



The Mebane City Council held its regular monthly meeting at 6:00 p.m., Monday, October 7, 2024, in the Council Chambers of the Glendel Stephenson Municipal Building located at 106 E. Washington Street.

Councilmembers Present:

Mayor Ed Hooks
Mayor Pro-Tem Tim Bradley
Councilmember Katie Burkholder
Councilmember Sean Ewing
Councilmember Montrena Hadley
Councilmember Jonathan White

Also Present:

Preston Mitchell, Interim City Manager
Lawson Brown, City Attorney
Stephanie Shaw, City Clerk
Mitch McKinney, Chief of Police
Ashley Ownbey, Development Director
Daphna Schwartz, Finance Director
Franz Holt, City Engineer
Kyle Smith, Utilities Director

Mayor Hooks called the meeting to order at 6:00 p.m. and called for a moment of silence for those affected by Hurricane Helene, particularly those in Western North Carolina. Then Chris Hill, Pastor of Eastside Baptist Church gave the invocation.

No one spoke during the Public Comment Period.

Mayor Hooks recognized Public Works Director Chuck Smith as he was elected to serve as a Director of the North American NC Public Works Association Facilities and Ground Committee. Its mission is to engage the Public Works community and citizens through support, education, advocacy, and outreach by creating opportunities for training accountability networking, and growth for the benefit of all.

Mayor Hooks gave an overview of the Consent Agenda as follows:

- a. Approval of Minutes- September 9, 2024- Regular Meeting and Closed Session
- b. Voluntary Contiguous Annexation Petition- Tanner Built Homes- Mill Run
- c. American Rescue Plan Grant Ordinance Amendment and Budget Ordinance Amendment
- d. Budget Ordinance Amendment Carryforward

Mr. White made a motion, seconded by Mr. Bradley, to approve the Consent Agenda items as presented. The motion carried unanimously.

Item b.

RESOLUTION FIXING DATE OF PUBLIC HEARING ON
QUESTION OF ANNEXATION PURSUANT TO G.S. 160A-31

Annexation No. 174

WHEREAS, a petition requesting annexation of the area described herein has been received;
and

WHEREAS, certification by the City Clerk as to the sufficiency of the petition has been made;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mebane, North Carolina that:

Section 1. A public hearing on the question of annexation of the area described herein will be held at the Glendel Stephenson Municipal Building at 6:00 p.m. on November 4, 2024.

Section 2. The area proposed for annexation is described as follows:

Beginning at a ¾” iron pipe in the southern R/W of S.R. 1918; Thence leaving S.R. 1918 and along the eastern boundary line of Alan & Ruth Haviland S 04°22'02" W A Distance of 111.11' to a ½” iron pipe (a ¾” iron pipe on this line at the intersection with the southern R/W of S.R. 1918 95.89’ from beginning point); Thence S 10°05'01" W A Distance of 260.49' to a ½” EIP; Thence S 07°36'26" E A Distance of 100.71' to a ¾” EIP, the southeast corner of said Haviland and the northeast corner of Pearle W. Love Heirs; Thence with said Love Heirs S 07°36'26" E A Distance of 191.12' to a ½” crimped EIP the northwest corner of Lot 11 Rutledge Trail; Thence with said Lot 11 N 82°26'22" E A Distance of 578.88' to a point in the center of Rutledge Trail; Thence with said Rutledge Trail N 07°33'38" W A Distance of 613.42' to a point; Thence With A Curve Turning To The Left With An Arc Length of 345.46', With A Radius of 400.00', With a Chord Bearing of N 32°18'09" W, With A Chord Length of 334.82',Thence With A Curve to a point; Thence N 57°02'39" W A Distance of 61.94' to a point in the southern R/W of said S.R. 1918; Thence with the southern R/W of said 1918 S 32°50'11" W A Distance of 250.13' to a point; Thence S 36°41'11" W A Distance of 94.71' to a point; Thence S 43°06'11" W A Distance of 79.88' to a ¾” iron pipe ; Which Is The Point of Beginning, Having An Area of 10.01 Acres and 0.016 Suare Miles more or less.

AS SHOWN ON PLAT BY R.S. JONES & ASSOCIATES, INC. ENTITLED "FINAL PLAT: CITY OF MEBANE CORPORATE LIMITS EXTENSION A CONTIGUOUS VOLUNTARY ANNEXATION" DATED AUGUST 27, 2024

Section 3. Notice of the public hearing shall be published once in the Alamance News and News of Orange, newspapers having general circulation in the City of Mebane, at least ten (10) days prior to the date of the public hearing.

Ed Hooks, Mayor

ATTEST:

Stephanie W. Shaw, City Clerk

Item c.

**Grant Project Ordinance for the City of Mebane American Rescue Plan
Act of 2021: Coronavirus State and Local Fiscal Recovery Funds**

Amendment 3

BE IT ORDAINED by the city council of the City of Mebane, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby amended on October 7, 2024:

Section 1: This ordinance is to establish a budget for a project to be funded by the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (CSLFRF). The City of Mebane has received the first tranche in the amount of \$2,591,329 of CSLFRF funds. The total allocation is \$5,182,658, with the remainder to be distributed to the city within 12 months. These funds may be used for the following categories of expenditures, to the extent authorized by state law.

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in

critical infrastructure sectors; and,

- 5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Section 2: The City has elected to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all its ARP/CSLFRF funds for the provision of government services.

