City of High Point

Municipal Office Building
211 South Hamilton Street
High Point, NC 27261

Meeting Agenda

Monday, June 6, 2011

4:45:00 PM

Council Chambers

Committee of the Whole

Rebecca R. Smothers, Mayor
Latimer B. Alexander, IV, Mayor Pro Tem
James Corey, Foster Douglas, A.B. Henley, III,
Britt W. Moore, Michael D. Pugh,
Bernita Sims, M. Christopher Whitley

ROLL CALL, PRAYER, PLEDGE OF ALLEGIANCE

PRESENTATION OF ITEMS

FINANCE COMMITTEE - Council Member Alexander, Chair

Committee Members - Whitley, Smothers, Corey

110108 **Contract Extension - Breece Enterprises - Water & Sewer Maintenance Contract**

Council is requested to authorize staff to extend contract with Breece Enterprises for Water and Sewer Maintenance in the amount of $554,220.00.

110109 **Purchase of Property - Corporation Drive Pump Station**

Consideration of request to authorize the City Attorney's office to proceed with the purchase of land surrounding the present pump station located on Corporation Drive to enlarge and replace the existing pump station. Contract price is $10,000.00.

110110 **Condemnation Proceedings- 700 W. Hartley Drive - Hartley Drive Widening Project**

Council is requested to authorize the City Attorney's office to proceed with condemnation proceedings on property located at 700 W. Hartley Drive, belonging to the Elva Moore Hayworth Ward heirs. This property is needed for the Hartley Drive widening project.

110117 **Contract - Unity Builders, Inc. - CHDO Contract - Affordable Housing in Southside Area**

Council is requested to authorize staff to execute contract in the amount of $105,000 with Unity Builders, Inc., as a Community Housing Development Organization (CHDO) to build additional affordable housing in the Southside area.

PUBLIC SAFETY & COMMUNITY DEVELOPMENT COMMITTEE - Council Member Sims, Chair

Committee Members - Alexander, Douglas, Corey

Pending Items

110045 **Ordinance - Vacate/Close Structure - 800 E. Commerce Street**

Council is requested to adopt an ordinance ordering the Inspector to effectuate the vacating and closing of a structure located at 800 E. Commerce Street belonging to Nathaniel E & Margaret G. Bolds.

3/21/2011	**Committee of the Whole**	**deferred**	**Public Safety & Community Development Committee**

PLANNING, ECONOMIC DEVELOPMENT & INFORMATION TECHNOLOGY COMMITTEE - Council Member Whitley, Chair

Committee Members - Sims, Henley, Moore

110114 **Resolution of Intent - Annexation 11-01 - NC National Guard - 3515 Armory Drive**

Approval of a Resolution of Intent that establishes a public hearing date of Monday, June 20, 2011 at 5:30 p.m. to consider voluntary contiguous annexation of approximately 18.55 acres lying at the western terminus of Armory Drive (3515 Armory Drive).

110053 **City of High Point Incentives Policies**

Council is requested to receive the following Incentives Policy Review Committee recommendations:

2) City of High Point Job Creation Incentives Policy [new]
4) City of High Point Retail Incentives Policy [new]

Note: For Parts 1 and 3 of the Incentive Policies, please refer to Legislative Matter 110032.
This item was discussed in the Planning, Economic Development and IT committee meeting held Tuesday, May 17th at 9:00 a.m., and the committee recommended that the City of High Point Retail Incentives Policy be adopted as presented and placed on today's agenda for action.

Pending Items

110038 **Part 150 Assessment Report**

Consideration of a report from the Planning and Development Department that assesses the PTIA Part 150 Airport Noise Compatibility Study including a recommendation to amend the Airport Overlay District.

3/21/2011	**Committee of the Whole**	**referred**	**Planning , Economic Dev. & Information Technology Committee**

MISCELLANEOUS

110112 **City Council Meetings - July 4-8, 2011 - No Meetings**

Due to the Fourth of July holiday week and no scheduled agenda items, Council is requested to cancel meetings scheduled for the week of July 4-8, 2011. Next scheduled meeting will be July 18th at 4:45 p.m.

PUBLIC COMMENT PERIOD - 5:15 P.M.

PUBLIC HEARINGS ON ITEMS - 5:30 P.M.

110111 **Proposed City of High Point FY 2011-2012 Annual Budget Public Hearings**

Monday, June 6, 2011 at 5:30 p.m. and Thursday, June 9, 2011 at 9:00 a.m. are the dates and times established by the High Point City Council is receive public comments on the proposed City of High Point Annual Budget for FY 2011-2012.

PLANNING, ECONOMIC DEVELOPMENT AND INFORMATION TECHNOLOGY COMMITTEE - Council Member Whitley, Chair

110115 **Ordinance - Text Amendment 11-04 - Redbud, LLC - Recycling Processing Center Use**

A request by Redbud, LLC to amend Section 9-501(jjj)(2) of the Development Ordinance to reduce the 300 foot use separation standard between a Recycling Processing Center Use and residential or public-institutional zoned property.

110116 **Ordinance - Text Amendment 11-05 - High Point University**

A request by High Point University to amend Section 9-4-13(c)(1) of the Development Ordinance regarding a principal use on a zone lot and Section 9-4014(f) regarding fence height on residential zoned property.

ADJOURNMENT

Assistant City Attorney

JoAnne L. Carlyle

NORTH CAROLINA'S INTERNATIONAL CITY™

MEMORANDUM

TO: Mayor and City Council

FROM: JoAnne Carlyle

RE: Condemnation – June 6, 2011 Agenda
Hartley Drive Widening Project
700 W. Hartley Drive

DATE: May 5, 2011

This is to request authorization to begin condemnation proceedings on a portion of the property described in Plat Book 151, at Page 87 located 700 W. Hartley Drive, High Point, Guilford County.

On May 5, 2011 the property owners were mailed a certified letter giving them 30 days notice of our intention to begin condemnation proceedings. A copy of this letter and a map showing the area in question is attached.

I will be glad to answer any questions you may have regarding these properties.

City of High Point, P.O. 230, 211 South Hamilton Street, High Point, NC 27261 USA
Phone: 336.883.3301 Fax: 336.883.2129
E-mail: joanne.carlyle@highpointnc.gov

Right of Way

Henry T. Moon, III
RIGHT OF WAY AGENT

HIGH POINT
NORTH CAROLINA'S INTERNATIONAL CITY™

MEMO

May 3, 2011

To: JoAnne Carlyle, Assistant City Attorney

From: Henry T. Moon

Subject: Hartley Drive (Condemnation request: Billy Hoover et al)

Please request Council approval to condemn the right of way and needed easements on tax parcel 0197215 (700 W. Hartley Dr.)

Subject property is described in Plat Book 151 at Page 87, as Tract A as was acquired by the following by will from Elva Moore Hayworth Ward (02 E 75) in Guilford County.

1) ¼ interest- Joan H. Johnson and husband Donald R. Johnson
   5134 Wallburg-High Point Rd.
   High Point, NC 27265
2) ¼ interest- Gladys H. Long and husband Johnny Long
   5180 Wallburg-High Point Rd.
   High Point, NC 27265
3) ¼ interest- Charles A. Hayworth (widower)
   1533 Curry Rd.
   Kernersville, NC 27284
4) ¼ interest- Billy V. Hoover (widower)
   5235 Wallburg-High Point Rd.
   High Point, NC 27265

There are no outstanding mortgages or taxes.

The appraisal is $32,450.

The interest to be acquired are right of way in fee simple, permanent drainage easement and a temporary construction easement. Copies of the descriptions are attached and have been emailed to Dawn.

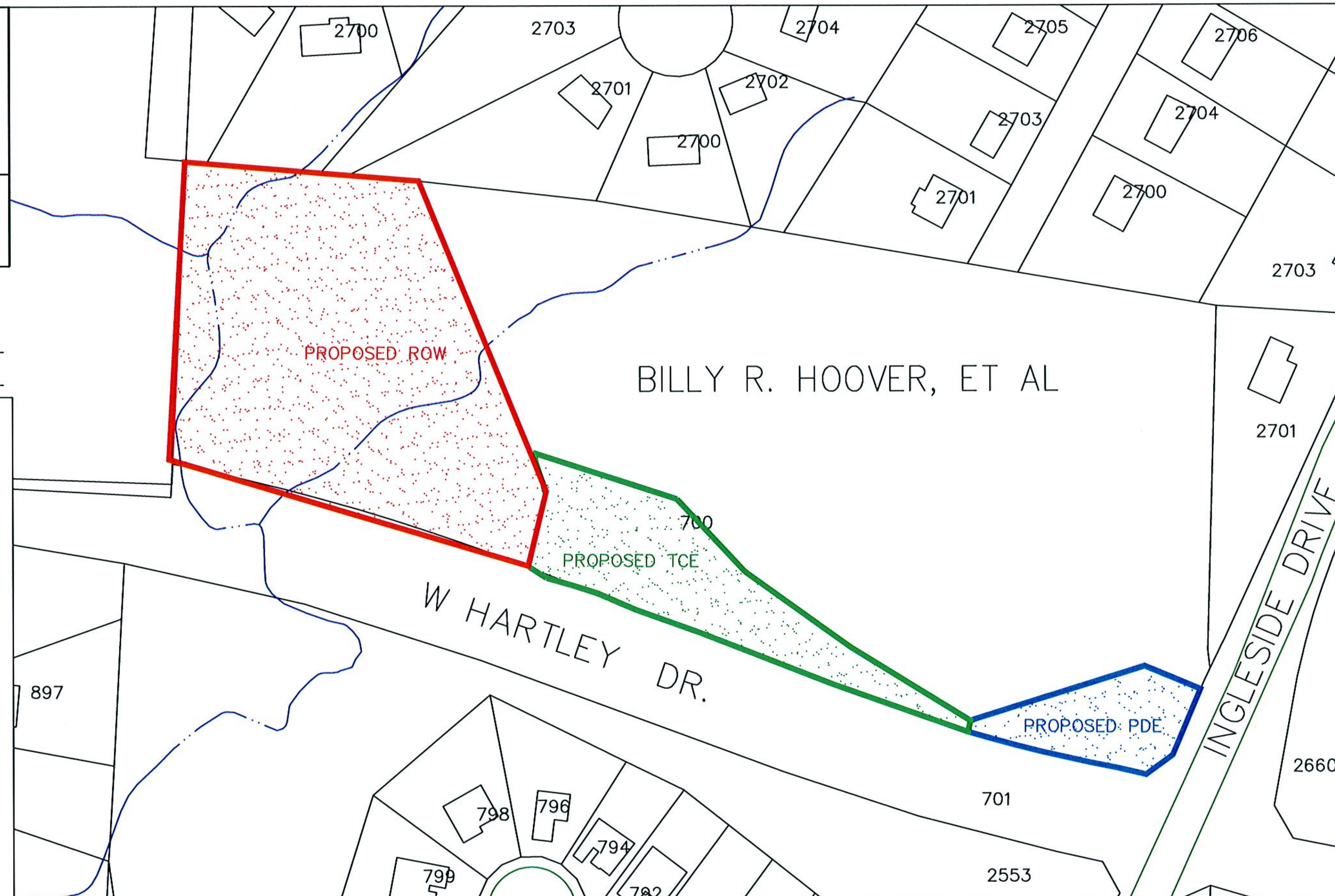
Please send the 30 day letter as soon as possible.

Cc: Cindy Smith ✓ Maps are being made.
Pat Pate

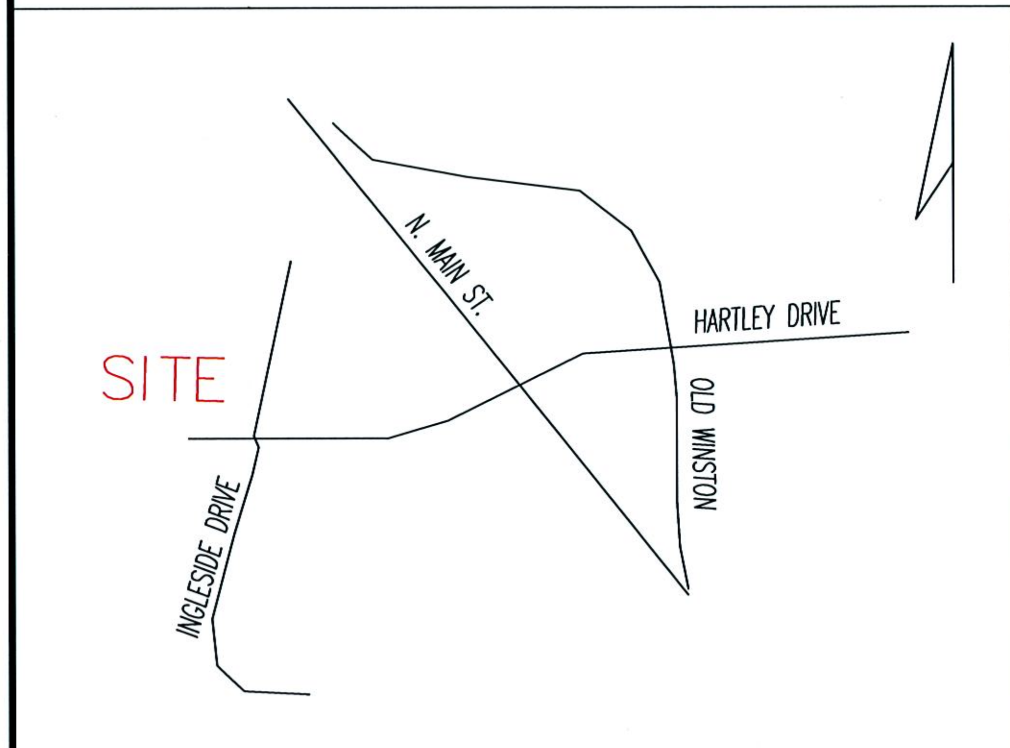
City of High Point, P.O. 230, 211 South Hamilton Street, High Point, NC 27261 USA
Phone: 336.883.3247 Fax: 336.883.3683 Cell: 336.688-6624
E-mail: henry.moon@highpointnc.gov

THIS MAP IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN APPROVED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS.

THE INFORMATION ON THIS MAP IS TAKEN FROM A CITY OF HIGH POINT GIS DEVELOPED IN 2005.



VICINITY : NOT TO SCALE



CITY OF HIGH POINT NORTH CAROLINA	PURCHASE OF RIGHT OF WAY & EASEMENTS
ENGINEERING SERVICES DEPARTMENT	PROPERTY OF BILLY R. HOOVER, ET AL #700 HARTLEY DRIVE FOR HARTLEY DRIVE ROADWAY PROJECT TM 180002930000100005
SCALE: 1"=90' BY: MBN	PROJECT: 2287 DATE: JUNE 2011

CHDO AGREEMENT BETWEEN
CITY OF HIGH POINT, NORTH CAROLINA
AND
UNITY BUILDERS, INC.

THIS AGREEMENT, made this the 7th day of June 2011 by the CITY OF HIGH POINT, NORTH CAROLINA (hereinafter called "CITY") located in Guilford County, and UNITY BUILDERS, INC. (hereinafter called "CHDO"), located at 1208 S Main Street - Suite #103, High Point, North Carolina in Guilford County, a non-profit corporation organized under the laws of the State of North Carolina, having its principal place of business in Guilford County, North Carolina.

W I T N E S S E T H

WHEREAS, the CITY is the recipient of HOME Investment Partnerships Program Funds from the U.S. Department of Housing and Urban Development (HUD), including funds reserved for the use of Community Housing Development Organizations (CHDO); and

WHEREAS, the AWARDEE has been certified as a CHDO by CITY, and has submitted a proposal for use of CHDO funds for a CHDO-eligible project under HOME Investment Partnerships Program funds (hereinafter referred to as “the HOME Program”) regulations;

NOW, THEREFORE in consideration of the mutual covenants and obligations herein contained, including the Attachments, and subject to the terms and conditions hereinafter stated, the parties hereto understand and agree as follows:

1. Regulations Governing Use of Funds
   The funds to be made available to CHDO by CITY under this Agreement are derived from the HOME Program, which funds are made available to CITY by the United States Department of Housing and Urban Development (hereinafter called “HUD”). CHDO acknowledges the source of these funds and agrees to cooperate fully in providing CITY any and all information and reports as may be required by CITY in order that CITY can comply with applicable HOME Program regulations. Set out below are specific requirements imposed on CHDO by CITY to ensure compliance with all applicable HOME Program regulations. CHDO acknowledges that there may be additional reports or information which it shall have to provide and additional actions which it may have to take in order to comply with HOME Program rules and regulations. If directed by CITY, CHDO agrees to take such additional actions and provide required information. This agreement is authorized pursuant to North Carolina General Statutes §§ 160A-500 et. seq.

