

Salisbury, North Carolina  
September 1, 2020

## **REGULAR MEETING**

**PRESENT:** Mayor Karen K. Alexander, Presiding; Mayor Pro Tem Al Heggins; Council Members William Brian Miller, David Post and Tamara Sheffield; City Manager W. Lane Bailey; City Clerk Kelly Baker; and City Attorney J. Graham Corriher.

**ABSENT:** None.

In response to the State of Emergency declaration related to the spread of COVID-19 and to limit physical interactions and the potential spread of COVID-19 the Salisbury City Council met electronically. The meeting was called to order by Mayor Alexander at 6:00 p.m. A moment of silence was taken.

## **PLEDGE OF ALLEGIANCE**

Mayor Alexander led participants in the Pledge of Allegiance to the United States flag.

## **RECOGNITION OF VIEWERS**

Mayor Alexander welcomed all viewers.

## **CHANGES TO THE AGENDA**

Add - Council to go into Closed Session following Mayor's comments.

## **ADOPTION OF THE AGENDA**

Thereupon, Councilmember Sheffield made a **motion** to adopt the Agenda as amended. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

## **PROCLAMATIONS**

Mayor Alexander proclaimed the following observances:

FIRST RESPONDER'S DAY	September 11, 2020
SUICIDE PREVENTION MONTH	September 2020
SALISBURY GO TRANSIT MONTH	September 2020

Mayor Alexander noted the proclamations will be posted to the City's website for viewing.

## **CONSENT AGENDA**

(a) Minutes

Adopt Minutes of the Regular meetings of August 4, 2020 and August 18, 2020.

(b) Salisbury Police Officer Retirement- Officer Rebecca Sexton

Award Officer Rebecca Sexton her sidearm and badge in recognition of her retirement from the Salisbury Police Department on October 3, 2020.

(c) Contract - Diversified, LLC

Award a contract to Diversified, LLC in the amount of \$348,583.80 for construction of the Rowan Regional Crime Center. This project is funded by a Strategies for Policing Innovation grant received from the Department of Justice in 2019.

(d) Ordinance – Fire Prevention Code

Adopt an Ordinance amending Chapter 9, Article III, of the Code of the City of Salisbury, relating to the Fire Prevention Code to ensure the Fire Department is enforcing the latest edition of the North Carolina Fire Code.

ORDINANCE AMENDING CHAPTER 9, ARTICLE III, OF THE CODE OF THE CITY OF SALISBURY, RELATING TO THE FIRE PREVENTION CODE.

(The above Ordinance is recorded in full in Ordinance Book No. 29 at Page No. 70, and is known as Ordinance 2020-44.)

(e) Contract – Atlantic Coast Contractors, Inc.

Authorize the City Manager to execute a contract renewal with Atlantic Coast Contractors, Inc. in the amount of \$500,000 for construction related to the fifth phase of the Sanitary Sewer Rehabilitation Project. Funds for this contract are included in the adopted budget.

Thereupon, Mayor Pro Tem Heggins made a **motion** to adopt the Consent Agenda as presented. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

**PUBLIC COMMENT**

Mayor Alexander opened the floor to receive public comments.

There being no one to address Council, Mayor Alexander closed the public comment session.

**VOLUNTARY ANNEXATION - ROWAN WOODLAND APARTMENTS**

City Engineer Wendy Brindle stated the voluntary annexation for Rowan Woodland Apartments first came before Council in July. She noted staff found the request meets the requirements of the North Carolina General Statutes. She added a public hearing is scheduled and a 24 hour period will be allowed for further comment before this item is brought back to Council at its next meeting.

Ms. Brindle explained the property is located off Jake Alexander Boulevard and Statesville Boulevard at the Woodland Creek Apartments development. She added it is a vacant lot but will house approximately 240 units and could generate over \$72,000 in property tax revenue given conditions in FY2020-2021. She stated the petitioner has requested the annexation become effective once it is adopted, and the Tax Accessory's office has agreed. She noted the annexation will become effective September 15, 2020 if Council approves the proposed Ordinance at its next meeting.

