

**CITY OF GRAHAM
REGULAR SESSION AGENDA
TUESDAY, APRIL 3, 2018
7:00 P.M.**

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

1. Consent Agenda:

- a. Approval of Minutes – March 5, 2018 Special Session
- b. Approval of Minutes – March 6, 2018 Regular Session
- c. Approval of Minutes – March 15, 2018 Special Session
- d. Tax Releases
- e. Approve request from Graham Recreation and Parks to close the 100 block of West Elm Street on Saturday, April 14, 2018 from 5:00pm-11:00pm for the rescheduled Grown Up Easter Egg Hunt Event
- f. Recognize April 21, 2018 as Arbor Day in the City of Graham
- g. Declare property adjacent to 516 West Elm Street as surplus and authorize disposal via the upset bid method as outlined in NCGS 160A-269 and subject to the conditions as set forth in Section 4 of the Offer to Purchase and Contract submitted by Walt C. Zamora

2. Old Business:

- a. Temporary Outdoor Sales Ordinance Update
- b. Downtown Revolving Loan Fund Update
- c. Second Reading: Amendment to the Code of Ordinances – Temporary Parking Permit

3. Requests & Petitions from Citizens:

- a. Public Hearing: Petition for Voluntary Contiguous Annexation for property at Swepsonville Road and South Main Street (AN1801):
 - i. Approve Annexation Ordinance
- b. Request from Audrey Garton for permission to hold a Community Art Weekend in Downtown Graham on May 19, 2018 and May 20, 2018
- c. Request from Chelsea Dickey for an Infrastructure Investment Matching Grant specific to Downtown Graham

4. Issues Not on Tonight's Agenda

**CITY OF GRAHAM
SPECIAL SESSION
TUESDAY, MARCH 5, 2018
5:30 P.M.**

The City Council of the City of Graham met in special session at 5:30 p.m. on Monday, March 5, 2018, in the Conference room of the Municipal Building located at 201 South Main Street.

Council Members Present:

Mayor Jerry Peterman
Mayor Pro Lee Kimrey
Council Member Chip Turner
Council Member Griffin McClure
Council Member Melody Wiggins

Also Present:

Frankie Maness, City Manager
Aaron Holland, Assistant City Manager
Darcy Sperry, City Clerk
Nathan Page, Planning Director
Alexa Powell, City Planner
Tonya Mann, Utilities Director
Jeff Prichard, Police Chief
Brian Faucette, Recreation & Parks Director

Mayor Jerry Peterman called the meeting to order and presided at 5:34 p.m.

Mayor Peterman stated that the public may have questions about this agenda as well, so he asked Council Members to consider questions asked tonight, be asked at tomorrow night's meeting as well. Staff discussed the various agenda items and general discussion ensued.

With no further business to discuss, Council Member Chip Turner made a motion to adjourn at 7:04 p.m., seconded by Council Member Melody Wiggins. All voted in favor of the motion.

Darcy Sperry, City Clerk

**CITY OF GRAHAM
REGULAR SESSION
TUESDAY, MARCH 6, 2018
7:00 P.M.**

The City Council of the City of Graham met in regular session at 7:00 p.m. on Tuesday, March 6, 2018, in the Council Chambers of the Municipal Building located at 201 South Main Street.

Council Members Present:

Mayor Jerry Peterman
Mayor Pro Tem Lee Kimrey
Council Member Griffin McClure
Council Member Chip Turner
Council Member Melody Wiggins

Also Present:

Frankie Maness, City Manager
Aaron Holland, Assistant City Manager
Darcy Sperry, City Clerk
Nathan Page, Planning Director
Keith Whited, City Attorney
Alexa Powell, Planner
Brian Faucette, Recreation & Parks Director
Jeff Prichard, Police Chief
Tonya Mann, Utilities Director

Mayor Jerry Peterman called the meeting to order and presided at 7:00 p.m. Pastor Stephen Hall of the Anchor Church of Alamance County gave the invocation and everyone stood to recite the Pledge of Allegiance.

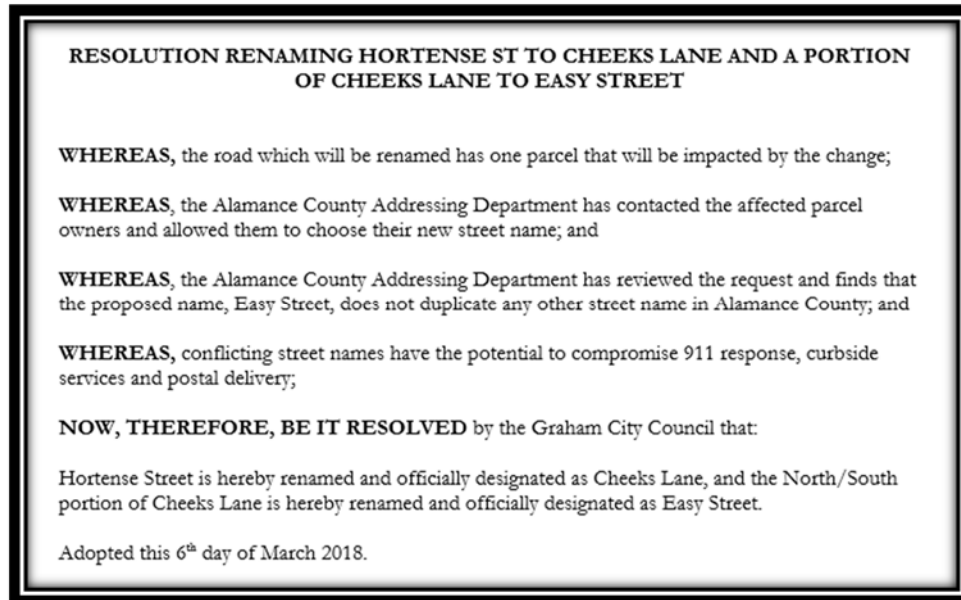
Consent Agenda:

- a. Approval of Minutes – February 6, 2018 Regular Session*
- b. Tax Releases & Refunds*

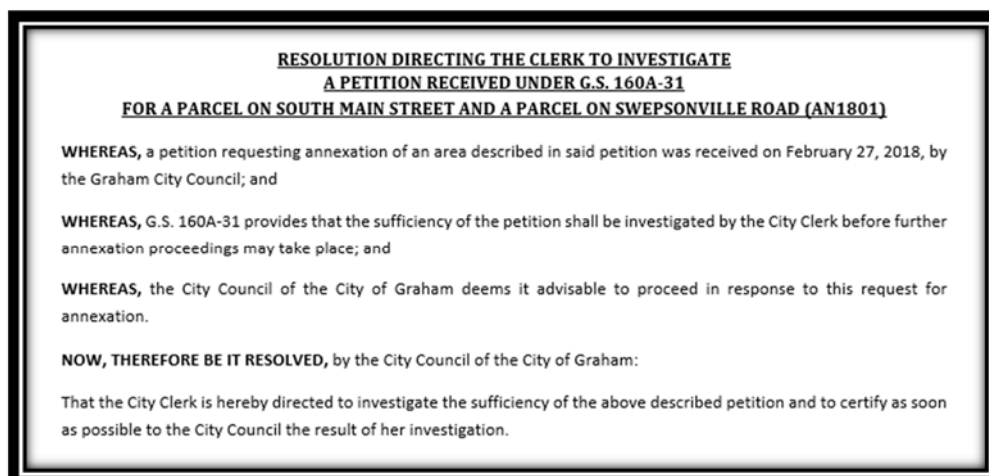
CITY OF GRAHAM RELEASE ACCOUNTS				
MARCH COUNCIL MEETING				
ACCT#	YEAR	NAME	REASON FOR RELEASE	AMOUNT RELEASED
490163	2017	PUCKETT, THOMAS ROBERT JF	DID NOT LIVE IN CITY OF GRAHAM JAN 1	34.13
512724	2017	ELLINGTON, SCOTT THOMAS	DID NOT OWN BAYLINER JAN 1	53.69
552859	2011-2017	RIMAS, JOSE BAUTISTA	MH DOUBLE LISTED WITH ACCT #603726	31.40
653299	2015	CRUZ, JAVIER	MH LISTED AS 2007 INSTEAD OF 1977	71.75

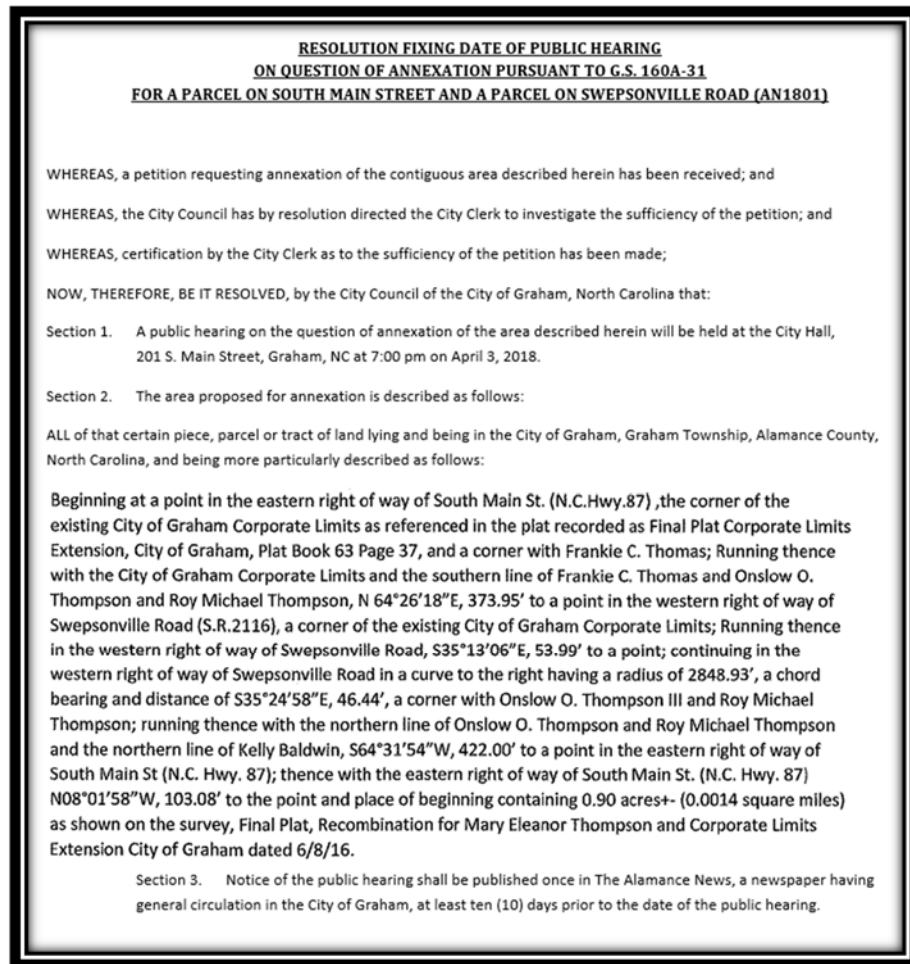
CITY OF GRAHAM REFUNDS				
MARCH COUNCIL MEETING				
ACCT#	YEAR	NAME	REASON FOR REFUND	AMOUNT REFUNDED
664090	2017	CARTER, ODELL	QUALIFIED FOR HOMESTEAD EXEMPTION	435.23
664116	2017	PRESTON, LANEY	CORRECTED SQUARE FOOTAGE	282.59
615344	2017	FIRST CITIZENS BANK	PORTION OF PP CODED WRONG DISTRICT	733.46

- c. *Approve resolution authorizing the renaming of a portion of Cheeks Lane to Easy Street and Hortense Street to Cheeks Lane*



- d. *Approve request from Graham United Methodist Church to close East Market Street on Saturday, March 24, 2018 from 10:00am-4:00pm for a community Easter “Egg”stravaganza event*
- e. *Approve request from Graham Recreation and Parks to close the 100 block of West Elm Street on Saturday, March 24, 2018 from 5:00pm-11:00pm for the Grown Up Easter Egg Hunt Event*
- f. *Appoint Renee Russell to Appearance Commission – to fulfill the unexpired term of Denise Baker, June 30, 2020*
- g. *Appoint Jeannette Beaudry to Historic Resources Commission – to fulfill the unexpired term of Denise Baker, June 30, 2020*
- h. *Approve resolution requesting City Clerk to Investigate Sufficiency and resolution Fixing Date of Public Hearing on Question of Annexation for a parcel on Swepsonville Road and a parcel on South Main Street (AN1801)*





Mayor Peterman asked if anyone would like to pull any of the items from the Consent Agenda. Mayor Pro Tem Lee Kimrey asked to pull items "c", "e" and "f".

Council Member Melody Wiggins made a motion to approve items "a", "b", "d", "g" and "h" on the Consent Agenda, seconded by Council Member Chip Turner. All voted in favor of the motion.

Mayor Pro Tem Kimrey asked Planning Director Nathan Page to explain why we have to approve the renaming streets in item "c". Mr. Page stated that while these are both NCDOT streets, the City is responsible for signage. The request is to accommodate the E-911 system. Mayor Pro Tem Kimrey made a motion to approve item "c" on the Consent Agenda, seconded by Council Member Griffin McClure. All voted in favor of the motion.

Mayor Pro Tem Kimrey asked Recreation & Parks Director Brian Faucette to explain the Adult Easter Egg Event referenced in item "e". Mr. Faucette stated that this is the Recreation & Parks first attempt to hold an adult themed event. There will be a \$5.00 admission fee and live band along with a prize filled egg hunt. The 100 block of West Elm Street will be closed to accommodate the event. Mayor Pro Tem Kimrey made a motion to approve item "e" on the Consent Agenda, seconded by Council Member Wiggins. All voted in favor of the motion.

Mayor Pro Tem Kimrey wanted to thank Ms. Denise Baker for her service to the City referenced in item "f". Mayor Peterman asked staff to send a thank you letter to Ms. Baker.

Mayor Pro Tem Kimrey made a motion to approve item “F” on the Consent Agenda, seconded by Council Member Turner. All voted in favor of the motion.

Old Business:

a. Temporary Outdoor Sales Ordinance Update

Assistant City Manager Aaron Holland explained that due to scheduling conflicts, he has not been able to meet with parties who expressed some concern with language being proposed by staff. He advised that there is a meeting scheduled for this week and asked that Council table this item.

Council Member Turner made a motion to table this item until April, seconded by Council Member McClure. All voted in favor of the motion.

b. Downtown Revolving Loan Fund

City Planner Alex Powell explained that last month City Council directed staff to continue researching options for operating the Revolving Loan Fund for the City. In the course of investigating alternatives, City staff reached out to planners and city managers across the state to identify how other communities operate their revolving loan funds. Ms. Powell added that as a community, our shared interest in the Revolving Loan Fund is providing citizens access to the financial resources they need to pursue their dreams, whether those dreams involve, starting a new business, expanding their existing business or revitalizing buildings in downtown Graham. City staff has five available options include operating the Revolving Loan Fund in-house, a hybrid model, contracting with the Piedmont Triad Regional Council, using the NC Rural Center, or returning the money to the State. Ms. Powell advised that a private lender was contacted but did not respond to our request.

She added that the final plan to the State is due this month. For this reason a final decision on this item and the terms for executing the RLF must be reached at this Council meeting. Staff's recommendation is to approve the execution of a consulting agreement with the NC Rural Center for the management of a downtown Revolving Loan Fund for the City of Graham.

Council and staff discussed in length the advantages and disadvantages of using a hybrid model, in which the City would work with the Alamance Community Foundation (ACF) versus staff's recommendation of the Rural Center. Mayor Pro Tem Kimrey liked the idea for more control in who receives loans that would come with the hybrid model. He also prefers the ACF's 6% interest rate to that of the minimum 8% rate the Rural Center would offer. City Manager Frankie Maness stated we have to be very careful, in that public monies can only be invested in certain ways.

