gates will be removed. He displayed a drawing of the building design, and noted the structure is mainly single-story with a pitched roof. He added Planning staff feels this will be compatible with the architecture of the neighborhood and surrounding area.

Mr. Mitchell stated Ordinance 2004-66 currently guides development on the property, and states the types of uses permitted on the property. He noted hospice has been identified as a group care facility, which is not listed as a permitted use; however, when a Conditional District Overlay is amended the use list can also be amended. Mr. Mitchell stated Planning staff recommends adding group care facilities as a permitted use, and removing all other uses so group care facility is the only permitted use for this site.

Mr. Mitchell noted there are two development conditions established by Ordinance 2004-66 for the site which are still in place:

- Reserve a 70-foot deep buffer strip along the entire 300-foot southern property line where no improvements can be made
- Existing vegetation within the 70-foot buffer strip shall remain undisturbed

Mr. Mitchell indicated both Development Conditions have been met by the developer.

Mr. Mitchell noted alternative design is available for a Conditional District Overlay, and the developer is seeking alternative design for building standards and parking. He explained the building standards for institutional buildings state secondary buildings cannot be located in front of the front façade. He noted the petitioner is requesting a secondary building to be placed in alignment with the front façade. Mr. Mitchell stated the petitioner is also requesting alternative design to allow parking in front of the building.

Mr. Mitchell pointed out the proposed location of the secondary building, and noted it will act as a screen for the service area adjacent to the building.

Mr. Mitchell reviewed the request in regards to the Vision 2020 Comprehensive Plan:

- Policy N-5: New infill development shall be architecturally compatible with existing structures, landscape features and the streetscape within its vicinity. Efforts by neighborhood associations to establish their own standards for development compatibility shall be encouraged

Mr. Mitchell indicated the Planning Board unanimously recommended approval of the Conditional District Overlay amendment.

Mayor Pro Tem Blackwell asked Mr. Mitchell to clarify the purpose of an area on the site plan because the label was not visible. Mr. Mitchell stated the area is for fire apparatus turn-around.

(b) Mayor Kluttz convened a public hearing, after due notice thereof, to receive comments regarding Land Development district map amendment CD-08-2010. She noted the large size of the audience and requested those in agreement with the speakers addressing Council to raise their hand to show their support.

Mr. Ronnie Smith, 113 Cantiberry Drive, stated he is a member of the Rowan Regional Medical Center Foundation. He voiced his support for Rowan Regional Medical Center's future hospice house. He stated the hospice house has been a dream in the making for almost 30 years, and because of the dedication of the staff of the Medical Center and community volunteers, the dream will soon be a reality. Mr. Smith stated he has received many comments from families in Rowan County that a hospice is one of the most important and appreciated health care services in the community. He noted during the Planning Board meeting Chairman Robert Cockerl asked all those in support of the hospice request to stand. Mr. Smith indicated approximately 90 people stood to give hospice a standing ovation. He noted today may just be a zoning hearing, but it is an excellent opportunity to ask every citizen to support the project. Mr. Smith urged everyone to join together as partners in progress to make the new hospice house a dream come true for all citizens.

Mayor Kluttz asked those present who agree with Mr. Smith to raise their hands. Approximately 100 people raised their hand.

Ms. Edwina Ritchie, 195 Old Farm Lane, Mocksville, North Carolina, stated she is the director of hospice services at Rowan Regional Medical Center. She commented a free-standing hospice house has been a dream of the Medical Center for nearly 30 years. She stated she encounters patients on a daily basis that could benefit from the care provided by a hospice house. She noted patients at the hospice will receive end-of-life medical care in a warm, homelike setting. Ms Ritchie stated citizens currently have to leave Rowan County to find a hospice facility, and Rowan Regional Medical Center wants to change this. She explained patients admitted to the hospice house are those with diseases that have not responded to cure-oriented treatment, and who wish to face death with dignity. Ms. Ritchie stated the hospice house will give patients as much comfort and joy as possible during their last days, and she encouraged Council to allow the Medical Center to give the citizens of Rowan County this gift.

Mr. Rick Parker, 150 Dove Lane, stated he works at Rowan Regional Medical Center, and he thanked Mr. Ronnie Smith and the Smith family for their support to the community and Rowan Regional Medical Center. He noted this year is the 75th anniversary of Rowan Regional Medical Center, and the approval for the hospice house would be the best gift Council could give. He pointed out this would be the only hospice house in Rowan County and would provide an opportunity to serve the community. Mr. Parker stated the Medical Center held a community meeting at a neighborhood church, where over 600 people were invited to attend. He noted a large crowd came to the meeting, and all were in support of the project. He stated the project was developed to fit into the community while also preserving nature in the area. Mr. Parker pointed out the gate initially proposed for the site has been removed because the Medical Center felt the money could be better spent inside of the hospice.

Approximately 100 people from the audience raised their hands in support of Mr. Parker and Ms. Ritchie.

Mr. Bill Kennerly, 1300 East Colonial Drive, stated he and his wife have lived at their residence for 30 years and are in support of the hospice request. He noted his house is located behind the property, and he thinks the use is consistent with the neighborhood. He stated he can see the entire lot from his back door, and he noted his neighbor, Mr. John Whitfield, who could not attend the meeting today, is also supportive of the project.

Mayor Kluttz noted Council received a letter from Mr. Whitfield expressing his support for the project.

