KANNAPOLIS CITY COUNCIL
REVISED MEETING AGENDA
Kannapolis City Hall
401 Laureate Way, Kannapolis NC
October 8, 2018
6:00 AM

Please turn off cell phones or place on silent mode.

CALL TO ORDER AND WELCOME

MOMENT OF SILENT PRAYER AND PLEDGE OF ALLEGIANCE

ADOPTION OF AGENDA - Motion to Adopt Agenda or make revisions

CONSENT AGENDA - Motion to Adopt Consent Agenda or make revisions

1. Ordinance to amend the Budget #19-8; College Station improvements (Eric Davis, Finance Director)

BUSINESS AGENDA

A. Fishertown Annexation - Part II Report to City Council (Mike Legg, City Manager and Jason May, Budget and Management Analyst)

B. City of Kannapolis appointment to the Rowan County Housing Authority (Mike Legg, City Manager)

C. Extension of Limited Letter of Intent/Notice to Proceed for the Sports and Entertainment Venue (Mike Legg, City Manager)

CITY MANAGER REPORT

CITY COUNCIL COMMENTS

CLOSED SESSION

GS. 143-318.11 (a) (3) to consult with an attorney in order to preserve the attorney client privilege and G.S. 143.318.11 (a) (4) for discussing matters relating to the location or expansion of industries or businesses in the area (Mayor Pro tem Berry)

MOTION TO ADJOURN

UPCOMING SCHEDULE

October 22, 2018
November 12, 2018
November 26, 2018

In accordance with ADA regulations, anyone in need of an accommodation to participate in the meeting should notify the ADA coordinator at tcline@kannapolisnc.gov or 704-920-4302 at least forty-eight (48) hours prior to the meeting.

City of Kannapolis
City Council Meeting
October 8, 2018
Staff Report

TO: Mayor and City Council
FROM: Eric Davis, Finance Director
TITLE: Budget Amendment 19-8; College Station improvements

A. Action Requested by City Council

Motion to approve a Budget Ordinance Amendment 19-8; College Station improvements

B. Required Votes to Pass Required Action

Majority present at meeting

C. Background

The attached Budget Amendment covers all of the final costs associated with extending a new water main to the RCCC Campus on Highway 29 (College Station). Additionally additional funds are needed to install a noise barrier to the new HVAC system to address neighborhood complaints, some final drainage work on the site, and a small addition to RCCC's main entrance sign.

D. Fiscal Considerations

Funds for this project come from the City's Utility Cash Reserves (Water & Sewer Fund Balance) and Downtown Fund Reserves (Fund Balance).

E. Policy Issues

None

F. Legal Issues

None

G. Alternative Courses of Action and Recommendation

1. **Motion to approve Budget Ordinance Amendment 19-8; College Station improvements (Recommended)**
2. Do not approve Budget Amendment 19-8; College Station improvements
3. Take action to a future meeting

ATTACHMENTS:

File Name

- Budget_Amendment__$200_000_College_Station_#19-8.doc

ORDINANCE AMENDING BUDGET FOR THE
CITY OF KANNAPOLIS, NORTH CAROLINA
FOR THE FISCAL YEAR BEGINNING JULY 1, 2018 AND ENDING JUNE 30, 2019
Amendment # 19-8

BE IT ORDAINED by the City Council of the City of Kannapolis, North Carolina meeting in open session this 8th day of October 2018, that the following amendment to the Budget Ordinance for the City of Kannapolis, North Carolina for the Fiscal Year beginning July 1, 2018 and ending June 30, 2019 is hereby adopted:

SECTION I - Water & Sewer Fund

Expenditures:	Increase Water Distribution Capital Outlay Expenditure: 36100-59600	$400,000
Revenues:	Increase Appropriated Fund Balance Revenue: 39900-39900	$400,000

SECTION II – Downtown Fund

Expenditures:	Transfer to Capital Project Expenditure: 89000-57200	$ 60,000
Revenues:	Increase Appropriated Fund Balance Revenue: 89900-39900	$ 60,000

SECTION III – College Station Capital Project Fund

Expenditures:	Increase Capital Outlay Expenditure: 82000-59200	$ 60,000
Revenues:	Increase Transfer from Downtown Fund Revenue: 82090-39200	$ 60,000

This ordinance is approved and adopted this 8th day of October 2018.

_____
Milton D. Hinnant, Mayor

ATTEST:

_____
Bridgette Bell, MMC, NCCMC
City Clerk

City of Kannapolis
City Council Meeting
October 8, 2018
Staff Report

TO: Mayor and City Council
FROM: Mike Legg, City Manager
TITLE: Fishertown Annexation: Report to City Council Part II

A. Action Requested by City Council

None. Information Only.

B. Required Votes to Pass Required Action

Majority present at meeting

C. Background

At the August 27th City Council meeting, staff provided City Council with Part I of the Fishertown Annexation Report pertaining to procedures and cost to annexed residents. The Part II Report (attached) is focused on the cost of City services and the criteria for annexation should the annexation ultimately proceed.

The report provides that the annexation area appears to meet the statutory requirements for annexation subject to the adequate number of property owner OR resident signatures being secured.

D. Fiscal Considerations

The report shows that the total net loss in ongoing years of approximately $1 million. New home building and increases in property values could offset these losses somewhat. The largest ongoing expense is debt service on approximately $11 million in water and sewer extensions. Apart from this major expenditure, the annexation overall appears to break even, possibly even resulting in slightly more revenues than expenditures.

E. Policy Issues

None.

F. Legal Issues

None.

G. Alternative Courses of Action and Recommendation

None. For information only.

