

MINUTES FOR BOARD OF ALDERMEN MEETING

SEPTEMBER 8, 2015

6:00 PM

The following elected officials were present: Mayor Coleman, Alderman Cearley, Alderman Huggins, Alderwoman Morrow, Alderwoman Malaker-Thomas, and Alderman Withers.

The following staff members were present: Jim Palenick, Interim Town Manager; Maria Stroupe, Administrative Services Director; Town Attorney, Tom Hunn; Gary Buckner, Police Chief; Doug Huffman, Electric Director; Bill Trudnak, Public Works Director; Steve Lambert, Fire Chief; Anne Martin, Recreation Director; and Jack Kiser, Development Services Director.

Mayor Coleman called the meeting to order at 6:00 pm.

Mayor Coleman opened with the Invocation and the Pledge of Allegiance to the Flag.

Mayor Coleman asked if there were any additions or deletions to the agenda. Mayor Coleman stated that the petitioners in Item 10C had formally withdrawn their petition for annexation. (Exhibit A) Mr. Cearley made a motion to accept the withdrawal, seconded by Ms. Malaker-Thomas, and carried unanimously. Ms. Malaker-Thomas made a motion to approve the agenda with the removal of Item 10C, seconded by Ms. Morrow, and carried unanimously.

Mr. Cearley made a motion to approve the minutes from the August 11th Regular Meeting, seconded by Ms. Malaker-Thomas, and carried unanimously.

Consent Agenda:

Item 5A was a request to approve the uncollectable accounts presented in the amount of \$19,691.88.

Mr. Cearley made a motion to approve the consent agenda, seconded by Ms. Malaker-Thomas, and carried unanimously.

Recognition of Citizens:

Mr. Jim Gallagher, 1340 Bucknell Ave, Gastonia; and Gastonia City Councilman; spoke in favor of the Homesteads Restaurant proposal. He would have liked for the restaurant to be in Gastonia, but felt that for the type of restaurant it is, the parking would not have been adequate. For that reason alone, he voted in favor of the other restaurant proposal that would include valet parking for their customers.

Mr. Alan Albright, 300 Patrick Road, Gastonia; spoke of his long ties to Dallas through family and his affiliation with Gaston College. He is much in favor of bringing a good restaurant to Dallas. It would bring in people and jobs. Gaston College would also benefit from having a good restaurant in close proximity.

Mr. Curtis Wilson, 438 S. Gaston St., prayed over the agenda and the issues facing the Board. He stated that he had seen very little changed in downtown Dallas for 53 years. For the good of generations to come, he would like for the restaurant proposal to pass. He feels this will be very beneficial for the future of Dallas.

Mr. Josh Grant, 5404 Katherine Court, spoke as a citizen, as well as a City Planner for another municipality. The restaurant would be good for Dallas for the following reasons; 1) will create new jobs; 2) will improve the quality of life in the community; 3) will preserve a historic building; and 4) will have a positive secondary impact on other businesses.

Ms. Gloria Fortner, 116 N. Gaston St., feels this could be Dallas' great gain and Gastonia's great loss. She really hopes this proposal will happen for Dallas.

Mr. Mark Rider, 429 S. Gaston St., doesn't think the Town should finance a building for a business. It is the citizen's money.

Mr. Randall Jones, 106 Fields St., stated he was a retired engineer with a Fortune 500 company and after analyzing numbers, he does not feel that the restaurant will have enough business to break even.

Mr. John Brooks, 607 W. Trade St. (Brooks Insurance Agency), has been a business owner for 15 years in Dallas. He knows this is a good opportunity for Dallas. He presented a petition with 431 signatures in favor of the restaurant proposal. He stated that during the last election, 250 voters put Town officials in office. Something needs to be done to move the Town forward.

Ms. Laura Stroupe, 116 W. Trade St. (Dallas Paint & Glass), has no issue with the restaurant. She does have an issue with the funding proposal. Mr. Sackett has two other restaurants that were not funded by the cities they are located in. She would like a restaurant, but not at the expense of the Town. Her family has been in Dallas for 5 generations. She feels that she and other business owners have not been given the same opportunities.

Ms. Dorothy Williams, 134 Foxglove Road, is in total support of the restaurant. She is tired of going to other communities for a good restaurant.

