

## **MINUTES**

### **Town of Blowing Rock**

### **Board of Commissioners**

### **Regular Meeting –March 11, 2008**

The Town of Blowing Rock Board of Commissioners held their regular meeting on Tuesday, March 11, 2008 in the Council Chambers at Town Hall. Present were Mayor J.B. Lawrence, Commissioners Bobby Ball, Keith Tester, Albert Yount, Phil Pickett and Tommy Klutz. Others in attendance were Town Manager Scott Hildebran, Town Attorney Allen Moseley, Town Engineer Doug Chapman, Planning Director Kevin Rothrock, Public Works Director Johnny Lentz, Police Chief Eric Brown, Building Inspector Jesse Horner, Emergency Services Director Kent Graham, Parks & Recreation Director Jennifer Brown, Finance Director Nicole Norman, Human Resource Administrator Erica Cline and Town Clerk Sharon Greene.

### **CALL TO ORDER**

Mayor Lawrence called the meeting to order at 6:00 p.m. and announced the Town of Blowing Rock was incorporated this date in 1889 making March 11, 2008 the Town's 119<sup>th</sup> birthday.

## **PRESENTATION**

Prior to the meeting, a Volunteer Board Reception was held at 5:00 p.m. in appreciation of those who served on Town boards. Mayor Lawrence thanked all the volunteer members for the great job they do. He also commended Mr. Al Wheeler for his six years of service on the Board of Adjustment. Due to a prior commitment, Mr. Wheeler was unable to attend the meeting and receive his plaque of appreciation.

## **PUBLIC HEARINGS**

Sworn to speak during the following public hearing were Planning Director Kevin Rothrock and applicant Bill Williamson.

### **1. CUP #2008-01 – Kilwin’s Ice Cream**

Planning Director Rothrock presented Council with a request from Mr. Bill Williamson, owner of Kilwin’s Ice Cream for a conditional use permit to make significant exterior changes to his building located at 1103 Main Street. The modifications would include a new door and windows, replacement of false brick veneer with cultured stone, and new paint.

Mr. Rothrock stated the following architectural modifications were proposed:

- New windows and door across the front of the building
- A cultured stone veneer wainscoting and corner wall on the front of the building to replace the “stick on” brick
- New awning
- New paint scheme
- New gooseneck lighting

During the Planning Board’s meeting held on February 21, 2008, the conditional use permit was approved as submitted.

Mr. Williamson approached Council to answer questions regarding the proposed changes. Mr. Williamson stated he did not understand Item #3 of the conditional use permit relating to underground utilities. Commissioner Tester was in agreement with Mr. Williamson regarding this item. Commissioner Tester stated the changes Mr. Williamson proposed did not affect the underground utilities. Commissioner Tester asked Mr. Rothrock to come forward and explain this issue further.

Mr. Rothrock stated this was a requirement of the Hanna Family Project CUP, that had not been completed yet, but these were actually Mr. Williamson's utility lines. Commissioner Tester inquired why Mr. Williamson would be asked to do this, since it was part of the Hanna project. Mr. Rothrock stated this was consistent with other CUP requirements. Commissioner Tester stated he did not feel this was warranted unless proposed construction required the utility lines be moved and in this particular situation this was not the case. Commissioner Tester stated only cosmetic upgrades were being done to the building and the underground utilities were already covered under another CUP.

Commissioner Tester asked that this item be removed from the CUP and for Mr. Rothrock to pursue what was required in the Hanna CUP. Mr. Rothrock stated in speaking with the Hannas, an agreement with another adjoining property owner could not be reached.

Commissioner Ball asked if Mr. Williamson was a party to the original agreement regarding the underground utilities. Mr. Rothrock stated Mr. Williamson knew this was a requirement and that he might temporarily lose power to his business while it was being done, but he was not involved in coordinating or funding the relocation.

Town Manager Hildebran suggested language be added to Item #3 stating that Mr. Williamson agrees to the placement of underground utilities. Commissioner Tester inquired if Mr. Williamson was in agreement with that statement. He responded that he was.

Commissioner Klutz stated he had spoken with Andy and Annie Whatley regarding the needed easement through their adjoining property and they had agreed to grant an easement if they could be assured that all damages to their property would be adequately

repaired. He felt this should be pursued further because one less overhead power line on Main Street was an improvement.

Mr. Andy Whatley corrected Commissioner Klutz's statement by saying they would consider giving an easement through their property.

A motion to close the public hearing was given by Commissioner Pickett, seconded by Commissioner Ball. Unanimously approved.