Mayor Alexander convened a public hearing, after due notice thereof, to receive comments regarding the voluntary annexation of Rowan Woodland Apartments located at 2715 Statesville Boulevard, Tax Map 330 Parcel 151, effective September 15, 2020.

City Clerk Kelly Baker commented Mr. Jonathan Cranford signed up to speak, but was not in attendance. Ms. Brindle commented Mr. Cranford represents the developer and the petition came through him, so he would be in favor of the request.

There being no one to address Council, Mayor Alexander closed the public hearing. She noted the public will have 24 hours to send comments to the City Clerk at kbake@salisbury.nc.gov in response to the hearing.

Councilmember Miller asked if Council already approved a site plan or if this was only regarding the annexation. Ms. Brindle commented engineering is currently reviewing the construction plans as part of the approval process.

### **MARKET ANALYSIS-UNC SCHOOL OF GOVERNMENT'S DEVELOPMENT FINANCE INITIATIVE**

Planning Director Hannah Jacobson and University of North Carolina School of Government's (SOG) Development Finance Initiative (DFI) Project Manager Sonyia Turner and Development Advisor Rory Dowling addressed Council regarding the market analysis performed by DFI. Ms. Jacobson explained the City contracted with DFI in January to provide market analyses to assist with the Kesler Mill and Civic Center sites, and to assist with expectations for the Downtown Master Plan.

Ms. Turner stated DFI provided opportunity site identification services that focused on downtown and Phase I pre-development assistance for the Kesler Mill and Civic Center sites located in residential areas adjacent to downtown.

Ms. Turner stated DFI's predevelopment process follows the private sector and it considers demographics, income data, economic conditions, and tax parcel data. She explained a market analysis is conducted to understand supply and demand trends within a given area, and she pointed out financial feasibility and public interest are also considered. She noted the three areas in the City considered were downtown Salisbury, which includes the boundaries of the Municipal Service District (MSD) and additional parcels as directed by staff, and the Kesler Mill and Civic Center sites. She noted DFI met with staff regarding preliminary market analysis data, and she pointed out a community scan was completed that includes demographic, income and economic information. She added a parcel analysis was conducted that considered tax parcel data. She stated a site analysis is conducted to determine which sites present the most redevelopment opportunities and a financial analysis is conducted before the final recommendation is presented.

Ms. Turner explained the market analysis process and pointed out adjustments were made to the market analysis to take into consideration the impact of COVID-19. She commented the analysis focuses on conditions before COVID-19 and 2019 census data.

Ms. Turner reviewed the market analysis considerations for each study area:

- Downtown
  - Office
  - Retail
  - Multi-family
  - Hospitality

- Kesler Mill
  - Multi-family
  - Single-family
- Civic Center
  - Hospitality

Mayor Alexander asked if mixed-use or commercial use is being considered for a portion of the Kesler Mill site since it is adjacent to commercial property. Ms. Turner noted the market analysis of the Kesler Mill site focused on residential development including single-family uses with the possibility of town houses and multi-family units. She stated DFI has not considered commercial or mixed-use due to the residential makeup of the area. Mr. Dowling pointed out commercial uses on the site would not be feasible given the current make-up of the community. He commented there is no retail opportunity in the area, and he clarified it is disconnected from retail activity downtown and near the highway.

Councilmember Miller asked if the Kesler Mill site analysis includes environmental conditions. Ms. Turner explained the analysis focused on the demand for housing and has not considered environmental issues. Mr. Dowling indicated environmental conditions could be factored into the feasibility analysis which will include a redevelopment budget and estimate to clean up the site. He commented the City received an Environmental Protection Agency (EPA) grant for site cleanup that will be conservatively built into the budget.

Mayor Pro Tem Heggins asked if community members who live near the Kesler Mill and Civic Center sites were included in the discussions. Ms. Turner stated community engagement for the Kesler Mill site has not been conducted, and she pointed out Phase I is to determine if a project would be feasible on the site. She added if DFI is retained for Phase II community meetings will take place.

Councilmember Post asked if the Civic Center building will be repurposed or demolished. Mr. Dowling indicated demolition is an option, and he added the feasibility of a hotel is being considered for the area.

