

CITY OF GRAHAM
AGENDA
TUESDAY, MAY 5, 2015
7:00 P.M.

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Meeting called to order by the Mayor
Invocation and Pledge of Allegiance

1. Honorary Recognitions, Resolutions and Proclamations:

- Sister City Fountain Dedication
- Mike Carson Resolution
- Sara Pugh Resolution
- Police Officer of the Year Proclamation

2. Consent Agenda:

- a. Approval of Minutes – April 14, 2015 Special Session.
- b. Tax Releases and Refunds.
- c. Request from the Recreation and Parks Department to close the 100 block of W. Elm Street from 5:00 p.m. – 11:00 p.m. for the Thursday at Seven Concert Series on September 10, 2015.

3. Old Business

- Quasi-Judicial Public Hearing: Apex View UBD & Community Center (SUP1501). Request by Thangaraju Muruegsan for a Special Use Permit for a Community Center and Unified Business Development on property located at 602 W Elm St (GPIN 8874759635).

4. Requests and Petitions of Citizens:

- a. Public Hearing: Petition for Voluntary Non-Contiguous Annexation Kimrey Road:
 - i. Approve Annexation Ordinance.
- b. Petition for Voluntary Contiguous Annexation 351 Longdale Drive:
 - i. Approve Resolution requesting City Clerk to Investigate the Sufficiency.
 - ii. Approve Resolution fixing date of Public Hearing on Question of Annexation.

5. Recommendations from Planning Board

- Public Hearing: Kimrey Road Rezoning (RZ 1502). Application by the City of Graham to initiate I-1 zoning for a portion of a parcel on Kimrey Road (GPIN 9803172212).

6. Project Quarter Incentive Agreement:

- a. Public Hearing: To receive comments on a proposal to extend economic development incentives for a proposed distribution facility to be constructed in the North Carolina Commerce Park (NCCP). The proposed incentive would include a total cash grant in the amount of \$3,375,000 over a 5 year period and the construction of a roadway estimated at \$2,000,000 by the Cities of Graham and Mebane and the County of Alamance in accordance with the provisions of NCGS 158-7.1, NCGS 158-7.2, and NCGS 160A-20.1. The consideration for the incentives will be the company's agreement to construct upon the site, improvements consisting of a distribution center and related facilities which will employ not less than 80 full time positions with average salaries of \$80,000 and which will increase the tax base by not less than \$125,000,000.
- b. Consider Incentive Agreement.

7. Audit & Accounting Services:

- a. Approve Engagement Agreement for Consulting, Professional Assistance and Preparation of 6/30/15 Financial Statements.
- b. Approve Audit Contract.

8. Issues Not Included on Tonight's Agenda



Consulado General de México
Raleigh, Carolina del Norte
April 28, 2015

RLG 1139

Ann Honeycutt
President
Burlington/Alamance Sister Cities

Dear Ms. Honeycutt:

The Consulate General of Mexico is grateful for the opportunity to be part of the dedication of Graham's Children's Fountain program. The friendship and collaboration that exists between Burlington and Soledad and which will be now represented in Graham, will allow Mexicans to share their culture and experiences in the Country that has seen them grow and which they are now, part of.

As you know, it is a priority of the Mexican Government to assist Mexican nationals in their efforts to become finer citizens and integrate themselves in a more suitable way to the societies where they have decided to live.

I highly appreciate your support and interest and offer you the Consulate's assistance and support in any activity or matter you wish to address in order to benefit the Mexican community in Alamance County.

Unfortunately, due to prior commitments I will not be able to attend the ceremony, therefore, I have asked Monica Colin, Consul for Community Affairs to be present at such important event. I am sure it will be a very successful one.

I send you my kindest regards.

Sincerely,



Javier Díaz de León
Consul General



**RESOLUTION OF COMMENDATION AND APPRECIATION TO
MIKE CARSON
FOR 28 YEARS SERVICE TO THE CITY OF GRAHAM**

WHEREAS, Mike Carson diligently served the City of Graham as a staff member of the Graham Water Treatment Plant from January 15, 1987 until February 1, 2015; and

WHEREAS, Mike retired as Superintendent of the Graham Water Treatment Plant from the City of Graham on February 1, 2015 with 28 years of service; and

WHEREAS, his wisdom, care and dedication has commanded the utmost respect from his colleagues and employees; and

WHEREAS, it is the desire of the City Council to extend their deepest appreciation to Mike for the excellent time and service he has afforded the citizens of Graham and his fellow employees.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAHAM THAT: Mike be commended for his outstanding public service to the City of Graham.

BE IT FURTHER RESOLVED THAT: an expression of appreciation be extended to Mr. Mike Carson in the form of this Resolution of Commendation and Appreciation, and that this Resolution become a part of the official records of the City of Graham for all of time, and the original thereof be presented to him in person.

This the 5th day of May 2015.

Jerry Peterman, Mayor
City of Graham

**RESOLUTION OF COMMENDATION AND APPRECIATION TO
SARA PUGH
FOR 29 YEARS SERVICE TO THE CITY OF GRAHAM**

WHEREAS, Sara Pugh diligently served the City of Graham as a staff member of the Graham Police Department from May 22, 1986 until May 1, 2015; and

WHEREAS, Sara retired as Administrative Assistant to the Chief of Police from the City of Graham on May 1, 2015 with 29 years of service; and

WHEREAS, her wisdom, care and dedication has commanded the utmost respect from her colleagues and employees; and

WHEREAS, it is the desire of the City Council to extend their deepest appreciation to Sara for the excellent time and service she has afforded the citizens of Graham and her fellow employees.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAHAM THAT: Sara be commended for her outstanding public service to the City of Graham.

BE IT FURTHER RESOLVED THAT: an expression of appreciation be extended to Ms. Sara Pugh in the form of this Resolution of Commendation and Appreciation, and that this Resolution become a part of the official records of the City of Graham for all of time, and the original thereof be presented to her in person.

This the 5th day of May 2015.

Jerry Peterman, Mayor
City of Graham

PROCLAMATION COMMENDING BEN EDWARDS 2014 POLICE OFFICER OF THE YEAR

WHEREAS, annually the Graham Police Department presents a “Police Officer of the Year Award” to a member of the City of Graham Police Department; and

WHEREAS, the “Police Officer of the Year Award” was presented to Ben Edwards, who has served the citizens of Graham since November 10, 2005; and

WHEREAS, Ben Edwards was selected for this honor by his peers based on his personal commitment to the betterment of the Police Department and his community in numerous respects; including, but not limited to:

- Providing professional public service and protection above and beyond expectations
- Serving as a positive role model to colleagues and the community at large
- Completing tasks willingly and optimistically

WHEREAS, it is the desire of the City Council to extend their deepest appreciation to Ben for the excellent service he has afforded the citizens of Graham and his peers.

NOW, THEREFORE, I, Jerry Peterman, Mayor of the City of Graham, on behalf of the City Council and citizens of Graham, do hereby extend official congratulations and proclaim Ben Edwards as the City of Graham Police Department’s 2014 Police Officer of the Year.

This the 5th day of May 2015.

Jerry Peterman, Mayor
City of Graham

**CITY OF GRAHAM
SPECIAL SESSION
TUESDAY, APRIL 14, 2015
7:00 P.M.**

The City Council of the City of Graham met in special session at 7:00 p.m. on Tuesday, April 14, 2015, in the Council Chambers of the Municipal Building located at 201 South Main Street.

Council Members Present:

Mayor Jerry Peterman
Mayor Pro Tem Jimmy Linens
Council Member Jim Albright
Council Member Lee Kimrey
Council Member Chip Turner

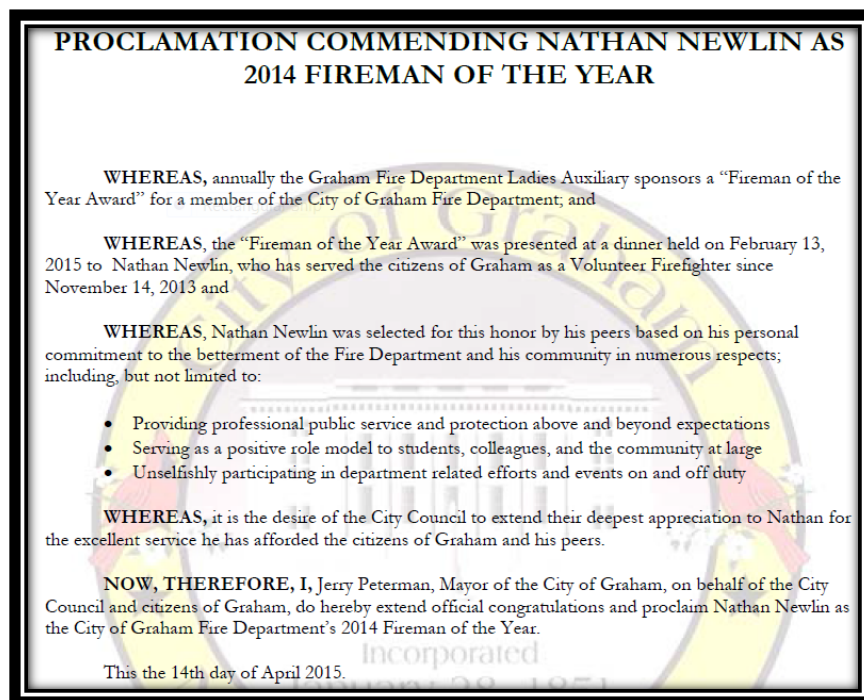
Also Present:

Frankie Maness, City Manager
Darcy Sperry, City Clerk
Nathan Page, City Planner
Michael Leinwand, Special Projects Coordinator
Keith Whited, City Attorney
John Andrews, Fire Chief

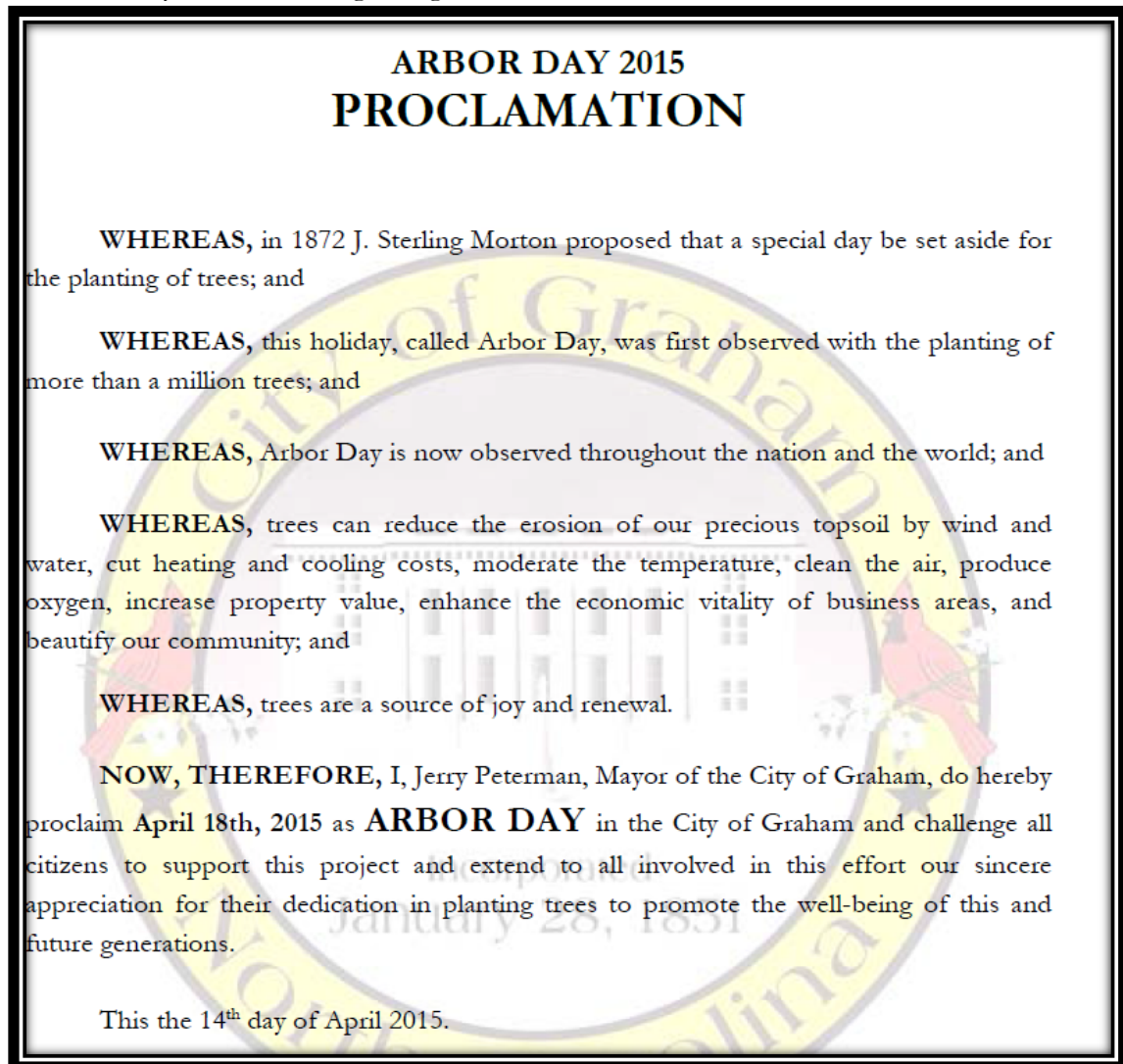
Mayor Jerry Peterman called the meeting to order and presided at 7:00 p.m. Mayor Pro Tem Jimmy Linens gave the invocation and everyone stood to recite the Pledge of Allegiance.

Honorary Proclamations:

- **Fireman of the Year** - Mayor Jerry Peterman presented a proclamation to Nathan Newlin recognizing him as the 2014 Graham Fire Department's Fireman of the Year. Fire Chief John Andrews thanked Mr. Newlin for his service. Mr. Newlin thanked everyone for this award.



- **Arbor Day** – Mayor Peterman presented a proclamation to City of Graham Appearance Commission Chairman Elaine Murrin and declared April 18, 2015 as Arbor Day within the City of Graham. Ms. Murrin stated that the Annual Arbor Day Celebration will take place on Saturday, April 18, 2015 at the Children’s Museum of Alamance and welcomed all to attend the day’s festivities beginning at 11:00 a.m.



- **Alcohol Awareness Month** – Mayor Peterman presented a proclamation to Ms. Haley Ross of the Alamance County Advisory Council and declared April 2015 as Alcohol Awareness Month within the City of Graham. Ms. Ross advised that she is a freshman at the Burlington School and mentioned that the Advisory Council is currently working on a bill which would prohibit powdered alcohol to be sold in North Carolina. Ms. Ross thanked everyone for being such active members in our community.

ALCOHOL AWARENESS MONTH 2015 PROCLAMATION

WHEREAS, the month of April has been designated as Alcohol Awareness Month; and

WHEREAS, across our nation, alcohol abuse is a major public health problem that affects Americans from all communities of all ages, races and ethnic backgrounds; and

WHEREAS, alcohol kills more children than all illegal drugs combined; and

WHEREAS, 29% of high school students in Alamance County report having at least one drink of alcohol in the past 30 days; and

WHEREAS, underage drinkers consume nearly 10% of all alcohol sold in North Carolina, totaling \$526 million in sales; and

WHEREAS, alcoholic beverages sold in convenience and grocery stores are more dangerous than ever containing high alcohol content, sugar and flavorings that make them attractive and palate-friendly to youth; and

WHEREAS, alcohol is defined by the World Health Organization as a group 1 carcinogen and is the 3rd leading preventable cause of cancer; and

WHEREAS, over half of the teens in Alamance County between ages 13-18 say it is easy to get alcohol and 24% report using alcohol in their home or at a friend's house; and

WHEREAS, minimizing access to alcohol creates a barrier and can protect children from harm; and

WHEREAS, parents can have a significant impact on their children's decision to not drink alcohol by setting clear "no alcohol" rules and by supporting this rule with "zero tolerance"; and

WHEREAS, underage drinking alone costs the citizens of North Carolina \$1.5 billion in medical care, work loss and pain and suffering associated with the multiple problems resulting from the use of alcohol by youth; and

WHEREAS, The Alamance County Youth Advisory Council and Alamance Citizens for a Drug Free Community are working to decrease the stigma associated with alcohol dependence through increased awareness, education, discussion and community mobilization; and

WHEREAS, The Alamance County Youth Advisory Council and Alamance Citizens for a Drug Free Community are working to raise awareness statewide, and to mobilize efforts within communities to implement strategies that prevent alcohol abuse and dependency by decreasing underage access to alcohol, changing community norms that promote underage and excessive alcohol consumption and address policies pertaining to underage and excessive drinking.

NOW, THEREFORE, I, Jerry Peterman, Mayor of the City of Graham, do hereby proclaim April 2015, as ALCOHOL AWARENESS MONTH in Graham, North Carolina and recommend this observance to all citizens.

This the 14th day of April 2015.

Consent Agenda:

- a. *Approval of Minutes – March 3, 2015 Regular Session.*
- b. *Budget Amendment; Riverwalk Subdivision Improvements.*
- c. *Resolution to Amend the Regional Geographic Information System Agreement.*

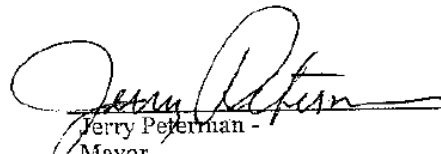
Mayor Peterman asked the Council Members if they would like to pull any of the items from the Consent Agenda. Council Member Lee Kimrey asked to pull item "c. Resolution to Amend the Regional Geographic Information System Agreement."

Council Member Kimrey made a motion to approve items "a" and "b" on the Consent Agenda, seconded by Council Member Jim Albright. All voted in favor of the motion.

BE IT ORDAINED BY THE CITY COUNCIL of the City of Graham that the 2014 - 2015 Budget Ordinance shall be and is hereby amended as follows:

Section 1: General Fund Expenditures			
	APPROVED	AMENDED	DIFFERENCE
10-3150-0000 LOC Funds	100	144,257	144,157
Section 2: General Fund Revenues			
10-5600-9904 Riverwalk LOC	0	144,257	144,257

This the 14th day of April, 2015.


 Jerry Peterman -
 Mayor

ATTEST:


 Darcy Sperry, City Clerk

Council Member Kimrey questioned City Manager Frankie Maness about the cost of the Regional Geographic Information System (GIS) appropriated in this year's budget versus what is being proposed in next year's budget. Mr. Maness stated that the cost is split between the General Fund and the Water/Sewer Fund and therefore the difference can be found in the Water/Sewer Fund by adding it to the appropriation in the General Fund.

Council Member Kimrey made a motion to approve item "c" on the consent agenda, seconded by Mayor Pro Tem Linens. All voted in favor of the motion.

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF GRAHAM, NORTH CAROLINA, TO AMEND THE REGIONAL GEOGRAPHIC INFORMATION SYSTEM (ReGIS) AGREEMENT

WHEREAS, Part 1 of Article 20 of Chapter 160A of the North Carolina General Statutes authorizes units of local government to enter into contracts or agreements with each other in order to execute joint undertaking; and

WHEREAS, on August 14, 2001, the City of Burlington (hereinafter, "City"), and City of Graham and Town of Elon (hereinafter, "Partners") entered into a Regional Geographic Information System (ReGIS) Agreement; and

WHEREAS, the City and Partners have a continued compelling and mutual interest in developing and maintaining accurate and current electronically-retrievable geographic information about themselves and their extraterritorial planning jurisdictions; and

WHEREAS, the City and Partners recognize that at this time, neither Partner can afford to individually develop and maintain efficiently and effectively, a GIS for themselves; and

WHEREAS, the City and Partners recognize that a regional GIS benefits their citizens by improving the efficiency and effectiveness of local government and enhancing the regional economic competitiveness of the individual municipal corporations; and

WHEREAS, the City and Partners want to ensure continued cooperation and mutual support for a successful and cost effective implementation of GIS-related management information systems,

WHEREAS, the current ReGIS Agreement will expire at the end of the fiscal year 2014-2015; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAHAM, NORTH CAROLINA, THAT:

Section 1:

Item 2 of the Regional Geographic Information System (ReGIS) Agreement—"Duration of Agreement"— be amended to extend the agreement through fiscal year 2018-2019.