Council Member Wiggins praised staff on the extensive research done. She asked staff what the estimated cost associated with the hybrid model and Rural Center. Ms. Powell stated that the hybrid model is difficult to estimate costs. She gave the example that should the underwriter retained by the City be sued, the City would incur legal expenses for that underwriter. Ms. Powell stated that until we actually get a contract set up with the ACF, it is difficult to compare costs when we do not know at this point what the contract parameters might be.

She advised that the Rural Center has a one-time fee of \$5,000 and would match the City's \$50,000 investment, making the balance of the Revolving Loan Fund \$100,000. They would also handle all aspects of administering the Fund.

Council Member McClure asked how the City would benefit from using the ACF. Ms. Powell advised that one benefit would be that the City would have no legal requirement to share sensitive financial information about loan applicants. City Attorney Keith Whited spoke about public records laws and stated that what information is made public would be how the agreement is set up. Council Member Turner asked Mr. Maness how a city can grow their money. Mr. Maness went over the various ways cities can grow their money, but reiterated that we are limited in ways to invest public monies. He added that the number one priority when investing public monies is safety, followed by liquidity and yield. He stated that it is great to gain a higher yield, but we cannot compromise safety and liquidity in the process.

Council Member Turner inquired as to the length of the contract with the Rural Center and the ACF. Ms. Powell advised that the Rural Center contract is for two years, but provides an out clause should the City wish to pursue that.

Mr. Tom Boney of the Alamance News stepped forward to express concern with descriptions given by staff for what is and isn't public record.

Council Member McClure asked Mr. Maness about the timeline for these grant monies. Mr. Maness stated that by June 30, 2018, the funds were to be expended. He advised that we are behind the timeline which we submitted and was subsequently approved by the State of North Carolina Rural Development Division.

With no further discussion, Mayor Pro Tem Lee Kimrey made a motion to authorize the City Manager to sign an agreement with the Alamance Community Foundation and put together the guidelines for the hybrid model, seconded by Council Member McClure. Ayes: Mayor Pro Tem Kimrey, Council Member McClure and Council Member Turner. Nays: Council Member Wiggins and Mayor Peterman. Motion carried 3:2.

c. Statement/Tagline Presentation – Elon University

Mr. Page introduced Mr. Kailen Zorzi, Mr. Aiden Loftus and Mr. Jeremy Keys, students from Elon University. He explained that during last month's City Council meeting, these Elon Marketing students presented a variety of proposed positioning statements and taglines for the City of Graham as part of their undergraduate coursework at Elon University. These statements are the outcome of many in-person interviews with stakeholders, as well as public meetings. The draft statements will allow the City to move forward towards the next step of differentiating ourselves from surrounding municipalities while having a cohesive message to get across to residents, visitors, and individuals looking to move either themselves or their businesses to Graham.

While Council Members did not choose to formally adopt a positioning statement or a tagline for the City, they took turns letting the students know which positioning statement and tagline they liked best. Mayor Peterman thanked the gentlemen for their time and wished them luck with their class grade.

d. Pine Street Speed Limit

Ms. Jan Searls of 526 East Pine Street Graham stepped forward to address Council. At last month's City Council meeting, Ms. Searls asked Council to consider changing the speed limit on a portion of East Pine Street. She asked Council to table this item until after the already approved bike lanes are installed. She stated that she would like to see if those might help slow down traffic in that area.

Council Member Turner made a motion to table this item until after the bike lanes are put in, seconded by Mayor Pro Tem Kimrey. All voted in favor of the motion.

Requests & Petitions from Citizens:

a. Downtown Parking Wayfinding Discussion – Chelsea Dickey

Ms. Chelsea Dickey of 200 North Main Street Graham stepped forward and asked Council to consider addressing the need for more parking identification in the downtown area. Currently the City offers free parking in six lots surrounding the downtown area. Ms. Dickey stated that she had discussed this idea with Mr. Holland. Mr. Holland advised Council that after his conversation with Ms. Dickey, he reached out to a local sign company to get an estimate on what parking signs might cost. He presented Council with a couple of sign options and informed Council that he received a quote of \$550 for these parking directional signs.

Council Members and staff talked about the quantity of signs needed, costs, time line for installation and location of signs. All agreed that we need to be able to get people to downtown and into the City's lots.

Mr. Chuck Talley of 808 Sideview Street Graham stepped forward to express the need for wayfinding signs. He stated that he believes that the City can make a statement by investing in the downtown area.

Council Member McClure made a motion to pursue parking wayfinding initiative with a cap of \$8,000, seconded by Council Member Turner. All voted in favor of the motion.

b. Request from Brian Fisher for the consumption of beer or wine at the Grown Up Easter Egg Hunt Event on March 24, 2018 from 5:00pm-11:00pm

Mr. Brian Fisher of 148 Chuck Garner Place Graham stepped forward to address Council. He stated that he was making this request on behalf of himself and other Graham business owners. He informed Council that access will be restricted to two entrances, wrist bracelets will be available for purchase and only those wearing wrist bands will be served. He added that no glass containers will be served outside and all alcohol beverages will be in specially marked cups/cans.

Council Members, staff and Mr. Fisher discussed the \$5.00 fee for the event, liability and police presence. Mr. Faucette stated that the \$5.00 fee for this event covers the cost of the band and prizes.

Mr. Eric Crissman of 208 Albright Avenue Graham stepped forward and asked Council if he would be able to bring his own alcohol to this event. Mr. Whited stated no. Mr. Crissman expressed concern that all alcohol sales going through The Verdict.

Mr. Boney stepped forward and stated that he believes the City is setting a poor precedent for alcohol sales at City events and should avoid approving this request.

Ms. Searls stepped forward and suggested dropping "Easter" from the name and call it an Egg Hunt. She stated that she believes that not everyone will want to consume alcohol and there needs to be a way to include everyone.

Mr. Jason Cox of 200 North Main Street Graham stepped forward and stated that he has no issues with this event.

Mr. Fisher stated that his intent was to have several downtown businesses involved but the NCDOT would not allow it. He stated that there may be opportunity for other businesses to have a presence at the event to showcase their products.

Following another brief discussion between Council Members, Mayor Pro Tem Kimrey made a motion to approve the event as requested, seconded by Council Member Wiggins. All voted in favor of the motion.

Recommendations from Planning Board:

a. Public Hearing: Grandview Dr. (RZ1801). Request by Scott Wallace to rezone four lots on Grandview Drive from R-9 to R-7 due to survey error, GPIN 8883014496, 8883012482, 8883014424, 8883013453

Mr. Page explained that due to an error by the original surveyor, the subject lots no longer comply with R-9 zoning. The error was brought to the current developer, Keystone Homes, attention. It is for that reason that they are requesting that four lots on Grandview Drive be rezoned from R-9 to R-7. Mr. Page added that the Planning Board recommended approval.

Following a brief discussion between Council Members and staff, Mayor Peterman opened the Public Hearing.

Mr. Gregory Gorrell of 340 Bear Branch Trail Reidsville stepped forward to address Council. Mr. Gorrell stated that he is the surveyor for the current developer. Council and Mr. Gorrell discussed the surveying error and what may have led to the error. Mayor Peterman closed the Public Hearing.

Mayor Pro Tem Kimrey made the motion that the application be approved, the application is consistent with The Graham 2035 Comprehensive Plan and that this action is reasonable and in the public interest for the following reason; It best utilizes the remaining property there after a mistake was made. Council Member Wiggins seconded the motion and all voted in favor of the motion.

b. Public Outreach Efforts – Eric Crissman, Graham Planning Board

Mr. Eric Crissman of 208 Albright Avenue Graham stepped forward to address Council on behalf of the Graham Planning Board. He stated that the Planning Board feels that the City is lacking on how information is disseminated to the public. Mr. Crissman alleged that board and commission members are not always made privy to what Council discusses and feel like they lack a voice in decisions made. Additionally, Mr. Crissman expressed concern with the current setup in the Council Chambers, stating that not all Council Members can be seen and heard by those sitting in the rear of the Council Chambers. He stated that the size of the monitors and sound system are insufficient for the size of the room. Mr. Crissman believes all meetings should be live streamed and archived. He asked Council to consider making the Council Chambers more user friendly, the visuals more acceptable and interaction between Council and the various board and commission members more inclusive.

Mayor Peterman thanked Mr. Crissman and agreed that the Council Chambers sound system and monitors have become outdated. He advised that this is budget season and they will take his concerns about the Council Chambers into consideration. Mayor Peterman told Mr. Crissman that he appreciates the concerns he expressed and that he will look into ways to get the boards and commission members to feel more included.

Back Creek Spillway Bid Award

Mr. Maness explained that this project was incorporated into our annual operating budget as part of the Water Plant's operating budget. This includes repairs to the Spillway, the addition of a Toe Drain at the base of the dam. He informed Council that bids were recently accepted and the lowest responsive bid was for \$208,305.90. Staff recommends approval as the dam is a high priority, high risk asset of the City.

Council Members, Mr. Maness and Utilities Director Tonya Mann discussed the project including bringing the lake down for approximately 60 days while repairs are made, the quality of materials being used and the installation of a Toe Drain as a corrective effort to recent State inspections.

With no further discussion, Council Member Wiggins made a motion to award the contract for Back Creek Reservoir Spillway Joint Sealant Replacement and Toe Drain Addition with Alternate B to Strickland Waterproofing and authorize the Mayor, City Manager, City Attorney and City Clerk to execute the contract on behalf of the City, seconded by Council Member Turner. All voted in favor of the motion.

Old Fields/Back Creek Outfall Agreement

Mr. Maness advised that the developer had requested that the City postpone this request until he receives more concrete dollar figures.

Following a brief discussion in which Mr. Maness outlined the request, Council Members unanimously gave consensus to not take any action.

Boyd Creek Pump Station

Mr. Maness explained that the Boyd Creek Pump Station has served the City well since 1959. He added that it is a high priority capital project and for the past two years, we have talked about how to finance replacement costs. Mr. Maness reminded Council that they authorized staff to pursue grant/loan funding through the State of North Carolina for the Boyd Creek Lift Station Replacement Project. In August of 2017, the City was awarded \$612,500 in grant funds and \$1,837,500 in zero interest loan funds. Staff has submitted and gained approval of the engineering report as well as approval from the Local Government Commission for the loan financing. The estimated cost of the project is estimated at \$2,450,000.

Following a brief discussion between Council Members and staff, Council Member McClure made a motion to approve the Resolution Accepting Grant and Loan Assistance from The State of North Carolina for Construction of the Boyd Creek Pump Station, seconded by Council Member Wiggins. All voted in favor of the motion.

RESOLUTION ACCEPTING GRANT AND LOAN ASSISTANCE FROM THE STATE OF NORTH CAROLINA FOR CONSTRUCTION OF THE BOYD CREEK LIFT STATION

WHEREAS, The North Carolina Clean Water Revolving Loan and Grant Act of 1987 has authorized the making of loans and grants to aid eligible units of government in financing the cost of constructing wastewater treatment works, wastewater collection systems, water supply systems and water conservation projects; and

WHEREAS, The North Carolina Department of Environmental Quality has offered a State (SRP) loan in the amount of \$1,837,500 and grant in the amount of \$612,500 from the Water Infrastructure Fund; and

WHEREAS, The City of Graham intends to construct a sewer collection system project described as the replacement of the Boyd Creek Lift Station in accordance with the approved plans and specifications

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

That City of Graham does hereby accept the State (SRP) loan in the amount of \$1,837,500 and grant in the amount of \$612,500 from the Water Infrastructure Fund.

That the City of Graham does hereby give assurance to the North Carolina Department of Environmental Quality that all items specified in the loan and grant offer, Section II-Assurances will be adhered to.

That City Manager Frankie Maness, the Authorized Official, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the City of Graham has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 6th day of March, 2018 at Graham City Hall, 201 South Main Street, Graham, North Carolina.

Mr. Maness explained that the Boyd Creek Pump Station Project is actually two projects in one. The first, and most significant, being the replacement of the Boyd Creek Pump Station. The second, and smaller part of the project, is an upgrade to the Back Creek #2 lift station which is now complete. In August of 2017, the City was awarded \$612,500 in grant funds and \$1,837,500 in zero interest loan funds. Accounting for those funds is the purpose of the requested budget amendment.

Council Member Wiggins made a motion to approve Amendment #2 to the Boyd Creek Pump Station project budget, seconded by Council Member Turner. All voted in favor of the motion.

**AMENDMENT #2 CAPITAL PROJECT ORDINANCE
BOYD CREEK PUMP STATION**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAHAM, NORTH CAROLINA, that pursuant to Section 13.2, Chapter 159 of the General Statutes of North Carolina, the following Capital Project Ordinance is hereby amended:

Section 1. The Project authorized is Boyd Creek Pump Station.

Section 2. The officials of the City of Graham are hereby directed to proceed with this program within the terms of the project. Staff is authorized to execute change orders within the budget ordinance.

Section 3. The following revenues are anticipated to be available to the City to complete the project:

Proceeds from Water/Sewer Fund Balance	\$696,000
State SRP Loan	\$1,837,500
State SRP Grant	<u>\$612,500</u>
	\$3,146,000

Section 4. The following amounts are appropriated for this project:

Professional Services	\$220,000
Back Creek #2 Construction	\$430,000
Boyd Creek Lift Station Construction	\$2,450,000
Loan Fees	<u>\$46,000</u>
	\$3,146,000

Section 5. The Finance Director shall report on the financial status of this project as directed by the City Council and will inform the Council of any unusual occurrences.

Section 6. Copies of this project ordinance shall be made available to the City Manager and the Finance Director for direction in carrying out this project.

Section 7. That this ordinance shall take effect upon passage.

This the 6th day of March, 2018.

First Reading Amendment to the Code of Ordinances – Temporary Parking Permit

Police Chief Jeff Prichard explained that he had spoken to Mr. Maness about a Temporary Parking Permit for construction workers in the downtown area. He stated that parking in the downtown area has been a topic of conversation at the last several Council meetings and after researching what other municipalities in our area are doing, he is recommending a \$5.00 per day fee for this permit.

Council Members and staff discussed the number of permits that can be issued at one time, the length of time a permit might be good for and guidelines for the permit.

Mr. Talley stepped forward to once again address Council Members. While stating that he is in support of what the City is trying to do, he referenced former Police Chief Milford's idea of placing marked traffic cones behind construction vehicles which allowed vehicles to sit in that spot for the duration of construction. He suggested Council look at a different way to charge for this permit.

Council Members unanimously agreed that this ordinance, as proposed, is too vague and therefore by consensus, agreed to table this item. Mayor Peterman asked Chief Prichard to work on this and bring it back to Council.

Proposal to Purchase 516 West Elm Street

City Attorney Keith Whited explained that he has received Confirmation of Intent to Bid for Purchase of Access Parcel Contiguous to Graham Drive and Gene's Automotive Service & Repair for \$5,000. He added that this property is one of those properties that he spoke to Council about during the closed session at last month's Council meeting. This property has ongoing zoning issues, no deed for ownership and Council Members had previously directed Mr. Whited to look into resolving the issues with this property. Mr. Whited advised that he has met with the property owner and legal counsel of Gene's Automotive Service & Repair. All parties are aware that conditions may be required by Council in order for Council to entertain the sale of this property.

Council Members spent time discussing potential requirements such as fence height, fence screening, zoning and whether or not the City might be able to use this property for something in the future.

Mr. James Hunt Johnson of 106B South Maple Street Graham and the attorney for the owner of 516 West Elm Street Graham, stepped forward to answer questions from Council Members. Mr. Johnson was asked if his client understands that conditions may be placed on any potential sale. Mr. Johnson stated that his client is aware that this could be the case. Both he and Mr. Whited are trying to work out something beneficial for both the property owner of 516 West Elm Street and the City of Graham.

By consensus, Council Members unanimously agreed to allow the City of Graham to entertain offers for the Access Parcel Contiguous to Graham Drive and Gene's Automotive Service & Repair.