Mayor Alexander noted the downtown study area includes office, retail and multi-family uses, and she asked if that is specific to one area or along the entire route of Innes and Main Streets through the MSD. She then clarified the study would analyze available spaces and determine the best use of the property. Ms. Turner explained the analysis looked at the larger market area trends and relates it to the specific study area. She noted the study will provide an estimate of how many units could be expected downtown or that the downtown could support over the next five years.

Councilmember Post pointed out the 100 block of South Main Street is noted as mixed-use, and he commented the ground floors are predominately retail and the upper levels are predominately vacant. Ms. Turner explained information was obtained from the provided tax parcel data, and she agreed the upper floors may be vacant but were coded as mixed-use based on the potential for residential or office space. She stated due to the pandemic the downtown data utilizes Google Street view and provided information. She explained before the pandemic the process included walking the streets to conduct the analysis. Mayor Alexander indicated

additional footwork may be needed.

Ms. Turner explained the market area is defined using CoStar and other programs to provide business trends regarding employees, vacancies, and rent in the area. She stated the Salisbury office market area has 1,200 businesses, 7,300 employees, 896,000 square feet of Class B office space, a 3% vacancy rate, and median rents of \$15.21 per square foot. She pointed out 49% of Rowan County's office prone businesses are located in the City and 61% of the County's office workers are employed within the City. She indicated the City is a hub for office prone industry in the market area. She referenced the market trends over the last decade, and she indicated new office delivery in Rowan County has been slow and vacancies and rent have decreased over time. She commented new office space is being constructed, but the current office supply is aging and not able to command the higher rents seen in newer product.

Ms. Turner reviewed office demand over the next five years, and she explained the demand is calculated using stable vacancy. She added the current vacancy in office market is 3% and a stabilized vacancy rate is approximately 7%. She stated the current demand is approximately 40,000 square feet at a stabilized vacancy rate, and the projected new demand by 2024 is 53,000 to 79,000 square feet in Rowan County. She indicated the total office demand in Salisbury, specifically downtown Salisbury, is 36,000 to 47,000 square feet. She pointed out there are large vacant office buildings in the City, including the Wells Fargo and Salisbury Post buildings, that could absorb the demand.

Ms. Turner stated COVID-19 has impacted office space, and she pointed out:

- Sublease space has increased over 30% from the same time last year
- Leasing has dropped 56% from the same time last year
- Remote workforce directives and an increase in video conferencing software have driven the decreased demand for office spaces
- Businesses that return to offices will operate at lower capacity
- Older, cheaper space may not be attractive to tenants who do not want to sacrifice health and safety standards that newer buildings offer
- Smaller office buildings may be more attractive to tenants
  - Less interaction amongst other businesses
  - Less need for elevators and other high touch areas
- Worst-case scenario would equate to a 50% to 60% reduction in office space demand in Salisbury over the next five years

Ms. Turner pointed out potential office demand in downtown Salisbury pre COVID-19 is 36,000 to 47,000 square feet over the next five years. She commented the recent vacancy coupled with low rents may make it difficult to develop new office space in the downtown area, and there is uncertainty regarding the impacts of COVID-19 on future office demand.

Councilmember Post pointed out the Salisbury Post building is 56,000 square feet, but only 20,000 to 30,000 square feet is office space. He added the remainder of the building houses printing equipment and it will cost between \$150,000 and \$200,000 to remove the equipment from the premises. He commented 56,000 square feet in the Salisbury Post building could be overstated.

He noted developing the upstairs of buildings with mixed-use space can be difficult due to a lack of stairs and elevators at the front of the buildings. Mr. Dowling commented many communities consider how to develop upper floors that often need elevators which can create a major expense. He agreed approximately one-half of the Salisbury Post building would not be suitable for office space, but indicated most of the demand for office space over the next five years could be met with the Salisbury Post and Wells Fargo buildings.

Councilmember Post pointed out it has been discussed that the best use of the Wells Fargo building may be to demolish the structure and build a parking deck in its place which could help with residential development of downtown buildings such as the Empire Hotel. Mr. Dowling noted a parking deck on the site will be considered during the site analysis. He commented retail aligning the front of a potential parking deck is recommended.

