



Town of Waynesville, NC

Board of Aldermen – Regular Meeting

Town Hall, 9 South Main Street, Waynesville, NC 28786

Date: **June 27, 2017**

Time: **6:30 p.m.**

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A. CALL TO ORDER - Mayor Pro Tem Gary Caldwell

1. Welcome/Calendar/Announcements
2. Adoption of Minutes

Motion: To approve the minutes of the June 9, 2017 Special Called meeting and the June 13, 2017 regular meeting minutes, as presented [or as corrected].

B. PRESENTATIONS

3. Public Hearing to consider a voluntary annexation request by Encouraging Word Baptist Church in order to receive municipal services
 - Amie Owens, Assistant Town Manager

Motion: To approve the request for voluntary annexation from Encouraging Word Baptist Church for PIN 8615-92-2447 at 1408 Pigeon Road being 4.702 acres to receive municipal services, as presented.

C. NEW BUSINESS

4. Request approval of Amendment #2 to the 2016-2017 Financial Operating Plan for Internal Service Funds
 - Eddie Caldwell, Finance Director

Motion: to approve Amendment #2 to the 2016-2017 Financial Operating Plan for Internal Service Funds, as presented.

5. Adoption of FY17-18 Annual Operating Budget - FY 17-18 Budget Ordinance # O-10-17

Motion: To adopt Budget Ordinance #O-10-17 establishing the FY17-18 annual operating budget for the Town of Waynesville, as presented.

TOWN OF WAYNESVILLE – REGULAR SESSION AGENDA

June 27, 2017

- 2 -

6. Adoption of FY17-18 Financial Operating Plan for Two Internal Service Funds #R-08-17

Motion: *To adopt the Resolution on Financial Operating Plan for Two Internal Service Funds #R-08-17, Asset Services Management and Garage Operations, as presented.*

7. Adoption of FY17-18 Special Appropriations Schedule

Motion: *To adopt the FY17-18 Special Appropriations Schedule, as presented.*

D. COMMUNICATIONS FROM STAFF

8. Manager's Report –Town Manager Rob Hites

- Frog Level Parking Lot Lease

Motion: *To approve the proposed lease agreement for the Frog Level Parking lot and authorize the Town Manager to execute, as presented.*

9. Attorney's Report – Town Attorney Woody Griffin

E. COMMUNICATIONS FROM THE MAYOR AND BOARD

10. Approval of Resolution of the Town of Waynesville in Support of a State and National Goal of 100% Clean Energy by 2050 and the Creation of Green Jobs

Motion: *To approve the Resolution of the Town of Waynesville in Support of a State and National Goal of 100% Clean Energy by 2050 and the Creation of Green Jobs*

11. Appointment of Eddie Ward as Town Clerk

Motion: *To approve the appointment of Eddie Ward as the Town of Waynesville Town Clerk, effective July 1, 2017*

F. CALL ON THE AUDIENCE

TOWN OF WAYNESVILLE – REGULAR SESSION AGENDA

June 27, 2017

- 3 -

G. CLOSED SESSION

Enter in to Closed Session for the purpose of discussion of Personnel – Town Manager's Evaluation and other personnel issues - under North Carolina General Statute § 143.318.11(a)(6)

H. ADJOURN

A reception will be held immediately following the conclusion of the meeting in honor of outgoing Town Attorney Woody Griffin.



TOWN OF WAYNESVILLE

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CALENDAR June 27, 2017

2017	
Mon, June 26 5:30 PM Location TBA	Haywood County Council of Governments (COG) Meeting Maggie Valley Hosting
Tues, June 27 6:30 PM Town Hall Board Room	Board of Aldermen Meeting – Regular Session
Tue, July 4 11:00 AM to 2:00 PM Downtown	Stars & Stripes Celebration – sponsored by the Downtown Waynesville Association – rolling closure of Main Street for parade
Tue, July 4	Independence Day Town Offices Closed
Fri, July 7 6:30 – 9:00 PM Historic Courthouse	Mountain Street Dance – partial closure of Main Street
Fri, July 7 5:00 PM to 9:00 PM Main Street	Art After Dark – sponsored by the Downtown Waynesville Association
Tues, July 11 6:30 PM Town Hall Board Room	Board of Aldermen Meeting – Regular Session
Thur, July 13 7:00 AM to 9:00 AM Main Street	Rally USA – sponsored by the Tourism Development Authority – partial closure of Main Street from Pigeon to Miller Street Parking Area
Thur, July 20 – Sun, July 30	FOLKMOOT USA INTERNATIONAL FESTIVAL – various venues and times in Haywood and surrounding counties
Fri, July 21 6:30 to 9:00 PM Historic Courthouse	Mountain Street Dance – partial closure of Main Street
Sat, July 22 10:00 AM Main Street to Historic Courthouse	Folkmoort USA Parade of Nations – sponsored by Folkmoort USA Street closure from Pigeon Street to Historic Courthouse
Tues, July 25 6:30 PM Town Hall Board Room	Board of Aldermen Meeting – Regular Session
Sat, July 29 10:00 AM to 5:00 PM Main Street	International Festival Day – sponsored by Folkmoort USA – Street Closure from Pigeon Street to Walnut Street

Fri, Aug 4 5:00 PM to 9:00 PM Main Street	Art After Dark – sponsored by the Downtown Waynesville Association
Fri, Aug 4 6:30 to 9:00 PM Historic Courthouse	Mountain Street Dance – partial closure of Main Street
Sat, Aug 5 9:30 AM to 1:00 PM Downtown	SARGE's Downtown Dog Walk – sponsored by the Friends of SARGE – rolling street closure for parade – event occurs at the Historic Courthouse
Tues, Aug 8 6:30 PM Town Hall Board Room	Board of Aldermen Meeting – Regular Session
Tues, Aug 22 6:30 PM Town Hall Board Room	Board of Aldermen Meeting – Regular Session
Mon, Aug 28 5:30 PM Location TBA	Haywood County Council of Governments (COG) Meeting Haywood County Hosting
Fri, Sept 1 5:00 PM to 9:00 PM Main Street	Art After Dark – sponsored by the Downtown Waynesville Association
Fri, Sept 1 and Sat, Sept 2 Lake Junaluska	48 th Annual Smoky Mountain Folk Festival
Mon, Sept 4	Labor Day Town Offices Closed
Tues, Sept 12 6:30 PM Town Hall Board Room	Board of Aldermen Meeting – Regular Session
Sat, Sept 16 6:00 PM Main Street	BLOCK PARTY - sponsored by the Downtown Waynesville Association – partial street closure – Main Street
Tues, Sept 26 6:30 PM Town Hall Board Room	Board of Aldermen Meeting – Regular Session
Fri, Oct 6 5:00 PM to 9:00 PM Main Street	Art After Dark – sponsored by the Downtown Waynesville Association
Tues, Oct 10 6:30 PM Town Hall Board Room	Board of Aldermen Meeting – Regular Session
Sat, Oct 14 10:00 AM to 5:00 PM Downtown	Church Street Art and Craft Show – sponsored by the Downtown Waynesville Association – Street Closure of Main Street from Pigeon Street to Walnut Street
Sat, Oct 21 10:00 AM to 5:00 PM Downtown	29 th Annual Apple Harvest Festival – sponsored by the Haywood Chamber of Commerce – Street Closure of Main Street from Pigeon Street to Walnut Street
Mon, Oct 23 5:30 PM Location TBA	Haywood County Council of Governments (COG) Meeting Town of Waynesville Hosting

Tues, Oct 24 6:30 PM Town Hall Board Room	Board of Aldermen Meeting – Regular Session
Tues, Oct 31 5:00 PM to 7:00 PM Main Street	Treats on the Street – sponsored by the Downtown Waynesville Association – street closure of Main Street from Pigeon Street to Depot Street
Fri, Nov 3 5:00 PM to 9:00 PM Main Street	Art After Dark – sponsored by the Downtown Waynesville Association
Fri, Nov 10	Veteran’s Day Town Offices Closed
Tues, Nov 14 6:30 PM Town Hall Board Room	Board of Aldermen Meeting – Regular Session
Thur & Fri, Nov 23-24	Thanksgiving Town Offices Closed
Fri, Dec 1 to Sun, Dec 31	All Through the Town – a month-long holiday celebration sponsored by the Downtown Waynesville Association
Fri, Dec 1 5:00 PM to 9:00 PM Main Street	Art After Dark – sponsored by the Downtown Waynesville Association
Mon, Dec 4 6:00 PM Main Street	Waynesville Christmas Parade – sponsored by the Downtown Waynesville Association – street closure of Main Street from Walnut Street to Legion Drive
Sat, Dec 9 6:00 PM to 9:00 PM Main Street	A Night Before Christmas – sponsored by the Downtown Waynesville Association – street closure of Main Street from Pigeon to Depot Street
Tues, Dec 12 6:30 PM Town Hall Board Room	Board of Aldermen Meeting – Regular Session
Wed, Dec 13 to Sun, Dec 24 Downtown	Twelve Days of Christmas – Magical Moments and Memories Made Here – sponsored by the Downtown Waynesville Association
Mon – Wed, Dec 25-27	Christmas Town Offices Closed

Board and Commission Meetings – July 2017

ABC Board	ABC Office – 52 Dayco Drive	July 18 3 rd Tuesdays 10:00 AM
Board of Adjustment	Town Hall – 9 S. Main Street	July Meeting - Cancelled 1 st Tuesdays 5:30 PM
Downtown Waynesville Association	UCB Board Room – 165 North Main	July 27 4 th Thursdays 12 Noon
Firefighters Relief Fund Board	Fire Station 1 – 1022 N. Main Street	Meets as needed; <i>No meeting currently scheduled</i>
Historic Preservation Commission	Town Hall – 9 S. Main Street	July 6 1 st Wednesdays 2:00 PM
Planning Board	Town Hall – 9 S. Main Street	July 17 3 rd Mondays 5:30 PM
Public Art Commission	Town Hall – 9 S. Main Street	July 13 2 nd Thursdays 4:00 PM
Recreation & Parks Advisory Commission	Rec Center Office – 550 Vance Street	July 18 3 rd Wednesdays 5:30 PM
Waynesville Housing Authority	Waynesville Towers – 65 Church Street	July 18 3 rd Wednesdays 3:30 PM

BOARD/STAFF SCHEDULE

Mon- Thurs, August 28-31	Administrative Assistant	IIMC Clerks Certification Course – week 3 Chapel Hill, NC
Mon-Fri., October 23-27	Administrative Assistant	IIMC Clerks Certification Course – week 4 Chapel Hill, NC

MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN
SPECIAL CALLED MEETING
June 9, 2017

THE WAYNESVILLE BOARD OF ALDERMEN held a special called meeting on Friday, June 9, 2017 at 9:00 a.m. in the conference room of the Municipal Building, 16 South Main Street, Waynesville, NC.

A. CALL TO ORDER

Mayor Pro Tem Gary Caldwell called the meeting to order at 9:05 a.m. with the following members present:

Mayor Pro Tem Gary Caldwell
Alderman Jon Feichter
Alderman Julia Freeman
Alderman LeRoy Roberson

The following members were absent:
Mayor Gavin Brown

The following staff members were present:
Rob Hites, Town Manager
Amie Owens, Assistant Town Manager/Town Clerk
Eddie Caldwell, Finance Director
David Foster, Public Services Director
Bill Hollingsed, Police Chief
Rhett Langston, Recreation Director
Elizabeth Teague, Development Services Director
Joey Webb, Fire Chief

The following media representatives were present:
Allison Richmond, The Mountaineer

1. Welcome /Introduction

Mayor Pro Tem Caldwell welcomed everyone to the meeting and noted that Mayor Brown was still under the weather and unable to attend the meeting.

Manager Hites reminded the Board that this would be a budget year where the staff would be asked to “do more with less” and that at this point, no COLA or career track increases are included in the budget. However, he did note that based on performance during the first half of the fiscal year, the Board could revisit a possible bonus at their annual Board Retreat in January/February.

Manager Hites explained that the Town would be utilizing a true line item budget which is based on the based on last year’s actual numbers. Department heads will be challenged to stay within their budgets. He commented that the more we save this year, the more that will be available for salaries and capital in future years. The staff has done well to reduce their budgets and the team stopped short

of personnel cuts. The goal was to have no contribution from fund balance; however, approximately \$300,000 will need to be utilized. This has caused the fund balance to be at 36%. Manager Hites explained that when a municipality falls substantially below their peer population group, the Local Government Commission (LGC) will send a 45-day letter informing the Town that they have 45 days to develop a plan to remedy the shortfall.

Manager Hites added that the goal is to reduce fund balance spending to zero and create an organization that allows revenue streams to cover operations and utilize the fund balance for other projects. If we can create through savings a pot of money, this money would allow for return to the career track program.

Discussion was held related to the future projections and it was noted that in 2021, there was a better projected outlook as several multi-year loans would drop off by then. Energy costs are still a consideration. Manager Hites wanted to stress to Board members that the savings resulting from the change to Santee Cooper was a savings over the proposed Duke contract renewal and not actual savings.

Alderman Feichter inquired as to what the process is for determining how and when to increase rates. Manager Hites explained that it is a formal process that takes into consideration the expenses for the Town. But due to the newness of the contract and having only three months of data at this point, it is too early to predict a scheduled over-time rate increase.

Further discussion was held and the justification for not transferring between funds was explained by Finance Director Eddie Caldwell. He noted that the LGC does not like to see transfers between funds as all funds should stand on their own.

Mayor Pro Tem Caldwell commented that he felt that the budget is as good as it can be. Alderman Freeman added that there were fewer questions about budget items than in previous years.

Discussion related to special appropriations to non-profits was held. Mayor Pro Tem Caldwell noted that it is difficult to give to non-profits while employees cannot have raises. Some of the requests for special appropriations cannot be funded this year due to funding constraints.

Alderman Roberson added that while the amount was reduced, it was still greater than one cent on the tax rate. He voiced that the goal should be to get the maximum funding for non-profits back to a level equivocal with one cent on the tax rate in future years. Alderman Roberson noted that non-profits perform very important roles and the actions would not eliminate funding, but it should be noted that the Town cannot be the majority source for funding and these entities need to look for additional revenue sources.

Manager Hites added that Waynesville is continuing to become a mecca for events. Part of what the board needs to consider, based on the amount of overtime that is required for public safety and sanitation services, it may be more cost effective to provide a sponsorship amount and have the event coordinator hire private security.

Mayor Pro Tem Caldwell noted that he had discussed propane and has asked Manager Hites to analyze and see if there is a cost savings for the propane. Alderman Feichter inquired if there were any safety issues being noted and asked what type of re-sale value the patrol cars have that have been converted. This information will be part of the analysis by Manager Hites.

Manager Hites explained that the Board would recess this meeting and would reconvene at 1:00 p.m. for the Public Hearing on the budget in the Town Hall Board Room at 9 South Main Street.

Alderman Freeman made a motion, seconded by Alderman Feichter to recess the meeting at 11:34 a.m. The motion carried unanimously.

Mayor Pro Tem Gary Caldwell reconvened the meeting at 1:00 p.m. with the following members present:

Mayor Pro Tem Gary Caldwell
Alderman Jon Feichter
Alderman Julia Freeman
Alderman LeRoy Roberson

The following members were absent:
Mayor Gavin Brown

The following staff members were present:
Rob Hites, Town Manager
Amie Owens, Assistant Town Manager/Town Clerk
Woodrow Griffin, Town Attorney
Eddie Caldwell, Finance Director

The following media representatives were present:
Allison Richmond, The Mountaineer
Cory Vaillancourt, Smoky Mountain News

B. PUBLIC HEARING

Town Attorney Woody Griffin called the public hearing to order at 1:01 p.m. and reminded those who wished to speak to raise their hand, be recognized and once at the podium provide their name and address for the minutes and requested that comments be limited to three minutes.

No one addressed the Board.

Attorney Griffin closed the public hearing at 1:02 p.m.

Alderman Roberson inquired if there had been any contributions from the ABC Board in the upcoming year. Mr. Caldwell replied that there had been a contribution of \$48,500 included in the budget.

Manager Hites reminded the Board members that they needed to finalize the special appropriations table. There are two proposals, one completed by Mayor Pro Tem Caldwell and one by Alderman Roberson.

Alderman Roberson expressed as he stated earlier, that the total amount of these special appropriations needed to be reconsidered during the next few years and get the total back down to a manageable level. But he was amenable to Mayor Pro Tem Caldwell's proposal of \$119,000.

The Board members agreed by consensus to use the total of \$119,000 for the special appropriations for inclusion in the fiscal year 2017-2018 budget.

Mayor Pro Tem Caldwell thanked the department heads and employees for their effort to get us through this difficult time and specifically thanked Manager Hites and Finance Director Caldwell for their work on the budget. Mayor Pro Tem Caldwell also thanked the Board for their support and input in the budget process.

Alderman Freeman made a motion, seconded by Alderman Roberson to direct Manager Hites to present the formal budget ordinance for approval at the June 27, 2017 regular meeting of the Board of Aldermen. The motion carried unanimously.

C. CLOSED SESSION

Enter in to Closed Session for the purpose of discussion of Personnel under North Carolina General Statute § 143.318.11(a)(6)

Alderman Freeman made a motion, seconded by Alderman Feichter to enter into closed session at 1:06 p.m. The motion carried unanimously.

Alderman Feichter made a motion, seconded by Alderman Roberson to return from closed session at 1:22 p.m.

I. ADJOURN

There being no further business to discuss, Alderman Freeman made a motion, seconded by Alderman Feichter to adjourn the meeting at 1:25 p.m. The motion carried unanimously.

ATTEST

James G. Caldwell, Mayor Pro Tem

Robert W. Hites, Jr., Town Manager

Amanda W. Owens, Town Clerk

MINUTES OF THE TOWN OF WAYNESVILLE BOARD OF ALDERMEN
REGULAR MEETING
June 13, 2017

THE WAYNESVILLE BOARD OF ALDERMEN held a regular meeting on Tuesday, June 13, 2017 at 6:30 p.m. in the board room of Town Hall, 9 South Main Street, Waynesville, NC.

A. CALL TO ORDER

Mayor Pro Tem Gary Caldwell called the meeting to order at 6:28 p.m. with the following members present:

Mayor Pro Tem Gary Caldwell
Alderman Jon Feichter
Alderman Julia Freeman
Alderman LeRoy Roberson

The following members were absent:
Mayor Gavin Brown

The following staff members were present:
Rob Hites, Town Manager
Woody Griffin, Town Attorney
Amie Owens, Assistant Town Manager/Town Clerk
Eddie Caldwell, Finance Director
Elizabeth Teague, Development Services Director
Bill Hollingsed, Police Chief

The following media representatives were present:
Cory Vaillancourt, Smoky Mountain News
Allison Richmond, The Mountaineer

1. Welcome /Calendar/Announcements

Mayor Pro Tem Caldwell welcomed everyone to the meeting and noted that Mayor Brown was still under the weather and unable to attend the meeting this evening. From the events calendar, the following were mentioned:

- June 26 – Haywood County COG meeting – Maggie Valley is hosting
- July 4th - Stars and Stripes Parade and downtown activities
- July 4th – Town offices will be closed

2. Adoption of Minutes

Alderman Roberson made a motion, seconded by Alderman Freeman, to approve the minutes of the May 23, 2017 regular meeting, as presented. The motion carried unanimously.

B. PRESENTATIONS

3. 100% Clean Energy and Green Jobs Presentation

Susan Williams, former educator and environmental supporter, addressed the board. She presented information on Clean Energy and Green Jobs noting that Waynesville should treasure the natural beauty in the area. Ms. Williams noted that there are Increasing concerns about the health of the environment including global warming and alarming droughts. Ms. Williams highlighted that several other municipalities have signed resolutions of support for a stat and national goal of 100% clean energy by 2050 and the creation of green jobs. Mayors of Franklin, Sylva and Asheville have already signed such resolution.

Ms. Williams asked the Board to consider such resolution and the benefits for Waynesville things such as the economics of good paying jobs – being pro-active now shows the vision to move forward.

Mayor Pro Tem Caldwell added that the Town has always been concerned with efficiencies and green building as noted in the Town Hall and newly renovated Public Services building. He added that Western Carolina University monitors the watershed and that research is on going related to the reservoir and its capacity.