1.1. Funds provided to CHDO are to be used exclusively for expenses incurred in the execution of the program proposed for CITY's 2011 – 2012 and 2012 - 2013 fiscal years, in accordance with the budget and scope of services attached hereto (Attachment "A") and the qualification as affordable housing homeownership attached hereto (Attachment "B") which are incorporated by reference as if fully set forth herein. Any amendment to this budget, which results in increases or decreases in the total amount of the budget, must be submitted in writing to, and approved by, CITY at the time of such amendment. The expenditure of any funds being made available under this agreement for any purpose not authorized by this agreement shall constitute a material breach and will cause CHDO to be in default. It is agreed that sufficient documentation in the form of payroll records, invoices and bills will be maintained by CHDO in order to support authorized expenditures.

1.2. CITY will fund CHDO's project in an amount not to exceed in aggregate One – Hundred and Five Thousand dollars ($105,000.00) for the construction of seven (7) houses in the Southside neighborhood. Appropriations shall be made for the fiscal year beginning July 1, 2011.

1.3. CHDO shall submit invoices to CITY for review and approval. Payment of approved invoices shall be made by CITY.

1.4. CHDO shall be entitled from time to time during the term of this Agreement to request draws in an amount not to exceed in aggregate One Hundred and Five Thousand dollars ($105,000.00) prior to or before June 30, 2013.

1.4.1. With each application for a draw, CHDO shall provide CITY with a detailed description of the allowable expenses incurred by CHDO and for which expenses the requested draw is intended to reimburse CHDO. The application shall include evidence of bills paid or invoices of expenses incurred and to be paid with the requested draw. CITY shall pay CHDO only for the amount of those expenses which are approved by the Director of Community Development & Housing Department, City of High Point, or his designee.

1.5 Additional units may be added to this contract upon agreement by the City and CHDO.

2. <u>Section 3 Clause</u>

The work to be performed under this agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. §1701u ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this agreement shall comply with HUD's regulations set forth at 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this agreement, the parties to this agreement certify that they are under no contractual or other impediment that would prevent them from complying with the code of Federal Regulations. Specifically 24 CFR Part 135.

The CHDO's contractor is required to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The CHDO's contractor is required to include this Section 3 clause in every subcontract subject to compliance with regulations codified at 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

The CHDO's contractor is required to certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.

Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this agreement for default, and debarment or suspension from future HUD assisted contracts.

3. Non-Discrimination Under Title VI of the Civil Rights Act of 1964 and the Americans with Disabilities Act

This agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and HUD regulations including the regulations codified at 24 CFR Part 1, and the Americans with Disabilities Act codified at, 42 U.S.C. §§ 12101 et seq. In the sale, lease or other transfer of land acquired, cleared or improved with the assistance provided under this agreement, CHDO shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination upon the basis of race, color, religion, sex, handicap, familial status, age or national origin in the sale, lease or rental or in the use or occupancy of such land or any improvements erected or to be erected thereon, and providing that the CHDO and the United States are beneficiaries of and entitled to enforce such covenant. CHDO in undertaking its obligation in carrying out the program assisted hereunder agrees to take such measures as are necessary to enforce such covenant and will not itself so discriminate.

4. Title VIII of the Civil Rights Act and The Fair Housing Act

In carrying out these programs funded in whole or in part with monies made available under the provisions of this agreement, CHDO will comply with Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, and The Fair Housing Act, 42 U.S.C. §§ 3601 et. seq., as amended, and the High Point City Charter Sections 8.30 et seq., as amended, in administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing, and will take action to affirmatively further fair housing in the sale or rental of houses, the financing of housing, or the provision of brokerage services.

5. Interest of Certain Federal Officials

No member of, or Delegate to, the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this agreement or to any benefit to arise from same.

6. Interest of Members, Officers or Employees of CHDO, Members of Local Governing Body, or Other Public Officials

No member, officer or employee of CHDO, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public officials of such locality or localities who exercised any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work performed in connection with the program assisted under this agreement. CHDO shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this Section.

7. Prohibition Against Payments of Bonus or Commission

The assistance provided under this agreement shall not be used in the payment of any bonus or commission for the purpose of obtaining HUD approval of the application for such assistance, or HUD approval of applications for additional assistance, or any other approval or concurrence of HUD required under this agreement, Title I of the Housing and Community Development Act of 1974 or HUD regulations with respect thereto; provided, however, that reasonable fees or bona fide technical, consultant, managerial or other such services, other than actual solicitation are not hereby prohibited if otherwise eligible as program costs.

8. Performance Report

CHDO shall provide CITY with a quarterly performance report for each year that this agreement continues in effect, or that CHDO utilizes funds made available under this agreement. Such report will cover the preceding quarterly period, and shall include at the minimum the following information:

8.1. Progress on planned activities to include amount of funds obligated and expended; and steps taken to carry out funded activity.

8.2. Assessment of the effectiveness of the funded activity.

8.3. Analysis of the persons actually benefited by the funded activity.

Said reports due dates are the fifteenth (15th) of the month covering the previous quarter's activities. It is anticipated that all work shall be completed by the end of the performance period of this Agreement.

CITY agrees to work with CHDO in designing the format of such report, if requested by CHDO.

9. Retention of Records

All financial records, supporting documents, statistical records and all other records pertinent to this agreement shall be retained for a period of three years with the following qualifications:

9.1. If any litigation, claim or audit is started before the expiration of the three-year period, the records shall be retained until litigation, claims or audit findings involving the records have been resolved.

9.2. Records for personal property not consumed in the ordinary course of business acquired with the funds made available under this agreement shall be retained for three years after final disposition of said property.

The Secretary of HUD, Comptroller General of the United States, CITY Manager, or his designee, of the CITY of High Point and any of their duly authorized representatives shall have access to any pertinent books, documents, papers and records of CHDO to make audits, examinations, excerpts and transcripts.

10. Program Income

Proceeds from the sale of real or personal property, either provided by CITY or purchased in whole or in part with funds made available under this agreement, shall be handled in accordance with OMB Circular A-102 pertaining to property management. Proceeds generated from the sale of houses may be retained by the CHDO.

11. Financial Management Standards

CHDO shall provide a financial management system that shall provide for the following:

11.1. Records that identify adequately the source and application of funds for grant-support activity. These records shall contain information pertaining to Federal awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

11.2. Effective control over and accountability for all funds, property and other assets. CHDO shall safeguard all such assets and shall assure that they are used solely for authorized purposes.

11.3. Comparison of actual outlays with budgeted amounts made available under this agreement. Also relation of financial information with performance or productivity data, including the production of unit cost information whenever appropriate and required by CITY.

11.4. Procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement to CHDO by CITY whenever funds are advanced by the Federal Government. Whenever advances are made by a letter of credit method, CHDO shall assist CITY in making drawdowns from the U.S. Treasury as close as possible to the time of making the disbursements to CHDO.

11.5. Procedures for determining reasonableness, allowability and allocability of costs in accordance with the provisions of OMB Circular A-122.

11.6. Accounting records that are supported by source documentation.

11.7. Examinations in the form of audits or internal audits shall be required. Such audits shall be made by qualified individuals who are sufficiently independent of those who authorize the expenditure of the funds made available under this agreement, to produce unbiased opinions, conclusions or judgments. These examinations are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of the grant and this agreement. They should be made in accordance with generally accepted auditing standards including the standards published by the General Accounting Office, Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. Examinations should be conducted on an organization-wide basis to test the fiscal integrity of financial transactions as well as compliance with the terms and conditions of this agreement.

11.8. Audits will be conducted annually unless CHDO is otherwise directed by CITY.

11.9. A systematic approach to assure timely and appropriate resolution of audit finding and recommendations.

Any deficiencies revealed by said audit shall be corrected or resolved to the satisfaction of CITY within a period not to exceed three months of receipt of audit findings and recommendations, or sooner if in the sole discretion of CITY circumstances so require. CHDO shall provide City with a copy of the management letter from its annual audit.

12. Allowable Costs

It is anticipated that the terms of this agreement shall specify the permitted uses of funds made available to CHDO. In no event will any funds made available under this agreement be used to pay a cost that is not allowed under the provisions of OMB Circular A-122.

Specifically excluded as allowable costs under OMB A-122 include but are not limited to the following: all costs incurred for organized fund raising, including financial campaigns, endowment drives, solicitation of gifts, bequests and similar expenses incurred solely to raise capital or obtain contributions.

In addition to all other records required under OMB A-122, CHDO shall maintain payroll records that clearly identify the percentage of each employee's time allocated to organize fund raising. No part of the funds made available under this agreement shall be used to meet payroll costs attributable to organized fund raising.

All costs incurred by CHDO which are later determined by an audit or otherwise to be disallowed costs, under the provisions of OMB Circular A-122, shall be refunded in full by CHDO to CITY.

13. Cash Depositories

All funds advanced to CHDO by CITY under the provisions of this agreement must be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage and the balance exceeding the FDIC coverage must be collaterally secured.

Consistent with the national goal of expanding the opportunities of minority business enterprises, CHDO is encouraged to use minority banks (a bank that is owned at least 50% by minority group members). A list of minority owned banks can be obtained from the Office of Minority Business Enterprise, Department of Commerce, Washington, D.C. 20230.

14. <u>Provisions Governing Use and Disposition of Real and Personal Property</u>

Title to real property, the purchase of which is paid with funds made available in this agreement, shall vest in the CITY of High Point unless provided otherwise in this agreement. If CHDO has not begun construction on properties conveyed by CITY at the end of this agreement, CHDO agrees to return those properties at CITY's discretion.

The following provisions shall govern the use and disposition of all personal property acquired by CHDO with HOME Program Funds made available by the CITY under the provisions of this agreement.

14.1. Title to all personal property acquired with HOME Program Funds shall vest in CITY.

14.2. CHDO shall maintain property records of all property acquired with HOME Program Funds which shall be maintained accurately and shall include:

14.2.1. A description of the property.

14.2.2. Manufacturer's serial number, model number, federal stock number, national stock number or other identification number;

14.2.3. Acquisition date and cost;

14.2.4. Location, use and condition of the property and the date the information was reported;

14.2.5. Such records shall be retained for three years after final disposition of the property.

14.3. A physical inventory of all property acquired and held by CHDO with HOME Program Funds will be submitted to CITY on June 30th following execution of this agreement and annually on June 30th of each year thereafter that CHDO continues in existence and receives HOME Program Funds from CITY or utilizes personal property acquired with HOME Program Funds made available by CITY.

14.4. CHDO shall establish a control system to ensure adequate safeguards to prevent loss, damage or theft to property acquired with funds made available under this agreement.

14.5. Adequate maintenance procedures shall be implemented to keep the property in good condition.

14.6. No personal property acquired by CHDO with HOME Program Funds, except that consumed in the ordinary course of business, shall be disposed of, conveyed, granted, sold or given away by CHDO. All personal property no longer required by CHDO, or the useful life of which has expired, (that was acquired with HOME Program funds) shall be returned to CITY. In the event the CHDO is dissolved for any reason whatsoever, all personal property acquired with HOME Program Funds and held by CHDO shall be returned to CITY with a complete inventory to be submitted upon the return of such property.

15. Procurement Standards

This paragraph provides standards for use by CHDO in establishing procedures for the procurement of supplies, equipment, construction and other services with the funds made available under the provisions of this agreement.

The CHDO shall establish procurement procedures to ensure that materials and services are obtained in a cost-effective manner. When procuring for services to be provided under this agreement, the CHDO shall comply at a minimum with the nonprofit procurement standards at 24 CFR 84.40 - .48.

15.1. All such construction or repair work contracts and purchases or apparatus, supplies, materials or equipment shall also conform with all other applicable provisions of; Article 8, Chapter 143 of the North Carolina General Statutes.

15.2. The type of procuring instruments used (i.e., fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, etc.), shall be appropriate for the particular procurement and for promoting the best interest of the program supported with the funds made available under this agreement.

The "cost-plus-a-percentage-of-costs" method of contracting shall not be used in any agreement utilizing any part of the funds made available to CHDO under the provisions of this agreement.

15.3. Proposed procurement actions shall be reviewed by CHDO'S Officials and/or Directors to avoid purchasing unnecessary or duplicates of the items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical, practical procurement.

15.4. New invitations for bids or requests for proposals shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such description shall not, in competitive procurements, contain features that unduly restrict competition. "Brand name or equal" description may be used as a means to define the performance or other salient requirements of procurement, and when so used the specific features of the named brand which must be met by offers should be clearly specified.

15.5. Procurement records or files for purchases in amounts in excess of $5,000 shall provide at least the following pertinent information: Contractor selection and the basis for the cost.

15.6. A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions, specifications of the contract or order, and to ensure adequate and timely follow-up of all purchases.

15.7. Activities and contracts not subject to Executive Order 11246, As Amended.
In carrying out all contracts having a value of $10,000 or less, CHDO shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, or handicap. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. CHDO shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by CITY setting forth the provisions of this non-discrimination clause. CHDO shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age or handicap. CHDO shall incorporate the foregoing requirements of this paragraph in all of its contracts with program work, except contracts governed by paragraph 17.8 of this section, and will require all of its contractors for such work to incorporate such requirements in all subcontracts for program work.

15.8. Contracts subject to Executive Order 11246, As Amended
All contracts of the CHDO having a value of more than $10,000 shall be subject to HUD equal employment opportunity regulations set forth in 41 CFR Part 60, applicable to HUD assisted construction contracts. CHDO shall cause a requirement to be inserted in full in any non-exempt contract and subcontract for construction work and modification thereof, as defined in said regulations, which is paid for in whole or in part with assistance provided under this agreement, the following opportunity clause:

"During the performance of this contract, the contractor agrees as follows:

15.8.1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age or handicap. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment without regard to their race, color, sex, religion, national origin, age, familial status or handicap. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notice to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.

15.8.2. The contractor will, in all solicitations for advertisement for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, or handicap.

15.8.3. The contractor will send to each labor union or representative of workers for which he has collective bargaining agreements or other contracts or understandings, a notice to be provided by the Contract Compliance Officer advising said labor union or workers' representative of the contractor's commitment under this section and shall post copies of the notice in a conspicuous place available to employees and applicants for employment.

15.8.4. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 and as supplemented by Department of Labor Regulations set forth in 41 CFR Part 60, and all other rules and regulations and relevant orders of the Secretary of Labor.

15.8.5. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 and supplemented by Department of Labor regulations set forth in 41 CFR Part 60.

15.8.6. In the event of the contractor's noncompliance with nondiscrimination clauses of this agreement or with any of such rules, regulations or orders, this agreement may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further government contracts or federally assisted construction contract procedures authorized in Executive Order 11246 of September 24, 1965 as amended by Executive Order 11375 and supplemented by Department of Labor Regulations set forth in 41 CFR Part 60.

15.8.7. The contractor will include the portion of the sentence immediately preceding paragraph 17.8.1 and the provisions of paragraph 17.8.1 through 17.8.6 in every subcontract or purchase order unless exempted by rules, regulations or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965 as amended so that each such provision shall be binding upon every subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Department of Labor may direct as a means of enforcing such provisions including sanctions for noncompliance.

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Department of Labor, the contractor may request the United States to enter into such litigation to protect the interest of the United States."

15.9. All contract and subcontracts for construction or repair shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. § 874) as supplemented by the Department of Labor Regulations, set forth in 29 CFR Part 3. This Act provides that each contractor or CHDO shall be prohibited from inducing, by any means, any person employed in the construction prosecution, completion or repair work carried out with funds made available by this agreement, to give up any part of the compensation to which he was otherwise entitled. The CHDO shall report all suspected or reported violations to CITY.