Ms. Turner explained the retail trade area is defined by a 20-minute drive time from downtown Salisbury and avoids the High Point and Concord markets. She stated the goal is to identify the area where downtown Salisbury would attract the majority of its customers. She added the City has a daytime population of 166,000 and 7.54 million square feet of retail space within the drive time. She noted the vacancy rate is 3% and average rent in the trade area is \$15 per square foot which is driven by highway retail. She clarified there is declining vacancy in the retail market, and modest rent growth is taking place. She noted approximately 54,000 square feet of retail space is in the pipeline for Rowan County and the City over the next five years including the Empire Hotel which adds approximately 29,000 square feet of downtown retail space. She noted the demand for new retail in downtown Salisbury is 4,500 to 7,200 square feet over the next five years.

Ms. Turner pointed out COVID-19's impact on retail:

- Retail visits fell by 50% in April and have plateaued at 25% less
- Accommodations and food and beverage services are the most affected businesses
- As of July 2020 52 Paycheck Protection Program loans were received in the City
- Rowan County is projecting a 4% reduction in downtown supportable sales

Ms. Turner noted retail vacancy has declined from 9% to 3% since 2010, but rent growth has been modest at 5%. She added the Empire Hotel will have a significant impact on retail demand. She pointed out the average rent in the market is \$15 per square foot which is driven by highway retail. She added rent in the downtown area is closer to \$12.50 per square foot which may create a challenge for new development.

Ms. Turner explained the multi-family market area is a combination of Rowan, Davidson, and Davie Counties. She clarified if a new multi-family product was developed in the City it could attract individuals from those areas. She noted the market area has a population of 363,000 with a median household income of \$50,000. She added there are approximately 2,800 Class B units with a 5% vacancy rate and an average rent of \$.85 per square foot as compared to \$1.21 in downtown Salisbury. She added multi-family delivery in the market area has been modest, and the newer market has been predominately affordable or income restricted multi-family housing. She indicated the market area has opportunity for 750 to 800 new multi-family units by 2024, 400

to 575 new units in the City and 125 new units in the downtown area. She pointed out the 125 projected new units for downtown Salisbury are in addition to the units that would come from the Empire Hotel. She indicated downtown multi-family units are commanding higher rents and due to the amount of residential product the Empire Hotel will bring to the area it will be important to watch how the market responds. She added she has not seen an actual dollar per square foot amount listed for the apartments.

Mayor Pro Tem Heggins asked if DFI will provide recommendations on how the City can help keep downtown housing affordable. Ms. Turner noted DFI can provide information in its final recommendation. She noted the analysis has focused on market-rate product because the City has completed an extensive affordable housing analysis.

Ms. Turner reviewed the impact of COVID-19 on multi-family units, and she pointed out leasing levels maintained stability for the first portion of the pandemic, but have decreased in the last month. She noted 16% of North Carolina renters did not pay rent in July with an additional 7% deferring rent according to the US Census. She stated the projections for Rowan County show a 6.5% vacancy rate, which is closer to a stabilized, healthy, vacancy rate, and the unit demand appears to be comparable to the numbers included in the analysis. She indicated new product close to downtown is limited and the units are staying occupied. She noted the Empire Hotel will test downtown absorption and rents by adding 50% more product. She stated the impact of the expiration of the eviction moratorium and the pandemic unemployment benefit remain to be seen.

Councilmember Miller asked if multi-family growth or retail growth came first in downtown. Mr. Dowling indicated the residential growth is typically followed by retail growth. He added the 65 additional downtown units will equate to approximately 100 additional people living in the downtown area creating additional demand for retail businesses. He noted if the Empire Hotel development can occupy 65 units it will send a clear message to potential developers that multi-family housing units can work in downtown Salisbury.

Mayor Alexander asked if the numbers include the latest project under construction, Bankett Station. Ms. Turner noted it is included as a pipeline project. Mayor Alexander referenced the office product, and she noted it is all listed as Class B. She asked about the criteria for Class A office space. Mr. Dowling explained the definition of Class A and Class B office space is provided by CoStar. He noted the amenities that distinguish between a Class A and Class B building include elevators, covered parking, security, and other features such as a workout facility and outside seating for lunch. He added he does not believe there is a true Class A office building in the City. Mayor Alexander commented additional investigation could be needed because there are several buildings in the City that could classify as Class A office space. She added it would let potential business know the City has newer, well-appointed product. Mr. Dowling stated it is a gray area that could be re-examined based on the guidelines provided by CoStar.

