

**MINUTES OF THE REGULAR MEETING
OF THE REIDSVILLE CITY COUNCIL
HELD TUESDAY, JULY 11, 2017 AT 6:00 P.M.
COUNCIL CHAMBERS, CITY HALL**

CITY COUNCIL MEMBERS PRESENT: Mayor John M. “Jay” Donecker
Mayor Pro Tem Harry L. Brown
Councilman Tom Balsley
Councilman Donald L. Gorham
Councilman William Hairston
Councilwoman Sherri G. Walker

COUNCIL MEMBERS ABSENT: Councilman James K. Festerman

CITY STAFF PRESENT: Preston W. Mitchell, City Manager
Angela G. Stadler, CMC, City Clerk
William F. McLeod Jr., City Attorney
Donna Setliff, Community
Development Manager
Jeff Garstka, Economic Development
Director

Mayor Donecker called the meeting to order.

INVOCATION.

Reverend Pastor Rick Moore, Pastor of Sunnycrest Church, 1583 Freeway Drive, Reidsville, provided the invocation.

PRESENTATION OF THE FLAGS & PLEDGE OF ALLEGIANCE.

In honor of the recent Independence Day celebration, a joint Honor Guard of the Police Department and Fire Department presented the flags at the Council meeting. Retired Vietnam Veteran Willie Pass of American Legion Post 199 led in the Pledge of Allegiance.

RECOGNITIONS:

**REIDSVILLE HIGH SCHOOL STUDENTS & EDUCATORS WHO HELPED
CREATE PENN HOUSE QR CODE VIDEO.**

City Clerk Angela Stadler came forward and shared an overview of the proposed QR Video Code Tour. Sites on the tour will be placed on directional signs throughout the City. Stadler explained when the original idea had been presented, it had been hoped that area high school students would be able to take part in the process. One group of students in teacher Barbara McMillan’s class at Reidsville High School decided to work on the Penn House video. She introduced the students present who had been instrumental in the process: Destiny Tinsley, Armoni Victory and David Stone. Jacob Barker, who was at

school and unable to attend, was represented by his parents. Unable to attend the Council meeting were students Hailey Manuel, Trevor Southard, Nekeywan Thomas, Jeremiah Saunders and Gabrielle Whaley. Stadler acknowledged the presence of RHS teacher Barbara McMillan; Yolanda Stubblefield, Career Development Coordinator; and Christy Barham, the Digital Learning Instructor, who helped to get the project with the students started.

Stadler commented that the audience would view three videos: the first would feature Mayor Pro-Tem Harry Brown supplying the narration about the Penn House, that was done by the RHS students; the second has Councilwoman Sherri Walker describing downtown's Mural Park; and the third is Councilman William Hairston sharing information about outdoor space, Kelly's Way.

Stadler continued with the presentation, noting the videographer was Chase Napier. She mentioned other videos currently being created were City Hall, narrated by Councilman Tom Balsley and Mayor Donecker narrating "Budding Future," the sculpture at the intersection of Scales and Morehead Streets. Stadler mentioned there would be other videos filmed and available in the future. She mentioned the Reidsville Area Foundation interns Zachary Tate and Abby Bryan, who had written the scripts for many of the productions, were also in the audience.

Stadler commented that Ms. McMillian has recently retired from the school system but that her replacement Katie Knable has agreed to continue with efforts to see the process through to completion. Stadler had City Marketer Judy Yarbrough, who operates the Penn House for the City, come forward and speak briefly on how well the RHS students did during the interview and Penn House video production process. Yarbrough reiterated what a good job the students did and that their parents should be very proud of the results.

A picture was taken of the Council, RHS students and educators, who took part in the process.

CONSIDERATION OF THE JUNE 13, 2017 REGULAR MEETING MINUTES.
Mayor Pro Tem Harry Brown made the motion, seconded by Councilman William Hairston and unanimously approved by Council in a 6-0 vote, to approve the June 13, 2017 Regular Meeting Minutes.

PUBLIC HEARINGS:
CONSIDERATION OF A SPECIAL USE PERMIT APPLICATION FOR AN INTERNET SWEEPSTAKES CAFE AT 2100 BARNES STREET WITHIN GILL'S INN & SUITES. THE PLANNING BOARD DID NOT MAKE A RECOMMENDATION TO COUNCIL BECAUSE A MAJORITY VOTE WAS NOT RECEIVED ON THE FOUR FINDINGS OF FACT.