Approximately 100 people from the audience raised their hands in support of Mr. Kennerly.

Mr. Glenn Ketner, Jr., 121 East Kerr Street, stated he is a member of the Rowan Regional Medical Center board and this issue is one the board has worked on very diligently. He stated many sites have been considered for the project, and November 10, 2010 the board decided on the site in question. He noted the issue today is to establish group care facility as a use in the district, and he thinks the site is consistent for this use. Mr. Ketner stated Council's decision to accept the Planning Board's favorable recommendation will allow Rowan Regional Medical Center to fulfill a long-standing need for the community. He indicated he is pleased to be present to support this request, and he requested Council approve the rezoning.

Ms. Tippie Miller, stated she is co-chair of the committee overseeing construction of the hospice house. She noted the steering committee is comprised of the best leaders of the community and hospital to ensure the hospice house bears the footprint of the community in the services provided to the patients and their families. She indicated hospice is defined as host for travelers on their journey, and she stated the hospice mission is to be the best host to their travelers on their final journey by providing care and support to patients and families. Ms. Miller stated although this is a hospital project, it is a community-driven one. She asked Council to help this dream become a reality for those traveling their final journey, and to do so with dignity and comfort.

There being no one else present to address Council, Mayor Kluttz closed the public hearing.

Mayor Kluttz stated it is exciting to see so many people in attendance who care so much about the community. She thanked those in attendance for their presence and their care for others. She commented this is a tremendously important service to the community and she thinks it is one that is very much needed. Mayor Kluttz stated she appreciates Rowan Regional Medical Center for meeting with the neighbors, and the neighborhood's agreement that the project is compatible. She commented she thinks this is a perfect location for the hospice, and she supports the project.

Mayor Pro Tem Blackwell commented she also thinks this is a great location for the project. She noted she is thankful this location was saved for this use, and she commented the citizen's presence at the meeting is amazing. She expressed her appreciation for everyone's support of the project.

Councilman Miller stated he lost two grandfathers this past year, and both were blessed to have hospices in the community in which they lived. He noted prior opportunities for development at the proposed site have had issues, but this is the perfect use for this property. He lauded all those involved in finding the right site, and reiterated he thinks this is the perfect one. He indicated he fully supports this use, and could not think of a better thing that could be done with this piece of property.

Councilman Kennedy stated he also fully supports the project.

Mr. Kennedy stated the City Council hereby finds and determines that adoption of an Ordinance to rezone the property described herein and amend a portion of the Conditional District Overlay is consistent with the goals, objectives, and policies of the Vision 2020 Comprehensive Plan, and that adoption of the Ordinance is reasonable and in the public interest. Thereupon, Mr. Kennedy made a **motion** to adopt an Ordinance amending the Land Development Ordinance and the Land Development district map of the City of Salisbury, North Carolina, by rezoning approximately six (6) acres identified as tax map & parcels 332-062 and 332-093 by amending a portion of the Milbrook Medical Park Conditional District Overlay to permit the development of a 14-bed Rowan County Hospice Facility; identifying the development documents; identifying development conditions; providing an effective date; and for other purposes. Mr. Miller seconded the motion. Messrs. Kennedy, Miller, and Mses. Blackwell and Kluttz voted AYE. (4-0)

AN ORDINANCE AMENDING THE LAND DEVELOPMENT ORDINANCE AND THE LAND DEVELOPMENT DISTRICT MAP OF THE CITY OF SALISBURY, NORTH CAROLINA, BY REZONING APPROXIMATELY SIX (6) ACRES IDENTIFIED AS TAX MAP & PARCELS 332-062 AND 332-093 BY AMENDING A PORTION OF THE MILBROOK MEDICAL PARK CONDITIONAL DISTRICT OVERLAY TO PERMIT THE DEVELOPMENT OF A 14-BED ROWAN COUNTY HOSPICE FACILITY; IDENTIFYING THE DEVELOPMENT DOCUMENTS; IDENTIFYING DEVELOPMENT CONDITIONS; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

(The above Ordinance is recorded in full in Ordinance Book No. 23 at Page Nos. 11-14, and is known as Ordinance 2011-07.)

Mayor Kluttz thanked those in attendance for being present and for their work to support the community.

DISTRICT MAP AMENDMENT LDOZ-03-2011 – A&H INVESTMENTS

(a) Senior Planner Preston Mitchell addressed Council regarding a rezoning request for A&H Investments. He noted the request is to rezone one piece of property from residential zoning to mixed-use zoning. He stated the property is located at the corner of North Arlington Street and East Liberty Street, and is a vacant tract of land.

Mr. Mitchell stated the current zoning is Urban Residential (UR-8), which is also the zoning for the majority of the Park Avenue Neighborhood, which is adjacent to the site. He noted Commercial Mixed-Use (CMX) zoning is also located adjacent to the site, and the request is to change the site to the CMX surrounding it.