Ms. Lisa Boggs, 2610 Ole Home Trail, spoke on behalf of three area entities – Dallas Area Chamber of Commerce, Gaston County Museum Board of Directors, and Dallas Optimist Club. All of these entities are in full support of the restaurant as a catalyst for business growth.

Ms. Starletta Harriston, 407 W. Main St., has recently moved from Hilton Head, SC. She likes that she can walk to the bank, dry cleaners, grocery store, etc. She would like to be able to walk to a good restaurant. She supports the opportunity given to Dallas for a restaurant. She was a Councilwoman for Beaufort County and understands the tough decisions that must be made in order to promote growth.

Mr. John O'Daly, 112 Brahman Court, asked that the Board make an investment in Dallas. He believes the Town can only survive and grow with the Board's affirmative vote.

Ms. Charlotte Jenkins, 306 W. Main St., asked the Board not to stop the progress that has been made in Dallas. On September 18th the Town will be receiving an award from Preservation North Carolina for the best preservation project in the state of North Carolina with the restoration of the Courthouse. She believes the restoration of the Setzer building into a restaurant would also win this award for Dallas. She stated that this Board voted to purchase the building...what other alternative use would they propose?

Mr. Alex Ormaza, 927 Carole Summey Dr. and owner of Ormaza's Family Karate, stated that this country was built on entrepreneurship. He started his business in 2001. Most of the citizens of Dallas go out of town to eat. He loves Dallas. He entertains a large number of out of town guests with his business, people from all over the world. He has to take them out of town because the main food choices in town are fast food. He would like to support local restaurants. As a citizen and business owner, he supports the restaurant proposal.

Mr. Robert Kendrick, 408 S. Groves St., first stated that it was good to see everyone in attendance, but that there is a meeting every month on the second Tuesday of month. Everyone needs to take this much interest in the Town every month. He also said he has no problem with revitalizing downtown...it really needs to be done. He has a problem with the financing.

Mr. Tim Farris, 1804 Park Road, feels strongly against the Town's involvement with the project.

Ms. Dotty Brooks, 607 W. Trade St. (Brooks Insurance Agency), said she noticed that several on the Board are not seeming to pay attention to those in support of the issue, but are giving their full attention to those opposed to the issue. She is very disappointed in these officials. This issue concerns all of Town. She urged the Board to do what is right for the Town.

Ms. Anna Pasour, 508 McSwain Dr., is in favor of revitalizing downtown. It has looked the same for 25 years. If the private sector was going to renovate downtown, they would have already done so. Things will not happen if the Town government does not get involved. This town will die if not revitalized.

Ms. Kay Cash, 205 Dallas Stanley Hwy., told the Board not to let the pressure get to them. She stated, "We put you in office, we can take you out."

Employee Recognition:

Item 7A was recognition of James Allen "Bo" Cable for 5 years of service with the Town of Dallas. Bo was hired on August 2, 2010 as an Equipment Operator in the Street and Solid Waste Departments, where he continues to serve the Town of Dallas. Bo was not present. Mayor Coleman expressed the Town's appreciation for Bo's service to the Town of Dallas. (Exhibit B)

Special Events & Requests for In-Kind Services:

Item 8A was a request to use Cloninger Park on Saturday, October 3rd for a Gospel Singing Jubilee. Pastor John Johnson of the Northside Community Church in Dallas has requested to use the park from 10:00 am through 6:00 pm, with the singing to begin at noon. The church will be giving out free hot dogs to attendees. (Exhibit C) Ms. Malcher-Thomas made a motion to approve the use of Cloninger Park on Saturday, October 3rd by the Northside Community Church as requested, provided they obtain the proper Fire Marshall Inspection; seconded by Mr. Withers; and carried unanimously.

Item 8B was a request from North Gaston High School to conduct a Homecoming Parade on Friday, September 25th from 4:30 to 5:30 pm. Amy Beaver was present representing North Gaston. She asked that the date be changed to Wednesday, September 23rd at the same times. The parade will start in the Ingles parking lot, along a route that will be determined by Ms. Beaver and Chief Buckner. Based on the route, a portion of W. Main Street will be closed from approximately 3:45 pm to 5:30 pm. Mr. Cearley made a motion to approve the North Gaston Homecoming Parade for Wednesday, September 23rd at 4:30 pm as presented, seconded by Ms. Morrow, and carried unanimously.