Alderman Feichter thanked Ms. Williams for her presentation and commented that he would like to see this Board adopt a resolution in support of this initiative. He added that is it important for Waynesville to be known for exhibiting leadership in this area especially if nearby municipalities are pursuing recommended action. Alderman Feichter reminded the Board that initiatives such as these fit into the objectives of the Board and he wants Waynesville to be seen as a leader rather than a follower.

Alderman Roberson commented that this is an important issue; this is not a finite world that is already stressed. Climate change is occurring and it is important to seek out alternatives and provide necessary job growth as well.

Ms. Williams thanked the Board for the opportunity to speak and Mayor Pro Tem Caldwell in turn thanked Ms. Williams for her presentation. The Board will consider a resolution of support at its next regular meeting.

4. County-wide Warning and Notification System

Sheriff's Lt. Tony Cope and Assistant Emergency Management Coordinator Zack Koonce presented information on a proposed county-wide warning and notification system. Lt. Cope explained that in light of the ever changing real world events, it is imperative to be able to notify our citizens and visitors of emergencies in a timely manner. The system – Everbridge – is used by larger municipalities and is a more robust system than is currently utilized by Haywood County and its municipalities. The Everbridge system allows for registration via text and can be used for emergencies as well as for informational postings such as festival information or boil water notices.

Assistant Manager Amie Owens added that this would be a shared contract between all local governments and would result in a savings of approximately \$1,200 annually for the Town of

Waynesville with increased capabilities and unlimited use. The Town would still be able to send regular and town-specific emergency announcements through this system and have the added benefit if there is a county-wide emergency that everyone would be sending out the same information to citizens and visitors. This system has many more features for cell phone users than our existing system and visitors can receive messages by simply entering a keyword.

Alderman Freeman asked Police Chief Bill Hollingsed if he was comfortable with this change. Chief Hollingsed agreed with the change and noted that his dispatchers would be trained as users on the system. He added it was a great move.

Alderman Feichter made a motion, seconded by Alderman Freeman to approve the participation of the Town of Waynesville in the county-wide consolidated Warning and Notification system via Everbridge for a period of one year. The motion carried unanimously.

C. NEW BUSINESS

5. Request approval of Pension/Retirement Audit to be performed by Ray, Bumgarner, Kingshill and Associates

Finance Director Eddie Caldwell explained that there was a new requirement by the Government Accounting Standards Board (GASB) for reporting pension liabilities and expense. The Town of Waynesville was one of 60 local government entities chosen for audit to ensure that information from actuarial studies was accurate and correctly reported. This requires a formal audit and examination. Mr. Caldwell has spoken with the Town's auditors who would perform the examination at a rate of \$95.00 per hour with a total cost estimated at between \$3,500 and \$4,500.

Alderman Freeman noted that some of this information was contained in the regular audit as well. Mr. Caldwell confirmed that the actual booking of the liability had been included in the audit for two years.

Alderman Feichter made a motion, seconded by Alderman Roberson to approve the engagement proposal and authorize the Mayor Pro Tem to sign the engagement letter to examine the employee census data and related underlying payroll records of the Town of Waynesville for the year ended December 31, 2016, as presented. The motion carried unanimously.

6. Request approval of Amendment #6 to the 2016-2017 Budget Ordinance and Amendment #2 to the Renovations and Repairs to the Public Building Project Ordinance

Mr. Caldwell noted that the Public Works Building Improvements Project Ordinance was established and adopted by the Board on June 28, 2016. The costs of this capital project fund were budgeted to be funded from loan proceeds \$1,265,000 and transfers from other funds \$400,000.

The first amendment requested will allow the transfers to be completed from the Water, Sewer and Electric Funds to the Public Works Building Improvements Capital Project Fund. The transfer will be as follows: Water Fund \$50,760, Sewer Fund \$50,760 and Electric Fund \$50,761.

The second amendment will allow the close out of the Renovations and Repairs to Public Building Capital Project Fund and transfer the unspent funds to the Public Works Building Improvements Capital Projects Fund. This transfer will be \$247,719.

Alderman Freeman made a motion, seconded by Alderman Roberson to approve Amendment #6 to the 2016-2017 Budget Ordinance, as presented. The motion carried unanimously.

Alderman Roberson made a motion, seconded by Alderman Feichter to approve Amendment #2 to the Renovations and Repairs to the Public Building Project Ordinance. The motion carried unanimously.

7. Request approval of Amendment #1 to the Public Works Building Improvements Project Ordinance

Mr. Caldwell explained that he was requesting amendment to move loan payment on the Public Works Building Improvements Project to the Public Works Building Improvements capital project fund. Moving the loan payment to the capital project fund will centralize all costs during construction into one fund until the project is capitalized and completed. Mr. Caldwell added that the request for loan quotes asked the banks to schedule the first loan payment in the 2017-2018 budget but the winning quote requires a loan payment in the 2016-2017 budget. This amendment will make it easier to report all costs including the loan payment during construction to the Public Works Building Improvements capital project fund. Since the contingency has not been used or is not expected to be needed, Mr. Caldwell proposed the contingency expenditure line item be reduced \$56,950 to balance the amendment.

Alderman Freeman made a motion, seconded by Alderman Roberson to approve Amendment #1 to the Public Works Building Improvements Project Ordinance. The motion carried unanimously.

D. PUBLIC HEARING

8. Public Hearing to consider a Conditional District map and text amendment request at 909 Russ Avenue, and 88 and 186 Frazier Street, Haywood County Tax Parcel Identification Numbers 8616-12-9629, 8616-12-9531, 8616-12-7433, and 8616-12-4331 from Russ Avenue Regional Center Commercial District (RA-RC) to Russ Avenue Regional Center Commercial District Conditional District (RA-RC-CD)

Elizabeth Teague, Development Services Director, explained that she had received a request from MAB Management, LLC for conditional zoning to place a new retail development, the Waynesville Pavilion. The reason for the request is due to the complexity of the site and engineering requirements for retaining walls; parking requirements are similar to those at Ingle's.

Ms. Teague noted that the Planning Board unanimously approved this and added three conditions and the developer has addressed all three conditions. The applicant has not officially gotten the right of way from the owners at the Sagebrush related to a turn lane, but negotiations are continuing.

Ms. Teague provided an extensive staff report that addressed all of the requirements for the conditional district rezoning and outlined the three conditions placed on MAB Management by the Planning Board. These conditions are:

1. That traffic planning be coordinated with NCDOT and a plan based on a traffic study be formalized prior to the building permit being issued;
2. That proposed landscaping be supplemented along the road frontage of Russ Avenue and the rear (western) boundaries of the property adjacent to the Love Lane Residential Medium Density, Mixed-Use Overlay District; and to
3. Add façade treatment along the side of the “Major A” building facing Frazier Street.

Ms. Teague provided an overview of staff’s review of environmental, infrastructure, parking lot and landscaping, signage, buildings and consistency with the 2020 Land Development Plan. Staff believes that the proposed Plan and subsequent Ordinance is consistent with the Town’s goals for Land Development as written in the 2020 Plan and that the proposed site plan and elevations represent an improvement to the area. The impacts of this project as proposed will be positive, expanding the pedestrian network, adding a transit stop, providing landscaping and stormwater controls where there currently are none, and providing new retail which will also create jobs. Ms. Teague added that staff recommends approval of the Plan and Ordinance as presented with the condition that traffic planning should continue to be coordinated with NCDOT to accommodate changes to Russ Avenue and future sidewalk installation and connection as shown. *(A full copy of the staff report is incorporated into these minutes as an appendix and is considered a part of this record.)*

John Argo, Principal Developer for MAB American Management, LLC addressed the Board. He noted that this was a wonderful opportunity and congratulated the Board on the building of its business environment with a new retailer and bringing other businesses to town. He added that he felt this re-development could spur a resurgence in town. Mr. Argo and his staff have been working with the Development Services staff for greater than 6 months and accepted the recommendations from the Planning Board and staff. He thanked the property owners who had also been integral in this process. Mr. Argo concluded by noting that the project engineer and architect would be speaking.

Jennifer Losurdo explained that MAB is going to invest \$15 to \$20 million in the acquisition of property, environmental abatement and phase I studies (which have been completed), demolition, removal of utilities and pavement, site improvements including grading, draining and stormwater management and retaining walls. She added that the goal is to revitalize the area and add a new retail center resulting in over 200 permanent jobs and approximately 200 construction jobs over the 18 month construction phase. This project will allow for the cleaning up of aged commercial buildings, roadway drainage improvements for Frazier Street and improved gateway into Waynesville.

Lengthy discussion was held related to the various topographic restraints and variance considerations.

Architect Rick Maxium addressed the building appearance and aesthetics. He provided graphic representations of the main building noting the use of rock and brick and the use of similar materials and color scheme as other businesses in the area. He noted the changes made since the first submission including the addition of a transit stop and improvements to the side elevation facing Frazier Street.

Alderman Freeman inquired if the transit stop would be covered. Mr. Maxium answered that it was not, but was part of the standard façade. Ms. Teague asked if an enclosed transit stop could be a modification for the front elevation. Mr. Maxim confirmed that this is a possibility.

Town Attorney Woody Griffin called the public hearing to order at 8:06 p.m. and reminded those who wished to speak to raise their hand, be recognized and once at the podium provide their name and address for the minutes and requested that comments be limited to three minutes.

No one addressed the Board.

Attorney Griffin closed the public hearing at 8:07 p.m.

Mayor Pro Tem Caldwell asked the Board if they had any additional questions. Alderman Feichter inquired about the traffic impact not only after the project is completed, but especially during the construction phases.

Ms. Losurdo explained that MAB has been working with the NCDOT and improvements to the development are part of the NCDOT permitting process for the project. While there will be an influx of traffic, the design will handle the current Russ Avenue traffic and improvements will match the proposed Russ Avenue improvements in the future.

There being nothing more to discuss, Mayor Pro Tem Caldwell noted that there were two motions required for this issue.

Alderman Freeman made a motion, seconded by Alderman Feichter to find the Waynesville Pavilion project consistent with the 2020 Land Development Plan. The motion carried unanimously.

Alderman Freeman made a motion, seconded by Alderman Roberson to adopt the ordinance creating the Russ Avenue Regional Center Conditional District as proposed. The motion carried unanimously.

E. CALLS FOR PUBLIC HEARING

9. Call for a Public Hearing to be held on July 18, 2017 to consider a request to abandon a portion of right-of-way in order to remove an existing encroachment at 76 Adams Street

Ms. Teague explained that a house and retaining wall built in 1978 sits on a piece of property underlying a portion of the cul-de-sac at the end of Adams Street. The property owner has asked for the Town to abandon or close that portion of the cul-de-sac right-of-way that holds the encroachment and is part of the legal lot. Removal of this portion of right-of-way will not alter or limit use of the roadway as it is now, nor will it impact access to any lots also served by the right-of-way. Town staff is researching the best legal procedure to remove the right-of-way from the underlying property.

The only action required at this meeting is to call for the public hearing.

Alderman Feichter made a motion, seconded by Alderman Roberson to call for a Public Hearing to be held on Tuesday, July 25, 2017 at 6:30 pm or as closely thereafter as possible, in the Board Room of Town Hall, located at 9 South Main Street, Waynesville to consider a request to abandon a portion of right-of-way in order to remove an existing encroachment at 76 Adams Street. The motion carried unanimously.

10. Call for Public Hearing to consider a voluntary annexation request by Encouraging Word Baptist Church in order to receive municipal services

Ms. Owens explained that the Town received a "Petition for Annexation of Non-Contiguous 'Satellite' Areas," executed by Encouraging Word Baptist Church. It is just outside the Town's Extraterritorial Jurisdiction and is not contiguous at any point with properties within the Town's Municipal Boundary. However, water and sewer services are being provided by the Town of Waynesville in this area already and there is no concern related to service provision and available connectivity.

Alderman Feichter made a motion, seconded by Alderman Freeman to call for Public Hearing to be held on Tuesday, June 27, 2017 at 6:30 p.m. or as closely thereafter as possible in the Board Room of Town Hall located at 9 South Main Street, Waynesville to consider the request for voluntary annexation from Encouraging Word Baptist Church for PIN 8615-92-2447 at 1408 Pigeon Road being 4.702 acres to receive municipal services. The motion carried unanimously.

F. COMMUNICATIONS FROM STAFF

9. Manager's Report –Town Manager Rob Hites

Wayfinding Signage Grant

Manager Hites reported that a grant application was presented to the TDA for county-wide wayfinding signs. The Downtown Waynesville Association sponsored the submission and all of the municipalities and county managers approved. The grant was approved for \$50,000 and will be used to hire a consultant for sign design and plan for placement. An additional grant will be requested in the next year to fund the actual signs.

Frog Level Parking Lot

Manager Hites explained that the existing lease on the Frog Level Parking Lot with the rail road has been on a month to month basis since 1992. The original lease did not allow for improvements to the lot. Manager Hites has negotiated a 10-year lease agreement that reduces the current monthly lease rate of \$200.00 to \$167.00 per month which is equal to the taxes for the property. Included in the new lease is permission to pave, add lighting and fencing between the rail road tracks and parking lot.

Manager Hites added that he and Attorney Griffin have worked on this and he has given tentative approval; however, insurance requirements must be reviewed. This item will be included on the next regular meeting agenda.

10. Attorney's Report – Town Attorney Woody Griffin

Attorney Griffin had nothing to report

G. CALL ON THE AUDIENCE

No one addressed the Board

H. COMMUNICATION FROM THE MAYOR AND BOARD

There was no additional information from the Board.

I. ADJOURN

There being no further business to discuss, Alderman Freeman made a motion, seconded by Alderman Feichter to adjourn the meeting at 8:25 p.m. The motion carried unanimously.

ATTEST

James G. Caldwell, Mayor Pro Tem

Robert W. Hites, Jr., Town Manager

Amanda W. Owens, Town Clerk

APPENDIX TO THE MINUTES OF THE JUNE 13, 2017 BOARD OF ALDERMEN MINUTES

Board of Aldermen Staff Report

Waynesville Pavilion Conditional District Rezoning

June 13, 2017

Project: Waynesville Pavilion (Large Retail and Shops)
Location: 909 Russ Avenue and 88 and 186 Frazier Street
PINs 8616-12-9629, 8616-12-7433, 8616-12-9531 and 8616-12-4331
Acreage: 6.63 acres four lots combined.
District: Russ Avenue Regional Center Commercial District (RA-RC)
Applicant: MAB American Management, LLC which has a contract to purchase the four lots.

Background:

MAB American Management, acting as the development agency, Columbia Engineering, and Max Design Group Architects, have submitted site plans, elevations, environmental documentation and a traffic study to redevelop the project area into a 49,098 square foot retail store and a separate 7,200 square foot retail building of up to 6 units.

The project consists of 4 lots that will be recombined into a unified site. These lots currently include the Lodge Motel, the Red Barn and other retail buildings. The site plan in question **does not** include the property of the Sagebrush restaurant and parking lot.

MAB is applying for a Conditional District rezoning. If approved, their request would amend the zoning map for the area identified in their application to Russ Avenue Regional Center Conditional District (RA-RC-CD). Approval, or approval with conditions, amends the Land Development Standards as they apply specifically to these properties, and only to these properties as requested and as specifically shown on the Master Plan and included in the CD Ordinance. As a point of reference, the Ingles across the street is 127,967 square feet with an additional 9,200 square feet of retail and was approved by a Conditional District rezoning to RA-RC-CD in 2010.

Retail development is permitted in the RA-RC District, and therefore the applicant is not requesting any deviations from the permitted *uses* otherwise allowed. The applicant is requesting flexibility in Land Development Standards for the structure elevations, landscaping, parking lot and other infrastructure.

Conditional District rezoning is a tool that provides flexibility in design standards through site specific planning. According to the Town of Waynesville's Land Development Standards, Section 15.15:

"Conditional Districts (Section 2.6) are districts with conditions voluntarily added by the applicant and approved in a legislative procedure by the Board of Aldermen in accordance with G.S. 160A-382. Conditional Districts provide for orderly and flexible development under the general policies of this Ordinance without the constraints of some of the prescribed standards guiding by-right development."

If approved, this site plan and CD designation will replace any conflicting development regulations which would otherwise apply. Therefore the Board may recommend “reasonable and appropriate conditions including, but not limited to the location, nature, hours of operation and extent of the proposed use.” Such conditions or additional standards that the Board imposes, “shall be limited to improving conformance with the existing ordinance and/or addressing expected impacts generated by the development and use of the site.” The ordinance requires that an applicant have a reasonable opportunity to consider and respond prior to final action by the Board.

The Planning Board held a hearing on May 15, 2017 and made a unanimous recommendation to the Board of Aldermen for approval of MAB’s Conditional District Rezoning request, with three conditions:

4. That traffic planning be coordinated with NCDOT and a plan based on a traffic study be formalized prior to the building permit being issued;
5. That proposed landscaping be supplemented along the road frontage of Russ Avenue and the rear (western) boundaries of the property adjacent to the Love Lane Residential Medium Density, Mixed-Use Overlay District; and to
6. Add façade treatment along the side of the “Major A” building facing Frazier Street.

Since the Planning Board meeting, the applicant has submitted a revised elevation for the Frazier Street side of the building, an enhanced landscaping plan, and a Traffic Study recommending roadway improvements and driveway configurations which will require continued coordination with NCDOT.

The Plan was reviewed by the Town’s Technical Review committee on February 6 and April 24, 2017 and Town staff have provided feedback to the applicants team since that time and since the Planning Board Meeting which have informed revisions shown in the application package presented.

Revised plans and application were initially submitted May 1, 2017, and plan revisions in response to the Planning Board’s comments and conditions were submitted June 1-6, 2017. Included in the initial application were:

1. Cover letter and application form, including signature pages from individual property owners and MAB who holds the sales contract,
2. An enumerated list of requested variances to the Land Development Standards,
3. Site plans,
4. Landscape plan,
5. Topographical cross section (added to submittal at the request of staff),
6. Building elevations,
7. Survey information,
8. Utility plans,
9. Stormwater calculations, with pre-and post topography,
10. Grading and drainage plans,
11. Replacement of an existing culvert which runs through the middle of the property.

Supplemental information provided since the Planning Board meeting included:

1. A VHB Engineering memorandum and a Trip Generation Rates summary indicating the existing traffic of the site as it is now and the future proposed trips to be generated by the development;
2. Revised building elevation along Frazier Street with revised architectural view cross sections; and
3. A revised site plan indicating additional landscaping per the Planning Board’s direction.

Information provided for this hearing includes just those items that pertain to the Conditional District Rezoning. All other materials submitted are available in the Development Services Department.

Existing Site Conditions

The existing site is challenging for redevelopment and has several constraints which are notable in consideration of the deviations from the Land Development Standards requested.

- Topographically, the property increases in elevation toward the 23/74 expressway, and slopes down toward Russ Avenue, and therefore requires retaining walls at several locations, including along the NCDOT right-of-way for the expressway and at the western portion of the project area along Frazier.
- The site itself is restricted by shape in that the expressway curves west.
- Russ Avenue is scheduled for improvement with construction beginning 2022 (NCDOT Project U-5839). The Applicants have met with NCDOT and are designing to the future Russ Avenue roadway. The proposed vehicle and pedestrian access is designed to accommodate infrastructure that is not yet in place. Therefore the interior sidewalk is stubbed out to meet the Russ Avenue right-of-way and sidewalk as required along Russ Avenue will have to be guaranteed through a “fee-in-lieu” of construction. This means that the applicant will have to pay for the cost of the sidewalk along Russ to the town and the Town will use those funds toward construction of that sidewalk when appropriate as part of the NCDOT project.
- There is an existing stream within a culvert which comes from the expressway right-of-way, travels under the current Lodge and sagebrush properties and daylight at the corner of Russ and Frazier. The culvert will be replaced on that portion of the property within the proposed development.
- The property is surrounded on three sides by NCDOT right-of-way along 23/74 and along Russ Avenue and is bordered by the Town road of Frazier Street. However, the property at the corner is not part of the project and limits the property’s access points.
- Frazier Street has only 30’ of public right-of-way which slopes up to the west and the edge of right-of-way slopes down toward the north. Frazier Street will require retaining walls and other improvements and the applicant is seeking additional right-of-way from the property owners of the Sagebrush lot. The Town has already made known its support of expanding right-of-way in this area to the adjacent property owner and NCDOT.
- The property currently has little provisions for drainage and stormwater management.
- Existing structures will require demolition permits and have to be evaluated for asbestos.