ATTACHMENTS:

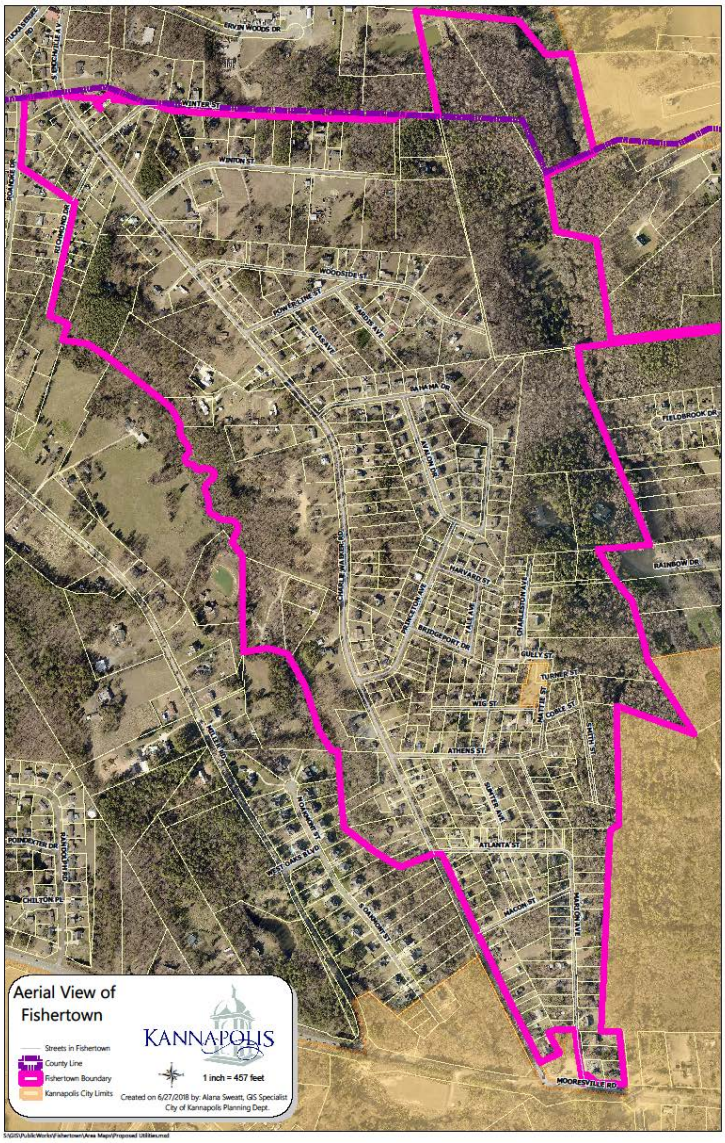
File Name

- Fishertown_Annexation_Report_to_City_Council_Part_II.pdf

Annexation Services Plan

City of Kannapolis, North Carolina

"Fishertown Area"



Executive Summary

Fishertown is a neighborhood in unincorporated Cabarrus County located on the north side of Mooresville Road with entrance into the neighborhood off Charlie Walker Road. The area is partially served with public utilities by the City of Kannapolis. Recently, there have been ongoing discussions regarding the benefits of annexation between the City of Kannapolis and Fishertown neighborhood residents. In early 2018, the City of Kannapolis held meetings with neighborhood leaders and residents to provide information to Fishertown residents on the annexation requirements pursuant to state law and cost implications of annexation.

The next step in the process is for City of Kannapolis staff to determine if the area meets the requirements for annexation and to generate a financial analysis for providing services to Fishertown should the neighborhood be successfully annexed into the City of Kannapolis.

If annexed, the cost to provide services would be greater than the projected revenue generated by the neighborhood in Year 1 and subsequent years. However, there exists future redevelopment potential for the area. The 2030 Move Kannapolis Forward Comprehensive Plan identifies the area as supporting development somewhere in the range of 2-6 household units to the acre. Assuming that 75 acres (based on large underdeveloped parcels) of the 290 acres within Fishertown are available for redevelopment in the future, there is projected for an additional 150 to 450 units. The increase in units may potentially offset some of the cost of annexation in future years.