Commissioner Tester made a motion to approve CUP #2008-01 with the added change to Item #3 stating the applicant agrees to allow underground utilities. A second to the motion was made by Commissioner Klutz. Unanimously approved. **CUP 2008-01 Exhibit A**

## **2. Financing Proposal – Parking Facility & Water-Sewer Improvements**

### **(Resolution #2008-01, #2008-02 & #2008-03)**

Town Manager Hildebran advised the purpose of the public hearing was to receive comments on the proposed use of an installment contract to finance a parking facility and water/wastewater improvements.

Mr. Hildebran explained the Town had developed engineered plans for a joint capital project consisting of two elements – 1) the construction of a single level parking structure, approximately 62 feet x 200 feet, located adjacent to the American Legion Building and 2) the construction of various Water/Sewer capital improvements located at both the Water and Wastewater Plants on Valley Boulevard. Based on construction bids received, the total cost of the project was estimated to be up to \$2,839,000.00, not including engineering costs.

He advised that engineering costs and a portion of the total debt would be paid by funds already available.

The financing request of \$2,064,800 consisted of the following:

- Parking Structure: The Town plans to borrow up to \$804,800.00 for this portion of the project.
- Water/Sewer Capital Improvements: The Town plans to borrow up to \$1,260,000.00 to fund this portion of the project.

Mr. Hildebran advised since 2007, staff had met with area banks to discuss various financing options available to fund both projects. A Request for Proposals (RFP) soliciting bank quotes to borrow up to \$2,680,000 for 7 years with a blended amortization or two (2) separate amortization schedules. For the parking structure fixed principal payments were required. For the Water/Sewer capital improvements, a level payment for this portion of the loan (up to \$1,800,000.00) was required.

According to Mr. Hildebran, the Town received eight proposals from the following banks borrowing up to \$2,680,000.00.

<u>Institution</u>	<u>Rate</u>	<u>Fees</u>	<u>Prepay Penalty</u>	<u>Costs</u>
Bank of America	2.984% -semi	\$4,500	yes	\$325,277
BB&T	3.18% - semi	\$1,100	yes	\$342,187
	3.05% - annual	\$1,100	yes	\$305,234
First Citizens	3.73% - annual	\$5,000	yes	\$404,856
High Country Bank	4.38% - annual	\$6,700	no	\$453,740
RBC Centura	2.89% - semi	\$5,000	no	\$315,448
	2.92% - annual	\$5,000	no	\$296,682
Sun Trust	3.42% - annual	\$7,500	no	\$358,776
United Community Bank	3.09% - annual	legal fees	no	\$358,776

Wachovia	3.14% - semi	\$6,000 yes	\$363,351
	3.29% - semi	\$6,000 no	\$368,574
	3.13% - annual	\$6,000 yes	\$319,129
	3.29% - annual	\$6,000 no	\$324,344

The overall low bid was received from RBC Centura @ 2.92%, with annual payments, and no prepayment penalty.

Mr. Hildebran stated staff recommended that Council adopt Resolution #2008-01 authorizing the filing of an application with the Local Government Commission, and Resolution #2008-02 stating its findings that an installment contract is a necessary and expedient method for the proposed projects, and all related fillings, to the Local Government Commission for approval of the proposed financing. Mr. Hildebran advised the Commission will be formally considering the application at their April 1, 2008 meeting.

In addition, it is recommended that the financing be awarded to low bidder - RCB Centura to borrow up to \$2,064,800.00 (based on bids received and proposed contingencies) for 7 years at 2.92%, subject to approval by the Local Government Commission and adoption of the attached proposal (#2008-03) from RBC Centura.

The final loan amount will be determined at the conclusion of the project.

Commissioner Klutz stated for the record that he was in favor of the funding proposal but was not in favor of the parking structure itself. He felt the structure would affect the character of Blowing Rock and needed to be further studied.

Commissioner Yount called on Mayor Lawrence for clarification regarding the proposed resolutions being presented. Mayor Lawrence assured Commissioner Yount that voting in favor of the proposed financing did not necessarily mean he was voting in favor of the project going forward.

After further discussion and receiving no public comments, Commissioner Ball made a motion to close the public hearing, seconded by Commissioner Tester. Unanimously approved.

Mayor Lawrence called for a motion to approve Resolution #2008-01, #2008-02 and #2008-03. Commissioner Ball made a motion to approve the resolutions as presented, seconded by Commissioner Tester. Commissioner Yount abstained from voting. All others were in favor of the motion. Motion carried. 5-0 (Abstention from voting is an affirmative vote Ref: N.C.G.S. 160A-75) **Resolutions #2008-01, #2008-02 & #2008-03 Exhibits B, C & D**

## **OLD BUSINESS**

### **1. CUP 2007-04 – Main Street Village Project (Request for Continuance)**

Town Manager Hildebran stated that based on questions from various Council members over the past few weeks concerning the Main Street Village project and the limited time to responsibly answer those concerns, the Applicant and the Town have agreed to a continuance of the proposed project. Mr. Hildebran advised that since the February meeting, Town Attorney Moseley had reviewed some of the issues along with outside counsel Tom Terrell of the law firm of Smith, Moore, LLP and they recommended the Town enter into discussion with the applicant to work towards a solution on the various issues.