Zoning and Surrounding Land Uses

This project does not change the use of the site as it exists now as a collection of individual retail buildings. A retail store is permitted outright in the RA-RC district as a General Commercial use.

To the north, the site abuts 23/74; to the east it abuts Russ Avenue and the Sagebrush property. To the south it abuts Frazier Street within the RC district but also in the southwest corner adjacent to the Love Lane Medium Density Residential District Mixed-Use Overlay District. The properties on the other side

of Frazier Street are primarily single-family residential. Therefore it is adjacent mostly to similar RC zoning on three sides, and RM Mixed Use zoning for a portion of the site.

RC redevelopment that is adjacent to RC Zoning would not require any buffering, but redevelopment adjacent to RM zoning would require Type A buffering. The applicant is seeking deviation from Section 8.4 in order to accommodate the site constraints of right-of-way and slope along Frazier Street.

Conditional District Application and Ordinance Request:

The attached application and list of variances covers the extent of the conditions and requests being submitted as part of the design and text amendments as would apply to the area of the Master Plan.

1. **Section 5.10.3.C.2 – Building glazing requirements.**
2. **Section 5.10.4.A – Rooftop equipment screening.**
3. **Section 8.4 Buffer yards.**
4. **Section 8.5 Street tree plantings.**
5. **Section 8.6.1.A Parking lot screening.**
6. **Section 8.6.2.B – interior parking lot plantings.**

Section 9.3 – regulates the Permitted Parking Locations on new development or redevelopment. The applicant is using this Conditional District Rezoning request instead of applying for a Special Use Permit in order to allow parking to be located in the front of the building.

Staff Review Comments

Environmental:

- The project area is not within a regulatory floodplain.
- The underground culvert which conveys a perennial stream will be replaced.
- The project area is 6.63 acres of which 6.55 acres represents the total drainage area with 3.38 acres of that area currently considered impervious surface (“pre-development condition”). The proposed “post-development” condition for that same 6.55 acres will be 4.93 acres of impervious surface, a 1.55 acre difference which will require a stormwater permit. Calculations submitted with the stormwater plan shall meet the Town’s Stormwater Ordinance (LDS Section 12.5).
- The total disturbed area for the project will be 7.24 acres and will require a State sedimentation and erosion control permit. The project will involve changing the shape and size of the drainage areas on the site and increasing the grade of several slopes surrounding the project area. These will require retention walls subject to state building codes.

Staff concludes that the redevelopment as proposed will greatly improve the stormwater, drainage, and environmental conditions of the site.

Infrastructure:

- Adequate water and sewer is available for the project and will require line improvements. Applicant has been working with the Town's Public Services Department on water and sewer upgrades.
- The site has adequate access to power for the site either from Duke or from the Town of Waynesville.
- Existing driveways will be re-used and brought up to current Town and NCDOT standards. Applicants were able to meet with NCDOT staff and have been provided with plans for the Russ Avenue Improvement project, U-5839. This project is scheduled for right-of-way acquisition in 2020, and construction to begin in 2022.
- The project installs sidewalk infrastructure to connect pedestrians from Russ Avenue to the front door of the store. This sidewalk is stubbed out to connect to the future sidewalk along Russ Avenue that is planned as part of NCDOT project U-5839. The alignment of this facility will also provide the most practical route between the public sidewalk and the building entrance in accordance with Section 9.4.4, providing a pedestrian facility within the interior of the parking lot.
- Project proposes to use Frazier to access side and rear of the development, accommodating delivery trucks. This will require upgrades to Frazier that must be approved by the Public Works Director. The applicant has asked for the Town's and NCDOT's assistance in securing additional right-of-way at the corner of Frazier and Russ to accommodate a safer turning movement from Russ Avenue onto Frazier. The right-of-way requested falls within the right-of-way expansion being considered by NCDOT as part of U-5839.
- The Town requires a Traffic Impact Analysis (TIA) if a project is estimated to generate 3,000 vehicles per day or greater during an average weekday based on a 5 day average defined in the Institute of Transportation Engineers Trip Generation Manual. Study was undertaken in August and predicts a net change of 2,394 in Annual Daily Traffic and recommends improvements to ingress/egress as part of the redevelopment plan. The work and road design already completed for Russ Avenue by NCDOT, will also address traffic, access and turning movements in relation to this project as U-5839 progresses.
- The project will include a transit stop with bench and signage at the front of the store.

Generally speaking, this project is being designed for future traffic and road improvements as well as its own utility needs, and the applicant has done a good job in accommodating the infrastructure needs changing around them.

Parking Lot and Landscaping:

- Applicant seeks relief from Sec 9.3 which limits how parking may be located in the front of the store. In commercial applications within Regional Center Districts, this request would require a Special Use Permit, but can be addressed as part of the Conditional District process instead.
- The proposed parking exceeds the Town's minimum standards, Sec 9.2.1 (1 space/600sf), providing 246 spaces of which 11 are handicapped for the 49098 sf building and 40 spaces of which 2 are

handicapped parking for the 7,200 sf building. The client for this development requires 5.01 spaces for every 1000 sf, about three times the Town's minimum standard.

- Bicycle parking of 14 spaces has been provided in compliance with Sec 9.5.
- The site in its current condition has little to no landscaping and no canopy trees. Landscaping on the edge of the property is constrained by slope and right-of-way along Frazier and the Expressway. The ordinance requires 1 canopy for every 50' of roadway frontage in the RC District, but the plan provides for 18 as part of Parking lot screening, providing trees along Frazier, Russ Avenue, and 23/74 to the extent possible, and have supplemented 5 more trees behind the smaller retail shops structure and 4 additional trees to the rear of the lot, since the Planning Board Meeting.
- Canopy trees are required within the parking lot at a ratio of 1 tree to every 12 spaces, which would equate to 23 trees for a 286 space parking lot. 21 are provided, along with smaller scale plantings interspersed within the parking lot and along the front of the building. The ordinance requires parking spaces to be within 40' of a canopy tree, and approximately 20 just miss this space requirement. However, given the need for parking spaces and shopping cart stalls, the interior plantings appear to be maximized.
- The applicant is asking for flexibility in both the exterior and interior tree requirements in order to both accommodate their client and to try and squeeze the structures and parking spaces into a space constrained by slope and rights-of-way. Given the experience with the other commercial sites, the technical review committee generally feels it is important to maximize the number of parking spaces while providing landscaped areas that are large enough to support healthy shade trees.

While the geography of the site limits the ability to meet all of the landscape requirements, the developer has, I believe, met the spirit of the requirements, and has supplemented landscaping where they could to respond to the request of the Planning Board and staff's recommendation.

Signage:

- A full signage package has not yet been submitted, but elevations show signage locations and areas that are compliant with the Town's ordinance (Chapter 11, Section 7.2(E) states: "No more than three attached signs (excluding a single Pedestrian Sign where permitted) may be erected provided the total surface area permitted is not exceeded" for any single retail structure, and one wall sign for each tenant in multi-tenant buildings.

Buildings:

- Lighting and State and Local Building codes will be required as part of the building permit.
- The ordinance requires façades that face a street lot line to be broken up by glazing and façade treatments so as to avoid extensive blank walls facing public corridors. The smaller retail structure complies with the ordinance on all sides. The façade on the larger structure "Major A Retail" and that faces Russ Avenue is also compliant with the ordinance. The facades facing 23/74 would only be partially visible from the roadway because of the change of elevation and retaining walls.

- The façade of the “Major A” building along Frazier Street, however, will be visible to the adjacent roadway and adjacent properties. This façade is 115’ long and has been revised since the Planning Board Meeting to improve compliance with the Town’s design guidelines by breaking up the façade with changes to the roofline and the addition of pillars that segregate wall sections.

Staff finds that the revised elevation for side of the Building that faces Frazier Street is much improved. It includes changes to the roof line, multiple color tones, and the inclusion of pillars which break up the wall of the building. The applicant chose not to include additional glazing because of the drive through window and the internal programming of the building.

Consistency with the 2020 Land Development Plan

Staff submits that this Conditional District request is consistent with the Town of Waynesville’s 2020 Land Development Plan in that it re-uses and improves an existing commercial site promoting the “orderly growth, development and enhanced land values of the Town” (4-2 Land Use). Such re-use of a site is considered “in-fill development” which is the preferred alternative to commercial development outside of the Town or in more rural areas. The Plan as proposed also is consistent with the Comprehensive Plan in that it:

1. “Concentrates commercial development with residential development along transportation corridors...” (4-3 Land Use)
2. “Develops alternative transportation opportunities” (4-9 Transportation)
3. “Promotes the reuse of vacant or under-utilized industrial and commercial sites through the use of incentives ...” (4-19 Economic Vitality).

Staff Recommendation:

Staff believes that the proposed Master Plan and Ordinance is consistent with the Town’s goals for Land Development as written in the 2020 Plan and that the proposed site plan and elevations represent an improvement to the area. The impacts of this project as proposed will be positive, expanding the pedestrian network, adding a transit stop, providing landscaping and stormwater controls where there currently are none, and providing new retail which will also create jobs. Staff recommends approval of the Master Plan and ordinance as presented with the conditions that:

- Traffic planning should continue to be coordinated with NCDOT to accommodate changes to Russ Avenue and future sidewalk installation and connection as shown.

Requested Actions:

1. Motion to find the project consistent with the 2020 Land Development Plan.
2. Motion to adopt the attached ordinance creating the Russ Avenue Regional Center Conditional District as proposed (or as amended).

TOWN OF WAYNESVILLE BOARD OF ALDERMEN
REQUEST FOR BOARD ACTION
Meeting Date: June 27, 2017

SUBJECT: Public Hearing to consider a request for Annexation from Encouraging Word Baptist Church.

AGENDA INFORMATION:

Agenda Location: Public Hearing
Item Number: 3-B
Department: Administrative Services
Contact: Amie Owens, Assistant Town Manager
Presenter: Amie Owens, Assistant Town Manager

BRIEF SUMMARY: The Town received the attached “Petition for Annexation of Non-Contiguous ‘Satellite’ Areas,” executed by Encouraging Word Baptist Church. It is just outside the Town’s Extraterritorial Jurisdiction and is not contiguous at any point with properties within the Town’s Municipal Boundary. However, water and sewer services are being provided by the Town of Waynesville in this area already and there is no concern related to service provision and available connectivity.

The call for public hearing was held at the June 13, 2017 regular meeting of the Town of Waynesville Board of Aldermen and notification was printed in the Mountaineer on June 16 and June 23.

MOTION FOR CONSIDERATION: To approve the request for voluntary annexation from Encouraging Word Baptist Church for PIN 8615-92-2447 at 1408 Pigeon Road being 4.702 acres to receive municipal services.

FUNDING SOURCE/IMPACT: Future action to annex this property will allow the property to receive Town Municipal services, no impact to property tax revenues as it is a religious organization and tax exempt.

ATTACHMENTS:

1. Petition
2. Map

MANAGER’S COMMENTS AND RECOMMENDATIONS: Recommend approval.



May 17, 2017

Rev. Michael D. Horton
Senior Pastor

Encouraging Word Baptist Church
PO Box 797
Waynesville, NC 28786

Board of Alderman
c/o Town Clerk
16 South Main Street
Waynesville, NC 28786

Dear Board of Alderman of the Town of Waynesville,

It is the desire of Encouraging Word Baptist Church, Inc. to be annexed into the Town of Waynesville for the purposes of tapping onto the existing water and sewer lines that run parallel to our property located at 1408 Pigeon Road, Waynesville.

You will find attached to this letter the necessary petition and documentation for consideration by the Board of Alderman concerning the annexation of our property. If you have any questions or concerns, please contact Rev. Michael Horton at (828) 454-5933.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Horton".

Rev. Michael Horton

Attachment: Petition for Annexation of Non-Contiguous "Satellite" Areas

PETITION FOR ANNEXATION OF
NON-CONTIGUOUS "SATELLITE" AREAS

(Part 4, Article 4A, G.S. 160A-58)

4/30/17

Date

TO: Board of Aldermen of the Town of Waynesville

1. We, the undersigned owners of real property, respectfully request that the area described in paragraph 3 below be annexed to the Town of Waynesville.
2. Standards which the satellite area must meet:
 - a. The nearest point on the satellite area must not be more than three (3) miles from the primary limits of the annexing city.
 - b. No point on the satellite area may be closer to the primary limits of another municipality than to the annexing city.
 - c. Note: When there is any substantial question as to whether the area is closer to another city, the tax map submitted with the petition shall show the satellite area also in relation to the primary corporate limits of the other city.
 - d. The area proposed for annexation must be situated that services provided the satellite area can be equivalent to the services provided within the primary limits.
 - e. If the area proposed for annexation, or any portion thereof, is a subdivision, as defined in G.S. 160A-376, all of the subdivision must be included.
 - f. The area within the proposed satellite limits plus the area within all other satellite corporate limits may not exceed ten percent (10%) of the total land area within the primary corporate limits of the annexing city.
3. The area to be annexed is non-contiguous to the Town of Waynesville and the boundaries of such territory are as follows:
 - a. Metes and bounds description is attached.
4. A tax map is attached showing the area proposed for annexation in relation to the primary corporate limits of the Town of Waynesville. If there is substantial question as to whether the area may be closer to another city than to the annexing city, the map should show the relation to the primary corporate limits of the other town.

NAME Encouraging Word Baptist Church

SIGNATURE

Wayne N. [Signature] President

ADDRESS 1408 Pigeon Road, Waynesville, NC 28786

Parcel Report For 8615-92-2447

ENCOURAGING WORD BAPTIST CHURCH
PO BOX 797
WAYNESVILLE, NC 28786

Account Information

PIN: 8615-92-2447
Legal Ref: 888/2232
888/2228
Add Ref: A15/353
CABC/6843

Site Information

STORE, WAREHOUSE TYPE
COMMERCIAL USE
1408 PIGEON RD

Heated Area:

Year Built:

Total Acreage: 4.702 AC

Township: WAYNESVILLE

Site Value Information

Land Value: \$141,000
Building Value: \$74,000
Market Value: \$215,000
Deferred Value: \$0
Assessed Value: \$215,000
Sale Price: \$110,000
Sale Date: 07/05/2015
Tax Bill 1: \$0
Tax Bill 2: \$0



1 inch = 400 feet
August 31, 2016

Disclaimer: The maps on this site are not surveys. They are prepared from the inventory of real property found within this jurisdiction and are compiled from recorded deeds, plats and other public records and data. Users of this site are hereby notified that the aforementioned public primary information sources should be consulted for verification of any information contained on these maps. Haywood county and the website provider assume no legal responsibility for the information contained on these maps.

PENDING REVIEW FOR TAX LISTING

**2015005407**HAYWOOD CO, NC FEE \$26.00
STATE OF NC REAL ESTATE EXT
\$220.00PRESENTED & RECORDED:
07-06-2015 11:41:20 AMSHERRI C. ROGERS
REGISTER OF DEEDS
BY: AMANDA GUTIERREZ
DEPUTY**BK: RB 888****PG: 2232-2234**DATE 7/6/15 BY SP

HAYWOOD COUNTY TAX CERTIFICATION

There are no delinquent taxes due that are a lien
against parcel number(s) 8615920477

Mike Matthews, Haywood County Tax Collector

Date: 7/6/15 By: RY**NORTH CAROLINA GENERAL WARRANTY DEED**

Return to: T. Michael Jordan

Prepared by: T. Michael Jordan, 154 N. Main St., Suite 1, Waynesville, NC 28786

Excise Tax: \$220.00

Parcel Identifier No.: portion of 8615-92-0477

THIS DEED made this 6th day of July, 2015, by and between

GRANTOR	GRANTEE
TERRY KIM RHINEHART a/k/a KIM RHINEHART and wife, CHERYL POPP RHINEHART	ENCOURAGING WORD BAPTIST CHURCH, INC., a North Carolina non-profit company
Mailing Address: <u>90 OLD SCHOOL RD</u> <u>WAYNESVILLE NC 28786</u>	Mailing Address: <u>PO Box 797</u> <u>WAYNESVILLE NC 28786</u>

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in Waynesville Township, Haywood County, North Carolina, and more particularly described as follows:

SEE SCHEDULE A ATTACHED HERETO AND
INCORPORATED HEREIN BY REFERENCE.

THE SUBJECT PROPERTY IS NOT
THE PRIMARY RESIDENCE OF THE GRANTOR.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions:

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal the day and year first above written.

Terry K. Rhinehart (SEAL)
TERRY KIM RHINEHART a/k/a
KIM RHINEHART

Cheryl Popp Rhinehart (SEAL)
CHERYL POPP RHINEHART

STATE OF NORTH CAROLINA
COUNTY OF HAYWOOD

I, a Notary Public of the County and State aforesaid, certify that TERRY KIM RHINEHART a/k/a KIM RHINEHART and CHERYL POPP RHINEHART personally appeared before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and official stamp or seal, this 6th day of July, 2015.

My commission expires:

3/29/2016

Lorraine S. Ransburg
Notary Public

Lorraine S. Ransburg
Notary Public
Haywood County
North Carolina

SCHEDULE A

BEING Lot R-2, containing 4.243 acres, as shown and described on a plat of survey by L. Kevin Ensley, PLS, dated May 15, 2015, drawing number A-039-15, as recorded in Plat Cabinet C, Slot 6843, Haywood County Registry, to which reference is hereby made for more complete and particular description thereof.

Being a portion of the land devised to Kim Rhinehart under Item Two of the Last Will and Testament of Ann McCracken Yates, found in File No. 2011-E-143, in the Office of the Clerk of Court of Haywood County.

For source of title reference is hereby made to the Second Tract of the land conveyed by Deed Book 279, page 870, Haywood County Registry.

SUBJECT TO the existing easements for Pigeon Road, U. S. Highway 276 and Old School Road, N. C. S. R. 1133 to the full extent of their legal widths.

Subject to easements, rights of way, exceptions and any state of facts as shown and described on said recorded plat of survey. However, Grantor does release quitclaim and convey unto Grantee all right, title and interest in the private road located on the tract herein conveyed and designated and described on the recorded plat of survey as "12' Concrete Road – Note: Road to be Abandoned", to the end that Grantee, and its successors and assigns, may and shall own, possess and enjoy such land, free and discharged from any easement and right of way for the benefit of the adjoining land of Grantor and shown on said plat of survey as Lot R-1.

It is the intent of the Grantee that this parcel be combined with the property conveyed to it this date by Betty Y. Henderson, Administratrix of the Estate of Jerry D. Yates, PIN 8615-82-8795.