Issues Not on Tonight's Agenda:

Ms. Dickey stepped forward to ask Council to approve the closure of the alley next to the Scott building on March 8, 2018 for an art event. Mayor Peterman advised that historically, the Council does not take action on items not advertised to the public and therefore could not grant her request.

Mr. Holland advised that the Little Alamance Creek Cleanup is scheduled for March 17, 2018.

Mr. Maness informed Council that the City is now on Twitter and Instagram as well as Facebook. He also mentioned that the newsletter is attached to the email that goes out to customers who receive their bills via email.

Council Member Wiggins asked for prayers for City employee Eva Long with the recent loss of her daughter.

At 10:51 p.m. Mayor Pro Tem Kimrey made a motion to adjourn, seconded by Council Member Turner. All voted in favor of the motion.

Darcy Sperry, City Clerk

**CITY OF GRAHAM
SPECIAL SESSION
THURSDAY, MARCH 15, 2018
8:00 A.M.**

The City Council of the City of Graham met in special session at 8:30 a.m. on Thursday, March 15, 2018, in the Conference Room of the Municipal Building located at 201 South Main Street.

Council Members Present:

Mayor Jerry Peterman
Mayor Pro Tem Jimmy Linens
Council Member Griffin McClure
Council Member Chip Turner
Council Member Lee Kimrey

Also Present:

Frankie Maness, City Manager
Aaron Holland, Assistant City Manager
Darcy Sperry, City Clerk
Jeff Prichard, Police Chief
John Andrews, Fire Chief
Tonya Mann, Utilities Director
Burke Robertson, Public Works Director
Brian Faucette, Recreation & Parks Director
Sandra King, Finance Officer

Mayor Jerry Peterman called the meeting to order and presided at 8:03 a.m.

Fiscal Year 2017-2018 Budget Status and Project Updates

City Manager Frankie Maness briefly explained that the purpose of the meeting was to provide information about major topics that will affect the upcoming budget cycle. Mr. Maness presented an overall update on the status of the Fiscal Year 2017-2018 Budget and various projects underway. He stated that generally speaking, our budget numbers are progressing as expected, adding that ad valorem tax on property, sales tax collection revenues and the Water & Sewer Fund numbers look to be in line with what was projected.

Budget Considerations for 2018-2019

Mr. Maness advised that the real property tax base increase is at 1.7%, but stated that number can fluctuate up or down. He stated that the Consumer Price Index (CPI) is at 2.1%. He advised that parties continue to work toward an operations agreement with the new animal shelter. Mr. Maness added that the City's health insurance continues to be the City's largest monthly expense and he anticipates that we will see another increase in rates in the upcoming budget. He expressed concern about the City's employee succession plan and stated that Council can expect to see concurrent salaries in budgets to come. Mr. Maness addressed the City's aging infrastructure, capital improvements and capitalizing on the City's downtown momentum.

Discussion of 2018-2022 Capital Improvement Plan

Assistant City Manager Aaron Holland explained the purpose of the Capital Improvement Plan (CIP) is to identify, prioritize and schedule for the procurement of capital infrastructure, facilities and equipment over a multiyear period. He added that capital planning is an important management tool that strengthens the linkages between community infrastructure needs and the financial capacity of the City.

Mr. Holland spoke of several projects done throughout this budget year and those areas that still need attention throughout the City. Council Members and staff briefly discussed the proposed 2019-2023 Capital Improvement Plan Summary draft.

Discussion of 2017-2018 Budget with Department Heads

Mr. Holland spoke on behalf of the Information Technology Department, highlighting a new sound system for the Council Chambers and Wi-Fi in the downtown area as part of the CIP.

Police Chief Jeff Prichard informed Council Members that some of what he is asking for in the upcoming budget, have been asked for in previous years. He is requesting new flooring for the Police Department, four new police vehicles, upgrades at the Police Department's gun range, taser replacement, training room upgrades and an increase in personnel in the upcoming fiscal year. Chief Prichard advised that some shifts are working with the bare minimum number of officers and he is concerned for officer safety. He also spoke of the possibility of adding a drone to his department.

Fire Chief John Andrews spoke of his request for three additional fire personnel, a new fire engine, fire station renovations, air packs (SCBA), new brush truck, rescue tool (Jaws of Life) and new turnout gear in the upcoming budget. Chief Andrews advised that three additional fire personnel would allow him to have three shifts of three people.

Mr. Holland spoke on behalf of the Inspections and Planning & Zoning Departments. He stated that the Planning Department is requesting a downtown small area plan while the Inspections Department is requesting a new 4x4 suv in the upcoming budget.

Public Works Director Burke Robertson identified the Marshall, Travora, Pomeroy Storm Drain Project, a new 4x4 truck, Truby Drive repair design, a new suv, pedestrian sidewalks, street resurfacing, a new brine sprayer, improvements to the Elm Street and Maple Street municipal parking lots, generator repair and a new tandem dump truck as the Streets & Highways Department requests in the upcoming budget. He stated he is requesting a new automated garbage truck on behalf of the Sanitation Department. Mr. Robertson also spoke of the current growth of the City and the need for more personnel in order to continue to service all residents efficiently. Mr. Robertson briefly spoke about our cemeteries and the various options the City is looking into with regards to burials.

Recreation and Parks Director Brian Faucette addressed the need for a mountain/hiking trail at the Graham Regional Park (GRP), a key card door lock system at the Recreation Center, Alamance Arts electrical projects, Arts Council kitchen upgrade, a 14 passenger mini bus, a dog park, a Recreation Department master plan and GRP water line in the upcoming budget. Mr. Faucette identified a site master plan and a new lake patrol boat as needs for the Graham-Mebane Lake. When speaking on behalf of the Athletic Facilities Department, Mr. Faucette stated his upcoming budget requests include a Kabuto zero turn mower, renovations to the Oakley Street Park, South Graham Park restroom renovations, a Micro Rain MR 43 Traveler water reel and scoreboards for field three at Cooke Park and Goley Street Park.

Utilities Director Tonya Mann identified the Water & Sewer Distribution Department's need for the Ardmore Street line renewal, a new dump truck and a trailer jet sewer cleaner as requests in the upcoming budget.

She advised that the Maintenance & Lift Stations Department will be asking for renovations to the Pyrtle Drive lift station. Ms. Mann informed Council that requests for the Water Treatment Plant will include a new lake mixer and replacement of switch gear and the pump house.

She stated she is requesting a 50% recirculation pump, a new roof for the chlorine building, a new roof for the digester building, a new operator's truck, a primary scum pump, seal water pumps, a sludge mixer pump, a sterilmatic sterilizer and a vacuum pump at the Wastewater Treatment Plant.

Following a brief discussion about the various items presented, Council Member Chip Turner made a motion to adjourn at 12:33 p.m., seconded by Council Member Melody Wiggins. All voted in favor of the motion.

Darcy Sperry, City Clerk

**CITY OF GRAHAM
RELEASE ACCOUNTS**

APRIL COUNCIL MEETING

<u>ACCT #</u>	<u>YEAR</u>	<u>NAME</u>	<u>REASON FOR RELEASE</u>	<u>AMOUNT RELEASED</u>
156161	2017	HOCHREITHER, PHILIP STRATTON	SOLD THE BOAT	5.01
462397	2017	ALAMANCE HEALTH CARE	BILLED GRAHAM, S/B CITY OF BURLINGTON	32.76
462397	2016	ALAMANCE HEALTH CARE	BILLED GRAHAM, S/B CITY OF BURLINGTON	51.37
462397	2015	ALAMANCE HEALTH CARE	BILLED GRAHAM, S/B CITY OF BURLINGTON	44.48
462397	2014	ALAMANCE HEALTH CARE	BILLED GRAHAM, S/B CITY OF BURLINGTON	41.82
462397	2013	ALAMANCE HEALTH CARE	BILLED GRAHAM, S/B CITY OF BURLINGTON	34.61
462397	2012	ALAMANCE HEALTH CARE	BILLED GRAHAM, S/B CITY OF BURLINGTON	32.80

TOTAL RELEASES ***242.85***


From: [Frankie Maness](#)
To: [Darcy Sperry](#)
Subject: FW: Grown-up Easter Egg Hunt
Date: Thursday, March 29, 2018 9:10:57 AM

From: Brian Faucette
Sent: Wednesday, March 21, 2018 2:02 PM
To: Frankie Maness <fmaness@cityofgraham.com>
Cc: Kristen Herndon <kherndon@cityofgraham.com>
Subject: Grown-up Easter Egg Hunt

All parties involved expect one food truck can make the change to April 14th so if council agrees to that change, we will move forward with that plan. Kristen will send a notification this afternoon informing all who have registered that we plan to postpone the event to April 14th, pending council approval.

Brian

Brian Faucette, CPRP; CPSI
Director
Graham Recreation and Parks
PO Box 357 ~ Graham, NC 27253
336.513.5510 (o) 336.516.7392 (c)



GRAHAM
NORTH CAROLINA

ARBOR DAY 2018
PROCLAMATION

WHEREAS, in 1872 J. Sterling Morton proposed that a special day be set aside for the planting of trees; and

WHEREAS, this holiday, called Arbor Day, was first observed with the planting of more than a million trees; and

WHEREAS, Arbor Day is now observed throughout the nation and the world; and

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce oxygen, increase property value, enhance the economic vitality of business areas, and beautify our community; and

WHEREAS, trees are a source of joy and renewal.

NOW, THEREFORE, I, Jerry Peterman, Mayor of the City of Graham, do hereby proclaim **April 21st, 2018** as **ARBOR DAY** in the City of Graham and challenge all citizens to support this project and extend to all involved in this effort our sincere appreciation for their dedication in planting trees to promote the well-being of this and future generations.

This the 3rd day of April 2018.

Jerry Peterman, Mayor



STAFF REPORT

SUBJECT:	SURPLUS PROPERTY-516 W. ELM ST
PREPARED BY:	FRANKIE MANESS, CITY MANAGER

REQUESTED ACTION

Declare certain real property adjacent to 516 W. Elm Street as surplus and authorize disposal of the property via the upset bid method.

BACKGROUND/SUMMARY

The City of Graham is the platted owner of a 120' Right of Way known as Graham Drive, which intersects with W. Elm Street. Much of this ROW, particularly the southern portion, is unused by Graham Dr.

The City has received a written offer of \$5,000 from the adjoining landowner for approximately 12,500 square feet of the unused ROW.



FISCAL IMPACT

Minimal. The offered price is \$5,000

STAFF RECOMMENDATION

Approval. A separate action will be required to accept the highest offer following the upset bid period.

SUGGESTED MOTION(S)

I move we declare approximately 12,500 square feet of real property adjacent to 516 W. Elm Street as surplus and authorize its disposal via the upset bid method as outlined in NCGS 160A-269 and subject to the conditions as set forth in Section 4 of the Offer to Purchase and Contract submitted by Walt C. Zamora.

OFFER TO PURCHASE AND CONTRACT

WALT C. ZAMORA, as Buyer, hereby offers to purchase and **THE CITY OF GRAHAM, A NORTH CAROLINA MUNICIPAL CORPORATION**, Seller, upon acceptance of said offer and approval under N.C. Gen. Stat. § 160A-269 - upset bids and confirmation vote at a public meeting, agrees to sell and convey, all of that plot, piece or parcel of land described below, together with all improvements located thereon as is listed below (collectively referred to as the "Access Parcel"), upon the following terms and conditions:

1. REAL PROPERTY: Located in the City of Graham, County of Alamance, State of North Carolina, being known as and more particularly described as: **approximately 12,500 square feet at the southern intersection of West Elm Street and Graham Drive, Graham, North Carolina (exact amount to be determined by a survey), also described as the "Access Parcel" as described in the attached letter dated 2/24/18 and Exhibits A and B attached thereto, incorporated herein by reference.**

2. FIXTURES: The following items, if any, are included in the purchase price free of liens: any improvements and/or items attached or affixed to the Property, EXCEPT the following items: N/A

3. PURCHASE PRICE: The purchase price is **\$5,000.00 (Five Thousand Dollars and Zero Cents)** and shall be paid as follows:

- (a) **\$500.00 EARNEST MONEY DEPOSIT** with this offer by cash personal check bank check **certified check** other: to be tendered to Seller as Escrow Agent ("Escrow Agent"), until the sale is closed, at which time it will be credited to Buyer, or until this contract is otherwise terminated. In the event: (1) this offer is not accepted; or (2) any of the conditions hereto are not satisfied, then all earnest monies shall be returned to Buyer. In the event of breach of this contract by Seller, upon Buyer's request, all earnest monies shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for such breach. In the event this offer is accepted and Buyer breaches this contract, then all earnest monies shall be forfeited upon Seller's request, but receipt of such forfeited earnest monies shall not affect any other remedies available to Seller for such breach.
- (b) **\$4,500.00 as a one-time payment**, at closing.

4. CONDITIONS:

- (a) **Access Parcel** is sold "AS IS" as to condition. Buyer is fully aware of condition.
- (b) Any improvements or repairs shall be made by the Buyer, with no abatement to the price.
- (c) Buyer shall be entitled to full possession upon payment of \$5,000.00.
- (d) (1) Title must be delivered at closing by **SPECIAL LIMITED WARRANTY DEED** and (with limited warranties of Seller pursuant to title as vested in Seller), free of all encumbrances except: *ad valorem* taxes for the current year (prorated through the date of closing); utility easements, zoning restrictions (to be the same zoning status as contiguous property owned by the Buyer), and such other encumbrances as may be assumed or specifically approved by Buyer;
- (2) Accurate Survey of the parcel being sold (paid by Buyer) leaving 15 feet along the southern boundary of Graham Drive, between West Elm Street and the rear lot line;
- (3) Rear Lot line be configured to protect the riparian buffer of the wet weather stream in rear of lot;
- (4) Erection of Fence by Buyer 1 foot inside of property line along Graham Drive;
- (5) Neither Buyer or possessor of Access Parcel shall park outside of fence line along Graham Drive;
- (6) Buyer agrees that the Access Parcel is or will be zoned B-2, General Business – and that no junk cars shall remain outdoors upon the Access Parcel for any purpose;
- (7) Any improvement of the Access Parcel must require an appropriate building permit and inspection by the Seller.

Buyer Initials WZ

Seller Initials: _____

5. PRORATIONS AND ADJUSTMENTS: Unless otherwise provided, the following items shall be prorated and either adjusted between the parties or paid at closing: *Ad valorem* taxes on Access Parcel shall be prorated on a calendar year basis through the date of closing.

6. CLOSING EXPENSES: Buyer shall pay for the survey and recording the Special Limited Warranty Deed and for preparation and recording of all instruments required to close. Seller shall pay for preparation of the Special Limited Warranty Deed and all other documents necessary to perform Seller's obligations under this agreement, and for excise tax (revenue stamps) as may be required by law.

7. EVIDENCE OF TITLE: Seller agrees to use their best efforts to deliver to Buyer as soon as reasonably possible after the acceptance of this offer copies of all title information in possession of or available to Seller, including but not limited to: copies of all documents necessary to effect transaction regarding Public Notice, compliance with relevant North Carolina General Statutes, and municipality's actions to sell said Access Parcel to Buyer.

8. LABOR AND MATERIAL: Seller shall furnish at closing an affidavit and indemnification agreement in form satisfactory to Buyer showing that all labor and materials, if any, furnished to the Access Parcel within 120 days prior to the date of closing have been paid for and agreeing to indemnify Buyer against all loss from any cause or claim arising therefrom.

9. PROPERTY DISCLOSURE AND INSPECTIONS:

(a) Property Disclosure:

_____ Buyer has received a signed copy of the Residential Property Disclosure Statement prior to the signing of this Offer to Purchase and Contract.