Mayor Pro Tem Heggins asked how entrepreneurship and minority businesses factor into the analysis. Ms. Turner explained the analysis provides the framework of what could be, and it is up to Council how it uses the information.



Ms. Turner requested Council keep the Kesler Mill site in mind when considering the single-family market. She noted the same market area was considered for the single family market and 71% of the units are single family including single-family detached, townhouses, and condos. She added the median household income is \$51,800 and 71% of the housing units in the market area are owner-occupied, and 51% of the housing units in the City are owner-occupied. She noted the median home value is \$130,700 and \$124,300 for the City. She indicated the vacancy rate for single-family product is 11.5%. She pointed out over 50% of the housing stock was built before 1970 which contributes to the vacancy rate, and she noted there has been little home value growth over the past five years.

Ms. Turner stated the average asking price in a new single-family development is \$200,000. She reviewed single-family demand over the next five years, and she noted a projected 145,000 households in 2024 with a growth of 4,000 to 5,000 households over the next five years. She indicated there are 8,700 households in the market area that earn at least \$58,000. She noted there is opportunity within the market area for 3,525 new single-family housing units over the next five years and a demand for 700 to 800 new units in the City. She pointed out the lower median household incomes in the City and the lower home values may make attracting new single-family development challenging. She stated population growth is taking place in the young professional and senior age groups.

Mr. Dowling referenced hospitality use, and he noted there are 10 hotels in a five-mile radius of the City that make up the Salisbury market. He added six mid to upscale hotels that are clustered around I-85 were surveyed. He indicated the total market is approximately 1,000 rooms, and the hotels surveyed had a current occupancy rate of 74% and an average daily rate of \$108 before COVID-19. He explained the data is reported to Smith Travel Reports (STR) to help developers understand the market. He added the information does not include details on single hotels and individual data was not provided for the hotels surveyed. He pointed out the Salisbury market is performing extremely well regarding average daily rate, occupancy, and revenue per available room when compared to the state. He pointed out a new hotel was added at the end of 2016 and 2018 and in both instances the City was able to absorb the hotel rooms and keep the occupancy at a healthy rate.

Mr. Dowling referenced the year round occupancy for 2019, and he pointed out the Salisbury market performed well during the year. He noted potential developers look at week day occupancy and the City has high occupancy on Tuesdays and Wednesdays due to a strong corporate demand. He reviewed demand and feasibility indicators for a downtown hotel:

- Strong market indicators - sustained year-round and mid-week occupancy
- Proximity to restaurants, nightlife, and walkability
- Proximity to convention/civic center or performing arts center
- Unique attractions, historic buildings, museums, etc.
- Proximity to the highway and ability to compete with existing product
- Ability to generate average daily rate premium to account for increased development costs

Mr. Dowling pointed out the hospitality industry was hit hard by COVID-19 with a projected annual occupancy of 42.6% for 2020 and an estimated 37% decline in revenue per available room. He added the Salisbury market is at 51% occupancy and a 36.7% reduction in revenue per available room through July 2020. He added older properties may not survive the recession creating a potential 30% decline in existing supply.

Mr. Dowling noted 100% of the market supply is currently clustered along I-85 with two new hotels since 2017 which indicates the highway product is likely saturated. He added the market is exhibiting strong, sustained year-round occupancy and mid-week demand. He noted hotels in comparable markets demonstrate that downtown locations can generate significant premium above highway products. He stated the increased costs of downtown hotels, coupled with the unproven market would likely necessitate public participation. He stated the hospitality industry will be tested over the next two years due to COVID-19.

Councilmember Sheffield asked about the impact of Vrbo and Airbnb on the hospitality market. Mr. Dowling indicated it has had a limited impact on the hospitality market and could be discussed in the future. He pointed out it is having an impact on peak tourist destinations.