15.10. All construction contracts awarded by CHDO in excess of $2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. §§ 276a to a-7) and as supplemented by Department of Labor Regulations (29 CFR Part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wage as specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less often than once a week. CHDO shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. CHDO shall report all suspected or reported violations to CITY.

15.11. It is a national policy to award a fair share of contracts to small and minority business firms. Accordingly, affirmative steps must be taken to ensure that small and minority businesses are utilized when possible as sources of supplies, equipment, construction and services. The CHDO shall take similar appropriate affirmative action in support of women's business enterprises. CHDOS are encouraged to procure goods and services from labor surplus areas.

15.12. CITY shall approve CHDO'S proposed contracts and related procurement documents in the following circumstances:

15.12.1. The procurement is expected to exceed $5,000 and is to be awarded without competition or only one bid or offer is received in response to solicitation and authorized by law;

15.12.2. The procurement expected to exceed $5,000 specifies a "brand name" product;

15.12.3. The CHDO'S procurement procedures or operation fails to comply with one or more of the significant aspects of this paragraph.

15.13. All contracts of CHDO other than purchases of less than $5,000 shall contain provisions or conditions which will allow for administrative, contractual or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.

15.14. All contracts in excess of $5,000 shall contain suitable provisions for termination by the CHDO including the manner in which it will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

15.15. Contracts, subcontracts and subgrants of amounts in excess of $100,000 shall contain a provision which requires compliance with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. § 7606) Section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency Regulations, which prohibits use under non-exempt federal contracts, grants or loans of facilities included upon the EPA list of violating facilities. The provisions shall require reporting of violations.

16. Termination of Agreement

Each party shall have the right to terminate this agreement by giving the other party thirty (30) days written notice of termination. In the event of termination, CHDO agrees to refund to CITY all monies that were made available to CHDO under the provisions of this agreement which CHDO retains as of the effective date of termination. In addition, CHDO shall provide CITY with a financial accounting, as required by CITY, for all funds received by CHDO and on hand up to the date of termination. CHDO will also return all remaining properties conveyed by CITY.

17. Action of CITY in the Event of Breach of Contract

In the event that a review of the CHDO'S performance shows nonconformance with any of the terms or conditions contained herein, the CHDO may be in breach of this agreement and CITY may take corrective action as it deems necessary, including, but not limited to, withholding or reduction of any funds not yet paid to the CHDO. In addition, CITY shall be entitled to repayment of any funds previously paid to CHDO in accordance with the provisions of this agreement.

18. Indemnity

To the fullest extent permitted by law, CHDO shall indemnify, keep and save harmless CITY, its agents, officials and employees, from any and all responsibility or liability for any and all damage or injury of any kind or nature whatever (including death resulting therefrom) to all persons, whether employees of CITY, or otherwise, and to all property caused by, incident to, resulting from, arising out of, or occurring in connection with, directly or indirectly, the performance or nonperformance of this agreement by CHDO or by any person acting for CHDO or for whom CHDO is or is alleged to be in any way responsible, whether such claim may be based upon an act or omission in contract, tort (including alleged active or passive negligence or participation in the wrong), or upon any alleged breach of any duty or obligation on the part of CHDO, its agents, servants and employees or otherwise. The provisions of the preceding sentence shall include any claims for equitable relief or for damages (compensatory or punitive) against CITY including alleged injury to the business of any claimant and shall include any and all losses, damages, injuries, settlements, judgments, decrees, awards, fines, penalties, claims, costs and expenses including expenses incurred by CITY, its agents, servants and employees in connection with investigating any claim or defending any action, and including reasonable attorneys' fees by reason of the assertion of any such claim against CITY, its agents, servants, or employees. CHDO expressly understands and agrees that the performance bond or insurance protection required by this Agreement, or otherwise provided by CHDO, shall in no way limit the responsibility to indemnify, keep and save harmless and defend CITY as herein provided. The intention of the parties is to apply and construe broadly in favor of CITY the foregoing provisions subject to the limitations, if any, set forth in N.C.G.S. § 22B-1.

19. <u>Assignment of this Agreement</u>
It is mutually agreed by the parties hereto that this agreement is not transferable or assignable by either party without the written consent of the other party to this agreement.

20. <u>Non-Waiver of Rights</u>
It is agreed that CITY's failure to insist upon the strict performance of any provision of this agreement or to exercise any right based upon a breach thereof, or the acceptance of any performance during such breach, shall not constitute a waiver of any rights under this agreement.

21. <u>Modification</u>
This agreement may be modified at any time as agreed by the parties hereto; however, no modification shall be effective until such is incorporated in written amendments to this agreement signed by the parties hereto.

22. <u>Personnel</u>
It is mutually agreed that the CHDO is an independent contractor and not an agent of CITY, and as such CHDO, its agents, servants and employees shall not be entitled to any CITY employment benefits, such as but not limited to, vacation, sick leave, insurance, worker's compensation, or pension and retirement benefits.

23. <u>Conflict of Interest</u>
No paid employee of CITY shall have a personal or financial interest, direct or indirect, as a contracting party or otherwise, in the performance of this Agreement.

24. Subcontracts
CHDO shall utilize no subrecipients to carry out the services to be performed under this Agreement without the written approval of CITY.

25. Entire Agreement
The Agreement constitutes the entire understanding of the parties.

26. Binding Effect
This Agreement shall be binding upon the heirs, successors and assigns of the parties (unless the Agreement prohibits assignment).

27. Continuing Obligation
The parties will make and execute all further instruments and documents required to carry out the purposes and intent of the Agreement.

28. Reference
Use of the masculine includes feminine and neuter, singular includes plural; and captions and headings are inserted for convenience of reference and do not define, describe, extend or limit the scope of intent of the Agreement.

29. Interpretation
All of the terms and conditions contained herein shall be interpreted in accordance with the laws of the State of North Carolina.

30. Underlying Grant Conditions and Regulations
This agreement shall be subject to any and all terms and conditions of any and all applicable underlying grants or agreements by which CITY receives funding from the United States of America, State of North Carolina, or any agencies or subdivisions thereof to finance in part or in whole this agreement. This agreement shall be subject to all amendments, changes or other modifications to said grants, agreements or the laws and regulations under which they are promulgated that may occur during the term of this Agreement or any subsequent extensions of it. The purpose of this provision is to make it clear to all parties that CITY remains fully obligated to the original source of such funds notwithstanding the designation of CHDO as the third party beneficiary for the undertaking of all or part of a program for which assistance is being originally provided to CITY and in turn is being appropriated to CHDO under this agreement. CHDO is required and hereby acknowledges responsibility for complying with all lawful requirements which may be imposed upon CITY and which are deemed necessary by the funding agency and/or CITY to insure that the program with respect to which assistance is being provided under this agreement is carried out in accordance with CITY's assurances and certifications to the original source of such funds. Such assurances include, but are not limited to representation; the use of such funds will fully comply with all applicable environmental laws, rules and regulations and that the funds will be used in a nondiscriminatory manner. Wherever possible, such grant agreements and the laws and

regulations under which they are administered are specifically incorporated by reference and made a part of this Agreement but such listing is not intended to be exclusive.

It is expressly understood and agreed between the parties that all or part of the funds intended to be used in the performance of this agreement are derived at least in part from federal grant sources. To the extent of such funds, CITY is dependent upon these outside agencies for the funds. Upon CITY's failure or refusal to continue or complete such agreement, CITY will not be held liable for damages approximately resulting from such delay, reduction or elimination of funds to be subjected to other equitable relief to require continuation of the project called for hereunder or completion of it to the degree of funding originally contemplated when this agreement was first signed.

31. <u>Saving Clause</u>

If any section, subsection, paragraph, sentence, clause, phrase or portion of this Agreement is for any reason held invalid, unlawful, or unconstitutional by any court of competent jurisdiction, such portion shall be deemed severable and such holding shall not affect the validity of the remaining portions hereof.

32. <u>Religious Organizations</u>

In accordance with the First Amendment of the United States Constitution HOME Program funds may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. The following restrictions and limitations therefore apply to the use of HOME Program funds.

HOME funds may not be provided to primarily religious organizations, such as churches, for any activity including secular activities. In addition, HOME funds may not be used to rehabilitate or construct housing owned by primarily religious organizations or to assist primarily religious organizations in acquiring housing. However, HOME funds may be used by a secular entity to acquire housing from a primarily religious organization, and a primarily religious entity may transfer title to its property to a wholly secular entity and the entity may participate in the HOME program in accordance with the requirements of this section. The entity may be an existing or newly established entity, which may be an entity established by the religious organization. The completed housing project must be used exclusively by the owner entity for secular purposes, available to all persons regardless of religion. In particular, there must be no religious or membership criteria for tenants of the property.

36. <u>Grantor Recognition</u>

The CHDO shall ensure recognition of the role of CITY as the grantor agency in providing services through this agreement. All activities, facilities and items utilized pursuant to this agreement shall be prominently labeled as to funding source. In addition, the CHDO will include a reference to the support provided herein in all publications made possible with funds made available under this agreement.

37. EXCLUSIONS FROM THE CONTRACT

The CHDO is responsible for professional liability and workers' compensation. The CITY of High Point is excluded from any claims of bodily injury, property damage, or personal injury and held harmless for any financial losses, negligent acts, errors or omissions that may arise in connection with this contract.

38. LIENS AND INDEMNIFICATION

CHDO agrees that it will post a bond with the Clerk of Superior Court to discharge any lien filed pursuant to Chapter 44A of the North Carolina General Statutes or otherwise against any property it constructs or owns in the performance of this Agreement, and agrees to post the required bond within five (5) days of oral or written notice of the existence of such lien being given to CHDO by the City. Further, CHDO agrees that in the performance of this Agreement no property will be sold by CHDO to a third party while a lien filed pursuant to Chapter 44A of the North Carolina General Statutes or otherwise encumbers the property. CHDO agrees to indemnify and hold harmless the City from any claims, actions, liability, judgments or any other loss or expense whatsoever, including the payment of reasonable attorneys fees, arising out of CHDO's performance of this Agreement, including but not limited to CHDO's failure to comply with the requirements of this Section.

39. Energy Star Qualifications

CHDO agrees to construct homes that meet ENERGY STAR qualifications. New homes must meet strict guidelines for energy efficiency set by the U.S. Environmental Protection Agency.

40. Section 92.351 Affirmative Marketing

CHDO must adopt affirmative marketing procedures and requirements for rental and homebuyer projects containing 5 or more HOME-Assisted housing units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. (The affirmative marketing procedures do not apply to families with Section 8 tenant-based rental housing assistance provided with HOME funds.)

41. Section 92.355 Lead-Based Paint

CHDO must comply with lead hazard control regulations. Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of the title.

IN TESTIMONY WHEREOF, the parties hereto have caused this Contract be duly executed by their authorized agents.

COMMUNITY DEVELOMENT & HOUSING DEPARTMENT

BY: ______________________________________

Michael E. McNair, Director

CITY OF HIGH POINT MUNICIPAL GOVERNMENT

This instrument has been pre-audited in the manner required by the local government budget and fiscal control act.

BY: ______________________________
Jeffrey A. Moore, Finance Director

APPROVED AS TO FORM:

BY: _______________________________
JoAnne L. Carlyle, Asst. City Attorney

By: ______________________________
Strib Boynton, City Manager

ATTEST:

BY: _____________________________
Lisa B. Vierling, City Clerk

CHDO: UNITY BUILDERS, INC.

BY: _______________________________
Terry Young, Executive Director

ATTACHMENT “A”

SCOPE OF SERVICES

A. NATIONAL OBJECTIVES

The CHDO certifies that the activities carried out with funds provided under this Agreement will meet one of the HOME Investment Partnership Program’s national objectives codified at 24 CFR Part 92.1:

- To expand the supply of decent, safe, sanitary and affordable housing; and
- To strengthen public private partnerships.

B. ELIGIBILITY OF ACTIVITY

The activities described in this agreement are eligible for funding subject to the HOME Program guidelines codified at 24 CFR Part 92.205.

C. TARGET POPULATION

This program is intended to assist low to moderate-income first time homebuyers interested in buying a home in the Core City of the City of High Point (see map attached).

D. PRIMARY OBJECTIVE

The Primary Objective of this Agreement is to assist the CHDO in construction and conducting activities to provide homeownership opportunities for low to moderate-income first time homebuyers. The CHDO shall construct at least seven (7) Energy Star compliant affordable houses not to exceed the Federal Housing Administration (FHA) mortgage limit for the respective year on lots in core city approved by the CITY. The CHDO agrees to sell developed properties to first-time low to moderate-income homebuyers as defined by HUD. The CHDO agrees to provide the City with purchase contracts, Good Faith Estimates, and adequate income documentation to enable the City to determine that buyers meet City and HUD qualification guidelines. The CHDO also agrees to provide the City with copies of final appraisals of properties prior to the closing. The CHDO understands that it may not sell properties for more than the appraised values. The CHDO further understands that buyers must be obligated for any difference between the appraised value and a lesser selling price.

The CHDO shall find interested low/moderate income buyers who are interested in owning their own homes; assist them in qualifying for financing with which to purchase the property with a fully constructed home. The CHDO will also conduct homebuyer education workshops for low to moderate-income buyers.

Prior to the commitment or commencement of any activity, the CHDO agrees to appraise the City of its intentions and plans to encumber the HOME CHDO funds to be provided under this Agreement.

E. <u>BUDGET AND USE OF FUNDS: $105,000</u>

The CHDO HOME allocation in the amount of $105,000 can only be used to reimburse the CHDO for the payment of such reasonable and normal housing development costs and first-time homebuyer assistance as follows:

Hard Costs:

- Land acquisition directly related to producing units
- Building materials and labor
- Site preparation and improvements
- Demolition of structures
- Water and sewer taps

Soft Costs:

- Construction loan fees and interest
- Professional fees
- Gap financing.

These funds will be restricted to the aforementioned costs incurred in the development of affordable housing in the core city of the City of High Point.

CHDO shall construct at least seven (7) Energy Star compliant houses on the Southside Redevelopment site and utilize up to $15,000.00 per house for eligible CHDO expenses. The addresses for new construction under this contract are: 804 George Place, 806 George Place, 700 Vail Avenue, 702 Vail Avenue, 610, Vail Avenue, 608 Vail Avenue, 602 Vail Avenue

CHDO may request reimbursement for costs to process and settle the financing for the project, such as private lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal documents, building permits, attorneys fees, private appraisal fees and fees for an independent cost estimate, builders or CHDOs fees; and, staff and overhead costs directly related to carrying out the project, such as work specifications preparation, loan processing inspections, and other services related to assisting potential owners and homebuyers.

Supporting documentation must accompany all requests for reimbursement, i.e. copies of paid invoices, contracts, scope of services, etc. Needed materials will be supplied by the CHDO.

The CHDO may be reimbursed for related soft costs which are reasonable and necessary costs incurred by the CHDO and associated with the financing, or development (or both) of new construction or acquisition of housing assisted with HOME funds. These costs include, but are not limited to:

1. Architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups.
2. Costs to process and settle the financing for a project, such as private lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal

documents, building permits, attorneys fees, private appraisal fees and fees for an independent cost estimate, builders or developer’s fees.

3. Staff and overhead costs directly related to carrying out the project, such as work specifications preparation, loan processing inspections, and other services related to assisting potential owners, and homebuyers, e.g., housing counseling, may be charged to project costs only if the project is funded and the individual becomes the owner or tenant of the HOME-assisted project.

F. Housing Designs

Housing designs and site plans must submitted by CHDO to the Director of Community Development and Housing or his designee for approval. Based on predevelopment meetings with CHDO, the CITY has approved the following plans based on the Tightlines Small House Designs:

- The Warren
- The Fisher
- The Carlton
- The Bailey
- The Camden

Additional designs may be added upon approval by CITY. Illustrations of the approved designs are contained in Attachment C. More detailed information on the designs can be found at www.tightlinesdesigns.com.