Section 2:

This resolution will take effect upon passage of identical resolutions by all ReGIS Partners.

Adopted this 14th day of APRIL, 2015, by the City Council of the City of Graham, North Carolina.


Jerry Peterman, Mayor
City of Graham

Old Business

Quasi-Judicial Public Hearing: Apex View UBD & Community Center (SUP1501). Request by Thangaraju Muruegsan for a Special Use Permit for a Community Center and Unified Business Development on property located at 602 W Elm St (GPIN 8874759635).

Mayor Peterman opened the Quasi-Judicial Public Hearing and polled the Council for any financial interests, fixed opinions or communications regarding the property. Council Member Kimrey disclosed that he attended the Planning & Zoning Board meeting and that at that meeting he heard testimony and evidence presented according to this item. Mayor Peterman asked Council Member Kimrey if he felt that it would sway his decision one way or another. Council Member Kimrey replied no. Mayor Peterman asked if anyone objected. No one objected.

City Clerk Darcy Sperry swore in City Planner Nathan Page and Special Projects Coordinator Michael Leinwand.

Mr. Page explained that this is a request by Thangaraju Muruegsan who intends to have a Unified Business Development which allows for multiple tenants. He further explained that there are three (3) buildings on site and the applicant is requesting to use one of the smaller units (approximately four-thousand (4,000) sq. ft.) as a Community Center.

Mayor Pro Tem Linens asked Mr. Page what the Planning Board's argument was on the drive thru. Mr. Page indicated that drive thru is currently going against the flow of traffic and that according to Graham Police Chief Prichard, there is a high likelihood of pedestrian conflict. Council Member Jim Albright asked Mr. Page what the current zoning is. Mr. Page advised that this site is split zoned between B-2 and I-1. Council Member Chip Turner asked Mr. Page if he knew what type of business the applicant wanted to put in here. Mr. Page stated that they would be able to do anything that is permitted in a Unified Business Development – which is similar to that which is permitted in the B-2 district. Council Member Kimrey asked Mr. Page if he knew what the building at the rear is currently used for or what it might be used for in the future. Mr. Page said he does not know. Mayor Peterman asked Mr. Page if the owner had any qualms about the removal of the drive thru. Mr. Page said none had been voiced to him. Council Member Albright asked Mr. Page if a previously mentioned possible grocery store or office space is permitted B-2 now. Mr. Page explained that currently they are permitted any single use or any single tenant occupy all three (3) spaces. He went on to say that the Unified Business Development restricts the uses, for example a daycare, but permits multiple business tenants in the same location.

Mayor Peterman asked if anyone from the floor wanted to speak on this. None were forthcoming. Being no further testimony, Mayor Peterman closed the Quasi-Judicial Public Hearing.

Council Members expressed concern that the applicant was not in attendance to answer questions. City Attorney Keith Whited advised the Council that they are within the legal guidelines should they choose to table this item to the May 5, 2015 regularly scheduled Council Meeting. Mr. Whited suggested a letter be sent to the applicant advising him of this.

Mayor Peterman made the motion that we table this until next month and during that time, we ask the staff to send him a letter telling him about us desiring him to be here next month, seconded by Council Member Turner. All voted in favor of the motion.

Requests and Petitions of Citizens

City Manager Frankie Maness explained that this is a request for two (2) action items, both on the same application for a Non-Contiguous Annexation on Kimrey Road. Mr. Maness indicated the subject property is divided into two (2) tracts, totaling approximately eighty-eight (88) acres. Mr. Maness further explained that this is the first step in the annexation process which would require approval of the following:

- i. Approve Resolution requesting City Clerk to Investigate the Sufficiency.
- ii. Approve Resolution fixing date of Public Hearing on Question of Annexation.

Council Member Kimrey questioned Mr. Maness about the Inter-Local Agreement between the Cities of Graham, Mebane and the County. He asked if that agreement gives us the right to annex this property that is not in either Graham or Mebane's ETJ (Extra Territorial Jurisdiction). Mr. Maness advised that with an annexation, permission is not required by the County as long as we stay within the bounds of the State Statutes.

Council Member Kimrey made the motion to approve the Resolution Directing the Clerk to Investigate a Petition Received Under G.S. 160A-58.1 for Property on Kimrey Rd., seconded by Council Member Albright. All voted in favor of the motion.

RESOLUTION DIRECTING THE CLERK TO INVESTIGATE
A PETITION RECEIVED UNDER G.S. 160A-58.1
FOR PROPERTY ON KIMREY ROAD

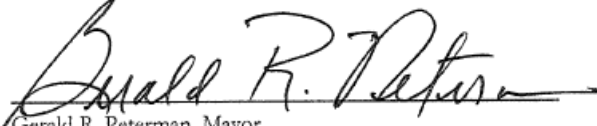
WHEREAS, a petition requesting annexation of an area described in said petition was received on March 31st, 2015, by the Graham City Council; and

WHEREAS, G.S. 160A-58.2 provides that the sufficiency of the petition shall be investigated by the City of Graham City Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Graham deems it advisable to proceed in response to this request for annexation:

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Graham that:

The City Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the City Council the result of her investigation.


 Gerald R. Peterman, Mayor

ATTEST:


 Darcy L. Sperry, City Clerk

CERTIFICATE OF SUFFICIENCY

To the Graham City Council of the City of Graham, North Carolina:

I, Darcy L. Sperry, City Clerk, do hereby certify that I have investigated the attached petition and hereby make the following findings:

I further find that the area meets the standards for a noncontiguous area as specified in G.S. 160A-58.1(b), in that:

1. The petition includes a metes and bounds description of the area proposed for annexation and has attached a map showing the proposed satellite area in relation to the City of Graham and the City of Mebane primary corporate limits.
2. The petition includes the names and addresses of all owners of real property lying in the area described therein.
3. The petition includes the signatures of all owners of real property lying in the area described therein, except those not required to sign by G.S. 160A-58.1(a).
4. The nearest point on the proposed satellite corporate limits is no more than three (3) miles from the primary corporate limits of the City;
5. Although closer to the City of Mebane, there is an annexation agreement in place that allows the annexation of the proposed satellite;
6. The satellite area is so situated that the City will be able to provide the same services as are provided within its primary corporate limits;
7. The proposed satellite area does not contain any portion of a subdivision;
8. The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits of the City, does not exceed ten percent (10%) of the area within the primary corporate limits of the City [or indicate that the municipality has a modification to this requirement pursuant to an act of the General Assembly].

In witness whereof, I have hereunto set my hand and affixed the seal of the City of Graham, this the 14th day of April, 2015.


City Clerk

SEAL



Mayor Peterman made the motion to approve the Resolution Fixing Date of Public Hearing on Question of Annexation Pursuant to G.S. 160A-58.2 for Property on Kimrey Rd – the date being May 5, 2015, seconded by Mayor Pro Tem Linens. All voted in favor of the motion.

RESOLUTION FIXING DATE OF PUBLIC HEARING
ON QUESTION OF ANNEXATION PURSUANT TO G.S. 160A-58.2
FOR PROPERTY ON KIMREY ROAD

WHEREAS, a petition requesting annexation of the non-contiguous area described herein has been received; and

WHEREAS, the Graham City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification by the City Clerk as to the sufficiency of the petition has been made;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Graham, North Carolina that:

Section 1. A public hearing on the question of annexation of the area described herein will be held at the City Hall, 201 S. Main St., Graham, NC at 7:00pm on May 5, 2015.

Section 2. The area proposed for annexation is described as follows:

TRACT 1 AREA TO BE ANNEXED
METES & BOUNDS DESCRIPTION

BEING A TRACT OF LAND SITUATED AT THE NORTHWEST RIGHT OF WAY OF KIMREY ROAD (S.R. 2125), A PORTION OF TAX IDS: 159502 & 159503, SITUATED IN THE UNINCORPORATED AREA OF ALAMANCE COUNTY, NORTH CAROLINA, MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT NCGS STATION "GUVNOR" HAVING NC GRID COORDINATES IN U.S. SURVEY FEET OF NORTH 839,741.12 AND EAST 1,897,712.00;

THENCE, S 72°50'06" E, A HORIZONTAL GRID DISTANCE OF 2,798.27 FEET TO A CALCULATED POINT, THE POINT OF BEGINNING;

THENCE, IN A CLOCKWISE DIRECTION, N 54°37'42" E, 1,141.25 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2,030.00', A DELTA OF 003°31'27", AN ARC LENGTH OF 124.87 FEET AND A CHORD OF 124.85 FEET BEARING N 52°51'58" E TO A CALCULATED POINT;

THENCE, N 51°06'15" E, 149.89 FEET TO A FOUND ¾" PIPE, THE WESTERN CORNER OF THAT WAL-MART STORES EAST LP PARCEL RECORDED IN BOOK 3352, PAGE 601, ACR;

THENCE, S 40°31'34" E, 2,757.64 FEET TO A FOUND ¾" PIPE ON THE NORTHERLY RIGHT OF WAY LINE OF KIMREY ROAD (60' PUBLIC RIGHT OF WAY), MAP BOOK 65, PAGE 177, ACR;

THENCE, WITH THE NORTHERLY RIGHT OF WAY OF KIMREY ROAD THESE FOLLOWING SEVEN (7) COURSES;

1. S 62°26'38" W, 214.93 FEET TO A CALCULATED POINT;
2. S 63°31'49" W, 130.18 FEET TO A CALCULATED POINT;
3. S 67°35'48" W, 218.73 FEET TO A CALCULATED POINT;
4. S 68°20'37" W, 305.36 FEET TO A CALCULATED POINT;
5. S 67°47'44" W, 316.89 FEET TO A CALCULATED POINT;
6. S 68°42'20" W, 171.75 FEET TO A CALCULATED POINT;
7. S 69°59'44" W, 129.24 FEET TO A CALCULATED POINT;

THENCE, N 40°23'47" W, 2,423.69 FEET TO POINT OF BEGINNING, AND CONTAINING 84.433 ACRES OR 3,677,901.57 SQUARE FEET OF LAND, AS SHOWN ON THAT "FINAL PLAT SHOWING: CORPORATE LIMITS EXTENSION CITY OF GRAHAM" MAP PREPARED BY THE SURVEY COMPANY INC., DATED MARCH 27, 2015. SIGNED BY CHARLES S. LOGUE, NC PLS #L-4212.

TRACT 2 AREA TO BE ANNEXED
METES & BOUNDS DESCRIPTION

BEING A TRACT OF LAND SITUATED AT THE NORTHEAST RIGHT OF WAY GOVERNOR SCOTT FARM ROAD (S.R. 2124), A PORTION OF TAX IDS: 159502 & 159503, SITUATED IN THE UNINCORPORATED AREA OF ALAMANCE COUNTY, NORTH CAROLINA, MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT NCGS STATION "GUVNOR" HAVING NC GRID COORDINATES IN U.S. SURVEY FEET OF NORTH 839,741.12 AND EAST 1,897,712.00;

THENCE, S 42°43'16" E, A HORIZONTAL GRID DISTANCE OF 2205.66 FEET TO A FOUND #4 REBAR IN THE CENTERLINE OF GOVERNOR SCOTT FARM ROAD (A 60' WIDE PUBLIC RIGHT OF WAY); **THE POINT OF BEGINNING**;

THENCE, IN A CLOCKWISE DIRECTION, N 49°51'03" E, 35.78 FEET TO A CALCULATED POINT, ON THE EASTERN PROPERTY LINE OF THAT CARL A. WESTMAN PARCEL RECORDED IN BOOK 2976, PAGE 166, ACR;

THENCE, S 46°24'08" E, 40.91 FEET TO A CALCULATED POINT;

THENCE, N 60°06'44" E, 61.91 FEET TO A CALCULATED POINT;

THENCE, N 51°58'56" E, 192.96 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2,970.00', A DELTA OF 001°23'56", AN ARC LENGTH OF 72.51 FEET AND A CHORD OF 72.51 FEET BEARING N 51°16'58" E TO A CALCULATED POINT;

THENCE, N 50°34'59" E, 713.53 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 2,430.00', A DELTA OF 004°02'43", AN ARC LENGTH OF 171.56 FEET AND A CHORD OF 171.53 FEET BEARING N 52°36'21" E TO A CALCULATED POINT;

THENCE, N 54°37'42" E, 1,307.72 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 1,970.00', A DELTA OF 003°31'27", AN ARC LENGTH OF 121.17 FEET AND A CHORD OF 121.16 FEET BEARING N 52°51'58" E TO A CALCULATED POINT;

THENCE, N 51°06'15" E, 148.18 FEET TO A CALCULATED POINT ON THE WESTERLY LINE OF THAT KIMREY FARMS LLC PARCEL RECORDED IN BOOK 3304, PAGE 397, ACR;

THENCE, S 40°31'38" E, 60.00 FEET TO A FOUND ¾" PIPE, THE WESTERN CORNER OF THAT WAL-MART STORES EAST LP PARCEL RECORDED IN BOOK 3352, PAGE 601, ACR;

THENCE, S 51°06'15" W, 149.89 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 2,030.00', A DELTA OF 003°31'27", AN ARC LENGTH OF 124.87 FEET AND A CHORD OF 124.85 FEET BEARING S 52°51'58" W TO A CALCULATED POINT;

THENCE, S 54°37'42" W, 1,141.25 FEET TO A CALCULATED POINT;

THENCE, S 54°37'42" W, 166.48 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2,370.00', A DELTA OF 004°02'43", AN ARC LENGTH OF 167.32 FEET AND A CHORD OF 167.29 FEET BEARING S 52°36'21" W TO A CALCULATED POINT;

THENCE, S 50°34'59" W, 713.53 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 3,030.00', A DELTA OF 001°23'56", AN ARC LENGTH OF 73.98 FEET AND A CHORD OF 73.98 FEET BEARING S 51°16'58" W TO A CALCULATED POINT;

THENCE, S 51°58'56" W, 194.25 FEET TO A CALCULATED POINT;

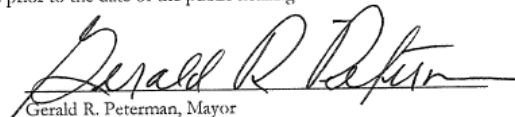
THENCE, S 42°53'55" W, 62.14 FEET TO A CALCULATED POINT;

THENCE, S 30°08'32" E, 85.24 FEET TO A CALCULATED POINT;

THENCE, S 51°43'22" W, 27.77 FEET TO A CALCULATED POINT IN THE CENTERLINE OF GOVERNOR SCOTT FARM ROAD;

THENCE, N 38°16'38" W, 202.27 FEET TO THE **POINT OF BEGINNING**, AND CONTAINING 3.901 ACRES OR 175,618.05 SQUARE FEET OF LAND, AS SHOWN ON THAT "FINAL PLAT SHOWING: CORPORATE LIMITS EXTENSION CITY OF GRAHAM" MAP PREPARED BY THE SURVEY COMPANY INC., DATED MARCH 27, 2015. SIGNED BY CHARLES S. LOGUE, NC PLS #L-4212.

Section 3. Notice of the public hearing shall be published once in The Alamance News, a newspaper having general circulation in the City of Graham, at least ten (10) days prior to the date of the public hearing.


Gerald R. Peterman, Mayor

ATTEST:

Darcy L. Sperry, City Clerk

Recommendations from Planning Board:

Public Hearing: Graham Manor (CR1501). Request by James B. Smith, United Developers, Inc. for a 56 unit senior apartment housing complex located on Auto Park Drive (GPIN 8883091817).

Mr. Page explained that this request is to rezone the property from R-18 & I-1 to Conditional Residential. The purpose of the rezoning is to allow a senior rental community.

Mayor Peterman opened the Public Hearing. Council Member Kimrey asked Mr. Page if he was accurate with saying in neighborhood residential development, apartments are not listed as a use in a development checklist. Mr. Page replied that is correct.

Mr. Bill Owen, 1416 Pine Valley Loop Fayetteville N.C., addressed the Council on behalf of United Developers. Mr. Owen advised Council that United Developers has been in the affordable housing market for over thirty-five (35) years. He went on to say that they currently have built, own and manage over thirty-five hundred (3,500) units in N.C. and S.C. Mr. Owen said this community would be restricted to individuals over the age of fifty-five (55). He further stated that they commissioned a third party market feasibility for a senior development. Mr. Owen advised that the results of the study were very favorable and as a result, they notified by letter all adjacent property owners of their plan. They invited all of the property owners to an open meeting at the Civic Center to hear of their proposal. Mr. Owen showed those in tonight's attendance artist renderings of the development and indicated that all of the City's requirements with construction will be met.

Council Member Kimrey asked Mr. Owen about their guest policy. Mr. Owen stated that all guests must be registered and cannot stay longer than two (2) weeks per year. In addition, Council Member Kimrey inquired about on site management as well as tax credit repayment. Mr. Owen said that he anticipates that on site management would exceed thirty (30) hours per week. He further stated that annual federal tax credits to the states require the property to be maintained in how it is presented for a thirty (30) year period.

Council Member Albright inquired as to the tax credit application process. Mr. Owen stated that the preliminary application was submitted in January of this year. He went on to say that at that time, NC Housing Finance conducts a review of and scores each site. He indicated that they received the maximum score for this site. The final part of the application must be submitted by May 15, 2015. Council Member Albright asked Mr. Page what could happen to the property after thirty (30) years. Mr. Page stated that if this Conditional Residential is approved, then it would have to come before City Council to amend the Conditional Residential down the line.

Mr. Jim Smith, 2004 Raeford Rd Fayetteville N.C., stepped forward to answer additional questions from the Council regarding the monitoring of the guest policy. Mr. Smith explained that very rarely is a guest on site for the maximum two (2) week period. He said that with their other properties, it's normally the residents themselves that will bring to management's attention that there is someone on site that isn't supposed to be there. He stated that it's not an issue in their other developments. He went on to say that the reality of it is that most of their units, whether it be a one (1) bedroom or two (2) bedroom unit, only have one (1) person living in it.

Mayor Peterman asked about the buffering. Mr. Owen said that the fencing that they have been requested to include would be on three (3) sides. He anticipates that it will be a black chain link fence that will be located within the buffer area and would not be visible from the road. Mayor Peterman asked what the estimated time frame of the project will be if they are approved. Mr. Owen stated that they expect to be operational by the end of 2016.

Mr. Tom Boney, of the Alamance News, asked if only one (1) of these projects can be approved in Alamance County. Mr. Owen stated yes. Mr. Boney asked for confirmation that the Conditional Rezoning being requested was for this project only and could not be modified in the future should this project be approved and not receive funding. Mr. Page replied yes.

Being no further questions, Mayor Peterman closed the Public Hearing. Council Members discussed amongst themselves subjects such as the age requirement and the impact on schools being a non-factor with a project of this nature. Council Member Albright stated that the lack of opposition to the project speaks volumes.

Mayor Pro Tem Linens made the motion that the application be approved with the following conditions:

- The final site plan must be submitted to and approved by the TRC before a building permit and/or certificate of occupancy will be issued.
- The size and layout of the stormwater treatment device will be evaluated as part of final site plan review. If these necessitate a shift in the location of buildings or parking, these revisions will maintain the general layout of the site as proposed and will conform to all ordinance requirements for multifamily, or they will be considered major revisions.
- A fence be provided between the undisturbed areas to the rear and sides of the property with the intention of safeguarding the residents from the undisturbed areas.
- The undisturbed area be undisturbed for at least 30 years;

And the application is consistent with the *City of Graham Growth Management Plan 2000-2020*. Council Member Albright seconded the motion. Ayes: Mayor Pro Tem Linens, Council Member Albright and Mayor Peterman Nays: Council Member Kimrey and Council Member Turner. Motion carried 3:2.