Section 3: The following amounts are appropriated for the project and authorized for expenditure:

Internal Project Code	Project	Expenditure Category	Cost Object	Appropriation of CSLFRF Funds
0001	Administration and Metering Services for period of March 3, 2021 through March 31, 2022 (reimbursement)	6.1	Salaries	\$46,973
			Benefits	\$22,565
0002	Utilities Services for period of March 3, 2021 through March 31, 2022 (reimbursement)	6.1	Salaries	\$644,239
			Benefits	\$294,753
0003	Waste Water Treatment Plant Services for period of March 3, 2021 through March 31, 2022 (reimbursement)	6.1	Salaries	\$459,271
			Benefits	\$185,082
0004	Administration and Metering Services for period of April 1, 2022 through December 31, 2024	6.1	Salaries	\$97,520
			Benefits	\$46,608
0005	Utilities Services for period of April 1, 2022 through December 31, 2024	6.1	Salaries	\$1,450,173
			Benefits	\$670,711
0006	Waste Water Treatment Plant Services for period of April 1, 2022 through December 31, 2024	6.1	Salaries	\$908,237
			Benefits	\$356,526
	Unallocated			\$32,864
		Total:		\$5,215,522

Section 4: The following revenues are anticipated to be available to complete the project:

CSLFRF Funds: \$5,182,658

Interest/Investment Income: \$32,864

Total: \$5,215,522

Section 5: The Finance Director is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant agreements, including payroll documentation and effort certifications, in accordance with 2 CFR 200.430 & 2 CFR 200.431 and the City’s Uniform Guidance Allowable Costs and Cost Principles Policy.

Section 6: The Finance Director is hereby directed to report the financial status of the project to the governing board on a quarterly basis.

Section 7: Copies of this grant project ordinance shall be furnished to the Budget Officer, the Finance Director and to the Clerk to the City Council.

Section 8: This grant project ordinance is effective as of March 3, 2021 and expires on December 31, 2026, or when all the CSLFRF funds have been obligated and expended by the City, whichever occurs sooner.

Section 9: Transfer \$32,864 in interest/investment proceeds to the FY 2024-2025 Annual Budget Ordinance for the Utility Fund.

Section 10: Decrease interest/investment revenues by \$32,864.

BE IT ORDAINED by the Council of the City of Mebane that the Budget Ordinance for the Fiscal Year beginning July 1 2024 as duly adopted on June 3, 2024, is hereby amended as follows:

ARTICLE I				
APPROPRIATIONS	Current Budget	Change	Revised Budget	
Utility Fund - Non-Departmental	\$ 3,357,027	\$ 32,864	\$ 3,389,891	

ARTICLE II				
REVENUES	Current Budget	Change	Revised Budget	
Utility Fund - Transfer From ARP Grant Ordinance	\$ -	\$ 32,864	\$ 32,864	

This the 7th day of October, 2024.

Item d.

BE IT ORDAINED by the Council of the City of Mebane that the Budget Ordinance for the Fiscal Year beginning July 1 2024 as duly adopted on June 3, 2024, is hereby amended as follows:

ARTICLE I				
APPROPRIATIONS	Current Budget	Change	Revised Budget	
General Fund - Recreation and Parks	\$ 3,499,024	\$ 100,000	\$ 3,599,024	

ARTICLE II				
REVENUES	Current Budget	Change	Revised Budget	
General Fund - Appropriated Fund Balance	\$ 4,469,773	\$ 100,000	\$ 4,569,773	

This the 7th day of October, 2024.

A quasi-judicial public hearing was held on a request from Donna Hester for approval of a Special Use Permit to increase the number of clients served by her childcare center, Brighter Beginnings Childcare, at 5004 Mrs. White Lane.

Clerk Shaw swore in the following:

Donna Hester, applicant and resident of 5004 Mrs. White Lane, Mebane
William Hester, neighbor of daycare, 4962 Mrs. White Lane, Mebane
Glenn Patterson, Real Estate Appraiser, Patterson Appraisal, PO Box 597, Burlington
Ashley Ownbey, Mebane Development Director
Franz Holt, Mebane City Engineer
Preston Mitchell, Mebane Interim City Manager

Ms. Ownbey gave an overview of the request. The current center was approved by a Special Use Permit in 2018 for no more than 12 children. The new request is for the childcare center to serve no more than 30 children, with weekday operation between 7:00 a.m. and 5:30 p.m. The property is located on +/-1.46 acres in the Mebane Extraterritorial Jurisdiction and zoned R-20, Residential District. The land use “Day Care Centers, Adult, and Child, 13 or More Clients” is permitted as a principal use in the R-20 zoning district with a special use permit. No major changes are proposed to the existing site. Renovations are required to the structure and must comply with any requirements of the North Carolina Building Code. The applicant has received an improvement permit from Alamance County Environmental Health for a septic system to serve a business with 36 people. This permit is valid through March 7, 2028. Ms. Ownbey explained with the Special Use request, the applicant must prove four findings:

- a. Will not materially endanger the public health or safety;
- b. Will not substantially injure the value of adjoining or abutting property;
- c. Will be in harmony with the area in which it is located; and
- d. Will be in conformity with the land development plan or other plans officially adopted by the City Council.

Special Use Permit requested to allow for an expansion in clients for existing day care as shown on the site-specific plan. Existing conditions:

- Variable width driveway (12'-15') and driveway loop to accommodate drop-off and pick-up traffic.
- Adequate play area and fencing according to Mebane UDO.
- Parking to accommodate clients and staff.

Additional improvements and permits are likely to be required by other departments and agencies for the expansion of the childcare center.

Ms. Hester shared the following:

- **Expanding the facility will not materially endanger the public health or safety**
 - Septic Tank Approval
 - North Carolina - State Licensing Certificate
 - Site Plan - Pick-up & Drop-off Procedures
- **Expanding the facility will not substantially injure the value of adjoining or abutting properties**
 - Please see Mr. Patterson’s Report
- **Expanding the facility will be in harmony with the area in which it is located**
 - Brighter Beginnings Childcare is an existing childcare facility that’s been in operation since 2019
 - Our pick-up and drop-off process aligns with the site plan that was provided
- **Expanding the facility will be in general conformity with the land use plan or other plans and policies officially adopted by the City Council**
 - Please note that the Planning staff have found the use consistent with long-range plans.