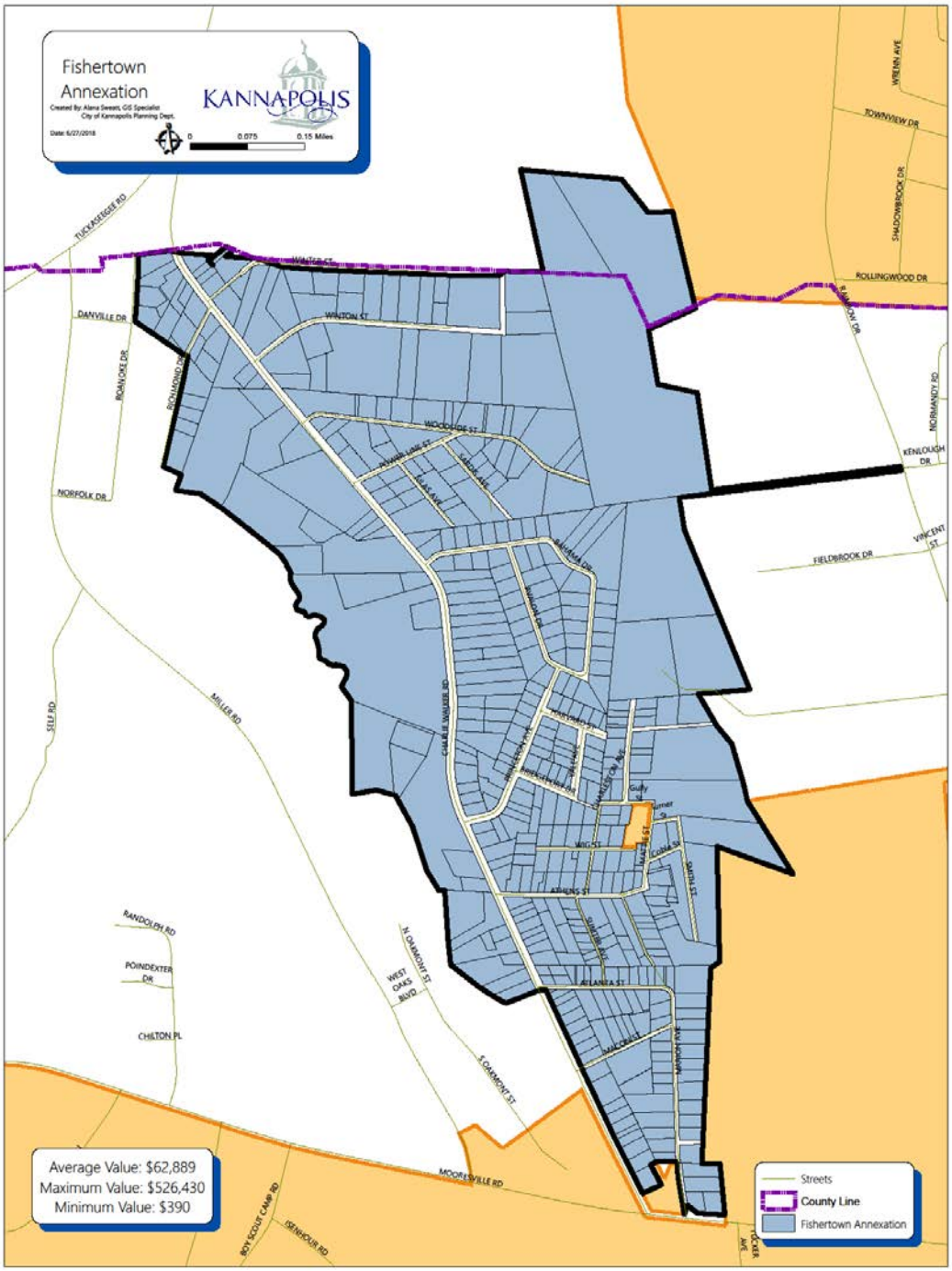
If annexed, the City will make a request to NCDOT to make all roads in the area City-owned roads. However, staff believes NCDOT would more than likely keep Charlie Walker Rd (1.4 miles of road in the area) since it connects NC 3 to Enochville Rd. The City can also request that NCDOT repair and upgrade all roads to current City standards, but this is not guaranteed.

Staff's best estimate is that 87% of all households are owner occupied.

Below is a summary of the voluntary annexation requirements pursuant to North Carolina General Statute 160A-31 as well as how the Fishertown community meets or does not meet those requirements.

KANNAPOLIS

Potential Annexation Area



Statutory Standards Statement Fishertown Area

Process A: Property owners in "high poverty" areas may petition for voluntary annexation.

- **51% households have incomes less than 200% of U.S. poverty thresholds.**
    1. There are approximately 305 households.
    2. The poverty level based on the Census Bureau is $25,100 for a 4 person household.
    3. 200% of the poverty level is $50,200.
    4. Area median household income is $29,000 based on 2000-2016 Census Bureau data.

Therefore, this criteria is met.

- **Area population must not be greater than 10% of the City's population**.
    1. There are approximately 328 households with 2.51 persons per household for a total of 823 persons within Fishertown.
    2. City of Kannapolis Population estimate released in 2017 is 48,806 persons.
    3. 10% of the City population is 4,880 persons.

Therefore, this criteria is met.

- **At least one-eighth (12.5%) of the area must be contiguous to the existing City limits.**
    1. The aggregate external boundaries of Fishertown is equal to 23,360 lf.
    2. 12.5% or 1/8 of the aggregate external boundary is equal to 2,954 lf.
    3. The total area of Fishertown contiguous to the City limits is 7,371 lf.

Therefore, this criteria is met.

- **If *owners* of three-fourths (75%) of the *parcels* sign the petition, the City must annex the entire area. Owners = *all* individuals listed on the deed and *all* individuals listed as part of any estate. A title examination may be required to verify property ownership.**

This is an unknown at this time, therefore there is no certainty this criteria can/will be met.

Process B: Residents in "distressed" areas (same definition as high poverty) may petition for voluntary annexation.

- **No high poverty percentage calculation required.**

  No criteria requirement.

- **Must be contiguous with the existing City limits (but there is no 1/8 requirement).**
  1. The total area of Fishertown contiguous to the City limits is 7,371 lf.

  Therefore, this criteria is met.

- **If one adult *resident* of at least 2/3 (66.6%) of the *households* signs the petition to annex then City may annex under voluntary procedure.**

  This is an unknown at this time, therefore there is no certainty this criteria can/will be met.

General Statistical Information

- Current City of Kannapolis Population – 48,806
- Total Area of Fishertown – 290 acres
- Number of Parcels – 507 parcels
- Number of Parcels with structures – 383
- Number of Parcels without structures – 124
- Number of Households – 328
- Total area population (2.51 persons per household) – 823
- Total Area Assessed Value - $32,073,220 (would increase City-wide tax base by 0.074%)
- Total Miles of Streets – 5 miles
- Total NC DOT Streets – 4.8 miles
- Total Private Streets - .2 miles
- US Poverty Rate - $25,100 (for a 4 person household)
- Aggregate external boundaries of City of Kannapolis – 23,630 linear feet
- Total Area contiguous to the City – 7,371 linear feet

City-Wide Financial Impact

Potential Revenue/Expenditure	First Year	Subsequent Years
General Fund Revenues	$237,382	$237,382
General Fund Revenue Lost	-$32,073	-$32,073
General Fund Expenditures	-$308,286	-$164,766
Water & Sewer Revenues	$109,381	$109,381
Water & Sewer Revenue Lost	-$16,459	-$16,459
Water & Sewer Expenses	-$1,070,148	-$1,070,148
Stormwater Revenues	$33,321	$33,321
Stormwater Expenses	$0	$0
Environmental Revenues	$61,402	$61,402
Environmental Expenses	-$191,047	-$157,689
Total of All Funds	-$1,176,527	-$999,649

Note: Based upon the current annexation schedule, the utility extensions would not have to be completed until December 2024 so the largest budget impacts are at least 5 years away. All other impacts would occur in the FY 2022 budget (beginning July 1, 2021).