Ms. Turner noted DFI has presented its market analysis findings to date. She added a market analysis report will address Council's questions and the final recommendation will be presented in the coming months. She noted DFI will work on a site analysis for downtown specifically and identifying sites that present redevelopment opportunity. She noted DFI will show ideas and concepts for the Kesler Mill and Civic Center sites.

Mayor Alexander thanked Ms. Turner and Mr. Dowling for their presentation and Council for its questions.

## **RECESS**

Council took a five minute recess.

## **LAND DEVELOPMENT ORDINANCE TEXT AMENDMENT TA-01-2020**

Senior Planner Catherine Garner stated a public hearing was held at Council's August 18, 2020 meeting regarding the proposed amendment to Chapter 15 of the Land Development Ordinance (LDO) regarding first class notifications. She indicated the request would reduce the first class mail notifications from 500 feet for all public hearings to 250 feet of the parcels in question for legislative hearings, and 100 feet to the parcel in question for Quasi-Judicial hearing such as with the Historic Preservation Commission (HPC) and Board of Adjustment (BOA). She pointed out a new chart would be added to section 15.3 to clearly outline what is already in place and to see what notice needs to be completed for each hearing.

Councilmember Miller asked if staff received any feedback. Ms. Garner commented she received requests from HPC applicants who wanted to use this reduction for the upcoming meeting. She added she did not receive any feedback in opposition.

Councilmember Miller stated the City Council hereby finds and determines that adoption of an Ordinance to amend the Land Development Ordinance of the City of Salisbury as underlined or stricken herein is reasonable, in the public interest, and not inconsistent with the Vision 2020 Comprehensive Plan because there are no specific objections or continuance of adopted goals or policies. Thereupon, Councilmember Miller made a **motion** to adopt an Ordinance amending Chapter 15 (Development Process) of the Land Development Ordinance of the City of Salisbury, North Carolina related to first class mail notification for public or evidentiary hearings. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

AN ORDINANCE AMENDING CHAPTER 15 (DEVELOPMENT PROCESS) OF THE LAND DEVELOPMENT ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA RELATED TO FIRST CLASS MAIL NOTIFICATION FOR PUBLIC OR EVIDENTIARY HEARINGS. (PETITION NO. LDOTA-01-2020)

(The above Ordinance is recorded in full in Ordinance Book No. 29 at Page No. 71-72, and is known as Ordinance 2020-45.)

### **AGREEMENT- PILOT TRAVEL CENTERS, LLC**

Assistant Utilities Director Jason Wilson commented the City was approached last year by Pilot Travel Centers, LLC and the North Carolina Department of Environmental Quality Public Works section about the possibility of the truck stop on Peeler road connecting to Salisbury-Rowan Utilities' (SRU) water supply. He commented 3,350 linear feet of water line would be extended to serve the parcel which is not currently in the City limits. He noted staff is working on the design and permitting, but wanted to bring a draft agreement to Council between Pilot Travel Centers, LLC, the developer, the property owner, and the City to participate in a 50/50 cost sharing to extend the water line. He added this opportunity would open up other parcels that could connect to water along Peeler Road. He noted the sewer was a joint project with Rowan County about 10 years ago with sewer lines to the Town Creek Corridor so this property already connects to sewer. He stated this is an exciting project for SRU and the City. He commented this parcel is not in the City limits and one of the conditions in the agreement is for the property owner to petition the City for voluntary annexation.

Mayor Alexander asked if the voluntary annexation would be done simultaneously to Council's approval of the water supply line extension. Mr. Wilson commented staff will bring the voluntary annexation back to Council. He added Pilot Travel Center, LLC is required as part of the agreement to petition for voluntary annexation within 90 days and pay its portion of the estimated project sharing costs of \$300,000. He added staff will come back to Council regarding a capital project ordinance once funds are received.

Thereupon, Councilmember Post made a **motion** to adopt a Resolution authorizing the execution of an agreement between the City of Salisbury, Pilot Travel Centers, LLC, and PFJ Southeast, LLC for a water line extension along Peeler Road. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

**RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT BETWEEN THE CITY OF SALISBURY, PILOT TRAVEL CENTERS, LLC, AND PFJ SOUTHEAST, LLC FOR A WATER LINE EXTENSION ALONG PEELER ROAD.**

(The above Resolution is recorded in full in Resolution Book No. 16 at Page No. 37, and is known as Resolution 2020-22.)

