I. Call to Order – The Meeting was called to order in the Council Chambers at City Hall at 6:00 p.m. by Mayor Thompson.

II. Public Comment – The Mayor stated the guidelines for public comment and said speakers were to be called in order of sign-up.

• James Bagley resides at 311 White Street. Bagley stated he was a member of the Community Appearance Advisory Commission and a grocery manager at Food Lion. He shared his concern for the need of a yield sign at the corner of Fleming Drive and East Union/Hwy 70. He also requested the City consider having a sidewalk installed along McDowell Street from White Street to South Green Street, as well as for the need of a trash receptacle along that stretch. Bagley encouraged citizens to actively participate in the “Adopt-a-Highway” program. He stated he and his family adopted three streets including Valdese Avenue in memory of his two-month old son who died. He said his family is taking care of the street in his son’s memory. He encouraged citizens to find a purpose and reach out to the City for street adoption.

• Eliot Lytle resides at 212 Sherwood Place. Lytle asked if others in the room were in attendance regarding the “CoMMA issue” and then asked Council for additional time to speak. Council denied the request. Lytle stated he recognizes the value of CoMMA for the community. He stated the programming doesn’t appeal to him personally as his artistic tastes are more on the eclectic side. He stated the News Herald article regarding a recent award notification caught his attention. He stated he does not see progressive art happening in Morganton and nothing progressive happening at CoMMA as was stated in the article. Lytle then stated he felt like Jim Smith’s position at CoMMA was “pre-ordained”. He wonders what the content at CoMMA might be like under different direction, he said.

No other speakers were signed up or appeared.
III. **Pledge of Allegiance to the Flag** – Mayor Pro-tem Fleming led the recitation of the Pledge of Allegiance to the Flag.

IV. **Invocation** – The invocation was given by the Rev. John Hagmann of First Presbyterian Church.

V. **Introduction of Council** – The Mayor introduced the Council and staff.

VI. **Service Pin** – The Personnel Committee and City staff have decided to recognize long-term employees for years of service at a Council meeting. Bennett Chapman is Plant Maintenance Mechanic in the Water Resources Department with 25 years’ service. Chapman was unable to attend and will be presented his service pin at a later time.

VII. **Public Advocacy Issues and Strategies**

a. **NCDOT Prioritization Process** – Stephen Sparks, P.E., Division 13 Corridor Development Engineer, shared with Council a PowerPoint detailing how road projects are prioritized. After his presentation, Councilwoman Cato, who serves on the WPCOG MPO, stated that after much time, she is finally beginning to understand the process.

• The Mayor asked Development and Design Director Phillip Lookadoo to introduce new City Engineer Mario Sclarandis. Sclarandis stated he and his wife have moved to the area from Newport News, VA. He stated he is looking forward to the planned changes and ideas being developed in the Downtown area and beyond.

b. The Mayor announced a planned power outage for April 7, 2019 beginning at midnight and lasting approximately 6 hours. The affected areas will be in the Industrial Boulevard area off Jamestown Road. Updates will be made via the City website and social media sites.

c. The Mayor announced the following upcoming events at CoMMA: *Tied up in Knotts* on April 11 and *The Sound of Music* on April 30. He announced Downtown events including Farmers’ Markets beginning on Saturday, April 27, Beach Street from 8:00 a.m. to noon and Wednesday, May 1, Green Street, Noon – 4:00. He announced that TGIF begins on Friday, May 3, 6:00 p.m. with the Extraordinaires and a Car Cruise-In.

VIII. **North Carolina Municipal Power Agency Number 1 Update** – The City Manager stated that the Power Agency Rate Committee has been working to get numbers ready in time for the budget process.

IX. **Consent Agenda** – The City Manager presented the Consent Agenda and asked if any items should be removed from the Consent Agenda. No request was made.
Upon motion by Councilman Simmons, seconded by Councilman Hawkins, and unanimously carried, the Consent Agenda was approved and each individual item adopted as stated, these being as follows:

A. Approved minutes as submitted for a Regular Meeting held on March 4, 2019, a Special Meeting held on March 14, 2019, and a Special Workshop meeting held on February 22, 2019.

B. Approved tax releases in the amount of $75.62.

C. Approved the 2019 Downtown Calendar of Events as submitted.

D. Approved a budget amendment (Ord. #19-09) in the amount of $250 to appropriate the receipt of a contribution given to CoMMA to assist in providing chocolate candies for the Peter Pan on Ice show.

E. Approved concurrence with the North Carolina Department of Cultural Resources’ Municipal Records Retention and Disposition Schedule and to amend current retention practices as necessary to comply.

X. Items Removed from Consent Agenda – There were no items removed.

XI. New Business

A. Public Hearings

1. Public Hearing and Consideration of a Request to Rezone Property Located at 102 W Morganton Heights Boulevard (PIN 1793617318) from General Business/Light Industrial Conditional Use to High Intensity District (HID)

The Mayor opened the Public Hearing at 6:25 p.m.