Item 8C was a request from Chief Buckner to conduct the annual "Trick-R-Treat On The Square" on Saturday, October 31st from 5:00 pm to 7:00 pm. This is the 10th year the Town has sponsored this event and it continues to grow every year. Set up will begin at 3:30 pm. The event will be held along N. Holland Street from Trade St. to Church St., and along W. Main St. from Gaston St. to Maple St. Attendance is expected to be between 1000 and 2000 people. Mr. Cearley made a motion to approve the 10th Annual Trick-R-Treat On The Square event for Saturday, October 31st as presented, seconded by Ms. Morrow, and carried unanimously.

Public Hearings:

Item 9A was a public hearing concerning an amendment to Chapter 54, "Sewer Use"; Sewer Regulation; Sections 54.026 and 54.042 of the Compiled Code of Ordinances of the Town of Dallas. Mr. Withers made a motion to enter into the public hearing, seconded by Mr. Cearley, and carried unanimously. This amendment was first introduced at the August 11th Board Meeting, but was tabled for possible action following some recommended additions. The additions are: 1) specific language that allows the Town to install and bill for the construction of a grease trap if the property owner fails to do so when ordered and 2) expansion of the uses where such traps can be required to both mobile home parks and campgrounds. This amendment creates a new definition for "Grease Trap or Interceptor" and then makes it possible for the Town to require mobile home parks or campgrounds which exhibit excessive amounts of floatable oils and greases entering into the Town's sewer collection system to install and maintain (at their cost) an appropriate grease trap (or the Town will do so and bill them, with any unpaid charges becoming a lien on the property). This has become necessary because there are properties that can exhibit violations and problems through introducing large amounts of oils into Dallas' system and in the process cause major damage and increased cost of lift station up-keep. (Exhibit D) Mr. Cearley asked if any current properties would be "grandfathered". Mr. Palenick stated that no property has been grandfathered; if a problem is identified, it will be dealt with under the new ordinance if approved. Mr. Withers made a motion to exit the public hearing, seconded by Ms. Malcher-Thomas, and carried unanimously. Ms. Malcher-Thomas made a motion to approve the amendment to Chapter 54, "Sewer Use"; Sewer Regulation; Sections 54.026 and 54.042, as presented; seconded by Mr. Cearley; and carried unanimously.

Mayor Coleman announced a 10-minute break at 7:26 pm. The meeting reconvened at 7:36 pm.

Old Business:

Item 10A was a request to authorize and approve a grant agreement with Homesteads, Dallas LLC for Design and Development of a destination restaurant at 130 W. Trade St. Item 10B was a request to accept an offer to lease, with option to purchase, the Town-owned building at 130 W. Trade St. and to authorize Staff to initiate the upset bid process,; Homesteads Dallas LLC, Offerors. The two items will be addressed in tandem. The grant agreement spells out how the Town will provide, not-to-exceed \$750,000 to fully redevelop and up-fit the building at 130 W. Trade St. as a destination, sit-down restaurant. In addition, \$5000 for façade improvements and \$25,000 for building up-fit improvements would be committed from the T.O.P. T.I.E.R. Program, so long as the Grantee/Restauranteur matches those funds. In total, Dallas would invest \$780,000, while the Grantee would put in \$30,000; for a total investment of \$810,000. The Town would concurrently agree to fully construct the parking lot/walkway/patio dining project with a minimum of 65 spaces. The Grantee agrees to offer and promote (non-exclusive) catering services in support of the Courthouse for the life of the agreement and the Town will provide Grantee a separate agreement granting the exclusive ability to manage and book the Courthouse for a period of 12 months commencing upon the first month flowing restaurant opening so long as Grantee agrees to share rental revenues on a 50%/50% basis. Possible extensions or renewal of the agreement will be exclusively tied to performance. Grantee will also commit, at no cost to the Town, to hold a yearly fund-raising banquet at the Courthouse to raise funds for further downtown revitalization. Every dollar expended under this agreement will, and must, be expended on property which will remain the sole, unencumbered property of the Town, until such time as Grantee exercises Option to Purchase under terms spelled out in the "Lease Agreement with Option to Purchase" to be approved as Item 10B. The \$750,000 investment from the Town will come from the Town's recent receipt of \$876,000 in True-Up monies received from Duke Energy as part of the Town's Wholesale Purchase Power Agreement. These monies are unreserved and would be placed in the Electric Fund Fund Balance. The lease agreement spells out an obligation for lease payments of \$2700/month for months 1-12; \$3500/month for months 13-24; \$4500/month for months 25-35; \$5500/month for months 37-48; and \$6000/month for months 49-120. The Lessees would have the right to purchase the complete restaurant, including outdoor patio dining area connected to the building anytime following the completion of the 24th month of lease/operations. The purchase price would be the remaining amount of unamortized principal and interest still outstanding at the time of purchase, given that the amortization schedule is based on a 2% interest rate and a balloon payment of \$230,666 at the conclusion of 10 years. During the lease term, the Lessees would have to pay a "Payment in Lieu of Property Tax" equal to the then-applicable tax rate for Dallas time \$780,000 (the amount invested by the Town in the building); as well as paying all insurance costs, utility costs, and any taxes and permits required for operations. No costs of any kind would accrue to the Town; even repair costs are the obligation of the Lessees. Because this includes an option to purchase, it constitutes the sale of real property owned by the Town and is subject to the "upset bid" process. This means that the Board can approve the agreement offer, but it cannot be finally accepted as a sale until the terms are publicly advertise and potential other purchasers are allowed to "upset" or exceed the terms of the offer within 10 days following the advertisement; and by an amount at least 5% plus \$100 greater. Mr. Palenick outlined the proposals in detail. (Exhibit E) Mr. Byron Sackett (Homesteads Dallas, LLC) was present and spoke at length on points of the agreement. Mr. Cearley expressed his opposition to using Town funds for the project and stated that he felt that there had not been enough time, information, or work sessions to understand the agreements. Ms. Malaker-Thomas stated that although she had been absent for 3 months due to personal illness in her family, she felt that the information distributed had been adequate and she felt that she understood the agreements even without being physically present. Mr. Withers and Mr. Huggins both expressed their opposition to the using of Town funds for the project. Mayor Coleman stated that at least 2 work sessions had been held; the Board had reviewed the points of the agreements; had toured the existing restaurant in Lincolnton; and had all been in agreement to proceed with the proposals. He stated that he was very disappointed in the opposition expressed after all of the work and discussions that had preceded tonight and that he believed in 10 years Dallas would still look the same, if actions were not taken to move forward. He stated that he felt this was a good opportunity for Dallas and one that should not be missed. Mr. Cearley made a motion to deny both the Grant Agreement and the Lease Agreement with Homesteads Dallas, LLC; seconded by Ms. Morrow, and carried by the following vote: Yeas – Aldermen Cearley, Huggins, Morrow, and Withers. Nays – Alderwoman Malaker-Thomas.

Item 10C was a petition for annexation from Steve and Maria Mason concerning property along Ratchford Road. The petition was withdrawn. The Board voted to accept the withdrawal at the time the agenda was set earlier in the meeting.

New Business:

None

Mr. Withers made a motion to adjourn, seconded by Ms. Morrow, and carried unanimously. (8:59)

Rick Coleman, Mayor

Maria Stroupe, Town Clerk

Steve P. Mason
Maria C. Mason
4210 Springview Drive
Dallas, NC 28034

Town of Dallas
210 N Holland Street
Dallas, NC 28034

Dear Town Manger

This letter is to state that we would like to withdrawn our application from annexeing the property on Ratchford Rd, Dallas. We will reply in Spring 2016.

Sincerely,

Steve Mason
Maria C. Mason

Steve P. Mason
Maria C. Mason

CERTIFICATE OF APPRECIATION

This certificate is awarded to

JAMES ALLEN CABLE

in recognition of his 5th anniversary with the Town of Dallas on August 2, 2015
and in gratitude for his years of dedication and service

TOWN OF DALLAS



Signature

Date

Signature

Date



**Northside Community Church
109 East Fields Street
Dallas, N. Carolina 28034
Pastor John Johnson
Assistant Pastor Mark Mann
(980) 522-1879**

Dear Town of Dallas,

We would like to host a "Community Day" on Saturday October 3rd, 2015. We would like permission to use Cloninger Park for these festivities. We would be giving out free hot dogs and have several Southern Gospel Singing groups to come for a Singing Jubilee. We would like to use the park from 10:00 AM (with singing starting around noon) and ending around 6:00 PM.