Quasi-Judicial Public Hearing: Da Vita Dialysis (SUP8301). Request by Richard Porterfield to amend the Special Use Permit at Kourescent Properties (currently the Just Save), to allow for a new tenant on the vacant parcel on the corner of Auto Park and W Crescent Square Drive (GPIN 8883192554).

Mayor Peterman opened the Quasi-Judicial Public Hearing and polled the Council for any financial interests, fixed opinions or communications regarding the property. Council Member Kimrey disclosed that he attended the Planning & Zoning Board meeting. Mayor Peterman asked Council Member Kimrey if he felt that would sway his decision one way or another. Council Member Kimrey replied no. Mayor Peterman asked if anyone objected. No one objected.

Ms. Sperry swore in Mr. Maness, Mr. Page, Mr. Leinwand, Mr. Greg Hill and Mr. Allen Hill.

Mr. Page explained that this is an application from Richard Porterfield, with Total Renal Care, to amend the Special Use Permit for the Kourescent Properties located on South Main Street along Crescent Square Drive and Auto Park. He further explained that the application is to build on the parcel to the extreme southwest proposed to be used for a DaVita Dialysis Center.

Council Member Kimrey asked Mr. Page about Staff's recommendation of sidewalks. Mr. Page indicated that the sidewalk request was to complete the network extending from South Main Street to Hanford Road. He stated that they were aware of the possible development of the senior housing complex previous to this request.

Mayor Peterman asked if anyone from the floor wanted to speak on this.

Mr. Greg Hill, 901 Moss Lane Winter Park, FL., addressed the Council. He indicated that he was representing Mr. Porterfield in this matter. Mr. Hill and Mr. Maness both advised that the engineers for both the project and the City have resolved storm water runoff issues and asked that the sidewalk in-lieu-of payment request be eliminated as a condition of approval. Council Member Kimrey inquired about offsite improvement vs. an onsite improvement pertaining to sidewalks. Mr. Maness stated that most of the sidewalks would be on existing DOT right of way, making the sidewalk not part of the site itself.

Being no further testimony, Mayor Peterman closed the Quasi-Judicial Public Hearing.

Council Member Kimrey made the motion that the application be approved with the following condition:

- A final site plan must be submitted to and approved by the TRC before a building permit and/or certificate of occupancy will be issued. As part of final site plan review, the layout of the parking and sidewalks may change to meet *Development ordinance* and other requirements, including NCDOT;

And adopt the Findings of Fact and Conclusions of Law as presented in the staff report and the application is consistent with the *City of Graham Growth Management Plan 2000-2020*. Council Member Turner seconded the motion. All voted in favor of the motion.

Findings of Fact and Conclusions of Law

1. All applicable regulations of the zoning district in which the use is proposed are complied with.

The property is zoned B-2. "Unified Business Development" is permitted in the B-2 zoning district with a Special Use Permit. The proposed development meets the area, height and yard regulations. Signs will require a sign permit.

2. Conditions specific to each use, identified by the Development Ordinance, are complied with.

The following requirements are specific to this use:

- Such developments shall abut a major thoroughfare, minor arterial, or collector street (existing or proposed). This existing Unified Business Development abuts NC 87/S Main St, which is a major thoroughfare.

- All uses permitted in the B-2 district are permitted in a Unified Business Development, with the exception of certain uses which are not permitted. Doctor's offices are permitted in the B-2 district and are not prohibited in a Unified Business Development.
 - All business establishments shall be retail or service establishments dealing directly with the public. The proposed office directly serves the public.
 - All uses shall be completely enclosed in buildings except for plant sales, sidewalk cafes, and permitted drive-in uses. The proposed office is completely enclosed.
 - An opaque screen shall be provided wherever, in the city council's judgment, such screening is necessary to shield adjacent residential districts. There are no adjacent residential districts that would require screening.
3. The use will not materially endanger the public health or safety if located where proposed and developed according to the plan as submitted.

The proposed office, to be located within an existing Unified Business Development, will not materially endanger the public health or safety.

4. The use will not substantially injure the value of adjoining property or that the use is a public necessity.

The proposed office, to be located within an existing Unified Business Development, will not substantially injure the value of adjoining property.

5. The location and character of the use if developed according to the plan as submitted will be in harmony with the area in which it is to be located and in general conformity with the plan of development for the Graham planning area.

The proposed office, to be located within an existing Unified Business Development, is a commercial use that will be located in an existing highway commercial corridor and is in general conformity with the Growth Management Plan 2000-2020.

6. Satisfactory provision has been made for the following, when applicable: vehicle circulation, parking and loading, service entrances and areas, screening, utilities, signs and lighting, and open space.

Satisfactory provision has been made for vehicle circulation, parking, service entrances and areas, utilities, and lighting.

Public Hearing: Border St. Multifamily (RZ1501). Request by Chris Foust to rezone a parcel located at 515 Border Street from R-7 to R-MF (GPIN 8874877208).

Mr. Page explained that this is a request by Chris Foust to rezone the property from R-7 to R-MF. He advised that the property is currently vacant. He said the stated reason for this rezoning is to allow for two (2) to three (3) attached duplex units.

Mr. Chris Foust, 1851 South Main Street Graham, N.C., stepped forward to give a brief overview of the project and to answer questions. He pointed out that the units would be similar to those he has previously built on Washington Street. A picture of that project was shown to those in attendance.

He indicated that the units would face Oakley Street and that he would be cutting down the lot a little – as it is a little steep right now. Council Member Turner asked Mr. Foust how much he intends to drop the grade. Mr. Foust replied probably two (2) feet. Mr. Boney asked Mr. Foust how many total units would be on the site. Mr. Foust indicated that there will be four (4) to five (5) total units.

Being no further questions, Mayor Peterman closed the Public Hearing.

Council Member Albright made the motion that the application be approved and that the application is consistent with the *City of Graham Growth Management Plan 2000-2020*, seconded by Council Member Kimrey. All voted in favor of the motion.

Public Hearing: Patterson Place (CR0502). Request by Mark Richardson to amend the original Conditional Mixed-Use Residential application located on Cheeks Lane (GPIN 8883552739, 8883569808, 8883359916 and 8883367159).

Mr. Page explained that this is a request by Mr. Mark Richardson to amend the original Conditional Mixed-Use Residential that was approved in 2005. He stated that amendment is just for the originally planned one hundred-twelve (112) unit townhomes in the southeast corner of the property accessible off of Cheeks Lane. The applicant is proposing an eighty (80) rental multi-family dwelling units for seniors. Mr. Page indicated that the site must now conform to storm water regulations due to the change from the original proposal.

Council Members and Mr. Page discussed the buffer area, the reduction in the number of units as well as how this new proposal impacts the proposed Southern Loop. Mr. Page pointed out that the new proposal does include buffering internal to the site and the right of way. In addition, Mr. Page said the developer would ensure the proposed Southern Loop location remain unchanged. He also indicated that the developer is reducing the number of units on this proposal but maintaining the same shape as the original townhome portion of the plan. Mr. Page stated that these units will not be owner occupied.

Mr. Nate Gainey, 413 Old Farm Drive Graham, N.C., expressed concern over a possible increase in heavy equipment in his neighborhood. Mr. Glenn Patterson, 1310 South Main Street Graham, N.C., spoke on behalf of the developer. He stated that the area to be developed is only on the Cheeks Lane side of the property. He mentioned that they will have to access the sewer on the Old Farm Dr. side of the property, but that should be the only time heavy equipment will be present in that area.

Mr. David Vanover, 506 Cheeks Lane Graham, N.C., asked about buffering between the proposed project and his property. Mr. Page indicated that the developer will be required to plant a type “B” standard planting yard which is required between a Multi-Family Residential and a Single Family Residence. Mr. Maness indicated that a type “B” planting yard is the second densest planting yard we have. Mr. Vanover also expressed concern over an increase in traffic and the inability to discharge firearms on his property due to units being located directly behind his rear property line. Mr. Maness pointed out that the density in what is being proposed is less than what has already been approved.

Mr. Brad Parker of Greenway Development stepped forward to speak on behalf of the developer. Mr. Parker gave a brief overview of the project – stating that it is similar to the Graham Manor project presented earlier in the evening. He said his project consists of single story, cottage style units with every unit having a front porch and rear patio. Mr. Parker stated that there is a high demand for affordable housing for seniors.

Mr. John Wood, 125 North Harrington Street Raleigh, N.C., spoke on behalf of Cline Design Associates. He stated that there will be twelve (12) separate buildings with six (6) to seven (7) units in it. He further stated that the project is designed for the active over fifty-five (55) year old community. Mr. Wood stated that because this proposal is for seniors and is a lesser unit count than previously proposed, the traffic volume is expected to significantly lower than what a townhome project would produce.

Council Members asked Mr. Wood if the age restriction, on site management and the preliminary application steps would be similar to the Graham Manor project. Mr. Wood indicated they would be. Mr. Wood was asked if they exercise a management style similar to that of Graham Manor pertaining to visitors and to how many residents allowed per bedroom. Mr. Wood stated that they follow the same policies.

Being no further questions, Mayor Peterman closed the Public Hearing.

Council Member Kimrey made the motion that the application be approved with the following conditions:

- The project will supply a sidewalk along Cheeks Lane.
- The final site plan must be submitted to and approved by the TRC before a building permit and/or certificate of occupancy will be issued;

And the application is consistent with the *City of Graham Growth Management Plan 2000-2020*. Council Member Albright seconded the motion. Ayes: Council Member Kimrey, Council Member Albright, Mayor Peterman and Mayor Pro Tem Linens Nays: Council Member Turner. Motion carried 4:1.

Public Hearing: City of Graham Comprehensive Plan 2035. Review of the final draft and adoption.

Mr. Roger Walden of Clarion Associates gave an overview of the plan being proposed. He stated that he believes the Comprehensive Plan should answer three (3) questions:

- Where are we today?
- Where do we want to go?
- How do we get there?

Mr. Walden stated that they have spent the past year and a half working on this plan. He stated that during this time, they gathered information from a variety of interviews done with members of the community.

In addition, Clarion Associates interviewed stakeholders, held several public meetings and reviewed internet inquiries. Based on these interviews, they built the components of this plan – identifying the key issues as:

- Building upon our Community Character
- Bringing Business to Graham
- Accessing Local and Regional Opportunities
- Enhancing our Public Facilities and Services
- Expanding our Housing Options
- Conserving our Natural Environment

Mr. Walden spoke of existing land use patterns as well as future land use. He stated that the future land use map will establish desired development patterns and will serve as a blueprint for future growth. He also explained that the future land use map will also serve as a guide for future zoning decisions made in Graham. Mr. Walden identified the key issues with the land use map as the North Carolina Commerce Park (NCCP), the downtown area, the areas around the interstate interchanges, residential developments and several policy statements that try to take advantage of the infrastructure already in place.

Council Members discussed with Mr. Walden the Planning Board's recommendation that there be notification given to all citizens about the change their property may encounter with the adoption of this plan. It was noted that there has been an extensive outreach to the public, including but not limited to, multiple public meetings, mailings and information posted on the internet. Mr. Walden was asked if he felt there were any key areas that would need personal notification. He said he did not believe there were. Council Members expressed concern over adopting this plan without further reviewing it. Council Members ultimately decided that they would like to schedule a workshop to review the plan and make any changes in the plan or decisions regarding notification at that time.

Mayor Peterman asked Mr. Maness to schedule a future workshop to review the 2035 Comprehensive Plan in greater detail.

An Ordinance of the City Council of the City Of Graham, Amending Chapter 10 – Cemeteries of the Code of Ordinances of the City of Graham, North Carolina

Mr. Leinwand explained that Staff has been working on an ordinance creating a Cemetery Perpetual Care Fund, to be used as a guide for Staff and Council to spend funds collected from Graham's two (2) cemeteries. Mr. Leinwand stated that without a Perpetual Care Fund Ordinance, the monies in the cemetery fund will continue to accumulate and earn interest. The funds cannot be expended nor earmarked without an ordinance, and the City's General Fund will continue to be used exclusively for the operation and maintenance of the cemeteries.

Council Members and Staff discussed costs associated with maintaining the City's cemeteries. Mr. Maness stated that the interest we earn is nowhere near enough to cover the expenses of maintaining the cemeteries. Mr. Maness further explained that the principal in this fund will never be spent while the interest would be expendable for the maintenance and appearance of the cemeteries.

Mr. Maness went on to say that this Ordinance would help supplement those funds currently allocated in the General Fund.

Council Member Turner made the motion to approve the Ordinance to adopt Sect. 10-34 Cemeteries Perpetual Care Fund, seconded by Council Member Albright. All voted in favor of the motion.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAHAM,
AMENDING CHAPTER 10 – CEMETERIES OF THE CODE OF ORDINANCES
OF THE CITY OF GRAHAM, NORTH CAROLINA**

The City Council of the City of Graham, North Carolina, does ORDAIN:

Sec. 1. That Chapter 10, Sec. 10-34 of the Code of Ordinances, City of Graham, North Carolina, is hereby added;

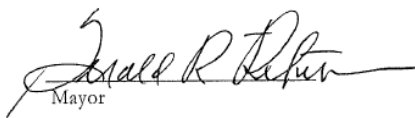
Sec. 10-34. Cemeteries perpetual care fund.

- (a) *Definition.* The term "perpetual care" means the cutting of grass upon plots in the cemeteries described in subsection (b) of this section at reasonable intervals, the pruning of shrubs and trees that may be placed by the city, the general preservation of the lots, grounds, walks, roadways, boundaries and structures, to the end that such grounds shall remain and be reasonably cared for as cemetery grounds forever. The term "perpetual care" shall in no case be construed as meaning the maintenance, repair or replacement of any grave markers placed upon lots or grave spaces, the planting of flowers or ornamental plants; the reconstruction of any bronze, marble, granite or concrete work on any section or lot or any portion or portions thereof in the cemetery, mausoleum or other buildings or structures, caused by the elements, an act of God, common enemy, thieves, vandals, strikers, malicious mischief makers, explosions, unavoidable accidents, invasions, insurrections, riots, or by order of any military or civil authority, whether the damage be direct or collateral, other than that as provided in this section.
- (b) *Established.* A fund, known as the Cemeteries Perpetual Care Fund, shall be established for the purpose of perpetually caring for and beautifying the city cemeteries. The city may accept gifts and bequests to the fund upon such terms as the donor may prescribe.
- (c) *Management of fund.* The principal of the fund shall be invested in the same manner as other city funds. Principal is defined as income from the sale of cemetery plots.
- (d) *Expenditure of income.* Perpetual care expenditure shall be limited to the income received from the investments of the fund with no part of the principal being expended.

Secs. 10-35 – 10-54. – Reserved.

Sec. 2. That this Ordinance shall be in full force and effect on April 14, 2015 and upon publication, as provided by law

This the 14th day of APRIL, 2015.


Mayor

ATTEST:


City Clerk

Issues Not Included on Tonight's Agenda

Council Member Albright informed those in attendance that they hoped that the fountain located between the Graham Library and the Children's Museum of Alamance would be dedicated next week commemorating the children of Alamance County.

At 10:06 p.m. Mayor Peterman made a motion to adjourn, seconded by Council Member Turner. All voted in favor of the motion.

Darcy Sperry, City Clerk

**CITY OF GRAHAM
RELEASE ACCOUNTS**

MAY CITY COUNCIL MEETING

<u>ACCT #</u>	<u>YEAR</u>	<u>RECIEPT</u>	<u>NAME</u>	<u>RE/PP</u>	<u>REASON FOR RELEASE</u>	<u>RELEASED</u>
44827	2014	5873	PATEL, JAYENDRA A	RE	ALA CO CORRECTED SQUARE FOOTAGE	223.80
254908	2012	27223	FARRELL, CHRISTOPHER C	PP	SOLD BOAT IN 2011	11.72
254908	2012	2724	FARRELL, CHRISTOPHER C	PP	SOLD BOAT MOTOR IN 2011	11.13
254908	2013	2650	FARRELL, CHRISTOPHER C	PP	SOLD BOAT IN 2011	10.85
254908	2013	2651	FARRELL, CHRISTOPHER C	PP	SOLD BOAT MOTOR IN 2011	11.13
254908	2014	2618	FARRELL, CHRISTOPHER C	PP	SOLD BOAT IN 2011	11.21
254908	2014	2619	FARRELL, CHRISTOPHER C	PP	SOLD BOAT MOTOR IN 2011	11.52

TOTAL RELEASES 291.36

4/29/2015

CITY OF GRAHAM REFUNDS

MAY CITY COUNCIL MEETING

<u>ACCT #</u>	<u>YEAR</u>	<u>RECEIPT</u>	<u>NAME</u>	<u>RE/PP</u>	<u>REASON FOR REFUND</u>	<u>AMOUNT REFUNDED</u>
44827	2010	5933	PATEL, JAYENDRA A	RE	ALA CO CORRECTED SQUARE FOOTAGE	218.89
44827	2011	5877	PATEL, JAYENDRA A	RE	ALA CO CORRECTED SQUARE FOOTAGE	216.43
44827	2012	5931	PATEL, JAYENDRA A	RE	ALA CO CORRECTED SQUARE FOOTAGE	216.43
44827	2013	5893	PATEL, JAYENDRA A	RE	ALA CO CORRECTED SQUARE FOOTAGE	216.43

TOTAL REFUNDS ***868.18***

4/29/2015



STAFF REPORT

SUBJECT:	CLOSURE OF 100 BLOCK OF WEST ELM ST. ON SEPTEMBER 10, 2015
PREPARED BY:	MELODY L. WIGGINS, DIRECTOR OF RECREATION AND PARKS

REQUESTED ACTION:

The Recreation and Parks Department requests the closure of the 100 block of W. Elm St. in downtown Graham on September 10, 2015 for a bonus concert in the Thursday At Seven concert series.

BACKGROUND/SUMMARY:

City Council has approved the closure of the 100 block of West Elm St. for the regularly scheduled concerts, the fourth Thursday of each month, May – September. Strong sponsor support from the community has afforded the Recreation and Parks Department the opportunity to add a sixth concert. The closure will occur from 5pm-11pm.

FISCAL IMPACT:

Sponsorship money already received will cover the complete cost of the bonus concert. The concert will attract hundreds of concert goers to downtown Graham which is a plus for downtown businesses, especially restaurants.

STAFF RECOMMENDATION:

Staff recommends approving closure of the 100 block of West Elm St. on September 10, 2015 from 5pm-11pm for the bonus concert in the Thursday At Seven concert series.

SUGGESTED MOTION(S):

I MAKE A MOTION TO APPROVE THE CLOSURE OF THE **100** BLOCK OF WEST ELM STREET ON **SEPTEMBER 10, 2015** FROM **5PM-11PM** FOR THE BONUS CONCERT IN THE **THURSDAY AT SEVEN** CONCERT SERIES.