Community Development Director Donna Setliff came forward along with Fred Wooden, the applicant for the Special Use Permit (SUP), at which time both were sworn in by City Clerk Angela Stadler.

Setliff then noted that Mr. Wooden is requesting permission to operate an Internet Sweepstakes Café at 2100 Barnes Street within the Gill's Inn & Suites. She said the City's Zoning Ordinance allows this type of business in General Business and Highway Business by Special Use Permit. Setliff said the property is zoned Highway Business.

The property to the west is Highway Business and Heavy Industrial. She said per the City's Comprehensive Plan, this property is shown as being in the Rural Growth Area. Setliff stated within these growth areas are activity centers where Special Use Development Standards have to meet the following criteria:

- Limit commercial, industrial and high density residential development.
- Provide urban services in an orderly fashion.
- Protect existing development from incompatible land uses.

The Community Development Manager then reviewed the Special Use Standards that such operations are to meet according to the City's Zoning Ordinance. As outlined in her memo to Manager Mitchell dated June 28, 2017, they are (in italics are comments pertaining to the 2100 Barnes Street location):

An internet sweepstakes café/operation must be the principal use. No accessory uses are permitted.

The principal use of this property is Gill's Inn & Suites. Therefore, the sweepstakes operation is not the principal use as required by the Special Use standards.

Internet sweepstakes café/operation/machines are prohibited from being an accessory use to any other type principal use.

The principal use of the building is a motel. The sweepstakes operation is within the motel, therefore it is classified as an accessory use.

There shall be no more than 25 gaming machines, computer or terminals per café/operation.

Staff conducted a visual inspection on June 13, 2017. At the time of the inspection there were 48 computers and 3 Fish Tables which allows 8 players each.

An internet sweepstakes café/operation shall have at least 100 sq. ft. of space per gaming machine or computer terminal.

Staff was not provided the square footage of the room in which the sweepstakes operation is located.

Persons under the ages of eighteen (18) are prohibited within the premises.

Wooden provided a signed letter stating persons under eighteen are prohibited. There is a sign located on the door which states no one under 18 is allowed.

Selling and/or consuming alcoholic beverages are prohibited within the premises.

Wooden provided a signed letter stating no alcoholic beverages are allowed. There is a sign located on the door which states no alcoholic beverages allowed.

The property on which a sweepstake cafe/operation resides shall be located at least 1,000 feet from the property on which any child-care facility, pre-school, school, church or other internet sweepstakes café/operation is located.

The enclosed zoning map shows a 1,000 foot buffer around this property. Staff has confirmed there is no child-care facility, pre-school, school, church or other internet sweepstakes operation within 1,000 feet.

Internet sweepstakes cafes/operations shall be operated only on the ground floor of a building.

This is a one story building.

Forty percent (40%) of the building front shall be in glass windows, so that a clear and unobstructed view of the interior can occur from the street.

The intent of this standard is that there is a clear and unobstructed view of the sweepstakes business. The operation is within a room located inside the motel.

No curtains, screens, blinds, partitions, signs or other obstructions shall be placed between the entrance to the room where gaming machines or computer terminals are stationed and the rear walls of the room so that a clear and unobstructed view of the interior can occur from the street.

There is a wall(s) blocking the view of the machines.

There shall not be more than one internet sweepstakes café/operation gaming establishment within any one shopping center or multi-business use.

As stated above, this operation is within a motel.

There shall be one parking space for each operator and one parking space for each permitted gaming machine, computer or terminal. In shopping centers and multi-business uses, proof will be provided that demonstrates required parking exists for both the internet sweepstakes café and other uses on the same parcel or business center.

There is ample parking at this location.