Mr. Mitchell reviewed ground photographs showing the site, which is vacant, and the surrounding properties. He noted the tract of land falls under two adopted plans, the Salisbury Vision 2020 Comprehensive Plan and the Park Avenue Strategic Redevelopment Plan. He reviewed item 8 from the Park Avenue Strategic Redevelopment Plan:

- The Town Creek Mall District – is a heavily-trafficked area with excellent access to major roads, but which exhibits a mixture of dreary buildings, vacant land and a few businesses of note. The plan proposes:
 - Inclusion of Arlington Street in the new development on the Town Creek Mall site
 - Enhance the Arlington Street entrance into the neighborhood
 - Develop the site without the parcel between I-85 and the creek, leaving this area open as a landscaped gateway to the city
 - Reuse the Duke Power building for a more active use as part of or related to the commercial development
 - Softening the transition between the neighborhood and the new commercial center

Mr. Mitchell indicated the Plan proposes the softening and transition between the neighborhood and the new commercial center, and explained the commercial center refers to the Town Creek development site.

Mr. Mitchell discussed the Vision 2020 Comprehensive Plan:

- Policy C-16: Commercial or other development that would jeopardize the public health, safety, and welfare of an existing residential neighborhood shall not be permitted. However, new mixed-use developments, planned from the outset, which allow for compatible mixture of uses with a pedestrian scale and design, are encouraged. Further, businesses may be approved adjoining (and therefore convenient to) an existing residential area, when such businesses can be shown to clearly satisfy design considerations similar to a newly planned, pedestrian-scaled, mixed-use development
- Policy N-11: Architecturally compatible, residentially scaled office and institutional development may be permitted to locate along the sides of neighborhood planning areas. Under specified conditions, this policy may be applied to the conversion of pre-existing residential properties located along major streets where, due largely to traffic exposure, homes have become unsuitable for residential occupancy. In such instances, adaptive reuse of existing residential structures shall be viewed more favorably than demolition and new construction

Mr. Mitchell reviewed the staff recommendation to the Planning Board:

- Petition is not entirely consistent with the Vision 2020 Plan or the Park Avenue Strategic Redevelopment Plan; however, this site has CMX on one side and the former Duke Energy building on the other, which is recommended for commercial use under the Park Avenue Strategic Redevelopment Plan
- Because of larger buffer requirement (15 feet) and comments made above, staff recommended approval of request to rezone to CMX

Mr. Mitchell reported the Planning Board met January 31, 2011, and voted unanimously (9-0) to recommend approval. He noted the Planning Board found the request is not entirely consistent with the goals, objectives and policies of the Vision 2020 Comprehensive Plan or the Park Avenue Strategic Redevelopment Plan; however, based on staff analysis and recommendations approval was recommended.

Councilman Miller asked how the rezoning would affect the maximum height allowed for the site, given the compatibility of building types in the Land Development Ordinance. Mr. Mitchell pointed out the heights are dependent on the building types, and in the CMX district the maximum height for commercial buildings is four stories.

(b) Mayor Kluttz convened a public hearing, after due notice thereof, to receive comments regarding Land Development district map amendment LDOZ-03-2011.

Mr. Jake Alexander, 8 Woodland Road, stated he is President of A&H Investment and owns the subject property and adjacent lot. He pointed out the property is under contract for a development opportunity, and rezoning is required for this opportunity to occur. He noted the site is the largest tract available on the market in the East Innes Street area. He pointed out 80% of the property is currently zoned for commercial use. Mr. Alexander stated with regards to the property being adjacent to the neighborhoods, 15 feet is a significant buffer, and Council can help define any subsequent development that is brought forth.

Mr. Jay Dees, 121 East Kerr Street, stated the rezoning request would create consistency along Arlington Street by being consistent with the Town Creek development. He pointed out he met with adjoining property owners, primarily the two adjoining residential properties to the rear of the tract, and the general conversations indicated some opposition to dense residential, but a favorable view of commercial development. Mr. Dees indicated rezoning would create a good commercial anchor at this end of this important neighborhood. He added continuing commercial development at the end of the Park Avenue Neighborhood will have a positive effect in regards to employment opportunities. He stated he thinks the proposal is consistent with the City's Vision 2020 Plan, and requested Council's consideration for approval.

There being no one else present to address Council, Mayor Kluttz closed the public hearing.

Councilman Kennedy stated the property is adjacent to Duke Energy transmission lines, and he does not think it would be suitable for residential use. He added he thinks commercial is a good fit for this area, and he supports the request.

Councilman Miller indicated he had sent Mr. Mitchell questions about the request, but as he reviewed the plan and the existence of CMX around the site, he is in support of the request, and no response from Mr. Mitchell is required. He added any time commercial use is proposed adjacent to residential, he thinks it is wise to study all aspects to make sure there are no unintended consequences.

Mr. Mitchell stated staff believes the buffer requirement along the Urban Residential-8 (UR-8) zoning is more than adequate. He pointed out this will not create an enclave of CMX since it exists in the area, and he would encourage Council to look at the list of permitted uses to make sure it is comfortable with the list. Mr. Miller noted he initially had a concern with some of the permitted uses, but he realized the likelihood of the use occurring on this site is so small, it is not an issue.

Mayor Kluttz indicated she thinks this is a good use of the property, and is a good transitional use from the neighborhood that is both compatible and logical. She pointed out the *Salisbury Post* recently ran an extensive report on the Park Avenue Neighborhood, and it was clear the residents need and want economic development and jobs nearby.