STAFF REPORT

Prepared by Nathan Page, Interim City Planner

Apex View UBD and Community Center (SUP1501)

Type of Request: Special Use Permit

Meeting Dates

Planning Board on March 17, 2015

City Council on May 5, 2015

Contact Information

Thangaraju Muruegsan

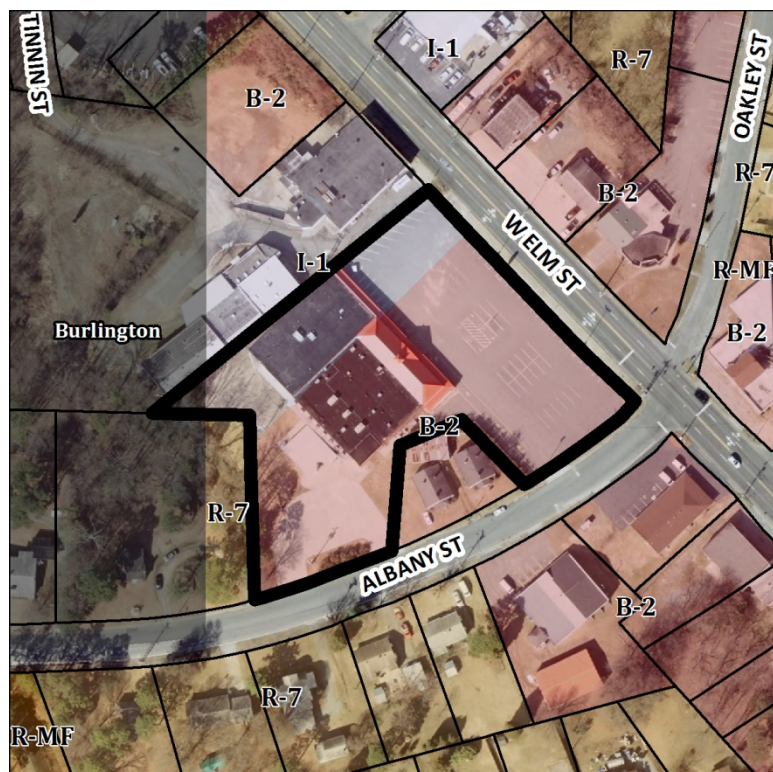
503 Front Ridge Dr. Cary NC 27519

919-308-0255

apexview14@yahoo.com

Summary

This is a request for a Special Use Permit for a Community Center and Unified Business Development (UBD) for property located at 602 W. Elm St. There is an existing building on the site – previously the Simmons Center. The existing drive-thru is to be utilized. The total building square footage is 23,000, with two 4,000 sq ft units, and one 15,000 sq ft unit. Additionally, one of the smaller units is proposed as a community center.



Location

602 W. Elm St

GPIN: 8874759635

Proposed Special Use

Unified Business Development
and Community Center

Current Zoning

Light Industrial (I-1) and General
Business (B-2)

Overlay District

N/A

Surrounding Zoning

B-2, R-7, & I-1

Surrounding Land Uses

Single Family Houses, Duplex
Houses, General Businesses &
Light Industrial

Public Water & Sewer

Yes

Floodplain

No

Staff Recommendation

Approval

This site was originally developed in 1967, as a multi-tenant building (unified business development). This occurred before the adoption of a Special Uses clause for buildings with multiple tenants in our ordinance. However, given that the site remained vacant for greater than 180 days, a new Special Use Permit is now required to allow for multiple tenants. The location currently has 110 parking spaces.

The building, with a total of about 23,000 sq ft, was subdivided into three units (1, 2, and 3). Unit 1 is about 15,000 sq ft and was used as a supermarket/grocery and meat market business. Units 2 and 3, about 4,000 sq ft and 4,100 sq ft, remained vacant spaces that can be used for any purpose. Currently, one prospective tenant intends to use Unit 2 to run a Party hall/Event center/Community center. Some other proposed uses are to run a non-profit adoption and rescue center, church, gym, or dollar tree etc. in Unit 3.

Since the proposal is to use an existing building as is, no landscaping is required to be installed by the owner. However, if the owner were to expand over 3,000 sq ft or begin new construction, they would have to meet landscaping requirements in relation to the expansion or new construction.

Conformity to the *Growth Management Plan (GMP)* and Other Adopted Plans

Planning District: North

Development Type: Highway Commercial

Applicable Goals to Guide Us into the Future

- 6.1.2. Continue to support efforts that identify, restore and/or reuse cultural and historic structures, buildings, monuments, and neighborhoods. *The existing structure was constructed in 1967, and this special use permit would allow a reuse of the building which has been vacant for some time.*
- 6.2.3. Provide various and adequate community facilities for all residents throughout the city. *This special use permit would allow a privately owned community center facility in the northern part of the city.*
- 6.3.2 Encourage commercial development that utilizes effective landscaping and buffering to aid in improving the overall aesthetics of the community. *The development on this site pre-dates current landscaping ordinances. Unless alterations specified above take place, no landscaping will be required.*
- 6.3.2. Prohibit the encroachment of commercial development into established or planned residential areas. *The building is located in an identified highway commercial corridor.*
- 6.3.8. Encourage the reuse and revitalization of unused or underutilized structures and properties. *This special use permit would allow new uses in an existing building which has been underutilized.*

Description of Development Type

North

Development Toolkit Checklist

Located near a major thoroughfare

With commercial and Office/Institutional Uses

Characteristics include strip development, automobile orientation, sidewalks, landscaping, buffering, on-site parking

10,001 to 100,000 sq ft of retail

Infrastructure includes water, sewer, street connectivity and underground utilities

Applicable Planning District Policies and Recommendations

- 7.3.4.1.1. Encourage infill development within the district, as well as redevelopment efforts of deteriorating structures. *This special use permit would permit the reuse of a building designed as a shopping center.*
- 7.3.4.1.5. Prohibit the continuation of additional commercial strip development along major thoroughfares. *The development will not add additional commercial strip, but reuse a site which was already developed as auto-oriented.*

DRAFT Findings of Fact and Conclusions

In granting a special use permit, the City Council shall find that all of the six conditions listed below have been met, or it shall be denied. Staff has prepared the following DRAFT findings of fact for each of the six conditions. These findings should be modified by the Council as it considers its decision.

1. All applicable regulations of the zoning district in which the use is proposed are complied with.
 - *The property is zoned B-2 and I-1. "Unified Business Development" is permitted in both the B-2 and I-1 districts. The property will allow all uses allowed in a B-2 district, with the exceptions as noted our ordinance, under section 10.149.*
 - *The existing signs appear to conform to our ordinance. Any new or replaced signs will need sign permits.*
 - *The existing building may be nonconforming with respect to side and rear yard setbacks, but no new construction is proposed that would increase these nonconformities.*
 - *The property may also be nonconforming with regards to screening of adjacent residentially zoned properties.*
2. Conditions specific to each use, identified by the Development Ordinance, are complied with.
 - *There are no conditions specific to "community centers."*
 - *All uses permitted in the B-2 district are permitted in a Unified Business Development, with the exception of certain uses which are not permitted. The only use specified for this Unified Business Development is the community center. That use is permitted in the B-2 district with a special use permit, and is not prohibited in Unified Business Developments. All future uses to be located within the UBD will be required to obtain a Zoning Permit prior to occupancy.*
 - *All uses shall be completely enclosed in buildings except for plant sales, sidewalk cafes, and permitted drive-in uses. The proposed uses are completely enclosed, with the exception of the proposed drive-thru window. Drive-in establishments offering goods or services directly to customers in parked cars shall be permitted only when the locations of the builds and access drives have been approved by the city council. This proposal includes a drive-thru window, which is seeking the approval of City Council.*
 - *An opaque screen shall be provided wherever, in the city council's judgment, such screening is necessary to shield adjacent residential districts. There is a residential zone to the rear of the building, zoned R-7, and currently occupied by single family residential.*
 - *Off-street parking for 110 spaces is currently provided. A 15,000 sq ft grocery would require 75 spaces, the 4,100 sq ft community center 21 spaces, and a 4,000 sq ft service establishment dealing frequently with the public another 20. This would require a total of 116. However, if the*

uses are service establishments dealing infrequently with the public and low-volume retailers, the smaller units could require as little as 14 additional parking spaces, for a total of 89. If all three units require 1 spot per 200 sq ft (the required for high volume retail, service establishments dealing frequently with the public, and community centers), the site would require 6 additional spaces.

- *The property is located along a major thoroughfare, minor arterial, or collector street (existing or proposed). This UBD abuts West Elm Street/Highway 87, which is a principal arterial.*
 - *The property is also nonconforming for landscaping, but would not be required to meet current ordinances unless the site adds more than 3,000 sq ft. or constructs a new building. In which case, said modifications would only be required in relation to the expansion or new construction.*
3. The use will not materially endanger the public health or safety if located where proposed and developed according to the plan as submitted.
 - *The reuse of the location as a shopping center will not materially endanger the public health or safety.*
 4. The use will not substantially injure the value of adjoining property or that the use is a public necessity.
 - *The proposed UBD will not substantially injure the value of adjoining property.*
 5. The location and character of the use if developed according to the plan as submitted will be in harmony with the area in which it is to be located and in general conformity with the plan of development for the Graham planning area.
 - *The community center and unified business district will be located along a major road in a highway commercial corridor and is in general conformity with the Growth Management Plan 2000-2020*
 6. Satisfactory provision has been made for the following, when applicable: vehicle circulation, parking and loading, service entrances and areas, screening, utilities, signs and lighting, and open space.
 - *Public water and sewer, parking and loading, service entrances and areas, utilities, and signs and lighting are satisfactorily provided.*
 - *Vehicle circulation is being proposed to remain as is. City Council must approve the proposed location of the drive-thru window, as well as access drives.*
 - *Parking is being proposed to remain as is.*

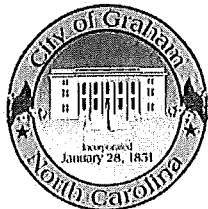
Staff Recommendation

Based on the *Growth Management Plan 2000-2020* and the *City of Graham Development Ordinance*, staff **recommends approval** of the Special Use Permit. The following supports this recommendation:

- The development furthers goals of the *Growth Management Plan* and is in conformance with the Highway Commercial development type.
- The development meets all six conditions required by Section 10.144 of the *Development Ordinance*.

RECEIVED

JAN 21 2015

CITY OF GRAHAM
INSP. / P.Z.

Application for SPECIAL USE PERMIT

P.O. Drawer 357
201 South Main Street
Graham, NC 27253
(336) 570-6705
Fax (336) 570-6703
www.cityofgraham.com

Uses shown as "S" in the *City of Graham Development Ordinance*, Section 10.135 Table of Permitted Uses, require a Special Use Permit before the use will be permitted in the zoning district. Applicants are strongly encouraged to consult with the City Planner to understand the requirements for the proposed special use and the information that will be needed as part of this application.

Site

Street Address: 602 W. Elm Street, Graham, NC
Tax Map#: 134490 GPIN: 8874759635
Current Zoning District(s): B-2 and I-1
Overlay District, if applicable:
☐ Historic ☐ S Main St/Hwy 87 ☐ E Harden St/Hwy 54
Current Use: Vacant building
Property Owner: APEX VIEW VENTURES, LLC
Mailing Address: 1608 BRAMBLETON COURT
City, State, Zip: GRAHAM, NC 27253
Phone #: (952) 942-8714
Email: APEXVIEW14@YAHOO.COM

Applicant and Project Contact

Name: THANGARAJU MURUEGSAN
☒ Property Owner ☐ Other _____
Mailing Address: 503 FRONT RIDGE DR
City, State, Zip: CARY, NC 27519
Phone #: (919) 308-0255
Email: APEXVIEW14@YAHOO.COM

I certify that all information furnished is true to the best of my knowledge. I have provided all information needed to demonstrate that all requirements of the proposed special use will be met.

Signature of Applicant

Date

Signature of Property Owner
(if other than applicant)

Date

Office Use Only. DEVID#

SUP 1501

Proposed Special Use

Proposed Use (from Sec. 10.135 Table of Permitted Uses):
Community center *Unified Business Development*

☒ Check if this use is also listed in
Section 10.149 Special uses listed

This application **must include sufficient information** to demonstrate that all requirements of the proposed special use will be met. Check which of the following are submitted with this application:

☐ Preliminary Site Plan

☒ Descriptive Information

The building with about 23000 sqft. was subdivided into three Units (1, 2 and 3).

The Unit 1 with about 15000 sqft was used for supermarket/grocery and meat market business while the Unit 2 (about 4000 sqft.) and Unit 3 (about 4100 sqft.) were never been used for anything rather they were maintained as vacant spaces/open spaces that can be used for any purposes.

Currently, one of our prospective tenants intended to use Unit 2 to run a Party hall/Event center/Community center.

Some others proposed to run a non-profit adoption and rescue center, church, gym and dollar tree etc. in Unit 3.

The building has 110 parking spaces.

☐ Additional sheets of Descriptive Information

Because applications for a Special Use Permit go through the public hearing process, applicants are encouraged to contact neighboring property owners prior to the public hearing.

Other Requirements

☐ NCDOT Driveway Permit, if a new or relocated driveway is proposed on a NCDOT road, or for existing driveways if the use of the property is changing



PLANNING BOARD

Recommendation & Statement of Consistency

Per NCGS 160A-383, zoning regulations shall be made in accordance with an adopted comprehensive plan and any other officially adopted plan that is applicable. The Planning Board shall advise and comment on whether the proposed amendment is consistent with the "City of Graham Growth Management Plan 2000-2020" and any other officially adopted plan that is applicable. The Planning Board shall provide a written recommendation to the City Council that addresses plan consistency and other matters as deemed appropriate by the Planning Board, but a comment by the Planning Board that a proposed amendment is inconsistent with the "City of Graham Growth Management Plan 2000-2020" shall not preclude consideration or approval of the proposed amendment by the City Council.

Apex View UBD and Community Center (SUP1501)

Type of Request
Special Use Permit

Meeting Dates
Planning Board on March 17, 2015
City Council on April 14, 2015

☐ I move to **recommend APPROVAL** of the application as presented.

☒ I move to **recommend APPROVAL with the following conditions:**

- The existing drive-thru window be closed and the lane be removed.

☐ I move to **recommend DENIAL.**

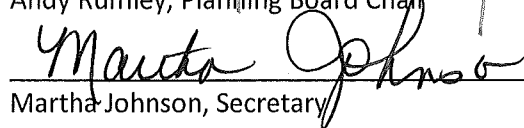
☒ The application is **consistent** with the *City of Graham Growth Management Plan 2000-2020*.

☐ The application is **not fully consistent** with the *City of Graham Growth Management Plan 2000-2020*.

This report reflects the recommendation of the Planning Board, this the 17th day of February, 2015.

Attest:


Andy Rumley, Planning Board Chair


Martha Johnson, Secretary



City Council Decision & Statement of Consistency

Per NCGS 160A-383, zoning regulations shall be made in accordance with an adopted comprehensive plan and any other officially adopted plan that is applicable. When adopting or rejecting any zoning amendment, the City Council shall also approve a statement describing whether its action is consistent with the comprehensive plan and briefly explaining why the City Council considers the action taken to be reasonable and in the public interest. The Planning Board shall provide a written recommendation to the City Council, but a comment by the Planning Board that a proposed amendment is inconsistent with the comprehensive plan shall not preclude consideration or approval of the proposed amendment by the City Council.

Apex View UBD and Community Center (SUP1501)

Type of Request
Special Use Permit

Meeting Dates
Planning Board on March 17, 2015
City Council on May 5, 2015

1. Choose one...

- ☐ I move that the application be **APPROVED as presented**.
- ☐ I move that the application be **APPROVED with the following conditions**:
- The existing drive-thru window be closed and the lane be removed.
 - [Insert additional or other conditions]
- ☐ I move that the application be **DENIED**.

2. Choose one...

- ☐ I move to adopt the Findings of Fact and Conclusions of Law **as presented in the staff report**.
- ☐ I move to adopt the Findings of Fact and Conclusions of Law presented in the staff report **with the following revisions**:
- [Clearly describe revisions]

3. Choose one...

- ☐ The application is **consistent** with the *City of Graham Growth Management Plan 2000-2020*.
- ☐ The application is **not fully consistent** with the *City of Graham Growth Management Plan 2000-2020*.

4. State reasons...

This action is reasonable and in the public interest for the following reasons:

- The proposed special use permit is compatible with the area and meets all six conditions required by Section 10.144 of the *Development Ordinance*.
- [insert additional or other reasons]

This report reflects the decision of the City Council, this the 5th day of May, 2015. Attest:

Gerald R. Peterman, Mayor

Darcy L. Sperry, City Clerk



STAFF REPORT

SUBJECT:	ANNEXATION OF PROPERTY AT KIMREY RD
PREPARED BY:	NATHAN PAGE, INTERIM CITY PLANNER

REQUESTED ACTION:

Approve the Annexation Ordinance to Extend the Corporate Limits of the City of Graham, North Carolina for Property at Kimrey Road.

BACKGROUND/SUMMARY:

The attached petition seeks the Council's approval for an extension of the corporate limits to include the subject property. The area being considered for annexation is the parcel located on Kimrey Road (Tract 1; 84.433 acres, and Tract 2; 3.901 acres). The area is not contiguous to the primary corporate limits of the City of Graham.

The annexation process has multiple steps. Following a public hearing, approval of an Annexation Ordinance is the final step for Council in the annexation process.

FISCAL IMPACT:

The fiscal impact of this property is negligible. The 88.334 acres are currently valued around \$5.489.33/acre (non-farm use).

STAFF RECOMMENDATION:

Approval. Annexation of the subject property will afford the property access to City services.

SUGGESTED MOTION(S):

I move we approve the Annexation Ordinance to Extend the Corporate Limits of the City of Graham, North Carolina for property at Kimrey Road.

ANNEXATION ORDINANCE

TO EXTEND THE CORPORATE LIMITS

OF THE

CITY OF GRAHAM, NORTH CAROLINA

FOR PROPERTY AT KIMREY ROAD

WHEREAS, the Graham City Council has been petitioned under G.S. 160A-58.1 to annex the area described below; and

WHEREAS, the Graham City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

WHEREAS, the City Clerk has certified the sufficiency of the petition and a public hearing on the question of this annexation was held at City Hall, 201 South Main Street, Graham at 7:00 P.M. on May 5, 2015, after due notice by publication on April 23, 2015; and

WHEREAS, the Graham City Council finds that the petition meets the requirements of G.S. 160A-58.1;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Graham, North Carolina that:

Section 1. By virtue of the authority granted by G.S. 160A-58.1, the following described territory is hereby annexed and made part of the City of Graham as of May 31, 2015:

TRACT 1 AREA TO BE ANNEXED

METES & BOUNDS DESCRIPTION

BEING A TRACT OF LAND SITUATED AT THE NORTHWEST RIGHT OF WAY OF KIMREY ROAD (S.R. 2125), A PORTION OF TAX IDS: 159502 & 159503, SITUATED IN THE UNINCORPORATED AREA OF ALAMANCE COUNTY, NORTH CAROLINA, MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT NCGS STATION "GUVNOR" HAVING NC GRID COORDINATES IN U.S. SURVEY FEET OF NORTH 839,741.12 AND EAST 1,897,712.00;

THENCE, S 72°50'06" E, A HORIZONTAL GRID DISTANCE OF 2,798.27 FEET TO A CALCULATED POINT, THE POINT OF BEGINNING;

THENCE, IN A CLOCKWISE DIRECTION, N 54°37'42" E, 1,141.25 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2,030.00', A DELTA OF 003°31'27", AN ARC LENGTH OF 124.87 FEET AND A CHORD OF 124.85 FEET BEARING N 52°51'58" E TO A CALCULATED POINT;

THENCE, N 51°06'15" E, 149.89 FEET TO A FOUND ¾" PIPE, THE WESTERN CORNER OF THAT WAL-MART STORES EAST LP PARCEL RECORDED IN BOOK 3352, PAGE 601, ACR;

THENCE, S 40°31'34" E, 2,757.64 FEET TO A FOUND 3/4" PIPE ON THE NORTHERLY RIGHT OF WAY LINE OF KIMREY ROAD (60' PUBLIC RIGHT OF WAY), MAP BOOK 65, PAGE 177, ACR;

THENCE, WITH THE NORTHERLY RIGHT OF WAY OF KIMREY ROAD THESE FOLLOWING SEVEN (7) COURSES;

1. S 62°26'38" W, 214.93 FEET TO A CALCULATED POINT;
2. S 63°31'49" W, 130.18 FEET TO A CALCULATED POINT;
3. S 67°35'48" W, 218.73 FEET TO A CALCULATED POINT;
4. S 68°20'37" W, 305.36 FEET TO A CALCULATED POINT;
5. S 67°47'44" W, 316.89 FEET TO A CALCULATED POINT;
6. S 68°42'20" W, 171.75 FEET TO A CALCULATED POINT;
7. S 69°59'44" W, 129.24 FEET TO A CALCULATED POINT;

THENCE, N 40°23'47" W, 2,423.69 FEET TO POINT OF BEGINNING, AND CONTAINING 84.433 ACRES OR 3,677,901.57 SQUARE FEET OF LAND, AS SHOWN ON THAT "FINAL PLAT SHOWING: CORPORATE LIMITS EXTENSION CITY OF GRAHAM" MAP PREPARED BY THE SURVEY COMPANY INC., DATED MARCH 27, 2015. SIGNED BY CHARLES S. LOGUE, NC PLS #L-4212.