PENDING REVIEW FOR TAX LISTING

DATE 7/6/15 BY SP

HAYWOOD COUNTY TAX CERTIFICATION

There are no delinquent taxes due that are a lien

against parcel number(s) 8615828795

Mike Matthews, Haywood County Tax Collector

Date: 7/6/15 By: RJ

NORTH CAROLINA
HAYWOOD COUNTY



2015005406

HAYWOOD CO, NC FEE \$26.00
STATE OF NC REAL ESTATE EXT
\$205.00

PRESENTED & RECORDED:
07-06-2015 11:41:19 AM

SHERRI C. ROGERS
REGISTER OF DEEDS
BY: AMANDA GUTIERREZ
DEPUTY

BK: RB 888

PG: 2228-2231

ADMINISTRATRIX DEED

Prepared by and return to: T. Michael Jordan

Excise Tax: \$205.00

Parcel Identifier No.: 8615-82-8795

This deed, made this 2nd day of July, 2015, by BETTY Y. HENDERSON, ADMINISTRATRIX OF THE ESTATE OF JERRY D. YATES, deceased ("Grantor"), whose address is po Box 644, Canton, NC 28716, to ENCOURAGING WORD BAPTIST CHURCH, INC., a North Carolina non-profit corporation ("Grantee"), whose address is PO Box 797, WAYNESVILLE, NC 28786;

WITNESSETH THAT:

WHEREAS, Jerry D. Yates died intestate on July 15, 2012, a resident of Haywood County, North Carolina (see Haywood County Clerk of Superior Court Estate File No. 2012-E-407); and

WHEREAS, the said Betty Y. Henderson, the Grantor herein, duly qualified and was made Administratrix of the Estate of Jerry D. Yates, deceased, on August 24, 2012, and has continued in such capacity since said time, and is now engaged in the administration of said estate and the distribution of the assets herein; and

WHEREAS, said decedent owned real estate at the time of his death described in Schedule A attached hereto; and

WHEREAS, in a certain special proceeding entitled "Betty Y. Henderson, individually, and as Administratrix of the Estate of Jerry D. yates, Petitioner, vs. Horace Yates, Eugene Yates, Carolyn Sutton, Ruby Brooks and Charles Yates, Respondents and heirs of Jerry D. Yates, deceased", brought and pending before the clerk of the Superior Court of Haywood County, North Carolina, an order was made by said Court allowing said Grantor as Administratrix to sell at private sale subject to confirmation of the Court certain lands described on Schedule A attached hereto; and

WHEREAS, said Grantor, as Administratrix, on the 15th day of May, 2015, reported to the Court the sale of the land described on Schedule A attached hereto to said Grantee at the price of \$102,500.00, and recommended that said sale be confirmed by the Court; and

WHEREAS, said report remained open for ten (10) days and no advance bid was made and no objection offered to said sale; and

WHEREAS, said Court on the 2nd day of June, 2015, entered an order approving and confirming said sale; and

WHEREAS, said purchase price has been fully paid; and

WHEREAS, it is the purpose and intention of the Grantor, as Administratrix of the Estate of Jerry D. Yates, deceased, to convey the hereinafter described property in fee simple to the Grantee herein;

NOW, THEREFORE, the Grantor, acting as Administratrix as aforesaid, under authority of said order of Court and in consideration of the said purchase price of \$102,500.00 to her paid by the Grantee, has bargained and sold, and by these presents does grant, bargain, sell and convey unto the said Grantee, its successors and assigns, that certain parcel of land lying in Waynesville Township, Haywood County, North Carolina and being more particularly described as follows:

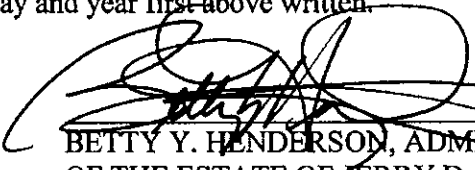
SEE SCHEDULE A ATTACHED HERETO AND
INCORPORATED HEREIN BY REFERENCE.

THE SUBJECT PROPERTY IS NOT THE PRIMARY
RESIDENCE OF THE GRANTOR.

TO HAVE AND TO HOLD the aforesaid tract or parcel of land, together with all privileges and appurtenances thereunto belonging, to the said Grantee, its successors and assigns, in fee simple forever.

And the said Grantor, acting as Administratrix, does hereby covenant that she has not placed or suffered to be placed any presently existing lien or encumbrance (except as above stated) on said premises and that she will warrant and defend the title to the same against the lawful claims of all persons claiming by, through or on account of her, but no further.

IN TESTIMONY WHEREOF, said Grantor, acting as Administratrix as above set forth, has hereunto set her hand and seal the day and year first above written.

 (SEAL)
BETTY Y. HENDERSON, ADMINISTRATRIX
OF THE ESTATE OF JERRY D. YATES,
deceased

STATE OF NORTH CAROLINA
COUNTY OF HAYWOOD

I, a Notary Public of the County and State aforesaid, certify that BETTY Y. HENDERSON, ADMINISTRATRIX OF THE ESTATE OF JERRY D. YATES, deceased, personally appeared before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and official stamp or seal, this 2nd day of July, 2015.

My commission expires:

3/29/2016

Lorraine S. Ransburg
Notary Public

Lorraine S. Ransburg
Notary Public
Haywood County
North Carolina

SCHEDULE A

BEING that tract of land containing 0.619 acres, as shown and described on the plat of survey by L. Kevin Ensley, P.L.S., dated May 15, 2015, drawing no. A-039-15, as recorded in Plat Cabinet C, Slot 6843, Haywood County Registry, to which reference is hereby made for a more complete and particular description thereof.

TOGETHER WITH and INCLUDING and SUBJECT TO the rights of way and easements as shown and described on the above-referenced recorded plat of survey

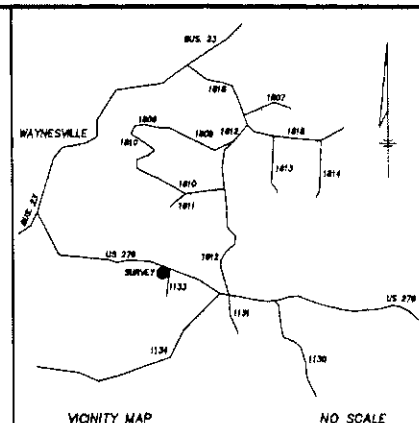
SUBJECT TO water rights reserved in Deed Book 320, page 539, Haywood County Registry.

BEING the same property conveyed from George Douglas Christopher and wife, Louise Christopher, to Jerry Douglas Yates (now deceased) and wife, Betty Ann Yates (now deceased), by deed dated December 5, 1980, recorded in Deed Book 320, page 539, Haywood County Registry. See Estate of Jerry D. Yates, deceased, Haywood County Clerk of Court File No. 2012-E-407. Betty Ann Yates died on January 30, 2011, in Haywood County, North Carolina.

NOTES

- 1.) AREA COMPUTED BY D.M.D. METHOD.
- 2.) TOTAL AREA = 6.212 ACRES.
- 3.) E.I.P. = EXISTING IRON PIPE.
- 4.) I.P.F. = IRON PIPE FOUND.
- 5.) I.P.S. = IRON PIN SET = 5/8" REBAR WITH ID CAP.
- 6.) N.C.G.S. MONUMENT "RESEARCH" (N = 855,074.21' & E = 819,202.78') WAS USED AS A REFERENCE MONUMENT AND IS LOCATED N 28°43'13" W 3814.94' (GRID DISTANCE) FROM N.C.G.S. MONUMENT "PRIME".
- 7.) ALL GRID INFORMATION IS N.A.D. '83.
- 8.) COMBINED SCALE FACTOR = 0.99975535

N.C. GRID NORTH
N.A.D. '83



CERTIFICATE OF "TOWN OF WAYNESVILLE"

I HEREBY CERTIFY THAT THE PLAT WAS REVIEWED AND APPROVED BY THE TOWN OF WAYNESVILLE PLANNING & ZONING FOR RECORDATION IN THE OFFICE OF THE REGISTER OF DEEDS OF HAYWOOD COUNTY.

Paul Benson 5/21/15
TOWN OF WAYNESVILLE - PLANNING DIRECTOR DATE

WILLIAM CHESTER
SORRELLS
D.B. 376 PG. 488

TERRY KIM RHINEHART
D.B. 369 PG. 1010

CHARLES E. HIGGINS
D.B. 368 PG. 61

COLLINS ORCHARDS, INC.
D.B. 383 PG. 536

2015005405
HAYWOOD CO. NO FEE \$21.00
RECORDED & INDEXED
07-08-2015 11:34:36 AM
SHERIN C. RODGERS
REGISTER OF DEEDS
HAYWOOD COUNTY, NC

BK: MAP CABC
PG: 6843-6843

SURVEY FOR
KIM RHINEHART

BETTY Y. HENDERSON, et al & KIM RHINEHART - OWNERS
WAYNESVILLE TWP. HAYWOOD CO., N.C.

REFERENCES: D.B. 279 PG. 670 TR. 2

SCALE: 1" = 50'
DATE: MAY 15, 2015

JAMES M. NICHOLAS
D.B. 460 PG. 928

P.C. "C" SL. 3192

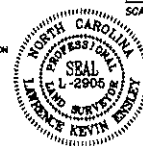
STATE OF NORTH CAROLINA
COUNTY OF HAYWOOD

Stephanie Shanks REVIEW OFFICER OF HAYWOOD COUNTY.
I CERTIFY THAT THE MAP OR PLAT TO WHICH THIS CERTIFICATION
IS APPLIED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.

Stephanie Shanks 7/6/15
REVIEW OFFICER DATE

I, L. KEVIN O'BRYEN, CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY
SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION (DEED
DESCRIPTION RECORDED IN BOOK 328, PAGE 303, ETC.) AND THAT
THE BOUNDARIES NOT SHOWN ARE CLEARLY IDENTIFIED AS BOUNDARIES
AS CALCULATED IN A SURVEY. I MAY THIS PLAT WAS PREPARED IN ACCORDANCE
WITH G.S. 47-136 AS FOLLOWS: THAT THIS SURVEY DECREASES A SUBDIVISION OF
LAND WITHIN AN AREA OF A COUNTY OR SUBDIVISION THAT HAS AN ORDINANCE
THAT REGULATES PARCELS OF LAND, WHETHER BY ORIGINAL SIGNATURE, LICENSE
NUMBER AND SEAL THIS 15th DAY OF MAY, A.D. 2015.

L. Kevin O'Brien
Professional Land Surveyor L-2900



L. KEVIN O'BRYEN, P.L.S.
438 BELLWOOD ROAD
WAYNESVILLE, N.C. 28786
(919) 436-4360

A-039-15

SHOW/PLAT-2015/PLAT5-12

2/6843

ORDINANCE NO. 11-17

AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF
THE TOWN OF WAYNESVILLE, NORTH CAROLINA

WHEREAS, the Board of Aldermen has been petitioned under G.S. 160A-58.1, to annex the area as described in attached Exhibit A, and

WHEREAS, the Board of Aldermen has by resolution directed the Town Clerk to investigate the sufficiency of said petition; and

WHEREAS, the Town Clerk has certified the sufficiency of said petition and a public hearing on the question of this annexation was held at Town Hall at 6:30 p.m., on the 27th day of June 2017, and

WHEREAS, the Board of Aldermen further finds that the area described therein meets the standards of G.S. 160A-58.1(b), to wit:

- a. The nearest point on the proposed satellite corporate limits is not more than three miles from the corporate limits of the Town of Waynesville.
- b. No point on the proposed satellite corporate limits is closer to another city than to the Town of Waynesville.
- c. The area described is so situated that the Town of Waynesville will be able to provide services on the same basis within the proposed satellite corporate limits that it provides within the primary corporate limits,
- d. No subdivision, as defined in G.S. 160A-376, will be fragmented by this proposed annexation,
- e. The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits does not exceed ten percent (10%) of the area within the primary corporate limits of the Town of Waynesville; and

WHEREAS, the Board of Aldermen does hereby find as a fact that said petition has been signed by all the owners of real property in the area who are required by law to sign and all other requirements of G.S. 160A-58.1, as amended;

WHEREAS, the Board of Aldermen further finds that the petition is otherwise valid, and that the public health, safety and welfare of the Town and of the area proposed for annexation will be best served by annexing the area described as follows: 1408 Pigeon Street – 4.702 acres - PIN 8615-92-2447.

NOW, THEREFORE, BE IT ORDAINED by the Board of Aldermen of the Town of Waynesville, North Carolina:

Section 1. By virtue of the authority granted by G.S. 160A-58.2, as amended, the following described non-contiguous territory is hereby annexed and made part of the Town of Waynesville, as of the 1st day of August, 2017. Meets and bounds description is in Exhibit A and B attached hereto and incorporated by reference.

Section 2. Upon and after the 1st day of August, 2017, the above described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the Town of Waynesville and shall be entitled to the same privileges and benefits as other parts of the Town of Waynesville. Said territory shall be subject to municipal taxes according to G.S. 160A-58.1.

Section 3. The Mayor of the Town of Waynesville shall cause to be recorded in the office of the Register of Deeds of Haywood County, and in the office of the Secretary of State at Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1 hereof, together with a duly certified copy of this ordinance. Such a map shall also be delivered to the Haywood County Board of Elections as required by G.S. 163-288.1.

Section 4. Notice of adoption of this ordinance shall be published once, following the effective date of annexation, in a newspaper having general circulation in the Town of Waynesville.

Adopted this 27th day of June, 2017.

TOWN OF WAYNESVILLE

ATTEST:

J. Gary Caldwell, Mayor Pro Tem

Amanda W. Owens, Town Clerk

APPROVED AS TO FORM:

Woodrow H. Griffin, Town Attorney

Re: 1408 Pigeon Street – 4.702 acres - PIN 8615-92-2447

EXHIBIT A

BEING Lot R-2, containing 4.243 acres, as shown and described on a plat of survey by L. Kevin Ensley, PLS, dated May 15, 2015, drawing number A-039-15, as recorded in Plat Cabinet C, Slot 6843 Haywood County Registry, to which reference is hereby made for more complete and particular description thereof.

Being a portion of the land devised to Kim Rhinehart under Item Two of the Last Will and Testament of Ann McCracken Yates, found in File No. 2011-E-143, in the Office of the Clerk of Court of Haywood County.

For source of title reference is hereby made to the Second Tract of the land conveyed by Deed Book 279, page 870, Haywood County Registry.

SUBJECT TO the existing easements for Pigeon Road, U. S. Highway 276 and Old School Road, N.C. S. R. 1133 to the full extent of their legal widths.

Subject to easements, rights of way, exceptions and any state of facts as shown and described on said recorded plat of survey. However, Grantor does release quitclaim and convey unto Grantee all right, title and interest in the private road located on the tract herein conveyed and designated and described on the recorded plat of survey as "12' Concrete Road – Note: Road to be Abandoned", to the end that Grantee, and its successors and assigns, may and shall own, possess and enjoy such land, free and discharged from any easement and right of way for the benefit of the adjoining land of Grantor and shown on said plat of survey as Lot R-1.

It is the intent of the Grantee that this parcel be combined with the property conveyed to it this date by Betty Y. Henderson, Administratrix of the Estate of Jerry D. Yates, PIN 8615-82-8795.

EXHIBIT B

BEING that tract of land containing 0.619 acres, as shown and described on the plat of survey by L. Kevin Ensley, P.L.S., dated May 15, 2015, drawing no. A-039-15, as recorded in Plat Cabinet C, Slot 6843, Haywood County Registry, to which reference is hereby made for a more complete and particular description thereof.

TOGETHER WITH and INCLUDING and SUBJECT TO the rights of way and easements as shown and described on the above-referenced recorded plat of survey

SUBJECT TO water rights reserved in Deed Book 320, page 539, Haywood County Registry.

BEING the same property conveyed from George Douglas Christopher and wife, Louise Christopher, to Jerry Douglas Yates (now deceased) and wife, Betty Ann Yates (now deceased), by deed dated December 5, 1980, recorded in Deed Book 320, page 539, Haywood County Registry. See Estate of Jerry D. Yates, deceased, Haywood County Clerk of Court File No. 2012-E-407. Betty Ann Yates died on January 30, 2011, in Haywood County, North Carolina.

TOWN OF WAYNESVILLE BOARD OF ALDERMEN
REQUEST FOR BOARD ACTION
Meeting Date: June 27, 2017

SUBJECT: Amendment #2 to the 2016-2017 Financial Operating Plan for Internal Service Funds

AGENDA INFORMATION:

Agenda Location: New Business
Item Number: 4-C
Department: Asset Services Management (Public Facilities-Inside / Public Facilities/Outside)
Contact: Eddie Caldwell, Finance Director.
Presenter: Eddie Caldwell, Finance Director

BRIEF SUMMARY: Additional funds will be needed for the improvements planned at the Hazelwood Parking lot. Our estimate for the project did not include the asbestos abatement \$8,580, lights \$54,000 and the repositioning of the bathrooms and handicapped ramp \$20,000.

The current amendment for \$35,000 is an estimate to finish the current budget year out. An additional amendment (\$45,500 to \$47,580) will be needed in next year's budget to finish the project.

MOTIONS FOR CONSIDERATION: To approve Amendment #2 to the 2016-2017 Financial Operating Plan for Internal Service Funds.

FUNDING SOURCE/IMPACT: The expenditure line item Professional Services from the Public Facilities-Inside is being reduced to pay for the additional costs asked for in this amendment # 2 to the 2016-2017 Financial Operating Plan for Internal Service Funds.

ATTACHMENTS:

- Amendment #2 to the 2016-2017 Financial Operating Plan for Internal Service Funds

MANAGER'S COMMENTS AND RECOMMENDATIONS: Approve as presented.

Resolution No. 07-17

Amendment No. 2 to the 2016-2017 Financial Operating Plan For Internal Service Funds

WHEREAS, the Board of Aldermen of the Town of Waynesville, wishes to amend the financial operating plans of the internal service funds.

NOW, THEREFORE, BE IT ORDAINED by the Board of Aldermen of the Town of Waynesville that the 2016-2017 financial operating plans of the internal service funds is amended as follows:

Increase the following appropriations:

Public Facilities-Outside		
Capital Improvements	814261-545900	\$35,000

(Additional expenditures estimated for planned improvements of Hazelwood Parking Lot. An estimated amendment of \$45,500 will be needed next year to complete the project.)

Decrease the following appropriations:

Public Facilities-Inside		
Professional Services	814260-521990	\$35,000

(The professional services budgeted will not be spent in this department.)

Adopted this 27th day of June 2017.

TOWN OF WAYNESVILLE

J. Gary Caldwell
Mayor Pro Tem

Attest:

Amanda W. Owens
Town Clerk

Approved As To Form:

Woodrow H Griffin
Town Attorney

ORDINANCE NO. 10-17
BUDGET ORDINANCE 2017-2018

SECTION I: The following amounts are hereby appropriated for the operation of the Town of Waynesville and its activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018 according to the following summary and schedules.