(c) Mayor Pro Tem Blackwell stated the City Council hereby finds and determines that adoption of an Ordinance to rezone the property described herein is not entirely consistent with the goals, objectives, and policies of the Vision 2020 Comprehensive Plan or the policies of the Park Avenue Strategic Redevelopment Plan, but that adoption of the Ordinance is reasonable and in the public interest. Thereupon Ms. Blackwell made a **motion** to adopt an Ordinance amending the Land Development district map of the City of Salisbury, North Carolina, by rezoning approximately .86 acres (1 parcel), identified as tax map and parcel 016-247, from Urban Residential (UR-8) district to Corridor Mixed-Use (CMX) district. Mr. Miller seconded the motion. Messrs. Kennedy, Miller, and Mses. Blackwell and Kluttz voted AYE. (4-0)

AN ORDINANCE AMENDING THE LAND DEVELOPMENT DISTRICT MAP OF THE CITY OF SALISBURY, NORTH CAROLINA, BY REZONING APPROXIMATELY .86 ACRES (1 PARCEL), IDENTIFIED AS TAX MAP AND PARCEL 016-247, FROM URBAN RESIDENTIAL (UR-8) DISTRICT TO CORRIDOR MIXED-USE (CMX) DISTRICT.

(The above Ordinance is recorded in full in Ordinance Book No. 23 at Page Nos. 15-16, and is known as Ordinance 2011-08.)

DISTRICT MAP AMENDMENT – LDOZ-01-2011 PENNY AND TERRY SIDES

(a) Senior Planner Preston Mitchell addressed Council regarding a rezoning request from Penny and Terry Sides. Mr. Mitchell indicated the request is to rezone property from residential to Residential Mixed-Use (RMX), which is a less intense mixed-use zoning, and compatible with

professional offices and institutional development.

Mr. Mitchell reviewed aerial photographs of the property, and pointed out its location at the corner of Faith Road and Gold Hill Drive. He noted the site consists of approximately .5 acres and contains one single-family structure. He stated the current zoning is Urban Residential 8 (UR-8), with Commercial Mixed-Use (CMX) zoning being across the street extending north towards Innes Street Marketplace.

Mr. Mitchell indicated this request comes under the Vision 2020 Comprehensive Plan as well as the Eastern Gateway Area Plan. He reviewed the Eastern Gateway Area Plan policy related to the site:

- Special Policy Area B: Special Policy Area B (SP-B) encompasses the section of Faith Road from Gold Hill Drive to Jake Alexander Boulevard under the Urban General (UG) Future Land Use Map classification...residents along and adjacent to this section of Faith Road want to preserve the character and scale of development along this section of the roadway. Redevelopment must be limited to adaptive reuse of existing structures for professional offices or new construction of House building types for professional offices or residential up to four unites per house type

Mr. Mitchell then reviewed the request in regards to the Vision 2020 Plan:

- Policy N-11: Architecturally compatible, residentially scaled office and institutional development may be permitted to locate along the sides of neighborhood planning areas. Under specified conditions, this policy may be applied to the conversion of pre-existing residential properties located along major streets where, due largely to traffic exposure, homes have become unsuitable for residential occupancy. In such instances, adaptive reuse of existing residential structures shall be viewed more favorably than demolition and new construction

Mr. Mitchell stated the Planning Board met January 31, 2011, and unanimously recommended approval. He noted the Planning Board found the request was not entirely consistent with the Plan, but recognized residential land uses exist and are viable.

Councilman Miller pointed out the staff report indicates the acreage could permit up to 10 dwelling units, but the Eastern Gateway Plan calls for 4 units per house type for new development. Mr. Mitchell explained the Eastern Gateway Plan is only a policy and makes recommendations, but the City Code, which governs the property, allows for up to 10 dwelling units. He added although the Eastern Gateway Plan recommends 4 dwelling units, if the property is rezoned someone could legally demolish the existing structure and building up to 10-units.

(b) Mayor Kluttz convened a public hearing, after due notice thereof, to receive comments regarding Land Development district map amendment LDOZ-01-2011.

Ms. Penny Sides stated she and her husband Terry own the property in question. She stated they have rented the house on the property for several years, but it has become more difficult to rent due to development pressures, increased commercialization, and increased traffic on Faith Road. She noted the Eastern Gateway Area Plan recognizes business growth in this area in a way that does not negatively impact neighborhood livability. Ms. Sides stated she and her husband will meet these objectives if the rezoning is approved. She indicated they would like to convert the house into an office, small business, or single retail operation. She stated the floor plan is ideal for an office, with ample space for parking. Ms. Sides commented she thinks rezoning the property will improve the appearance of the Faith Road corridor and increase commercial availability to the residents.

There being no one else present to address Council, Mayor Kluttz closed the public hearing.

Mayor Pro Tem Blackwell stated she recognizes this is a neighborhood in transition, and Ms. Sides presented her information very eloquently, and she supports the request.

(c) Councilman Miller stated the City Council hereby finds and determines that adoption of an ordinance to rezone the property as described herein is not entirely consistent with the goals, objectives, and policies of the Vision 2020 Comprehensive Plan but is consistent with the policies of the Eastern Gateway Area Plan and that adoption of the ordinance is reasonable and in the public interest. Thereupon, Mr. Miller made a motion to adopt an Ordinance amending the Land Development district map of the City of Salisbury, North Carolina, by rezoning approximately 1/2 acre (1 parcel), identified as tax map and parcel 071-005, from Urban Residential (UR-8) to Residential Mixed-Use (RMX) District. Mr. Kennedy seconded the motion. Mayor Kluttz stated she is excited to see this come from the Eastern Gateway Area Plan. She added the residents came together to develop the Plan and this request is consistent. Messrs. Kennedy, Miller, and Mses. Blackwell and Kluttz voted AYE. (4-0)

AN ORDINANCE AMENDING THE LAND DEVELOPMENT DISTRICT MAP OF THE CITY OF SALISBURY, NORTH CAROLINA, BY REZONING APPROXIMATELY 1/2 ACRE (1 PARCEL), IDENTIFIED AS TAX MAP AND PARCEL 071-005, FROM URBAN RESIDENTIAL (UR-8) TO RESIDENTIAL MIXED-USE (RMX) DISTRICT.