TRACT 2 AREA TO BE ANNEXED

METES & BOUNDS DESCRIPTION

BEING A TRACT OF LAND SITUATED AT THE NORTHEAST RIGHT OF WAY GOVERNOR SCOTT FARM ROAD (S.R. 2124), A PORTION OF TAX IDS: 159502 & 159503, SITUATED IN THE UNINCORPORATED AREA OF ALAMANCE COUNTY, NORTH CAROLINA, MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT NCGS STATION "GUVNOR" HAVING NC GRID COORDINATES IN U.S. SURVEY FEET OF NORTH 839,741.12 AND EAST 1,897,712.00;

THENCE, S 42°43'16" E, A HORIZONTAL GRID DISTANCE OF 2205.66 FEET TO A FOUND #4 REBAR IN THE CENTERLINE OF GOVERNOR SCOTT FARM ROAD (A 60' WIDE PUBLIC RIGHT OF WAY),THE POINT OF BEGINNING;

THENCE, IN A CLOCKWISE DIRECTION, N 49°51'03" E, 35.78 FEET TO A CALCULATED POINT, ON THE EASTERN PROPERTY LINE OF THAT CARL A. WESTMAN PARCEL RECORDED IN BOOK 2976, PAGE 166, ACR;

THENCE, S 46°24'08" E, 40.91 FEET TO A CALCULATED POINT;

THENCE, N 60°06'44" E, 61.91 FEET TO A CALCULATED POINT;

THENCE, N 51°58'56" E, 192.96 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2,970.00', A DELTA OF 001°23'56", AN ARC LENGTH OF 72.51 FEET AND A CHORD OF 72.51 FEET BEARING N 51°16'58" E TO A CALCULATED POINT;

THENCE, N 50°34'59" E, 713.53 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 2,430.00', A DELTA OF 004°02'43", AN ARC LENGTH OF 171.56 FEET AND A CHORD OF 171.53 FEET BEARING N 52°36'21" E TO A CALCULATED POINT;

THENCE, N 54°37'42" E, 1,307.72 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 1,970.00', A DELTA OF 003°31'27", AN ARC LENGTH OF 121.17 FEET AND A CHORD OF 121.16 FEET BEARING N 52°51'58" E TO A CALCULATED POINT;

THENCE, N 51°06'15" E, 148.18 FEET TO A CALCULATED POINT ON THE WESTERLY LINE OF THAT KIMREY FARMS LLC PARCEL RECORDED IN BOOK 3304, PAGE 397, ACR;

THENCE, S 40°31'38" E, 60.00 FEET TO A FOUND ¾" PIPE, THE WESTERN CORNER OF THAT WAL-MART STORES EAST LP PARCEL RECORDED IN BOOK 3352, PAGE 601, ACR;

THENCE, S 51°06'15" W, 149.89 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 2,030.00', A DELTA OF 003°31'27", AN ARC LENGTH OF 124.87 FEET AND A CHORD OF 124.85 FEET BEARING S 52°51'58" W TO A CALCULATED POINT;

THENCE, S 54°37'42" W, 1,141.25 FEET TO A CALCULATED POINT;

THENCE, S 54°37'42" W, 166.48 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2,370.00', A DELTA OF 004°02'43", AN ARC LENGTH OF 167.32 FEET AND A CHORD OF 167.29 FEET BEARING S 52°36'21" W TO A CALCULATED POINT;

THENCE, S 50°34'59" W, 713.53 FEET TO A CALCULATED POINT;

THENCE, WITH AN ARC OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 3,030.00', A DELTA OF 001°23'56", AN ARC LENGTH OF 73.98 FEET AND A CHORD OF 73.98 FEET BEARING S 51°16'58" W TO A CALCULATED POINT;

THENCE, S 51°58'56" W, 194.25 FEET TO A CALCULATED POINT;

THENCE, S 42°53'55" W, 62.14 FEET TO A CALCULATED POINT;

THENCE, S 30°08'32" E, 85.24 FEET TO A CALCULATED POINT;

THENCE, S 51°43'22" W, 27.77 FEET TO A CALCULATED POINT IN THE CENTERLINE OF GOVERNOR SCOTT FARM ROAD;

THENCE, N 38°16'38" W, 202.27 FEET TO THE **POINT OF BEGINNING**, AND CONTAINING 3.901 ACRES OR 175,618.05 SQUARE FEET OF LAND, AS SHOWN ON THAT "FINAL PLAT SHOWING: CORPORATE LIMITS EXTENSION CITY OF GRAHAM" MAP PREPARED BY THE SURVEY COMPANY INC., DATED MARCH 27, 2015. SIGNED BY CHARLES S. LOGUE, NC PLS #L-4212.

Section 2. Upon and after May 31, 2015, the above-described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the City of Graham and shall be entitled to the same privileges and benefits as other parts of the City of Graham. Said territory shall be subject to municipal taxes according to G.S. 160A-58.10.

Section 3. The Mayor of the City of Graham shall cause to be recorded in the office of the Register of Deeds of Alamance County, and in the office of the Secretary of State at Raleigh, North Carolina, an accurate map of the annexed territory described in Section 1 above, together with a duly certified copy of this Ordinance. Such a map shall also be delivered to the Alamance County Board of Elections, as required by G.S. 163-288.1.

Adopted this, the 5th day of May, 2015.

Gerald R. Peterman, Mayor

ATTEST:

Darcy L. Sperry, City Clerk

APPROVED AS TO FORM:

Keith Whited, City Attorney

North Arrow

CITY OF GRAHAM, NORTH CAROLINA

OFFICE OF THE CITY ENGINEER

APPROVED FOR THE CITY OF GRAHAM

DATE: 05/15/2024

CERTIFICATE OF ACCURACY

I, the undersigned, being a duly qualified and licensed Professional Surveyor in the State of North Carolina, do hereby certify that I am the author of the foregoing and that the same is a true and correct copy of the original as the same appears in my files.

DATE: 05/15/2024

SURVEYOR'S NAME: JAMES H. HARRIS

NO. 10000000000000000000

STATE OF NORTH CAROLINA

OFFICE OF THE STATE ENGINEER

APPROVED FOR THE STATE OF NORTH CAROLINA

DATE: 05/15/2024

CERTIFICATE OF PUBLICITY OF PLAN

I, the undersigned, being a duly qualified and licensed Professional Surveyor in the State of North Carolina, do hereby certify that I am the author of the foregoing and that the same is a true and correct copy of the original as the same appears in my files.

DATE: 05/15/2024

SURVEYOR'S NAME: JAMES H. HARRIS

NO. 10000000000000000000

STATE OF NORTH CAROLINA

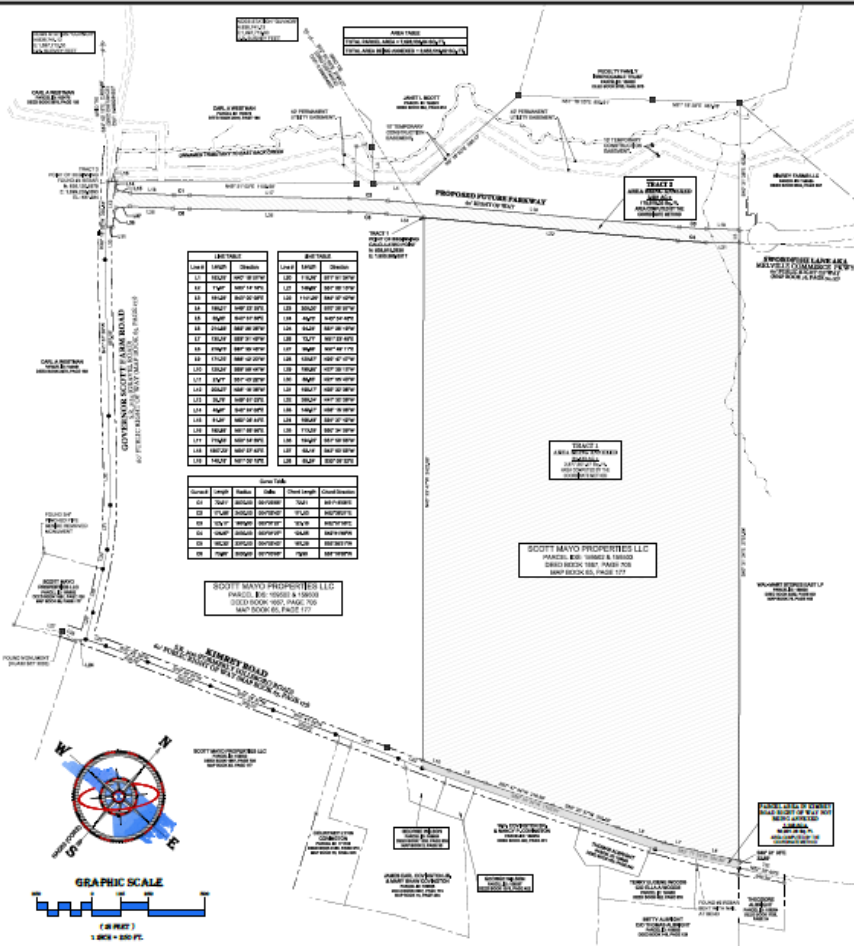
OFFICE OF THE STATE ENGINEER

APPROVED FOR THE STATE OF NORTH CAROLINA

DATE: 05/15/2024

GRAPHIC SCALE

1" = 100' PL



THE SURVEY COMPANY, INC.

405-B STREET ANNEKE BLVD

CHARLOTTE, NC 28217

PHONE: 919.999.9999 FAX: 919.999.9999

WWW.SURVEYCO.COM

REGISTRATION NUMBER: 0-078

FINAL PLAT SHOWING:

CORPORATE LIMITS EXTENSION

CITY OF GRAHAM

PORTION OF TAX PARCELS 159502 & 159503

KIRK TOWNSHIP

ALAMANCE COUNTY - NORTH CAROLINA

PROPERTY OWNER:

SCOTT MAYO PROPERTIES LLC

P.O. BOX 1000

WILKINSON, NC 27604

PREPARED FOR:

SCOTT MAYO PROPERTIES LLC

405-B STREET ANNEKE BLVD

CHARLOTTE, NC 28217

PHONE: 919.999.9999 FAX: 919.999.9999

PROJECT NUMBER:

159502

DATE: 05/15/2024

BY: JAMES H. HARRIS

CHECKED BY: JAMES H. HARRIS

DATE: 05/15/2024



STAFF REPORT

SUBJECT:	ANNEXATION OF PROPERTY AT 351 LONGDALE DRIVE
PREPARED BY:	NATHAN PAGE, INTERIM CITY PLANNER

REQUESTED ACTION:

Approve the following (separately):

1. Resolution Directing the Clerk to Investigate a Petition Received Under G.S. 160A-31 for Property at 351 Longdale Drive.
2. Resolution Fixing Date of Public Hearing on Question of Annexation Pursuant to G.S. 160A-31 for Property at 351 Longdale Drive.

BACKGROUND/SUMMARY:

The attached petition seeks the Council's approval for an extension of the corporate limits to include the subject property. The area being considered for annexation is the parcel located at 351 Longdale Drive (0.55 acres).



The annexation process has multiple steps. The preliminary steps following receipt of a petition are to adopt two resolutions that are outlined in the "Requested Action" above. Approval of these resolutions does not finalize the annexation as Council is required to advertise and conduct a public hearing, followed by a vote on an annexation ordinance.

FISCAL IMPACT:

The fiscal impact of this annexation is negligible. The area has city water and sewer available.

STAFF RECOMMENDATION:

Approval. The adoption of the requested resolutions simply moves forward the annexation process.

SUGGESTED MOTION(S):

1. I move we approve the Resolution Directing the Clerk to Investigate a Petition Received Under G.S. 160A-31 for Property at 351 Longdale Drive.
2. I move we approve the Resolution Fixing Date of Public Hearing on Question of Annexation Pursuant to G.S. 160A-31 for Property at 351 Longdale Drive.

RESOLUTION DIRECTING THE CLERK TO INVESTIGATE
A PETITION RECEIVED UNDER G.S. 160A-31
FOR PROPERTY AT 351 LONGDALE DRIVE

WHEREAS, a petition requesting annexation of an area described in said petition was received on May 1, 2015, by the Graham City Council; and

WHEREAS, G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Graham deems it advisable to proceed in response to this request for annexation.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Graham:

That the City Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the City Council the result of her investigation.

Gerald R. Peterman, Mayor

ATTEST:

Darcy L. Sperry, City Clerk

RESOLUTION FIXING DATE OF PUBLIC HEARING
ON QUESTION OF ANNEXATION PURSUANT TO G.S. 160A-31
FOR PROPERTY AT 351 LONGDALE DRIVE

WHEREAS, a petition requesting annexation of the contiguous area described herein has been received; and

WHEREAS, the City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification by the City Clerk as to the sufficiency of the petition has been made;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Graham, North Carolina that:

Section 1. A public hearing on the question of annexation of the area described herein will be held at the City Hall, 201 S. Main Street, Graham, NC at 7:00pm on June 2, 2015.

Section 2. The area proposed for annexation is described as follows:

A certain tract or parcel of land in Graham Township, Alamance County, North Carolina, adjoining the lands of Noah Road (S.R. 2218), Longdale Drive, City of Graham Corporate Limits, Lot Nos. 1 and 6 of Final Plat Property of J. L. Foust and others, and more particularly described as follows:

BEGINNING at an iron stake at the intersection of the right-of-way lines of Noah Road (S.R. 2218) and Longdale Drive, and corner with the City of Graham existing corporate limits line, running thence along the right-of-way line of Longdale Drive and City of Graham existing corporate limits line the following two courses and distances: (1) S11° 36' 18"E 19.32 feet to an iron stake; (2) S38° 08' 18"W 157.28 feet to an iron stake and corner between Lot Nos. 6 and 7 of the Final Plat Property of J. L. Foust, a plat of which is recorded in Plat Book 75, at Page 492, in the office of the Alamance County Register of Deeds, running thence along the line between said Lot Nos. 6 and 7 N48° 15' 00"W 156.86 feet to an iron stake corner between said Lot Nos. 6 and 7, and in the line of Lot No. 1; running thence along the line between Lot Nos. 1 and 7 N36° 03' 13"E 105.39 feet to an iron stake corner between Lot Nos. 1 and 7, and in the south 60 foot right-of-way line of Noah Road (S.R. 2218); running thence along the said south right-of-way line of Noah Road (S.R. 2218) and along a curve to the right having a chord bearing and distance of S75° 23' 56"E 155.52 feet, radius of 445.11 feet to the POINT OF BEGINNING and being all of Lot No. 7 of the Final Plat Property of J. L. Foust, containing 22,860 square feet or 0.0008 square miles, a plat of which is recorded in Plat Book 75, at Page 492, in the office of the Alamance County Register of Deeds.

Section 3. Notice of the public hearing shall be published once in The Alamance News, a newspaper having general circulation in the City of Graham, at least ten (10) days prior to the date of the public hearing.

Gerald R. Peterman, Mayor

ATTEST:

Darcy L. Sperry, City Clerk

P.O. Drawer 357
201 South Main Street
Graham, NC 27253
(336) 570-6705
Fax (336) 570-6703
www.cityofgraham.com

1. We, the undersigned owners of real property, respectfully request that the area described in paragraph 2 below be annexed into the City of Graham.

2. The area to be annexed is ☒ contiguous ☐ non-contiguous to the City of Graham and the boundaries of such territory are as follows:

Southwest corner of Noah Road and Longdale Drive.

Annexation Plat – 1 paper copy, 2 mylars and 1 pdf. In addition to standard plat information, also include tax map numbers of all parcels and total square miles and acreage of area to be annexed.

3. We acknowledge that any zoning vested rights acquired pursuant to G.S. 160A-385.1 or G.S. 153A-344.1 must be declared and identified on this petition. We further acknowledge that failure to declare such rights on this petition shall result in a termination of vested rights previously acquired for the property. (If zoning vested rights are claimed, indicate yes below and attach proof.)

[illegible]

attach additional sheets if necessary...

SURVEYOR'S CERTIFICATION
STATE OF NORTH CAROLINA, COUNTY OF ALAMANCE
I, WAYNE B. PERRY, COUNTY CLERK, DO HEREBY CERTIFY THAT THIS MAP WAS PREPARED BY AN ACTUAL PROFESSIONAL LAND SURVEYOR, AND THAT THE SURVEYOR HAS COMPLIED WITH ALL REQUIREMENTS OF THE NORTH CAROLINA PROFESSIONAL LAND SURVEYING ACT, AND THAT THE SURVEYOR HAS COMPLIED WITH ALL REQUIREMENTS OF THE NORTH CAROLINA PROFESSIONAL LAND SURVEYING ACT, AND THAT THE SURVEYOR HAS COMPLIED WITH ALL REQUIREMENTS OF THE NORTH CAROLINA PROFESSIONAL LAND SURVEYING ACT.