Potential New Revenues

1. Ad Valorem Taxes

The Total Assessed Tax Value in the Fishertown area is $32,073,220 for FY 19. If annexed the area would increase the City of Kannapolis Total Assessed Value by 0.0074%. At a tax rate of $0.63, the area would generate $198,020 in new Ad Valorem Taxes annually.

2. Sales Tax

The total area of Fishertown is located in Cabarrus County and would not affect the Sales Tax revenues from Rowan County. Cabarrus County disperses sales tax revenues on an ad valorem basis, each municipality receives a portion of the county's sales tax based on the total assessed value of the municipality. If the area is annexed, the potential increase in sales tax distribution for the City of Kannapolis is approximately $13,377 annually.

3. Utility Sales and Use Tax

On a quarterly basis, the state distributes to the cities part of the taxes collected under the Article 3 on utility companies. The amount to be distributed to a county for a calendar quarter is 3.09% of the gross receipts derived by electric power companies from sales within the county for that quarter. Cabarrus County distributes Utility sales and use tax based on ad valorem tax collections as a percentage of the county tax value. If the area is annexed, the potential increase in Utility Sales and Use Tax is projected to be approximately $3,808 annually.

4. Powell Bill

Powell Bill allocations are made to incorporated municipalities which establish their eligibility and qualify per North Carolina General Statute 136-41.1 through 136-41.4. This allocation is made based on the population of the municipality and the miles of City roads. For FY 19, the proposed rates are:

Per Capita Rate: $19.86
Per Mile Rate: $1,620.04

With an approximate population of 823 people and 3.6 miles of potential City roads, staff estimates an increase of $22,177 to the City's allocation of Powell Bill funding.

5. Miscellaneous Revenue

The potential annexation of the Fishertown area will have minimum effect on all other General Fund Revenues. For the purposes of this project, no additional increases or decreases in General Fund Revenue is projected.

6. Water & Sewer Charges and Fees

It is estimated that 328 of the 507 parcels are structures with households present. Of the 328 homes, 91 homes do not currently receive any utilities from the City of Kannapolis. 132 homes currently receive water from the City of Kannapolis, but do not use sewer services from the City. 105 households receive both Water & Sewer services from the City.

On the basis of an average household using 4,000 gallons of water and sewer service each month, the City anticipates approximately $109,381 in new annual Charges and Fees revenue for the Water & Sewer Fund if the area is annexed.

Water & Sewer Potential Charges and Fees Revenue

	Potential Customers	Base Monthly Charge	4,000 Gallons/per month	Total
Water Service	91	$6.95	$24.60	$34,453
Sewer Service	223	$3.80	$24.20	$74,928

7. Stormwater Charges and Fees

Currently, no revenue is received from the Fishertown area for Stormwater services. If the area is annexed, the 383 parcels with structures would begin to pay the Stormwater monthly fee. For purposes of this projection, all structures are anticipated to be on Tier 2 of the Stormwater Fee matrix, $7.25 per month. The potential new revenue would be approximately $33,321 annually.

8. Environmental Charges and Fees

Current City of Kannapolis residents pay $15.60 per month for all Environmental Services (Solid waste, bulky items, yard waste, and recycling). If the area is annexed, the 328 households in the area would begin to receive and pay for these same Environmental Services. The potential new revenue would be approximately $61,402

Potential New Expenses

1. General Administration

The residents, businesses, and property owners of the City of Kannapolis receive and enjoy service from the functions of the general administration and its numerous support departments(City Council, City Manager, Economic Development, Communications, Human Resources, Legal, Finance, IT, and General Services). The General Administration is funded through the City's General Fund Budget and serves all incorporated areas of the City.

During the initial phase of annexation, the Fishertown area may require additional attention from the City's Legal, Communications, Planning, and City Manager departments. With this said, no additional personnel, operating, or capital expenditures are anticipated at this time.

2. Police Protection

The residents, businesses, and property owners of the City of Kannapolis receive service and protection from the City of Kannapolis Police Department. The Department is funded through the City's General Fund budget and serves all incorporated areas of the City. Currently, the City has 88 sworn officers or one (1) sworn officer for every 555 citizens. The Fishertown area has a projected population of 823. After reviewing Police service calls in the Fishertown area and reviewing current police/citizen ratios, the Kannapolis Police Department believes that two (2) new sworn officers will be necessary to provide the same service and protection to the potential annexation area as the rest of the incorporated area of Kannapolis currently receives. Each officer would require salary and fringe benefits, a vehicle, and other public safety equipment;

➢ Salary and Benefits	$47,137/Each	$92,274/Total
➢ Vehicle	$58,680/Each	$117,360/Total
➢ Public Safety equipment	$13,080/Each	$26,160/Total

Annual Operating Expense - $92,274 **Capital/One Time Equipment - $143,520**

3. Fire Protection

The Kannapolis Fire Department currently provides fire protection for the Fishertown Area and no additional expenditures are forecasted, if the annexation was to proceed.

4. Public Works

The Public Works Department consists of Engineering & Administration, Street lighting, Operations Center, Signs and Markings, and Street Maintenance. No outstanding additional personnel, operating, or capital expenditures are forecasted in the Engineering & Administration or Operations Center.