(The above Ordinance is recorded in full in Ordinance Book No. 23 at Page Nos. 17-18, and is known as Ordinance 2011-09.)

2011-2012 COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME FUNDS

(a) Senior Planner Janet Gapen addressed Council regarding the 2011-2012 Community Block Grant (CDBG) and HOME programs. She noted today's presentation is an opportunity for the public to comment on the use of the funds in advance of the budget preparation for 2011-2012.

Ms. Gapen explained the funds are made available through the United States Housing and Urban Development (HUD) office, and are offered through the CDBG and HOME programs. She noted the City works through its 5-year Consolidated Plan, which outlines the range of activities and geographic areas where funds will be focused. She stated the four neighborhoods designated as revitalization areas are West End, Jersey City, Park Avenue, and the East End neighborhoods.

Ms. Gapen reviewed the estimated funding for 2011-2012, and noted these figures are subject to change based on the final Federal budget. She stated the figures are for planning purposes:

CDBG	\$301,967	(down 10%)
HOME	\$98,241	(down 15%)
Program Income	<u>\$35,000</u>	(down 50%)
Total	\$435,208	

Ms. Gapen described the types of activities eligible for funding:

- High Priorities
 - Acquisition/Rehabilitation for Homeownership
 - New Construction
 - Down Payment Assistance
 - Rehabilitation of Owner-Occupied Homes
 - Affordable Rental Housing Development
 - Sidewalks/Public Infrastructure/Park Improvements
 - Public Services (capped at 15% of CDBG funds)
- Medium Priorities
 - Transitional/Supportive Housing
 - Community Centers

Ms. Gapen indicated the draft plan will be presented to City Council at its March 15, 2011 meeting, and noted if citizens would like more information they can contact the Community Planning Services office.

Councilman Kennedy asked Ms. Gapen if there is a plan in place in the event there are additional cuts to the budget from the Federal government. Ms. Gapen responded staff will review the priorities expressed at the public hearing, and then review the needs that have been identified in the program over the last year.

(b) Mayor Kluttz convened a public hearing, after due notice thereof, to receive comments regarding the use of the 2011-2012 Community Development Block Grant and HOME Program funds.

Ms. Connie Antosek, 315-G Mocksville Avenue, stated she represents the Community Care Clinic, and she thanked Council for its past support of the clinic. She noted the clinic administers three programs: dental, medical, and pharmacy, and she is requesting funds for the

dental program. Ms. Antosek stated last year the clinic saw 1,568 medical visits, 760 dental visits, and the pharmacy dispensed 17,891 prescriptions free of charge to the patients. She commented 19% of adults aged 19 to 64 are uninsured, which is a barrier to medical and dental care. She stated without insurance many patients continue to go to the emergency department at Rowan Regional Medical Center because there is no other place for them to go. Ms. Antosek requested \$10,000 to continue the current level of care for the Community Care Clinic.

Ms. Kyna Foster and Ms. Cam Campbell, representing Rowan Helping Ministries, 226 North Long Street addressed Council. Ms. Foster thanked Council for its previous funding which was used to help fund part-time shelter staff. She stated the shelter has been able to offer much needed services to the homeless in the community because of the grant. She indicated the 48 men, women, and children were housed at the shelter last night, where they received a hot meal, shower, and a warm place to sleep. She noted over 150 people who might not have otherwise had a meal, were fed during lunch today. Ms. Foster described the assistance offered from volunteers to serve the guests at the shelter. She requested an increase in CDBG funding because every night since August 2010, there have been families with children at the shelter, and the services needed are changing. She stated in order to allow children time to do homework and to allow time for guests to shower and eat, the shelter hours have been increased. She indicated the shelter's part-time staffing has been increased to cover the increase in hours, and she requested \$30,000 in funding.

Mr. Sam Faust, Executive Director Salisbury Housing Authority, introduced Ms. Stephanie Bruce, who has been promoted to lead the Family Self-Sufficiency program offered through the Housing Authority. Mr. Faust noted the program works to help families become self-sufficient and relieve themselves of public assistance. He stated it is an individualized program, where the participants are assisted in setting goals for themselves, and provided assistance to reach them. Mr. Faust explained Ms. Bruce is a great employee, and perfect to lead this program because she is a graduate of the Self-Sufficiency Program. He stated she lived in the Civic Community and joined the program where she set two goals: to obtain a college degree, and to be a homeowner. He noted Ms. Bruce is a graduate of Catawba College and has purchased her own home through the Habitat program. Mr. Faust indicated one of the barriers for residents to reach their goals of employment is transportation. He requested \$5,000 to be used to assist the Family Self-Sufficiency participants obtain transportation to allow them to apply and interview for jobs.