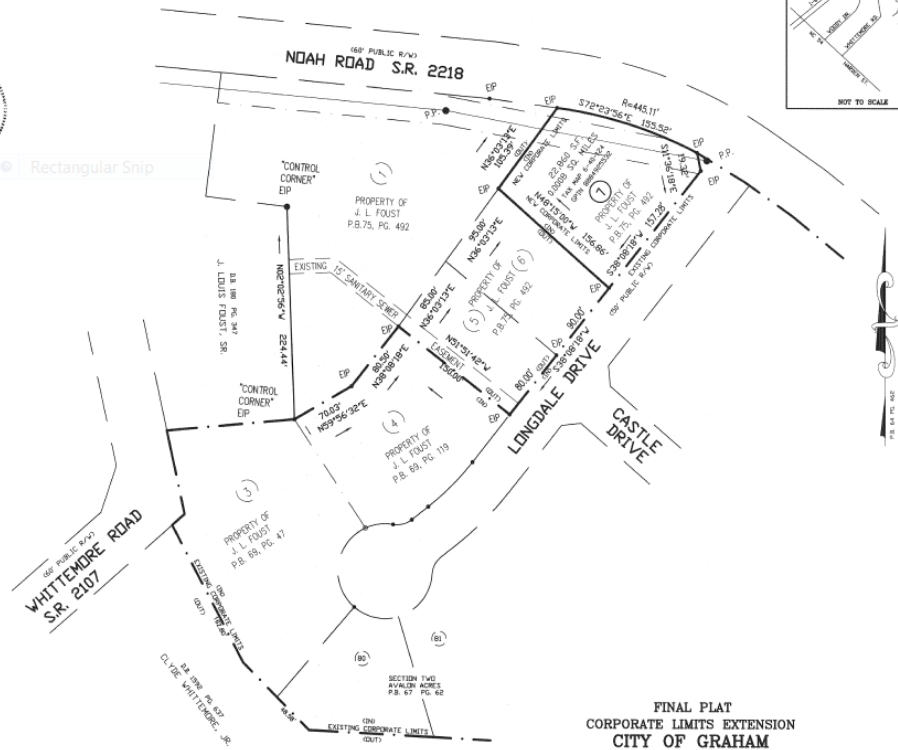
WITHIN MY HAND AND OFFICIAL SEAL THIS 27th DAY OF APRIL, 2015.
Wayne B. Perry
PROFESSIONAL LAND SURVEYOR - L-2482



Rectangular Snip

STATE OF NORTH CAROLINA
COUNTY OF ALAMANCE
I, _____
DEPUTY COUNTY CLERK, DO HEREBY CERTIFY THAT THIS MAP OR PLAN TO WHICH THIS CERTIFICATION IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.
DATE: _____

APPROVED BY THE GRAHAM CITY COUNCIL ON THE _____ DAY OF _____, 2015.
PROVIDED THAT THE PLAN BE RECORDED WITHIN SIXTY (60) DAYS OF FINAL APPROVAL.
MAYOR: _____ DATE: _____



FINAL PLAT
CORPORATE LIMITS EXTENSION
CITY OF GRAHAM
GRAHAM TOWNSHIP, ALAMANCE COUNTY, N. C.
SCALE: 1"=60' APRIL 27, 2015
0 60 120 180 240 300
WAYNE B. PERRY PROFESSIONAL LAND SURVEYOR
2823 CATHERINE DRIVE BURLINGTON, N. C. 27215
PHONE - 336-504-9827 JOB NO. 15012

LEGEND
IRON STAKE FOUND

PLANNING ZONING BOARD
Tuesday, April 21, 2015

The Planning & Zoning Board held their regular meeting on Tuesday, April 21, 2015 in the Council Chambers of the Graham Municipal Building at 7:00 p.m. Board members present were Dean Ward, Andy Rumley, Bonnie Blalock, Michael Benesch, and Ricky Hall. Kenneth Dixon and Bill Teer were absent. Staff members present were Nathan Page, Interim City Planner, Frankie Maness, City Manager, Martha Johnson, Zoning/Inspections Technician, and Michael Leinwand Special Projects Coordinator.

Chair Andy Rumley called the meeting to order and gave the Overview of the Board and general meeting rules. Ricky Hall gave the invocation.

1. Public comment on non-agenda items. There were none.
2. Approval of the March 17, 2015 meeting minutes. Ricky Hall made a motion for approval, second by Dean Ward. All voted in favor.
3. Committee Reports. There were none.
4. Old Business.
 - a. Discussion of Development Ordinance.

Dean Ward stated that there needs to be some type of text amendment or moratorium with the payment in lieu of in the Development Ordinance. Mr. Ward said that he had done some research and contacted some surrounding municipalities, and Mebane was the only one that does take in lieu of payment other than the City of Graham.

The other Board members agreed with him that you should not be able to skirt around the ordinance, more thought given to it or some changes made, and more clarity in the ordinance. Nathan Page said he could get some municipalities that have in lieu of payment and the Board could possibly use some of their language. Andy Rumley asked Frankie Maness how the Board should move forward at this point.

Frankie Maness said that in his opinion it was a little early to determine the effectiveness of the ordinance since only two projects have inquired. He stated that the ordinance does not guarantee a development the ability to pay in lieu of, rather it is an option should there be a hardship. Staff will not allow a payment in lieu if there is some question about a true hardship or if a developer is trying to use it to circumvent another rule such as stormwater. If a developer does not agree with a staff decision, they can appeal to the board of adjustment for an administrative review.

Mr. Ward asked if we could put a moratorium or stay for the in lieu of payment. Mr. Maness said there is a process for a moratorium, and he would need to look at that and get back with him.

It was the final consensus of the Board to get input from City Council so the discussion was left open until next month's meeting, and possibly staff can arrange a joint meeting with City Council to discuss this item.

5. New Business

- a. Kimrey Road Rezoning (RZ 1502) - Application by the City of Graham to initiate I-1 zoning for a portion of a parcel on Kimrey Road (GPIN 9803172212).

Mr. Page said there is an application from Frankie Maness to initiate zoning for two parcels which is located in the NCCP and is on our side of the line of agreement with Mebane and is outside our ETJ which is why it is unzoned. The proposal is to rezone the parcels to I-1.

Mr. Maness said there is a pending petition for annexation for the parcel. As a city, we don't leave a parcel unzoned, and since this is an industrial zone, the more restrictive zoning would be I-1 for light industrial. Mr. Ward asked when the ETJ would be extended out there. Mr. Maness said there are no plans to extend the ETJ out there at this point. There has been some talk about unified zoning that is consistent with both cities. Mr. Maness said this parcel is outside our one mile limit. Mr. Maness said there is a line of agreement drawn on the map where Graham and Mebane have agreed as they grow, they will go to that line of agreement, and this parcel is on our side and is outside our jurisdiction. Mr. Maness said this is not a forced annexation but a noncontiguous annexation. Mr. Ward asked if they will receive all city services, and Mr. Maness said yes they would receive all city services and rules, taxes etc.

Ricky Hall made a motion to give favorable review and pass on to City Council, second by Bonnie Blalock. All voted aye.

No further business the meeting was adjourned.

Respectfully Submitted,
Martha Johnson
Inspections/Zoning Technician



STAFF REPORT

Prepared by Nathan Page, Interim City Planner

Rezoning for Kimrey Road (RZ1502)

Type of Request: Initiate Zoning

Meeting Dates

Planning Board on April 21, 2015

City Council on May 5, 2015

Contact Information

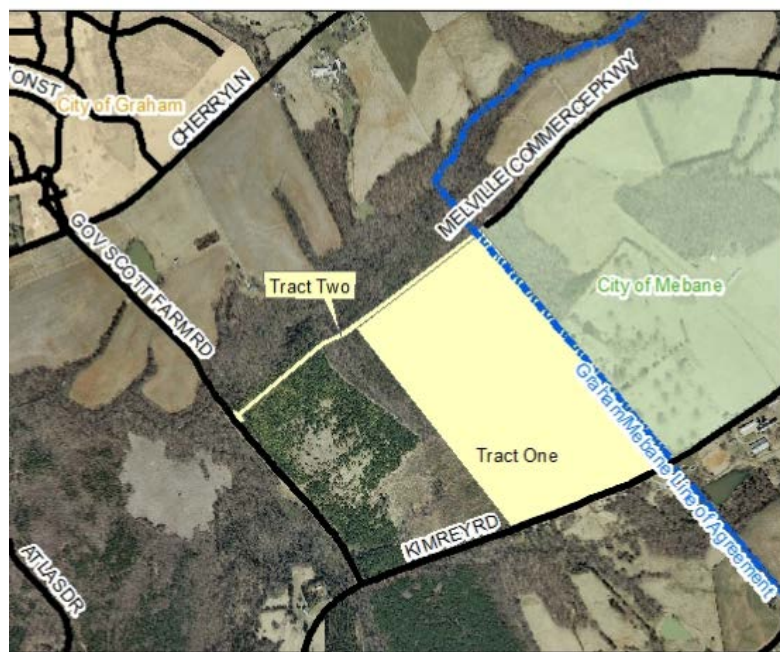
Frankie Maness, City of Graham

PO Drawer 357, Graham, NC 27253

336-570-6700; fmaness@cityofgraham.com

Summary

This is a request to zone the subject properties to I-1. The property is currently vacant and wooded. The stated reason for this rezoning request is "To initiate zoning on a parcel which has applied for annexation into city limits from Alamance County's Jurisdiction."



Map prepared by Graham Planning Department for Illustrative Purposes only. April, 2015.



Location

Kimrey Road

GPIN: 9803172212

Current Zoning

N/A

Proposed Zoning

Light Industrial (I-1)

Overlay District

none

Surrounding Zoning

N/A, Mebane Light
Manufacturing (M-2)

Surrounding Land Uses

Vacant, Tree Farm, Distribution
Center

Size

84.433 acres and 3.901 acres

Public Water & Sewer

Provided along northwestern
portion of tract.

Floodplain

No

Staff Recommendation

Approval

Conformity to the *Growth Management Plan (GMP)* and Other Adopted Plans

Applicable Goals to Guide Us into the Future

- 7.6.4.1. Encourage the development of an office/industrial/light industrial center developed similar to a corporate campus, office park, or regional employment center. *This rezoning would permit a number of types of industry in an area adjacent to a regional industrial center on the future development map.*

Applicable Planning District Policies and Recommendations

- None are applicable

Staff Recommendation

Based on the *Growth Management Plan 2000-2020* and the *City of Graham Development Ordinance*, staff **recommends approval** of the rezoning. The following supports this recommendation:

- Rezoning the property would be consistent with the Regional Industrial Center development type and would further goals of the *Growth Management Plan*.

Planning District

Hawfields

Development Type

Regional Industrial Center

Located near a major thoroughfare with interstate access and large parcels

Industrial characteristics include open space; automobile oriented; design requirements; sidewalks; street trees; landscaping; buffering/screening; parking provided on-site; height of structures regulated; controlled access; building orientation

Size of development more than 10,000sf

Infrastructure includes water, sewer, street connectivity and underground utilities



Application for REZONING or CONDITIONAL REZONING

P.O. Drawer 357
201 South Main Street
Graham, NC 27253
(336) 570-6705
Fax (336) 570-6703
www.cityofgraham.com

This application is for both general district rezonings and conditional rezonings. Applications are due on the 25th of each month. Applicants are encouraged to consult with the *City of Graham Development Ordinances* and the City Planner.

Site

Street Address: _____

Tax Map#: _____ GPIN: _____

Current Zoning District(s):

- ☐ R-7 ☐ R-9 ☐ R-12 ☐ R-15 ☐ R-18
☐ R-MF ☐ R-G ☐ C-R ☐ C-MXR
☐ B-1 ☐ B-2 ☐ B-3 ☐ C-B ☐ C-MXC
☐ O-I ☐ C-O-I ☐ I-1 ☐ I-2 ☐ C-I

Overlay District, if applicable:

- ☐ Historic ☐ S Main St/Hwy 87 ☐ E Harden St/Hwy 54

Current Use: _____

Total Site Acres: _____

Property Owner: _____

Mailing Address: _____

City, State, Zip: _____

Applicant

☐ Property Owner Other _____

Application for Conditional Rezoning may only be initiated by the owner of a legal interest in all affected property, any person having an interest in the property by reason of written contract with owner, or an agent authorized in writing to act on the owner's behalf. If the applicant for Conditional Rezoning is other than the Property Owner, documentation in compliance with the preceding statement must be provided in order for this application to be complete.

Name: _____

Mailing Address: _____

City, State, Zip: _____

Phone # _____

Email: _____

I have completed this application truthfully and to the best of my ability.

Signature of Applicant

Date

Proposed Rezoning or Conditional Rezoning

Proposed Zoning District(s):

- ☐ R-7 ☐ R-9 ☐ R-12 ☐ R-15 ☐ R-18
☐ R-MF ☐ R-G ☐ C-R ☐ C-MXR
☐ B-1 ☐ B-2 ☐ B-3 ☐ C-B ☐ C-MXC
☐ O-I ☐ C-O-I ☐ I-1 ☐ I-2 ☐ C-I

Describe the purpose of this rezoning request. *For Conditional Rezoning*, also specify the actual use(s) intended for the property (from Sec. 10.135 Table of Permitted Uses) along with other descriptive or pertinent information, such as number of dwelling units, type of multifamily development, square footage and number of buildings:

For Conditional Rezoning, this application must be accompanied by a Preliminary Site Plan and supporting information specifying the actual use(s) and any rules, regulations or conditions that, in addition to predetermined ordinance requirements, will govern the development and use of the property.

☐ Site Plan Review Application **must be attached** to this application for Conditional Rezoning

Office Use Only. DEVID#



PLANNING BOARD

Recommendation & Statement of Consistency

Per NCGS 160A-383, zoning regulations shall be made in accordance with an adopted comprehensive plan and any other officially adopted plan that is applicable. The Planning Board shall advise and comment on whether the proposed amendment is consistent with the "City of Graham Growth Management Plan 2000-2020" and any other officially adopted plan that is applicable. The Planning Board shall provide a written recommendation to the City Council that addresses plan consistency and other matters as deemed appropriate by the Planning Board, but a comment by the Planning Board that a proposed amendment is inconsistent with the "City of Graham Growth Management Plan 2000-2020" shall not preclude consideration or approval of the proposed amendment by the City Council.

Kimrey Road Zoning (RZ1502)

Type of Request
Initiate Zoning


Meeting Dates
Planning Board on April 21, 2015
City Council on May 5, 2015

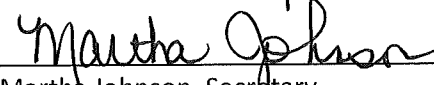
- ☒ I move to **recommend APPROVAL** of the application as presented.
- ☐ I move to **recommend DENIAL**.

- ☒ The application is **consistent** with the *City of Graham Growth Management Plan 2000-2020*.
- ☐ The application is **not fully consistent** with the *City of Graham Growth Management Plan 2000-2020*.

This report reflects the recommendation of the Planning Board, this the 17th day of March, 2015.

Attest:


Andy Rumley, Planning Board Chairman


Martha Johnson, Secretary



City Council Decision & Statement of Consistency

Per NCGS 160A-383, zoning regulations shall be made in accordance with an adopted comprehensive plan and any other officially adopted plan that is applicable. When adopting or rejecting any zoning amendment, the City Council shall also approve a statement describing whether its action is consistent with the "City of Graham Growth Management Plan 2000-2020" and briefly explaining why the City Council considers the action taken to be reasonable and in the public interest. The Planning Board shall provide a written recommendation to the City Council, but a comment by the Planning Board that a proposed amendment is inconsistent with the "City of Graham Growth Management Plan 2000-2020" shall not preclude consideration or approval of the proposed amendment by the City Council.

**Kimrey Road
(RZ1502)**

Type of Request
Rezoning

Meeting Dates
Planning Board on April 21, 2015
City Council on May 5, 2015

Choose one...

- ☐ I move that the application be **APPROVED**.
- ☐ I move that the application be **DENIED**.

Choose one...

- ☐ The application is **consistent** with the *City of Graham Growth Management Plan 2000-2020*.
- ☐ The application is **not fully consistent** with the *City of Graham Growth Management Plan 2000-2020*.

State reasons...

This action is reasonable and in the public interest for the following reasons:

This report reflects the decision of the City Council, this the 5th day of May, 2015.

Attest:

Gerald R. Peterman, Mayor

Darcy L. Sperry, City Clerk



STAFF REPORT

SUBJECT:	PROJECT QUARTER INCENTIVE AGREEMENT
PREPARED BY:	FRANKIE MANESS, CITY MANAGER

REQUESTED ACTION:

Approve Incentive Agreement for Project Quarter.

BACKGROUND/SUMMARY:

Staff members from the City of Graham, City of Mebane, and Alamance County have been working with representatives of MGP Retail Consulting, LLC to locate a proposed regional headquarters and distribution facility in the NCCP. The distribution facility is proposed to employ 80 full time employees with average salaries of \$80,000, 120 hourly employees, and provide a taxable value of \$125,000,000. Tentative plans call for an 873,000 sq ft facility with room for expansion.

The property being considered is approximately 84 acres and is located within the North Carolina Commerce Park and within the future territory of the City of Graham as determined by the existing Line of Agreement (LOA) established between the Cities. An annexation application and initial zoning petition has been filed with the City of Graham. As such, the City of Graham will be the lead agency for development reviews, inspections, and the provider for municipal services.

PROPOSED INCENTIVES:

- (1) Roadway construction:
 - a. Extending from Gov. Scott Farm Rd to serve the property and provide interconnection with roadway currently under construction;
 - b. City of Graham will be responsible for ROW acquisition, roadway design, and construction;
 - c. Approximately 4,425' of roadway and 24' in width;
 - d. Estimated cost: \$2,000,000.
 - e. Paving and improvement to Gov. Scott Farm Road by NCDOT (\$750,000)
- (2) Cash Grant:
 - a. Total incentive of \$3,375,000;
 - b. Payable over 5 year period upon satisfaction of tax base investment;
 - c. Cash Grant will be pro-rated if investment target is not reached.
- (3) Waiver of local impact, permit and inspection fees associated with the initial construction with an estimated value of \$200,000.

FISCAL IMPACT:

Since this proposed development is within the NCCP, the expenses and revenues will be allocated as set forth in the Inter-local Agreement between Alamance County, The City of Graham, and the City of Mebane that was approved by the City Council on May 7, 2013. Assuming a new taxable investment of 125,000,000 and current tax rates, each entity would realize \$410,416 in annual tax revenue.

The costs pursuant to the Agreement are as follows (excluding in-kind fee waivers and NCDOT contribution):

Total Road Construction:	\$2,000,000	Graham Share = \$	666,667
Total Cash Grant:	<u>\$3,375,000</u>	Graham Share =	<u>\$1,125,000</u>
	\$5,375,000		\$1,791,667

STAFF RECOMMENDATION:

Approval

SUGGESTED MOTION(S):

I move we approve the Incentive Agreement for Project Quarter with MGP Retail Consulting, LLC and authorize the Mayor, City Manager, City Attorney, City Clerk and Finance Officer to execute the agreement of behalf of the City.

STATE OF NORTH CAROLINA**COUNTY OF ALAMANCE****AGREEMENT**

This AGREEMENT, made and entered into this ____ day of _____ 2015, by and between MGP RETAIL CONSULTING, LLC (hereinafter sometimes referred to as the “Company”), and the CITY OF MEBANE, a North Carolina municipal corporation (hereinafter sometimes referred to as “Mebane”), the CITY OF GRAHAM, a North Carolina municipal corporation (hereinafter sometimes referred to as “Graham”) and ALAMANCE COUNTY, a North Carolina County (hereinafter sometimes referred to as “County”)

RECITALS:

- A. The Company which is presently located in McLean, Virginia is considering locating a new regional headquarters and distribution facility (hereinafter “Facility”) in the North Carolina Commerce Park (hereinafter sometimes referred to as “NCCP”), which is an economic development zone under an extended agreement between two cities and County, and will construct a new building and install machinery and equipment with said facility to be in service no later than December 31, 2017 (“Completion Date”), and to be located within the corporate limits of Graham, Alamance County, North Carolina.
- B. The Facility will involve new capital investment (including, building, machinery and equipment) of approximately One Hundred Twenty-five Million Dollars (\$125,000,000.00).
- C. Subject to Section 2.e. below, the Facility will create eighty (80) full time employment positions with average salaries of \$80,000.00 and One Hundred Twenty (120) hourly employees.
- D. Some elements of said job creation and investment may be made by an affiliated entity or successors to the Company, but for the purposes of this Agreement, shall be deemed to have been made by the Company.
- E. It is contemplated that the Facility will be located upon property upon which or through which the Units may need to construct, install, maintain and operate water and sewer utilities and transportation routes to serve other properties.
- F. The County, Graham, and Mebane (hereinafter sometimes collectively referred to as the “Units,” and individually as, a “Unit”) find that in order to aid and encourage the construction of the Facility and installation of the machinery and equipment in NCCP, it is necessary and desirable to assist and reimburse the Company for a portion of its construction costs and new equipment costs.
- G. Pursuant to G.S. Section 160A-20.1, 158-7.1, and 158-7.2, as construed by the North Carolina Supreme Court in its opinion in Maready v. The City of Winston-Salem, et al,

342 N.C. 708 (1996), the Units may enter into an agreement with the Company in connection therewith.

- H. The Units finds that reimbursing the Company for a portion of its construction and equipment costs serves a public purpose and will increase the taxable property base for the County and Cities and help create not less than eighty (80) new jobs in the County by the Completion Date, all of which will result in an added and valued benefit to the taxpayers of the County and Cities.