<u>SUMMARY</u>	<u>ESTIMATED REVENUES</u>	<u>APPROPRIATIONS</u>
General Fund	\$14,585,400	\$14,585,400
Water Fund	3,256,150	3,256,150
Sewer Fund	2,510,890	2,510,890
Electric Fund	<u>9,415,230</u>	<u>9,415,230</u>
 TOTAL BUDGET	 \$29,767,670	 \$29,767,670

SECTION II: That for the said fiscal year there is hereby appropriated out of the General Fund the following:

<u>GENERAL FUND - 10</u>	<u>CODE</u>	<u>AMOUNT</u>
Governing Board	4110-0000	\$ 58,870
Administration	4120-0000	271,170
Finance	4130-0000	343,470
Police	4310-0000	4,636,120
Police Grant Projects	4315-0000	80,000
Fire & Emergency Responders	4340-0000	1,792,050
Streets and Sanitation	4510-0000	2,538,240
Powell Bill	4560-0000	647,800
Cemetery	4740-0000	183,720
Planning, Code Enforcement & Inspections	4910-0000	601,960
Special Appropriations	6000-0000	262,300
Parks & Recreation	6120-0000	2,486,270
Recreation - Special Projects	6125-0000	35,000
Loan Payments Public Facilities	9100-0000	611,930
Miscellaneous Set A Side	9200-0000	<u>36,500</u>
 TOTAL APPROPRIATIONS		 <u>\$14,585,400</u>

SECTION III: It is estimated that the following General Fund Revenues will be available during the fiscal year beginning July 1, 2017 and ending June 30, 2018 to meet the foregoing General Fund Appropriations:

<u>ESTIMATED REVENUES - GENERAL FUND</u>	<u>CODE</u>	<u>AMOUNT</u>
Ad Valorem Taxes - Current Year	3000	\$5,618,930
Ad Valorem Taxes - All Prior Years	3000	127,400
Tax Refunds	3000	(3,500)
Tax Penalties, Interests and Advertising	3000	40,000
Motor Vehicle Rental Tax	3000	23,000
1 cent County Sales Tax	3200	1,103,540
2 half cents Local Sales Tax	3200	1,106,110
Additional ½ cent Sales Tax (Hold Harmless)	3200	556,350
CATV Gross Receipts Tax	3200	120,440
Utilities Franchise Tax	3300	824,400
Wine and Beer	3300	43,680
Court Costs and Fees	3300	2,400
Powell Bill & 80% Reimbursement	3350	332,240
Grants/Restricted Revenues	3350	192,230
On Behalf Payments	3350	15,000
Interest Earned	3350-3850	17,350
Building Permits and Fees	3500	113,250
Reconnect Fees	3500	75,000
Late Fees	3500	24,000
Fire Protection	3600	315,000
Cemetery Revenues	3600	24,600
Recreation Department Revenues	3600	720,500
Police Contract Services	3600	61,000
Garbage Sanitation Fees	3600	800,000
Donations	3800	45,000
Miscellaneous Income	3800	73,400
Sale of Fixed Assets and Materials	3350-3800	7,000
Operating Transfer from Other Funds	3900	1,489,610
A B C Revenues	3900	69,310
Fund Balance Appropriated/Powell Bill	3900	314,040
Fund Balance Appropriated	3900	<u>334,120</u>
TOTAL ESTIMATED REVENUES		<u>\$14,585,400</u>

SECTION IV: That for said fiscal year there is hereby appropriated out of the Water Fund the following:

<u>WATER FUND - 61</u>	<u>CODE</u>	<u>AMOUNT</u>
Water Maintenance	7121	\$1,538,180
Water Treatment	7122	1,322,720
Charges by General Fund & Bad Debt	7125	274,450
Transfer to General Fund	9800	<u>120,800</u>
TOTAL APPROPRIATIONS		<u>\$3,256,150</u>

SECTION V: It is estimated that the following Water Fund Revenues will be available during the fiscal year beginning July 1, 2017 and ending June 30, 2018 to meet the foregoing Water Fund Appropriations:

<u>ESTIMATED REVENUES - WATER FUND</u>	<u>CODE</u>	<u>AMOUNT</u>
Utility Revenue	3700	\$3,234,200
Taps and Connections	3700	40,000
Capacity Fees	3700	000
Miscellaneous	3800	1,500
Contributed Capital	3800	000
Interest Earned	3850	3,620
Fund Balance Appropriated	3900	<u>(23,170)</u>
TOTAL ESTIMATED REVENUES:		<u>\$3,256,150</u>

SECTION VI: That for said fiscal year there is hereby appropriated out of Sewer Fund the following:

<u>SEWER FUND - 62</u>	<u>CODE</u>	<u>AMOUNT</u>
Maintenance	7121	\$760,600
Treatment and Operations	7122	1,438,400
Charges by General Fund & Bad Debts	7125	218,680
Transfer to General Fund	9200	<u>93,210</u>
TOTAL APPROPRIATIONS:		<u>\$2,510,890</u>

SECTION VII: It is estimated that the following Sewer Fund Revenues will be available during the fiscal year beginning July 1, 2017 and ending June 30, 2018 to meet the foregoing Sewer Fund Appropriations:

<u>ESTIMATED REVENUES - SEWER FUND</u>	<u>CODE</u>	<u>AMOUNT</u>
Utility Revenue	3700	\$2,526,400
Taps and Connections	3700	20,000
Industrial Discharge Permits	3700	500
Flow Letter	3700	000
Capacity Fees	3700	000
Miscellaneous Revenue	3800	400
Contributed Capital	3800	00
Interest Earned	3850	3,850
Fund Balance Appropriated	3900	<u>(40,260)</u>
TOTAL ESTIMATED APPROPRIATED:		<u>\$2,510,890</u>

SECTION VIII: That for said fiscal year there is hereby appropriated out of the Electric Fund the following:

<u>ELECTRIC FUND - 63</u>	<u>CODE</u>	<u>AMOUNT</u>
Maintenance	7121	\$1,560,060
Purchased Power	7123	5,775,750
Charges by General Fund & Bad Debts	7125	803,820
Transfers to General Fund	9800	<u>1,275,600</u>
TOTAL APPROPRIATIONS:		<u>\$9,415,230</u>

SECTION IX: It is estimated that the following Electric Fund Revenues will be available during the fiscal year beginning July 1, 2017 and ending June 30, 2018 to meet the foregoing Electric Fund Appropriations:

<u>ESTIMATED REVENUES - ELECTRIC FUND</u>	<u>CODE</u>	<u>AMOUNT</u>
Utility Revenue	3700	\$ 8,367,500
Security Lights	3700	50,000
Street Lights	3700	129,250
Sales Tax Collected	3700	421,500
REPS Charges	3700	52,650
Electric Pole Rents	3700	12,860
Miscellaneous Revenue/Sale of Fixed Assets	3800	3,000
Interest Earned	3850	4,000
Fund Balance Appropriated	3900	<u>374,470</u>
TOTAL ESTIMATED REVENUES:		<u>\$ 9,415,230</u>

SECTION X: Tax Rate Established

An Ad Valorem tax rate of 48.57 cents per \$100 evaluation on real and personal property billed by the town of \$1,087,698,020 and on motor vehicles billed by the North Carolina Department of Motor Vehicles of \$86,291,790 as of January 1, 2017 with an estimated rate of collection of 96.68 percent is hereby established for the Town of Waynesville and an estimated rate of collection of 99.80 percent is hereby established for motor vehicles collected by the state. A tax rate of \$.20 per \$100 evaluation of \$48,043,500 as of January 1, 2017, with an estimated rate of collection of 96.89 percent is hereby established for the Downtown Waynesville Association, a municipal service district within the Town of Waynesville.

SECTION XI: Rates effective for the fiscal year beginning July 1, 2017 are contained in the accompanying Town of Waynesville 2017-2018 Fee Schedule.

SECTION XII: *"It is the policy of the Town of Waynesville to establish a system of "Capacity Use Fees" to help defray the cost of the existing water and sewer infrastructure calculated in a report entitled "Water and Sewer Asset Management Plan" and dated December of 2006. The fees are based on the depreciated value of the water and sewer system as of that date. The staff may recommend changes to the fees from time to time in accordance with the philosophy established in the 2006 report. The fees are calculated by "dividing the system's net value by the number of residential user equivalents to determine a recovery charge. It is factored using the ratio of existing inside and outside user equivalents to create an outside capacity fee that is double the inside fee."**

The base fee is set for a standard ¾ inch water meter and increased as the size of the meter increases. Capacity use fees will be evaluated annually as part of the budget process. The schedule of Capacity Use fees shall be established through the annual budget process.

*Water and Sewer Asset Plan, Martin/McGill and Associates, December, 2006

SECTION XIII: Special Authorization

Budget Officer

- A. The Budget Officer may transfer amounts between objects of expenditure within a department without limitations.
- B. The Budget Officer may make interfund loans as deemed necessary.

SECTION XIV: Restrictions - Budget Officer

- A. The transfer of monies between funds, except as noted in this document, shall be accomplished by Board authorization only.
- B. The utilization of any reserve or contingency appropriation shall be accomplished only with Board authorization.

SECTION XV: Utilization of Budget and Budget Ordinance

This Ordinance and the Budget Document shall be the basis of the financial plan for the Waynesville Municipal Government during the 2017-2018 fiscal year.

The Budget Officer shall administer the budget and ensure that departments are provided guidance and sufficient information to implement their appropriate portion of the budget. The Finance Department shall establish records which are in consonance with the budget and this ordinance and the appropriate statutes of the State of North Carolina.

Adopted this 27th day of June, 2017.

TOWN OF WAYNESVILLE:

ATTEST:

J Gary Caldwell, Mayor Pro Tem

Amanda W. Owens, Town Clerk

APPROVED AS TO FORM:

Woodrow H. Griffin, Town Attorney

Town of Waynesville 2017 - 2018 Fee Schedule

Effective July 1, 2017 - June 30, 2018

GENERAL FUND	
Utility Accounts	
New Account Fee	\$25.00
Reconnection Fee	\$25.00
After Hours	\$75.00
Return Check Fee (Insufficient Funds)	\$25.00
Theft investigation charge (meter tampering)	\$ 75.00 per occurrence
Fire Protection Charges (per month, per meter) effective	with bills on or after 08/01/2016
Residential	\$8.00
Commercial	\$12.80
Mobile Home Parks	\$8.00
Motels, Hotels, Cottages	\$ 3.20 per unit, \$160 maximum
Fire protection charges are billed to all water accounts located outside the city limits, unless the area has been designated as a fire district subject to a tax imposed by Haywood County. A fire district may contract for fire protection with the Town of Waynesville. Should a fire protection contract be executed with the Town of Waynesville, the tax collected by Haywood County will be remitted to the Town of Waynesville in lieu of the per month charges stated above.	
Miscellaneous	
Copies - Black and White, per page	\$0.10
Copies - Color, per page	\$0.20
Copies- 24"-48" plot map copy - Black and White, per page	\$3.00
Copies- 24"-48" plot map - Color, per page	\$10.00
Weed, Brush Removal, or Mowing	\$150.00 for the first hour
Each Additional Hour	\$100.00/hour
SANITATION & SOLID WASTE COLLECTION (monthly fees)	
Residential Garbage (1 weekly pickup)	\$9.00
Commercial Garbage (1 weekly pickup)	\$22.97
Dumpster Lease (requires Dumpster Collection Service)	
4 yard	\$17.00
6 yard	\$20.00
8 yard	\$22.50
Dumpster Collection Service (requires Dumpster Lease)	
4 yard (1 weekly pickup)	\$66.51
6 yard (1 weekly pickup)	\$92.69
8 yard (1 weekly pickup)	\$118.85
6 yard (1 pickup every 2 weeks)	\$74.15
8 yard (1 pickup every 2 weeks)	\$92.69
Example: A dumpster customer with an 8 yard dumpster requesting collection twice a week would pay a Lease Fee of \$22.50 plus 2 pickups at \$118.85 each. Monthly bill = \$260.20	

Business Licenses	
Schedule B (State Regulated)	
Schedule C (Town Regulated)	
Late Payment or Nonpayment Penalty	\$5 or 5% of amount owed, whichever is greater, per mo.
Maximum penalty is 25% of the privilege license tax due	
Penalties are automatic, and may be recovered using the same collection methods available for the collection of privilege license taxes.	
PLANNING DEPARTMENT	
Planning & Zoning Permits	
Certificate of LDS Compliance of Completion of Zoning Verification Forms	\$25.00
Temporary Use Permit other than mobile food vendors	No charge
Temporary Use Permit for mobile food vendors	\$50.00
Grading Permit	No charge
Floodplain Development Permit	No charge
Minor Site Plan Review	
Single family or duplex residence	No charge
Multi-family with less than 8 units	\$100.00
Non-residential development or expansion	\$100.00
Major Site Plan Review	
Multi-family residential with 8 units or greater (per unit)	\$20/unit
Non-residential development or expansion	\$200.00
Subdivision (Minor)	\$50 + \$10/lot
Subdivision (Major)	\$200 + \$10/lot
Special Use Permits	
General Commercial - Greater than 100,000 sf	\$750.00
Monopole Wireless Communications Tower	\$1,000.00
First Layer Parking Increase	\$500.00
All Others, in addition to site plan review fees	\$100.00
Historic Preservation Commission	
Local Landmark Designation	\$200.00
Designation of Historic District	No charge
Certificate of Appropriateness	No charge
Board of Adjustment	
Appeal of Administrative Decision	\$250.00
Variance Request	\$250.00

Text Amendment	\$500.00
Map Amendment (Rezoning)	
1 acre or less	\$200.00
Each additional acre	\$50.00
Conditional District - 1 acre or less	\$400.00
Each additional acre	\$100.00
Vested Right	\$200.00
Sign Permits	\$4.00 per sq. ft. - \$20 min.
Voluntary Annexation	\$200.00

Inspections	
New Single Family Dwelling (Crawl Space or Slab on Grade)	
SQUARE FOOTAGE	\$.30 per sq. ft.
Single Family Additions	
SQUARE FOOTAGE	\$.30 per sq.ft.
Minimum	\$50.00 per trade
Unfinished Basement	\$100.00
Attached Garage	\$75.00
Homeowners Recovery Fund (per G.S. 87-15.6)	\$10.00
Single Family Alterations	
SQUARE FOOTAGE	
0-1000	\$185.00
1001 - 1500	\$220.00
1501 - 2000	\$275.00
2001 - 2500	\$370.00
2501 - 3000	\$480.00
3001-up	\$480.00
	+ \$0.15 per sq. ft. over 3000
Deck Permit	
Up to 36 sq. ft	No charge
Larger than 36 sq. ft.	\$25.00 + \$.20 per sq. ft.
Covered Deck larger than 36 sq. ft.	\$25.00 + \$.25 per sq. ft.
Manufactured Homes	
Single wide	\$105.00
Double wide	\$130.00
Triple wide	\$210.00
(Deck permit required over 35 sq. ft. of deck)	

Accessory Building (does not include trades)	
145 - 300 sq. ft.	\$55.00
301 - 600 sq. ft.	\$85.00
601 - up	\$85.00 + \$.10 per sq ft over 600
Miscellaneous Residential	
Service Change	\$75.00
Demolition permit	\$100.00
Furnace changeout	\$120.00
Gas Line	\$75.00
Retaining wall	\$100.00
Permit renewal fee	\$50.00
Plumbing, electric, and mechanical not covered elsewhere (\$50.00 minimum charge per trade)	\$.07 per sq ft, per trade
Other Permits and Fees	
Day Care & Home Care	\$75.00
ABC Inspection	\$200.00
Starting without permit	\$200.00
Residential Re-roof	\$50.00
Commercial Re-roof	\$.05 sq. ft. with minimum \$75.00 charge
Temp. power on permanent wiring	\$75.00
Occupancy use inspection	\$50.00
Plan re-review (\$50.00 minimum charge per trade)	\$.05 per sq ft
Special Events Permit	\$50.00
Additional / Re-Inspection (each)	\$50.00
Commercial Building	
	\$.30/sq. ft.
Minimum	\$75.00 per trade

RECREATION DEPARTMENT

Recreation Center	Admission			Memberships			
Category	Daily	6 Visits	12 Visits	1 Month	3 Months	6 Months	Yearly
Family of 4**	\$ 18.00	\$ 79.00	\$ 146.00	\$ 72.00	\$ 177.00	\$ 342.00	\$ 660.00
(Additional family members are \$12.70 per month)							
Family of 2**	\$ 10.00	\$ 43.00	\$ 73.00	\$ 59.00	\$ 142.00	\$ 270.00	\$ 516.00
Individual Adult (18 - 59 yrs)	\$ 7.00	\$ 34.00	\$ 54.00	\$ 47.00	\$ 105.00	\$ 198.00	\$ 372.00
Individual Child (5 - 11 yrs)	\$ 4.00	\$ 17.00	\$ 22.00	\$ 31.00	\$ 58.00	\$ 102.00	\$ 180.00
Individual Youth (12 - 17 yrs)	\$ 5.00	\$ 22.00	\$ 32.00	\$ 35.00	\$ 69.00	\$126.00	\$ 228.00
OR Full-Time Student (College or High School) with valid ID) OR Special (Senior Citizen (60 + yrs) OR Handicapped)							
Individual Spectator (5-99 yrs)	\$ 1.50						
Children (0 - 4 yrs)	\$1.00						

Corporate Membership Rate (available to businesses with five (5) or more employees as members)

If total Corporate Membership drops below the 5 employee minimum, a 30 day grace period is allowed to obtain a 5th member. Proof of business may be required to obtain this rate.

Category	Daily	6 Visits	12 Visits	1 Month	3 Months	6 Months	Yearly
Family of 4**	N/A			\$ 58.00	\$ 142.00	\$ 274.00	\$ 524.00
(Additional family members are \$10.40 per month)							
Family of 2**	N/A			\$ 47.00	113	\$ 215.00	\$ 408.00
Individual Adult (18 - 59 yrs)	N/A			\$ 38.00	\$ 84.00	\$ 157.00	\$ 291.00
Individual Youth (12 - 17 yrs)	N/A			\$ 28.00	\$ 56.00	\$100.00	\$ 175.00
OR Full-Time Student (College or High School) with valid ID) OR Special (Senior Citizen (60 + yrs) OR Handicapped)							
Children (0 - 4 yrs)	FREE						

Memberships (Regular and Corporate)	
1	2
3	4
5	6
7	8
9	10
11	12
13	14
15	16
17	18
19	20
21	22
23	24
25	26
27	28
29	30
31	32
33	34
35	36
37	38
39	40
41	42
43	44
45	46
47	48
49	50
51	52
53	54
55	56
57	58
59	60
61	62
63	64
65	66
67	68
69	70
71	72
73	74
75	76
77	78
79	80
81	82
83	84
85	86
87	88
89	90
91	92
93	94
95	96
97	98
99	100

1 Month memberships expire one month from date of purchase.

1 and 3 Month memberships must be paid in full.

Consecutive monthly payment options are available for 6 Month and 12 Month Memberships. If a member fails to make the required payments, any future memberships must be paid in full.

Admission Passes	
1	2
3	4
5	6
7	8
9	10
11	12
13	14
15	16
17	18
19	20
21	22
23	24
25	26
27	28
29	30
31	32
33	34
35	36
37	38
39	40
41	42
43	44
45	46
47	48
49	50
51	52
53	54
55	56
57	58
59	60
61	62
63	64
65	66
67	68
69	70
71	72
73	74
75	76
77	78
79	80
81	82
83	84
85	86
87	88
89	90
91	92
93	94
95	96
97	98
99	100

Daily, 6 Visit and 12 Visit passes are not considered memberships.

12 visit passes expire one calendar year from date of purchase.

6 visit passes expire 6 months from date of purchase.

Family: an individual, spouse, or dependent children that can be claimed on taxes. Step-children and adopted children qualify. Court documentation is required to include foster children on a family membership. Anyone age 25 or over (other than parents), engaged couples, couples living together, older siblings, aunts, cousins, or grandchildren DO NOT qualify for the family rate.

Group Rate (Daily visit for groups of 15 or more non-members. Available only with advance notice.)		
	Individual Adult (18 - 59 yrs)	\$6.00
	Individual Child (5 - 11 yrs)	\$3.50
	Individual Youth (12 - 17 yrs)	\$4.25
Recreation Center Membership Benefits		
Adult, Youth, Student, and Special - ages 12 and up: Unlimited use of the Center; pool, gym, game room, track, cardiovascular equipment, weight equipment, and racquetball courts. 20% discount on classes, programs, leagues, and child care during center use. 10% discount on store items.		
Child (ages 0 - 11) : Unlimited use of the pool, gym and game room. 20% discount on classes, programs, and leagues. 10% discount on store items. Children under 12 years of age must be accompanied by and supervised by a		
Cardiovascular equipment, track, weight equipment (fitness room) and racquetball courts are intended for use by those ages 12 and up.		