Additionally, she shared that their daycare, Brighter Beginnings Child Care is certified with the state as a five-star facility. The site plan shows points of access, the pattern of internal circulation

and loading/unloading, and the location of the outdoor play area(s). The use is not operational after 7:00 p.m. or before 6:00 a.m. The site has access to a collector street. The use complies with state licensing requirements. Ms. Hester highlighted the daycare center's new outdoor learning environment, which was established after completing a course at North Carolina State University. The center received a grant for this initiative, enriching children's educational experiences with features such as a mud kitchen, chalkboard, and a garden where children harvest and eat their lunch produce. The area includes a fenced-in 1200-foot outdoor play area, meeting state licensing requirements with a sturdy four-foot-high fence for safety and privacy. She emphasized a commitment to creating a safe, secure, and challenging learning environment that fosters responsibility and respect. She concluded her presentation by thanking the Council for their time and consideration.

Mr. Patterson stated it was his professional opinion that the daycare expansion would not harm the abutting properties.

Mr. Ewing made a motion, seconded by Ms. Burkholder, to close the public hearing. The motion carried unanimously. Mr. Ewing made a motion, seconded by Ms. Hadley, a motion to approve the Special Use Permit as presented, and a motion to find that the request is both reasonable and in the public interest because it has been found that the request:

- a. Will not materially endanger the public health or safety;
- b. Will not substantially injure the value of adjoining or abutting property;
- c. Will be in harmony with the area in which it is located; and
- d. Will be in conformity with the land development plan or other plans officially adopted by the City Council.

The motion carried unanimously.

Mayor Hooks stated that the next two public hearings are requested to be combined.

- b. Ordinance to Extend the Corporate Limits- Voluntary Non-contiguous Annexation- Deborah Hawkins- Rock Quarry Road
- c. Establish R-20 Zoning on +/- 15.7 acres- West Ten Road and Rock Quarry Road outside of the Mebane Extraterritorial Jurisdiction (ETJ) in Orange County, by Steve Hubrich

Mr. Brown stated that the Council must vote to combine the public hearings. Ms. Burkholder made a motion, seconded by Mr. Bradley, to combine the public hearings. The motion carried unanimously.

Mr. Brown explained that the property is not in the ETJ so to take action, it must be annexed. He further explained that the Council typically segregates its votes, but the Council would not consider Item c. without first taking action on Item b., the annexation request. He stated at last month's meeting, the Council accepted the Clerk's certificate of sufficiency. The property in question is a non-contiguous annexation of 15.7 acres. Staff recommends that the property be annexed. He stated that the applicant and possibly other speakers would provide further information.

Ms. Ownbey gave an overview of the zoning request, stating that Steve Hubrich is requesting to establish R-20 zoning on a property totaling +/- 15.7 acres, located on the corner of West Ten Road and Rock Quarry Road. The property is located outside of the Mebane Extraterritorial Jurisdiction (ETJ) in Orange County. The proposed R-20 zoning is the least dense residential zoning district in Mebane and is the most consistent zoning district with the property's current zoning by Orange County, which is Agricultural Residential. The applicant has the site under contract to purchase, contingent upon approval of the requests. As already presented, annexation into the City of Mebane has been submitted concurrently with the rezoning request. Reiterating that action on

the annexation request is required before Mebane zoning can be established. City utilities are available to serve the site. A request for a special use permit has also been submitted for the property. The current site is vacant and surrounded by a mix of single-family residential properties, vacant land, and forested areas. It is situated within an industrial growth strategy area, as outlined in the Mebane Comprehensive Land Development Plan. This area is part of the Buckhorn Economic Development District. The growth strategy encourages non-residential uses, suggesting that this site could serve as a transitional zone from residential areas along Rock Quarry Road to manufacturing zones on the opposite side. The location has been identified as suitable for transitioning from residential to manufacturing, aligning with the area's strategic development goals.

Jeffrey Roether from Morning Star Law represented Hubrich Contracting in presenting applications for a 15.7-acre parcel located at the intersection of West Ten Road and Rock Quarry Road. He stated that the primary purpose is to seek approval for the development of a K-8 charter school operated by Carolina Achieve. He stated that the site is currently zoned as agricultural land in Orange County, outside the city's extraterritorial jurisdiction. He highlighted three key requests: annexation of the property into the corporate limits, R-20 zoning designation to permit elementary and secondary school use, and special use permit approval. He emphasized that all statutory requirements for annexation had been met, with staff certifying the petition's completeness. He stated that annexation would enhance public health and safety, with utilities already accessible to the site. The site is adjacent to the recently annexed NACC property, aligning with the City's Comprehensive Plan which aims to encourage business growth over single-family development. Hubrich Contracting's request for R-20 zoning was supported by the planning board's unanimous vote, citing consistency with the Comprehensive Plan. He concluded by requesting the Council's consideration to approve the annexation petition and establish R20 zoning for the site.

Trip Cogburn, founding head of school at Carolina Achieve, shared insights into the school's mission and vision, emphasizing a commitment to providing young learners with a strong academic foundation in a supportive environment. The aim is to nurture students into innovative thinkers and future leaders. He highlighted the strength of the school's board of directors and partnerships, such as with Steve Hubrich's team, which is dedicated to enhancing children's lives through education. As a native North Carolinian, the head of school expressed a desire to positively impact Mebane and integrate Carolina Achieve into the community's fabric. The school is actively involved with the Mebane Business Association and local Chambers of Commerce, committed to supporting the area's long-term success by developing future leaders who will contribute to the community.

There was a brief discussion regarding the educational model proposed for the charter school.

Mr. Bal Krishna Sharma, Manager of NACC Investment Group, LLC, representative for the subdivision approved by the Council at last month's meeting and which also lies across the street from the property in question, spoke in support of the charter school.

Mr. White made a motion, seconded by Mr. Ewing, to close the combined public hearings. The motion carried unanimously.

Mr. Bradley made a motion, seconded by Mr. White, to adopt an Ordinance to Extend the Corporate Limits of the City of Mebane, North Carolina to include the +/- 15.7 acres. The motion carried unanimously.

Mr. White made a motion, seconded by Mr. Bradley, to approve the R-20 zoning as presented and a motion to find that the application is consistent with the objectives and goals in the City's 2017 Comprehensive Land Development Plan Mebane By Design. Specifically, the request is for property within the City's G-2 Industrial Growth Area. The motion carried unanimously.