The Fishertown area currently has only a few street lights, most of which are private owned. The City estimates needing an additional 102 lights installed during the transitional period of annexation. The new street lights will have a monthly charge of $8 per light, costing $9,792 annually. The City averages about $40 per street light in annual electricity expenses. The 102 new lights will cost $4,080 in increased electricity billing. The total cost for these new street lights will be approximately $13,872 annually.

The City plans to replace approximately 28 street name signs, 28 stop signs, 50 warning signs, and at least 2 City wide speed limit signs. Additionally, speed limit signs will be needed for the area and the number of signs is based on the determined speed limit for the area. If the City chooses to install decorative signs, the cost will be $27,480 plus the cost of any additional speed limit signs. If the City chooses to install the standard signs, the cost will be $16,180 plus the cost of any additional speed limit signs.

The City of Kannapolis currently spends $8,650/mile on repairs and maintenance of City-owned roads and streets. The potential annexation area currently has 5 miles of road total. It is the expectation that NCDOT will turn over ownership of all roads in the area to the City if the area is annexed, with the exception of Charlie Walker Rd. The section of Charlie Walker Rd. located in the Fishertown area is 1.4 miles, leaving 3.6 miles to become City roads if annexation is approved. The projected expense for the City will be $31,140 annually.

5. Park & Recreation

The City of Kannapolis currently offers six (6) different parks, several greenways, and has recently started providing recreation programs for youth and adults. Additionally, the City has begun a program with the Kannapolis City Schools to offer activities at school gyms and athletic fields. All of these activities and programs are offered to anyone in the area, including residents of the Fishertown area. It is estimated that no increase in expenditures for parks or recreation will result from the proposed annexation.

6. Water & Sewer

The average home uses 4,000 gallons a month of water and sewer service. The City of Kannapolis produces 1000 gallons of water for $1.34 and is charged $1.47 for 1000 gallons of sewage treatment from WSACC. If annexation moves forward, 91 new customers will begin receiving water service and 223 new customers will begin receiving sewer service.

	New Customers	Cost per 1000 Gallons	Total Expense
Water Service	91	$1.34	$6,341
Sewer Service	223	$1.47	$17,046

In addition to the expense of providing water and sewer service to the potential annexed area, the City of Kannapolis must extend both water and sewer lines, as well as provide connections to each household. The total cost of this extension is estimated to be $11,422,308 and the project is projected to last 18 months. This would be financed using Revenue bonds at a projected 4.5% interest rate for 20 years. The annual debt service payment for the extension is approximately $1,048,560.

Based upon the current schedule, these utility extensions would not have to be completed until December 31, 2024.

7. Stormwater

Stormwater Fund expenses includes cost related to a federally mandated education program plus the annual maintenance of the storm drainage system within the City. No immediate expense are expected if the area is annexed. Some additional maintenance cost for upgrades within the area may be expected in the future, but are not known at this time.

8. Environmental

City of Kannapolis residents receive a trash cart, a recycling cart, curbside trash pickup, bulk item pickup, yard waste pickup, and recycling pickup on either a weekly or bi-weekly basis. For these services, the citizens pay a $15.60 monthly fee. This fee does not cover the full cost of the service for current residents and will not cover the full cost for any annexed areas. The costs of the services for the potential annexation area are as follows:

Carts	Household MSW	Bulky Pickup	Recycling	Tipping Fee
$33,358	$99,266/year	$28,142/year	$16,715/year	$13,566/annual

The one-time expenses of new carts for all 328 household is projected to be **$33,358.**

The yearly operational total for all 328 household is projected to be **$157,689.**

Potential Lost Revenues

1. Fire District Taxes

The City of Kannapolis Fire Department provides fire protection for the Fishertown area. The City of Kannapolis currently receives the Fire District Tax for the area. The current fire district tax rate for the area is $0.10/$100 valuation. These revenues would no longer be received as citizens in the area would now pay City property taxes. This change is a potential loss of approximately $32,073 per year.

2. Water & Sewer Charges & Fees

As part of the potential annexation, the City is required to provide water and sewer connections to each household during the first five years after annexation. Part of providing these services, includes running utility lines (water and sewer lines) up to and connecting each household. Additionally, in accordance with State law the City cannot collect Tap and Connection Fees for new customers in the area as part of this annexation. The lost revenues associated with the Tap and Connection Fees is $195,650 for water (91 potential water customers) and $490,600 for sewer (223 potential sewer customers).

Tap and Connection Fee Lost Revenue

	Potential Customers	Tap Fee	Meter Fee	Total
Water Service	91	$800	$1,350	$195,650
Sewer Service	223	$1,200	$1,000	$490,600

Current Water customers in the Fishertown area pay a premium for water service, which customers located in within the City of Kannapolis do not pay. If annexed, these customers would see a 20% reduction in their water bill and the City would lose this same amount in revenue

Water Charges and Fess Revenue Loss

	Current Water Customers	Base Monthly Charge Loss	Charges for 4,000 gallons of water	Total
Water Service	237	$1.20	$4.60	$16,495

KANNAPOLIS

CONTRACT: **FISHERTOWN ANNEXATION ESTIMATES**
CAPITOL PROJECTS
PROJECT NO: 18501

DATE: **July 11, 2018**

alley, williams, carmen, & king, inc.
CONSULTING ENGINEERS
120 SOUTH MAIN STREET
P.O. BOX 1248
KANNAPOLIS, NC 28082
704/938-1515