Ms. Lucretia Trent, Executive Director of the Family Crisis Council, thanked Council for its years of past support. She requested \$15,808 to provide for 80% of the salary for an Advocate on Duty. She noted this position works in the evening to receive victims who arrive at the Battered Women's Shelter, and assist them with safe housing. Ms. Trent indicated women stay at the shelter for a minimum of 30 days. She explained the Advocate on Duty must be able to understand the trauma experienced by the women, and be able to prepare them to stay in the shelter. Ms. Trent stated the Family Crisis Council also has a Court Advocate to help victims through the court process, along with a Rape Response Program, and violence prevention programs. She asked Council for assistance for funding.

Mr. Darrell Blackwelder, Director Rowan County Cooperative Extension Service, introduced Ms. Carol Massey, a Master Gardner volunteer. Mr. Blackwelder stated Cooperative Extension and the Master Gardeners have had a garden at the West End Community Park since 1998. Ms. Massey described the youth-based program at the Community Park, and noted last year she worked with the Miller Center Summer sessions on such topics as seed starting, where vegetables come from, sensory herbs and succulents, and insects, spiders and birds. She stated approximately 35-40 children from the West End neighborhood participated in the program, and she felt being able to show the children the garden was an excellent way to teach. She noted programs scheduled for this year will include “talking trash”, composting, vermiculture, and a scaled-down farmer’s market for the children. Ms. Massey stated this program is impacting youth and making a difference by using the garden to influence them. She indicated the \$1,500 requested will be used for programming, materials, and supplies to keep the garden going. She thanked Council for their support.

There being no one else present to address Council, Mayor Kluttz closed the public hearing.

Mayor Kluttz expressed Council’s appreciation for what each organization does for the community, and the needs they meet. Mayor Pro Tem Blackwell also thanked the organizations for their work for the community.

COMMENTS FROM THE CITY MANAGER

(a) Impact of Revaluation on the City of Salisbury

City Manager David Treme indicated he attend the Rowan County Municipal Association meeting several weeks ago where Rowan County presented a program regarding revaluation. He noted the State of North Carolina requires counties to perform a revaluation every eight years, and Rowan County uses a four year schedule for its revaluation. He commented there are several different taxing authorities in Rowan County, including the County, which sets the county-wide property tax, along with 10 municipalities, volunteer fire department fire districts, and the Salisbury Municipal Service district. Mr. Treme indicated at its November 15, 2010 meeting, the Rowan County Board of Commissioners voted 3-2 to conduct the revaluation this year. He noted the circumstances of the economy are different than ever before, and he questioned what the unintended consequences of moving forward with the revaluation might be, and what impact it would have on citizens throughout the county.

Mr. Treme introduced Rowan County Tax Administrator Jerry Rowland, and noted Mr. Rowland has over 38 years of experience in the appraisal and revaluation experience. He indicated he invited Mr. Rowland to discuss the revaluation with Council because conducting a revaluation this year may have a greater impact than it has in the past.

Mr. Rowland stated he has worked on 38 revaluations in his career. He noted this is the sixth revaluation he has done with Rowan County, and it is unlike any other that he has been associated with. He stated he asked the County Commission to postpone the revaluation for at

least one year because he did not feel there was enough information to do the job the way he felt he would like, but added he thinks his staff can do it. He stated he will have the fewest amount of sales and sales data he has ever worked with for a revaluation, but it can be done. Mr. Rowland commented the impact of the revaluation will be felt across all taxing districts throughout the county. He noted the values have decreased over the past two and one-half years, and sales are not taking place which means less data for comparable purposes. He stated his staff will determine the best method for establishing value that can be supported. He added with the limited number of sales his staff will use the cost approach, less accrued depreciation and the cost of holding property for a period of time.

Mr. Rowland noted counties must conduct a revaluation at least once every eight years, and Rowan County thinks conducting the revaluation every four years is the best policy because eight years is too far removed from the actual value. He reiterated that every taxing district will be affected by a change in value. He stated there appears to be a change in value for higher valued houses, more than lower valued homes. He added municipalities and taxing districts with the highest tax base will be impacted the most.

Mayor Kluttz thanked Mr. Rowland for discussing this with Council because it impacts the City and its citizens. She asked Mr. Rowland to compare the data he has for the basis of this revaluation versus prior revaluations. Mr. Rowland responded he has approximately 1,300 sales over the past two years that can be determined as value. He added in the past he had approximately 4,000 to 5,000 qualified sales, so he has approximately 30% to 35% of the data from past years. Mayor Kluttz asked if this is abnormal. Mr. Rowland indicated it is abnormal, but because of the economy properties are not transferring.

Mayor Kluttz asked how this will impact the integrity of the revaluation and the number of appeals. Mr. Rowland stated in this economy few people will be satisfied with the results. He explained other counties had areas where property values escalated very quickly, and these are the areas where large decreases in values are taking place. He stated Rowan County did not experience such a large escalation, and noted the reductions taking place are from the escalated value, not the tax value because the tax values were not adjusted during Rowan County's four year cycle to meet what was occurring in the market. Mr. Rowland commented he thinks there will be more appeals received than before, but it is to be expected in this market.