ATTACHMENT "B"

QUALIFICATION AS AFFORDABLE HOUSING: HOMEOWNERSHIP (Excerpt from 24 CFR 92.254)

(a) Acquisition with or without rehabilitation. Housing that is for acquisition by a family must meet the affordability requirements of this paragraph (a).

(1) The housing must be single-family housing (1- to 4-family residence, condominium unit, cooperative unit, combination manufactured home and lot, or manufactured home lot).

(2) The housing must be modest housing as follows:

(i) In the case of acquisition of newly constructed housing or standard housing, the housing has a purchase price for the type of single family housing that does not exceed 95 percent of the median purchase price for the area, as described in paragraph (a) (2) (iii) of this section.

(ii) In the case of acquisition with rehabilitation, the housing has an estimated value after rehabilitation that does not exceed 95 percent of the median purchase price for the area, described in paragraph (a) (2) (iii) of this section.

(3) The housing must be acquired by a homebuyer whose family qualifies as a low-income family and the housing must be the principal residence of the family throughout the period described in paragraph (a)(4) of this section.

(4) Periods of affordability. The HOME-assisted housing must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion.

The per unit amount of HOME funds and the affordability period that they trigger are described more fully in paragraphs (a) (5) (i) (resale) and (ii) (recapture) of this section.

Minimum period of Homeownership assistance HOME amount per-unit affordability in years

Assistance Amount	**Period of Affordability**
Under $15,000	5 years
$15,000 to $40,000	10 years
Over $40,000	15 years

(5) Resale and recapture. To ensure affordability, the participating jurisdiction must impose either resale or recapture requirements, at its option. The participating jurisdiction must establish the resale or recapture requirements that comply with the standards of this section and set forth the requirements in its consolidated plan. HUD must determine that they are appropriate.

(i) Resale. Resale requirements must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The resale requirement must also ensure that the price at resale provides the original

HOME- assisted owner a fair return on investment (including the homeowner's investment and any capital improvement) and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. The period of affordability is based on the total amount of HOME funds invested in the housing.

(A) Except as provided in paragraph (a) (5) (i) (B) of this section, deed restrictions, covenants running with the land, or other similar mechanisms must be used as the mechanism to impose the resale requirements. The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of a FHA insured mortgage to HUD. The participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event obtains an ownership interest in the housing.

(B) Certain housing may be presumed to meet the resale restrictions (i.e., the housing will be available and affordable to a reasonable range of low-income homebuyers; a low-income homebuyer will occupy the housing as the family's principal residence; and the original owner will be afforded a fair return on investment) during the period of affordability without the imposition of enforcement mechanisms by the participating jurisdiction. The presumption must be based upon a market analysis of the neighborhood in which the housing is located. The market analysis must include an evaluation of the location and characteristics of the housing and residents in the neighborhood (e.g., sale prices, age and amenities of the housing stock, incomes of residents, percentage of owner-occupants) in relation to housing and incomes in the housing market area. An analysis of the current and projected incomes of neighborhood residents for an average period of affordability for homebuyers in the neighborhood must support the conclusion that a reasonable range of low-income families will continue to qualify for mortgage financing. For example, an analysis shows that the housing is modestly priced within the housing market area and that families with incomes of 65% to 80% of area median can afford monthly payments under average FHA terms without other government assistance and housing will remain affordable at least during the next five to seven years compared to other housing in the market area; the size and amenities of the housing are modest and substantial rehabilitation will not significantly increase the market value; the neighborhood has housing that is not currently owned by the occupants, but the participating jurisdiction is encouraging homeownership in the neighborhood by providing homeownership assistance and by making improvements to the streets, sidewalks, and other public facilities and services. If a participating jurisdiction in preparing a neighborhood revitalization strategy under § 91.215(e)(2) of its consolidated plan or Empowerment Zone or Enterprise Community application under 24 CFR Part 597 has incorporated the type of market data described above, that submission may serve as the required analysis under this section. If the participating jurisdiction continues to provide homeownership assistance for housing in the neighborhood, it must periodically update the market analysis to verify the original presumption of continued affordability.

(ii) Recapture. Recapture provisions must ensure that the participating jurisdiction recoups all or a portion of the HOME assistance to the homebuyers, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability. The participating jurisdiction may structure its recapture provisions based on its program design and market conditions.

The period of affordability is based upon the total amount of HOME funds subject to recapture described in paragraph (a) (5) (ii) (A) (5) of this section.

(A) The following options for recapture requirements are acceptable to HUD. The participating jurisdiction may adopt, modify or develop its own recapture requirements for HUD approval.

(1) Recapture entire amount. The participating jurisdiction may recapture the entire amount of the HOME investment from the homeowner.

(2) Reduction during affordability period. The participating jurisdiction may reduce the HOME investment amount to be recaptured on a prorata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.

(3) Shared net proceeds. If the net proceeds are not sufficient to recapture the full HOME investment (or a reduced amount as provided for in paragraph (a) (5) (ii) (A) (2) of this section) plus enable the homeowner to recover the amount of the homeowner's downpayment and any capital improvement investment made by the owner since purchase, the participating jurisdiction may share the net proceeds. The net proceeds are the sales price minus loan repayment (other than HOME funds) and closing costs. The net proceeds may be divided proportionally as set forth in the following mathematical formulas:

(4) Owner investment returned first. The participating jurisdiction may permit the homebuyer to recover the homebuyer's entire investment (downpayment and capital improvements made by the owner since purchase) before recapturing the HOME investment.

(5) Amount subject to recapture. The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy). The recaptured funds must be used to carry out HOME-eligible activities in accordance with the requirements of this part. If the HOME assistance is only used for the development subsidy and therefore not subject to recapture, the resale option must be used.

(6) Special considerations for single-family properties with more than one unit. If the HOME funds are only used to assist a low-income homebuyer to acquire one unit in single-family housing containing more than one unit and the assisted unit will be the principal residence of the homebuyer, the affordability requirements of this section apply only to the assisted unit. If HOME funds are also used to assist the

low-income homebuyer to acquire one or more of the rental units in the single-family housing, the affordability requirements of § 92.252 apply to assisted rental units, except that the participating jurisdiction may impose resale or recapture restrictions on all assisted units (owner-occupied and rental units) in the single family housing. If resale restrictions are used, the affordability requirements on all assisted units continue for the period of affordability. If recapture restrictions are used, the affordability requirements on the assisted rental units may be terminated, at the discretion of the participating jurisdiction, upon recapture of the HOME investment. (If HOME funds are used to assist only the rental units in such a property then the requirements of § 92.252 would apply and the owner-occupied unit would not be subject to the income targeting or affordability provisions of § 92.254.)

(7) Lease-purchase. HOME funds may be used to assist homebuyers through lease-purchase programs. The housing must be purchased by a homebuyer within 36 months of signing the lease-purchase agreement. The homebuyer must qualify as a low-income family at the time the lease purchase agreement is signed and at the time the housing is transferred if more than six months have elapsed since the participating jurisdiction determined that the family was income eligible. If HOME funds are used to acquire housing that will be resold to a homebuyer through a lease-purchase program, the HOME affordability requirements for rental housing in § 92.252 shall apply if the housing is not transferred to a homebuyer within forty-two months after project completion.

(a) Rehabilitation not involving acquisition. Housing that is currently owned by a family qualifies as affordable housing only if:

  (1) The estimated value of the property, after rehabilitation, does not exceed 95 percent of the median purchase price for the area, described in paragraph (a)(2)(iii) of this section; and

  (2) The housing is the principal residence of an owner whose family qualifies as a low-income family at the time HOME funds are committed to the housing.

(b) Ownership interest. The ownership in the housing assisted under this section must meet the definition of "homeownership" in § 92.2.

(c) New construction without acquisition. Newly constructed housing that is built on property currently owned by a family which will occupy the housing upon completion, qualifies as affordable housing if it meets the requirements under paragraph (a) of this section.

PUBLISH ONCE: Friday, June 10, 2011

RESOLUTION TO ESTABLISH A PUBLIC HEARING DATE FOR VOLUNTARY CONTIGUOUS ANNEXATION (Case # ANX11-01)

WHEREAS, the City Council has been petitioned to annex the property of the State of North Carolina (NC National Guard). The proposed annexation site is lying at the western terminus of Armory Drive, (3515 Armory Drive), and is also known as Guilford County Tax Parcel 0161164**.**

WHEREAS, the City Clerk is in receipt of said petition and has determined its sufficiency in accordance with G.S. 160A-58.1;

NOW, THEREFORE BE IT RESOLVED, THAT THE CITY COUNCIL establishes Monday, June 20, 2011, at 5:30 p.m., in the Council Chambers in the Municipal Building at 211 South Hamilton Street, High Point, North Carolina, as the date for the public hearing regarding the requested annexation.

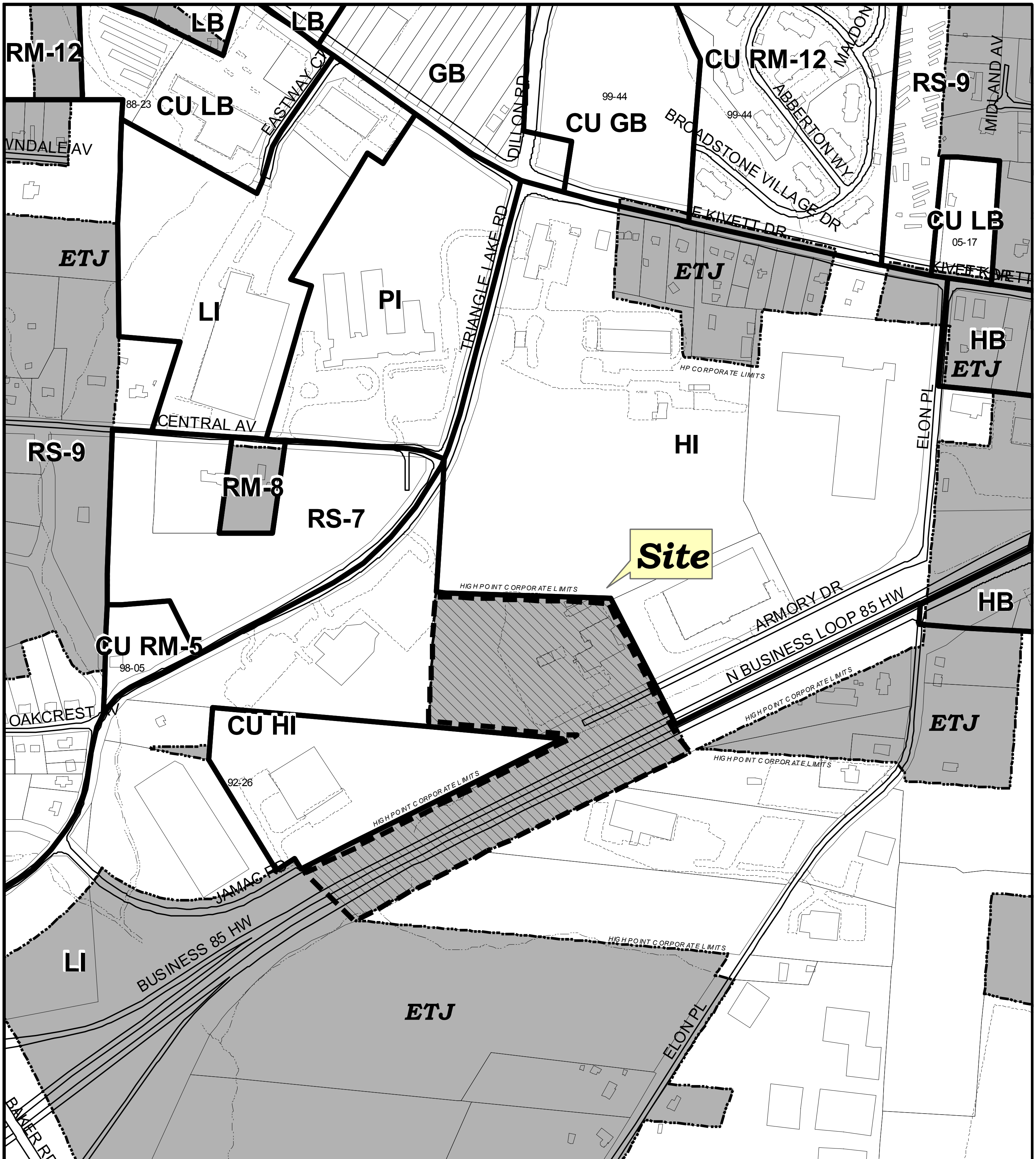
Any interested party will be permitted to be heard at the public hearing. The meeting facilities of the City of High Point are accessible to people with disabilities. If you need a special accommodation, call 336/883-3298 or the TDD# 336/883-8517.

Following the public hearing, the City Council shall have authority to adopt an ordinance annexing the territory described in the petition. The City Council shall have authority to make the annexing ordinance effective immediately or on any specified date within six (6) months from date of passage of ordinance.

Further information pertaining to this request is available for public inspection upon request at the Planning and Development Department in the Municipal Office Building, 211 South Hamilton Street, Room 316, High Point, North Carolina, 336/883-3336 or FAX 336/883-3056.

By order of the City Council,
This the 6th day of June, 2011

Lisa B. Vierling, City Clerk



ANNEXATION REQUEST ANX11-01

Applicant: NC Army National Guard
Area: 18.55 acres

Existing Zoning Boundary
Subject Property Boundary

Planning & Development Department

City of High Point

Date: March 16, 2011

N

Scale: 1'=500'

y:/ba-pz/2011/pz/anx11-01.mxd

COMMUNITY DEVELOPMENT & HOUSING

Michael E. McNair
DIRECTOR OF COMMUNITY DEVELOPMENT & HOUSING

NORTH CAROLINA'S INTERNATIONAL CITY™

MEMORANDUM

DATE: **May 31, 2011**

TO: Randy McCaslin, Assistant City Manager

FROM: Michael E. McNair, Director, Community Development and Housing

SUBJECT: Unity Builders, Inc. – CHDO contract

The Community Development and Housing Department has certified Unity Builders, Inc. as a Community Housing Development Organization (CHDO) and is prepared to contract with Unity to build additional affordable housing in Southside. A CHDO is a private nonprofit, community-based service organization whose primary purpose is to provide and develop decent, affordable housing for the community it serves. Non-profit organizations are eligible for CHDO certification upon confirmation by the Participating Jurisdiction that HOME Program requirements for CHDO funding have been met. As a Participating Jurisdiction the City of High Point must set aside, at minimum, 15 percent of its annual HOME program allocation for housing development activities involving certified CHDOs. HOME funds must be committed within two years or be subject to recapture by HUD. Since Unity Builders has met HUD requirements for CHDO designation and has been certified, we are now ready to execute a CHDO contract.

In addition to meeting CHDO requirements, Unity has demonstrated the necessary organizational capacity to build and sell in the affordable housing arena. To date, Unity has successfully built and sold five homes in Phase I in Southside under a current contract with the city; eleven homes are planned for Phase I. Construction of home #6 is underway with home #7 scheduled to begin shortly. The new contract will authorize CHDO funding totaling $105,000 to assist with the construction of seven affordable Energy Star compliant housing units to implement Phase II of the Southside Redevelopment project. The addresses for the new construction under this contract are: 804 George Place, 806 George Place, 700 Vail Avenue, 702 Vail Avenue, 610 Vail Avenue, 608 Vail Avenue, and 602 Vail Avenue. Since city policy requires Council approval of any contract exceeding $90,000, staff requests Council's favorable consideration to approve the contract and authorize the City Attorney to convey the fore-mentioned parcels to Unity Builders as needed.

PLANNING AND ZONING COMMISSION RECOMMENDATION

On May 24, 2011, a public hearing was held before the Planning and Zoning Commission regarding the request described below. All members of the Commission were present except Mr. Mark Walsh.

Redbud, LLC **Text Amendment Case 11-04**

A request by Redbud, LLC to amend Section 9-5-1(jjjj)(2) of the Development Ordinance to reduce the 300 foot use separation standard between a Recycling Processing Center Use and residential or public-institutional zoned property.

Mr. Loveland presented the request and recommended approval as outlined in the staff report.