A quasi-judicial board of adjustment public hearing request was held on a request from Steve Hubrich for approval of a Special Use Permit to develop a K-8 charter school on a +/- 15.7-acre property on the corner of West Ten Road and Rock Quarry Road.

Clerk Shaw swore in the following:

Jeffrey Roether, Morning Star Law, Attorney representing the applicant
Timothy Guadagno, Landscape Architect at Summit Design and Engineering Services
Lyle Overcash, Senior Project Manager and Traffic Engineer with Kimley-Horn
Nick Kirkland, Real Estate Appraiser, Kirkland Appraisal
Trip Cogburn, Founder and Head of School, Carolina Achieve
Steve Hubrich, Owner/Applicant, Hubrich Contracting
Ashley Ownbey, Mebane Development Director
Preston Mitchell, Interim City Manager
Franz Holt, City Engineer
John Wellons, Mebane Fire Chief
Mitch McKinney, Mebane Chief of Police
Cliff Ayscue, Chief Building Inspector
Chuck Smith, Public Works Director
Carl Bradley, resident, 4610 Mebane Rogers Road

Ms. Ownbey gave an overview of the Special Use Permit request. She stated that the Council would be acting as the Board of Adjustment as required by the Table of Permitted Uses within the Mebane UDO. The property is located at the corner of West Ten Road and Rock Quarry Road, approximately 15.7 acres. The property was previously annexed into city limits and zoned as R-20 Residential District, where an elementary or secondary school is permissible with a special use permit. Surrounding the site are single-family residential areas, vacant land, and forested areas. Notably, there are approved residential developments west of the site that are expected to increase the number of homes in the vicinity. The location, identified in the Comprehensive Land Development Plan as an industrial growth strategy area, encourages non-residential development. The proposal includes a site plan for a K-8 charter school to be developed in two phases. The initial phase involves the operation of a K-4 school in modular units with a single parking lot comprising approximately 70 spaces, accessible via a driveway on West Ten Road. An additional driveway on Rock Quarry Road will allow for necessary vehicle stacking. This initial development phase is anticipated to last approximately two years. A traffic impact analysis was conducted and reviewed by the North Carolina Department of Transportation, city staff, and a third-party reviewer. The analysis concluded no off-site transportation improvements were necessary. The applicant has voluntarily agreed to construct 5-foot sidewalks along the property frontage. Upon final buildout, the site will feature a 34,000-square-foot building housing the K-8 school, additional staff parking, and two driveways on Rock Quarry Road and West Ten Road for bus loops. Other site features include a soccer field, a future gym, and a stormwater management device, which is recommended to be constructed to accommodate a 100-year storm event with accompanying flood studies.

Staff clarified that at this time the school has submitted plans for a K-8 grades, should they desire to expand the grades, 9-12, they would have to go back through the full process for approval.

Mr. Roether, the attorney representing the applicant, overviewed the request. He first requested to incorporate the staff report and its attachments into the evidence for the hearing. This included the site plan, traffic management plan, and traffic impact analysis, as well as taking judicial notice of the city's Unified Development Ordinance (UDO) and other relevant plans. Resumes and an appraisal report by industry professionals, including Tim Guadagno from Summit, Lyle Overcash from Kimley-Horn, and Nick Kirkland from Kirkland Appraisals, were submitted. The project is

represented by Hubrich Contracting, which has a decade-long history of constructing charter schools across the state. Following the approval of the zoning application, the site is zoned R-20, allowing for elementary and secondary school use. The permit must be issued unless the proposed development does not meet UDO requirements, endangers public health or safety, injures property values, is not harmonious with the area, or does not conform with city council plans.

Tim Guadagno, Principal Landscape Architect with Summit Design and Engineering, presented the site plan for the proposed 15.7-acre school project designed to serve grades K-8 site plan, which adheres to all objective UDO requirements and special use permit criteria, was reviewed. The presentation highlighted both phases of the project. Phase 1 includes modular units, a parking lot with 72 spaces, exceeding the 23-space requirement, and two vehicular ingress and egress points, plus a bus loop. Phase 2 will replace modular units with a 34,000 sq. ft. school structure, add a second parking lot, and increase the total parking to 219 spaces. Other features include a 5-foot sidewalk for safe pedestrian travel, a soccer field, open space, and an existing tree buffer for visual appeal and environmental protection. Stormwater management plans comply with 100-year storm standards and state requirements, using swales and a detention pond. Lighting and signage will minimize the impact on adjacent properties. The design team collaborated with city staff to ensure compliance with city requirements. He concluded, based on his professional opinion, that the proposed plans align with city policies, maintain public health and safety, and are environmentally compliant.

Ms. Burkholder began a discussion regarding Alamance Community School. She stated that friends of hers had voiced concerns about the growth that school is experiencing, which has led to significant traffic congestion during pickup and drop-off times. It was noted that the City of Graham has intervened by requiring the school to stagger these times to alleviate the issue. She highlighted the potential for similar growth if the new school proposal is approved, prompting questions about whether any insights from Alamance Community School's situation could be applied to the new design to preemptively manage traffic concerns. Mr. Guadagno stated that they have overdesigned the plan to allow for growth and more vehicle stacking.

Mr. Bradley raised safety concerns with the future phase when transitioning from the modular units to the 34,000-square-foot main building. Mr. Guadagno as of right now the phasing has been designed so that the two parts do not fall on top of each other between the modular and the new building so there will be room for one to happen next to the other.

Mr. White questioned when the school would be open. Mr. Guadagno responded in Fall 2025 assuring the Council that the driveway, parking lot, and curb and gutter would all be completed by then. Stormwater detention requirements will also be adhered to per the state requirements.