Mayor Kluttz asked Mr. Rowland if he thinks the decreasing values will be for those higher valued houses. Mr. Rowland stated if a \$600,000 property decreases 10%, it will be \$60,000. He noted if the property is valued at \$40,000 the same decrease will be \$4,000. He commented this will spread the cost of providing government services because one group will decrease in total value. Mayor Kluttz asked if homes in the \$150,000 range are expected to decrease or remain stable. Mr. Rowland responded if the value decreases for those homes it will most likely be in the 3% to 5% range. He noted it will depend on how the homes are maintained.

Councilman Kennedy stated when Council sets its tax rate after a revaluation the values have typically gone up, so Council reduced the tax rate to remain revenue neutral. He noted with values decreasing on the higher priced homes, and remaining the same for lower priced home, if Council has to increase the rate to remain revenue neutral it seems it will create a greater burden

on the lower valued homes. He added it seems their values will change very little, but their tax rates will be increased. Mr. Rowland noted he thinks there is a much greater chance a property will sell for market value in the \$150,000 range than at the higher values. Mr. Kennedy asked if the revaluation will affect the low to moderate income citizens more than anyone else. Mr. Rowland stated the values are changing, and it will affect lower valued houses more on a percentage ratio than the higher valued houses.

Councilman Miller asked Mr. Rowland how the values for commercial properties will be handled. Mr. Rowland stated there have been very few commercial properties to transfer, as well as very few residential development lots. He added to arrive at a market value where there are so few examples and comparisons, his staff will rely on commercial sales people for the sales data. Mr. Miller asked if the default will be the prior value for the property. Mr. Rowland stated staff will typically use the prior value, and then allow the appeal process to occur. He noted his staff has always had a good basis for vacant land, but because there have been so few to transfer the prior values will be used. Mr. Miller noted one method of appealing a value is to have an appraisal done, but with the lack of comparable sales how can the value be justified. He commented there appears to be no set of definitive standards to indicate the value for the property.

Mr. Miller commented it appears the value for lower valued houses will reduce at a lower percentage than higher valued houses. Mr. Rowland responded even if the percentages are the same, the dollar figure will be different because of the values. Mr. Miller asked if the revaluation will result in a lower total tax base than the current tax base. Mr. Rowland responded it will. Mr. Miller asked if it is possible to stop the revaluation process at this time. Mr. Rowland indicated that is a legal question. City Attorney Rivers Lawther responded it would be up to the County to stop the revaluation. Mr. Rowland stated he has been in contact with the North Carolina Attorney General's office, and they have allowed a county to rescind a revaluation after January 1 on only one occasion. He added the Attorney General's Office does not want to rescind a revaluation, and it would be a question of how to get a referendum before the State Legislature. Mr. Rowland stated the Rowan County Board of Commissioners felt staff should move forward with the revaluation and that is what he is prepared to do. He added his staff feels positive about the values they have, and are at approximately 97% of value based on the information he recently reviewed.

Mr. Treme stated as he understands it, there is an approximate two week window for the County to request a special bill to be introduced at the State Legislature in order for the revaluation to be postponed. He noted he thinks if action is not taken within that two week period, the revaluation would be set. He commented this will be the first time in his experience that the revaluation would be less than it was, and to remain revenue neutral taxes would have to be raised. He stated it is his opinion that the revaluation will create more of a burden for low to moderate houses than it would be on the larger homes. Mr. Treme indicated the budget process this year will be much more challenging if the taxing authorities are placed in a position to raise taxes to remain at base zero.

Mayor Klutz indicated citizens anticipate their property values coming down, and may be excited thinking their taxes will be lower. She stated she is concerned citizens do not realize

the taxing authorities may be forced to raise taxes to remain revenue neutral. Mayor Pro Tem Blackwell pointed out it may be necessary to raise taxes in order to deliver current services.

Mr. Miller indicated Mr. Rowland does an excellent and professional job, and this seems to be an impossible situation. He commented it appears an undue burden has been created for everyone involved.

Mayor Kluttz noted if Council is in agreement the next step will be to request the County Commissioners delay the revaluation.

Mayor Pro Tem Blackwell asked Mr. Rowland how many counties are choosing to perform a revaluation during the current economy. Mr. Rowland responded a majority of counties that are on a cycle less than the maximum of eight years have postponed their revaluations. He added those counties that did not delay their revaluations were at the end of the eight year cycle and were required to do so. He noted he appeared before the Rowan County Board of Commissioners to express his concerns about the values, but he could not express concerns about the impact on tax rates or groups of people. He noted he can provide a list of the counties who are conducting revaluations to Ms. Blackwell.

Mr. Treme thanked Mr. Rowland, stating he is always most professional and has always worked well with City staff.

Mayor Kluttz thanked Mr. Rowland for the work he performs and for discussing this issue with Council.

Mayor Kluttz asked Council if there is a consensus to send a Resolution to the County Commissioners requesting the revaluation be delayed.

Thereupon, Mr. Kennedy made a motion to adopt a Resolution to ask the County Commissioners to delay the revaluation for one year. Mr. Miller seconded the motion. Mr. Miller commented Council has worked to improve relations with the County, and added he would prefer to speak with the Commissioners one on one, and have a conversation about the issue rather than doing so by a Resolution. He stated he thinks delaying the revaluation is the right decision, and he would like to make the request without having to go through the formal process. Mayor Kluttz noted Council could request to be on the Commissioner's Agenda, or invite them to lunch to discuss the issue. Mr. Treme commented the County shared this information at the Rowan Municipal Association meeting several weeks ago, and he thinks they have made an effort to inform everyone about the impact the revaluation may have. He noted a Resolution may be a bit formal, but he does not think it would be a surprise to members of the County Commission.