NOW, THEREFORE, in consideration of the mutual provisions and covenants herein, and other good and valuable consideration which the parties hereby acknowledge, The Company, The County, Mebane and Graham agree as follows:

1. To assist the Company in its transportation and access infrastructure, the Units will provide Two Million Dollars (\$2,000,000.00), (hereinafter sometimes referred to as "Local Transportation Grant Funds"), towards roadway construction starting at Governor Scott Farm Road and ending and connecting to Melville Commerce Parkway (the "Parkway Extension"), such improvements to be to a standard to accommodate commercial truck traffic carrying standard commercial loads, including but not limited to those having three to five axles, to and from the Facility. The Units agree to use their best efforts to secure Seven Hundred Fifty Thousand Dollars (\$750,000.00) from the North Carolina Department of Transportation (hereinafter sometimes referred to as "DOT") for the improvement of Governor Scott Farm Road ("Farm Road Improvements"; the Parkway Extension and Farm Road Improvements being hereinafter sometimes collectively referred to as the "Transportation Improvements").
 - a. The Units are hereby responsible for the design and construction (including administration of all contracts and agreements in connection therewith) for the Transportation Improvements and assumes all responsibility for the cost of thereof, including but not limited to the Transportation Improvement Funds, with no recourse to the Company. The Transportation Improvements shall be completed within one (1) year of the date of this Agreement ("Transportation Improvements Deadline"). In the event that the Units determine that they will be unable to complete the Transportation Improvements by the Transportation Improvements Deadline, they covenant and agree to immediately provide written notice of such inability to the Company. Upon receipt of such written notice, or in the event that the Company determines in its good faith, reasonable discretion that the Transportation Improvements will not be completed by the Transportation Improvements Deadline, then the Company may elect, upon written notice to the Units, to assume control of the construction of the Transportation Improvements at the Units sole cost and expense. In such event the Units hereby covenant and agree to fully cooperate with the Company in (i) appropriating funds to pay all engineers, architects, contractors, subcontractors or material suppliers ("Transportation Vendors") involved in the construction of the Transportation Improvements, and to assign to the Company all rights in and to any contracts with the Transportation Vendors as the Company may elect to assume, (ii) condemning, or entering into the necessary agreements with the applicable

landowners to convey to the Units, the portions of any properties necessary to construct the Transportation Improvements, all at the sole cost and expense of the Units, (iii) delivery of all plans, reports, studies, and agreements related to the construction of the Transportation Improvements, (iv) granting of all rights, permits, and/or approvals necessary to permit the Company to construct the Transportation Improvements, and (v) accepting the dedication of the Transportation Improvements and thereafter maintaining such Transportation Improvements in a first class manner and condition. In the event that the Company elects to pay, in its sole discretion, any amounts due by the Units to the Transportation Vendors for the Transportation Improvements, the Units shall reimburse the Company for such amounts within thirty (30) days after receipt of written invoice therefor from the Company.

2. To further assist the Company in its site acquisition, Facility construction, and machinery and equipment installations, and subject to the requirements hereinafter set forth, each Unit agrees to reimburse the Company for a portion of said construction and installation costs in the amount of One Million One Hundred Twenty-five Thousand Dollars (\$1,125,000.00), for a total of Three Million Three Hundred Seventy-five Thousand Dollars (\$3,375,000.00) (the "Incentive Funds"). In performance of all activities involved in the site acquisition and facility construction, as well as in the machinery installation, the Company shall have full discretion to make all decisions regarding such improvements and contracting and purchasing without the joinder or approval of the City except for the requirements set forth in Paragraph 8 below. These payments of cash grants from Alamance, Graham, and Mebane to the Company shall be made as follows:
 - a. A payment of Six Hundred Seventy-five Dollars (\$675,000.00) shall be paid by the Units in equal sums of Two Hundred Twenty-five Dollars (\$225,000.00) from each Unit, to the Company after the Facility has received its certificate of occupancy, and the Company has certified to the Units that eighty (80) full time positions have been filled at the Facility, provided, however, that all property tax liabilities on the above referenced Facility and machinery and equipment (in the above agreed amount) shall have been paid by the Company for the fiscal year in which the certificate of occupancy has been issued. In the event that there are any outstanding property tax liabilities on the above referenced Facility and machinery and equipment at the time such payment contemplated herein is due, such payment shall be delayed until the date that is ten (10) days after such outstanding property tax liabilities have been paid.
 - b. Four (4) additional payments of Six Hundred Seventy-five Thousand Dollars (\$675,000.00) shall be paid by the Units in equal sums of Two Hundred Twenty-five Thousand Dollars (\$225,000.00) from each Unit, annually to the Company on the anniversary date of the first payment in (a) above provided that there are no outstanding property tax liabilities on the above referenced Facility and machinery and equipment. In the event that there are any outstanding property tax liabilities on the above referenced Facility and machinery and equipment at

the time such payment contemplated herein is due, such payment shall be delayed until the date that is thirty (30) days after such outstanding property tax liabilities have been paid.

- c. All payments provided for in subparagraphs (a) and (b) shall be made no later than Thirty (30) calendar days after satisfaction of the requirements described in the subparagraphs. Any payment due hereunder shall be adjusted so that the total payments to the Company shall not exceed 2.7% times the annual taxable value of the property (excluding land, but expressly including all improvements located thereon) maintained by the Company for ad valorem tax purposes during the year period beginning at the issuance of Certificate of Occupancy. All payments are subject to the requirement that not less than eighty (80) full time jobs shall be maintained by the Company at the Facility.
 - d. In the event of the Company's failure to create eighty (80) jobs and invest \$125,000,000 by the Completion Date, the Units shall grant a reasonable extension of time to the Company to meet the job and investment criteria in this Agreement or otherwise agree to such other performance criteria that equate to a similar economic and fiscal return to the Units.
 - e. In the event that the Company fails to make the full investment of \$125,000,000.00 by the Completion Date, as it may be extended, the cash grant payments will be pro-rated using the \$125,000,000.00 as the denominator and the taxable value as the numerator, which in turn shall be multiplied times that cash grant for the applicable fiscal year of the Units, however, the denominator may be modified pursuant to subsection 2(d) above.
 - f. Graham agrees to waive all local impact and inspection fees, having an estimated value of Two Hundred Thousand Dollars (\$200,000.00).
3. Notwithstanding anything contained herein to the contrary, the parties hereto covenant and agree that the Transportation Improvement Funds, Transportation Improvements, and Incentive Funds (collectively, "Incentives") are a material consideration in the Company's decision to locate the Facility in Graham, North Carolina, that the Company would not have located its Facility in Graham, North Carolina without the Incentives and that the Company will be substantially harmed in the event that the Units obligations are not satisfied as provided herein.
 4. During the performance of the Agreement, the Company agrees to allow representatives of the Units to enter upon its property during normal business hours upon forty-eight hours prior notice for the purpose of confirming the new construction and the purchase of new equipment has occurred. To the extent allowed by applicable law, the Units covenant and agree to protect, and not use or disclose, any of the Company's confidential and proprietary information.

5. If prior to the Units expending monies, for any reason whatsoever the Company chooses not to make the above referenced investments and to cancel this Agreement, it may do so by providing written notice. Upon such notification, this Agreement shall be cancelled and all of its terms and conditions shall become void. If, however, the Company chooses not to make the above referenced investment and any one of the Units has expended funds, the Company shall be liable for a return or pay-back of the government funds expended as hereinafter stated.
6. The Company agrees, upon request of the Units, to make full and accurate accounting to the Units of all expenditures and construction and acquisition of equipment referenced above as required by this Agreement upon completion of total investment and the granting of the Certificate of Occupancy. The Company shall make such accounting as is necessary to verify construction and purchase of equipment and after such construction and purchase of equipment has been verified, the Company shall have no further obligations to account to the City for any other expenses incurred.
7. The Company shall not discriminate against any person on the grounds of race, color, national origin, sex, age, or disability in the administration of this Agreement nor shall any person be excluded from participation in, or be denied the benefits of, any project constructed under this Agreement on the grounds of race, color, national origin, sex, age, or disability.
8. The Units respectively bind themselves, their successors, assigns, and legal representatives to other parties hereto and those parties' successors, assigns, and legal representatives, in respect to covenants, agreements, and obligations contained herein. No party to this Agreement shall assign the Agreement or any of the obligations or rights described herein without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Agreement. The Company may assign this Agreement to a subsidiary, parent or affiliated company, with the written consent of the Units which shall not be unreasonably conditioned, delayed or withheld.
9. This Agreement may be modified only by a written agreement executed which must be approved by the Units by all parties hereto. The contractual commitments provided for herein and made by the parties hereto shall be deemed to continue into the future, survive and remain binding upon future elected and appointed officials to the full extent permitted under applicable law. This Agreement may be executed in counterparts separately with the resultant executed counterparts forming a single Agreement.
10. In the event of such cancellation of the Agreement described above, the Units shall have no further obligations to make any further payments as called for in this Agreement.
11. The parties and each person executing this Agreement on behalf thereof represent and warrant that they have the full right and authority to enter into this Agreement, which is binding, and to sign on behalf of the party indicated, and are acting on behalf of themselves, the constituent members and the successors and assigns of each of them. The

parties agree to reasonably assist one another and cooperate in the defense (should any defense ever be necessary) of this Agreement and/or the incentives granted hereunder, so as to support and in no way undercut the same. In the event that any of the incentives or other assignments of the Units are determined to be invalid, the Units agree that they will, to the fullest extent permitted by law, provide the Company with any permitted incentives of substantial equal value pursuant to one more or more replacement incentive grant programs.

12. No provision of this Agreement may be invalidated, except by the Superior Court of Alamance County which shall have sole jurisdiction over any disputes which arise under this Agreement or otherwise regarding the parties hereto, and further, venue shall be proper and shall lie exclusively in the Superior Court of Alamance County, North Carolina.

If any such court holds any provision of this Agreement, invalid or unenforceable, then:

- a. Such holdings shall not invalidate or render unenforceable any other provision of this Agreement
 - b. Such provision shall be construed as closely as possible to the Party's Original intent in order to render such provision valid or enforceable, as applicable; and
 - c. The remaining terms hereof; together with such reconstructive provision, shall constitute the parties' entire agreement hereof.
13. This Agreement sets forth the entire agreement between Units and the Company and supersedes any and all other agreements on this subject between parties.
14. In the event that, prior to completion of the Facility, the Units expend funds for any of the incentives provided for in this Agreement, whether for road infrastructure or cash grants, and the Company elects to cancel the Agreement or does not comply with its obligations to construct the Facility, the Company agrees to fully reimburse the Units for any amounts expended by them through the date of such cancellation. The Company shall reimburse the Units within thirty (30) days of written demand. In the event that Company fails to re-pay such amounts, the Units may recover the funds advanced under this Agreement plus all the costs of collection, including without limitation reasonable attorney fees.
15. Company acknowledges that the Units are governmental entities, and validity of this Agreement is based upon the availability of public funding under the authority of its statutory mandate. Subject to the provisions of Section 10, in the event that public funds are unavailable for the performance of the Units' obligations under this Agreement, then this Agreement shall remain in full effect, provided, however, that the payment obligations of the Units shall be temporarily suspended, without penalty to the Units, immediately upon written notice to Company of the unavailability of public funds. At such time as such public funds are again available, the payment obligations of the Units hereunder shall be deemed reinstated without necessity of further written agreement. It is expressly agreed that the Units shall not activate this "unavailability" provision for its convenience or to circumvent the requirements of this Agreement, but only as an

emergency fiscal measure during a substantial financial crisis. In either event, the public parties agree that they will use best efforts to replace, through other sources available to them under law, funds due to the Company, as soon as practical. In the event of a change in the Units' statutory authority, mandate and/or mandated functions by State and/or Federal legislative or regulatory action, which adversely affects the Units' authority to continue its obligations under this Agreement, then this Agreement shall be suspended without penalty to the Units upon written notice to Company of such limitations or change in the City's legal authority.

16. Company agrees that upon written request of the Units that company will grant to the requesting Unit(s), free of charge, easements that are, in the Company's sole discretion, reasonable and necessary for water and/or sewer utilities and for transportation services (including without limitation temporary construction and/or drainage easements) that serve the Facility and its property. The easements shall be in mutually agreeable form and substance consistent with the Units' standard form agreements. Any such easements shall be located in areas of Company's property which will not unreasonably interfere with Company's intended use of Company's Facility. The Company commits that it will favorably consider, on a case by case basis, any requests from such Units for similar easements to serve adjoining properties provided that such requested easements will not have a detrimental impact upon the Company's property or Facility operations.

17. Any notices required by this Agreement shall be mailed to the following persons:

If to the County:

Alamance County
Attn: Craig Honeycutt, Manager
124 West Elm Street
Graham, NC 27253

If to Mebane:

City of Mebane
Attn: David Cheek, Manager
106 E. Washington Street
Mebane, 27302

With Copy to:

The Vernon Law Firm
Attn: E. Lawson Brown, Jr.
P.O. Drawer 2958
Burlington, NC 27216-2958

If to Graham:

City Manager
City of Graham
Attn: Frankie Maness
P.O. Drawer 357
Graham, NC 27253

If to Company:

Robert Lester
Development Manager
MGP Retail Consulting LLC
8200 Greensboro Drive, Suite 900
McLean, VA 22102

With a copy to:

Christopher D. Lloyd
Senior Vice President and Director
McGuireWoods Consulting, LLC
901 East Cary Street
Richmond, VA 23219

And to:

Josiah A. Bancroft
McGuireWoods LLP
1230 Peachtree Street, Suite 2100
Atlanta, Georgia 30309

[Signatures Appear on Next Page]

IN WITNESS WHEREOF, the parties hereto have made and executed this agreement as of the day and year first above written.

“MEBANE”

CITY OF MEBANE

A municipal corporation of the State of North Carolina

By: _____
Glendel Stephenson,
Mayor, City of Mebane

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Jeanne Tate, Mebane Finance Officer

Date

Approved as to Legal Form and Sufficiency

E. Lawson Brown, Jr., Mebane City Attorney

[Signatures Appear on Next Page]

IN WITNESS WHEREOF, the parties hereto have made and executed this agreement as of the day and year first above written.

“GRAHAM”

CITY OF GRAHAM

A municipal corporation of the State of North Carolina

By: _____

Jerry Peterman,
Mayor, City of Graham

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Sandra King, Graham Finance Officer

Date

Approved as to Legal Form and Sufficiency

Keith Whited, Graham City Attorney

[Signatures Appear on Next Page]

IN WITNESS WHEREOF, the parties hereto have made and executed this agreement as of the day and year first above written.

ALAMANCE COUNTY

A political subdivision of the State of North Carolina

By: _____

Dan Ingle,
Chairman, Alamance County Board of Commissioners

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Susan Roberts, Alamance County Finance Officer

Date

Approved as to Legal Form and Sufficiency

Clyde Albright, Alamance County Attorney

IN WITNESS WHEREOF, the parties hereto have made and executed this agreement as of the day and year first above written.

MGP RETAIL CONSULTING, LLC

A Delaware limited liability company

By: _____ (SEAL)

Name: _____

Title: _____



STAFF REPORT

SUBJECT:	ENGAGEMENT AGREEMENT FOR CONSULTING, PROFESSIONAL ASSISTANCE AND PREPARATION OF 6/30/15 FINANCIAL STATEMENTS
PREPARED BY:	SANDRA KING – FINANCE DIRECTOR

REQUESTED ACTION:

Approve the Engagement Agreement with Cobb, Ezekiel, Loy & Company, P.A.

BACKGROUND/SUMMARY:

In order to provide assistance with financial issues and the preparation of the annual financials in a more efficient process, we are working with our previous audit firm more closely. This arrangement provides assistance to the finance staff and our hope is to streamline the year end process to gain efficiency and accuracy in our year end processes.

FISCAL IMPACT:

Cost for these services are estimated to be from \$25,000 to \$30,000. Funds will be made available each year in the annual operating budget of the General Fund to cover these costs.

STAFF RECOMMENDATION:

Approval

SUGGESTED MOTION(S):

I move we approve the Engagement Agreement with Cobb, Ezekiel, Loy & Company, P.A.



COBB EZEKIEL LOY & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

April 28, 2015

To the Honorable Mayor and
Members of the City Council
City of Graham
Graham, North Carolina

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will perform the following services:

We will compile, from information you provide, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Graham, as of June 30, 2015, and for the year then ended and the related notes to the financial statements, which collectively comprise the City of Graham's basic financial statements as listed in the table of contents and issue an accountant's report thereon in accordance with Statements on Standards for Accounting and Review Services (SSARSS) issued by the American Institute of Certified Public Accountants (AICPA).

In addition accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement we will compile this and the individual fund financial statements, budgetary schedules and other schedules, that are required to be reported with the financial statements, but we will not audit or review such information, nor express an opinion or provide any assurance on it.

The objective of a compilation is to assist you in presenting financial information in the form of financial statements. We will utilize information that is your representation without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with auditing standards generally accepted in the United States of America (U.S. GAAS) and in accordance with Government Auditing Standards, and any state or regulatory audit requirements.

MEMBER OF:

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • AICPA PRIVATE COMPANIES PRACTICE SECTION • NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

To Honorable Mayor and
Members of the City Council
City of Graham
April 28, 2015
Page 2

You are responsible for:

- a. The preparation and fair presentation of the financial statements in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and in accordance with Government Auditing Standards, and any state or regulatory audit requirements.
- b. Designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.
- c. Preventing and detecting fraud.
- d. Identifying and ensuring that the entity complies with the laws and regulations applicable to its activities.
- e. Making all financial records and related information available to us.

We are responsible for conducting the engagement in accordance with SSARSs issued by the AICPA.

A compilation differs significantly from a review or an audit of the financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, we will not express an opinion or provide any assurance regarding the financial statements being compiled.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our compilation procedures that indicates fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential.

As part of our engagement, we will also work directly with the Finance Officer or designated staff to prepare year end journal entries and workpapers to support account balances for the auditor. We are also available for additional project support, should the budget allow, at managements' discretion.

To Honorable Mayor and
Members of the City Council
City of Graham
April 28, 2015
Page 3

With respect to any nonattest services we perform, City of Graham's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Rebekah W. Loy, CPA is the engagement partner for the services specified in this letter. Her responsibilities include supervising Cobb, Ezekiel, Loy & Company, PA's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the accountant's report.

Our fee for these services will be based upon the number of hours required by the staff assigned to complete the engagement. We will be at managements direction on work to be performed. In accordance with our recent discussion, we believe that the engagement fee will range from \$25,000 - \$30,000.

You agree to release, indemnify, defend, and hold us harmless from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We look forward to a continued relationship with the City of Graham, and we are available to discuss the contents of this letter or other professional services you may desire.

If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

Respectfully,



COBB, EZEKIEL, LOY & COMPANY, P.A.
Graham, NC
Certified Public Accountants

To Honorable Mayor and
Members of the City Council
City of Graham
April 28, 2015
Page 4

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of City of Graham by:

Name: _____

Title: _____

Date: _____



STAFF REPORT

SUBJECT:	AUDIT CONTRACT
PREPARED BY:	SANDRA KING – FINANCE DIRECTOR

REQUESTED ACTION:

Approve the Audit Contract with Stout, Stuart, McGowen & King, LLP

BACKGROUND/SUMMARY:

The *Local Government Budget and Fiscal Control Act* requires that all units of local government “have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant...” The City is attempting a new method of financial reporting and auditing due to growing concern in local government regarding auditor independence. Formerly our auditors prepared our financial statements as well as provided auditing services. Under the proposed arrangement, the City’s former auditors, Cobb, Ezekiel, Loy & Company, P.A, will assist Staff with audit preparation and financial reporting and Stout, Stuart, McGowen & King, LLP, will provide a “true audit”.

The audit committee selected Stout, Stuart, McGowen & King, LLP, from a group of 4 respondents to a Request for Proposal issued by the City on March 9, 2015

FISCAL IMPACT:

The fee stipulated in the contract is \$18,900. Funds are made available each year in the annual operating budget of the General Fund to cover audit costs.