Lyle Overcash, Traffic Engineer with Kimley-Horn Associates, highlighted the preparation of the Traffic Impact Analysis and coordination with the City and NCDOTDOT. He stated that a traffic study was conducted in August and September 2023, adhering to NCDOT and City of Mebane standards, with findings accepted by relevant authorities. The proposed school is designed to accommodate 900 students with staggered schedules to manage traffic flow effectively. Storage and queue solutions have been incorporated to prevent traffic congestion, particularly along Rock Quarry Road. The site includes four access points to manage inbound and outbound traffic efficiently, with provisions for both car and bus traffic. The school design aims to maintain safety and efficient traffic flow, incorporating bike parking and accessible dumpster facilities. The site plan adheres to City requirements, ensuring no adverse effects on adjacent properties. The overall conclusion was that the site plan aligns with all necessary land use plans and policies, and the design mitigates potential traffic congestion, maintaining public health and safety.

Nick Kirkland, State Certified Real Estate Appraiser with Kirkland Appraisals, presented an impact study concerning the proposed school development. Mr. Kirkland, recognized as an expert in property appraisal, discussed the harmony of the proposed school with its surroundings and its potential impact on adjoining property values. The study involved analyzing similar schools in the area and determining if they fit harmoniously with adjacent residential zones. His findings indicate that the proposed site is consistent with other developments and should integrate harmoniously into the community. Additionally, Mr. Kirkland used matched pair analysis to assess property values of homes near existing schools. His analysis showed that properties adjacent to schools sold

for prices similar to those not near schools, supporting the conclusion that the proposed school would not adversely affect neighboring property values. Conclusively, Mr. Kirkland's professional opinion was that the proposed development will be harmonious and have no negative impact on adjoining property values.

Steve Hubrich, the applicant and owner of Hubrich Contracting, stated that they are a full-service development and construction project contractor operating across North Carolina, South Carolina, Georgia, Florida, Tennessee, and Texas, specializing in Charter School Development and Construction within the Triangle area. He stated that they collaborated with staff to evaluate various sites, considering both pros and cons. The pre-planning phase involved consultations with civil and traffic engineers to optimize traffic management and obtain necessary encroachment permits from entities like NCDOT and others. He addressed the traffic concerns raised by the Council regarding the Alamance Community School, stating that the current expansion includes an additional thousand feet of stacking space and parking for approximately 60 more cars, which should mitigate traffic issues resulting from unexpected growth rates. The expansion is aligned with the original Traffic Impact Analysis (TIA) specifications. The gymnasium, currently under construction, is expected to be completed with additional stacking facilities in the next 60 days. Additionally, safety concerns regarding stormwater ponds at the proposed school site were addressed, stating that the plans include secure fencing and double gate systems to facilitate maintenance while ensuring safety. Mr. Hubrich also addressed concerns about ongoing construction while the school is in session. He explained that it was decided that the modular building would be placed on the far southeast side near the soccer field. That area will be fenced off to separate it from the construction site of the main school building. Additionally, the initial phase of the project will involve the establishment of a secondary parking lot designated as the construction employee parking and laydown area for materials. This setup aims to ensure safety and minimize disruption during school operations.

Ms. Hadley questioned if the modular units would remain after the main school building is built. Mr. Hubrich stated that the school would be built after the school reached a certain population. He said he could not commit to when the modulares would be moved, but they would be moved eventually.

There was considerable discussion regarding when the modular units would be moved, Ms. Ownbey stated that a note was provided on the site plan that says the modular units will be removed after the new facility is in operation, so there is a bit of conflict between that note and what Mr. Hubrich is now saying. Mr. Hubrich said the note on the plans still stands but could say exactly when that would be.

Mr. Roether stated that all evidence has been provided and requested that the Council approve the request for the Special Use Permit for the K-8 Charter School as proposed. He stated that the proposed project was discussed in detail, with findings indicating that it will not endanger public health or safety, will not injure the value of adjoining properties, and will be in harmony with the surrounding area, conforming to the land use plan and other city council-adopted plans. He gave a brief overview of each professional testimony. A question was raised regarding the inconsistency between the project timeline and testimony about the school's construction. Mr. Roether's clarification indicated no inconsistency; Mr. Hubrich could not commit to trailer removal following the main structure's occupation. However, a site plan note requires modular removal in phase two. Plans for a high school are under consideration but not yet definitive. The approved K-8 charter would require further approval for high school plans, whether on the current site, an adjacent site, or elsewhere. Mr. Hubrich forecasted the possible use of trailers for housing high school students, pending further approval.

Mr. Mitchell stated that it was his understanding, based on the standing site plan note, that the modular units would be removed once the main school building is occupied with the understanding that the applicant does have the ability to come back to ask for modifications.

No one from the public spoke concerning the matter.

Mr. White made a motion, seconded by Mr. Bradley to close the public hearing. The motion carried unanimously.

Ms. Burkholder shared that it is unique for the Council to consider matters regarding schools, but this is a charter school request, not a public-school request which is handled by the county government.

Mr. White made a motion, seconded by Mr. Ewing, to approve the Special Use Permit as presented, and a motion to find that the request is both reasonable and in the public interest because it has been found that the request:

- a. Will not materially endanger the public health or safety;
- b. Will not substantially injure the value of adjoining or abutting property;
- c. Will be in harmony with the area in which it is located; and
- d. Will be in conformity with the land development plan or other plans officially adopted by the City Council.

The motion carried unanimously.

Mayor Hooks called for a break at 7:37 pm. He called the meeting back to order at 7:44 pm.

Ms. Schwartz presented a request for approval of the final financing resolution for the Water Resource Recovery Facility (WRRF) Expansion Project. The resolution focuses on securing revenue bonds, which will be backed by the utility system's revenue. The total estimated cost of the project is \$93 million. Funding sources include \$67.3 million from bond proceeds, along with contributions from the American Rescue Plan Grant, a state-directed Grant, system development fees, and Utility Fund cash. The availability of the Utility Fund cash results from previous revenue replacement funds under the American Rescue Plan. The resolution includes the bond order and series resolution, aiming to authorize the financing process. It grants staff the authority to proceed with the financing, with minor amendments possible as needed. Pending approval, the bond sale is scheduled for October 9, 2024, with an expected closure date of October 30, 2024.