Commissioner Pickett recused himself from the public hearing due to a perceived conflict of interest.

After further clarification from Town Attorney Moseley regarding the correct procedure in continuing this project, a motion to table the issue was made by Commissioner Ball, seconded by Commissioner Tester. Unanimously approved.

## **NEW BUSINESS**

## 1. Bids – Parking Facility & Water/Wastewater Improvements

According to Mr. Hildebran, the Town of Blowing Rock received bids for the American Legion Parking Facility and Water/Wastewater Improvements on February 28, 2008. The bids consisted of the following:

- 1) The Parking Facility project consists of construction of an approximately 62 feet x 200 feet elevated parking facility with related grading, drainage, erosion control, retaining walls, paving, concrete curbs, signage, electrical, seeding/grassing and restoration.

According to Town Engineer Doug Chapman there are currently 35 spaces in the lower parking lot. After the completion of the new parking facility 40 spaces will be on the top level and 52 spaces on the bottom which would net 57 new spaces in the facility. After a reconfiguration of the Fire and Rescue area there will be a total increase of 69 spaces in all.

The bids were as follows:

Brushy Mountain Builders, Inc. (Lenoir, NC)	\$1,199,000.00
Hickory Construction Co. (Hickory, NC)	\$1,100,000.00
Kearey Builders, Inc. (Statesville, NC)	\$1,084,300.00
Mountain Creek Contractors, LLC (Catawba, NC)	\$1,268,500.00
Wilkie Construction Co., Inc. (Lenoir, NC)	\$1,093,321.00

Mr. Hildebran advised that staff recommended awarding the project to low bidder Kearey Builders, Inc. from McGill Associates for \$1,084,300.00

- 2) The Water/Wastewater Improvements consists of improvements to the Wastewater Treatment Plant (WWTP) including a new fine screen, secondary



clarifier sludge removal improvements, new return activated sludge pump stations, new aerobic digester, miscellaneous tankage improvements, piping, valves, electrical work, and all associated appurtenances. Also, the project consists of a new submersible residuals pump station at the Water Treatment Plant (WTP) including non-clog submersible centrifugal pumps, piping, valves, valve vault, electrical work, site work, site drainage, paving, and all associated appurtenances.

The bids are as follows:	Base Bid	Alt. (excl. #1 & #3)
Gilbert Engineering Co. (Statesville, NC)	\$1,524,425.00	\$21,500.00
Good Water, Inc. (Greenville, SC)	\$1,560,000.00	\$17,500.00
Hickory Construction Co. (Hickory, NC)	\$1,705,000.00	\$12,800.00
M.B. Kahn Construction (Columbia, SC)	No Bid	-----
Laughlin-Sutton Const., Inc. (Brown Summit, NC)	\$1,737,300.00	\$19,200.00
The TARA Group (Lumberton, NC)	No Bid	-----

A recommendation to award low bidder Gilbert Engineering Co. from McGill Associates for \$1,545,925.00 (which excludes Alternate #1 & #3) was given by staff.

Town Engineer Doug Chapman spoke regarding a traffic study for the parking structure, stating he did not anticipate a tremendous increase to traffic or a change in the traffic pattern from what it was currently. He felt with the additional 60 spaces, cars would not be circling the block looking for parking spaces.

Commissioner Tester advised spending a lot of money to do a traffic count was not warranted, but he felt a study of the whole area that was being changed needed to be done, which included the American Legion Parking Structure, the BRAHM Parking Structure, plus the restructuring of what is now the Emergency Services Department, after moving to it's new location.

Commissioner Klutz spoke of his dissatisfaction of the location of the parking structure at the American Legion Building. He felt it was out of character with the surrounding park areas.

Commissioner Pickett stated parking was needed for the people that came to Blowing Rock and he had seen parking decks that were well constructed and did not look like a parking deck.

Commissioner Klutz restated his feeling that the character of Blowing Rock would be destroyed by the parking structure.

Mayor Lawrence disagreed with Mr. Klutz's comment, he felt Blowing Rock was a tourist town with a tourist economy and parking spaces were needed in order for people to continue to visit Blowing Rock.

Commissioner Klutz stated a parking study had been done previously and it needed to be revisited before building this structure. He stated once again that he did not like where the structure was being built.