Recreation Center Rental Rates		
Pool Only (for a 2 hour time period)		
	20 participants	\$47.00
	21-30 participants	\$67.00
	31-40 participants	\$79.00
	41-50 participants	\$122.00
Pool Rental on Saturday (from 6:00 - 8:00 p.m. only)		
	Up to 50 participants	\$150.00
	51 - 75 participants	\$200.00
	76 - 100 participants	\$250.00
Multi-purpose Rooms		
	Member	
	Kitchen	\$32.40/hour
	1 Room	\$18.50/hour
	2 Rooms	\$46.20/hour
	Non-Member	
	Kitchen	\$38.15/hour
	1 Room	\$22.00/hour
	2 Rooms	\$52.00/hour
	For Profit	
	Kitchen	\$45.00/hour
	1 Room	\$25.40/hour
	2 Rooms	\$62.40/hour
Gymnasium (Capacity 709)		
	Entire Gym	\$60.00/hour
	1/2 of the Gym	\$30.00/hour
	Volleyball Setup	No Charge

Athletic Programs		
Adult Basketball & Softball Leagues		\$35.00/per player
		\$460.00/per team
Softball Field Rental		
1 Field		\$240.00 per tournament
2 Fields		\$300.00 per tournament
<i>A tournament rental covers Friday, Saturday, and Sunday</i>		
Other Fees and Charges		
Tennis Court Rental		\$12.00/hour
Sand Volleyball Court Rental		\$60.00/day
Lights at the Vance Street and Pool Fields		\$15.00/hour
Bleacher Rental (5 row, for 24 hours)		\$35.00/each
Shelter Rental		\$40.00/day
Child Care		
Members		No Charge
Non-Members		\$6.00/hour
Swim Team Pool Use: Swim teams have use of the lap pool during regularly scheduled lap swim times. Membership fees apply.		
Swim Meets		The greater of \$250.00 per meet or \$5.00 per swimmer
Old Armory		
Daily Admission		\$1.00
Current Recreation Center members		No Charge
Individuals ages 17 and under, 60 and above, handicapped, or involved with a program at the Armory		No Charge
Gymnasium		
Town Resident (\$240 maximum for 24 hr period)		\$30.00/hour
Non Resident (\$350 maximum for 24 hr period)		\$35.80/hour
Cafeteria		
Town Resident (\$148 maximum for 24 hr period)		\$18.50/hour
Non Resident (\$230 maximum for 24 hr period)		\$24.25/hour
Classrooms		
Town Resident (\$102 maximum for 24 hr period)		\$12.75/hour
Non Resident (\$175 maximum for 24 hr period)		\$18.50/hour

Water Fund (Rates effective 8-01-2016)		
Water Rates		
	Inside	Outside
Bulk Sales (contract)	\$1.48/100 cf.	\$2.54/100 cf.
Industrial Sales	\$1.53/100 cf.	\$2.66/100 cf.
Retail Sales (Residential and Commercial)		
(Base Charge) 0-275 cubic foot	\$16.18	\$29.17
> 275 cubic foot	\$1.72/100 cf.	\$3.06/100 cf.
Irrigation Only Meter	Inside	Outside
(Base Charge) 0-275 cubic foot	\$16.18	\$29.17
> 275 cubic foot	\$2.58/100 cf.	\$3.80/100 cf.
Pump Fee (per pump)	\$7.17	\$11.20
Sales From Fire Hydrant		\$.02331/gallon
Barber's Orchard Water System		
3/4" meter		\$5.00 + Town outside rate
1" meter		\$10.00 + Town outside rate
1 - 1/2" meter		\$50.00 + Town outside rate
Maggie Valley Sanitary District (Rate effective 9-1-16)		
0 - 10,000 gallons		\$2,709.91
All over 10,000 gallons (per 1,000 gal.)		\$11.08/1,000 gal.
Fire Line Connection (monthly)	Inside	Outside
<2 inch	\$2.70	\$6.08
<4 inch	\$10.80	\$24.30
<6 inch	\$21.66	\$48.71
>6 inch	\$37.92	\$85.28
	Inside	Outside
Deposits (tenant-occupied accounts only)	\$40.00	\$60.00
Refund, transfer and application of deposit policies are the same as for electric deposits.		
Late Payment Penalty (applied to any arrears balance)		1.0% per month
Water Tap	Inside	Outside
Residential (5/8" x 3/4")	\$1,000.00	\$1,500.00
Special (3/4" x 3/4")	\$1,100.00	\$1,650.00
1"	\$1,250.00	\$1,875.00
1/2"	\$1,700.00	\$2,550.00
2"	\$2,500.00	\$3,750.00
Greater than 2"	\$1,000 + Costs	\$1,500 + Costs

Water Capacity Fees	
5/8" x 3/4" 20 gpm	\$400.00
3/4" 30 gpm	\$600.00
1" 50 gpm	\$1,000.00
1/2" 100 gpm	\$2,000.00
2" 160 gpm	\$3,200.00
3" 320 gpm	\$6,400.00
4" 500 gpm	\$10,000.00
6" 1000 gpm	\$20,000.00
>6"	Based on Flow

*"It is the policy of the Town of Waynesville to establish a system of "Capacity Use Fees" to help defray the cost of the existing water and sewer infrastructure calculated in a report entitled "Water and Sewer Asset Management Plan" and dated December of 2006. The fees are based on the depreciated value of the water and sewer system as of that date. The staff may recommend changes to the fees from time to time in accordance with the philosophy established in the 2006 report. The fees are calculated by "dividing the system's net value by the number of residential user equivalents to determine a recovery charge." **

The base fee is set for a standard ¾ inch water meter and increased as the size of the meter increases. Capacity use fees will be evaluated annually as part of the budget process. The schedule of Capacity Use fees shall be established through the annual budget process.

*Water and Sewer Asset Plan, Martin/McGill and Associates, December, 2006

Sewer Fund (Rates effective 08-01-2017)		
Sewer Rates (Based on water consumption unless separately metered)		
Late Payment Penalty (applied to any arrears balance)		1.0% per month
	Inside	Outside
Bulk Sales (Industrial, min. 5,000 gpd)	\$1.7325/100 cf.	\$2.9505/100 cf.
Industrial Waste Surcharges		
	BOD	\$116.87/1,000 lbs.
	COD	\$58.43/1,000 lbs.
	TSS	\$58.43/1,000 lbs.
Retail Sales (Residential and Commercial)		
	Inside	Outside
(Base Charge) 0-275 cubic foot	\$16.88	\$30.50
>275 cubic foot	\$2.23/100 cf.	\$4.07/100 cf.
Flat Rate		
Full Time Resident		\$46.78
Part Time Resident		\$30.50
Industrial User Permits	Inside	Outside
Annual Fee	\$1,000.00	\$2,000.00
Application Fee	\$200.00	\$400.00
Hauled Wastewater		
Septic Tank (domestic only)		\$0.0245/gallon \$35.28 minimum
Industrial Waste (non-domestic)		\$0.0245/gallon \$70.86 minimum
Industrial Waste (out of county)		\$0.049392/gallon \$106.46 minimum
All unit prices are applied to tanker capacity without regard to fill percentage		
Grease Blockage		\$197.93/minimum on callout
Sewer Tap	Inside	Outside
4"	\$1,000.00	\$1,500.00
6" and larger	\$1,250	\$1,875.00

Sewer Capacity		
		\$2.50/gpd
<p>In addition to the tap fee, new connections to the sewage system of the Town of Waynesville shall pay a sewer capacity fee based on wastewater design flow rate determined from the table of minimum allowable design daily flow in 15A NCAC, 02T.0114 of the Environmental Management regulations contained in the North Carolina Administrative Code.</p> <p>See Attachment A for a copy of the table.</p>		
<p>For the tributary sewer systems of Junaluska Sanitary District, Town of Clyde or Maggie Valley, wastewater flow allocation letters will be charged the sewer capacity fee at the outside rate. Lake Junaluska Assembly will be charged the sewer capacity fee for flow allocation letters at the inside rate (in consideration of their participation between 1942 and 1990 in the costs of sewer trunk and treatment plant facilities). The minimum flow rate is 240 GPD.</p>		
<p><i>"It is the policy of the Town of Waynesville to establish a system of "Capacity Use Fees" to help defray the cost of the existing water and sewer infrastructure calculated in a report entitled "Water and Sewer Asset Management Plan" and dated December of 2006. The fees are based on the depreciated value of the water and sewer system as of that date. The staff may recommend changes to the fees from time to time in accordance with the philosophy established in the 2006 report."*</i></p>		
<p>The base fee is set for a standard ¾ inch water meter and increased as the size of the meter increases. Capacity use fees will be evaluated annually as part of the budget process. The schedule of Capacity Use fees shall be established through the annual budget process.</p>		
<p>*Water and Sewer Asset Plan, Martin/McGill and Associates, December, 2006</p>		

Electric Fund	
Electric Rates	
Waynesville's electric rates are reviewed and adjusted monthly based on power costs billed by Progress Energy for wholesale rates. Monthly reviews will determine fuel adjustments to be added to based rates shown below. All rates are effective July 1, 2010.	
All electric sales are subject to a 7% sales tax imposed by the State of North Carolina, with the exception of electric sales to the State of North Carolina or United States government, which are exempt from the sales tax.	
Residential & Commercial fuel adjustment added to base rate as of June 1, 2010 is \$ 0.016264 per kWh.	
Late Payment Penalty (applied to any arrears balance)	1.0% per month
Residential	
Base Charge	\$12.09
All kWh(s)	\$0.081704/kWh
Commercial, Single Phase (No Demand)	
Base Charge	\$12.09
1 - 700 kWh	\$0.099299/kWh
701 - 4,000 kWh	\$0.076529/kWh
All over 4,000 kWh	\$0.072389/kWh
Commercial, Three Phase (No Demand)	
Base Charge	\$18.63
1 - 700 kWh	\$0.099299/kWh
701 - 4,000 kWh	\$0.076529/kWh
All over 4,000 kWh	\$0.072389/kWh
Demand Accounts	
Demand meters are placed on all commercial accounts with an actual or anticipated 12 month average consumption of at least 5,000 kWh per month.	
Accounts will be removed from demand service rates when the calendar year average declines below a 5,000 kWh per month average or the nature of the operation is changed to the extent that the average consumption will be less than 5,000 kWh per month.	
Three Phase	
Base Charge	\$13.87
Usage	\$0.051689/kWh
Single Phase	
Base Charge	\$12.09
Usage	\$0.051689/kWh
In addition to the kilowatt hours charges, peak metered demand is billed at \$6.20 per kilowatt of peak demand per month.	

Industrial Accounts	
Industrial rates are used on all industrial accounts with an actual or anticipated 12 month average consumption of at least 1,500,000 kWh per month.	
Industrial fuel adjustment added to base rate as of June 1, 2010 is \$ 0.016264 per kWh.	
Three Phase	
Base Charge	\$13.87
Usage	\$0.033676/kWh
In addition to the kilowatt hours charges, peak metered demand is billed at \$13.24 per kilowatt of peak demand per month.	
Renewable Energy and Efficiency Portfolio Standards (REPS)	
In 2007, the North Carolina General Assembly passed legislation that requires utility companies to develop an increasing supply of alternative energy resources, with 3% of their total supply coming from renewable by 2013 and 12% from renewable by 2021. Utility companies are charging their customers to recover the cost of the renewable energy they purchase. In turn the Town is passing along these costs to its customers. These charges (REPS) are set each December by our power supplier.	
Residential	\$0.56
Commercial	\$4.50
Industrial	\$35.00
Deposits (tenant-occupied accounts only)	
Residential (with Electric Heat)	\$170.00
Residential (without Electric Heat)	\$120.00
Commercial	\$200.00
Deposits may be refunded at customer request if the most recent twelve months of billings have been paid before a late-payment penalty has been added. Deposits available at termination of service are applied to unpaid utility balances and any excess deposit is refunded to customer.	
Deposits may be transferred to a new account when customer is moving if the current account is paid in full. The final bill at the current location will be transferred to the new location if not paid in full within thirty (30) days of billing.	
Area Lighting Fixture	
Sodium Vapor, 100w/ 9,500 lumen Semi-Enclosed	\$11.94
Sodium Vapor, 150w/16,000 lumen Semi-Enclosed	\$14.11
Sodium Vapor, 400w/50,000 lumen Enclosed	\$25.08
Sodium Vapor, 400w/50,000 lumen Flood	\$28.08
Metal Halide, 400w/40,000 lumen Flood	\$29.08
Mercury, 175w/ 7,000 lumen Semi-Enclosed	\$9.99
Special Area Lighting Pole	
If other than distribution pole, add monthly charge per pole	
Wood	\$3.62
Or, a one-time pole charge	\$181.00

Underground service for area lighting		
	Monthly	\$3.62
	Or a one-time charge	\$181.00
Underground Service for New Homes (Up to 4/0 wire)		
	0 - 100 feet of wire from pole to house	\$200.00
	All wire over 100 feet	\$2.00/ft.
Underground Service for Existing Homes That Change from Overhead (Up to 4/0 wire)		
	Opening and Closing of Ditch	\$70.00/hr
	All wire	\$2.00/ft.
3 Phase Underground Service		
	4/0 wire	\$2.00/ft.
	350 mcm	\$2.50/ft.
	500 mcm	\$3.95/ft.
	Opening and Closing of Ditch	\$70.00/hr
If a customer digs his own ditch, the ditch must meet electrical code before the Town will put wire into the ditch.		

RESOLUTION NO. R-08-17

Resolution on Financial Operating Plan for Two Internal Service Funds

WHEREAS, the Board of Aldermen of the Town of Waynesville, wishes to establish a financial operating plan for two Internal Service Funds.

NOW, THEREFORE, BE IT ORDAINED by the Board of Aldermen of the Town of Waynesville to adopt a financial operating plan for the 2017-18 year for two Internal Service Funds as follows:

Asset Services Management:

Estimated Revenues:

Charges to User Departments	\$ 1,923,810
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Total Estimated Revenues	\$ 1,923,810
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Appropriations:

Public Services Administration	\$ 423,050
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Public Facilities-Inside	889,860
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Public Facilities-Outside	386,810
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Purchasing Operations	224,090
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Total Asset Services Management	\$ 1,923,810
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Garage Operations:

Estimated Revenues:

Charges to User Departments	\$ 543,920
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Other Revenue	10,000
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Total Estimated Revenues	\$ 553,920
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Appropriations:

Operations	\$ 553,920
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Adopted this 27th day of June 2017.

TOWN OF WAYNESVILLE

ATTEST:

J. Gary Caldwell
Mayor Pro Tem

Amanda W. Owens
Town Clerk

APPROVED AS TO FORM:

Woodrow H. Griffin
Town Attorney

TOWN OF WAYNESVILLE								
SPECIAL APPROPRIATIONS CONTRIBUTIONS								
	APPR 12/13	APPR 13/14	APPR 14/15	APPR 15/16	APPR 16/17	Requested FY 17/18	COMMENTS	Board Recommendation
IN-KIND SERVICES								
Habitat for Humanity - request two water/sewer taps for habitat homes				6,000				
UTILITY ASSISTANCE								
Haywood Co. Rescue Squad-Utilities	4,000	4,000	4,000	4,000	4,000	-	Utility Assistance	
Museum of NC Handicrafts/Shelton House - Utilities	-	-	-	2,500	2,500	5,000	Utility Assistance	2,500
Open Door Kitchen - Utilities	2,400	2,500	2,500	2,500	2,500	2,500	Utility Assistance	2,500
Pigeon Community MDC-Utilities	4,000	4,000	5,000	5,000	5,000	5,000	Utility Assistance	5,000
						12,500		10,000
CONTRIBUTIONS/PROGRAM FUNDING								
30th Judicial District Domestic Violence	500	500	500	1,595	1,500	1,500	General Operating Funds	1,500
American Red Cross	3,000	3,000	3,000	3,000	3,000	5,000	Disaster Services program	3,000
Arc of Haywood County	4,000	4,000	4,000	4,000	4,500	4,500	Program funds	4,000
Big Brothers Big Sisters	1,500	1,500	1,500	1,500	1,500	2,000	General Operating Funds	1,500
Clyde Fire Department						4,500	Program Funds - first time request	
Disabled American Veterans	500	500	500	1,000	1,000	1,000		1,000
Downtown Way Assoc - Events and Promotions	12,000	12,000	12,000	12,000	15,000	13,400	General Operating/Program Funds	12,000
DWA-Christmas Parade	2,000	2,000	2,000	2,000	2,000	2,500		2,000
Folkmoot USA - annual festival support	10,000	10,000	10,000	10,000	10,000	10,000	Annual Festival Support	10,000
Folkmoot USA - capital campaign	-	-	20,000	25,000	25,000	25,000	Capital Improvements	
Folkmoot USA - program design plan	-	-	5,000	-	-	-		
Friends of the Smokies					-	5,000	General Operating Funds	
Good Samaritan Clinic	4,500	4,500	4,500	5,000	5,000		General Operating Funds	4,000
HART - annual season support	4,000	4,000	-	-	5,000	5,000	General Operating Funds	4,000
HART - capital campaign	-	-	25,000	25,000	-	-		
Haywood Co. Arts Council	4,000	4,000	4,000	4,000	4,000	4,000	General Operating and Program Funds	3,000
Haywood Co. Chamber of Commerce	2,500	2,500	-	-	-	20,000	General Operating and Program Funds	
Haywood Co. EDC	2,000	-	-	-	-	5,000	Program funds for Econ Dev	
Haywood Pathways			20,000	-	-	5,000	General Operating Funds	4,000
Historic Frog Level Merchant Association	-	-	-	-	4,500	4,500	First time request	4,000
KARE	4,000	4,500	4,500	4,500	4,500	5,000	General Operating funds	4,500
Haywood Co. Meals on Wheels	3,000	3,000	3,000	3,000	3,000	3,000	General Operating Funds	3,000
MLK Breakfast	500	500	500	500	500	500	Event Sponsorship and Scholarship	500

Mountain Mediation	2,500	2,000	2,500	2,500	2,500	5,000	General Operating and Program Funds	2,000
Mountain Projects - Senior Resource Center	3,500	3,500	9,000	6,500	6,500	6,500	General Operating Funds	6,000
Mountain Projects - SHIIP Program	-	-	-	2,500	2,500	2,500	General Operating Funds	2,000
Museum of NC Handicrafts/Shelton House - capital request	3,000	3,000	3,000	4,000	4,000	5,000	Capital Project - porch restoration	3,000
REACH	8,000	8,000	10,000	10,000	10,000	12,000	General Operating Funds	10,000
Salvation Army	5,000	5,000	5,000	5,000	5,000	5,000		5,000
Tuscola AFJROTC	1,600	1,500	1,500	1,500	1,500	1,500	Event Sponsorship	1,500
United Way of Haywood County	-	-	-	500	500	1,000	General Operating Funds	500
Waynesville Historic Preservation Commission						4,000	Grant Match for NC CLG Program	4,000
Waynesville Public Art Commission	5,000	5,000	5,000	5,000	5,000	5,000	General Operating Funds	4,000
Undesignated-Future Usage				25,500	10,000			5,000
TOTAL						173,900		105,000
CONTRIBUTIONS TOTAL	86,100	84,000	155,500	185,095	157,500	186,400		115,000
TOWN OF WAYNESVILLE								
SPECIAL APPROPRIATIONS CONTRIBUTIONS								
	APPR	APPR	APPR	APPR	APPR			
	12/13	13/14	14/15	15/16	16/17			
CONTRIBUTIONS BY RECREATION								
Mountaineer/Babe Ruth Little League	1,500	1,500	1,500	1,500	1,500	-		
Mountain Projects-Elderly Nutrition	2,000	2,000	2,000	5,000	2,000	2,000	General Operating Funds	2,000
RECREATION TOTAL	3,500	3,500	3,500	5,000	3,500	2,000		2,000
CONTRIBUTIONS BY STREET DEPT.								
Commission for a Clean County	1,000	1,000	1,000	1,000	1000	1000	Program funds and event sponsorship	1,000
Trash Bags, Signs Etc...	1,000	1,000	1,000	1,000	1000	1000		1,000
STREET DEPARTMENT TOTAL	2,000	2,000	2,000	2,000	2000	2000		2,000
GRAND TOTAL CONTRIBUTIONS	91,600	89,500	161,000	192,095	163,000	190,400		119,000

REAL ESTATE LEASE AGREEMENT

THIS LEASE dated as of July 1, 2017 between, **BLUE RIDGE SOUTHERN RAILROAD, LLC, 315 West 3rd Street, Pittsburg, Kansas 66762** and **TOWN OF WAYNESVILLE, 106 South Main, Waynesville, North Carolina 28786** ("Lessee").

****This Lease supersedes Lease Number 147699, dated June 1, 2001****

For and in consideration of the mutual benefits and obligations set forth in this Lease, the Parties agree to be bound as follows:

I. LEASED PROPERTY.

Lessor hereby leases to Lessee the property ("Property") (sometimes referred to as the "Leased Premises") approximately 0.55 acre \pm located in the Town of Waynesville, County of Haywood, and State of North Carolina, and more particularly described in **Exhibit A** to this lease.

2. TERM.

The term of this Lease ("Lease Term") shall commence at 12:01 a.m. on **July 1, 2017** ("Commencement Date") and shall last for a period of ten years ending at 11:59 a.m. on the date immediately preceding the anniversary date of the Commencement date **June 30, 2027** ("Termination Date"). The Lease will automatically renew annually after the ten-year period unless earlier terminated by either party with thirty (30) days written notice.

3. RENT

3.1 Rent for the Leased Premises ("Rent"), shall be \$2,000.00 per year, payable in monthly installments of \$167.00 per month, in advance, on the Commencement Date of June 1, 2017. Each subsequent anniversary will be subject to increases as provided for in **Exhibit B**. Lessee shall send all payments to Watco Transportation Services Attn: Real Estate Dept. **315 W. 3rd ST. Pittsburg, KS 66762** or to such other address as Lessor may indicate by written notice to Lessee in accordance with the terms of this Lease.