Mr. Holt introduced Andy Lovingood, Project Engineer and Company President of McGill and Associates who presented a request for approval of a tentative contract award for the WRRF Expansion/Upgrade Project. Mr. Lovingood reviewed the improvements and updates to the existing wastewater plant project. The expansion of the plant will go from 2.5 to 4 million gallons a day and potentially up to 6 million gallons in the future. Key project highlights included reusing existing infrastructure such as aeration tanks and incorporating modern technology like a five-stage oxidation ditch and a denitrification filter system to meet Jordan Lake rules. The Council was informed about the bidding process, where four qualified bids were received. Crowder Construction, known for its capability and experience with similar projects, submitted the lowest bid at \$82,500,000 due to its in-house electrical contracting services, representing a significant cost factor. A deduction proposal for building coverings for some pump stations (Alternate no. 1 deduct-\$560,000), which would not compromise the project's integrity. He concluded his presentation with a recommendation from the project team to accept Crowder Construction's bid amounting to \$81,940,000.

Ms. Schwartz spoke regarding the related Capital Project Amendment 6 and the FY24-25 Budget Ordinance Amendment. She explained that an amended capital project ordinance (no.6) and a budget ordinance amendment are needed and will appropriate funding through various sources of revenue in the amount of \$93,467,804 which covers all Professional Services and Financing Costs, Design and Engineering, Land Purchase, Construction Administration, Construction, and Construction Contingency.

Mr. Holt highlighted the anticipated project schedule:

- Tentative Contract Award: October 7th, 2024
- LGC Approval and Selling of Revenue Bonds: October 2024
- Construction Start: January 2025
- Construction Completion: January 2028

Mr. Holt concluded with staff recommendations for the Council to approve the tentative contract award to Crowder Construction Company, Inc in the amount of \$81,940,000 pending approvals from the Local Government Commission and the Division of Water Infrastructure and the selling

of revenue bonds, along with the Council’s adoption of Capital Project Ordinance amendment no. 6 in the amount of \$93,467,804 and adoption of the FY24-25 Budget Ordinance Amendment.

Mr. Ewing made a motion, seconded by Ms. Burkholder, to adopt the Bond Order and Series Resolution in support of the WRRF project financing as presented. The motion carried unanimously.

Mr. Bradley, made a motion, seconded by Ms. Hadley, to adopt the Resolution of Tentative Award in the amount of \$81,940,000 to Crowder Construction Company contingent upon the approval of financing by the Local Government Commission, the selling of revenue bonds and the approval of bidding documentation by NCDEQ, Division of Water Infrastructure, adopting Capital Project Budget Ordinance Amendment no. 6 in the amount of \$93,467,804, and adoption of the FY24-25 Budget Ordinance Amendment. The motion carried unanimously.

**Bond Order and Series Resolution authorizing the issuance of up to
\$67,300,000 in water and sewer revenue bonds for the WRRF
expansion and improvements project**

Introduction -

The City has committed to a plan to improve and expand capacity at the City’s water resource recovery facility. By a resolution adopted on September 9, 2024, the City made a preliminary determination to issue revenue bonds to finance some of the project costs. Revenue bonds are not secured by the City’s taxing power or any physical collateral, but instead by a pledge of the net operating revenues of the City’s water and sewer system. The City has issued revenue bonds before to fund water and sewer projects.

The City has applied to the North Carolina Local Government Commission for its approval of the revenue bonds, and the Commission has approved the City’s application. The Council now desires to adopt a bond order to authorize formally the issuance of City revenue bonds for the projects, and to approve by resolution substantially final financing documents and other details of the financing.

BE IT ORDERED by the City Council of the City of Mebane, North Carolina, as follows:

1. There are hereby ordered to be issued, pursuant to the North Carolina Local Government Revenue Bond Act, City revenue bonds (the “2024 Bonds”) in an amount not to exceed \$67,300,000 to pay capital costs of water and sewer system improvements, and in particular the City’s costs of the WRRF expansion and improvements project, together with related financing and other necessary or incidental costs.
2. The 2024 Bonds will be special obligations of the City, secured by a pledge of the net receipts of the City’s water and sewer system. The principal of, and interest and any premium on, the 2024 Bonds shall be payable solely from the sources pledged to the payment. Neither the faith and credit nor the taxing power of the City or any other governmental entity shall be pledged for the payment of the principal of, or interest or any premium on, the 2024 Bonds, and no owner of the 2024 Bonds shall have the right to compel the exercise of the taxing power of any governmental entity in connection with any default on the 2024 Bonds.
3. The City will issue the 2024 Bonds as “Additional Bonds” as provided in the City’s existing Master Trust Agreement (the “Master Agreement”) for revenue bonds dated September 1, 2021. The Master Agreement sets the overall legal framework for all City revenue bonds, including prior revenue bonds, the 2024 Bonds and any future revenue bonds.

BE IT RESOLVED by the Council as follows:

- A. **Sale of the 2024 Bonds** – The City will sell the 2024 Bonds to PNC Capital Markets LLC, as senior manager, and Wells Fargo Securities, as co-manager, (together, the “Underwriters”), pursuant to a Bond Purchase Agreement substantially in the form of the

draft submitted to this meeting dated September 30, 2024.

B. Approval of Supplemental Agreement -- The City will issue the 2024 Bonds pursuant to a Third Supplemental Trust Agreement (the "Supplemental Agreement") in substantially the form of the draft dated September 30, 2024 presented to this meeting. The Supplemental Agreement sets the terms specifically applicable to the 2024 Bonds, including the interest rate and the payment and prepayment provisions. Those terms will be finally established upon the sale of the 2024 Bonds to the Underwriters, which is currently scheduled for October 9, 2024.