Setliff noted that as with any SUP, the City Council must consider and vote on each of the four Findings of Fact. If the Council finds these to be favorable, Council members would then need to consider the two conditions offered to be placed on the SUP. Setliff did not read aloud but did note that the Planning Board did not provide a majority vote on the four Findings of Fact. As listed in her memo, the Planning Board voted as follows:

- 1) that the use will not materially endanger the public health or safety if located where proposed and developed according to the plan as submitted and approved;
Vote: Two members voted that the use met said finding.
Five members voted that the use did not meet said finding.
- 2) that the use meets all required conditions and specifications;
Vote: One member voted that the use met said finding.
Six members voted that the use did not meet said finding.
- 3) that the use will not substantially injure the value of adjoining or abutting property, or that the use is a public necessity; and,
Vote: One member voted that the use met said finding.
Six members voted that the use did not meet said finding.
- 4) that the location and the character of the use if developed according to the plan as submitted and approved will be in harmony with the area in which it is to be located and in general conformity with the Comprehensive Plan for Reidsville and its surroundings.
Vote: Seven (unanimous) members voted that the use did not meet said finding.

With no majority vote on the four Findings of Fact, the Planning Board stopped and went no further, thereby, not providing a recommendation on the two conditions, Setliff said. She said if Council does not agree with the Planning Board and finds that the use meets the four Findings of Fact and grants the SUP, staff will prepare the Special Use Permit with the conditions as directed by Council.

Councilman Balsley asked Setliff about the status of these Sweepstakes Cafes, adding that he had thought they were abolished. Setliff said this was more of a law enforcement issue, but that some of the establishments were outlawed while others made changes. Mayor Donecker said he had reached out to the District Attorney, who informed him they will not seek prosecution until the claims of these cafes are decided by the court system. Setliff explained that the Council can rule on planning and zoning issues but not from a law enforcement standpoint. The Mayor said the Council can address the four Findings of Fact. In response to a question from Councilman Balsley, the Mayor said as he makes his decision, he could ask is 48 the same as 25? The Mayor stressed that the Council cannot decide if the cafes are legal or not legal, only if they meet the four Findings of Fact. Councilman Gorham asked Setliff whether seven out of the 12 items considered by Planning Board were no's? She replied in the affirmative.

The public hearing was opened at 6:35 p.m. Mr. Fred Wooden of 806 Lawndale Drive, Apt. 46, came forward to speak. Noting he was the applicant, he said he didn't know a Special Use Permit was required, but he applied for one when he found out. He noted

that he and Setliff had gone back and forth on how the computers/tables, etc. were counted. Mr. Wooden said these cafes are popping up everywhere. He asked that he be given a fair shot like everybody, and if it was required of him, something should be done about the other places as well.

The public hearing was closed at 6:37 p.m.

Mayor Donecker then read the four Findings of Fact and called for a vote:

- 1) that the use will not materially endanger the public health or safety if located where proposed and developed according to the plan as submitted and approved; **Failed 5-1 (Mayor Pro Tem Brown voted in favor)**
- 2) that the use meets all required conditions and specifications; **Failed 6-0**
- 3) that the use will not substantially injure the value of adjoining or abutting property, or that the use is a public necessity; and, **Failed 6-0**
- 4) that the location and the character of the use if developed according to the plan as submitted and approved will be in harmony with the area in which it is to be located and in general conformity with the Comprehensive Plan for Reidsville and its surroundings. **Failed 5-1 (Mayor Pro Tem Brown voted in favor)**

Mayor Donecker noted that with all four Findings of Fact failing to meet majority vote, there is no need to go forward with the two special conditions. This item will not go forward.

CONSIDERATION OF REIDSVILLE CITY-CENTER DEVELOPMENT INCENTIVE GRANT PLAN AS CERTIFIED BY THE PLANNING BOARD.

In making the staff report, Community Development Manager Donna Setliff said that before City Council today was the City-Center Development Incentive Grant Plan. This is based on an economic development plan, she noted, and was presented to the Planning Board. The City Clerk contacted the School of Government and there was some back and forth about whether such a plan was needed, but staff decided that to be on the safe side, there should be a plan. It is a simple plan, Setliff stated. The plan was sent to Planning Board, who reviewed it and certified it and sent it back to Council as the Redevelopment Commission with a recommendation for approval, she said.

Mayor Donecker opened the public hearing at 6:40 p.m., asking if there was anyone who wished to speak for or against the plan? No one came forward and the public hearing was closed at 6:41 p.m.

Acting as the City's Redevelopment Commission, Councilwoman Walker made the motion, seconded by Mayor Pro Tem Brown and unanimously approved in a 6-0 vote, to approve the plan.