Speaking in favor of the request was the applicant's representative, Ms. Beth Koonce of 300 North Main Street, High Point. Ms. Koonce stated that when obtaining permits for this business her client discovered that their desired location did not meet the required 300 foot separation from a residential zoned area. Ms. Koonce felt that the 300 foot required separation was excessive especially given that this use is only permitted in the Agricultural (AG), Light Industrial (LI) and Heavy Industrial (HI) Districts.

The Commission discussed at length the proposed text amendment. Issues of concern expressed from members were:

- The reduction in separation from 300 to 100 feet would be applicable to the entire City.
- Potential negative impacts upon adjacent residential neighborhoods in regards to image of area, traffic from cars or trucks to the facility and vermin infestation of residents' homes.

The Planning & Zoning Commission recommended ***denial*** of Text Amendment Case 11-04, by a vote of 6-1. Mr. Jim Davis was in support of the text amendment as the Ordinance specified that the recycling collection use must be contained within the building and that the traffic impact would be similar to other permitted uses.

Because this Text Amendment request is being forwarded to City Council with an unfavorable recommendation from the Planning & Zoning Commission, the Development Ordinance requires a 2/3 favorable vote by the City Council (6 members) for the Text Amendment request to be approved.

CITY OF HIGH POINT
PLANNING AND DEVELOPMENT DEPARTMENT

STAFF REPORT
TEXT AMENDMENT CASE 11-04
May 28, 2011

Request	
Applicant: Redbud, LLC	**Affected Ordinance Sections:** Amendment will make changes to Section 9-5-2 (jjjj), entitled *Recycling Processing Centers*.
Proposal: To amend the Development Ordinance to reduce the 300 foot use separation standard between a Recycling Processing Center Use and residential or public-institutional zoned property.	

Background

Redbud LLC desires to operate a recycling processing center on property located on West Green Drive in a Heavy Industrial (HI) zoning district. The Development Ordinance currently allows recycling processing centers as a permitted use with Development Standards in the LI and HI districts, which include a requirement that the recycling facility be located at least 300 feet from property zoned residential or Public and Institutional. The applicant's site is located approximately 200 feet from residential zoned property, and therefore the proposed use is not permitted.

Details of Proposal

The Development Ordinance separates recycling processing centers into two different types of facilities- those that recycle primarily household materials, and those that recycle primarily construction or demolition material. The development standard currently requires that a recycling facility (regardless of the type of facility) be located at least 300 feet from any residential or public-institutional zoned property. The applicant is proposing to amend this provision so as to require a separation of 100 feet for household recycling facilities while retaining the requirement for a 300 foot separation for construction/demolition recycling facilities.

Analysis

The development standards require that a recycling processing center that processes primarily household recyclables be operated in a wholly enclosed building. Household recyclables may include glass, plastic, paper or cardboard, household metals or metal cans and similar type items. It is likely that the processing of such household materials consists mainly of sorting, shredding baling or packaging; activities that (being conducted in an enclosed building) are less likely to place a noticeable impact on adjacent properties.

A household recycling center is permitted to store the recyclable items outside the primary building only if the material is stored in an enclosed structure - such as construction-type dumpsters, sheds or other accessory structures. The development standards allow loading of the recyclables to take place outdoors provided that no materials remain on the loading area for more than 24 hours.

It should be noted that a household recycling center is permitted only in the industrial zoning districts, and that recycling centers (regardless of the type) typically produce less adverse impacts than many traditional industrial uses that are permitted in the HI district.

Recommendation

Staff recommends approval.

Because a household recycling center operates within an enclosed building, it warrants a lower separation than a construction or demolition center that operates predominantly outside. Therefore separate treatment is warranted and staff recommends approval of the amendment.

Required Action

Planning and Zoning Commission:

Upon making its recommendation, the Planning and Zoning Commission must place in the official record a statement of consistency with the City's Land Use Plan, and any other officially adopted plan that may be applicable. This may be done by adopting the staff's findings as written in this report, by adopting the staff's findings with additions or changes as agreed upon by the Commission, or, if the Commission is in disagreement with staff's findings, by adoption of its own statement.

City Council:

Upon rendering its decision in this case, the High Point City Council also must place in the official record a statement of consistency with the City's Land Use Plan. This may be done by adopting the staff's findings as written in this report, by adopting the staff's findings with additions or changes as agreed upon by the Council, or, if the Council is in disagreement with staff's findings, by adoption of its own statement.

In addition, the City Council must, prior to adopting or rejecting any zoning amendment, explain why it considers the action taken to be reasonable and in the public interest. In this case, staff suggests that the approval of the applicant's request is reasonable and in the public interest because: 1) the need for use separation is not as great for a recycling center that processes primarily household oriented recyclables and which is operated in a wholly enclosed building. The City Council may adopt this statement, it may add to or change this statement, or, if the Council is in disagreement with the above statement it will need to formulate its own reasonableness / public interest statement.

Report Preparation

This report was prepared by Planning and Development Department staff member Douglas Loveland, AICP, and reviewed by Robert L. Robbins, AICP and G. Lee Burnette, AICP, Director.

TEXT AMENDMENT 11-04

PROPOSED AMENDMENT TO THE CITY OF HIGH POINT

DEVELOPMENT ORDINANCE

(An amendment affecting Section 9-5-2 (jjjj) – Development Standards for Individual Uses pertaining to Recycling Processing Centers.)

SECTION 1.

Section 9-5-2 (jjjj), entitled *Recycling Processing Centers*, shall be amended as follows:

(jjjj) RECYCLING PROCESSING CENTERS

(1) Where Required: AG, LI and HI Districts.

~~(2) Use Separation: No such facility shall locate within three hundred (300) feet of any residentially or public-institutionally zoned property, except for an access drive and/or weigh station, which shall not locate within one hundred (100) feet of any residentially or public-institutionally zoned property, and except for outdoor storage areas as regulated in (3) below.~~

(2) Use Separation:

a. No recycling processing center facility that handles primarily household recyclables (glass, plastic containers, newspaper, metal and aluminum cans, etc.), including an access drive and/or weigh station, shall locate within one hundred (100) feet of any residential or public-institutional zoned property.

b. No recycling processing center facility that is designed to handle recyclable construction or demolition materials (lumber, concrete, siding, steel or other metals, etc.) shall locate within three hundred (300) feet of any residential or public-institutional zoned property, except for an access drive and/or weigh station, which shall not locate within one hundred (100) feet of any residential or public-institutional zoned property, and except for outdoor storage areas as regulated in (3) below.

(3) Outdoor Storage:

a. Recycling processing centers that handle primarily household recyclables (glass, plastic containers, newspaper, metal and aluminum cans, etc.) shall be required to store such materials, whether processed or unprocessed, in an enclosed structure.

b. Recycling processing centers that are designed to handle recyclable construction or demolition materials (lumber, concrete, siding, steel or other metals, etc.) shall be permitted to store such materials outdoors only in areas so designated on an approved site plan or watershed development plan. Storage areas shall not be less than 100 feet from site property lines, all surface waters, residential dwellings, commercial or public buildings and wells.

(4) Operation:

a. Recycling processing centers for household recyclables shall be operated in a wholly enclosed building, except that loading to a flatbed railcar may take place outside the building provided no materials remain on the loading area for more than twenty-four (24) hours.

b. Recycling processing centers for recyclable construction or demolition materials may be operated in a building not wholly enclosed, if such building meets the use separation requirements of (2), above and provided that the noise level generated by the facility does not exceed eighty (80) decibels at any point on the property line.

(5) Dust: All unpaved areas shall be maintained in a manner which prevents dust from adversely impacting adjacent properties.

DEPARTMENT OF PLANNING AND DEVELOPMENT
INSPECTION SERVICES DIVISION
HOUSING ENFORCEMENT

ORDINANCE REQUEST:	Ordinance to Vacate
PROPERTY ADDRESS:	800 E Commerce Avenue
OWNER:	Nathaniel E & Margaret G Bolds
FIRST INSPECTION 12-30-2010	Number of Violations: Major 6 Minor 23 1) dryer exhaust not vented to the outside 2) dryer branch circuit unsafe - wiring 3) heat system needs to be cleaned and serviced – tenant did not have gas service 4) no smoke detector 5) termite and water damaged floor in bathroom, bedroom and kitchen area 6) rotten stair and posts/railings at back porch
HEARING RESULTS: 1-18-2011	The owner did not appear for the hearing. During the hearing, the following findings of fact were established. There are numerous violations of the Minimum Housing Code. The inspection was in response to a complaint from tenant. At the time of the initial inspection, the dwelling was occupied by one adult and three children. The property owner still has a current lease with the tenants; however, during the time repairs are being made it is necessary for the tenants to be lodged at another location. The ordinance is requested to allow the inspector to vacate, close and placard the dwelling in accordance with State statutes.
ORDER(S) ISSUED: 1-18-2011	Order to Repair with a compliance date of 2-18-11
APPEALS:	No appeals to date.
OWNER ACTIONS:	The owner obtained a building permit on 2-14-2011. Structural repairs have begun to the bathroom and kitchen floor system and rear porch. The owner obtained an electrical permit on 3-1-2011. Electrical repairs have been made; however, a final inspection will be required. A plumbing permit will be required for the repairs to the bathroom plumbing fixtures.
EXTENSIONS:	None requested by the owner.
CURRENT STATUS:	Repairs are in progress but are not complete. 3-9-2011

800 East Commerce Avenue

Ordinance to Vacate/Close

Location of subject property

Department of Planning and Development

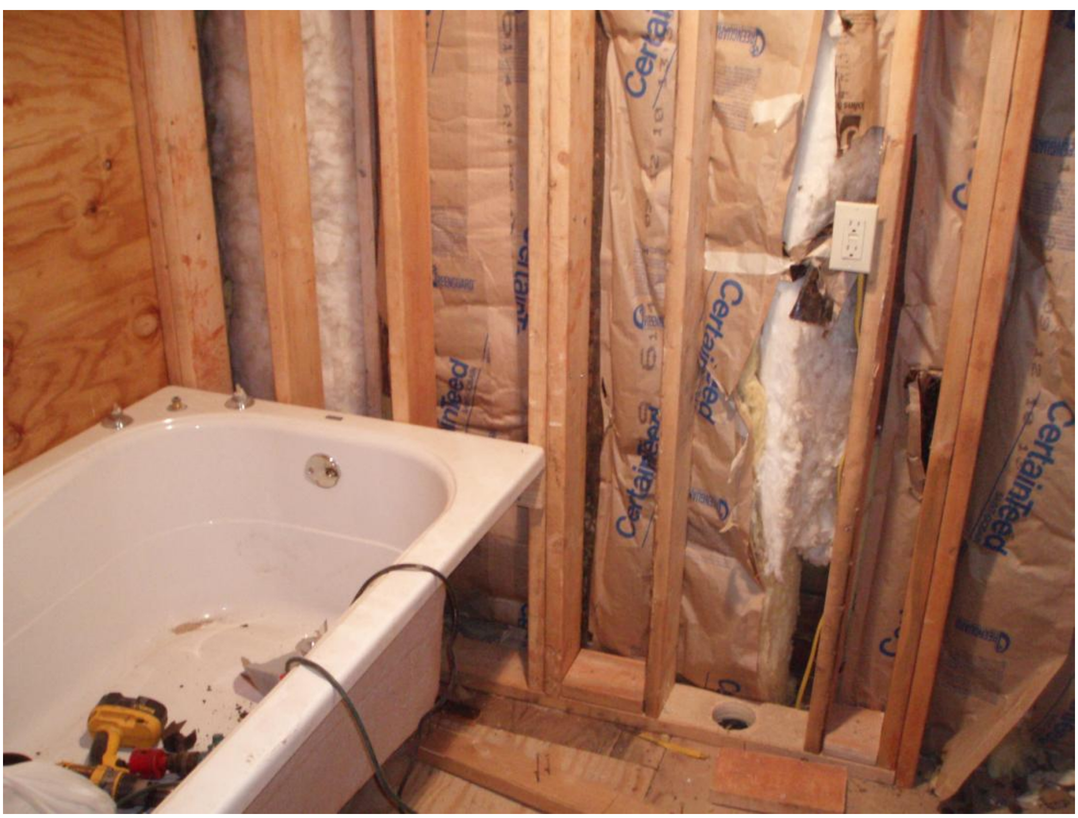
City of High Point

Date: March 14, 2011

N

Scale: 1'=200'

y:/ba-pz/Inspection/vacate



800 E. Commerce Street

800 E. Commerce Street

For additional information on this policy and other assistance that can be provided, contact the High Point Economic Development Corporation at hpedc@highpointnc.gov or 336-883-3116.

CITY OF HIGH POINT

Office / Industrial Incentives Policy

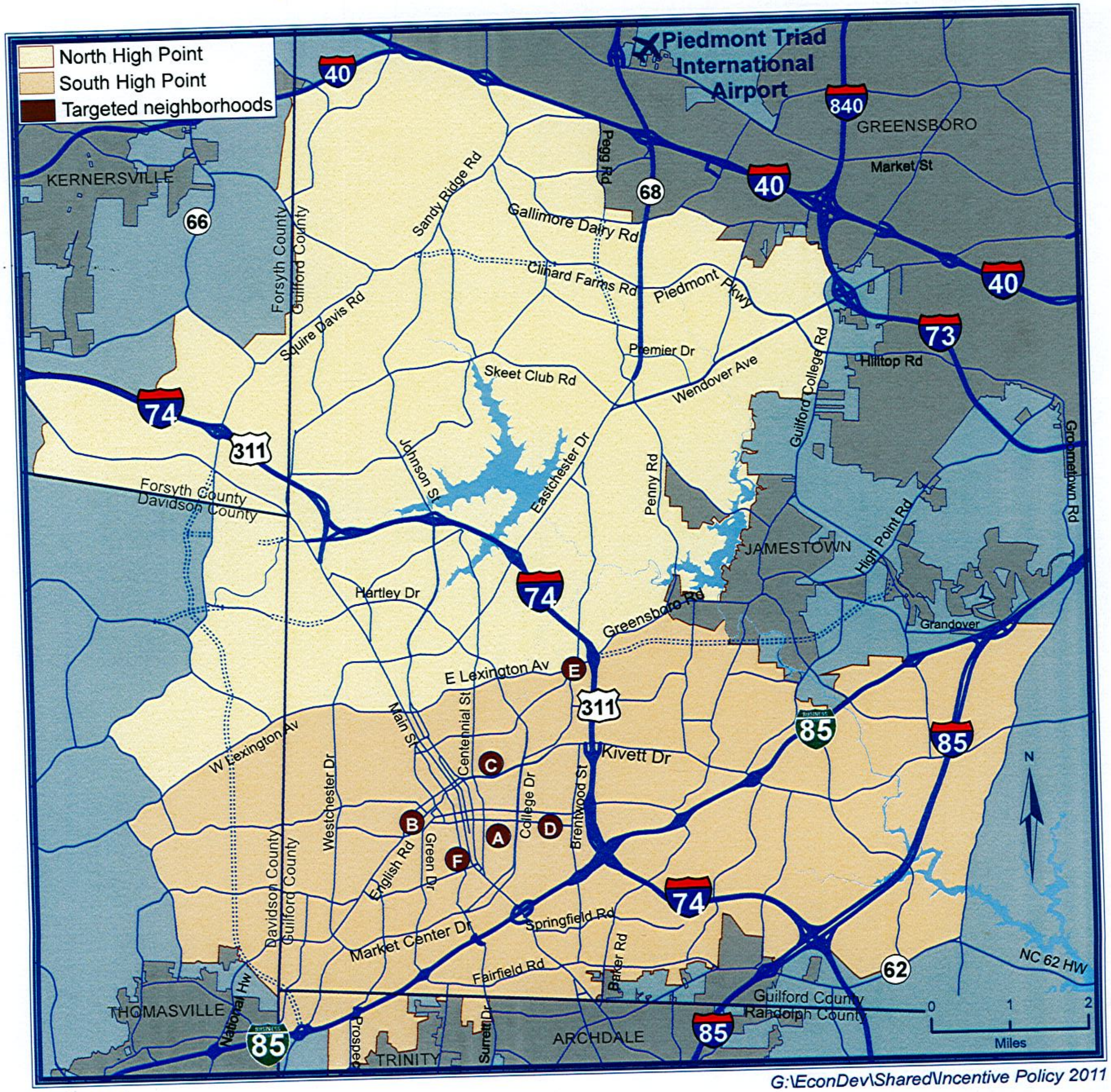
Effective March 21, 2011

<u>Purpose</u>: The City of High Point may provide financial incentives to office / industrial companies seeking to expand or locate in the city, whose projects will increase the municipal tax base and create quality, head-of-household jobs.