_____ Buyer has NOT received a signed copy of the Residential Disclosure Statement prior to the signing of this Offer to Purchase and Contract and shall have the right to terminate or withdraw this contract without penalty upon receipt of the Residential Property Disclosure Statement provided such termination or withdrawal notice is hand delivered or mailed to Seller or Seller's Agent within three days following receipt of same.

X Exempt from Residential Property Disclosure Statement.

_____ The Property is residential and was built prior to 1978 (Attach Lead-Based Paint Hazards Disclosure Addendum.)

(b) Property Inspection: Buyer is aware of condition of Access Parcel and purchases "AS IS."

(c) Wood Destroying Insects: Buyer is aware of condition of Access Parcel and purchases "AS IS."

(d) Repairs: Buyer is aware of condition of Access Parcel and purchases "AS IS."

(e) Acceptance: CLOSING SHALL CONSTITUTE ACCEPTANCE OF EACH OF THE SYSTEMS, ITEMS AND CONDITIONS LISTED ABOVE IN ITS THEN EXISTING CONDITION UNLESS PROVISION IS OTHERWISE MADE IN WRITING.

10. REASONABLE ACCESS: Seller will provide reasonable access to Buyer or Buyer's representatives for the purposes of appraisal, inspection, and/or evaluation. Buyer may conduct a walk-through inspection of the Access Parcel prior to closing.

11. CLOSING: Closing shall be defined as the date and time of recording of the Special Limited Warranty Deed. All parties agree to execute any and all documents and papers necessary in connection with closing and transfer of title on or before **the expiration of 60 days following the confirmation vote of the sale agreement by the Graham City Council under N.C. Gen. Stat. § 160A-269**, at a place designated by Buyer. The deed is to be made to **Walt C. Zamora**.

Buyer Initials WZ

Seller Initials: _____

12. **POSSESSION:** Unless otherwise provided herein, possession shall be delivered at closing.

13. **OTHER PROVISIONS AND CONDITIONS:** See Paragraph 4(d)(1)-(7) inclusive, incorporated herein by reference.

14. **RISK OF LOSS:** The risk of loss or damage by fire or other casualty prior to closing shall be upon Seller. If the improvements on the Access Parcel are destroyed or materially damaged prior to closing, Buyer may terminate this contract by written notice delivered to Seller or Seller's agent and all deposits (if any) shall be returned to Buyer. In the event Buyer does not elect to terminate this contract, Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceed payable on account of the damage or destruction applicable to the Property being purchased.

15. **ASSIGNMENTS:** This contract may not be assigned without the written consent of all the parties, but if assigned by agreement, then this contract shall be binding on the assignee and their heirs and successors.

16. **PARTIES:** This contract shall be binding upon and shall inure to the benefit of the parties i.e., Buyer and Seller and their heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

17. **SURVIVAL:** If any provision herein contained which by its nature and effect is required to be observed kept or performed after the closing, it shall survive the closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed. See Paragraph 4(d)(1)-(7) inclusive, incorporated herein by reference, which shall survive the closing and will remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

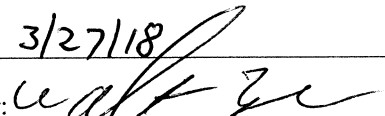
18. **ENTIRE AGREEMENT:** This contract contains the entire agreement of the parties and there is no representation, inducements or other provisions other than those expressed herein. All changes, additions, deletions hereto must be in writing and signed by all parties.

19. **EXECUTION:** This offer shall become a binding contract when signed by both Buyer and Seller. This contract is executed under seal in signed duplicate originals, which together constitute one and the same instrument, with a signed original being obtained by each party.

Buyer acknowledges having made an on-site personal examination of the Access Parcel prior to making this offer.

Date: 3/27/18

Date: _____

Buyer:  (SEAL)
Walt C. Zamora

Seller: _____ (SEAL)
Signature of Duly Authorized Agent of
The City of Graham, A North Carolina
Municipal Corporation

Printed Name of Duly Authorized Agent of
The City of Graham, A North Carolina
Municipal Corporation

Buyer Initials WZ

Seller Initials: _____

Law Offices of James Hunt Johnson
106-B South Maple Street
Graham, NC 27253-2812

February 24, 2018

Attn: Mr. G. Keith Whited, Esq.
Whited Doby & Ray Attorneys at Law
Post Office Box 1683
Burlington, NC 27215
Via Regular U.S. Mail
Via Email to: kwhited@cityofgraham.com &
keith@whitedlaw.com

Re: Confirmation of Intent to Bid for Purchase of Access Parcel
Contiguous to Graham Drive and Gene's Automotive Service &
Repair for Five Thousand Dollars and Zero Cents (\$5,000.00)
Our Clients: Walt C. Zamora and Alton Eugene ("Gene") Myrick, d/b/a Gene's
Automotive Service & Repair
Our File No.: 194-B-001

Dear Keith:

Thank you for taking the time to speak with me over the last few months regarding the above referenced property, being that certain strip of land used for access to his place of business by my Client Alton Eugene ("Gene") Myrick, d/b/a Gene's Automotive Service & Repair and containing a shed, driveway, and a gravel parking area (herein the "Access Parcel"). The Access Parcel is contiguous to Graham Drive. It is also contiguous to the real property and improvements commonly known as is Lots 13 and 14 in Block "O" of Plat Book 2 at Page 85 of the Alamance County Register of Deeds, Alamance County Parcel ID No. 134785, GPIN No. 8874856025, as all of 516 West Elm Street, Graham, North Carolina, zip code 27253-2117; and most commonly known as the location of Gene's Automotive Service & Repair (herein the "Gene's Auto Parcel"). My Client Walt C. Zamora is the fee owner of the Gene's Auto Parcel.

Both Graham Drive and the Gene's Auto Parcel are more fully described by metes and bounds in that certain Plat titled as "Property of L. Banks Holt Manufacturing Company" dated July of 1926 and recorded in Plat Book 2 at Page 85 of the Alamance County Register of Deeds, a copy of which is attached hereto as **Exhibit A**. The Access Parcel is part of the approximately 120 foot wide right of way of "Graham Drive" as appearing in the same. Both the Access Parcel and Gene's Auto Parcel are shown in a more recent survey by Carolina Cornerstone Surveying and Land Design dated May 23, 2017 and attached hereto as **Exhibit B**.

It is my understanding that The City of Graham maintains Graham Drive. While Plat Book 2 at Page 85 shows dedication of a right of way with a width of 120 feet, the actual longstanding "on the ground" boundaries of the surfaced and maintained Graham Drive are far less than 120 feet. The Access Parcel has been in continual use by my Clients for approximately 10 years. Furthermore, the Access Parcel has been used by predecessors in title for ingress, egress, and

regress to automotive repair and service facilities for many, many years. My Clients wish to continue to use the Access Parcel, subject to and in compliance with applicable zoning rules and regulations. They have made extensive plans for renovations and improvements to the Access Parcel and the Gene's Auto Parcel conditioned upon their ability to acquire title to both properties. Accordingly, we have discussed the possibility of a proposal by the City of Graham to permanently close the unused portion of Graham Drive pursuant to N.C. Gen. Stat. § 160A-299 or another statutorily prescribed method as a potential resolution of this matter. My Client Walt C. Zamora has expressed to me his desire to purchase the Access Parcel for the sum of Five Thousand Dollars and Zero Cents (\$5,000.00) and is confirming the same in writing by this letter. Thus, please accept this letter as **confirmation that my Client Walt C. Zamora (as the fee owner of the Gene's Auto Parcel) intends to offer a bid of Five Thousand Dollars and Zero Cents (\$5,000.00) for the purchase of the Access Parcel** if such an opportunity arises.

If you have any questions please do not hesitate to contact me. My direct telephone line is 336-570-9830, cell is 919-260-4498, and my email address is jhj629@gmail.com. Thank you for your continued assistance with this matter.

Very truly yours,



James Hunt Johnson, Esq.
Attorney at Law



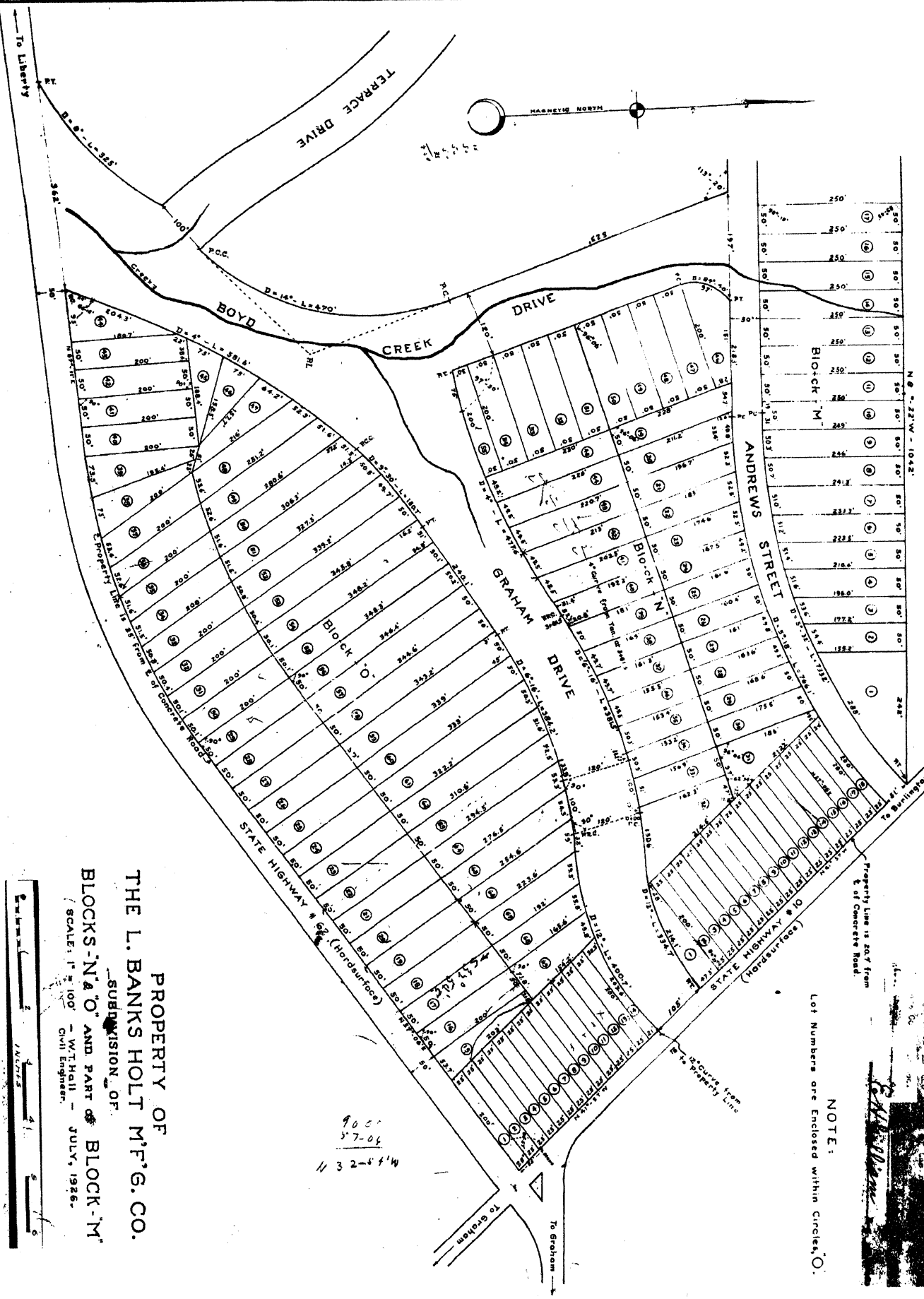
Walt C. Zamora
by James Hunt Johnson, Esq.
Attorney at Law

Enclosures

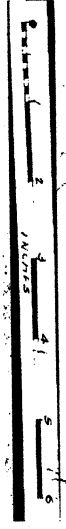
85

EXHIBIT A

85



PROPERTY OF
 THE L. BANKS HOLT M.F.G. CO.
 SUBDIVISION OF
 BLOCKS 'N' & 'O' AND PART OF BLOCK 'M'
 SCALE: 1" = 100'
 CIVIL ENGINEER
 JULY, 1926.



NOTE:
 Lot Numbers are Enclosed within Circles, O.

905
 87-04
 32-64W



Exhibit B

Certificate of Accuracy

I hereby certify that under my direction and supervision this plat, shown and described hereon, was drawn from the actual survey, deed reference in Book 3531, Page 353, and from the other records on file in the Office of the Register of Deeds for Alameda County, that the boundaries not surveyed are shown as broken lines; that the survey measurements are within the regulation jurisdiction of the County of Alameda, and is on existing records; and that this plat is prepared in accordance with Sections 47-50 of the Code.

Furthermore, I hereby certify that the property lines and the location of all structures are accurately shown hereon; that no structure located on the property is shown hereon which is not shown on the plat; and that the location of all structures is shown hereon, except as shown hereon, enclosed on the premises surveyed, except as shown hereon.

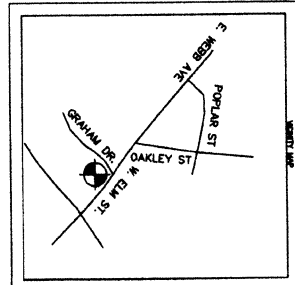
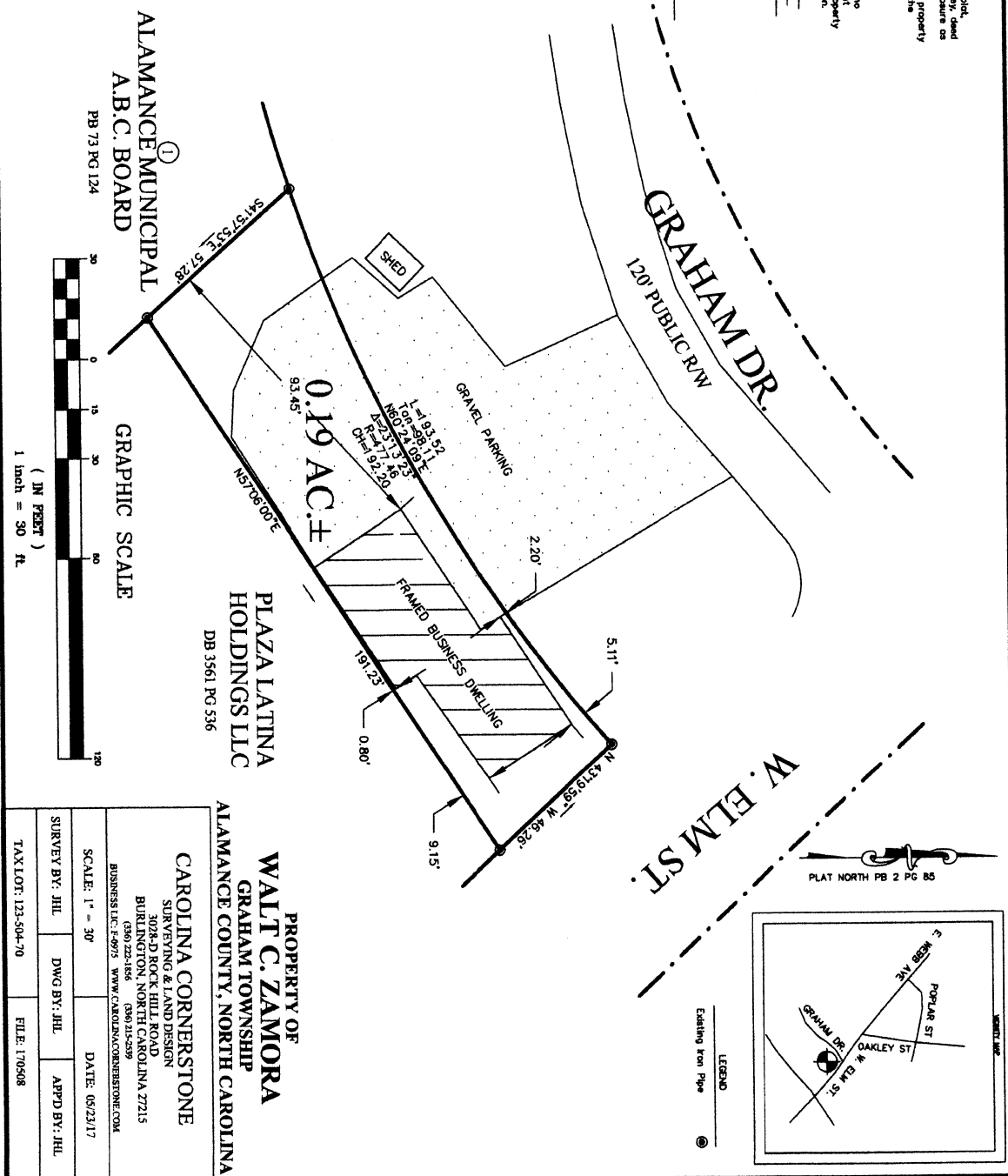
This is all of Lot No. _____, Page _____, in the Office of the Register of Deeds for Alameda County, North Carolina.