The City-Center Development Incentive Grant Plan as approved follows:

The Reidsville City-Center Development Incentive Grant (CIG) Plan A Redevelopment Commission Plan

Background

This plan is the outgrowth of several significant events over many decades. In no particular order, these events include the economic growth of Reidsville through the original construction of commercial and industrial facilities located in the then and now city-center, the changing of the national, state, and local economy through technology and other items that resulted in said commercial and industrial facilities no longer serving their original purpose, the resulting blight of said commercial and industrial facilities as a result of their being unoccupied and/or under-utilized, and the further changing of the national, state, and local economy through technology and socially making said commercial and industrial facilities appealing and desirable for various new forms of private sector redevelopment. These events have brought the city-center into focus with the goal of encouraging and cooperating in the stated various new forms of private sector redevelopment of said commercial and industrial facilities.

The City began to research avenues that would encourage this private sector redevelopment determining the best cooperation would be to offer economic incentives in the desire to assist the private sector financially in their redevelopment endeavors on city-center sites. The purpose of the Reidsville City-Center Development Incentive Grant (CIG) is to encourage reinvestment in the City-Center of Reidsville. The program covers substantial rehabilitation of older buildings and new infill development. The initiative covers the shaded area on the attached map, which is roughly identified as the “City Center” of Reidsville that has been declared an “Urban Redevelopment Zone.” Incentive grants are given yearly for five (5) years. The County of Rockingham has agreed to participate in this incentive grant program as well.

Below are an explanation of the redevelopment plan via sections as required by North Carolina General Statutes Chapter 160A – Article 22: 160A-5139(d)(9).

Redevelopment Area Boundaries Defined

The Reidsville City-Center Development Incentive (CIG) Plan defines the area as the commercial and industrial development of the downtown and surrounding area that were constructed with an approximated date range of the late 1800s to the 1980s along the Scales Street development corridor. Attached are maps showing the presence of the real

properties therein the defined area via city zoning (Exhibit A) and aerial photography (Exhibit B).

Land Use Plan of Area Showing Proposed Uses

The section is not applicable as the only approved endeavor for the city-center relates to the economic incentives within the “Reidsville City-Center Development Incentive Grant (CIG).” This does not prevent individual property owners/developers from seeking rezoning through the normal rezoning process.

Standards of the Area

- **Population**
 - Population relates to the number of individuals residing within the defined area. While the area identified is majority commercial and industrial development, there is some residential population within the defined area. While the emphasis of this plan is redevelopment, it does not discourage residential development through the normal processes outside of this plan or within this redevelopment commission plan. An example confirming this is the Reidsville City Ordinances allowing and encouraging second-floor residences in downtown. The “Reidsville City-Center Development Incentive Grant (CIG)” does not allow single-family development to receive incentives, but multi-family development and/or redevelopment is eligible.
- **Densities**
 - Density is typically a term used in urban planning and design to refer to the number of people inhabiting a given urbanized area. As referenced in the population sub-section above, there are residents residing within the defined area. However, as previously noted the area is largely commercial and industrial structure, and it would be presently considered of low density.
- **Land Coverage**
 - Land cover is the physical material known as the surface of the earth. The coverage within the area ranges from earth cover to man-made structural coverage including buildings to parking lots.
- **Building Intensities**
 - Building intensity is the gross building area. As stated in the background, construction in the defined area ranges over numerous decades. This timeframe and specific original and succeeding purposes of facilities within the defined area make their intensity of many sizes.

Preliminary Site Plan of Area

This section is not applicable as preliminary site plans will be left to individual owners of the private sector to determine at a later date. A map of the defined area is attached as reference.

Statement of the Proposed Changes

The section is not applicable as the City is not proposing any zoning ordinance changes. This does not prevent property owners/developers from pursuing any such changes through normal processes.

Statement of Any Proposed Changes in Street Layouts and Street Levels

This section is not applicable as the City is not proposing any such changes at this time. This does not prevent property owners/developers from pursuing any such changes through normal processes.