<u>LOCATION</u> *(see map on Page 2)*	**<u>For an existing High Point company:</u>** amount of capital investment that increases the City tax base – needed to qualify for incentives	**<u>For a company new to High Point:</u>** amount of capital investment that increases the City tax base – needed to qualify for incentives	**<u>Minimum average wage</u> of newly-created jobs**
North High Point	$1,000,000	$10,000,000	100% of annual county wage
South High Point	$500,000	$2,000,000	75% of annual county wage
Targeted neighborhoods (Macedonia, West End, Washington St., East Green Dr., Five Points, GTCC / S. Main St.) or **Underutilized, obsolete industrial buildings in South High Point** (where redevelopment of the site is expected to stabilize declining property values or stimulate additional reinvestment in the surrounding area)	$100,000	$250,000	60% of annual county wage

1. The capital investment qualifier may be waived as a consideration for a targeted industry, corporate/division headquarters, research and development or emerging growth industries; or for a pioneering development anticipated to spur significant additional investment in a desired location.
2. Any company located in the city limits of the City of High Point – which accepts financial incentives authorized by the High Point City Council – shall use a High Point address publicly and officially and refer to itself publicly and officially as a High Point business. In those areas of the City of High Point that do not have a High Point street address assigned by the US Postal Service, the use of a High Point-addressed post office box address shall meet the address requirement. This provision does not prevent the company from using its US Postal Service-assigned street address for deliveries and other site-specific uses.
3. To employ as many High Point citizens as possible, companies receiving incentives which hire more than 30 employees within a 12-month period shall hold one or more job fairs in central High Point. Companies hiring fewer employees in that time frame are strongly encouraged to hold job fairs in High Point.
4. Companies receiving incentives are strongly encouraged to use construction contractors/subcontractors based in High Point and/or the Piedmont Triad region.
5. Authorized financial incentives are: 1) subject to a performance agreement containing benchmarks the company must meet; and 2) may be paid in installments.
6. A company being eligible for financial incentives does not guarantee that it will receive the incentives: any such incentives are granted only after a public hearing before the High Point City Council and an affirmative vote in support.
7. At its discretion, the High Point City Council may grant incentives that vary from this policy.
8. This policy shall not be used in combination with any "jobs creation" policy that may be adopted. This "office / industrial" policy may, however, at City Council's discretion, be used by itself for a project or in combination with other incentives policies the City might adopt.

City of High Point Incentives Map



March 2011

NORTH CAROLINA'S INTERNATIONAL CITY™

Targeted neighborhoods

- A Macedonia
- B West End
- C Washington Street
- D East Green Drive
- E Five Points
- F GTCC / S. Main Street

Prepared by
High Point Economic Development Corporation
P.O. Box 230, 211 S. Hamilton Street
High Point, NC 27261
www.highpointedc.com

110 111

6-6-2011
Mary Cridlebaugh
HPCC

City of High Point

Capital Improvement Program 2012-2016

421779	421-Bond Projs-W&S

Project Summary Form

Requesting Department:	421-Public Services	Division:		Project Number:	*CIP-00073*
Project Title:	Westside Treatment Plt Upgrade - Phase 3				
Project Location:	West High Point	Project Contact:	Terry Houk	Project Photo:	

Description: Construction for upgrading and expanding the Westside WWTP.

Justification: State regulations will be imposed on phosphorous in 2004 that are four times more stringent than the current limit. The plant is also near 90% of its design capacity for flow. Much of the existing plant is deteriorated and equipment is failing.

PROJECTED STATUS As of June 30, 2011							
2010-11 Appropriation	$10,000,000	Project Type:	Project		Project Dates	Dept Priority:	1
Current Budget Amt:	$26,080,277	Project Status	New		Project Begin Date:		
Total Expenditures:	$25,740,681	FY 11-12 Request	Funded	Yes	January 01, 2009	CIP Priority:	0
Projected Balance:	$339,596	$15,000,000			Estimated Complete Date:		
					January 01, 2012	Ongoing	

Appropriation / Expense Plan	FY 2011-2012	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Total
Planning/Design	$0	$0	$0	$0	$0	$0
Engineering	$0	$0	$0	$0	$0	$0
Land/Right of Way	$0	$0	$0	$0	$0	$0
Construction	$15,000,000	$16,500,000	$0	$0	$0	$31,500,000
Equip/Furnishings	$0	$0	$0	$0	$0	$0
Contingency	$0	$0	$0	$0	$0	$0
Other	$0	$0	$0	$0	$0	$0
Total Appropriation/Exp Plan	$15,000,000	$16,500,000	$0	$0	$0	$31,500,000

Financing Plan	FY 2011-2012	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Total
General Fund	$0	$0	$0	$0	$0	$0
GO Bonds/Authorized	$0	$0	$0	$0	$0	$0
GO Bonds/UnAuthorized	$0	$0	$0	$0	$0	$0
GO Bonds/Two-Thirds	$0	$0	$0	$0	$0	$0
Enterprise Funds	$0	$0	$0	$0	$0	$0
State/Federal Agency (NCDOT)	$0	$0	$0	$0	$0	$0
Revenue Bonds	$15,000,000	$16,500,000	$0	$0	$0	$31,500,000
Installment Contract	$0	$0	$0	$0	$0	$0
Other Local Gov't	$0	$0	$0	$0	$0	$0
Grants	$0	$0	$0	$0	$0	$0
Other	$0	$0	$0	$0	$0	$0
Prior Year Balance	$0	$0	$0	$0	$0	$0
Total Financing Plan	$15,000,000	$16,500,000	$0	$0	$0	$31,500,000

Operating Impact	FY 2011-2012	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Total
Personnel	$0	$0	$0	$0	$0	$0
Operating Expense	$0	$0	$0	$0	$0	$0
Capital Outlay	$0	$0	$0	$0	$0	$0
(Minus Revenues)	$0	$0	$0	$0	$0	$0
Net Operating Impact	$0	$0	$0	$0	$0	$0

Notes: Per Eric O, project will receive $20.5m from 2012 bond series. The operational expense will be "funded/financed" by the 2012 bonds. The remaining $11m will be funded at a later date, possibly 2014 series bonds. Total planned is $56.0M.

COMMENTS ON WESTSIDE PHASE 3

Budget Pages 159, 192

Mary Cridlebaugh,
3632 W. Lexington Ave. Ext.
High Point, NC 27265
June 6, 2011

Proposed Amounts: $15,000,000 in 2011-2012
$16,500,000 in 2012-2013

Hazen and Sawyer estimate of cost counting principal and interest over the course of 20 years: $35,000,000 +

Cost per High Point Resident: With a population of 115,000: $304.00+ per man, woman, child in the city limits or over $15.00 per year for 20 years.

What will High Point Get For Its Money?

A biological nutrient removal system added to the recently rebuilt Westside Wastewater Treatment Plant. This is Phase 3 which was added as Phase 1 neared completion and Phase 2 was begun. The biological nutrient removal system will remove further amounts of nitrogen and phosphorus from Westside effluent.

Also three sand extraction sites, taken by eminent domain and perhaps 4 miles of restoration of Rich Fork Creek.

The Westside WWTP will receive a Division of Water Quality permit to treat up to 10 million gallons of wastewater per day IF the dissolved oxygen, BOD, etc. level downstream from the plant between NC 109 and Kanoy Road is at an acceptable level at Kanoy Road. At present Westside is operating under a **speculative** or provisional 10 mgd permit awaiting proof of improved DO levels and water quality downstream.

Arguments Against Spending the $35,000,000

The City can spend the $35,000,000 and fail to improve downstream water quality and also fail to keep the 10 mgd permit.

Westside can keep a previous permitted amount of 8.2 mgd without building Phase 3 or spending the $35,000,000.

The average amount of wastewater treated at Westside is slightly more than 4.5 mgd currently. Westside could function for years at the 8.2 level.

Even if the Biological Nutrient Removal System is built, the most serious problem of Rich Fork Creek, flash flooding with scouring sandy sediment originating at unsecured building sites in the headwaters, will not be addressed. Rich Fork Creek is classified as impaired because of the lack of biological integrity (species which should be there are gone) and fecal coliform with E. coli. Storm water run-off from urban areas carries pollutants such as herbicides, lawn treatments, oil film, plastic debris into the floodwaters which by-pass the treatment plant and are never treated anywhere. No amount of spending at Westside for Phase 3 will touch that problem.

When there are no floods, even if squeaky-clean effluent is achieved and an adequate level of dissolved oxygen is found in the waters at Kanoy Road, the stream will be undone by the pollutants in Hamby Creek when Hamby enters the Rich Fork-Abbotts Creek system. Hamby is now the dirtiest stream emptying into the Abbotts Creek Arm of High Rock Lake. It carries the Thomasville sewer spills by-passes and re-pollutes.

Further Considerations

In the **Westside Wastewater Treatment Plant Expansion Engineering Alternatives Analysis, March 2009** prepared for High Point by Hazen and Sawyer, the City lays claim to a new service area for the Westside Plant. In addition to the traditional western High Point and upper Rich Fork Creek drainage, the area drained by Abbotts Creek, Spurgeon Creek and their tributaries is to be added to the Westside service area. This would be all of the Ledford schools area which is not already inside a city limits from US 311 in the north to at least NC 109 in the south; from High Point to Wallburg and Winston-Salem. (Figure 1-1.)

Elsewhere it is announced that "The Westside PTF currently under construction, with some minor modifications, will have a peak design capacity of 30 mgd . . . ." (Page 2-11)

This is mostly in Davidson County. There is no indication of any consultation about this with the government of Davidson County. Another confrontation is highly likely. It is their territory.

PLANNING AND ZONING COMMISSION RECOMMENDATION

On May 24, 2011, a public hearing was held before the Planning and Zoning Commission regarding the request described below. All members of the Commission were present except Mr. Mark Walsh.

High Point University **Text Amendment Case 11-05**

A request by High Point University to amend Section 9-4-13(c)(1) of the Development Ordinance regarding a principal use on a zone lot and Section 9-4-14(f) regarding fence height on residential zoned property.

Mr. Loveland presented the request and recommended approval as outlined in the staff report.

Speaking in favor of the request was the applicant's representative, Mr. Ron Guerra of 833 Montlieu Avenue in High Point. Mr. Guerra stated that the intent of the request is to allow High Point University to create a corridor, using their decorative signature fencing, around the North College Drive and North Centennial Street intersections with Montlieu Avenue. He explained that the fencing would be approximately 7½ feet high, aesthetically pleasing, provide a noise barrier, prevent cars from running into property that may hop the curve, and create security for nearby property owners. He concluded that the allowance of higher fence height would be limited to colleges and universities.

The Commission discussed at length the proposed amendment. Key points of discussion were the fact that a change to the Ordinance would be for the entire City, this amendment would permit vacant lots to be fenced in and whether the University could use landscaping instead of fencing to identify its boundary.

The Planning & Zoning Commission recommended ***approval*** of Text Amendment Case 11-05, by a vote of 5-2. Members Cynthia Davis and Keith McInnis were the dissenting votes. Member Davis stated that if the provision allowing the fencing of vacant lots was omitted then the text amendment would be easier to support.

CITY OF HIGH POINT
PLANNING AND DEVELOPMENT DEPARTMENT

STAFF REPORT
TEXT AMENDMENT CASE 11-05
May 28, 2011

Request	
Applicant: High Point University	**Affected Ordinance Sections:** Amendment will make changes to Section 9-4-13 (c)(1), entitled *Principal Use Required on Same Zone Lot*, and Section 9-4-14 (f)(3), entitled *Exceptions*, which relates to the height of fences.
Proposal: A request to allow fences to be constructed on vacant residential zoned lots and to permit a college or university to erect a fence on residentially zoned property contiguous to its campus up to a height of 8 feet.	

Background

High Point University desires to erect 8-foot high decorative fencing on properties that are located across streets adjacent to campus and which are located in a residential zoning district. Their objectives of the fencing off campus are to enhance overall security and safety along major adjacent roadways and to enhance aesthetics. The Development Ordinance allows for a fence up to 6 feet in height on residential properties abutting a thoroughfare or collector street. They propose constructing some portions of the fence on vacant property, which is also not permitted by the Ordinance.

Details of Proposal

This proposal would alter two sections of the Development Ordinance. The Ordinance currently considers a fence an accessory structure and prohibits it from being placed on vacant property. Under the University's proposal that provision would be revised, allowing non-opaque fencing on property without an established principal use. As fence height is regulated by use, not by zoning districts, the provision to allow fencing on vacant properties would establish criteria for regulating fence height on such lots.

This proposed amendment would also change the section regulating fence height by creating an exception for fences erected by a college or university on residential zoned property. This exception would allow a college or university to place a fence up to 8-feet in height located on residential zoned property if certain criteria are met. Such a fence would need to be placed in proximity to campus, and located either on property owned by the college or university or within a fence easement. Furthermore the fence could not be located in the front yard of a lot with an existing house unless the property is owned by the college or university.

Analysis

The Development Ordinance currently allows a property owner to fence a vacant lot if it adjoins their improved property (as they comprise one zone lot). This amendment would allow the construction of a fence on vacant lots that are not contiguous with developed lots under similar ownership. Furthermore, this amendment does not limit the benefit of fencing vacant property to colleges or universities, but would allow fencing on vacant property located anywhere in the city. The Planning and Development Department has not identified any potential adverse impacts in allowing vacant property to be fenced so long as the fence is not opaque. It should be noted that requests to fence vacant property have been rare in the past.

The University has stated a desire to erect their decorative fence in locations close to campus such that it would visually compliment the fencing on the nearby campus. The proposed text amendment limits the placement of off-campus 8-foot fences to locations in close proximity to campus.

The proposed amendment would also prevent an 8-foot high fence from being placed across the front yard of a lot containing an existing dwelling unless the college or university owns that lot, as it is undesirable to place a fence of such a height in front of a residence – particularly one that is not occupied by persons associated with that college or university.

Recommendation

Staff recommends approval.

Staff is supportive of this proposed amendment, in that it is reasonable to allow non-opaque fencing on property without an established principal use. In addition, the increased fence height allowed on property close to campus is reasonable given that the identical height is allowed on campus.

Required Action

Planning and Zoning Commission:

Upon making its recommendation, the Planning and Zoning Commission must place in the official record a statement of consistency with the City's Land Use Plan, and any other officially adopted plan that may be applicable. This may be done by adopting the staff's findings as written in this report, by adopting the staff's findings with additions or changes as agreed upon by the Commission, or, if the Commission is in disagreement with staff's findings, by adoption of its own statement.

City Council:

Upon rendering its decision in this case, the High Point City Council also must place in the official record a statement of consistency with the City's Land Use Plan. This may be done by adopting the staff's findings as written in this report, by adopting the staff's findings with additions or changes as agreed upon by the Council, or, if the Council is in disagreement with staff's findings, by adoption of its own statement.

In addition, the City Council must, prior to adopting or rejecting any zoning amendment, explain why it considers the action taken to be reasonable and in the public interest. In this case, staff suggests that the approval of the applicant's request is reasonable and in the public interest because: 1) it permits the construction of fencing on otherwise vacant property; and 2) it would allow a college or university to erect fencing on residential zoned property at a height of up to 8-feet if such properties are in close proximity to the campus. The City Council may adopt this statement, it may add to or change this statement, or, if the Council is in disagreement with the above statement it will need to formulate its own reasonableness / public interest statement.

Report Preparation

This report was prepared by Planning and Development Department staff member Douglas Loveland, AICP, and reviewed by Robert L. Robbins, AICP and G. Lee Burnette, AICP, Director.