**BOARDS AND COMMISSION APPOINTMENTS**

**Greenway, Bicycle and Pedestrian Committee**

Parks and Recreation Director Nick Aceves requested appointments be made to the new Greenway, Bicycle and Pedestrian Committee. He noted the previous Greenway Committee board members have to be re-appointed. He added all applicants that applied received a place on the new board.

Upon a motion by Councilmember Post and upon a roll call vote. Mayor Alexander, Mayor Pro Tem Heggins, and Councilmembers Miller, Post, and Sheffield voting AYE, the following reappointments were made to the Greenway, Bicycle and Pedestrian Committee:

Mr. Edward Hirst	Term Expires 03/31/2021
Ms. Amy Smith	Term Expires 03/31/2021
Ms. Lisa Wear	Term Expires 03/31/2021
Ms. Carole Massey	Term Expires 03/31/2022
Ms. Sashi Sabaratnam	Term Expires 03/31/2022
Mr. John Wear	Term Expires 03/31/2023
Ms. Sharon Earnhardt	Term Expires 03/31/2023
Mr. Dylan Horne	Term Expires 03/31/2023
Mr. Sean Myers	Term Expires 03/31/2023
Mr. Andrew Pitner	Term Expires 03/31/2023
Ms. Mary Rosser	Term Expires 03/31/2023

**CITY ATTORNEY'S REPORT**

City Attorney Graham Corriher had nothing to report to Council.

## **CITY MANAGER'S REPORT**

Finance Director Shannon Moore provided a financial update to Council. She noted the information is unaudited because the City has not completed its audit. She pointed out one of the largest revenues in the General Fund is received from property taxes. She commented there is a budgeted amount of \$20.2 million, and the fund has received \$20.6 million through the end of the fiscal year. She noted funds for FY2020 were received at a 97.77% collection rate slightly below the 98.49% collection rate in FY2019. She pointed out FY2021 budget calculations predict a 97% collection rate.

Ms. Moore commented sales tax received for 11 months was budgeted for \$7.5 million, and the City has received \$7.7 million thus far. She noted it is a good sign to be over budget. She explained the spending trend from January until now, and she indicated June sales tax information should be received within the next few weeks.

Councilmember Miller asked about the estimated sales tax for June. Ms. Moore noted June sales tax in FY2019 total budget was \$8.1 million, and she added she believes that amount will be exceeded this year.

Ms. Moore explained fourth quarter Hotwire lease revenue information including the credits for bad write-offs, drops, dark fiber, rent and capital.

Mayor Pro Tem Heggins asked if Hotwire owes the fourth quarter payment. Ms. Moore agreed. Mayor Alexander asked when that payment was due. Ms. Moore noted the payment was due on August 15, 2020, and Hotwire has indicated the check is in transit to the City.

Mayor Pro Tem Heggins asked if the third quarter payment was received on time. Ms. Moore noted she will find out.

Mayor Pro Tem Heggins asked why the lease credit capital line does not show until the fourth quarter. Ms. Moore noted no capital credits were requested until the fourth quarter due to the build-out at the Gables just taking place.

Ms. Moore reviewed subscriber information as reported from Hotwire. She noted from July 2019 until the end of June 2020, subscribers increased from 3,309 to 3,516. She added the numbers do not include City accounts.

Ms. Moore explained the FY2021 Fund Balance and the FY2021 budget process. She noted the adopted budget was \$870,462. She commented at the August 4, 2020 Council meeting, Dixonville funds of \$200,000 were adopted by City Council and needed to be appropriated from last year and placed in this year's fund. She added the Fund Balance includes \$350,000 for the City's 50% contribution match for Bell Tower Green. She added there are also various FY2020 carry forward projects including City Park Lake, Plaza Projects for the roof and wall repair, Munis software, and other small projects. She pointed out part of the projects were not awarded until end of the FY2020 due to COVID-19 and will be carried forward. She noted the Fund Balance for FY2020-2021 is approximately \$2.47 million.