Statement of the Estimated Cost and Method of Refinancing Redevelopment

This section is not applicable as the City has no plans to undertake any redevelopment directly at this time. However, for reference, the “Reidsville City-Center Development Incentive Grant (CIG)” is attached to demonstrate the economic incentive policy for private sector redevelopment. This does not prevent the City from undertaking additional economic incentives for economic development projects as the City Council may determine necessary through the normal process.

Statement of such Continuing Controls

The necessary continuing controls to effectuate this plan through the economic incentive endeavor are described within the “Reidsville City-Center Development Incentive Grant (CIG).” A copy has been attached to this plan.

Statement of a Feasible Method Proposed for the Relocation of the Families Displaced.

This section is not applicable as the City is not proposing to acquire any property or relocate families.

Program Benefits to the City of Reidsville & Rockingham County and Facts:

- Immediate Water/Sewer sales
- Reducing “White Elephant” buildings or blight
- Supporting locally owned businesses/citizens
- Supporting “Smart Growth” and controlling urban sprawl
- Infrastructure is already in place
- Increasing property value of neighboring buildings already in use or redeveloped
- Protects both financial and architectural value of older buildings and properties
- Encourages reuse and adaptation of older buildings and properties
- Counties, Cities, and Towns are currently doing this for industrial development
- Government has always been involved in the development business – The taxpayers fund the following loan and grant programs: USDA, NC Rural Center, NCDOT building roads, County/Cities running water and sewer lines, etc.
- One particular positive about this program is that the developer is getting back “his” tax dollars, not someone else’s.

This the 11th day of July, 2017.

/s/ _____
John M. “Jay” Donecker, Mayor

ATTEST:

/s/ _____
Angela G. Stadler, CMC/NCCMC, City Clerk

- End of Public Hearings -

BOARD & COMMISSION APPOINTMENTS:

City Manager Preston Mitchell distributed the ballots for the board and commission appointments.

PUBLIC COMMENTS.

There were no public comments.

CITY MANAGER’S REPORT.

City Manager Preston Mitchell reviewed his City Manager’s Report, including intra-departmental transfers requested by Community Development, Parks & Recreation and the Finance Department on behalf of Public Works’ between Street and Sanitation and the Sewer Fund and a listing of upcoming events. (A COPY OF THE CITY MANAGER’S REPORT DATED JULY 11, 2017 AND THE ACCOMPANYING BUDGET TRANSFER REQUESTS ARE HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

COUNCIL MEMBERS' REPORTS.

Mayor Pro Tem Brown – The Councilman stated that he had attended on June 20th the YMCA board meeting and on July 1, the Independence Day celebration at Lake Reidsville. He noted that he had recently spoken to the Senior Center Director, who shared information regarding attendance at the facility. He reported that before construction of the RCARE Center, there were about 300 seniors signed up for various programs but currently there are in excess of 860 seniors using the facility. Brown reiterated that seniors from all over Rockingham County are using the center.

Councilman Hairston – The Councilman reported that he had attended the following: on June 14, the Rockingham County Project SAFE board meeting; June 15, the Democratic Caucus meeting; June 16, the Salvation Army Gymnasium dedication; June 27, the Human Relations Commission meeting; and on June 28, the Annie Penn Foundation Board, of which he is a member. He said he had learned that a small medical center will be established on Third Avenue designed to help decrease emergency room needs and will be named the Clara Gunn Medical Facility. Hairston stressed the center will target low income families, who need those types of services and will be staffed by an RN and a CNA. He added he had also attended the Rockingham County School Board meeting on July 10.

Councilwoman Walker – The Councilwoman said on June 10, she attended the Chamber-sponsored “Reidsville Night” at the Greensboro Grasshoppers baseball game, the Salvation Army Gymnasium dedication, the Reidsville Appearance Commission meeting on June 22 and the ABC Board meeting.

Councilman Donald Gorham – The Councilman said on June 9, he had attended the Downtown Cruise-In; the Salvation Army Community Watch meeting on June 20; the Planning Board meeting on June 21; the African-American Caucus meeting on June 24; an event for youth held at his home church, Galilee Holiness on June 25; the Parks and Recreation Advisory Board meeting on June 27; and the Cambridge Community Watch meeting on June 29. He said he had wrapped up this month’s events by sharing comments at the musical event held for Reverend Dr. Carl Manuel from Wesley Chapel on July 2, commenting how much Dr. Manuel had done for the community and would be missed. Dr. Manuel is being relocated.