Witness my hand and seal this 22 day of MAY, 20 12.



- NOTES:
- A) NO TITLE SEARCH WAS PERFORMED OF THIS SURVEY.
 - B) THE PROPERTY SHOWN HEREON IS SUBJECT TO THE ENCUMBRANCES OF RECORD ATTESTING SAME.
 - C) THIS FIRM MAKES NO GUARANTEE AS TO THE ACCURACY OF ANY UNDERGROUND UTILITIES OR IMPROVEMENTS ON OR ACROSS THIS PROPERTY. ANY SUCH UTILITIES OR IMPROVEMENTS ARE TO BE LOCATED FROM VISIBLE EVIDENCE AND AVAILABLE INFORMATION.

THIS PROPERTY IS IS NOT IN A SPECIAL FLOOD HAZARD AREA AS DETERMINED BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.



LEGEND
Existing Iron Pipe

PLAT NORTH PB 2 PG 85

STAFF REPORT

SUBJECT:	TEMPORARY OUTDOOR SALES ORDINANCE UPDATE
PREPARED BY:	AARON HOLLAND, ASSISTANT CITY MANAGER

REQUESTED ACTION:

Provide feedback and direction for proposed Temporary Outdoor Sales ordinance.

BACKGROUND/SUMMARY:

During the January 2, 2018 City Council meeting, Chelsea Dickey (The Cooperative) and staff presented language to Council for consideration and direction. Upon further discussion, Council directed staff to present proposed language at the February 6th Council meeting based on the input provided by Council members, business owners and citizens.



In an effort to resolve conflicting ordinances and provide clarity, staff proposed language at the February 6th Council meeting that provided an avenue for a vendor to operate on private property with permission from the property owner. Based on comments from the public and Council, staff was directed to meet with the concerned parties to further develop compromised language.

FISCAL IMPACT:

N/A

STAFF RECOMMENDATION:

Staffs recommends scheduling a first reading for the June 5th City Council meeting.

SUGGESTED MOTION(S):

I move to schedule a first reading of the Ordinance amendment to Chapter 8, Article VIII of the Code of Ordinances to add language for Temporary Outdoor Sales on June 5, 2018.

PROPOSED LANGUAGE:**Temporary Outdoor Sales:**

The following restrictions apply to all Temporary Outdoor Sales on private property. These restrictions shall not apply to Garage Sales, as that term is used and defined in Article 8-306 et seq., Code of Ordinances, City of Graham, which shall hereafter continue to regulate such sales and conduct.

The following restrictions shall not apply to farmers selling goods grown on their own property, ~~nor to schools, educational, religious, or 501(c)(3) organizations, when the proceeds from such solicitation, in excess of the cost of the goods sold, are used for the scholastic, educational, religious or charitable purposes of described organizations.~~ All other organizations shall limit their outdoor sales as follows:

1. **Permit Required:** Any vendor seeking to make use of this ordinance must apply to the City's Planning Department for a permit ~~on an annual basis~~ and pay the fee for the permit. The issuance of the permit is contingent upon the continuous operation of the liability insurance and any other regulatory requirement, such as health department food service permit for mobile food service.

~~_____ [this section needs to be amended to show the department and location of the administration of the permitting process].~~
- 3.2. **Cleanliness and Sanitation:** Vendors must post in a conspicuous place, visible to the public from the service window, all licenses and permits required by any regulator, including but not limited to the Health Department and Department of Insurance. Vendors are required to keep a 15 foot buffer free of trash. Vendors may not increase the burden on City Sanitation by using the City trash receptacles. Vendors must provide a private means for trash disposal.
- 4.3. **Hours of Operation:** Vendors may not begin their operations before 7AM. Vendors must complete all operations before 11PM. Except as a part of a city sanctioned event, the truck/stand/appurtenances shall not occupy any single location for greater than three hours.
- 5.4. **Duration:** The property owner shall only allow the use of their property to any vendor a total of ~~sixty (60) twelve (12)~~ days within a calendar year. Permits shall be effective for not more than seventy-two (72) consecutive hours from the starting time specified on the permit.
- 6.5. **Permitted locations:** The zoning of the property must allow for the intended use of the vendor in accordance with the City of Graham Development Ordinances. Vendors may conduct sales within the public right-of-way in locations directed by City Staff when the City Council has approved a temporary street closing for ~~a City-sponsored approved and permitted~~ events such as a street festival/fair.
- 7.6. **Sound:** Generator(s) must not run within 200' of a dwelling unit after 9 PM, nor before 8AM, except as part of a City sanctioned event. No vendor supplied music or amplified advertising shall be permitted at any time.
- 8.7. **Unattended sales:** All vendors must have personnel at the site of temporary sale at all times. The vendor site shall not be left unattended for more than ten minutes.
- 9.8. **Signage:** Other than any signs painted on the mobile unit (for example on the side of a food truck), only one A-frame sign, not to exceed 3 square feet per side is permitted.

Violation: A violation of this ordinance shall be punishable as a Class 3 misdemeanor, subject to a fine not to exceed \$500.00 as provided in section 14-4 of the General Statutes of North Carolina (G.S. 14-4). Each day any violation of this Code or other ordinance shall continue shall constitute a separate offense. The imposition of a penalty under the provisions of this ordinance shall not prevent the revocation or suspension of any license, franchise or permit issued or granted hereunder. A violation of this ordinance is declared a nuisance to the public and may be summarily abated by the Chief of Police in addition to the imposition of a fine or imprisonment. Any violation of this Code by any officer, agent or other person acting for or employed by any corporation or unincorporated association or organization, while acting within the scope of his office or employment, shall in every case also be deemed to be a violation by such corporation, association or organization. Any officer, agent or other person acting for or employed by any corporation or unincorporated association or organization shall be subject and liable to punishment as well as such corporation or unincorporated association or organization for the violation by it of any provisions of this Code, where such violation was the act or omission, or the result of the act, omission or order, of any such person.

(Section added xx/xx/xx).



TEMPORARY OUTDOOR SALES PERMIT APPLICATION FORM

Please Type or Print:

APPLICANT INFORMATION	Sales Activity Address:		Parcel ID #:
	Sales Activity Dates (72 hour max):		
	Sales Activity Description (attach plot plan if necessary to show activity location):		
	Applicant:		
	Company:		
	Mailing Address:		
	Phone:		Fax:
	E-Mail:		
	Property Owner:		
	Company:		
Mailing Address:			
Phone:		Fax:	
E-Mail:			
CITY USE ONLY	TOS # _____	Certificate of Liability Insurance Required: Yes No	\$50.00 TOS Fee
	Received By: _____	Date Received: _____	Receipt #: _____
	Approved By: _____	Date Approved: _____	# per year: _____
	Special Conditions:		

AFFIDAVIT: We hereby certify that the information furnished in this application package is accurate, true, and correct to the best of our knowledge. By signing below, the property owner consents to the processing of the application by the applicant and authorizes the applicant to comply with the requirements placed on the application by the City. Applicant certifies that the provisions of **Section XXXXXX** have been read and agrees to observe the regulations and conditions for temporary outdoor sales or displays.

Applicant's Signature: _____ Date: _____

Property Owner's Signature: _____ Date: _____



STAFF REPORT

SUBJECT:	DOWNTOWN REVOLVING LOAN FUND OPTIONS
PREPARED BY:	ALEXA POWELL, PLANNER

REQUESTED ACTION:

Direct staff to execute a consulting agreement with the NC Rural Center for the management of a downtown revolving loan fund for the City of Graham.

BACKGROUND/SUMMARY:

The Creative Economic Development Consulting group created an economic development analysis for the downtown and highly recommended the revolving loan fund (RLF) as the initial starting point.

The City of Graham received a \$50,000 Revitalization and Economic Development award for downtown revitalization. This money was provided by the State of North Carolina’s Rural Development Division within the Department of Commerce authorized under NC Sessions Law 2015-57, Senate Bill 257, Section 15.8(a). On September 15, 2017, the Graham City Council voted to submit a proposal to the State to use these funds for a downtown revolving loan fund which was accepted.



Last month City Council directed staff to enter into an agreement with the Alamance Community Foundation to serve as the third-party administrator for the revolving loan program. City staff subsequently setup a second meeting with the Alamance Community Foundation Director, Gavin Stevens, to discuss the partnership. Since our initial conversation Mrs. Stevens had the opportunity to do more research into revolving loan funds and evaluate the Alamance Community Foundation’s organizational capacity to provide this service. In the course of our conversation Mrs. Stevens indicated that the Alamance Community Foundation is currently undergoing a reorganization, splitting off from the Community Foundation of Greater Greensboro, and that currently she was the only staff member. She felt that given her limited staff and the short window we have to meet our grant obligation the timing was just not right to enter into this partnership.

At this point City staff has explored all of the possibilities for administering the revolving loan fund. The only remaining option that will allow the City of Graham to meet its obligation in the timeframe outlined in the grant agreement with the State is to work with The Rural Center. Working with The Rural Center will also essentially double the amount of capital the City has available to lend (up to \$100,000).

While administering the revolving loan fund in-house is still technically an option there is no way for staff to complete all of the necessary documentation required for operating the program in the remaining time.

FISCAL IMPACT:

The City would utilize existing grant funds in the amount of \$50,000 provided by the Rural Economic Development Division of North Carolina which were previously approved for this purpose with the options disclosed above.

As a partnership, the City of Graham stands to gain an additional \$50,000 of value through the matching contribution to the loan fund by The Rural Center.

Instead of deducting the one-time setup fee from the loan fund allocation we are requesting a \$5,000 contribution from City. This will allow the full amount of the grant to be invested locally for downtown revitalization and to increase the available matching funds from The Rural Center. This will bring the revolving loan fund balance to \$100,000.

STAFF RECOMMENDATION:

Staff's recommendation is to approve the execution of this consulting agreement with the NC Rural Center for the management of a downtown revolving loan fund for the City of Graham.

SUGGESTED MOTION(S):

I move we authorize the City Manager to sign the Consulting Agreement with The Rural Center to manage the Graham revolving loan fund and authorize a one-time \$5,000 set-up fee.

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Appendix 1: Explanation of Options

A. In-house

Of all five models, operating a revolving loan fund in-house is by far the most time intensive and complex from an administrative, a legal, and management standpoint. This option requires: 1) Establishment of loan terms 2) A volunteer with extensive banking/underwriting experience 3) Impartial Loan Committee volunteers 4) financial oversight by City staff or contract with a loan servicing company 5) Disclosure of all documents to public records requests, including financial statements, terms, and repayment processing.

City staff has reached out to a retired banker that is willing to serve in the capacity as loan underwriter. The underwriter would be responsible for evaluating businesses financials, conducting a cash flow analysis, and evaluating the individuals repayment ability. This individual would then write a memo to the loan committee with a recommendation as to the creditworthiness of the loan applicant. City staff has prepared potential loan terms based on a similar revolving loan programs and feedback from community members with banking expertise. (See attached for details)

Applications would then be sent to a loan committee for review. The review process would be overseen by a group of 3-5 volunteer community members selected to serve on the loan committee. Ideally candidates for these positions would have familiarity with law, finance, development, or small business experience. Committee members would be tasked with weighing the recommendations of the underwriter with other relevant factors outlined in the loan handbook including adherence to the requirements of the loan. Members would attend an initial training session about best practices in terms of evaluating loan applicants. Each loan decision would ultimately be made by a majority vote of the loan committee members.

The City would manage the financials related to the Revolving Loan Fund. This would involve fund disbursement, payment processing, handling delinquent collections, and filing any legal proceedings to get judgements to recover outstanding debt (at the City's discretion). There are in-kind costs, including staff time, loan committee training, marketing, auditing, and legal fees that cannot easily be identified/calculated to accurately provide a comparable cost estimate.

If the City needed to sub-contract the collections piece because of inadequate staff time to manage the financials there are private loan servicing companies available. Hypothetically if we were to issue between 1-9 loans with the \$50,000 there would be a one-time setup fee of \$55, plus a monthly fee of \$15/per loan, and any loans issued that enter collections will incur an additional \$95/month fee. As an example, if the City issued 5 loans with a 5 year repayment term the fees alone could equate to, for a 5 Year Term, a \$55 Setup Fee + (\$15/month X 60 months) X 5 Loans = \$4,555 Fees.

Those figures are not taking into account the potential risk if one or more of the loans were to enter default which would result in a monthly fee of \$95/each until either the payments resumed, the City filled legal proceedings to get a judgement for the amount owed, or the City determined it was not worth pursuing repayment.

In summary, the City of Graham Responsibilities:

- 1) Define eligibility criteria for loan recipients (see attached)
- 2) Establish loan terms (see attached)
- 3) Provide the \$50,000 loan principal to capitalize the revolving loan fund
- 4) Select an individual to perform underwriting
- 5) Setup legally exempt committee to protect sensitive financial information from public records law
- 6) Organize loan committee meetings
- 7) Identify 3-5 community members for the Loan Committee. Note: The Loan Committee will serve a formal decision making role.

- 8) Accept loan applications
- 9) Serve as the lead role in marketing and outreach
- 10) Manage the reporting relationship with the NC Department of Commerce and complete required documentation related to the grant award
- 11) City staff or contract with loan servicing company to perform financial functions
- 12) Contract to do any additional auditing required
- 13) Filing any legal proceedings to get judgements to recover outstanding debt (at the City's discretion).

Having locals administer the loan fund does present some significant challenges. First, either City staff or Council would need to identify citizens to serve on this Loan Committee. In selecting individuals to serve on the Loan Committee, with direct sway over the results, there is the potential for the appearance of bias calling into question the objectivity and fairness of the loan process. In addition, there is risk involved in lending, the City has to trust in the ability of these individuals on the committee to effectively evaluate risk and make sound judgement (there is no record of past performance to indicate success and limit risk other than the expertise of the underwriter).

There is also the concern that reliance on one individual for underwriting may jeopardize the long-term sustainability of the program. The level of work required to properly vet each application may be too much of a time commitment for a volunteer to take on without burnout. Liability concerns related to the potential underwriter to be sued for alleged discrimination also need to be considered, which introduces potential legal fees the City would have to cover. Additionally, finding a new volunteer underwriter to fill this position with the same level of experience when/if the current individual chooses to leave will be difficult.

Finally, poor judgement by Loan Committee members about the level of risk of each loan, in the event of a default, could jeopardize a sizable portion of the RLF. There is also a concern related the City handling sensitive financial information submitted as part of the loan application. The City would be required to comply with Freedom of Information requests for these materials (ie. loan details would be subject to public information laws). Therefore, legal council may be required to setup a separate exempt entity in order to protect sensitive personal financial information on loan applications from disclosure.