Mayor Pro Tem Heggins asked what the small projects included and from which departments. Ms. Moore noted she will send Council the complete list. Mayor Pro Tem Heggins asked for the information to include the Minority and Women Owned Business (MWBE) participation if the items were bid. Ms. Moore agreed.

## **ANNOUNCEMENTS**

### **(a) 2020 CENSUS**

Mayor Alexander stated the City of Salisbury continues to encourage all residents to complete the 2020 Census either online at [2020Census.gov](http://2020Census.gov), by telephone at 844-330-2020, or by mail before the deadline of September 30, 2020. Responding accurately to the Census will provide millions of federal funds for needed programs in Rowan County such as schools, hospitals, employment initiatives, drug rehabilitation and roadway construction. An undercount would mean a loss for the state of \$74 billion over the next 10 years. An undercount could also result in overcrowding in our schools due to an inaccurate count of school-aged children, loss of necessary health programs, or delayed road rehabilitation. All responses will be confidential by law. Please visit [2020Census.gov](http://2020Census.gov) for more information.

### **(b) Historic Preservation Incentive Grant Applications**

Mayor Alexander announced applications for the 2020-2021 Historic Preservation Incentive Grants are now available. These matching grants are available on a competitive basis for exterior projects on owner-occupied houses in Salisbury's four residential local historic districts: North Main Street, Brooklyn South Square, West Square and Ellis Street Graded School. Applications are due by September 25, 2020. To receive an application or inquire about eligibility, please call 704-638-5212.

## **COUNCIL COMMENTS**

Councilmember Sheffield congratulated Officer Rebecca Sexton on her retirement. She noted Officer Sexton has been not only a great officer, but a great community resource officer. She thanked her for her service and her work in the community.

Councilmember Sheffield noted she is excited about the Greenway, Bicycle and Pedestrian Committee being formed. She added it is important to develop a park in town and for the City to become more accessible, desirable and walkable. She added it is a great step for the City, and she looks forward to what the committee will do for the City and working with the Parks and Recreation Department.

## MAYOR PRO TEM COMMENTS

Mayor Pro Tem Heggins congratulated Office Rebecca Sexton on her retirement from the Police Department.

Mayor Pro Tem Heggins commented she is excited for the Greenway, Bicycle and Pedestrian Committee to be formed as it is important to the City.

Mayor Pro Tem Heggins pointed out Deputy Chief Shon Barnes was a huge asset to the Police Department and is going to be greatly missed.

Mayor Pro Tem Heggins acknowledged the Fire Department for the rescue it conducted to help families during the recent flooding. She added police officers and firefighters put their lives on the line to protect the community, and she appreciates them.

Councilmember Post commented Deputy Chief Shon Barnes is going to Chicago where he will be in charge of training for about half of the police force of approximately 15,000 people for the non-armed police force. He added Deputy Barnes is taking on an enormous responsibility.

## MAYOR'S COMMENTS

Mayor Alexander thanked the Stormwater Department and citizens for their great work during the Town Creak Clean Up Project.

Mayor Alexander commented she is pleased the Greenway, Bicycle and Pedestrian Committee was formed and looks forward to their collaboration and seeking larger grant opportunities.

Mayor Alexander pointed out she presented a surprise proclamation to Deputy Chief Shon Barnes during his going away event. She added she is proud of the work he did in the community, and she added Police Chief Jerry Stokes gave Deputy Barnes great recognition for the work he conducted in the community.

Mayor Alexander thanked the Fire Department for their hard work during the rescue at Wellington Hills during the recent flooding.

## CLOSED SESSION

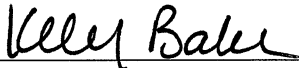
Mayor Alexander asked for a motion to go into Closed Session regarding a personnel issue. Thereupon, Mayor Pro Tem Heggins made a **motion** to go into Closed Session regarding a personnel issue. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

**ADJOURNMENT**

Motion to adjourn the meeting was made by Mayor Pro Tem Heggins. All Council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 9:52 p.m.

A handwritten signature in black ink, appearing to read 'Karen Alexander', written over a horizontal line.

Karen Alexander, Mayor

A handwritten signature in black ink, appearing to read 'Kelly Baker', written over a horizontal line.

Kelly Baker, City Clerk