WATER & SEWER ESTIMATE

ITEM NO:	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENSION
1	8" DIP	3,710	LF	$ 90.00	$ 333,900.00
2	FIRE HYDRANT	8	EA	$ 4,000.00	$ 32,000.00
3	8" GATE VALVE	7	EA	$ 3,500.00	$ 24,500.00
4	SERVICES	180	EA	$ 2,500.00	$ 450,000.00
5	CONNECTIONS TO HOUSES	222	EA	$ 4,500.00	$ 999,000.00
6	12" DIP	7,500	LF	$ 125.00	$ 937,500.00
7	8" DIP	35,500	LF	$ 100.00	$ 3,550,000.00
8	MANHOLES	125	EA	$ 4,000.00	$ 500,000.00
9	LATERALS	222	EA	$ 2,500.00	$ 555,000.00
10	CONNECTIONS TO HOUSES	222	EA	$ 5,000.00	$ 1,110,000.00
11	ABANDON CHARLIE WALKER LIFT STATION	1	LS	$ 25,000.00	$ 25,000.00
				TOTAL	$ 8,516,900.00

CONTINGENCY @ 10%	$ 851,690.00
TOTAL CONSTRUCTION	$ 9,368,590.00
ENG/LEGAL/ADMIN	$ 1,873,718.00
R/W ACQUISITION	$ 180,000.00
TOTAL	$ 11,422,308.00

NOTE:
1. PROJECT DURATION IS ESTIMATED AT APPROXIMATELY 18 MONTHS.
2. THIS ESTIMATE DOES INCLUDE A DETAILED ESTIMATE FOR ROCK EXCAVATION.
3. THIS ESTIMATE INCLUDES 18 ACRES OF EASEMENT ACQUISITION AT A COST OF $12,000 PER ACRE.

Since ENGINEER has no control over the cost of labor, materials, equipment or services, ENGINEER'S opinions of probable Total Project Costs and Construction Cost provided for herin are to be made on the basis of ENGINEER'S experience and qualifications and represent ENGINEER's best judgment as an experienced and qualified professional engineer, familiar with the construction industry; but ENGINEER cannot and does not guarantee that proposals, bids or actual Total Project of Construction Costs will vary from opinions of probable cost prepared by ENGINEER. If prior to the Bidding or Negotiating Phasing, the Owner wishes assurance as to Total Project or Construcion Costs, OWNER shall employ an independent cost estimator.