3.2 Lessee shall make all payments without prior demand, setoff, or counterclaim. Lessor may apply each payment when received in such order as Lessor may determine, regardless of any rule, law, practice or custom between Lessor and Lessee. No payment shall operate as an accord and satisfaction, notwithstanding any statement or endorsement accompanying such payment.

3.3 If Lessee does not make the payments for a period of thirty (30) days from the day same shall have been due and payable, then Lessee shall pay a service charge at the rate of 1.5% per month (or at the legal maximum in the jurisdiction in which the Premises are located, whichever is less) on the amount of any such unpaid amount. Notwithstanding the foregoing, in the event Lessee does not make a payment for a period of sixty (60) days from the day same shall have been due and payable, then Lessee shall give up all rights upon its non-payment and Lessor shall have the right to terminate this Lease immediately.

4. **USE.**

4.1 Lessee shall use the Leased Premises solely for parking cars and for no other purpose ("Use"), without the prior written consent of Lessor.

4.2 Neither Party shall allow the Leased Premises to be used by any other person or firm without the prior written consent of the other Party.

4.3 Lessee shall, at its sole cost and expense, promptly comply with all present and future laws, statutes, regulations, ordinances, orders, covenants, restrictions, or decisions of any governmental authority or court of competent jurisdiction affecting the Use and condition of the Leased Premises and any equipment placed or used thereon and Lessee's operations and activities on the Leased Premises ("Legal Requirements"). Lessee shall obtain all permits required by any federal, state, municipal or other governmental entity necessary for Industry's Use of the Leased Premises as outlined in this Section.

5. **RESERVED FACILITIES.**

5.1 Lessor reserves the right to operate, maintain, repair, replace, augment, or relocate (provided that said relocation does not unreasonably interfere with Lessee's Use of the Leased Premises for the purposes set forth in Section 4) any Reserved Facilities, as defined in Section 5.2, existing within or adjacent to the Leased Premises. This Lease is subject and subordinate to any right which Lessor or any easement holder, lessee, or licensee of Lessor may have in the Reserved Facilities. Lessee shall not interfere with the maintenance or operation of the Reserved Facilities, or the rights of any easement holders, lessees, or licensees with respect thereto.

5.2 "Reserved Facilities" means existing tracks, pipes, conduits, thoroughfares, roads, tunnels, electric communication and signal transmission lines and poles and guys for such lines, and any other facilities of similar nature on, above or below the ground, belonging to any party whomsoever.

5.3 Lessor reserves the right to use the Leased Premises provided that such use does not unreasonably interfere with the Use thereof by Lessee.

5.4 Lessee shall maintain prescribed clearances for all railroad tracks on or adjacent to the Premises. All such clearance areas shall be kept free of any obstruction.

6. **TAXES AND ASSESSMENTS.**

Lessor is responsible for the payment of real estate property taxes. Lessee is responsible for all other taxes and assessments (as presently charged or amended in the future) associated with its Use of the Leased Premises. Lessee shall keep the Leased Premises free and clear of any liens or judgments for unpaid taxes and assessments for which Lessee is responsible.

7. UTILITIES.

Lessee, at its sole cost and expense (including fees for permits and similar documents), shall obtain all utility services required or desired by Lessee, including the installation of meters and submeters if none exist. Lessee shall be responsible for all charges for utilities consumed by, and supplied to, Lessee by the provider thereof. To the extent any existing utility services on the Leased Premises are used by Lessee with Lessor's prior, written consent, and are not separately metered or billed to Lessee, Lessee shall pay a reasonable proportion of the cost of the utility services.

8. CONDITION OF PREMISES AND MAINTENANCE.

8.1 Lessee has fully inspected and accepts the Leased Premises in "as is" condition. Lessor makes no representations as to the zoning, condition, utility, or fitness of the Premises for any use.

8.2 Lessee shall perform all maintenance (including without limitation snow and ice removal) and repairs necessary to keep the Premises and any improvements now or hereafter existing thereon (including without limitation any adjacent walkways, roads, and parking areas) in good order and in safe condition. Lessor shall have no obligation whatsoever to maintain or repair the Premises.

9. SIGNS AND IMPROVEMENTS. (SEE EXHIBIT C)

Lessee shall not place any sign, advertising, or improvements on the Leased Premises without the prior written consent of Lessor. If Lessee fails to remove improvements and other property of Lessee and of any other party following lease termination or expiration, Lessor may elect to retain such improvements or property, or enter the Leased Premises and raze or remove same and Lessee hereby waives any claim or right of action with respect thereto. Lessee shall pay Lessor all of Lessor's costs related to such razing or removal, including without limitation storage and transportation. Lessee shall indemnify, defend and save harmless Lessor from and against any claim or action by any party brought or asserted against Lessor with respect to such retention, razing, or removal.

10. ASSIGNMENT AND SUBLETTING.

Lessee shall not assign, license or transfer any portion of Lessee's interest in this Lease or the Leased Premises without the prior written consent of Lessor, and any attempt to do so without such consent shall render same null and void. Lessee shall not permit any security interest in any third party to attach to the Leased Premises or any part thereof, or any improvements or any personal property now or hereafter placed or kept thereon, without the prior written consent of Lessor, and any attempt to do so without such consent shall render same null and void.

11. LIABILITY.

11.1 EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS OR OMISSIONS OF LESSOR, LESSEE SHALL RELIEVE, INDEMNIFY, AND DEFEND LESSOR AGAINST AND FROM ALL EXPENSES, DAMAGES, ACTIONS, FINES, PENALTIES, CLAIMS, JUDGEMENTS, SETTLEMENTS, AND DEMANDS OF EVERY KIND OR NATURE, INCLUDING REASONABLE COUNSEL, INVESTIGATOR AND EXPERT FEES, ARISING OUT OF ANY FAILURE BY LESSEE TO PERFORM ANY OF THE AGREEMENTS, TERMS, COVENANTS, OR CONDITIONS OF THIS LEASE, AND

ANY BODILY INJURY, DEATH, OR PROPERTY LOSS OR DAMAGE TO OR OF ANY PERSON OR ENTITY THAT COMES UPON THE LEASED PREMISES OR APPURTENANCES THERETO, OR ON OR UNDER THE WALKWAYS, ROADWAYS, SIDEWALKS, CURBS, OR LOADING AREAS CONTIGUOUS THERETO, HOWEVER OCCURRING, AND ALSO FOR ANY MATTER GROWING OUT OF THE CONDITION, OCCUPATION, MAINTENANCE, ALTERATION, REPAIR, USE, OR OPERATION OF THE LEASED PREMISES OR APPURTENANCES THERETO OR ANY PART THEREOF, OR OF THE WALKWAYS, ROADWAYS, SIDEWALKS, CURBING, AND LOADING AREAS CONTIGUOUS THERETO.

11.2 LESSOR SHALL RELIEVE, INDEMNIFY, AND DEFEND LESSEE AGAINST AND FROM ALL EXPENSES, DAMAGES, ACTIONS, FINES, PENALTIES, CLAIMS, JUDGMENTS, SETTLEMENTS, AND DEMANDS OF EVERY KIND OR NATURE, INCLUDING REASONABLE COUNSEL, INVESTIGATOR AND EXPERT FEES, TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS OR OMISSIONS OF LESSOR.

11.3 THE NEGLIGENT ACTS OR OMISSIONS OF ANY TENANT, INVITEE, LICENSEE, EMPLOYEE, CONTRACTOR, AGENT OR GRANTEE OF LESSEE OCCURRING ON THE LEASED PREMISES SHALL BE DEEMED THE NEGLIGENCE OF THE LESSEE. THE NEGLIGENT ACTS OR OMISSIONS OF ANY TENANT, INVITEE, LICENSEE, EMPLOYEE, CONTRACTOR, AGENT OR GRANTEE OF LESSOR OCCURRING ON THE LEASED PREMISES SHALL BE DEEMED THE NEGLIGENCE OF THE LESSOR.

11.4 LESSEE AND LESSOR SHALL PAY PROPORTIONATE SHARES OF THE LOSS THAT ARISES OUT OF THE JOINT OR CONCURRING NEGLIGENCE OF LESSEE AND LESSOR; PROVIDED, HOWEVER, THAT NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS IMPAIRING THE RIGHT OF EITHER PARTY TO SEEK CONTRIBUTION OR INDEMNIFICATION FROM A THIRD PERSON.

12. ENVIRONMENTAL COMPLIANCE.

12.1 RESPONSIBILITY FOR ENVIRONMENTAL CLAIMS (AS DEFINED IN SECTION 12.5) AS BETWEEN THE PARTIES SHALL BE BORNE AS FOLLOWS:

- (I) LESSOR SHALL BE RESPONSIBLE FOR ENVIRONMENTAL CLAIMS ARISING FROM: (A) ENVIRONMENTAL CONDITIONS EXISTING ON THE LEASED PREMISES PRIOR TO THE DATE OF THIS LEASE, OR (B) USE OF THE LEASED PREMISES BY LESSOR OR ITS LICENSEES OR CONTRACTORS FROM AND AFTER THE DATE OF THIS LEASE PURSUANT TO SECTION 4 AND SECTION 5 UNLESS SUCH ENVIRONMENTAL CLAIMS ARISE FROM LESSEE'S NEGLIGENCE IN WHICH EVENT LESSEE SHALL BE LIABLE AS SET FORTH IN SECTIONS 12.1(II) OR 12.1(III), OR (C) ITS FAILURE, OR THAT OF ITS LICENSEES OR CONTRACTORS, TO COMPLY WITH ITS OBLIGATIONS UNDER THIS LEASE WHEN SUCH FAILURE IS A CONTRIBUTING CAUSE TO SUCH ENVIRONMENTAL CLAIMS.

- (II) LESSEE SHALL BE RESPONSIBLE FOR ENVIRONMENTAL CLAIMS ARISING FROM: (A) ENVIRONMENTAL CONDITIONS ON THE LEASED PREMISES FROM AND AFTER THE DATE OF THIS LEASE, OR (B) THE USE OF OR PRESENCE UPON THE LEASED PREMISES OF LESSEE, OR THAT OF ITS CONTRACTORS, INVITEES OR ANY UNAUTHORIZED THIRD PARTY; OR (C) ITS FAILURE, OR THAT OF ITS LICENSEES OR CONTRACTORS, TO COMPLY WITH ITS OBLIGATIONS UNDER THIS LEASE WHEN SUCH FAILURE IS A CONTRIBUTING CAUSE TO SUCH ENVIRONMENTAL CLAIMS.
- (III) THE PARTIES HERETO SHALL BEAR IN PROPORTIONATE SHARES RESPONSIBILITY FOR ENVIRONMENTAL CLAIMS ARISING FROM THE JOINT RESPONSIBILITY OF LESSOR AND LESSEE AS SET FORTH IN SECTIONS 12.1(I) AND 12.1(II).

12.2 EXCEPT AS OTHERWISE PROVIDED IN SECTION 12.1(III), THE PARTY WHICH IS RESPONSIBLE SHALL RELEASE THE OTHER PARTY FROM ALL RESPONSIBILITY FOR SUCH ENVIRONMENTAL CLAIMS AND SHALL DEFEND, INDEMNIFY, PROTECT AND SAVE HARMLESS THE OTHER PARTY FROM AND AGAINST ALL SUCH ENVIRONMENTAL CLAIMS.

12.3 LESSEE SHALL GIVE IMMEDIATE WRITTEN NOTICE TO LESSOR OF ANY RELEASE OF HAZARDOUS SUBSTANCES ON OR FROM THE LEASED PREMISES, ANY VIOLATION OF ENVIRONMENTAL LAWS, INSPECTION OR INQUIRY OF GOVERNMENTAL AUTHORITIES CHARGED WITH ENFORCING ENVIRONMENTAL LAWS WITH RESPECT TO LESSEE'S USE OF THE LEASED PREMISES, OR ANY CONDITION OR ACTIVITY ON THE LEASED PREMISES WHICH CREATES A RISK OF HARM TO PERSONS, PROPERTY OR THE ENVIRONMENT.

12.4 IN THE EVENT ANY CLEANUP, RESPONSE, REMOVAL OR REMEDIATION OF ANY ENVIRONMENTAL CONDITION IS REQUIRED BY A GOVERNMENTAL ENTITY (HEREINAFTER COLLECTIVELY REFERRED TO AS "RESPONSE ACTION"), LESSEE SHALL NOT BE ENTITLED TO ANY DAMAGES, ACTUAL OR CONSEQUENTIAL, BY REASON OF THE RESPONSE ACTION'S INTERFERENCE WITH LESSEE'S USE OF THE LEASED PREMISES. IF ANY RESPONSE ACTION RESULTS IN A PORTION OF THE LEASED PREMISES BEING RENDERED UNUSABLE BY LESSEE FOR THE PURPOSES SET FORTH IN SECTION 4 FOR A PERIOD IN EXCESS OF 5 CONSECUTIVE DAYS, THE BASE RENT SHALL BE REDUCED PRO RATA TO REFLECT THE PORTION OF THE LEASED PREMISES RENDERED UNUSABLE; HOWEVER, THERE SHALL BE NO ABATEMENT IN THE BASE RENT FOR ANY INTERFERENCE WITH LESSEE'S USE OF THE LEASED PREMISES DUE TO A RESPONSE ACTION FOR WHICH LESSEE IS EITHER PARTIALLY OR WHOLLY RESPONSIBLE PURSUANT TO SECTIONS 12.1(II) OR 12.1(III). IF ANY RESPONSE ACTION RESULTS IN A PORTION OF THE LEASED PREMISES BEING RENDERED UNUSABLE TO LESSEE FOR THE PURPOSES SET

FORTH IN SECTION 4, FOR WHICH LESSEE IS NEITHER PARTIALLY OR WHOLLY RESPONSIBLE, FOR A PERIOD IN EXCESS OF 30 CONSECUTIVE DAYS, THE BASE RENT SHALL CONTINUE TO BE REDUCED PRO RATA AS OUTLINED ABOVE IF ANY RESPONSE ACTION RESULTS IN A PORTION OF THE LEASED PREMISES BEING RENDERED UNUSABLE TO LESSEE FOR THE PURPOSES SET FORTH IN SECTION 4, FOR WHICH LESSEE IS NEITHER PARTIALLY OR WHOLLY RESPONSIBLE, FOR A PERIOD IN EXCESS OF 120 CONSECUTIVE DAYS, THE BASE RENT WILL CONTINUE TO BE REDUCED PRO RATA AS OUTLINED ABOVE PLUS LESSEE SHALL HAVE THE OPTION OF TERMINATING THIS LEASE. LESSEE SHALL PERMIT LESSOR AND ITS CONTRACTORS FULL, UNRESTRICTED AND UNCONDITIONAL ACCESS TO THE LEASED PREMISES FOR THE PURPOSE OF COMPLETING OR ENGAGING IN A RESPONSE ACTION FOR WHICH LESSOR HAS ANY RESPONSIBILITY OR, AT LESSOR'S OPTION, A RESPONSE ACTION FOR WHICH LESSEE IS RESPONSIBLE PURSUANT TO SECTIONS 12.1(II) OR 12.1(III) SHOULD LESSEE FAIL TO DILIGENTLY PURSUE AND COMPLETE SUCH RESPONSE ACTION TO THE SATISFACTION OF LESSOR. LESSOR'S COMPLETION OF ANY OF LESSEE'S OBLIGATIONS HEREUNDER SHALL NOT BE DEEMED A WAIVER OF LESSEE'S OBLIGATIONS UNDER THIS LEASE. LESSOR SHALL HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO CONDUCT REASONABLE INSPECTIONS OF LESSEE'S RESPONSE ACTION AND LESSEE SHALL PROVIDE LESSOR ALL INFORMATION REQUESTED BY LESSOR REGARDING LESSEE'S RESPONSE ACTION OR ANY ENVIRONMENTAL CLAIMS FOR WHICH LESSEE IS RESPONSIBLE.

12.5 THE TERM "ENVIRONMENTAL CLAIMS" MEANS ANY CLEANUP, RESPONSE, REMOVAL OR REMEDIATION REQUIRED BY A GOVERNMENTAL ENTITY, RELATED TO ANY ENVIRONMENTAL CONDITIONS AFFECTING THE AIR, SOIL, SURFACE WATERS, GROUND WATERS, STREAMS, SEDIMENTS AND SIMILAR ENVIRONMENTAL CONDITIONS CAUSED BY, RESULTING FROM, ARISING OUT OF, OR OCCURRING IN CONNECTION WITH THIS LEASE.

13. INSURANCE.

13.1 Lessee shall maintain continuously in effect a policy of comprehensive general liability insurance, including contractual liability covering the liability assumed by Lessee under the provisions of this Agreement, including but not limited to the provisions of Sections 11 and 12 hereof. Such insurance shall be in limits of not less than \$2,000,000.00 combined single limit, bodily injury and property damage liability each occurrence. Lessee shall furnish to Lessor certificates evidencing such insurance in companies and form acceptable to Lessor and providing not less than thirty (30) days' notice of cancellation or any material change in coverage.

13.2 (a) If the Leased Premises consist of a building or other similar improvements owned by Lessor, Lessee shall pay the premium for fire and casualty insurance on the leased premises, and Lessee shall not do anything in or about said premises which will cause the cancellation of such insurance. At the request of Lessor, Lessee shall provide Lessor with a copy of Lessee's fire and casualty insurance policy.

(b) Lessee shall indemnify, save and keep harmless Lessor from all cost, damages, losses and expenses (including attorney's fees) suffered by Lessor and/or by the properties and improvements owned by Lessor as a result of the negligence of the Lessee, its customers, agents or employees and/or resulting from the failure of Lessee to comply with the terms and provisions of this Lease or with Lessee's duties and obligations as herein provided.

(c) Except if damaged by reason of negligence of the Lessor, its agents or employees, or failure of Lessor to comply with the obligations assumed by Lessor herein, Lessee assumes sole risk for all buildings and improvements on the leased premises at all times during the term of this Lease.

13.3 All risk insurance on the property of the Lessee, or in Lessee's care, custody and control shall contain a waiver of subrogation against Lessor.

13.4 If the leased premises consist of a building or other similar improvements owned by Lessor, and the leased premises shall be partly damaged or totally destroyed by fire or any other cause, other than caused by the negligence of the Lessor, its customers, agents or employees and/or resulting from the failure of Lessor to comply with the terms and provisions of this Lease or with Lessor's duties and obligations as herein provided, Lessee shall, at Lessee's expense, immediately restore such damage. The rent accruing during such restoration shall not be abated.

14. CONDEMNATION.

Subject to Lessee's right to recover from Lessor an amount equal to the depreciated value of the improvements that were placed on the Leased Premises by Lessee with Lessor's consent, if all or any part of the Leased Premises shall be acquired or taken under eminent domain proceedings, or transferred to a public authority in lieu of such proceedings, Lessor may terminate this Lease as of the date when possession is taken. Subject to the above, all damages awarded for such taking shall belong to and be the property of Lessor and Lessee shall have no claim against Lessor by reason of such taking or termination and shall not have any claim or right to any portion of the amount that may be awarded or paid to Lessor as a result of any such taking. In addition to the above, Lessee may make claims against the condemning authority for moving expenses, loss of fixtures, or other matters which do not affect the award otherwise payable to Lessor so long as such claim does not reduce the award otherwise payable to Lessor.

15. **DEFAULTS AND REMEDIES.**

15.1 Should Lessee default in: (1) fulfilling any of the covenants or obligations of this Lease other than the covenants for making payments; or (2) if the Leased Premises become vacant or deserted; or (3) if the Leased Premises are damaged by reason of negligence or carelessness of Lessee, or its agents, then, in any one or more of such events, upon Lessor serving a thirty (30) day notice upon Lessee specifying the nature of said default, and upon the expiration of said thirty (30) days, if Lessee shall have failed to remedy such default, or if the said default or omission complained of shall be of such a nature that the same cannot be completely cured or remedied within said thirty (30) day period and Lessee has not diligently commenced curing such default within such thirty (30) day period and shall not thereafter with reasonable diligence and in good faith proceed to remedy or cure such default, then Lessor may serve a three (3) day notice of termination of this Lease upon Lessee, and upon the expiration of said three (3) days, this Lease and the Lease Term hereunder shall end and expire and Lessee shall then quit and surrender the Leased Premises to Lessor.