Mayor Kluttz recognized Mr. Carl Ford, Vice-Chairman of the Rowan County Board of Commissioners, who was present in the audience. Mr. Ford stated he respects Council and the work each member does. He commented he remembers a Rowan Municipal Association meeting held approximately one year ago where the revaluation issue was discussed. He noted at that time one of the County Commissioners asked those present if they wanted to delay the

revaluation, but no one indicated that they did. He stated he has heard from many citizens who all feel the revaluation should not be delayed. Mr. Ford indicated it does not appear the values will change in one year, and if the revaluation is postponed he does not think it will make a difference. He noted other counties are staying on schedule for the revaluations, and he thinks it is the right thing to do. Mr. Ford stated he is not sure if the revaluation could be delayed even if the County wanted to do so at this point, and noted he has not heard from any other municipality regarding the issue.

Mayor Kluttz commented Council is concerned about the impact of the revaluation on lower income citizens, and asked Mr. Ford if Council respectfully requested the County to delay, if the Board of Commissioners would be offended if the request is done through a formal Resolution. Mr. Ford commented it is Council's right to make that request, and the County Commission will understand.

Mr. Miller stated he would like to discuss issues with the County Commissioners in this open format, understanding the Boards may not always agree, but respecting each other's difference of opinion, differing constituencies and recognizing both are working to do what is best.

Mayor Kluttz indicated Council could give a presentation at the County Commissioners meeting if they would like, or Council could invite the Commission to have lunch and discuss the issues. She added the Council is happy to work with the County Commissioners any way it can. Mayor Kluttz thanked Mr. Ford for his comments and being present.

Mayor Kluttz then called for the vote. Messrs. Kennedy, Miller, and Mses. Blackwell and Kluttz voted AYE. (4-0)

RESOLUTION TO REQUEST THE ROWAN COUNTY BOARD OF COMMISSIONERS TAKE ALL STEPS NEEDED TO DELAY THE REVALUATION CURRENTLY SCHEDULED.

(The above Resolution is recorded in full in Resolution Book No. 13 at Page No. 3, and is known as Resolution 2011-03.)

(b) Use of Parking Space – 100 West Council Street

City Manager David Treme stated Engineering received a request from Interstate Roofing in January 2011 to use parking spaces in the 100 block of West Council Street during re-roofing of the Rowan Museum. He noted staff was allowed to grant 14 days, and the company now requests the permit be extended until March 4, 2011. Mr. Treme stated he thinks this is a reasonable request in order to complete the roof at the Rowan Museum.

Thereupon, Mr. Miller so **moved**. Ms. Blackwell seconded the motion. Messrs. Kennedy, Miller, and Mses. Blackwell and Kluttz voted AYE. (4-0)

PUBLIC COMMENT

Mayor Kluttz opened the floor to receive public comment.

Mr. Bill Feather, Mayor Pro Tem of Granite Quarry, 135 East Kern Street, stated he remembers a discussion about the revaluation at a Rowan Municipal Association meeting last year, but he does not think anyone realized what the effect may be at that time. He stated the most recent meeting brought the impact to light, and he realized this is not what was expected. He noted for Granite Quarry it will be a 3% to 4% downturn in tax revenue, which means the Town will have to cut services or increase the tax rate. Mr. Feather stated he thinks it would be beneficial to consider delaying the revaluation, and he thinks it may be best to postpone more than one year to see how the economy changes. He commented he thinks Granite Quarry has the same opinion to work with the County and City of Salisbury to find what is beneficial for everyone. He offered support to do what is best for citizens, adding he would not want to put a burden on those who can least afford a tax increase. He pointed out the County has already indicated it will increase its rate to balance the tax values, and he believes many communities will be in the same position.

There being no one else present to address Council, Mayor Kluttz closed the public comment.

MAYOR'S ANNOUNCEMENTS

- (a) Public Forum – Advisory Committee for Better Housing and Neighborhood Leaders Alliance

Mayor Kluttz announced a joint meeting of the Advisory Committee for Better Housing and Neighborhood Stabilization and the Neighborhood Leaders Alliance will be held Thursday, February 24, 2011 at 5:30 p.m. at Salisbury City Hall, 217 South Main Street. The purpose of this forum will be to present preliminary findings of the Advisory Committee and to receive public input.

Mayor Kluttz noted the meeting will be held in Council Chambers, but will not involve the City Council.

Mayor Pro Tem Blackwell stated there is information in the public that the meeting will be held at 1 Water Street, and she clarified the meeting will be held at City Hall.

- (b) Parks and Recreation Fishing Tournament

Mayor Kluttz announced the Salisbury Parks and Recreation will host the Southern Crappie – Kids Fishing Tournament Saturday, March 5, 2011 from 9:00 a.m. until 11:00 a.m. at the Salisbury Community Park. For transportation to the Salisbury Community Park for this event, please call the Miller Recreation Center at 704-638-5297 by Friday, March 4, 2011.

ADJOURNMENT

Motion to adjourn the meeting was made by Mr. Miller, seconded by Ms. Blackwell. All council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 6:15 p.m.

Susan W. Kluttz, Mayor

Myra B. Heard, City Clerk