<u>Pros</u>	<u>Cons</u>
<ul style="list-style-type: none"> • Complete control/responsibility over the use of funds • 3-4% Interest rate • Interest fees come to City of Graham to be reinvested in RLF 	<ul style="list-style-type: none"> • Will not meet the grant deadline for setting up the program. Runs the risk of loosing the grant money altogether. • Requires a volunteer with significant banking experience to perform underwriting. Large volunteer time commitment. • Administration of plan in perpetuity. Long term sustainability. Underwriter succession plan. • Hire a lending services agency to manage the debt collecting process. (See above for pricing details) • No matching funds • Liability for underwriter for discrimination. Potential legal fees to cover appointee. • Additional cost of auditing this fund seperately • Legal staff time to setup separate entity not subject to public disclosure law • Identify Loan Committee rules, regulations, bylaws, term limits, etc.

	<ul style="list-style-type: none"> • Potential for accusations regarding the fairness and objectivity of decision makers on the Loan Committee • Lower loan rates compete with traditional lenders/banks • Poor judgement of loan risk could jeopardize a sizable portion of the fund
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B. NC Rural Center

City Staff identified the NC Rural Center as a potential resource to help manage the RLF program and leverage these dollars to increase downtown investment.

The Rural Center is a private, nonprofit organization that operates in rural communities statewide to “develop, promote and implement sound economic strategies to improve the quality of life of rural North Carolinians.” As part of their mission, The Rural Center has multiple programs aimed at making capital available for business startups and expansion including a successful track record of setting up revolving loan funds as an independent administrator. To date they have set up revolving loan funds in 11 other communities, including Marion, Kinston, and Lumberton. The NC Rural Center has 25 staff members, more than a quarter of whom specialize in either finance, loans, or small business. Their expertise working with the small business community as well as their knowledge of best practices in lending would bring value and credibility to our revolving loan program.

To cover the cost of managing these funds the Rural Center will use the interest earned off the loans. Therefore, there is no ongoing expense to the City for this service. While the starting interest rate of 8% for is high it is important to note, the size of the loans the City of Graham is proposing is in the range of \$5,000 to \$20,000. Provided the applicant qualifies for the lowest interest rate these micro-loans will only generate \$400-\$1,600 over the 5 Year life of the loan. Further the revolving loan fund is intended as gap funding. Essentially the purpose of gap funding is to cover costs in excess of the amount traditional institutions are willing to lend. As a second lean holder the amount of potential risk is higher. The interest rate is a reflection of this increased risk as well as a desire not to compete with banks. Alternatively, Council can stipulate that funds are intended only to be used on capital costs which is less risky as it enhances the taxable value of the property while supporting the highest and best use of our existing structures downtown.

There is a \$5,000 one-time setup fee. This fee is associated with training the advisory committee about best practices and creating marketing materials for the program. Committee training and marketing the program would be recommended even if this program was done in-house, but would have to be budgeted for separately.

The City also benefits from this option as the Rural Center has offered to match the \$50,000 being put into the RLF by the State. This doubles the amount of potential investment that can be financed to help in the redevelopment of downtown Graham. In regard to leveraging additional money for this program from other sources it is worth clarifying that since these are State funds they could not be used as the matching portion for other State grants. Such grant opportunities at the State level would require an additional local contribution. This restriction on the State level and fewer programs on the Federal level supporting this type of program makes the matching funds from the Rural Center more attractive. If this program is successful the Rural Center has also offered to provide additional funding for the program.

Engaging an independent administrator to manage this fund provides several benefits.

- 1) Insulates the City of Graham from decision making and potential conflicts or perceptions of bias/unfairness.
- 2) Reduces time and administrative burden for City staff.

- 3) Engages experts in small business to insure an evergreen fund by implementing their best management practices in lending.

The Rural Center Responsibilities:

- 1) Serve as the lender and loan fund administrator following its own lending and fund management procedures.
- 2) Provide training to City staff and volunteers on their marketing, promotion, and advisory roles in support of the revolving loan fund.
- 3) Make up to \$50,000 of additional loan principal available for the revolving loan fund upon the disbursement of the initial \$50,000 (i.e. 50% matching funds).

City of Graham Responsibilities:

- 1) Provide a \$5,000 one-time set-up fee to The Rural Center associated with providing training and creating marketing materials to communicate the program details.
- 2) Provide the \$50,000 loan principal to capitalize the revolving loan fund.
- 3) Serve as the lead role in marketing and outreach.
- 4) Manage the reporting relationship with the NC Department of Commerce and complete required documentation related to the grant award.
- 5) Identify individuals for the advisory council. Note: A local loan advisory committee will provide background and context but will not serve a formal decision making role.
- 6) Work with The Rural Center to define eligibility criteria for loan recipients.

Rural Center Small Business Loan Pricing Information

Pricing for the revolving loan fund will start at 8% APR and increase based on risk and market factors. The Rural Center offers loans at APRs higher than traditional bank financing to ensure they are not taking business away from private sector lenders which are an important asset to the community. The Rural Center conducts the underwriting to ensure the borrower has the capacity and ability to pay, and will set their pricing with the intention of being lowest priced option available, or encourage applicants to seek lower cost options elsewhere.

Lending to target customers -- who often have fewer assets, poor credit, and/or need smaller amounts of capital -- is complicated, time-consuming, and expensive. Even with their market-based pricing, The Rural Center makes loans at interest rates that do not cover its costs to operate. The Rural Center considers the following factors when developing their pricing philosophy:

- For-profit lenders (Credit cards and online lenders such as Kabbage, OnDeck, etc.) active in the market and are going to charge anywhere from 20% to 200% for comparable loan products
- Banks charge lower rates, but are not interested in making loans this small and this complicated

Wanting only what is best for customers, the Rural Center will help them access whatever product is best for their business, whether that is their product or someone else's. The rates are consistent with the rates currently charged by the highest performing CDFI loan funds in the country. The Rural Center has confidence that borrowers will be able to afford the payments, that stakeholders will understand why rates are set where they are, and that this will maximize the number of people this program can help.

The Rural Center supports and adheres its practices to the Small Business Borrower's Bill of Rights. A group of industry leaders came together in 2015 to create the Responsible Business Lending Coalition and the Small Business Borrowers Bill of Rights (www.borrowersbillofrights.org) in an effort to bring attention to the abusive practices in the marketplace. Small business lending companies are encouraged to sign the Small Business Borrower's Bill of Rights (SBBOR) and ensure they comply with its guidelines. The articulated rights include: (1) The Right to Transparent Pricing & Terms, (2) The Right to Non-

Abusive Products, (3) The Right to Responsible Underwriting, (4) The Right to Fair Treatment from Brokers, (5) The Right to Inclusive Credit Access, and (6) The Right to Fair Collection Practices.

Attached is a copy of the language of the full consulting agreement.

<u>Pros</u>	<u>Cons</u>
<ul style="list-style-type: none"> • Meet our grant obligations. • Doubles initial capital available for lending (funds more projects) • Experienced external loan administration • Local input but final decision impartial • No legal requirement for City to share sensitive financial information about loan applicants • No financial liability or potential audit findings • Doseen't compete with private lending institutions (Banks) 	<ul style="list-style-type: none"> • Higher interest rate to applicant • Interest not reinvested in RLF • Initial \$5,000 setup fee

D. Piedmont Triad Regional Council

Staff also contacted the Piedmont Triad Regional Council (PTRC), to see if they might be interested in managing our fund alongside their own revolving loan fund. In sitting down with representatives with the agency they indicated a willingness to help manage the fund but did not provide an estimate regarding the administrative cost to the City. The PTRC has a separate non-profit entity, Piedmont Triad Regional Development Corp. that would be looking at the financials and would protect these sensitive financial documents from being subject to public records law.

The interest rate charged for loans would be in the range of 5% to 10% (Prime + 0.75 to Prime + 5%). The City would have flexibility in terms setting the parameters for the loans including responsibility for creating a Loan Committee to determine which projects to fund. The City would be third lein holder behind the banking institution and PTRC (ie. the City would have no secured assets). The primary use of funds would likely involve soft-costs (engineering/design work). Funds paid would only be post delivery of equipment essentially requiring applicant to put up the first investment dollars.

<u>Pros</u>	<u>Cons</u>
<ul style="list-style-type: none"> • Complete control/responsibility over the use of funds 	<ul style="list-style-type: none"> • Prime + 0.75% to Prime + 5%. Loans from 5% to 10% interest rate.

<ul style="list-style-type: none"> • Separate non-profit entity, Piedmont Triad Regional Development Corp. exempt from public record requests. • No underwriting necessary as first and second lien holders (ie. Bank + PTRC) would have done due diligence to insure the business financials are sound. 	<ul style="list-style-type: none"> • Not sure what the administrative fee would be for the PTRC to provide this service. • Funds paid post delivery of equipment. Initial startup cost paid upfront by applicant. • The City is third lien holder (ie. No secured assets). Primary use of funds soft costs. • No experience managing an external RLF. They just started managing their own revolving loan fund through EDA and Golden Leaf Foundation. • PTRC currently has no funds loaned out, although the Burlington Beer Works was identified as their first loan. • Difficult for PTRC to service the loan that responsibility would fall to City finance department. • Potential for accusations regarding the fairness and objectivity of decision makers on the local Loan Committee.
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E. Return the state money

The final option is to return the money to the State. City staff strongly urges Council not to resort to this option as it presents potential unintended consequences. Not using this money also has the negative result of not benefiting the citizens of Graham and wasting an opportunity to help revitalization occur downtown. In addition, if this option is selected it may become more difficult to find funding partners in the future. All other things being equal, a grantors decision between funding one project over another may come down to the level of professionalism for each requesting agency. Respect is earned by operating with integrity and showing that the City can be trusted to reliably execute the terms of its grant agreements. In other words, the City of Graham’s reputation is on the line.

As supplementary information, our primary point of contact, Melody Adams, from the original granting agency now works for the Commerce Center (which if you will recall has funded past projects in Graham including the road to Lidl). The reason for bringing this to your attention is to warn Council that the path of returning the State money has the potential to negatively impact the City of Graham’s credibility with the State as well as other granting entities.

<u>Pros</u>	<u>Cons</u>
<ul style="list-style-type: none"> • No management headaches 	<ul style="list-style-type: none"> • No RLF loans = no assistance for redevelopment • Wasted opportunity • More difficult to be selected for future State grants • Damages the City of Graham credibility/reputation with potential funding partners

Appendix 2: City of Graham In-House Framework

RLF Summary

The City Council of the City of Graham hereby establishes a Revolving Loan Fund Program. The Graham RLF has \$50,000 of capital under management. Individuals can apply directly through the City of Graham Planning Department. All loan decisions and terms are made by the Loan Committee based upon factors including credit history, income collateral, management capacity, cash flow and the applicant's character.

What is the Graham Revolving Loan Fund?

The Graham Revolving Loan Fund is available to new small business or expanding existing business to stimulate business development, encourage community engagement, and revitalize downtown properties. The investment fund is a locally controlled source of capital used to finance start-ups and expanding small and medium sized business here in downtown Graham. The investment fund will provide the funding needed to make the highest impact possible for our community to revitalize vacant and underutilized commercial properties in our historic downtown center.

How can loan proceeds be used?

- To construct new buildings
- To renovate existing buildings
- For building engineering/design work
- For capital improvements on the real property
- To purchase fixed machinery and equipment

Loans will not be made to finance...

- Purchasing land
- Purchasing buildings
- Provide working capital
- Finance salaries
- Certain types of businesses (outlined in the Loan Eligibility Policy)

Eligibility

Our focus is to provide loans for private enterprises located in downtown Graham.

The City of Graham reserves the right to deny eligibility to businesses that conflict with its ethical standards. Businesses which manufacture, sell, carry, or distribute products or services related to adult entertainment, gambling (or internet sweepstakes), firearms, tobacco, predatory lending, or deceptive investments will not be eligible to receive loans.

In addition, prospective borrowers must:

- A. Reside in North Carolina and be at least 18 years old.
- B. Present a valid driver's license or other form of photo identification issued by the State of North Carolina.
- C. Present a valid Social Security Card or Permanent Resident (Green) Card.
- D. Authorize a background check and may have no convictions for the previous eighteen months.
- E. Have no outstanding code violations; unless the loan request is being made to correct the violation.
- F. Have no outstanding debt to the City.
- G. Be a legally recognized entity, including: sole proprietorship, partnership, corporation, limited liability company, limited liability partnership, or professional service corporation. Non-profit and not-for-profit entities are not eligible to borrow funds from the RLF.

- H. Be in conformance with local, state, federal laws and regulatory requirements for operation. Compliance with relevant ordinance, licensure, and zoning laws is mandatory. At its discretion, the City of Graham may request additional documentation regarding the legality or compliance of an applicant business. The applicant should be able to demonstrate that all required permits can be obtained (i.e. Compliance with zoning ordinance and building codes).
- I. Have a Credit Score above 650.
- J. Must be the title holder of the real property, or have a written lease for not less than the term of the loan;

What types of businesses and industries are loan priorities?

- Hospitality/Tourism
- Food Service
- Retail
- Technology
- Entertainment
- Medical office

Interest Rates?

- Interest rates are subject to change based on market prices.
- 3-4% Rate

Fees

- Must pay 1% origination fee, reimbursed to City until set up costs repaid, then returned to principal of the fund for additional loanable funds.
- Application fee not to exceed \$XX.
- Miscellaneous fees incurred in the process of approval and closing (i.e. Credit inquiries, mortgage filings, U.C.C searches and filings, appraisals, title work, attorney fees, etc. are the responsibility of the borrower but may be added to the loan).

Collateral

- Loans are secured by the best collateral position available and can be subordinated. Personal guarantees of the owner(s) of the business and/or operating entities are required. Any owner of 20% or more of a business interest must personally guarantee the loan.

Loan Amount & Range of Terms

Typical loans range from \$5,000 to \$20,000. Funds are limited. Other amounts higher or lower may be eligible and will be decided on a case by case basis.

The loan will provide the following range of loan terms:

- Building/Engineering: 5 Year
- Machinery/Equipment: 5 Year

Principal payments may be deferred if cash flow projections do not show ability to pay principal right away, but must follow additional required procedures for modifying loan terms. There is no penalty for pre-payment.

How to Apply...

The first step is meeting with staff to determine if the proposed project meets program guidelines. If the project is found to have merit and a sound possibility of success, the prospective borrower is asked to complete a preliminary application and submit it to the City.

Decisions concerning approval or disapproval of loans, terms, and interest rates are made by the Loan Committee whose members are selected by...

[Criteria for Selection]

The review process will be overseen by a group of 3-5 volunteer community members selected to serve on the Loan Committee. The Loan Committee will review the underwriter's memo evaluating the businesses financials, conducting a cash flow analysis, and evaluating the individuals repayment ability. Committee members must weigh the recommendations of the underwriter with other relevant factors outlined in the loan handbook including adherence to the requirements of the loan. Each loan decision is ultimately be made by a majority vote of the Loan Committee members.

Appendix 3: Revolving Loan Fund Handbook

Section 1 - Purpose

The purposes of the Revolving Loan Fund are as follows:

- A. To further new businesses development and/or existing business expansion in downtown Graham (as defined by the map Figure 1);
- B. To enable private business development to occur within downtown Graham that would not occur without loan assistance from the Revolving Loan Fund program;
- C. To make funds available for redevelopment in downtown Graham including costs associated with the rehabilitation, or up-fit of the existing building stock downtown;

Section 2 – RLF Revenues

The RLF shall be funded solely from program income from the money provided by the State of North Carolina’s Rural Development Division within the Department of Commerce authorized under NC Sessions Law 2015-57, Senate Bill 257, Section 15.8(a) and from principal and interest payments from loans made through this program and from interest earned on unspent RLF money. No loan may be made unless there is sufficient funds in the RLF account to fund the loan. City Council has the ability to set aside additional money in the future for this program. Other grants awarded for this purpose can also be added to this fund.