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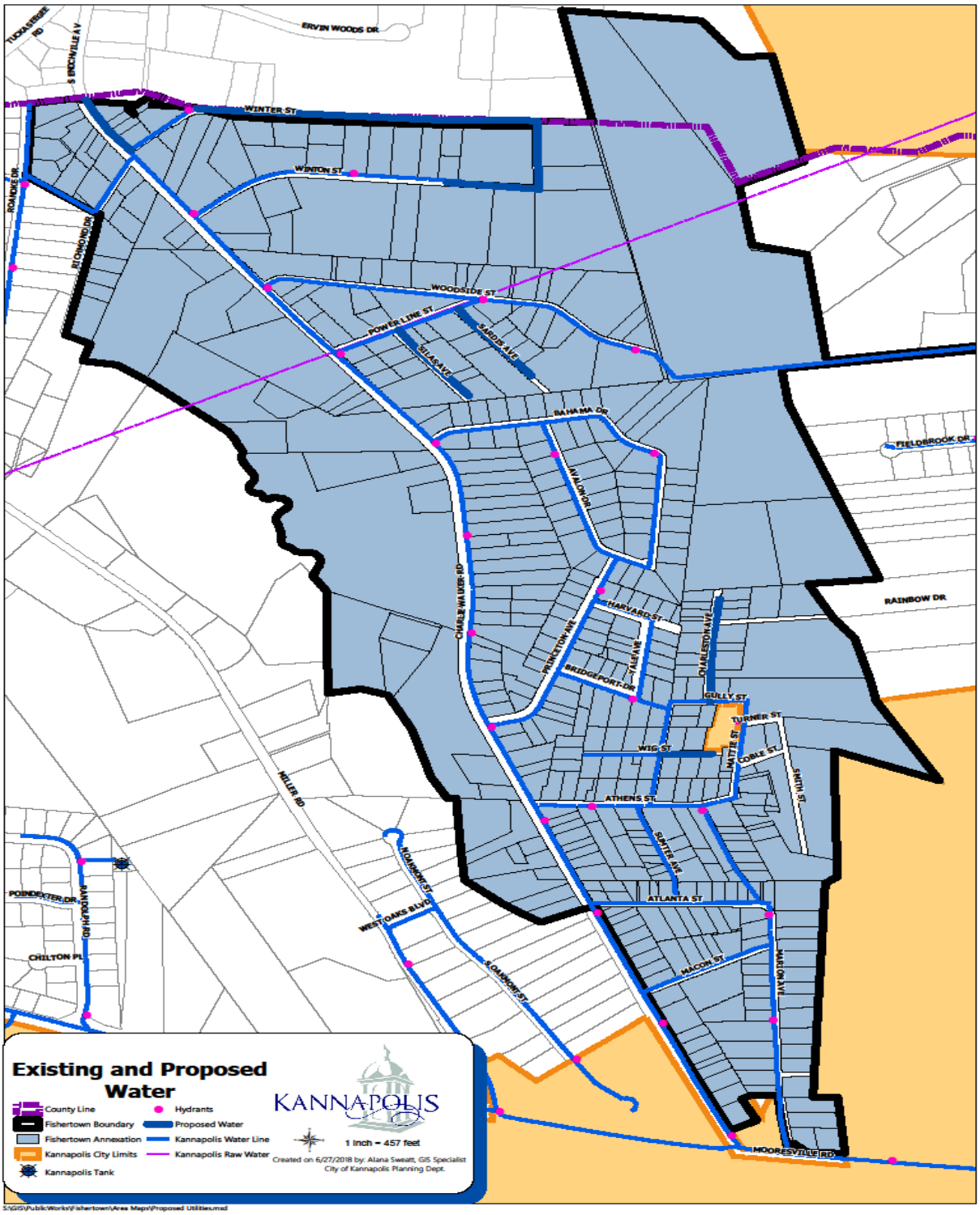
Existing and Proposed Water
County Line
Fishertown Boundary
Fishertown Annexation
Kannapolis City Limits
Kannapolis Tank
Hydrants
Proposed Water
Kannapolis Water Line
Kannapolis Raw Water
1 inch = 457 feet
Created on 6/27/2018 by: Alana Sweatt, GIS Specialist
City of Kannapolis Planning Dept.
KANNAPOLIS
ERVIN WOODS DR
WINTER ST
WINTON ST
ROANOKE DR
RICHMOND DR
WOODSIDE ST
POWER LINE ST
SILAS AVE
SARDIS AVE
BAHAMA DR
FIELDBROOK DR
AVALON DR
CHARLIE WALKER RD
HARVARD ST
PRINCETON AVE
BRIDGEPORT DR
CHARLESTON AVE
RAINBOW DR
GULLY ST
TURNER ST
WIG ST
MATTIE ST
COBLE ST
SMITH ST
ATHENS ST
SUTTER AVE
ATLANTA ST
MACON ST
MACON AVE
MOORESVILLE RD
MILLER RD
ROANOKE ST
WEST OAKS BLVD
SOMERSET ST
POINDEXTER DR
RANDOLPH RD
CHILTON PL
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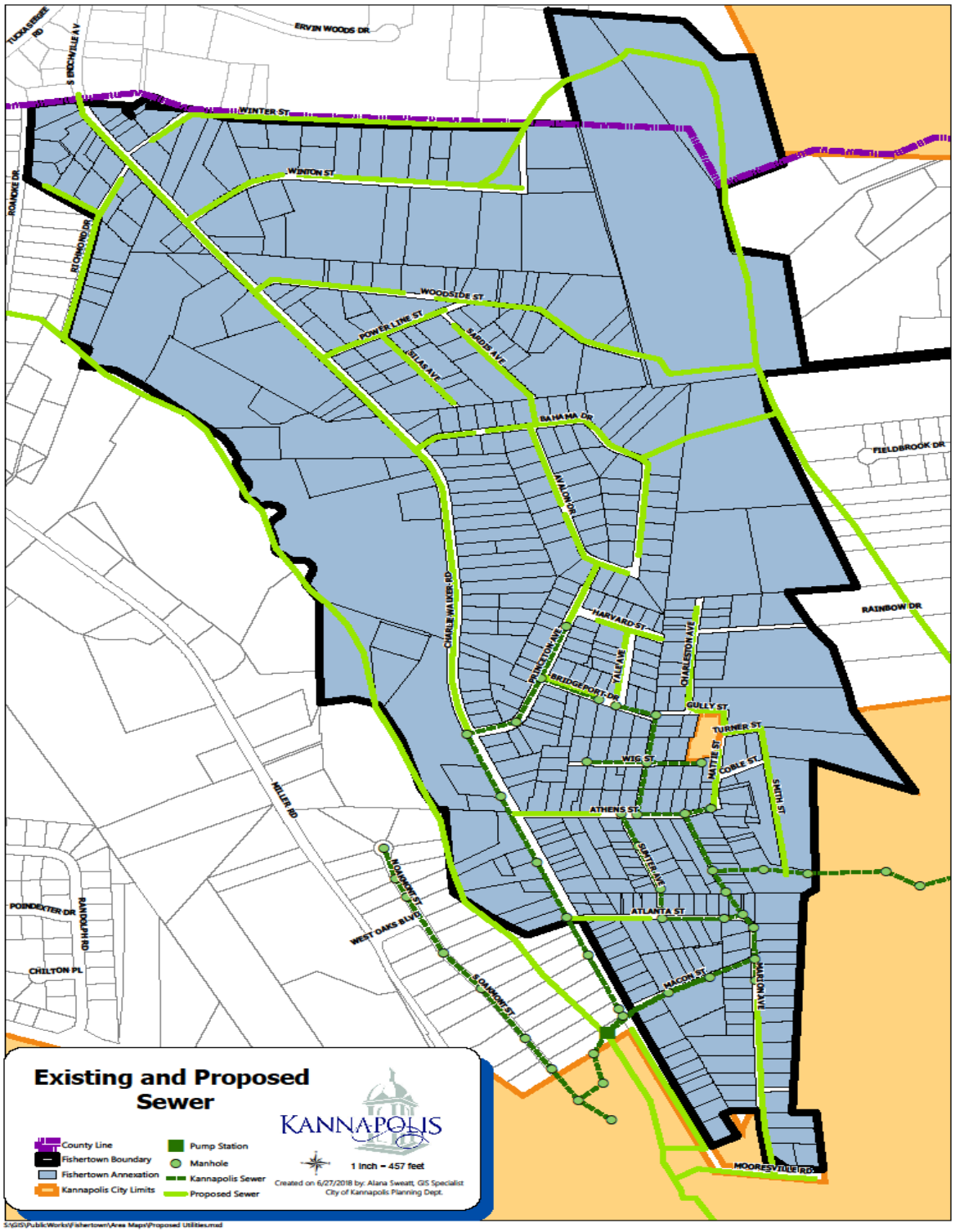

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City of Kannapolis
City Council Meeting
October 8, 2018
Staff Report

TO: Mayor and City Council
FROM: Mike Legg, City Manager
TITLE: Appointment to the Rowan County Housing Authority

A. Action Requested by City Council

Motion to appoint _____ to the Rowan County Housing Authority.

B. Required Votes to Pass Required Action

Majority present at meeting

C. Background

The Rowan County Housing Authority serves the City of Kannapolis as its official Housing Authority. The agency administers the Section 8 program in the City and manages public housing communities in the City and throughout Rowan County. The City of Kannapolis has the responsibility to appoint one seat to the Housing Authority Board. For a number of years Olin Miles represented the City on this Board. This seat has been vacant for some time and for some reason the Housing Authority Board or its staff never contacted the City to request that it be filled. Regardless of the time gap, they have now made that request.