TEXT AMENDMENT 11-05

PROPOSED AMENDMENT TO THE CITY OF HIGH POINT

DEVELOPMENT ORDINANCE

(An amendment affecting Section 9-4-13 (c)(1) and Section 9-4-14 (f)(3) concerning the placement of fences on property without an established principal use, and fencing erected by a college or university on residentially zoned property.)

SECTION 1.

Section 9-4-13 (c) (1), entitled *Principal Use Required on Same Zone Lot*, shall be amended as follows:

(1) Principal Use Required on Same Zone Lot: All accessory buildings and structures**, except fences as stated below,** shall be located on the same zone lot as the principal use to which they are incidental.

A non-opaque fence shall be permitted on a property where no principal use has been established. For purposes of this provision, a non-opaque fence shall be defined as having openings between the materials used in its construction totaling at least 25% of the fence length. For property located in residential zoning districts the height of a fence shall be in accordance with the requirements of Section 9-4-14 (f)(1) (Residential Uses). For property located in nonresidential zoning districts the height of a fence shall be in accordance with the requirements of Section 9-4-14 (f)(2) (Nonresidential Uses).

SECTION 2.

Section 9-4-14 (f) (3), entitled *Exceptions*, shall be amended as follows:

(3) Exceptions:

a. Fence height limitations do not apply to fences built in conjunction with electric or gas substations; municipal solid waste disposal facilities; water or sewage treatment plants or facilities; municipal water storage facilities; public correctional and mental institutions; military facilities; or hazardous or radioactive waste storage or disposal facilities.

b. Colleges or Universities may erect fences not to exceed eight (8) feet in height on residential zoned property provided that:

1. The property or properties are contiguous to and within 350 feet of a campus area of the college or university that is at least 10 acres in size; and

2. If the property is owned by the college or university, a fence may be located on any part of the property; or

3. If the property is not owned by the college or university, a fence easement must be obtained from the property owner, and no fence shall be erected between the street right-of-way and the front of an existing dwelling unit.

EXHIBIT C

RESOLUTION AUTHORIZING CONDEMNATION TO ACQUIRE A PORTION OF CERTAIN PROPERTY IN CONNECTION WITH THE HARTLEY DRIVE EXPANSION PROJECT.

WHEREAS, the City Council of the City of High Point hereby determines that it is necessary and in the public interest to acquire an easement across a portion of the real property at 700 W. Hartley Drive, High Point, NC.

WHEREAS, the proper officials or representatives of the City of High Point have been unable to acquire the needed easement in this property by negotiated conveyance; and

WHEREAS, it is deemed in the best interest of the City that the City Attorney be authorized to institute civil proceedings to condemn said property and that the Director of Finance issue a draft to the Clerk of Superior Court as just compensation to the owner in the amount of $32,450.00;

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of High Point THAT:

1. the City of High Point shall acquire an easement across a portion of the real property at issue;

   title to a portion of that certain property described in Plat Book 151, Page 87 of the Guilford County Registry.

2. the City Attorney of the City of High Point is hereby directed to institute the necessary proceedings under Chapter 40A of the North Carolina General Statutes to acquire an easement across the said portion of property;

3. the Director of Finance is hereby authorized to issue a draft in the amount of $32,450.00 to the Clerk of Superior Court as just compensation to said owners, payment to be made from Account No. 411610/531102/411001006540/40211

Adopted by City Council,
this 6th day of June, 2011

Lisa Vierling

City Clerk

Please refer to Footnote at the bottom of the page.

CITY OF HIGH POINT
RETAIL
INCENTIVES POLICY

Draft recommended on 2-24-2011

For additional information on this policy and other assistance that can be provided, contact the High Point Economic Development Corporation at hpedc@highpointnc.gov or 336-883-3116.

Please refer to Footnote at the bottom of the page.

Section 1 Policy Adopted

The City of High Point adopts this Economic Development Policy for Retail Incentives for the purposes and reasons stated below. It may be referred to as the "Retail Incentives Policy."

Section 2 Policy Statement

<u>Section 2.1 Relationship with Other Economic Development Policies</u>

The City of High Point has previously adopted policies for the recruitment and expansion of new and existing industrial, manufacturing, warehouse and logistics businesses for the purposes of expanding the city's tax base, generating tax revenue and increasing jobs. This Retail Incentives Policy shall be administered separately from other economic development policies and shall be considered an expansion of the city's vision for economic growth and development and for improving the quality of life.

<u>Section 2.2 Purpose and Background</u>

The City of High Point is the only city in the United States whose traditional downtown has become dedicated to a wholesale trade show known as the International Home Furnishings Market whose buildings are not available or open to the public and which remain closed for approximately forty-six weeks of the year. The City of High Point recognizes the importance of retail areas that function as gathering places for city residents and visitors and the importance of such areas to both the city's quality of life and the overall enhancement of the city for general economic growth. While recognizing that the International Home Furnishings Market may change over time, the city has further determined that it is better not to compete with the International Home Furnishings Market for downtown locations but to encourage retail districts elsewhere that replace the functions of a traditional downtown.

This Retail Incentives Policy is adopted to lower the barriers for small businesses to enter the market at certain locations by lowering entry costs and providing inducements to choose certain areas of the city where retail investment is encouraged.

Section 3 Retail Districts

<u>Section 3.1 Geographic Limitation</u>

The City Council may from time to time adopt retail districts in which businesses and property owners shall be eligible for the incentives described herein. This Policy shall be limited to properties and businesses within adopted retail districts.

<u>Section 3.2 Types of Districts</u>

The City Council may designate two types of districts.

> *Small Retail Districts* include businesses that are generally located along streets or thoroughfares, are comprised primarily of real estate parcels under separate ownership, and include businesses whose average sizes are typically but not always less than 10,000 square feet.
>
> *Large Retail Districts* include integrated districts generally under common ownership whose aggregate retail space is over 500,000 square feet. Large Retail Districts may include enclosed malls and what are

generally referred to as "lifestyle centers" but do not include single or a small number of parcels dedicated primarily to "big box" retail.

Section 3.3 Procedure for Adoption of Districts

Small Retail Districts may be adopted after public hearings and review by the Planning and Zoning Commission and City Council. Existing developments that meet the criteria for a Large Retail District may be considered a district without review by the Planning and Zoning Commission.

Section 3.4 Small Retail Districts

Prior to designating a Small Retail District, the City Council shall conduct a study of the area, delineate the parcels that would be included within the District, and adopt mandatory development and design guidelines. The City Council may also consider and adopt additional policies for Retail Incentives that are specific to that District.

Section 3.5 Large Retail Districts

The City Council shall have broad discretion to consider which Districts are considered Large Retail Districts and to determine Retail Incentives Policies for those Districts.

Section 4 Eligibility for Incentives in Small Retail Districts

Section 4.1 For-Profit Enterprises

To be eligible for a Retail Incentive the applicant must be a for-profit business.

Section 4.2 New or Expanding Businesses

Applicants for Retail Incentives must be either initially locating within a Small Retail District or an existing business that is making substantial improvements, upfits or expansions. In general, "substantial" is a threshold indicated by a minimum of $10,000 in new expenditures to the interior or exterior of a building (excluding signage).

Section 4.3 Types of Businesses

Retail Incentives shall be available only to businesses engaged in selling retail merchandise (excluding thrift-type merchandise, automobiles and products primarily sold in outdoor display), entertainment venues (excluding adult entertainment) and restaurants and other food establishments. Service-related businesses shall be excluded. Retail incentives shall be available to both building owners and tenants.

Section 5 Types of Incentives

Section 5.1 Façade Improvements

Applicants may receive Retail Incentives up to 50% of total expenditures not to exceed $25,000 to improve the streetscape in front of a business or the façade of a building. Retail Incentives shall not be available for routine maintenance or repairs unless they represent only a portion of the general improvements. Retail Incentives shall not be available for signage or other façade improvements that are considered temporary or unique to the tenant.

Section 5.2 Capital Improvements

Please refer to Footnote at the bottom of the page.

Applicants may receive Retail Incentives up to 50% of total expenditures not to exceed $50,000 to make internal capital improvements for better use, new use or adaptive use of the structure. Capital Improvement Incentives may be used for equipment and furnishings such as HVAC, kitchen appliances and tables and chairs only if they become fixtures that remain with the building upon sale or cessation of the business.

Section 5.3 Rent Abatement

Applicants may receive a monthly cash payment not to exceed 18 consecutive months in an amount up to 15 cents per month per square foot of total dedicated space.

Section 5.4 Environmental Sustainability Improvements

Applicants may receive Retail Incentives up to 50% of total expenditures not to exceed $5,000 to make improvements which cut water or electricity consumption, which comply with LEED standards or which promote environmental sustainability.

Section 5.5 Major Development Improvements

Any owner who redevelops a site to bring a building into compliance with the goals for the District, including, but not limited to, relocating a building's footprint so that it is adjacent to the street, moving parking to the rear of the building, adding floors, converting a side-facing building to a street-facing building shall be eligible for the incentives in this policy as well as any other incentives that the City Council, in its discretion, wishes to extend.

Section 5.6 Public Improvements to District

In addition to Retail Incentives awarded to individual businesses, the City Council may elect to make public improvements that make a Small Retail District more attractive and functional for businesses, including, but not limited to, burying utility lines, landscaping and streetscaping, intersection improvements, transportation improvements, and public parking.

Section 6 Considerations in Awarding Incentives

Section 6.1 Diversity of Uses

Incentives shall be used to promote a diversity of businesses and uses within a Small Retail District that together would encourage consumer traffic for multiple businesses and pedestrian access. The promotion of use diversity shall not discourage the City Council from incentivizing certain uses such as restaurants and other food establishments that often flourish when there is a critical mass in one area. However, while it is not the intention of this Retail Incentives Policy to establish or promote a nightclub or bar district, applications for such uses may be considered on a case by case basis.

Section 6.2 Other Considerations

The City Council may consider any of the following factors in deciding whether to award the Incentives described in this Retail Incentives Policy.

(a) Whether any public improvements to the district have been made which are sufficient to encourage retail development.

(b) Whether the business would serve a role as anchor tenant or enhance the District as a retail destination.

(c) The applicant's success in the same or other locations, including established clientele or reputation.

(d) Whether the applicant is a current resident and/or taxpayer of the City of High Point.

(e) Whether the applicant has bona fide offers or opportunities to locate in other areas or cities that would preclude the applicant's location in the

District.
(f) Whether the applicant is improving a building that has been empty or become unattractive.
(g) Location
(h) If the applicant is a building owner, whether they have sought financing through the Small Business Loan Pool.
(i) Whether the applicant has sources of financing or financial strength that would make retail incentives unnecessary.
(j) Whether the business will provide a unique, distinct or local flavor.
(k) Whether improvements can be used by future tenants or owners.
(l) Whether the business will be adding new jobs.
(m) Increases to the tax base.
(n) Whether the applicant has previously received an incentive.
(o) Whether the building or business is pedestrian oriented.
(p) The amount of the applicant's personal investment in the business.
(q) Whether the business is a short-term or long-term commitment to the District.
(r) Whether upgrades or improvements are consistent with LEED standards
(s) Whether applicant's improvements convert first floor space to year-round use from a use that is time limited, such a showroom buildings.
(t) The applicant's business plan.

Section 7 Application Process

Section 7.1 Intent

It is the city's intent that the application and decision-making process shall be simple, flexible and contain minimal steps.

Section 7.2 Conference with Staff

All applications shall be initiated through a meeting with the City Manager or his designee who shall provide forms, as necessary, to assist in the transmittal of information from the applicant to the City Council.

Section 7.3 Presentation to the City Council

The application shall be presented to City Council as soon as practical and consistent with all applicable laws regarding notice and open meetings.

Section 8 Source of Incentive Funds

Section 8.1 Municipal Service District Tax

The city may elect to establish a Municipal Service District through which a special tax is levied for public improvements and private incentives in that District. The boundaries of any Municipal Service Districts should be consistent with the boundaries of the Small Retail District it serves.

Section 8.2 Other Sources of Funds

In its discretion, the city may elect to fund incentives from its general fund, electric fund or any other source allowed by law. It may also elect to use bond funds for infrastructure improvements within the Districts.

Please refer to Footnote at the bottom of the page.

Section 9 Process

Section 9.1 Payment Process

The city manager or his designee shall develop a system and publish guidelines for incentive payments that requires proof of expenditures described in the application.

Section 9.2 Performance Agreement

Applicants receiving funds shall enter into a Performance Agreement with the city that includes reporting requirements and performance benchmarks.

Section 9.3 Coordination with Other Policies

This policy may, at City Council's discretion, be used by itself for a project or in combination with other incentives policies the City might adopt.

City of High Point

Strib Boynton
CITY MANAGER

HIGH POINT
NORTH CAROLINA'S INTERNATIONAL CITY™

Memo To: Mayor Smothers and City Council Members

From: Strib Boynton

Date: March 3, 2011

Subject: Incentive Policies

The City Council's Incentive Committee has prepared four recommendations for your review and consideration.

Three recommendations are closely related, and involve office/industrial incentive policies. They include a revised office/industrial incentive policy, a new job creation incentive policy, and a new and easier to read incentives map. All three are attached. Copies of both the old and new maps are also attached.

The fourth recommendation involves a suggested incentive policy in the event you want to consider one for retail users. I advised the Committee that we do not have a readily identifiable source of money for the incentive

I believe members of the Incentive Committee will be attending Monday's meeting to present and review their recommendations at the beginning of the meeting. I also believe the plan is to refer the recommendations to the Planning, EDC and Information Technology Committee for further review.

Please call me if you have any questions or comments before Monday's meeting.

Cc: Loren Hill

Thanks –
Strib

City of High Point, P.O. Box 230, 211 South Hamilton Street, High Point, NC 27261 USA
Fax: 336.883.3052 Phone: 336.883.8556 TDD: 336.883.8517

NORTH CAROLINA'S INTERNATIONAL CITY™

CITY OF HIGH POINT OFFICE / INDUSTRIAL INCENTIVES POLICY

Draft recommended on 2-24-2011
changes from current policy in YELLOW
Suggestion by High Point EDC board

For additional information on this policy and other assistance that can be provided, contact the High Point Economic Development Corporation at hpedc@highpointnc.gov or 336-883-3116.

LOCATION *(see map on Page 2)*	**For an existing High Point company:** amount of capital investment that increases the City tax base – needed to qualify for incentives	**For a company new to High Point:** amount of capital investment that increases the City tax base – needed to qualify for incentives	**Minimum average wage of newly-created jobs**	~~**Incentive** (as % of capital investment, subject to ad valorem taxation)~~
North High Point	~~$2,000,000~~ $1,500,000	~~$ 17,500,000~~ $10,000,000	100% of annual county wage	~~up to 1.785%~~
South High Point	~~$1,000,000~~ $500,000	~~$ 4,000,000~~ $2,000,000	75% of annual county wage	~~up to 2.380%~~
Targeted neighborhoods – Macedonia, West End, Washington St., East Green Dr., Five Points, GTCC / S. Main St. - or - **Underutilized, obsolete industrial buildings in "South High Point"** ~~of at least 25,000 sq. ft~~. ~~and at least 40 years old~~, where redevelopment of the site is expected to stabilize declining property values or stimulate additional reinvestment in the surrounding area.	~~$ 250,000~~ $100,000	~~$ 500,000~~ $250,000	60% of annual county wage	~~up to 2.975%~~

1. The capital investment qualifier may be waived as a consideration for a targeted industry, corporate/division headquarters ~~relocation~~, research and development or emerging growth industries; or for a pioneering development anticipated to spur significant additional investment in a desired location.
2. Any company located in the city limits of the City of High Point – which accepts financial incentives authorized by the High Point City Council – shall use a High Point address publicly and officially and refer to itself publicly and officially as a High Point business. In those areas of the City of High Point that do not have a High Point street address assigned by the US Postal Service, the use of a High Point-addressed post office box address shall meet the address requirement. This provision does not prevent the company from using its US Postal Service-assigned street address for deliveries and other site-specific uses.
3. To employ as many High Point citizens as possible, companies receiving incentives which hire more than 30 employees within a 12-month period shall hold one or more job fairs in central High Point. Companies hiring fewer employees in that time frame are strongly encouraged to hold job fairs in High Point.
4. Companies receiving incentives are strongly encouraged to use construction contractors/subcontractors based in High Point and/or the Piedmont Triad region.
5. Authorized financial incentives are: 1) subject to a performance agreement containing benchmarks the company must meet; and 2) may be paid in installments.
6. A company being eligible for financial incentives does not guarantee that it will receive the incentives: any such incentives are granted only after a public hearing before the High Point City Council and an affirmative vote in support.
7. At its discretion, the High Point City Council may grant incentives that vary from this policy.
8. This policy shall not be used in combination with any "jobs creation" policy that may be adopted. This "office / industrial" policy may, however, at City Council's discretion, be used by itself for a project or in combination with other incentives policies the City might adopt.