15.2 If the notice provided for in Section 15.1 hereof shall have been given, and the term shall have expired as aforesaid; or (i) if Lessee shall default in making a timely payment as herein provided; or (ii) if any execution or attachment shall be issued against Lessee or any of Lessee's property whereupon the Leased Premises shall be taken or occupied or attempted to be taken or occupied by someone other than Lessee; or (iii) if there occurs a Bankruptcy Default as defined in Section 16 hereof; then, and in any of such events, Lessor may, without notice, re-enter the Leased Premises either by force or otherwise, and dispossess Lessee and the legal representatives of Lessee or other occupant of the Leased Premises, by summary proceedings or otherwise, and remove their effects. Lessee hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end. If Lessee shall default hereunder prior to the date fixed as the commencement of any renewal or extension of this Lease, Lessor may cancel and terminate such renewal or extension agreement by written notice.

15.3 Lessor may, in addition to any other remedies set forth in this Section, suspend rail service (if applicable) in the event Lessee breaches any of the covenants in this Lease, and such suspension may continue until such breach is remedied.

16. **BANKRUPTCY.**

If, at the date fixed as the Commencement Date or at any time during the Lease Term, there shall be filed by or against Lessee in any court, pursuant to any statute either of the United States or of any state, a petition in bankruptcy, or there shall be commenced a case by or against Lessee under the Bankruptcy Code, or a petition filed in insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Lessee's property (all the hereinabove collectively referred to as a "Bankruptcy Default"), Lessor may terminate this Lease in which event neither Lessee nor any person claiming through or under Lessee by virtue of any statute or of an order of any court shall be entitled to possession or to remain in possession of the Leased Premises, and shall immediately surrender the Leased Premises to Lessor. Lessor, in addition to the other rights and remedies Lessor has by virtue of any other provision contained herein or elsewhere in this Lease or by virtue of any statute or rule of law, may retain as liquidated damages any rent, security, deposit, or monies received by it from Lessee or others on behalf of Lessee.

17. DISCONTINUANCE.

Lessor shall not be responsible for any loss or damage sustained by Lessee in consequence of any temporary elimination of the Tracks, or service thereover, due to circumstances beyond Lessor's reasonable control. However, the payment of any rent or additional rent will be prorated for the period of time the Tracks are out of service or service has been suspended under this section.

18. NO WAIVER.

The waiver by Lessor of any breach by Lessee of any term, covenant, obligation or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or a waiver of any other term, covenant, obligation or condition herein contained. The subsequent acceptance by Lessor of any Base Rent or Additional Rent due hereunder or any or all other monetary obligations of Lessee hereunder, whether or not denoted as Base Rent or Additional Rent hereunder, shall not be deemed to be a waiver of any preceding breach by Lessee, of any term, covenant, obligation or condition of this Lease, other than the failure of Lessee to make the particular payment so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term, obligation or condition of this Lease shall be deemed to have been waived by Lessor, unless such waiver is in a notice to Lessee executed by Lessor.

19. NOTICES.

Every notice, approval, consent, or other communication desired or required under this Lease shall be effective only if the same shall be in writing and sent postage prepaid by United States registered or certified mail (or a similar mail service available at the time), directed to the other party at its address set forth below, or such other address as either party may designate by notice given from time to time in accordance with this Section.

Lessor:

With copy to:

Watco Transportation Services
Attn: Real Estate Department
315 W. 3rd St.
Pittsburg, KS 66762

Lessee:

Town of Waynesville
106 South Main Street
Waynesville, North Carolina 28786

20. BINDING ON SUCCESSORS.

The covenants and agreements herein contained shall inure to the benefit of and be binding upon the successors, heirs, personal representatives, and assigns of the parties hereto, subject, however, to the provisions of Section 10 of this Lease.

21. QUIET ENJOYMENT.

Nothing herein contained shall imply or import a covenant on the part of Lessor for quiet enjoyment.

22. ENTIRE AGREEMENT.

The entire agreement between Lessor and Lessee is set forth in this Lease and there are no understandings, agreements, or representations of any kind between the parties, verbal or otherwise, other than as set forth in this Lease. No change or modification of any of the covenants, terms or provisions hereof shall be valid unless in writing and signed by the parties hereto.

23. HEADINGS.

The heading of each section of this Lease is for convenience only and it shall not affect any construction or interpretation of this Lease.

24. RIGHT TO INSPECT AND EXHIBIT.

Lessor shall have the right to enter the Leased Premises at reasonable hours in the day or night to examine and inspect the Leased Premises, make such repairs, additions or alterations as it may deem necessary for the safety, preservation or restoration of the Leased Premises and the improvements, if any, located thereon (there being no obligation, however, on the part of Lessor to make any such inspections, repairs, additions or alterations), or to exhibit the Leased Premises to prospective purchasers.

25. MECHANICS' LIEN.

In the event any mechanics' lien is filed against the Leased Premises as a result of alterations, additions or improvements made by Lessee, Lessor, at its option, upon thirty (30) days' notice to Lessee, may terminate this Lease and may pay said lien, without inquiring into the validity thereof, and Lessee shall forthwith reimburse Lessor the total expense incurred by Lessor in discharging said lien.

26. RECORDING.

Lessee shall not record this Lease without the prior consent of Lessor.

27. JOINT AND SEVERAL LIABILITIES.

If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more thereof) shall sign this Lease as Lessee, the liability of each individual, corporation, partnership or other business association to perform all covenants, obligations or conditions hereunder shall be deemed to be joint and several, and all notices, payments and agreements given or made by, with or to any one of such individuals, corporations, partnerships or other business associations shall be deemed to have been given or made by, with or to all of them. In like manner, if Lessee shall be a partnership or other business association, the members which are, by virtue of state or federal law, subject to personal liability, the liability of each such member shall be joint and several.

28. SEVERABILITY.

If any term, covenant, obligation or condition of this Lease or the application thereof to any person or circumstance shall be held invalid or unenforceable to any extent by a final judgment or award which shall not be subject to change by appeal, then the remainder of this Lease or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term, covenant and condition of this Lease shall be valid and be enforced to the fullest extent permitted by law. Furthermore, each covenant, agreement, obligation and other provision of this Lease is and shall be deemed and construed as a separate and independent covenant of the party bound by, undertaking or making the same, and not dependent on any other provision of this Lease unless expressly so provided.

29. BROKERAGE COMMISSION.

Any fees or commissions, with respect to the Leased Premises, due to a broker or finder are the sole responsibility of the Party that engaged those services.

30. HOLDING OVER.

Should Lessee hold over in possession of the Premises or any portion thereof after the expiration of the Lease Term or sooner termination as provided by this Lease without the execution of a new lease agreement or renewal agreement, Lessee, at the option of Lessor, shall be deemed to be occupying the entire Leased Premises from month to month, subject to such occupancy being terminated by either party upon thirty (30) days' notice to the other party, at a monthly rental equal to 200% of Base Rent due for the month immediately preceding the termination of this Lease, and otherwise subject to all the other terms, covenants, obligations and conditions of this Lease insofar as the same may be applicable to a month to month tenancy, including the payment of all Additional Rent as defined in this Lease. The acceptance of rent by Lessor shall not be evidence that Lessor has exercised its option to treat Lessee as a holdover tenant pursuant to the option set forth above.

31. THIRD PARTY BENEFICIARY.

Nothing contained in this Lease shall be construed as to confer upon any other party the rights of a third party beneficiary.

32. APPLICABLE LAW.

This Lease and the rights and obligations of the parties hereunder shall be construed in accordance with the laws of the State of North Carolina.

33. SURVIVAL.

Any covenant, obligation or liability which arose, may have arisen or was incurred by either party hereto prior to the termination of this Lease shall survive the termination of this Lease.

34. TERMINOLOGY.

As used in this Lease, the terms "Lessor," "Lessee" and "party" shall include the subsidiaries, affiliates, directors, officers, agents and employees of Lessor and Lessee.

35. EXHIBITS.

The provisions typed on this page, and/or the following pages, and any exhibit or addendum to this Lease shall be deemed a part hereof.

36. FORCE MAJEURE.

Subject to the terms and conditions of this Lease and specifically excluding the obligation to pay Rent as provided for herein, if an event of force majeure has occurred, the non-performing party shall be excused from further performance or observance of its obligations under this Lease which are so affected for as long as such circumstances prevail and such party continues to use its reasonable efforts to recommence performance or observance as soon as possible and to whatever extent possible without delay. The non-performing party shall immediately notify the party to whom performance is due and describe at a reasonable level of detail the circumstances causing such Event of Default or delay.

IN WITNESS, WHEREOF, the parties have executed this Lease as of the date first set forth above.

WITNESS:

(LESSOR)

BLUE RIDGE SOUTHERN RAILROAD, LLC

_____ **BY:** _____ **DATE** _____

WITNESS:

(LESSEE)

TOWN OF WAYNESVILLE

_____ **BY:** _____ **DATE** _____

EXHIBIT A

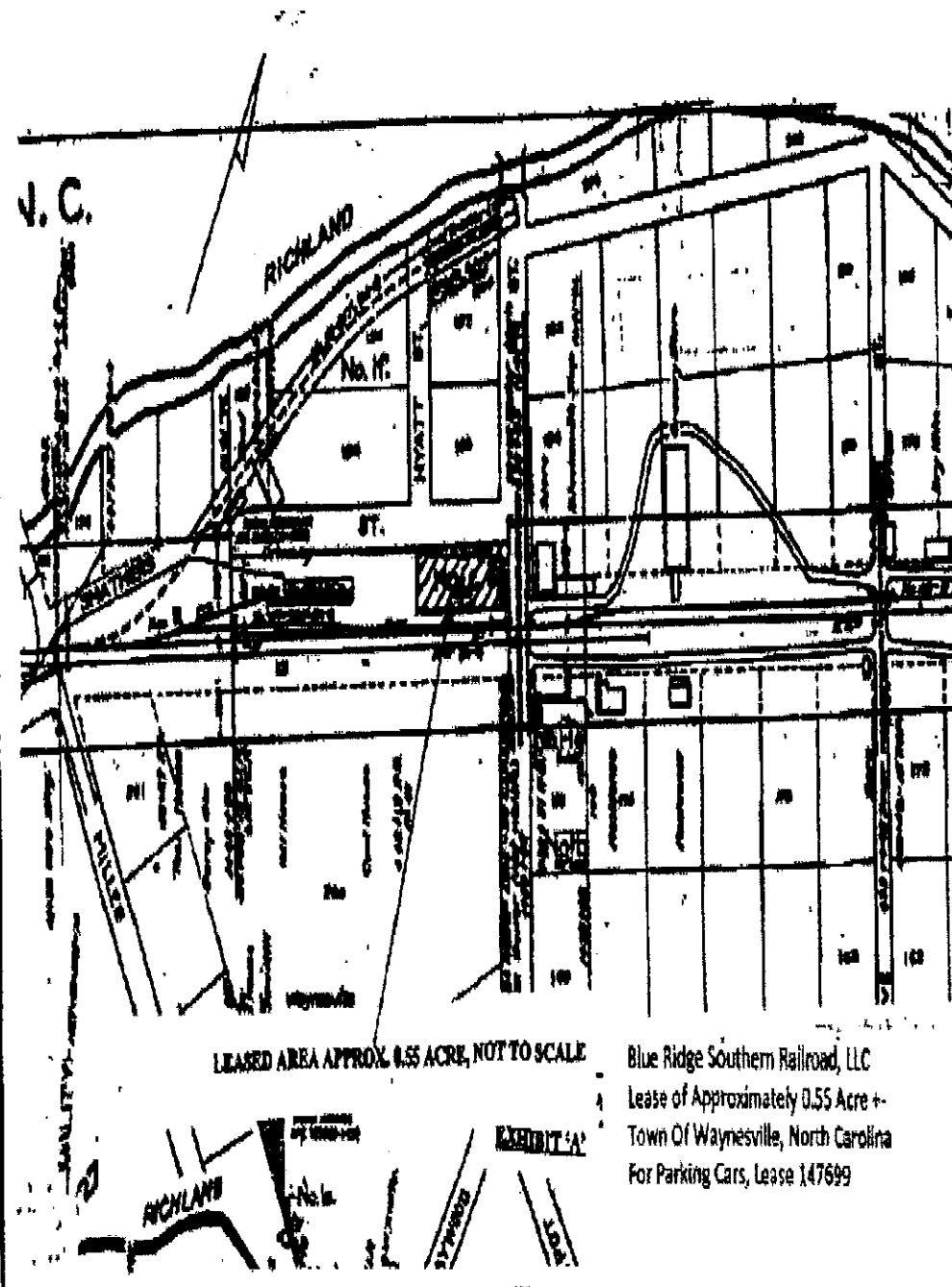


EXHIBIT B

RENT ESCALATOR

At the end of each year, effective on the anniversary date of execution of lease agreement, rent rate of leased premises shall increase by 3% of the amount paid the year previous.

EXHIBIT C IMPROVEMENTS

Lessor gives the Lessee the approval of paving the parking lot and installing a four-foot decorative fence at Lessee's cost with the stipulation that Lessee will preserve the Lessor the right to take the lot over if the Lessor would need to install a sidetrack.

**RESOLUTION OF THE TOWN OF WAYNESVILLE IN SUPPORT OF A STATE AND
NATIONAL GOAL OF 100% CLEAN ENERGY BY 2050
AND THE CREATION OF GREEN JOBS**

Whereas, climate change has increased the global average surface temperature by 1.00 degrees Celsius (1.8 degrees Fahrenheit) since 1880; Whereas, climate change is expected to increasingly impact North Carolina's temperatures, precipitation and sea level with harmful consequences in coming years;

Whereas, climate change and global average temperature increases are primarily due to human-caused fossil fuels emissions, including coal, oil and natural gas, according to the United Nations Intergovernmental Panel on Climate Change, National Academy of Sciences, American Meteorological Society, United States Environmental Protection Agency, United States Department of Defense, and numerous other leading scientific, academic and governmental authorities both in the United States and internationally;

Whereas, a final agreement of the United Nations Conference of Parties (COP21), which included the United States and a total of 195 nations, was reached in Paris, France on December 12, 2015, that states the aim is to "holding the increase in the global average temperature to well below 2 degrees Celsius above preindustrial levels and pursuing efforts to limit the temperature increase to 1.5 degrees Celsius above preindustrial levels" and entered into force on November 4, 2016;

Whereas, scientists have concluded the concentration of carbon dioxide, the leading greenhouse gas, in the Earth's atmosphere is currently and consistently over 400 parts per million (ppm) and will likely stay above this level for the indefinite future for the first time in millions of years;

Whereas, sixteen of the seventeen hottest years on record have occurred in the twenty-first century and 2016 is the hottest year on record;

Whereas, an increase in the global average temperature is having and will continue to increasingly have major adverse impacts, if not stopped by eliminating the use of fossil fuels, on both the natural and human-made environments due to longer, more intense heat waves, prolonged droughts, spread of infectious diseases, rising sea levels, ocean acidification, wildfires, and more intense and frequent extreme weather events;

Whereas, these physical effects are expected to lead to water scarcity, food insecurity, increasing numbers of refugees, increased poverty, and the mass extinction of species;

Whereas, studies completed by the International Monetary Fund (IMF), the Risky Business Project, Duke University, and others point to the severe economic costs of climate change and continuing use of fossil fuel, estimating billions of dollars a year in costs nationally and trillions globally;

Whereas, leading economists, policy experts, and business leaders conclude that transitioning to a clean energy economy available for all would create millions of green jobs nationally, improve health and living standards, and boost economic growth in coming years;

Whereas, a study cited two of the twenty dirtiest coal plants in the country in North Carolina, the Belews Creek plant and the Roxboro Steam plant;

Whereas, low-income communities and communities of color in North Carolina and the United States are inordinately exposed to pollution, that causes serious health problems such as cancer and asthma, from fossil fuels, including the dirtiest coal-fired power plants which produce coal ash, and need to be empowered and have access to educational tools and an awareness of climate issues;

Whereas, a Stanford University and University of California-Berkeley study concludes the United States energy supply could be based entirely on renewable energy by the year 2050 using current technologies and 80% renewable energy by 2030 while creating numerous green jobs;

Whereas, municipalities, organizations, businesses, and academic institutions throughout the world have set a goal to achieve carbon or climate neutrality by 2050 or earlier;

Whereas, over 1,000 mayors have joined the U.S. Conference of Mayors Climate Protection Agreement since 2005 to commit to significantly reduce carbon emissions in their cities to combat climate change;

Whereas, over 600 American colleges and universities have made a commitment to reduce greenhouse gases, including Appalachian State University, Blue Ridge Community College, Carteret Community College, Catawba College, Central Carolina Community College, Davidson College, Duke University, Elizabeth City State University, Fayetteville State University, Guilford College, North Carolina Central University, Queens University of Charlotte, Southeastern Community College, University of North Carolina at Chapel Hill, University of North Carolina at Charlotte, University of North Carolina at Greensboro, University of North Carolina at Pembroke, Wake Technical Community College, and Warren Wilson College;

Whereas, North Carolina installed 1,140 MW of solar electric capacity in 2015, ranking it second nationally; nearly \$1.7 billion was invested on solar installations in North Carolina, a 159% increase over the previous year; there are currently more than 200 solar companies at work throughout the value chain in North Carolina, the state companies employing some 6,000 people; North Carolina ranks third in the nation in installed solar capacity, enough to power 260,000 homes; and solar photovoltaic system prices in the U.S. have dropped by 66% since 2010; Whereas, North Carolina has more offshore wind energy potential than any other Atlantic state;

Whereas, the Intergovernmental Panel on Climate Change Fifth Assessment Report recommended a global goal of achieving near zero greenhouse gas emissions or below, which is necessary to stabilize the global average temperature to avoid climate catastrophe;

Now, therefore, Be it resolved that the Town of Waynesville does hereby approve of the following:

SECTION 1. The State of North Carolina and the United States shall establish a transition from a fossil fuel-based economy to a 100% clean renewable energy for all energy sectors-based economy, by January 1, 2050 or sooner to avoid climate catastrophe, to promote job creation and economic growth, and to protect the Earth for current and future generations from climate catastrophe.

SECTION 2. This resolution is effective upon adoption.

Adopted this 27th Day of June, 2017

TOWN OF WAYNESVILLE

ATTEST

James G. Caldwell, Mayor Pro Tem

Amanda W. Owens, Town Clerk

RESOLUTION R-09-17

**RESOLUTION OF THE BOARD OF ALDERMEN
NAMING EDDIE WARD AS TOWN CLERK
FOR THE TOWN OF WAYNESVILLE**

WHEREAS, North Carolina General Statute 160A-171 requires that local governments designate a position to serve as Town Clerk, who shall give notice of meetings of the council, keep a journal of the proceedings of the council, be the custodian of all city records, and shall perform any other duties that may be required by law or the council; and

WHEREAS, the Town of Waynesville Board of Aldermen has the authority under the Charter to name a person or persons to fill the role of Town Clerk; and

WHEREAS, the Town Manager has the responsibility and the authority under the Charter, subject to provisions of the Council-Manager Plan of Government, to appoint all city officers and employees not elected by the people; and

WHEREAS, the Town Manager commends Eddie Ward to fulfill the duties of Town Clerk, and wished her to assume these duties effective July 1, 2017, and serve in that capacity until her successor is appointed; and

WHEREAS, the current Town Clerk, Amanda W. Owens will administer the Oath of Office for the Town Clerk position on June 27, 2017;

NOW THEREFORE, BE IT RESOLVED by the Board of Aldermen of the Town of Waynesville that Eddie Ward, shall serve as the Town Clerk with responsibilities as specified in the Charter, and be recognized under State Law as having the same authority, duties and power as noted therein.

READ, APPROVED AND ADOPTED this 27th day of June, 2017.

ATTEST:

J. Gary Caldwell, Mayor Pro Tem

Amanda W. Owens, Town Clerk

Robert W. Hites, Jr, Town Manager