Commissioner Ball advised that Council had looked at other lots available in the downtown area and the prices were excessive and it was more feasible to add more parking to an existing parking area. Mrs. Ball advised the design of the structure was very attractive and blended well with the surrounding area. She felt with proper landscaping the structure would look very nice. She also stated the Town had an obligation to provide parking for visitors as well as residents who came to town and could not find a parking space.

Town Manager Hildebran commented the original parking study was being followed and the American Legion Parking Structure was only one component of the plan. He stated that additional signage letting people know where to find parking as well as the new kiosks were also a part of the parking plan.

Commissioner Klutz stated personally he thought other avenues could be found to help with the parking situation.

Audience member Barbara Wright inquired why this deck was being built when another deck was planned. Commissioner Ball responded the other deck was in conjunction with the proposed museum in order to save money.

Commissioner Yount asked that the following excerpt from the Vision 2000 Community Survey be added for the record. Mr. Yount read the following “What type parking should be added; parking lots 59% and parking decks 19%.” Commissioner Yount stated “this was a big difference and if it walks like a duck, talks like a duck, and quacks like a duck, it’s a duck and that is the parking deck.” Commissioner Yount reinforced that he could not support a parking deck in a 119-year old town that had never had one.

Commissioner Yount inquired how many additional spaces would be gained. Town Engineer Chapman stated presently there were 35 spaces on the lower lot. He stated that 40 spaces would be added to the upper portion of the facility plus 52 spaces on the lower lot, which would be a net gain of 57 spaces. Commissioner Yount asked to see the plans for the facility. Mayor Lawrence stated the CUP had been approved three months prior. Mr. Yount stated he had not seen the changes that were being made, such as an added sidewalk on the west side of the structure.

Audience member Ruth Klutz inquired where Art in the Park would be held once the parking deck was constructed. Mayor Lawrence stated the exhibitors would be placed on the top level of the deck. Commissioner Yount asked who made that decision. Commissioner Tester stated the Town had a contract with the Chamber of Commerce for Art in the Park and felt the Town should honor the contract authorizing them to utilize the parking area. He felt this conversation should be held once the contract was up.

After further discussion regarding the parking structure, Mayor Lawrence recommended that Council consider the two items separately.

Mayor Lawrence called for a motion on the first item; bids received for the construction of the elevated parking structure. Commissioner Tester made a motion authorizing Town Engineer Chapman to move forward with the proposal and accept low bid of \$1,084,300.00 from Kearey Builders, Inc. The motion received a second from Commissioner Ball. In favor of the motion were: Tester, Ball & Picket Against the motion were: Yount & Klutz Motion carried 3-2.

Mayor Lawrence called for a motion on the second item; Water/Wastewater Improvements. Commissioner Ball made a motion to accept low bid of \$1,545,925.00 from Gilbert Engineering Co. and to move forward with the project, seconded by Commissioner Klutz. Unanimously approved.

## **2. Budget Amendment (Ordinance #2008-03)**

Town Manager Hildebran presented Council with Budget Amendment (Ordinance #2008-03) for their consideration.

Mr. Hildebran conveyed the General Fund amendment was to allocate donated funds from Kilwin's Ice Cream for the Parks & Recreation Davant Field dugout benches as well as donated funds to be allocated to the Fire Department's Capital Fund to be applied to a grant funding the purchase of a Trench/Shoring Rescue Trailer.

The General Capital Projects Fund amendment was to allocate funds currently in the Parking Facility Reserve to be used for Architect/Engineering Fees as well as allocate interest income to the Parking Facility Reserve.

Commissioner Tester made a motion to approve Budget Amendment Ordinance #2008-03 as presented, seconded by Commissioner Ball. Unanimously approved. **Ordinance #2008-03 Exhibit E**

## **SPEAKERS FROM THE FLOOR**

None

## **DEPARTMENTAL REPORTS**

Town Manager Hildebran requested that formal action be taken to reduce Stage III Water Restrictions to Stage I and to access this matter further at the next regular meeting. Mr. Hildebran stated due to recent precipitation the Town reservoir was almost at full pond.

Commissioner Pickett made a motion to move to Stage I Water Restrictions, seconded by Commissioner Ball. Unanimously approved.

Commissioner Pickett made a motion to enter into Executive Session at 8:10 p.m. to obtain legal advice from Town Attorney Moseley seconded by Commissioner Ball.

**ADJOURNMENT**

The regular meeting reconvened at 8:45 p.m. and with no further discussion the meeting was adjourned.

**MAYOR** \_\_\_\_\_

**J.B. Lawrence**

**Attest:** \_\_\_\_\_

**Sharon Greene, Town Clerk**

**ATTACHMENTS**

CUP #2008-01 – Exhibit A

Resolution #2008-01 – Exhibit B

Resolution #2008-02 – Exhibit C

Resolution #2008-03 – Exhibit D

Ordinance #2008-03 – Exhibit E