If you have any questions, please feel free to give me a call at (980) 522-1879. Thank you so much for your consideration.

Sincerely,

Pastor John Johnson

Pastor John Johnson

An Ordinance to Amend Chapter 54, "Sewer Use", of the Compiled Code of Ordinances of the Town of Dallas, North Carolina

Whereas, following a properly-noticed public hearing before the Board of Aldermen, held on _____, and in consideration of the information and research materials received and reviewed,

NOW, THEREFORE BE IT ORDAINED, By the Board of Aldermen of the Town of Dallas, North Carolina, that the Compiled Code of Town Ordinances is Hereby Amended as follows:

That, Chapter 54, "Sewer Use"; Sewer Regulations, Section 54.026 "Definitions", **GREASE TRAP OR INTERCEPTOR**; be Added to Read:

"GREASE TRAP OR INTERCEPTOR. A device for separating waterborne greases and grease complexes from wastewater and retaining and "trapping" such greases and grease complexes prior to the wastewater exiting the trap and entering the sanitary sewer collection and treatment system. Grease traps also serve to collect solids that settle, generated by and from food preparation activities, prior to the water exiting the trap and entering the sanitary sewer collection and treatment system. Grease traps and Interceptors are sometimes referred to herein as "grease Interceptors".

And, That Section 54.042, "Building Sewer and Connections"; Subsection (B) Taps and Lines, (8) Grease, Oil, and Sand Interceptor, be Amended to Read:

(8) Grease, oil, and sand interceptor.

Commonly referred to as "grease traps" or "grease interceptors", these devices shall be required to be installed, at the exclusive cost of the property owner, when, in the opinion of the Superintendent, they are, or become necessary for the proper handling of liquid wastes containing floatable oil, grease complexes, sand, or other harmful ingredients in excessive amounts. Grease interceptors shall not be required for single or multi-family dwelling units or other private living quarters, except that, in the case of Mobile Home Parks or camp-grounds, wherein individual sewer connections from each Mobile Home or camp-site Space join together to become a common flow prior to entering the Town system, and such common flows, in any instance, exhibit excessive amounts of floatable oil, grease complexes, sand or other harmful ingredients, then the Town Manager, or designee, shall order the owner(s) of said Mobile Home Park, or camp-ground at his/their exclusive cost to properly install and maintain a grease interceptor in a location "upstream" and prior to the Mobile Home Park' common flow entering the Town system. All interceptors shall be of a type and capacity, and to precise engineering specifications, as approved by the Superintendent, and shall be located as to be readily and easily accessible for cleaning and inspection. Where installed, all greases, oil, and sand interceptors shall be maintained by the owner(s) at his/their expense in continuously efficient operation at all times. If the owner(s) fail(s) to timely comply with an order to install a grease interceptor as described herein, the Town shall arrange

for and complete said installation and all costs associated therewith shall be assessed against said owner(s) and become a liability of the owner(s) so assessed.

In the maintaining of these interceptors, the owner(s) shall be responsible for the proper removal and disposal by appropriate means of the captured material(s) and shall maintain records of the dates and means of disposal which are subject to review by the Superintendent. Any removal and hauling of the collected material(s) not performed by owner(s) personnel must be performed by currently licensed waste disposal firms."

YEAS:

NAYS:

Attest: _____ **Signed:** _____

Deal Points for Development of 130 West Trade Street Dallas, N.C.
As Destination Restaurant (Homestead's Dallas)

10 years (Lease to own) at 2% interest payments with 10 year amortization schedule and balloon payment payoff of \$230,666. Early payoff allowed any time after 2 years of operations with no pre-payment penalty. (Amortization chart attached) Town investment in assets of \$750,000 (for building renovation, up-fit and FFE) plus further investment totaling \$60,000; -- **\$30,000 private investment in Town assets from Homesteads** and \$30,000 provided from TOP TIER grants

TOWN EXCLUSIVELY OWNS BUILDING AND ALL EQUIPMENT UNTIL FULLY PAID OFF BY HOMESTEADS.