Section 3 – Eligible Applicants

All RLF funded activities must be eligible activities. The minimum Standards of Eligibility are listed below. The meeting of these standards will enable the business to apply but in no way is this a guarantee of a loan from the program. All loan(s) will be selected according to the selection criteria based on the priorities listed herein. Also, all loan applicants must satisfy the credit underwriting criteria. All loans will be reviewed by the loan committee. Adequate reason for loan rejection shall be made to all applicants.

The minimum requirements are as follows:

- K. The project must be located in downtown Graham, as defined by Figure 1.
- L. Only projects that result in new businesses, expand existing businesses, or redevelop buildings will be considered.
- M. Loan funds may only be used to construct new buildings, renovate existing buildings, for building engineering/design work, for capital improvements on the real property, or to purchase fixed machinery and equipment.
- N. Applicants must reside in North Carolina and be at least 18 years old.
- O. Applicants must present a valid driver’s license or other form of photo identification issued by the State of North Carolina.
- P. Applicants must present a valid Social Security Card or Permanent Resident (Green) Card.
- Q. Applicants must authorize a background check and may have no convictions for the previous eighteen months.
- R. Applicants must have no outstanding debt to the City.
- S. Applications must include all supplementary documentation required on the RLF Application Checklist.
- T. Applicants may not have any outstanding code violations; unless the loan request is used to correct the violation.
- U. The business must be a legally recognized entity, including: sole proprietorship, partnership, corporation, limited liability company, limited liability partnership, or professional service corporation. Non-profit and not-for-profit entities are not eligible to borrow funds from the RLF.
- V. Certain projects are not eligible for Revolving Loan funding. The City of Graham reserves the right to deny eligibility to businesses that conflict with its ethical standards. Businesses which manufacture, sell, carry, or

distribute products or services related to adult entertainment, gambling (or internet sweepstakes), firearms, tobacco, predatory lending, or deceptive investments will not be eligible to receive loans. This list may be amended at the discretion of the City of Graham.

- W. The project must be in conformance with local, state, federal laws and regulatory requirements for operation. Compliance with relevant ordinance, licensure, and zoning laws is mandatory. At its discretion, the City of Graham may request additional documentation regarding the legality or compliance of an applicant business. The applicant should be able to demonstrate that all required permits can be obtained (i.e. Compliance with zoning ordinance and building codes).
- X. RLF participation must be needed. Applicant must clearly demonstrate that the project cannot and will not take place within the RLF eligible area without RLF participation. Examples of demonstration of need include:
 - 1. Project pro-forma shows that the project will not have sufficient income to pay total debt service projected at current market rates.
 - 2. Applicant can document that maximum available private lending combined with available equity financing are not sufficient for the project.
 - 3. Applicant can demonstrate that without RLF participation project will not be located in RLF area.
 - 4. Applicant can demonstrate there are no private lending alternatives.
- Y. RLF funds may not be used to fund passive of non-owner-occupied real estate investments or other investment activities, which may be considered highly speculative in nature. These funds may be used to upfit a building only if there is a signed-lease agreement in place.
- Z. The amount of RLF loan requested must be reasonable and shall account for no more than what is unavailable from other lending sources. Loans for more than 40% of project capital costs shall not be made unless under unusual circumstances.

Section 4 – Loan Evaluation and Selection/Approval Criteria

Each loan shall be evaluated by the Loan Committee according to the criteria below. Approval of applications with less than 50 points is discouraged.

The criteria are as follows:

- A. The degree to which the applicant exceeds the minimum requirements described Section X, herein (0-5 points).
- B. The project is located within downtown Graham (10 points).
- C. The degree to which the applicant exceeds the minimum credit underwriting standards described in Section X, herein (0-5 points).
- D. Leveraging ratio, (i.e. The amount of private dollars divided by the amount of the RLF loan). Existing equity shall not be counted except for vacant land or vacant buildings. Working capital may be counted in the private dollars for up to 25% of project cost but must be substantiated by a letter-of-credit or other reliable evidence from a source other than the applicant. (0-20 points)
 - a. Below 2 – 0 points
 - b. 2-2.4 – 5 points
 - c. 2.5-2.9 – 8 points
 - d. 3.0-3.4 – 12 points
 - e. 3.5-3.9 – 16 points
 - f. 4.0 – 20 points
- E. Credit score above minimum. (10 points)
- F. Experience and past performance of company (and/or owners as appropriate) related to the project. (10 points)

- G. Loan terms favorable to the City:
 - a. No deferral of interest – 2 points
 - b. No deferral of principal – 2 points
 - c. Note rate of at least 70% of Prime – 2 points

Section 5 – Credit Underwriting Standards

No loan shall be made unless the Loan Committee determines that the project and the owner(s) are acceptable credit risks. Customary loan underwriting practices shall be used. However, it is understood that the projects applying under this program, by virtue of being appropriate for the RLF program, may not be appropriate for financing to the extent needed by private sources. For this reason, underwriting practices for the RLF program may differ from bank lending practices. For example, a bank may only provide 70% financing for a particular type of project. The fact that the applicant needs an additional 20% financing from the RLF program should not preclude the RLF loan being made.

The following minimum criteria shall be used to determine the soundness of the loan:

1. Credit history of the company (and/or owners as appropriate).
2. Market feasibility of the project.
3. Experience and past performance of company (and/or owners as appropriate) related to the project.
4. Project pro-forma (showing project's private loan and RLF loan debt service as proposed in the application).
5. Security for loan.
6. Applicant's financial statements.
7. Other factors the Loan Committee may deem appropriate.

Section 6 – Security for Loans

All loans will be secured by collateral. For building owners loans will be secured by a Note and Deed of Trust on the real property with the City as lien holder. If the loan is for capital equipment a security agreement and UCC statement shall also be filed. Documents shall be properly recorded. The City will be furnished with a proper Title Opinion. In most cases the position of the City's lien will be junior to any private loan made for the project.

Section 7 – Fees

An application fee not to exceed \$XX will apply.

Successful applicants must pay a 1% origination fee, reimbursed to City until set up costs repaid, then returned to principal of the fund for additional loanable funds. Miscellaneous fees incurred in the process of approval and closing (i.e. Credit inquiries, mortgage filings, U.C.C searches and fillings, appraisals, title work, attorney fees, etc. are the responsibility of the borrower but may be added to the loan).

Section 8 - Maximum Loan

The minimum loan amount is to be \$5,000 and the maximum loan amount is to be \$20,000 or fifty (50) percent of the RLF balance at the time of application, whichever is greater.

Section 9 - Terms

Due to the nature of this program, flexible loan terms are permitted to the degree needed by the project. Quarterly level payments of principal and interest on the unpaid balance beginning with the first quarter of the loan term and ending with the last quarter shall be considered the norm. Any deviation from the norm shall be justified by the applicant through the project pro-forma and other supporting documentation. The normal interest rate shall be the prime rate as defined herein and variable, if private loan is variable, fixed if private loan is fixed. Any deviation from these standards must be similarly

justified. In order to have adequate turn around on loan funds the following criteria shall be followed except as noted below:

- A. No loan shall be made for less than 50% of prime rate.
- B. Principal payments shall not be deferred for a period of greater than one (1) year.
- C. Interest payments shall not be deferred for a period of greater than (2) years. Any interest deferred shall be added to the principal at the end of the deferment period to create a new principal balance.
- D. Maximum term for projects shall be five (5) years. This includes any deferment periods as well.

Section 10 – Loan Application Processing

Loan applications will be accepted at any time during normal City business hours. However, loan applications must be submitted at least 30 days prior to Loan Committee meetings at which the applicant desires approval. The Loan Committee will meet and evaluate the application(s) on the fourth Tuesday of every month. Grossly incomplete applications will not be accepted. If an application lacks some minor documentation it may be accepted, however, the applicant will have only 7 days to submit additional application documentation. Otherwise, it will be delayed for consideration in the following month. The City will have up to 7 days after receipt of application to determine its completeness. The City of Graham reserves the right to delay any loan application for up to 30 days for any reason deemed by the City to be in its best interest. Approval or denial may occur at any Loan Committee meeting.

A loan application package shall consist of a completed loan application, supporting documentation, and any other documentation the City may determine to be necessary to satisfy the requirements and objectives of the RLF program. The Loan Committee reserves the right to negotiate the interest rate and other loan terms if the committee deems it in its interest to do so to secure terms more favorable to the City.

The City Attorney shall coordinate the closing of each loan. The City Attorney shall review and/or prepare all loan documents prior to closing.

Loan Documents:

At or before closing the following executed documents will be required for each loan:

- a) Completed loan application and supporting documentation,
- b) Documentation of Loan Committee approval of loan;
- c) Evidence that other funds needed to complete the project have been provided and are currently available for project use;
- d) Evidence that all state and local permits have been obtained;
- e) Executed loan agreement between the City and borrower;
- f) Promissory note;
- g) Deed of Trust;
- h) Security agreement, UCC Statement;
- i) Other documents the City may deem appropriate.

Section 11 – Program Marketing

The RLF program will be marketed through the following mechanisms:

- 1) Notification to and individual contact with existing businesses in the designated downtown area.
- 2) Quarterly public release of funds availability in newspaper having general circulation in Alamance County.
- 3) Mailing requests for Proposals to Developers who do business in area.
- 4) Other means the City deems appropriate.

Section 12 – Use of Funds

The use of RLF funds shall be limited to making of loans to private for profit business undertakings for capital improvements in accordance with this policy and for redevelopment programs. See eligible projects list below for details.

Our focus is to provide loans for private enterprises located in downtown Graham.

The City of Graham reserves the right to deny eligibility to businesses that conflict with its ethical standards. Businesses which manufacture, sell, carry, or distribute products or services related to adult entertainment, gambling (or internet sweepstakes), firearms, tobacco, predatory lending, or deceptive investments will not be eligible to receive loans.

What types of businesses and industries are loan priorities?

- Hospitality/Tourism
- Food Service
- Retail
- Technology
- Entertainment
- Medical office

How can loan proceeds be used?

- To construct new buildings
- To renovate existing buildings
- For building engineering/design work
- For capital improvements on the real property
- To purchase fixed machinery and equipment

Loans will not be made to finance...

- Purchasing land
- Purchasing buildings
- Provide working capital
- Finance salaries
- Certain types of businesses (outlined in the Loan Eligibility Policy)

Section 13 – Disbursements

Disbursements of RLF funds to participants shall be handled by the City accountant. Funds will be placed an escrow account at closing. Failure of participant to invest private funds according to the original commitment will result in a reduction in the RLF loan.

Section 14 – Collections

All payments must be received by the 5th day of each month. Any payments received after this date will incur a \$25 late fee. The first letter requesting payment will be sent out two days after the missed payment. If no payment has been made by the following 15th of the month, the loan enters collections and will receive a call from the City or collection agency. After a month legal proceedings may be filled to recover the funds.

Consulting Agreement

This Agreement, made this XX day of XXXX, 2018, by and between the City of Graham, North Carolina and the Rural Economic Development Center, Inc., a North Carolina non-profit corporation, hereinafter called "The Rural Center".

Background

The City of Graham has received a \$50,000.00 Revitalization and Economic Development award for downtown revitalization as authorized under NC Session Law 2015-57, Senate Bill 257, Section 15.8 (a). The NC Department of Commerce Rural Economic Development Division will administer the grant for the City of Graham. The Department of Commerce has approved the City of Graham's project proposal to use the grant award to support a small business revolving loan fund for downtown revitalization and economic development.

The City of Graham approached the Rural Center to serve as the revolving loan fund manager for the project. The Rural Center currently administers revolving loan funds for 11 small towns and cities across the state.

Purpose

This Agreement sets forth the guidelines and understanding between the City of Graham and The Rural Center related to the establishment, operation, and use of a small business revolving loan fund.

Roles and Responsibilities

Rural Center

1. The Rural Center will serve as the lender and loan fund administrator for the revolving loan fund. Except as outlined in this agreement, the Rural Center will follow its own lending and fund management procedures. Specific lending and administration roles include:
 - a. Manage intake and client communications for pre-application and loan inquiries
 - b. Process and underwrite loan applications
 - c. Set terms and pricing for all loans – see loan terms section for more detail
 - d. Make loan funding decisions - a local advisory committee will provide background and context, but will not serve in a formal decision making role

- e. Prepare and execute documentation required for closing loans and securing any required collateral or guarantees
 - f. Service loans to term, including issuing statements and other required documentation to collecting principal and interest payments, responding to borrower inquiries and questions, etc.
 - g. Conduct basic collections activity, which may include collection letters and other communications with borrowers regarding late payments and past-due loan balances
 - h. Oversee advanced collections activity – which may include legal action, enforcing security and collateral agreements – delinquent loans will be assessed on a case-by-case basis in consultation with City of Graham staff and third party legal or collections expenses will be billed to the fund
 - i. Provide fund activity and status reports – see reporting schedule for more detail
2. Provide training and guidance to the City staff and volunteers on their marketing, promotion and advisory roles in support of the revolving loan fund. The Rural Center will provide a handbook which provides a detailed outline and examples of the loan intake, underwriting and servicing process. The handbook also outlines advisory roles and provides templates for marketing materials.

City of Graham

1. The City of Graham will serve in a lead role for marketing and outreach and in an advisory role for loan fund decision-making. Specific roles include:
 - a. With guidance from the Rural Center, the City will develop and distribute local naming, branding and marketing materials for the revolving loan fund
 - b. City staff and volunteers (Community College Small Business Center, chamber of commerce, etc.) will serve as initial points of contact for loan fund inquiries
 - c. Refer or deliver loan applications to the Rural Center for processing and underwriting
 - d. Organize and coordinate a local revolving loan fund advisory committee (3-4 members) to provide input and local perspective on the viability of business concepts under consideration
2. The City of Graham will manage the reporting relationship with the NC Department of Commerce and complete all required documentation related to the grant award.

Loan Eligibility and Terms

The City of Graham and the Rural Center will work collaboratively to define borrower eligibility criteria. Criteria will build upon the Rural Center's eligibility criteria and may include additional

geographic requirements and sector/activity-based restrictions. A template for defining eligibility criteria will be provided with the handbook.

The Rural Center will set loan terms, fees and pricing on a case by case basis. Loan term limits will typically range from six to sixty months and pricing will start at 8.0% APR and up based on risk and market assessments. The loan fund is designed to serve as gap funding or complementary financing for small businesses and is not to compete with banks or other private lenders. Terms and pricing will be set with the goal to avoid competing with banks and provide a sustainable funding option for the business.

Payment schedule and fund guidelines

Within 30 days of execution of this agreement, the City of Graham will make a payment by check or electronic funds transfer to the Rural Center of \$55,000.00 for the following items:

1. \$5,000 one-time, non-refundable consulting fee to cover the Rural Center's cost of implementation, training and fund setup
2. \$50,000 loan principal to capitalize the revolving loan fund

The Rural Center will account for the revolving loan fund as a separate sub-fund within its loan fund management system. All repaid or recovered principal will be retained within the sub-fund with the intention of maintaining an evergreen loan fund available for future loans to small businesses. No expenses will be billed to the fund principal other than loan losses, jointly approved legal fees and third-party costs to repossess collateral, etc.

Upon disbursement of the initial \$50,000, the Rural Center will make available **up to \$50,000.00** in additional loan principal to the revolving loan fund. Rural Center principal contribution will be treated as priority or "first-out" in the event of an unwinding or cancellation of this agreement.

All fees, interest earnings and other income earned shall be retained by the Rural Center to cover the cost of administering the revolving loan fund. The Rural Center has no obligation to report or account for income or interest earnings.

Reporting

The Rural Center will provide to the City of Graham semi-annual fund reports which summarize the status of loans in the revolving loan fund. The Rural Center will provide additional information on an as-needed basis to assist the City of Graham in meeting its reporting requirements with the NC Department of Commerce. Reporting Schedule:

- July 31st submission date for period ending June 30th
- January 31st submission date for period ending December 31st

The Rural Center will provide to the City of Graham summary-level information on each loan funded within 30 days following closing. Summary-level information includes borrower name(s), business name, address, loan amount, current # of employees, type of business, and projected increase in # of employees.