NORTH CAROLINA'S INTERNATIONAL CITY™

CITY OF HIGH POINT JOB CREATION INCENTIVES POLICY[1]

Draft recommended on 2-24-2011

For additional information on this policy and other assistance that can be provided, contact the High Point Economic Development Corporation at hpedc@highpointnc.gov or 336-883-3116.

	Location *(see map on Page 2)*	Minimum number of jobs that must be created [2]	Minimum average wage of all newly-created jobs	Possible incentive per job created
Companies creating fulltime permanent jobs with benefits in High Point	If located in North High Point	50	100% of annual county wage [3]	up to $1,000
			90-99% of annual county wage	up to $900
			80-89% of annual county wage	up to $800
	If located in South High Point	25	100% of annual county wage	up to $1,000
			90-99% of annual county wage	up to $900
			80-89% of annual county wage	up to $800
			70-79% of annual county wage	up to $700
			60-69% of annual county wage	up to $600

1. This policy is in effect when the unemployment rate in the county where the project locates meets or exceeds 4.5%, as determined by the N.C. Employment Security Commission.
2. Jobs relocating to High Point from anywhere in the counties into which High Point extends will not be considered as "jobs created."
3. The "average county wage" shall be determined from the most current data provided by the NC Dept. of Commerce.
4. This policy shall be used by itself for a project, rather than in combination with other incentives policies the City might adopt.
5. Any company located in the city limits of the City of High Point – which accepts financial incentives authorized by the High Point City Council – shall use a High Point address publicly and officially and refer to itself publicly and officially as a High Point business. In those areas of the City of High Point that do not have a High Point street address assigned by the US Postal Service, the use of a High Point-addressed post office box address shall meet the address requirement. This provision does not prevent the company from using its US Postal Service-assigned street address for deliveries and other site-specific uses.
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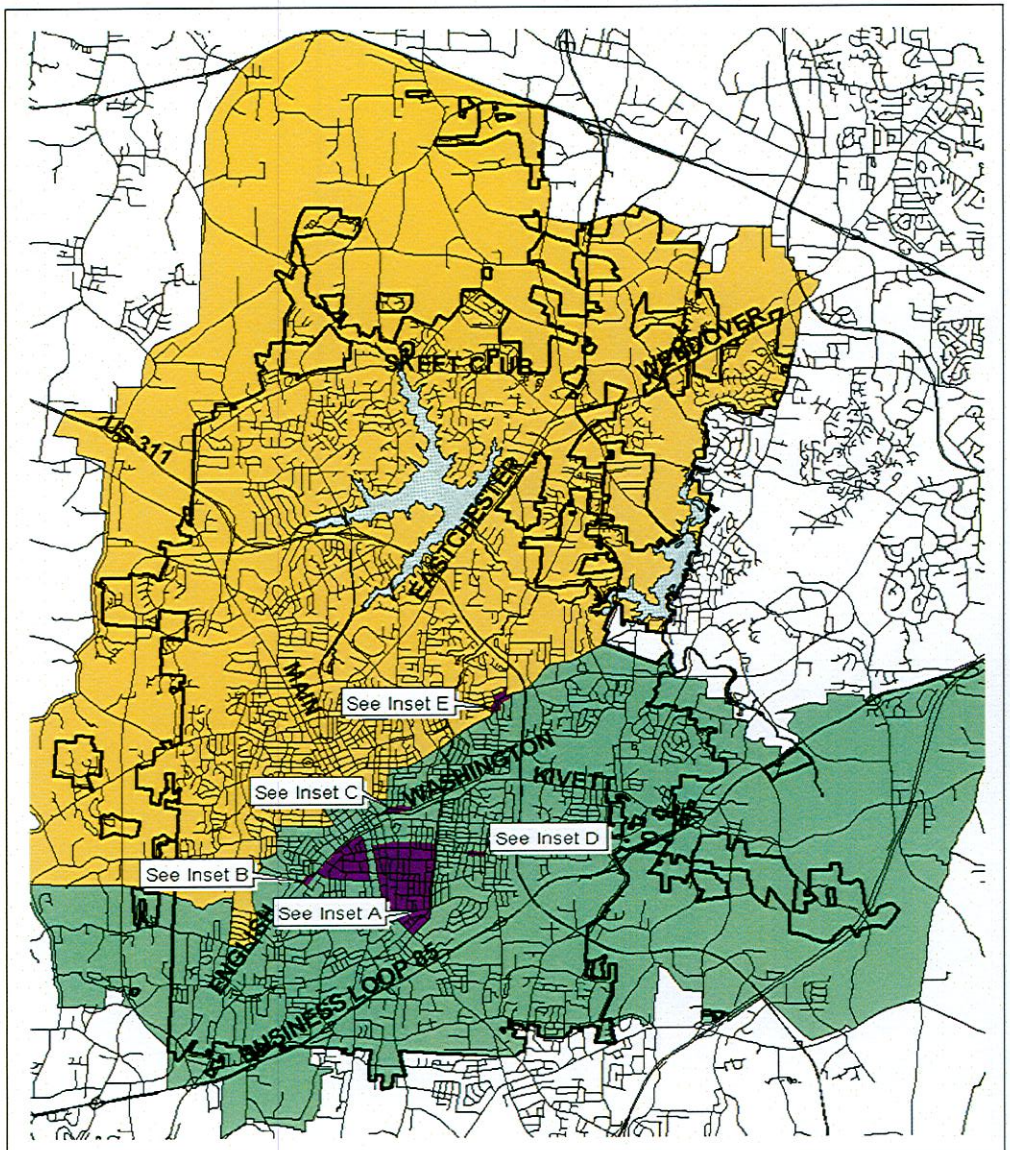
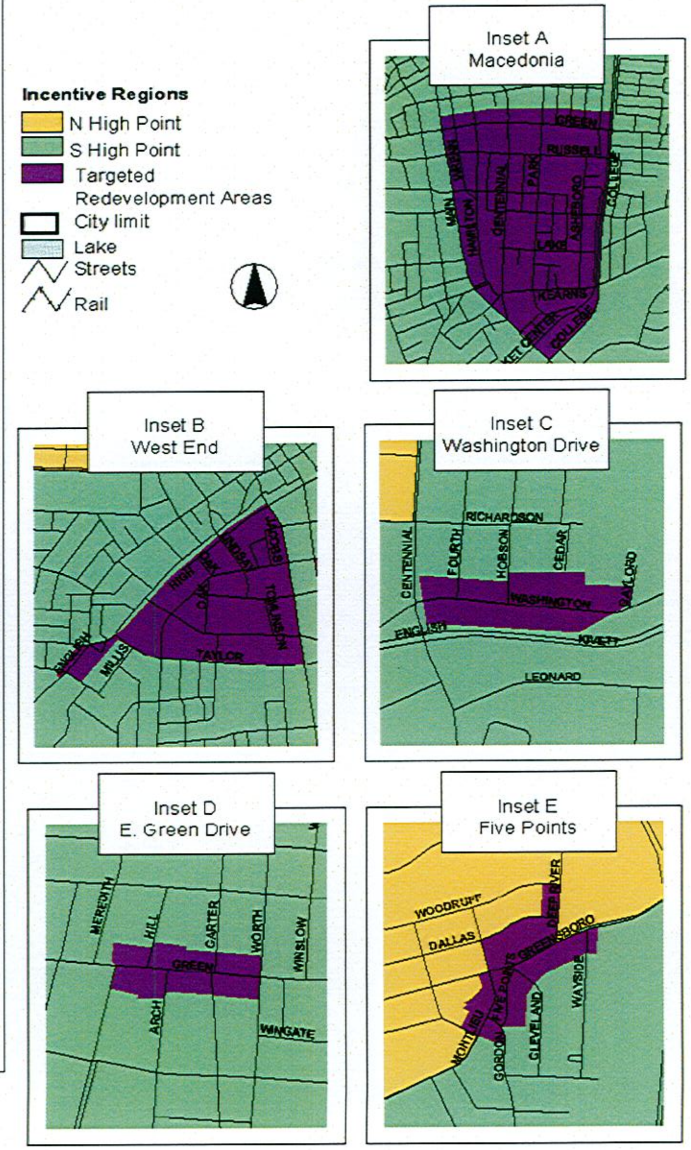
10. At its discretion, the High Point City Council may grant incentives that vary from this policy.

City of High Point
Economic Development Incentive Policy Regions





Compiled by: High Point Economic Development Corporation
Source: High Point Geographical Information Services, August 27, 1999

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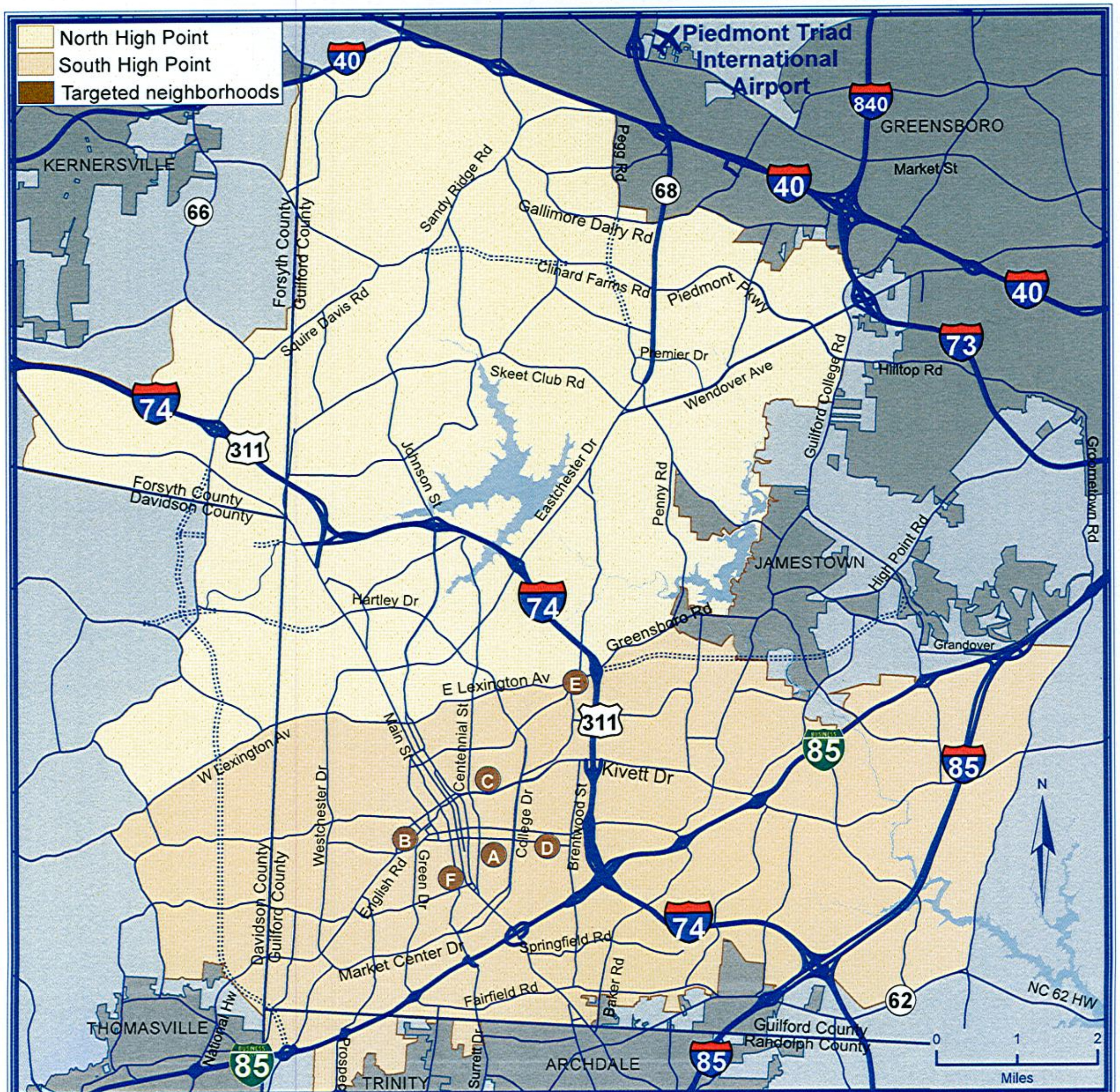
City of High Point Incentives Map



March 2011

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HIGH POINT
NORTH CAROLINA'S INTERNATIONAL CITY™

Targeted neighborhoods

- A Macedonia
- B West End
- C Washington Street
- D East Green Drive
- E Five Points
- F GTCC / S. Main Street

Prepared by
High Point Economic Development Corporation
P.O. Box 230, 211 S. Hamilton Street
High Point, NC 27261
www.highpointedc.com

NORTH CAROLINA'S INTERNATIONAL CITY™

CITY OF HIGH POINT
RETAIL
INCENTIVES POLICY

Draft recommended on 2-24-2011

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The city may elect to establish a Municipal Service District through which a special tax is levied for public improvements and private incentives in that District. The boundaries of any Municipal Service Districts should be consistent with the boundaries of the Small Retail District it serves.

Section 8.2 Other Sources of Funds

In its discretion, the city may elect to fund incentives from its general fund, electric fund or any other source allowed by law. It may also elect to use bond funds for infrastructure improvements within the Districts.

Section 9 Process

Section 9.1 Payment Process

The city manager or his designee shall develop a system and publish guidelines for incentive payments that requires proof of expenditures described in the application.

Section 9.2 Performance Agreement

Applicants receiving funds shall enter into a Performance Agreement with the city that includes reporting requirements and performance benchmarks.

Section 9.3 Coordination with Other Policies

This policy may, at City Council's discretion, be used by itself for a project or in combination with other incentives policies the City might adopt.

Engineering Services Department

B. Keith Pugh, P.E.
DIRECTOR

NORTH CAROLINA'S INTERNATIONAL CITY™

Date: May 19, 2011

To: Pat Pate, Assistant City Manager

From: Keith Pugh, Engineering Services BKPugh

Re: City Council Agenda – Contract Extension - Water and Sewer Maintenance Contract – City Contract ENG-2010-05

On Wednesday, December 8, 2010 the City of High Point received and opened bids for Contract ENG-2010-05, Water and Sewer Maintenance. The contract was awarded to Breece Enterprises during Council's regular meeting on December 20, 2010 at the bid amount of $554,220.00.

The purpose of this contract is to perform regular maintenance and emergency repairs on existing water and sewer mains in the City of High Point's system. Typical work performed under this contract includes, but is not necessarily limited to replacing and or repairing: water service lines, meter yokes, meter boxes, fire hydrants, water valves, water mains, sewer service lines and cleanouts, sewer manholes, inverts and castings, sanitary sewer mains, storm sewer lines. This contract also covers the installation of new water and sewer service lines. This contract contains an extension clause that allows the City to extend this contract up to 100 percent beyond the original contract amount.

The contractor has performed the work under this contract in a satisfactory manner, thus, Engineering Services and Public Services would like to exercise the extension clause and extend the contract with Breece Enterprises. This contract extension is at the full amount available - $554,220.

Funding is available in the following accounts:

421779-533701-421001010205-40201	$ 554,220

/bkp

Ec: Mr. Jeff Moore, Finance Director
Mr. Chris Thompson, Public Services
Mr. Leon Adams, Adams and Clark Enterprises, Inc.
Mr. Bob Martin, Purchasing Division
Mr. Terry Houk, Public Services
Mr. Don Franklin, Engineering Services

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