The Housing Authority Board meets the fourth Thursday of each month at 12:00 noon. They provide a lunch at 11:30 prior to the official start time of the meeting.

The statutory terms are for five (5) years and there are no limitations on the number of terms that can be served. Since this is not a City Board there is no City residency requirement but the appointee should probably be a Rowan County resident.

Since this has been an open seat for a while, there is probably no urgency in filling it at the October 8th City Council meeting but resolving this by the October 22nd meeting would be a good target. This which would be in time for the new appointee to attend the October Housing Authority meeting.

However, if City Council would like to more formally solicit applicants, staff could certainly do that which would probably mean it would come back to City Council for action in November.

D. Fiscal Considerations

None.

E. Policy Issues

None.

F. Legal Issues

None.

G. Alternative Courses of Action and Recommendation

1. **Motion to appoint _____ to the Rowan County Housing Authority (recommended).**
2. Table to a future meeting.
3. Take no action (leaving the seat open indefinitely).

ATTACHMENTS:

File Name

No Attachments Available

City of Kannapolis
City Council Meeting
October 8, 2018
Staff Report

TO:	Mayor and City Council
FROM:	Mike Legg, City Manager
TITLE:	Extension of Limited Letter of Intent/Notice to Proceed for the Sports and Entertainment Venue

A. Action Requested by City Council

Motion to authorize the City Manager to issue an extension of the Limited Letter of Intent/Notice to Proceed through October 31, 2018.

B. Required Votes to Pass Required Action

Majority present at meeting

C. Background

In August 2018 a Limited Letter of Intent/Notice to Proceed was issued to Barton Malow Company to continue work on the Sports and Entertainment Venue ahead of the final Guaranteed Maximum Price (GMP) Agreement being executed. An extension to that letter was approved by City Council and issued in early September for an amount not to exceed $3,000,000. This amount was in addition to the approximately $3,000,000 for pre-construction work (architecture, etc.).

At the City Council meeting on September 24th, the GMP was approved but execution was authorized only after the South Atlantic League approval of the new baseball franchise ownership and execution of the lease and development agreements. Both are scheduled to occur no later than October 16th (possibly as early as sometime this week). Additionally, the Limited Obligation Bonds are scheduled to be sold on October 29th.

In order for Barton Malow to avoid having to re-bid parts of the project, they have asked for an additional extension of the Limited Letter of Intent/Notice to Proceed which would add $2,000,000 to the commitment. This action keeps the project progressing until the end of the month when the full financing is in place.

D. Fiscal Considerations

The above-described amounts are included in the full project costs. Additionally, the funds from the full financing will be in place before the majority of the previously committed scope of work is actually invoiced to the City.

An existing budget ordinance for the full project amount has already been approved by City Council.

E. Policy Issues

None.

F. Legal Issues

None.

G. Alternative Courses of Action and Recommendation

1. **Motion to authorize the City Manager to issue an extension of the Limited Letter of Intent/Notice to Proceed through October 31, 2018 (recommended).**
2. Take no action.
3. Table the action to a future date.

ATTACHMENTS:

File Name

- 10.08.18_Letter_of_Intent_Extension.docx

Barton Malow Company
1923-B South Boulevard
Charlotte, NC 28203

Subject: Kannapolis Sports & Entertainment Venue – Notice to Proceed (Extension)

Dear Sir/Madam,

This letter is a formal notification from the City of Kannapolis ("COK") to Barton Malow Company ("BMC") to continue with the preliminary work as outlined below for the Kannapolis Sports & Entertainment Venue project. Consistent with execution of the initial Limited Letter of Intent/Notice to Proceed issued on August 13, 2018 and the extension dated September 8, 2018, via this letter Barton Malow Company is additionally authorized to execute and provide the following:

- Perform work on site for the following trades:
    - Masonry
    - Doors, Frames & Hardware
    - General Labor

- Start all procurement activities including fabrication based on approved submittals and the agreed to construction schedule for the following:
    - Masonry
    - Metal Panels
    - Roofing
    - Railings
    - Landscaping & Irrigation
    - Doors, Frames & Hardware
    - Glazing Systems
    - Framing, Drywall & Ceilings
    - Casework & Millwork
    - Painting
    - Flooring
    - Resinous Flooring
    - Hard Tile
    - Lockers

- Baseball Specialties
- Final Cleaning
- General Labor
- EIFS
- Elevators
- Specialties (Toilet Accessories & Partitions & Other Specialties)
- Overhead Coiling Doors & Sectional Doors
- Fencing & Gates

- Perform work as directed by the City of Kannapolis.

The second authorization was for $3,000,000 through October 8, 2018. This letter increases the authorization value to a total of $5,000,000. This amount shall not be interpreted as if to cover the entire cost of each scope of work noted above, but rather the equivalent cost of work authorized and/or completed by those trades up to the identified amount. The anticipated timeframe of the work listed above is from the date of this letter through October 31, 2018.

If you have any questions or comments, please do not hesitate to contact me at 704-920-4309.

Sincerely,

Michael B. Legg
City Manager

City of Kannapolis
City Council Meeting
October 8, 2018
Staff Report

TO: Mayor and City Council
FROM: Mike Legg, City Manager
TITLE: Closed Session

A. Action Requested by City Council

GS. 143-318.11 (a) (3) to consult with an attorney in order to preserve the attorney client privilege and G.S. 143.318.11 (a) (4) for discussing matters relating to the location or expansion of industries or businesses in the area (Mayor Pro tem Berry)
MOTION TO ADJOURN

B. Required Votes to Pass Required Action

C. Background

D. Fiscal Considerations

E. Policy Issues

F. Legal Issues

G. Alternative Courses of Action and Recommendation

ATTACHMENTS:

File Name

No Attachments Available