Development & Design Director Phillip Lookadoo stated the subject property was rezoned from Heavy Industrial (HI) to General Business Conditional Use (GB-CU) on April 3, 2009 to accommodate for commercial use of the property. There was an approved amendment to the original ordinance on August 6, 2012 to eliminate the originally approved use of 144 residential units to instead preserve and adaptively reuse 218,000 square feet of manufacturing space remaining on site from the previous Henredon manufacturing facility.

This application requests to rezone the property, about 18 acres, to High Intensity District (HID) and furthermore, conform to the current ordinance while matching the surrounding zoning along West Fleming Drive. Approval of this request would permit Light Industrial and General Business uses that were allowed under the previous Conditional Use ordinance.
The Planning and Zoning Commission, at their regularly scheduled meeting held on March 14, 2019 voted unanimously (9-0) to recommend approval of the request to City Council.

The Mayor asked if anyone would like to comment on this item.

• Judy Ledford resides at 216 Camelot Drive. She stated that her aunt owned a piece of property along Fleming Drive near the land proposed for rezoning. She stated there is a sewer culvert as well as Duke Power lines across the property. She stated they cannot sell the property because of the public easements. She feels if someone, under the new zoning, needs/wants sewer, they should buy this property. She stated she is against rezoning this property.

With no one else wishing to speak, the Mayor closed the public hearing at 6:33 p.m.

Councilman Simmons asked if it would be easier to sell Mrs. Ledford’s property if it were rezoned. He then questioned if there is something the City can do to help make Mrs. Ledford’s property more marketable.

Lookadoo, after conferring with Mrs. Ledford, stated that Mrs. Ledford’s property was across the street/railroad tracks, and borders the school property.

Mrs. Ledford stated when Fleming Drive was built there was a sewer line built.

Lookadoo stated there are sewer lines already on the property being proposed for rezoning which are the lines they would use for new construction.

Councilman Simmons questioned if this rezoning had any effect on Mrs. Ledford’s property. The City Attorney stated his opinion that this rezoning has no direct effect on her property.

Mayor Thompson asked if there was ever a brownfield designation on this property. Lookadoo stated there had been brownfield designation. His staff has been in contact with the State which determined there are some tanks that have to be removed. The majority of the “dirty stuff” was cleaned during the development of Wal-Mart, Lookadoo stated.

Upon motion by Councilwoman Cato, seconded by Councilman Fleming, and carried unanimously, the Council adopted Ordinance #19-10 rezoning the property located at 102 W Morganton Heights Boulevard (PIN 1793617318) from GB-CU to HID.

B. Other Business

1. Consideration of Adoption of the Amended Development Grant Incentive Guideline Policy and Zones
The City Manager stated the DIG (Development Incentive Grant) program was established during the height of the 2008 economic downturn. It was intended as an economic stimulus in Morganton. The City and Burke County adopted the policy as another economic development tool. Now the economic climate has changed. The changes in the economic climate and investment opportunities have led to a review of the DIG program by the City and County. Upon review, the City staff recommends that revisions be considered. These revisions have been shared with Burke County. Both City and County are considering the amendments to the DIG guidelines and map. Discussions indicate that both entities believe this is an economic development tool worth keeping in the tool box.

The revisions include amendments to the proposed zones where DIG funds can be awarded. The designation of the Broughton District redevelopment opportunities has influenced the need to consider changes in the DIG zone boundaries. Recommended boundary changes were discussed at the City Council workshop.

The other significant changes include:

A) Language clarifying that tax-exempt entities are not eligible to receive DIG funding. This was implied previously.

B) Requirement that the City and County assign staff to work with developers applying for a DIG from the beginning of project discussions. Previously, the City did the review and the County entered later in the process.

C) The most significant change in this proposal is in the amount of new investment required to qualify for DIG funds. Section F details recommendations for grant qualifications.

D) The amended guidelines make clear that qualifying projects in the City’s Municipal Service District (MSD) will receive a DIG incentive that will be funded solely from new revenues collected as a result of new investment and the MSD tax.

Staff is recommending that the proposed amendments be adopted and become effective immediately. Any new applications for the DIG would be evaluated as per the new guidelines. The two existing grants would continue to be administered under the previous guidelines.

The Mayor asked if Public Information Officer Ethan Smith would publish the DIG maps on the City website. The City Manager stated they would be posted once the new maps were approved.

Upon motion by Councilman Simmons, seconded by Councilwoman Cato, and carried unanimously, the Council approved amending the DIG policy/guidelines and DIG zone maps as discussed at the February 22, 2019 workshop with an effective date of April 1, 2019.
2. **Consideration of an Agreement with NCDOT for Design and Installation of Utility Lines in Association with the NC 181 Widening Project**

The City Manager stated that this project will widen NC 181 from St. Mary’s Church Road to Clay Street.