- This is **NOT a LOAN of Town Funds...The Town Fully Owns and Continues to Own all Assets until Pay-out. It is the Town investing in its own property and LEASING that property to a Quality Restaurateur who gets an OPTION to purchase, while the Town achieves a substantially better return on investment than the passive investment of its funds.**

Payments will commence at opening of restaurant

LEASE PAYMENTS TO TOWN:

\$2,700/month months 1-12

\$3,500/month months 13-24

\$4,500/month months 25-36

\$5,500/month months 37-48

\$6,000/month months 49-120

Balloon payment at month 120 to purchase: \$230,666

\$5,000 Top Tier façade matching grant

\$25,000 Top Tier up fit grant

Patio (outdoor dining) Built by Town, on Town property and included in building lease to Homesteads and only deeded to Homesteads at time of payoff along with building.

Payment in lieu of taxes paid annually to Town (equal to then-applicable Town prop. Tax levy x \$780,000 /No payment to County) **\$2,964.00 per year based on 0.38 levy**

Payment in lieu of insurance as billed in full to Town-Provider. (Watson)

Tenant pays all utilities & Fees. **Electric Revenues alone anticipated to exceed \$4,000 per-month to Town**

Joint Dumpster corral will be built removed from the building and will be common use for area tenant(s) who will be responsible for cost of trash and all waste removed associated with restaurant

Homesteads projects and agrees to maintain minimum 25 FTE employees (yearly average). (Yearly payroll of Homesteads estimated to exceed \$750,000)

Homesteads along with Town of Dallas will work jointly to achieve further grant funding to be used for project including, but not limited to: Golden Leaf Foundation Grant and/or the Rural Center "Building Reuse" Job Grant. Should one or both of these grants be awarded to this project addendum will be made to agreement to reflect the use of these funds. Early indications look optimistic for "Rural Center Building Re-Use Grant of \$90,000 - \$100,000.

Homesteads will agree to sponsor, host, and pay costs of: "Fund-Raising Banquet" annually as a source of fund-raising revenue that will be used as a form of "pay it forward" funding to further downtown development, recruitment, and growth. "Fund-Raising Banquet" GUARANTEED TO PRODUCE a Minimum \$80,000 (building & property cost was \$76,000 to Town) or Restauranteur will Fund the difference at pay-out"

Project is fully contingent on timely completion of the adjacent Town Parking Lot (Minimum 65 public spaces) that is budgeted for and currently under design.

Town Requires Homesteads to Offer and Provide (Non-exclusive) Catering Services to Courthouse Community Center during life of Lease Agreement.

Homesteads is Offered 12-month Agreement (commencing at restaurant opening) to manage and book Courthouse community center in exchange for 50%/50% split on rent revenues.

Homesteads Acquires and installs in-excess-of \$320,000 in "state-of-the-art" kitchen equipment as permanent fixtures (assets) to Town property at cost of only \$160,000 to Town by creating "sponsored test kitchen" for Charlotte, NC-Headquartered International Appliance Corporation, ELECTROLUX. (regular, international visits to Dallas site by clients of "Fortune 500, Electrolux" likely to result)

Town succeeds in preserving, historic "Setzer building", while jump-starting Downtown revitalization and supporting further economic vitality. In the process, Town invests its funds at a higher rate of return than currently available while minimizing risk of loss.

INVESTMENT OF TOWN FUND BALANCE: (\$750,000 OVER 10 YEARS)

Currently:

Interest Earnings:

\$750,000 @ .00126 = \$945.00/year; Over 10 years = \$9,450.00

With Restaurant Development:

Interest Earnings:

Amortized @2% Over 10 years per Agreement: \$107,066

Property Tax:

P.I.L.O.T. @ \$2,964.00 per-year over 10 years: 29,640

Electric Revenues:

Average \$4,000 per-month = \$48,000 per-year; over

Ten years = \$480,000; average rate of return (.160)

X \$480,000: 76,800

Water/Sewer Revenues:

Average \$600 per-month = \$7,200 per-year; over

10 years = \$72,000; average rate of return (.10) X

\$72,000: 7,200

Sales Tax Returns:

\$1,500,000 annual sales average @ 1% local option =

\$15,000 per-year; over 10 years: 150,000

TOTAL:

\$9,450.00

\$370,706

*Rate of Return = .00126 or 12.6 100ths of a percent

*Rate of Return = \$37,171/year average = .05 or 5 percent