STAFF RECOMMENDATION:

Approval

SUGGESTED MOTION(S):

I move we approve the Audit contract with Stout, Stuart, McGowen & King, LLP

CONTRACT TO AUDIT ACCOUNTS

Of City of Graham
Primary Governmental Unit

Discretely Presented Component Unit (DPCU) if applicable

On this 27th day of April, 2015,

Auditor: STOUT STUART MCGOWEN & KING, LLP Auditor Mailing Address: P.O. Box 1440,
Burlington, NC 27216-1440

Hereinafter referred to as The Auditor

and City Council (Governing Board(s)) of City of Graham
 (Primary Government)
 and : hereinafter referred to as the Governmental Unit(s), agree as follows:
 (Discretely Presented Component Unit)

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2014, and ending June 30, 2015. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion will be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCU's, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with generally accepted auditing standards. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated workpapers may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and/or workpapers are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC CPA Board).

County and Multi-County Health Departments: The Office of State Auditor will designate certain programs that have eligibility requirements to be considered major programs in accordance with OMB Circular A-133 for the State of North Carolina. The LGC will notify the auditor and the County and Multi-Health Department of these programs. A County or a Multi-County Health Department may be selected to audit any of these programs as major.

3. If an entity is determined to be a component of another government as defined by the group audit standards - the entity's auditor will make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unqualified opinion being rendered. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government*

Discretely Presented Component Unit's (DPCU) if applicable

Auditing Standards. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract (See Item 22). **If the audit firm received a peer review rating other than pass**, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment..

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the State and Local Government Finance Division (SLGFD) within four months of fiscal year end. Audit report is due on: October 31, 2015. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay must be submitted to the secretary of the LGC for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relates to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor will make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report must include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC.** (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work must be submitted by email in PDF format to the Secretary of the LGC for approval. The invoices must be sent to: lgc.invoice@nctreasurer.com. Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date will be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. **Fees listed on signature pages.**
10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall include documentation either in the notes to the audited financial statements or as a separate report submitted to the SLGFD along with the audit report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the SLGFD simultaneously with the Governmental Unit's audited financial statements unless otherwise specified in the bond documents.

Governmental Unit

Discretely Presented Component Unit's (DPCU) if applicable

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include but not be limited to the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the client or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the accounting period.
12. If the audit firm is required by the NC CPA Board or the Secretary of the LGC to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Governmental Unit will not be billed for the pre-issuance review. The pre-issuance review must be performed **prior** to the completed audit being submitted to the LGC. The pre-issuance report must accompany the audit report upon submission to the LGC.
13. The Auditor shall electronically submit the report of audit to the LGC when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If it is determined by the LGC that corrections need to be made to the Governmental Unit's financial statements, they should be provided within three days of notification unless another time frame is agreed to by the LGC.

If the OSA designates certain programs to be audited as major programs, as discussed in item #2, a turnaround document and a representation letter addressed to the OSA shall be submitted to the LGC.

The LGC's process for submitting contracts, audit reports and Invoices is subject to change. Auditors should use the submission process in effect at the time of submission. The most current instructions will be found on our website: <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor.
15. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, signed and dated by all parties and pre-audited if the change includes a change in audit fee. This document and a written explanation of the change must be submitted by email in PDF format to the Secretary of the LGC for approval. The portal address to upload your amended contract and letter of explanation documents is <http://nctreasurer.slgfd.leapfile.net> No change shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.
16. Whenever the Auditor uses an engagement letter with the Governmental Unit, Item #17 is to be completed by referencing the engagement letter and attaching a copy of the engagement letter to the contract to incorporate the engagement letter into the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control. Engagement letter terms are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #22 of this contract. Engagement letters containing indemnification clauses will not be approved by the LGC.

Governmental Unit

Discretely Presented Component Unit's (DPCU) if applicable

17. Special provisions should be limited. Please list any special provisions in an attachment.
18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU must be named along with the parent government on this audit contract. Signatures from the DPCU Board chairman and finance officer also must be included on this contract.
19. The contract must be executed, pre-audited, physically signed by all parties including Governmental Unit and Auditor signatures and submitted in PDF format to the Secretary of the LGC. The current portal address to upload your contractual documents is <http://nctreasurer.slgfd.leapfile.net> Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of February, 2015. These instructions are subject to change. Please check the NC Treasurer's web site at www.nctreasurer.com for the most recent instructions.
20. The contract is not valid until it is approved by the LGC Secretary. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
22. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16 for clarification).

SIGNATURE PAGES FOLLOW

Contract to Audit Accounts (cont.)

City of Graham

Governmental Unit

Discretely Presented Component Unit's (DPCU) if applicable

City of Graham

- FEES

Year-end bookkeeping assistance – [For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards]

Audit

\$18,900

Preparation of the annual financial Statements

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$14,175

** NA if there is to be no interim billing

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

Audit Firm Signature:

STOUT STUART MCGOWEN & KING, LLP

Name of Audit Firm

By Patricia B. Rhodes

Authorized Audit firm representative name: Type or print

Signature of authorized audit firm representative

Date April 27, 2015

pbrhodes@ssmklp.com

Email Address of Audit Firm

Governmental Unit Signatures:

City of Graham

Name of Primary Government

By Jerry Peterman, Mayor

Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date

By Jerry Peterman

Chair of Audit Committee - Type or print name

**

Signature of Audit Committee Chairperson

Date

** If Governmental Unit has no audit committee, mark this section "N/A"

City of Graham

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28

(a)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

By Sandra B. King

Primary Governmental Unit Finance Officer:

Type or print name

Primary Government Finance Officer Signature

Date

(Pre-audit Certificate must be dated.)

sking@cityofgraham.com

Email Address of Finance Officer

**Date Primary Government Governing Body
Approved Audit Contract - G.S. 159-34(a)**

CITY OF GRAHAM, NORTH CAROLINA
AUDIT PROPOSAL - TECHNICAL
FIRST SECTION



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First Section

1. Audit Team

Patricia Rhodes – Partner – Partner in Charge
Jennifer Stout – Senior Accountant
Joey Purgason – Staff Accountant
Scott Rickard – Partner – Technical Reviewer

The audit team may vary at the staff accountant level.

2. Current and Prior Governmental Audit Clients

Current

City of Burlington 1972 to Present
Town of Elon 1972 to Present
Kennedy Charter Public School 2007 to Present
Airport Commission of Forsyth County 2010 to Present
Town of Yanceyville 1998, 1999, 2002, 2003 to 2008, 2013 to Present

Prior

Alamance-Burlington School System 1972 to 1999
(Includes Burlington City Schools and Alamance County Schools)
Lakeside Charter Public School 1998, 1999
Burlington-Alamance Airport Authority 1974 to 1999
Town of Gibsonville 1990 to 2008
Alamance County Transportation Authority 2003 to 2009

3. Additional Services

City of Burlington- Preparation of AFIR, Data Collection Forms, assistance in preparation of CAFR, assistance with filing requirements and bond proposals with the Local Government Commission, arbitrage calculation, 1972 to Present
Town of Elon- Preparation of AFIR, 1972 to Present

We have performed other services requested by clients that have been within the confines of the independence regulations.

4. Quality Assurance

STOUT STUART McGOWEN & KING LLP (SSMK) has a policy of in-house Quality Review. As part of this program, the auditing services we are proposing will be subjected to an internal review by another experienced CPA within the firm, under strict rules of confidentiality.

4. Quality Assurance (continued)

Additionally, we are a member of the AICPA Peer Review Program and as such have been subject to a peer review every three years since 1990. The most current peer review report is attached.

5. & 7. Firm Qualifications and Experience

Firm Background

SSMK is a diverse accounting and consulting firm. We have operated as a firm continuously since 1972 in Alamance County. Our office has thirteen partners, five professional team members, five support team members and an information technology professional.

Patricia Rhodes has been with the firm for 27 years and has been the Partner in charge of the audits for the City of Burlington and the Town of Elon for fifteen years. She has been the partner in charge of the Kennedy Charter Public School audit for eight years. Prior to becoming partner in charge she was the senior auditor on the City of Burlington and the Town of Elon for twelve years. Patricia has extensive audit experience and is knowledgeable on the reporting models for governmental entities and the *Government Auditing Standards*. She will be on site during the audit for 85% of the fieldwork.

Jennifer Stout has been with the firm for 24 years and has been heavily involved with the Governmental Audits. She has been the senior accountant on the audits of the City of Burlington for the past eight years and the Town of Elon for the past four years. Prior to auditing the City and Town of Elon, she was involved with the audit for the Alamance-Burlington School System for 8 years. She was also involved with the audits for the Burlington City Schools as well as the Alamance County School System. Jennifer also has extensive audit experience and is knowledgeable on the reporting models for governmental entities and the *Government Auditing Standards*. She will be on site during the audit for 90% of the fieldwork.

6. Educational Background

The Partner and Senior accountant assigned to the audit team have taken additional CPE courses covering the following areas: Governmental Accounting and Auditing Updates, Implementation of GASB 34, Advanced GASB 34, Workpaper Techniques for Governmental Auditing, GASB Updates, Audits of States and Local Governments (A-133) and Yellow Book Audit, Fraud, Compliance and Internal Control, Ethics, Analytical Procedures and the Local Government Conference.

8. Not Applicable

9. Current Governmental Audit Contacts

City of Burlington – Finance Officer – Peggy B. Reece – 222-5062
Town of Elon – Finance Officer – Misty Hagood – 584-0282

10. Independence

STOUT STUART McGOWEN & KING LLP (SSMK) is independent of the City of Graham under the *Government Auditing Standards* and the AICPA standards in its Code of Professional Conduct. The firm does not have a formal written policy regarding Independence under *Governmental Auditing Standards* but each team member is required to complete a yearly questionnaire concerning independence with regards to all clients.

Licensed to Practice in North Carolina

SSMK and all of our partners and audit personnel are properly licensed to practice in the State of North Carolina.

Professional Affiliations

SSMK is a member of the following:

- ✓ American Institute of Certified Public Accountants.
- ✓ North Carolina Association of Certified Public Accountants.
- ✓ National Association of Certified Valuation Analysts

11. Insurance Coverage

Yes. The firm is insured with an Accountant's Professional Liability Insurance Policy with CNA Insurance Company.

12. Non-Applicable.

- Peggy Reece: Excellent, Experience, Can reach out to them great working relationship, reasonable or expected demands on staff.
- Misty Hagood: Longstanding Relationship, worked w/ them @ Gibsonville, (left message) they are good to communicate with, ~~very~~ flexible scheduling, Usually 2-3 accountants, Good overall relationship!



Whisman Giordano & Associates LLC

System Review Report

Stout, Stuart, McGowen & King LLP
and

the Peer Review Committee of the North Carolina Association of Certified Public Accountants

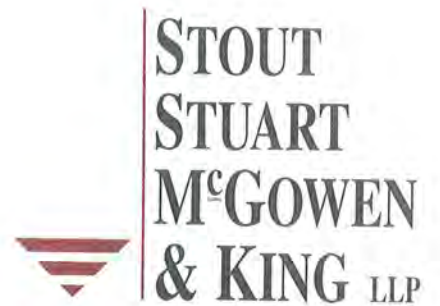
We have reviewed the system of quality control for the accounting and auditing practice of Stout, Stuart, McGowen & King LLP in effect for the year ended June 30, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of *Employee Benefit Plans*.

In our opinion, the system of quality control for the accounting and auditing practice of Stout, Stuart, McGowen & King LLP in effect for the year ended June 30, 2014 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material aspects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Stout, Stuart, McGowen & King LLP has received a peer review rating of *pass*.

December 15, 2014

CITY OF GRAHAM, NORTH CAROLINA
AUDIT PROPOSAL – COST ESTIMATE
SECOND SECTION



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Second Section – City of Graham

1. Audit Approach

The audit procedures for this engagement are presented in a summary work plan, broken down by major audit activity. We believe a well-devised work plan is essential to performing a thorough, yet cost effective audit.

We have audit programs that detail specific audit procedures for Governmental Audits, which we will tailor as required to meet the unique needs of the City of Graham.

2. Statistical Sampling

We will use statistical sampling in our preliminary testing of accounts to pull check numbers, invoices and receipts.

3. Computer Assisted Auditing Procedures

SSMK uses computers extensively in planning, conducting and concluding audits. Computer applications regularly employed include:

- ✓ Audit program generation and customization
- ✓ Trial balancing including automatic generation of lead schedules
- ✓ Creating and updating complex or ongoing work papers
- ✓ Sample planning, selection and evaluation
- ✓ Analytical procedures
- ✓ Reporting and financial statement preparation

We believe that a highly integrated computer based process enables us to generate efficiencies in all phases of the audit and provides a solid foundation for future audits.

4. Proposed Work Plan

The major segments of the examination are listed below:

1. Audit planning activities: Patricia and Jennifer-25%
 - ✓ Obtain an in-depth knowledge of your business
 - ✓ Understand your system of internal control
 - ✓ Make preliminary judgments about materiality
 - ✓ Consider audit risk at the financial statement level (engagement risk)
 - ✓ Consider audit risk at the account balance or transaction class level
 - ✓ Make fraud risk assessment
 - ✓ Determine extent and timing of substantive tests

4. Proposed Work Plan (continued)

2. Design substantive audit procedures and customize audit programs.
Patricia and Jennifer-5%
3. Perform substantive audit procedures Patricia, Jennifer, Joey-50%
 - ✓ Substantive tests of balances
 - ✓ Substantive tests of transactions
 - ✓ Analytical procedures on non-material/low risk accounts
4. Perform final analytical review and evaluate results of audit procedures.
Patricia, Jennifer, Joey-5%
5. Evaluate results of audit procedures and determine if said procedures and results are sufficient to support the opinion on the financial statements
Patricia and Jennifer-5%
6. Conclude the audit Patricia and Jennifer-10%
 - ✓ Review for subsequent events
 - ✓ Obtain and evaluate management representation letter
 - ✓ Obtain and evaluate attorney(s) letter(s)
 - ✓ Review work papers and review financial statements
 - ✓ Determine if audit evidence supports our opinion and prepare opinion letters

5. Management Letter

The management letter will contain any internal control matters which come to our attention that should be communicated in accordance with (SAS) No. 115, *"Communicating Internal Control Related Matters Identified in an Audit."* Some examples of internal control matters are: inadequate segregation of duties within a significant account or process, inadequate controls over the safeguarding of assets and inadequate design of internal control over a significant process. A possible disclosure that could arise is the need to address a significant deficiency or material weakness of the internal control over the preparation of the financial statements since the auditor is to prepare the financial statements according to this RFP.

6. Government Staff Assistance

In addition to the City of Graham services to be provided per the RFP, we will ask you to prepare account reconciliations for major general ledger accounts and provide us with computer access at your site during the audit to maintain audit efficiency.

7. Timing and Delivery

We anticipate performing substantial interim audit procedures during the time period of June 10th thru June 15th.

We will perform the audit fieldwork between August 15th and September 15th.

We anticipate finalizing any audit adjustments prior to September 30th.

We will provide the management letter and other reports after our review of the financial statements prepared by the City in order for the submission to the Local Government Commission to take place by October 31st.

8. Fee Proposal

A. Manpower costs-

1. Estimated Hours

On-site interim work

Partner- 8 hours.

Senior Accountant -16 hours

Staff Accountants -16 hours

Year-end on-site work

Partner-12 hours

Senior Accountant-40 hours

Staff Accountants -40 hours

Work performed in auditor's office

Partner-3 hours

Staff Accountant -3 hours

2. Rate per Hour

Partner - \$200.00 per hour

Senior - \$150.00 per hour

Staff Accountants - \$100.00 per hour

8. Fee Proposal (continued)

3. Total Cost

On-site interim work

Partner	\$ 1,600.00
Senior Accountant	2,400.00
Staff Accountant	1,600.00

Year-end on-site work

Partner	\$ 2,400.00
Senior Accountant	6,000.00
Staff Accountant	4,000.00

**Work performed in
Auditor's office**

Partner	\$ 600.00
Staff Accountant	<u>300.00</u>

Total Audit Cost: \$ 18,900.00

Our proposed fee for this engagement is \$19,250 and \$19,500 for each of the next two years (2016 and 2017), respectively.

B. Travel

The firm does not charge clients for in-county travel or close proximity.

C. Supplies and materials

Non-Applicable

D. Other Costs

Non-Applicable

Broadening of Scope

Should special requests or deviations from the City of Graham RFP arise which require an extension of audit time or a broadening of audit scope beyond that which has been anticipated, SSMK will present to the Finance Officer a change order request for mutual agreement prior to the commencement of the work required.

Cost Estimate

Three Year Contract

	FYE 2015	FYE 2016	FYE 2017
Base Charge - Financial Audit and State Compliance Audit	\$ 18,900	\$ 19,250	\$ 19,500
Other:			
Total	\$ 18,900	\$ 19,250	\$ 19,500

Methodology of cost estimate: Our cost estimate is a not-to-exceed amount. The fee is based on our prior experience in completing the audit using our estimated hours at standard billing rates.

Basis for determining cost estimate after first year: Our cost estimates for the two succeeding years include modest increases for personnel and other overhead costs.

Bidder: STOUT STUART MCGOWEN & KING, LLP	Contact: Patricia Rhodes
Address: P.O. Box 1440	Telephone: 336-226-7343
Burlington, NC 27216-1440	E-mail: pbrhodes@ssmklp.com
	Date: March 30, 2015
Authorized Signer: Patricia Rhodes	



**STOUT
STUART
MCGOWEN
& KING LLP**

*Certified
Public
Accountants*

*Advisors to
Management*

*Member of PCPS,
The AICPA Alliance
For CPA Firms*

*Mailing Address:
P.O. Box 1440
Burlington, NC 27216-1440*

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1233 South Church Street
Burlington, NC 27215*

*336-226-7343
fax 336-229-4204
www.ssmkllp.com
e-mail: ssmk@ssmkllp.com*

April 27, 2015

Mr. Jerry Peterman, Mayor
City of Graham
Graham, North Carolina

Dear Mayor Peterman:

We are pleased to confirm our understanding of the services we are to provide City of Graham for the year ended June 30, 2015. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of City of Graham as of and for the year ended June 30, 2015. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Graham's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Graham's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.

We have also been engaged to report on supplementary information other than RSI that accompanies City of Graham's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of expenditures of federal and State awards.
- 2) Combining and individual fund financial statements and schedules.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City of Graham and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City of Graham's financial statements. Our report will be addressed to the City Council of the City of Graham. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City of Graham is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Graham and the

respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

You are also responsible for the preparation of the other supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be

examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements, and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Graham's compliance with provisions of applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the City of Graham; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of STOUT STUART McGOWEN & KING LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to grantor agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of STOUT STUART McGOWEN & KING LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the grantor agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately June 1, 2015 and to issue our reports no later than October 31, 2015. Patricia B. Rhodes is the engagement partner and is responsible for supervising the engagement and signing the report. Our fee for these services will be at \$18,900 in accordance with our audit contract dated April 27, 2015.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2014 peer review accompanies this letter.

We appreciate the opportunity to be of service to City of Graham and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

STOUT STUART MCEDMON & KING LLP

RESPONSE:

This letter correctly sets forth the understanding of City of Graham.

By:

Title:

Date:



Whisman Giordano & Associates LLC

System Review Report

Stout, Stuart, McGowen & King LLP

and

the Peer Review Committee of the North Carolina Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Stout, Stuart, McGowen & King LLP in effect for the year ended June 30, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of *Employee Benefit Plans*.

In our opinion, the system of quality control for the accounting and auditing practice of Stout, Stuart, McGowen & King LLP in effect for the year ended June 30, 2014 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material aspects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Stout, Stuart, McGowen & King LLP has received a peer review rating of *pass*.

December 15, 2014