This widening project will include the addition of a center turn lane and five feet wide bike lanes traveling in either direction. This is phase one of a project that is planned to eventually extend this alignment to Frank Whisnant Road.

This project has been on an approved project list with the NCDOT; public hearings have been held regarding the design and NCDOT is now in the right-of-way acquisition phase.

This agreement governs the interaction between NCDOT and the City in implementing the utility relocation required by this road widening. Based on population, the City’s portion of the utility relocation will be 25% of the total cost. Currently the City’s responsibility is estimated to be $406,973.13.

Mayor Thompson asked when the project might begin. Phillip Lookadoo stated the date on the NCDOT website says June 15, 2021. Councilman Fleming asked how long the project is anticipated to take once construction begins. The City Manager stated no one knew the answer to that question.

Upon motion by Councilman Fleming, seconded by Councilman Hawkins, and carried unanimously, the Council approved the agreement between NCDOT and the City of Morganton for the relocation of water and sanitary sewer lines necessary to complete the NC-181 widening project (U-5836).

3. **Consideration of Establishing Filing Fees for Municipal Elections**

The City Attorney stated that by statute, the regular municipal elections this year will be held on Tuesday, November 5, 2019.

Notice of Candidacy must be filed by each person offering himself or herself as a candidate with the Burke County Board of Elections no earlier than 12:00 Noon on the first Friday in July (July 5, 2019) and no later than 12:00 Noon on the third Friday in July (July 19, 2019). The filing may be completed by mail; however, the Notice of Candidacy must be received by the Board of Elections before the filing deadline stated above regardless of the time notice was deposited in the mail.

Even though the City has contracted with the Burke County Board of Elections to conduct our municipal elections, the City Council retains the authority and duty to set the filing fee for candidates who file for a City office. Pursuant to N.C.G.S. 163-294.2(e), the filing fee shall be fixed by the governing board of the City not later than the day
before candidates are permitted to begin filing notices of candidacy. By statute, the minimum filing fee is $5.00; however, the City Council has authority to set the filing fee at no more than 1% of the annual salary of the office sought unless 1% is less than $5.00. Based on the annual salaries for the offices of Mayor and City Council, the 1% maximum is greater than $20, and a $20 filing fee is therefore appropriate.

The elections to be held this year are for Council District 1 (seat currently held by Sidney Simmons), Council District 2 (seat currently held by Forrest Fleming) and the office of Mayor (seat currently held by Ronnie Thompson).

Upon motion by Councilman Hawkins, seconded by Councilwoman Cato, and carried unanimously, the Council set the filing fees for the Mayoral seat, and for each City Council seat to be elected in 2019, at $20.00.

4. Consideration of Approval of Memorandum of Understanding with Stroup Family as Owners and (1) FHN Morganton, LLC and (2) LS Hotels, LLC as Developers, for Development of Certain Property on South Sterling Street

The City Manager stated that the five members of the Stroup family own a large tract on South Sterling Street just north of I-40, on the front of which is the former location of Abele’s Family Restaurant. FHN Morganton, LLC is interested in acquiring that front portion, consisting of about two acres, for development of a restaurant (“the Restaurant Parcel”). Meanwhile, the Stroups are negotiating with an unrelated entity, LS Hotels, LLC, for sale of approximately three acres, not directly fronting S. Sterling, for possible development of a hotel (“the Hotel Parcel”). In anticipation of this, in 2017 the City sought and received a grant of more than $1,300,000 from the Appalachian Regional Commission specifically for the purpose of designing and building a public street through the Stroup property for access to a hotel development. That grant requires that commercial development on and near such street create a minimum number of jobs, and the hotel or restaurant alone would not provide that many. Therefore, the building and opening of both businesses on the Stroup property is crucial to the City.

The separate sales of the two tracts by the Stroups are not contingent on each other, and the Restaurant Parcel already has direct access to S. Sterling, but location of the new street will greatly enhance not only the restaurant and hotel parcels, but the remaining undeveloped portions of the Stroup property. The Hotel Parcel will require entirely new water and sanitary sewer lines, while the new water line will be necessary for the restaurant as well. Thus, the City must join in planning and development of both these properties, in order to fix the relative obligations of all the parties for the responsibilities and costs of development.

The City, the Stroups and FHN have negotiated and now agreed on the terms of a detailed Memorandum of Understanding governing the development of the Restaurant Parcel. Among many other things, this MOU provides that: the City will build the new street within a right-of-way 100 feet wide closest to S. Sterling, narrowing to 70 feet wide nearer to the Hotel Parcel; the City will design and construct a water line from the
existing water main in S. Sterling to the point of connection with the restaurant service line, and FHN will pay the costs for that; and FHN will close on purchase of the Restaurant Parcel promptly after the City awards contracts for construction of the street and the water line.