C. Direction To Execute Agreements – The Council authorizes the City Manager and the Finance Director, or either of them, to execute and deliver the Bond Purchase Agreement and the Supplemental Agreement (the "Agreements") in their respective final forms. The Agreements in their final forms must be in substantially the forms presented, with such changes as the City Manager or the Finance Director may approve. The execution and delivery by an authorized City officer will be conclusive evidence of that officer's approval of any changes to any Agreement. The Council hereby approves the sale of the 2024 Bonds to the Underwriters subject to the limitations set forth in the following paragraph

The Agreements in final form, however, must be consistent with the financing plan described in this resolution and must provide (a) for the principal amount of the 2024 Bonds not to exceed \$67,300,000 (b) for the financing term not to extend beyond August 1, 2049, and (c) for the true interest cost to the City not to exceed 5.00%.

D. Officers To Complete Closing – The Council authorizes the City Manager, the Finance Director and all other City officers and employees to take all proper steps to complete the financing in cooperation with the Underwriters and in accordance with this resolution.

The Council authorizes the City Manager to hold executed copies of all financing documents authorized or permitted by this resolution in escrow on the City's behalf until the conditions for their delivery have been completed to that officer's satisfaction, and then to release the executed copies of the documents for delivery to the appropriate persons or organizations.

Without limiting the generality of the foregoing, the Council specifically authorizes the City Manager to (a) to approve and enter into additional agreements to carry out the financing contemplated by this resolution, including agreements for the custody of Bond proceeds and agreements for appropriate professional services, and (b) to approve changes to any documents previously signed by City officers or employees, provided that the changes do not conflict with this resolution or substantially alter the intent from that expressed in the form originally signed. The City Manager's authorization of the release of any document for delivery will constitute conclusive evidence of that officer's approval of any changes.

In addition, the Council authorizes the City Manager and the Finance Director to take all appropriate steps for the efficient and convenient carrying out of the City's on-going responsibilities with respect to the financing. This authorization includes, without limitation, contracting with third parties for reports and calculations that may be required under this resolution or otherwise with respect to the Master Agreement, the Supplemental Agreement or the 2024 Bonds.

E. Resolutions as to Tax Matters -- The City will not take or omit to take any action the taking or omission of which will cause the 2024 Bonds to be "arbitrage bonds," within the meaning of Section 148 of the "Code" (as defined below), or "private activity bonds" within the meaning of Code Section 141, or otherwise cause interest on the 2024 Bonds to be includable in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the City will comply with any Code provision that may require the City at any time to pay to the United States any part of the earnings derived from the investment of the financing proceeds. In this resolution,

“Code” means the United States Internal Revenue Code of 1986, as amended, and includes applicable Treasury regulations.

F. Additional Provisions -- The Council authorizes all City officers and employees to take all further action as they may consider necessary or desirable in furtherance of the purposes of this resolution. The Council ratifies all prior actions of City officers and employees to this end. Upon the absence, unavailability or refusal to act of the City Manager, the Mayor or the Finance Director, any other of those officers may assume any responsibility or carry out any function assigned in this resolution. In addition, the Mayor Pro Tem or any Deputy or Assistant City Clerk may in any event assume any responsibility or carry out any function assigned in this resolution to the Mayor or the Clerk, respectively. All other Council proceedings, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict. This resolution takes effect immediately.

RESOLUTION OF TENTATIVE AWARD

WHEREAS, the City of Mebane, North Carolina has received bids, pursuant to duly advertised notice therefore, for construction of the Wastewater Resource Facility Expansion, and

WHEREAS, the City’s Consulting Engineer, McGill Associates, has reviewed the bids; and

WHEREAS, of four (4) bids received, Crowder Construction Company of Apex, North Carolina, was the lowest bidder, in the total bid amount (accepting Alternate no. 1 deduct) of \$81,940,000 and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MEBANE:

That TENTATIVE AWARD is made to Crowder Construction Company in the Total Bid Amount of \$81,940,000.

That such TENTATIVE AWARD be contingent upon the approval of financing by the local Government Commission, the selling of revenue bonds and the approval of bidding documentation by the North Carolina Department of Environmental Quality, Division of Water Infrastructure.

The City of Mebane does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to.

That Preston Mitchell, Interim City Manager, and successors so titled, is hereby authorized to execute and approve all contract documents and change orders for this project on behalf of the City of Mebane.

Adopted this the 7th of October 2024 at Mebane City Hall, 106 E Washington Street, Mebane, North Carolina.

Ed Hooks, Mayor

ATTEST:

Stephanie W. Shaw, City Clerk

**Capital Project Ordinance for the City of Mebane
Water Resource Recovery Facility Expansion
Amendment 6**

BE IT ORDAINED by the Governing Board of the City of Mebane, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance amendment 4 is hereby adopted:

Section 1: The project authorized is the design and construction of the Water Resource Recovery Facility Expansion to be financed by the Utility Fund, Utility Capital Reserve Fund, Grant Funds, and Revenue Bonds.

Section 2: The officers of this City are hereby directed to proceed with the capital project within the terms of the budget contained herein.

Section 3: The following amounts are hereby appropriated for the project:

	Project Budget
Professional Services and Financing Costs	\$ 760,804
Design & Engineering	3,513,200
Land Purchase	286,800
Construction Administration	2,700,000
Construction	82,110,000
Construction Contingency	4,097,000
Total	\$ 93,467,804

Section 4: The following revenues are anticipated to be available to complete the project:

	Project Budget
NC Department of Environmental Quality American Rescue Plan funding	11,925,000
State Directed Grant	2,055,000
Transfer from Utility Fund	5,215,522
Transfer from Utility Capital Reserve Fund	7,012,136
Bond Proceeds	67,260,146
Total	\$ 93,467,804

Section 5: The Finance Officer is hereby directed to maintain sufficient specific detailed accounting records within the Capital Project Fund to satisfy the requirements of the General Statutes of North Carolina.

Section 6: Funds may be advanced from the Water and Sewer Fund for the purpose of making payments as due.

Section 7: The Finance Officer is hereby directed to report, on a quarterly basis, on the financial status of each project element in Section 3.

Section 8: The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this Board.

Section 9: Copies of this capital project ordinance shall be furnished to the Clerk to the Governing Board and to the Budget Officer and Finance Officer for direction in carrying out this project.