Councilman Tom Balsley – The Councilman said he wished Councilman Festerman was present tonight and his thoughts were with him. He continued by saying he had only heard good comments about the Independence Day Celebration at the lake. He complimented those responsible and said everyone seemed to enjoy it. The Councilman said he knew it was a busy time for the Chamber and asked Chamber President Diane Sawyer to give the monthly report.

Sawyer said it had been a busy month and she had just left the Chamber where they had been hosting a job fair. She talked of the Chamber’s plans for the next Downtown Cruise-In and the Chamber’s Ice Cream Social, which will be held on July 20. She said she

needs to get the final headcount turned into Sagebrush, who will be providing the food. She invited everyone to come out and enjoy the homemade ice cream. She mentioned the next Chamber Coffee would be held at HomeTrust Bank on August 3, at 8 a.m. Sawyer said there will be a ribbon cutting at Beau La Vie on Gilmer Street on August 10 and the Chamber golf tournament on August 16. She said the Candidates Forum is coming up but that a date has not been set at this time. Sawyer shared the positive comments she had heard recently at the U.S. Chamber event she had attended in Athens, Georgia. She said people were noticing the changes and progress the City and the Chamber are making. She complimented the Council for being progressive and said both organizations had come a long way in the six years she has been at the Chamber.

Mayor Jay Donecker – The Mayor discussed a recent interview he did with WFU radio, which talked about how Reidsville’s population had dropped .6%. He noted that there is a constant discussion about how semi-rural areas are seeing an erosion of their population and tax base. While we may have lost a few people, the Mayor stated that the City’s tax base has risen by 5% and we expect our population to go up with the new apartments on Lawndale and Vance, which should net an additional 500 people. He said Reidsville is addressing this erosion and is hoping to keep the problem on the positive side. Secondly, the Mayor noted that a conversation had occurred with Rev. Moore, who came to give the invocation, about homelessness, which is a problem in Reidsville. During the course of the conversation, Anne Lane and Willie Pass also expressed concerns about this issue. Having the Council meeting at night helped bring people of differing backgrounds together and hopefully, we will see some positives come out of the connections made tonight, the Mayor stated. Our Human Relations Commission has been concerned about homelessness but there comes a point where the “rubber has to hit the road”, he said. The Mayor said he hoped what has happened tonight will help start that process, and he thanked Rev. Moore, Ms. Lane and Mr. Pass, who had to leave for another meeting. Thirdly, the Mayor said he wished Mr. Wooden had stayed because he wanted to say that these sweepstakes places are a blight on our community, but as a community we cannot say they cannot occur. He said we will go after the other sweepstakes that are inappropriately located in businesses. If we find that they do not comply with the fair criteria located in our code, we will start the process, the Mayor indicated, but if they meet all the standards, etc., we must as a community allow them to occur. He said he had hoped Mr. Wooden would stay so that he could note we are not taking a potshot at him and nobody else but we will be moving against the other sweepstakes that are improperly located. Lastly, he noted that he has filed for a second term as Mayor of the City of Reidsville, adding it has been a pleasure and an honor to serve this Council.

ANNOUNCEMENT OF BOARD & COMMISSION APPOINTMENTS.

City Clerk Angela Stadler announced the following unanimous appointments (A COPY OF THE BALLOTS ARE HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.): Historic Preservation Commission – Jason Johnson of 709 South Main Street, Reidsville; and Parks & Recreation Advisory Commission – James Grogan of 1405 Brookwood Drive.

MOVE TO THE FIRST-FLOOR CONFERENCE ROOM FOR A CLOSED SESSION TO DISCUSS ECONOMIC DEVELOPMENT PURSUANT TO NCGS 143-318.11(A)(4).

Councilman Hairston made the motion, seconded by Councilman Gorham and unanimously approved by Council in a 6-0 vote, to go into closed session.

Mayor Donecker called for a short break before going into closed session.

RETURN TO OPEN SESSION.

Upon return to open session, Councilman Gorham made the motion, seconded by Councilman Balsley and unanimously approved by Council in a 6-0 vote, to go adjourn.

John M. "Jay" Donecker, Mayor

ATTEST:

Angela G. Stadler, CMC/NCCMC, City Clerk