Duration and Termination of Agreement

This Agreement shall remain in effect for two years from the date of execution, or until either party terminates the Agreement. Upon termination of this Agreement, this Agreement shall be renewable upon consent of the parties hereto for an additional term upon the terms and conditions herein set forth.

Termination of this Agreement may be initiated by either the Rural Center of the City of Graham with or without any cause or justification, upon (1) one month's written notice. Expiration or initiation of termination of this Agreement will initiate the following steps to unwind the fund:

1. Both parties will cease marketing and promoting the fund, and the Rural Center will stop accepting new applications
2. Approved applications or loan commitments will be honored as funding availability permits at the discretion of the Rural Center
3. Submitted loan applications will be processed and funded as funding availability permits at the discretion of the Rural Center
4. The Rural Center will continue to service loans enrolled in the revolving loan fund according to its own lending and fund management procedures
5. The Rural Center may withdraw its principal from the fund as it is repaid or recovered at its discretion
6. Within sixty days after all enrolled loans are paid-in-full or charged-off, the Rural Center will return any funds remaining to the City of Graham by check or electronic funds transfer, resulting in full termination of this Agreement
7. After full termination, the City of Graham forfeits its claim to any funds recovered or collected by the Rural Center from charged-off loans previously enrolled in the revolving loan fund
8. The Rural Center will continue to submit semi-annual reports as long as active loans are enrolled in the revolving loan fund

Special Provisions

Records. Except as outlined in the reporting section above, The City of Graham waives any right or expectation of access to any and all data, documents, records and notes of activity relating in any way to this agreement. All applications, underwriting, loan documentation, client records

and related files are confidential and not subject to examination by the City of Graham or its representatives.

Nondiscrimination. Both parties agree not to discriminate by reason of age, race, religion, color, sex, national origin, or handicap related to the activities of this Agreement.

Conflict of Interest. Both parties certify that to the best of their knowledge no employee or officer has any interest that would conflict in any manner with the performance of the Agreement.

Governing Law. This Agreement has been executed in and shall be governed by the laws of the State of North Carolina.

Primary Contact Information

Unless otherwise specified, future communication regarding the revolving loan fund will be directed towards:

City of Graham
Alexa Powell
Planner
PO Drawer 357
201 South Main Street
Graham, NC 27253
(336) 570-6700
planner@cityofgraham.com

Rural Center:
Barry Ryan
Vice President

4021 Carya Dr.
Raleigh, NC 27610
(919) 250-4314
barry@ncruralcenter.org

IN WITNESSED WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

City of Graham

Rural Economic Development Center, Inc.

Signature of Authorized Official

President

Date

Date

STAFF REPORT

SUBJECT:	ORDINANCE TO ALLOW ISSUANCE OF A TEMPORARY PARKING PERMIT
PREPARED BY:	JEFF PRICHARD, CHIEF OF POLICE

REQUESTED ACTION:

Amend Code of Ordinances to add a section allowing the issuance of a temporary parking permit during the times of construction in the downtown area.

BACKGROUND/SUMMARY:

As the downtown area is being developed, the City has seen an increase in motor vehicle traffic in the area. When properties are being renovated, it is necessary for contractors and other ancillary resources to park near the project location to provide access to the necessary tools and supplies. However, it is unnecessarily burdensome for contractors and other workers to adhere to parking restrictions while engaged in work downtown. Providing an option for a temporary parking permit to be issued for a set number of days would alleviate this concern and promote feedback that is more positive for those businesses working to improve downtown Graham.

FISCAL IMPACT:

Nominal.

STAFF RECOMMENDATION:

Approval. This addition to the parking ordinance would allow the city to be able to manage the extended parking needed to facilitate a more efficient and effective work site for the improvement of the downtown area. I would recommend a permit that can be issued with an amount of \$5.00 dollars per day, \$25.00 dollars per month or \$150 dollars per year.

SUGGESTED MOTION(S):

I move to approve the Ordinance amendment to CHAPTER 20- TRAFFIC AND VEHICLES, ARTICLE V- STANDING, STOPPING AND PARKING of the Code of Ordinances to allow for the issuance of a temporary parking permit and amend the Fee Schedule to establish a fee of \$5.00 dollars per day, \$25.00 dollars per month or \$150 dollars per year.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAHAM, ADDING CHAPTER 20, ARTICLE V, SEC. 20-161 TO 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 the Code of Ordinances, City of Graham, North Carolina, is hereby amended by adding a section, to be numbered 20-161, which said section read as follows:

Chapter 20 – TRAFFIC AND VEHICLES

ARTICLE V. – STANDING, STOPPING AND PARKING

ADD: Sec. 20-161. – Issuance of a Temporary Parking Permit.

The police chief may issue a contractor a parking permit to allow the occupation of a temporary construction space by vehicles, fences, receptacles for solid waste, and other apparatus, supplies, material, and equipment, provided that the occupation of the space is connected with construction, maintenance, repair, servicing, or demolition, or for loading or unloading, or for moving. The police chief shall not issue a permit without finding that occupation of the space in accordance with the terms of the permit (i) is reasonably necessary for the project, (ii) can be done without interfering with the regular flow of motor vehicle traffic, and (iii) can be done without endangering or unduly inconveniencing persons or endangering property.

Sec. 2. That this Ordinance shall be in full force and effect from and after its passage, approval and publication, as provided by law

This the _____ day of _____, 2018.

Mayor

ATTEST:

City Clerk



STAFF REPORT

SUBJECT:	ANNEXATION OF A LOT ON SWEPSONVILLE RD AND A LOT ON S MAIN ST
PREPARED BY:	NATHAN PAGE, PLANNING DIRECTOR

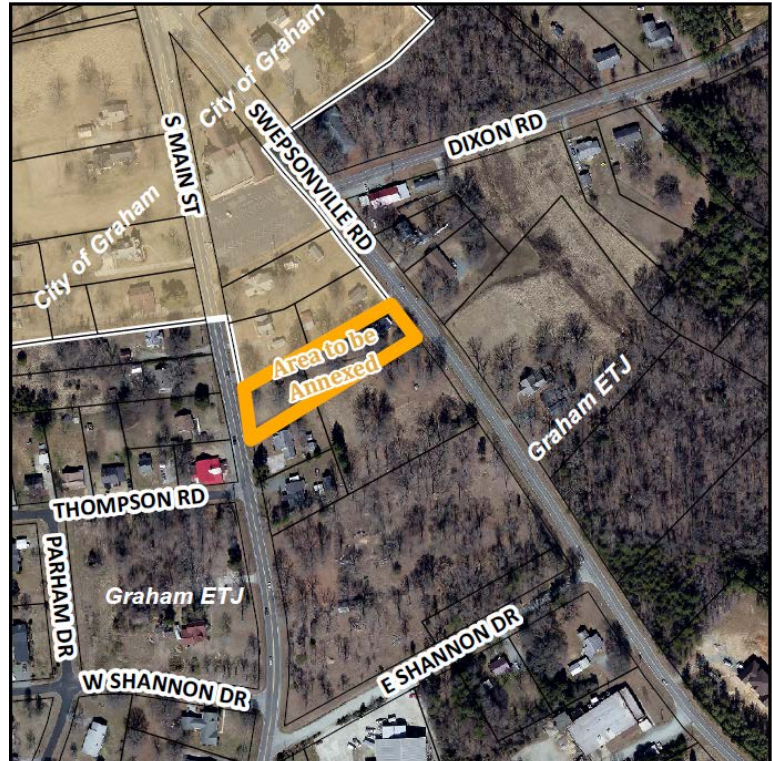
REQUESTED ACTION:

Approve the Annexation Ordinance to Extend the Corporate Limits of the City of Graham, North Carolina for a home at 1619 Swepsonville Road, and a lot behind it on South Main Street.

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 two lots which will be recombined into one on Swepsonville Road (Approx. 0.9 acres). The Annexation Petition was filed while there were two lots in this area, but the Corporate Limits Extension Plat recombines the two parcels into one parcel, which will remain 1619 Swepsonville Road.

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 annexation to the city is negligible. Water is available at the property and the applicant intends to tie onto the water system. The applicant is aware sewer is not available at the parcel.

STAFF RECOMMENDATION:

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

SUGGESTED MOTION(S):

1. I move we approve the Annexation Ordinance to Extend the Corporate limits of the City of Graham, North Carolina, for a lot on Swepsonville Road, and a lot on South Main Street.

ANNEXATION ORDINANCE

TO EXTEND THE CORPORATE LIMITS OF THE

CITY OF GRAHAM, NORTH CAROLINA

FOR A PARCEL ON SOUTH MAIN STREET AND A PARCEL ON SWEPSONVILLE ROAD (AN1801)

WHEREAS, the Graham City Council has been petitioned under G.S. 160A-31 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 April 3, 2018, after due notice by publication on March 22, 2018; and

WHEREAS, the Graham City Council finds that the petition meets the requirements of G.S. 160A-31;

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-31, the following described territory is hereby annexed and made part of the City of Graham as of April 3, 2018:

ALL of that certain piece, parcel or tract of land lying and being in the City of Graham, Graham Township, Alamance County, North Carolina, and being more particularly described as follows:

Beginning at a point in the eastern right of way of South Main St. (N.C.Hwy.87) ,the corner of the existing City of Graham Corporate Limits as referenced in the plat recorded as Final Plat Corporate Limits Extension, City of Graham, Plat Book 63 Page 37, and a corner with Frankie C. Thomas; Running thence with the City of Graham Corporate Limits and the southern line of Frankie C. Thomas and Onslow O. Thompson and Roy Michael Thompson, N 64°26'18"E, 373.95' to a point in the western right of way of Swepsonville Road (S.R.2116), a corner of the existing City of Graham Corporate Limits; Running thence in the western right of way of Swepsonville Road, S35°13'06"E, 53.99' to a point; continuing in the western right of way of Swepsonville Road in a curve to the right having a radius of 2848.93', a chord bearing and distance of S35°24'58"E, 46.44', a corner with Onslow O. Thompson III and Roy Michael Thompson; running thence with the northern line of Onslow O. Thompson and Roy Michael Thompson and the northern line of Kelly Baldwin, S64°31'54"W, 422.00' to a point in the eastern right of way of South Main St (N.C. Hwy. 87); thence with the eastern right of way of South Main St. (N.C. Hwy. 87) N08°01'58"W, 103.08' to the point and place of beginning containing 0.90 acres+- (0.0014 square miles) as shown on the survey, Final Plat, Recombination for Mary Eleanor Thompson and Corporate Limits Extension City of Graham dated 6/8/16.

Section 2. Upon and after April 3, 2018, 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 3rd day of April, 2018.

Gerald R. Peterman, Mayor

ATTEST:

Darcy L. Sperry, City Clerk

APPROVED AS TO FORM:

Keith Whited, City Attorney



Petition for ANNEXATION

RECEIVED
 FEB 27 2018
 CITY OF GRAHAM
 INSP / PZ

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

To the City Council of the City of Graham, NC:

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.

- If applicable as "income-based": We believe that this petition meets the requirements of G.S. 160A-31(b1).
- If applicable as "distressed": We believe that this petition meets the requirements of G.S. 160A-31(j).

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

General description of area to be annexed

Being all of 0.90 ACRES located at 1619 Sweepsonville Rd Graham and along NC Hwy 87 South Main Street add being Alamance County Tax Parcel # 144581 and 144305.

Attach the following:

- 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.
- Metes and Bounds Description – 1 paper and 1 digital copy

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.)

Name	Address	Vested rights?	Signature
Wendi Katona Smith	934 Jill dr Graham, NC 27253		<i>Wendi Katona Smith</i>
Mary E. Thompson	1619 Sweepsonville Rd. # Graham, NC 27253		<i>Mary E. Thompson</i>

attach additional sheets if necessary...

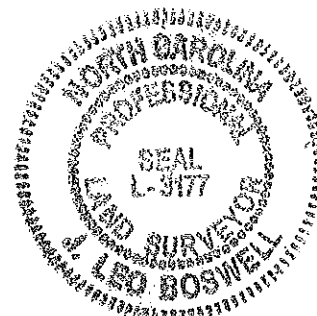
Corporate Limits Extension

City of Graham

Alamance County Tax Parcel: 144305 & 144581

A certain tract or parcel of land located in Graham Township, Alamance County, North Carolina, adjoining South Main St. (N.C. Hwy. 87) Frankie C. Thomas, Onslow O. Thompson III and Roy Michael Thompson. Swepsonville Road (S.R. 2116), and Kelly Baldwin.

Beginning at a point in the eastern right of way of South Main St. (N.C.Hwy.87) ,the corner of the existing City of Graham Corporate Limits as referenced in the plat recorded as Final Plat Corporate Limits Extension, City of Graham, Plat Book 63 Page 37, and a corner with Frankie C. Thomas; Running thence with the City of Graham Corporate Limits and the southern line of Frankie C. Thomas and Onslow O. Thompson and Roy Michael Thompson, N 64°26'18"E, 373.95' to a point in the western right of way of Swepsonville Road (S.R.2116), a corner of the existing City of Graham Corporate Limits; Running thence in the western right of way of Swepsonville Road, S35°13'06"E, 53.99' to a point; continuing in the western right of way of Swepsonville Road in a curve to the right having a radius of 2848.93', a chord bearing and distance of S35°24'58"E, 46.44', a corner with Onslow O. Thompson III and Roy Michael Thompson; running thence with the northern line of Onslow O. Thompson and Roy Michael Thompson and the northern line of Kelly Baldwin, S64°31'54"W, 422.00' to a point in the eastern right of way of South Main St (N.C. Hwy. 87); thence with the eastern right of way of South Main St. (N.C. Hwy. 87) N08°01'58"W, 103.08' to the point and place of beginning containing 0.90 acres+- (0.0014 square miles) as shown on the survey, Final Plat, Recombination for Mary Eleanor Thompson and Corporate Limits Extension City of Graham dated 6/8/16.



J. Leo Boswell
7-22-16

From: Audrey Garton
To: [Darcy Sperry](#)
Cc: [Chelsea Dickey](#); [Nathan Page](#)
Subject: April City Council Agenda Request
Date: Thursday, March 15, 2018 11:27:47 PM

Hi Darcy & Nathan,

My name is Audrey Garton. I founded the organization IAM (Independent Artist Movement). We just had our first event last Thursday and it was a huge success! We had over 400 people come through our pop up gallery in downtown Graham.

I would like to be included on the April City Council Agenda to facilitate another art event in downtown Graham.

I would like to spearhead a community art weekend on May 19th and 20th of this year. I have talked to several community members, artists and have been working with CoOperative to put together the concept for this event. I plan to hold this event around courthouse square. The intent is to be in a central location, not to block off any roads, but to use the sidewalks and possibly a few parking spaces. The event would include live paintings, booths of local art, small acoustic live music, poetry, movement pieces and more. Please let me know if you have any questions!

(The arts council has been contacted, but was unable to partner with us due to their involvement in Slice of Summer)

Best,

Audrey Garton
Independent Artist Movement

Darcy Sperry

From: Chelsea Dickey <chelsea@thecooperative.co>
Sent: Monday, March 26, 2018 6:55 PM
To: Darcy Sperry
Subject: City Council Agenda Request

Hi Darcy--

Would you mind putting the following on the April agenda?

I would like to make a request of council to consider tasking city staff with the build out of an infrastructure investment matching grant specific to downtown Graham.

Let me know if you have any questions.

I'll bring information with me to the council meeting.

Thanks!

Chelsea

Chelsea Glen Dickey

Director of Community Development



200 N. Main Street, Graham, NC

336.260.4288

www.thecooperative.co | chelsea@thecooperative.co