This is the 7th day of October 2024.

BE IT ORDAINED by the Council of the City of Mebane that the Budget Ordinance for the Fiscal Year beginning July 1 2024 as duly adopted on June 3, 2024, is hereby amended as follows:

ARTICLE I

APPROPRIATIONS	Current Budget	Change	Revised Budget
Utility Fund - Non-Departmental	\$ 3,357,027	\$ 1,635,333	\$ 4,992,360
Utility Capital Reserve Fund - Transfer to Capital Projects	\$ 5,500,000	\$ 1,512,136	\$ 7,012,136

ARTICLE II

REVENUES	Current Budget	Change	Revised Budget
Utility Fund - Appropriated Fund Balance	\$ 2,776,740	\$ 1,635,333	\$ 4,412,073
Utility Capital Reserve Fund - Appropriated Fund Balance	\$ 5,500,000	\$ 1,512,136	\$ 7,012,136

This the 7th day of October, 2024.

Mr. Smith presented a request for the adoption of the 2023 Appropriations Act Directed Projects Grant Acceptance Resolution for Sewer Rehab and WRRF Expansion Appropriated Funding for \$2,955,000. Mr. Smith explained that the City submitted an Appropriated Funding application from the Drinking Water/Wastewater State Reserve (co-funded with funds from the American Rescue Plan Act) to aid in funding our Sewer Rehabilitation and WRRF Expansion Projects. The City was selected to receive \$2,955,000 of funding. To receive the funding, a resolution accepting the appropriations but be adopted by the Council. The City will receive a total of \$2,955,000 of funding from the 2023 Appropriations Act Directed Projects Grant. Of this \$2,995,000, \$900,000 will be used as matching funds for the Sewer Rehab BRIC Grant Project and \$2,055,000 will be used to aid in funding the WRRF Expansion Project.

Ms. Burkholder made a motion, seconded by Mr. Bradley, to adopt the 2023 Appropriations Act Directed Projects Grant Acceptance Resolution for Sewer Rehab and WRRF Expansion Appropriated Funding for \$2,955,000. The motion carried unanimously.

2023 APPROPRIATIONS ACT DIRECTED PROJECTS GRANT ACCEPTANCE RESOLUTION

WHEREAS, the City of Mebane has received a Directed Projects Grant from the 2023 Appropriations Act, Session Law 2023-134, administered through the Drinking Water Reserve and Wastewater Reserve to assist eligible units of government with meeting their water/wastewater infrastructure needs, and

WHEREAS, the North Carolina Department of Environmental Quality has offered 2023 Appropriations Act funding in the amount of \$2,955,000 to perform work detailed in the submitted application, and

WHEREAS, the City of Mebane intends to perform the said project in accordance with the agreed scope of work,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MEBANE:

The City of Mebane does hereby accept the 2023 Appropriations Act Directed Projects Grant offer of \$2,955,000.

The City of Mebane does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to.

That Preston Mitchell, Interim City Manager, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with this project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

Adopted this the 7th of October 2024 at Mebane City Hall, 106 E Washington Street, Mebane, North Carolina.

Ed Hooks, Mayor

ATTEST:

Stephanie W. Shaw, City Clerk

Ms. Ownbey presented a request for an appointment to the Public Transit Advisory Commission - Link Transit. She stated that on September 9, 2024, the Council approved an interlocal agreement with the City of Burlington to provide a fixed route and complimentary paratransit public transportation services to Mebane through Link Transit. Now, the City must appoint one voting member and one alternate to Link Transit's Public Transit Advisory Commission. Appointments are required by December 31, 2024. The representative may be an elected official or someone from

the community. If an elected official does not wish to serve on the Commission, City staff recommend advertising the positions and appointing the voting member and alternate at the City Council's December meeting.

Mr. Ewing stated that he would love to act as the City's appointment as the voting member. Ms. Hadley made a motion, seconded by Ms. Burkholder, to appoint Mr. Ewing to serve as Mebane's voting member. Ms. Burkholder made a motion, seconded by Mr. Bradley, to appoint Ms. Hadley to serve as Mebane's alternate member. The motion carried unanimously.

Mr. Brown presented a request for an appointment to the local Alamance Municipal ABC Board. Mr. Brown stated that staff received two (2) applications, Chip Foushee and Tory Williams. He stated that staff recommends the appointment of Mr. Foushee as he currently serves as the Chair of the Alamance Municipal ABC Board.

Mr. White made a motion, seconded by Mr. Bradley, to appoint Chip Foushee as Mebane's representative on the Alamance Municipal ABC Board. Mr. White thanked Mr. Williams for applying and shared that he wished to see Mr. Williams serve in some capacity along these lines in the future and he commended Mr. Foushee for his stellar service on the ABC Board. The motion carried unanimously.

As a presentation item only, Mr. Mitchell shared a draft 2025 Council Meeting Calendar for the Council's review and approval at next month's meeting.

At 8:10 p.m., Mr. Ewing made a motion to go into Closed Session for the reason of discussing pending litigation pursuant to N.C.G.S. 143-318.11 (a)(3). Mr. Brown stated that the litigation is the recent appeal to the Superior Court of the decision on the McDonald's adjacent to the Food Lion shopping center on the north side of town. Ms. Burkholder seconded the motion. The motion carried unanimously. The Council left the Council Chambers.

After some time, the Council reentered the Council Chambers and Mayor Hooks called for a motion to go back into Open Session. Ms. Burkholder made a motion, seconded by Ms. Hadley, to go back into Open Session. The motion carried unanimously.

Mr. Ewing made a motion, seconded by Mr. White, that the City agrees to resolve the Outparcels, LLC's appeal of the denial of the McDonald's drive-thru restaurant by the City's issuance of the permits for the same by consent order of the court, on the basis of the applicant's waiving any right to cost and attorney's fees. The motion carried unanimously.

The meeting was adjourned at 8:21 p.m.

Ed Hooks, Mayor

ATTEST:

Stephanie W. Shaw, City Clerk