Meanwhile, the City, the Stroups and LS Hotels have also negotiated and agreed on a detailed Memorandum of Understanding concerning development of the Hotel Parcel. This MOU provides that the City will build the new street within a right-of-way 100 feet wide closest to S. Sterling, narrowing to 70 feet wide at the corner of the Hotel Parcel; LS will close on purchase of the Hotel Parcel by December 31, 2019; the City will design and construct a water line and sanitary sewer line from the existing mains in South Sterling to the Hotel Parcel, such lines likely to be placed only after LS acquires the Hotel Parcel; and LS will pay the costs of such water and sewer lines.

All the other parties have in each case signed these two MOUs, and they are both now before City Council for consideration.

Upon motion by Councilman Fleming, seconded by Councilman Simmons, and carried unanimously, the Council approved a Memorandum of Understanding among the City of Morganton, the Stroup family, and FHN Morganton, LLC.

Upon motion by Councilman Fleming, seconded by Councilman Simmons, and carried unanimously, the Council approved a Memorandum of Understanding among the City of Morganton, the Stroup family, and LS Hotels, LLC.

5. Consideration of Appointments for Boards and Commissions

Downtown Parking Advisory Committee – The Council has an advisory committee to suggest amendments to parking in the downtown business district. Currently the parking committee consists of Judy Willis, Rudy Bell, Keith Suttles, Ed Jones and City staff Sharon Jablonski, Chief Ronnie Rector and D&D Director Phillip Lookadoo.

Downtown business owner Tommy Sain has expressed interest in volunteering to be on the downtown parking advisory committee.

Upon motion by Councilman Simmons, seconded by Councilman Hawkins, and carried unanimously, the Council appointed Tommy Sain to the downtown parking advisory committee.

6. 30-Day Notice for Boards and Commissions

a. Human Relations – Council was given notice of upcoming expiration of terms on the Human Relations Commission. Expiring terms include: Buddy Armour (School representative), Connie Davis/David Burleson (Non-profit / BUCM), Gale Jones, and Tricia Evans-Hunt.
XII. Other Items from City Manager and City Council Not on Agenda – Consideration of Approval to Receive a North Carolina Arts Council Grant and Consideration of a Budget Amendment/ Main Street

The City Manager stated the City of Morganton Main Street Department has been contacted by the North Carolina Arts Council to receive a Technical Assistance Grant. The North Carolina Arts Council would like for the Main Street staff to participate in the Creative Placemaking conference to be held this spring in Columbia, South Carolina. This conference will aid Morganton’s Main Street Department as they begin their work with the Smart Art grant that was received in 2018. The grant monies are to be used for travel and attendance at the conference. The grant is in the amount of $1,000.

This budget amendment, in the amount of $1,000, is to appropriate the receipt of a Technical Assistance grant given to Main Street for participation in the Creative Placemaking conference in 2019.

Upon motion by Councilwoman Cato, seconded by Councilman Fleming, and carried unanimously, the Council approved receipt of a $1,000 Technical Assistance grant for the City of Morganton Main Street Department to participate in the Creative Placemaking conference in 2019.

Upon motion by Councilwoman Cato, seconded by Councilman Hawkins, and carried unanimously, the Council approve a budget amendment (Ord. #19-08) in the amount of $1,000 to appropriate the receipt of a Technical Assistance grant to City of Morganton Main Street Department to assist with participation in the Creative Placemaking conference in 2019.

The City Manager stated “placemaking” is about what makes our place a home. She stated she, along with Main Street Director Sharon Jablonski and Events Coordinator Abby Nelson, recently attended the National Main Street Conference in Seattle, Washington. She stated there were many sessions at the conference stressing how important placemaking is. She stated that civic leaders were invited to a session with Ed McMahon, Senior Resident Fellow, Urban Land Institute, whose TED Talk was played at the Council Workshop in February. She stated the reason the City of Morganton was involved with the conference is because the State invited Sharon Jablonski to be a presenter at that conference along with Liz Parham, North Carolina Main Street Director.

XIII. Reports – Reports were distributed to Council.

XIV. Adjournment – The Mayor adjourned the meeting at 6:59 p.m.
Preparation of Minutes. These minutes were prepared by Mikela D. Russell, Assistant City Clerk. Copies of all resolutions, ordinances and orders referenced in these minutes are intended to be incorporated into these minutes as if fully set forth herein. Prior to including them into the official minute book, the minutes have been read and approved by the City Manager and the City Attorney, then distributed to each member of the City Council for further review and final approval, at a subsequent Council Meeting.

Mayor

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Assistant City Clerk