

# **A G E N D A**

## **HICKORY CITY COUNCIL**

**October 20, 2020**



**7:00 p.m.**



**AGENDA**  
[www.hickorync.gov](http://www.hickorync.gov)

If you have any questions about any item on this agenda or if you need more information about any item in addition to the information contained in the agenda package, please call the City Manager at 323-7412. A “Citizen Comment Sheet”, which explains the procedure to address the City Council, is located on the table outside Council Chambers. We also encourage you to complete the Comment Sheet and offer any suggestions or questions you have. For more information about the City of Hickory go to: [www.hickorync.gov](http://www.hickorync.gov).

Hickory City Council  
76 North Center Street

October 20, 2020  
7:00 p.m.

- I. Call to Order
- II. Invocation by Reverend Lori Blocker, Corinth Reformed Church
- III. Pledge of Allegiance Led by Girl Scout Troup #10356
- IV. Special Presentations
- V. Persons Requesting to Be Heard
  - A. Mr. Mike Beasley, Sandy Ridge Baptist Church Fallen Heroes – Discussion of Wreaths Across America.
- VI. Approval of Minutes
  - A. Regular Meeting of October 6, 2020. **(Exhibit VI.A.)**
- VII. Reaffirmation and Ratification of Second Readings. Votes recorded on first reading will be reaffirmed and ratified on second reading unless Council Members change their votes and so indicate on second reading.
  - A. Budget Revision Number 6. **(First Reading Vote: Unanimous)**
- VIII. Consent Agenda: All items below will be enacted by vote of City Council. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item IX.
  - A. Resolution Authorizing Preparation of Assessment Rolls and Public Hearing on Preliminary Assessment Roll for Street Improvements Petition Number 20-01 (Curb and Gutter for 638 28<sup>th</sup> Avenue Court NE, Hickory). A petition was submitted on February 20, 2020, approved by City Council on March 3, 2020, and the project was completed on September 28, 2020. **(Authorize Public Hearing for November 3, 2020.) (Exhibit VIII.A.)**
  - B. Approval of the Microenterprise Grant Agreement with Nuology Spyrtech in the Amount of \$4,000. **(Exhibit VIII.B.)**

*In its 2015-2019 Consolidated Plan for Housing and Community Development, the City of Hickory identified increasing entrepreneurship opportunities as a high priority need. This led to the creation of a program to provide microenterprise grants to businesses looking for funding necessary to take their business to the next level. This continues to be a focus of the 2020-2024 Consolidated Plan. The 2019-2020 Community Development Block*

Grant (CDBG) Annual Action Plan has \$27,000 allocated towards assistance for entrepreneurial activities. According to the US Department of Housing and Urban Development, a microenterprise is a business that has fewer than five employees, one of whom is the owner of the business. The program offers grants of up to \$4,000 for low to moderate income business owners for business property, inventory, necessary fixed assets, marketing and business promotion, or other improvements approved by the Business Development Committee. Applicants are required to submit a business plan and have a counseling session with a local business support organization. Bene Ra Speret has applied for a Microenterprise Grant to support and enhance his start-up business, Nuology Spyrtech. The business will develop and distribute a unique diffuser/infuser for multiple therapeutic modalities, including aroma, sound and vibration for holistic and natural healing. The Business Development Committee reviewed the application and recommends approval of the grant in the amount of \$4,000. Staff recommends City Council's approval of the Microenterprise Grant agreement with Nuology Spyrtech.

- C. Approval of Change Order Number Two to the Agreement for Professional Services with Kimley-Horn Associates, Inc. for Additional Services Related to the Book Walk South Project EB-5938 in the Amount of \$33,559.58. **(Exhibit VIII.C.)**

Staff requests Council's approval of change order number two to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for additional services related to EB-5938 in the amount of \$33,559.58, contingent upon North Carolina Department of Transportation (NCDOT) concurrence. The Book Walk Project is one of the projects envisioned in the bond referendum and is intended to provide improved connectivity from Patrick Beaver Memorial Library to Ridgeview Library and further to Highway 70 in the general area of shopping and commerce. This project has received NCDOT funding at an 80/20 ratio, NCDOT and City respectively. Change order number two for Book Walk South identifies additional services, intentionally omitted in the original contract, that include lighting plan/coordination and construction phase services. The City of Hickory's portion of fees will be funded by bond proceeds. Staff recommends Council's approval of change order number two to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for additional services related to EB-5938 in the amount of \$33,559.58, contingent upon NCDOT concurrence.

- D. Approval of Change Order Number Three to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for Additional Services Related to EB-5937 in the Amount of \$33,559.58. **(Exhibit VIII.D.)**

Staff requests Council's approval of change order number three to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for additional services related to EB-5937 in the amount of \$33,559.58, contingent upon North Carolina Department of Transportation (NCDOT) concurrence. The Book Walk Project is one of the projects envisioned in the bond referendum and is intended to provide improved connectivity from Patrick Beaver Memorial Library to Ridgeview Library and further to Highway 70 in the general area of shopping and commerce. This project has received NCDOT funding at 80/20 ratio, NCDOT and City respectively. Change order number three for Book Walk identifies additional services, intentionally omitted in the original contract, that include lighting plan/coordination and construction phase services. City of Hickory's portion of fees will be funded by bond proceeds. Staff recommends Council's approval of change order number three to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for additional services related to EB-5937 in the amount of \$33,559.58, contingent upon NCDOT concurrence.

- E. Approval of a Cemetery Deed Transfer from George W. Brown, Jr. to Mary E. Starnes, Oakwood Cemetery, Plot J., Lot Nos. 1 and 2, Section 53. (Prepared by Morphis Law & Mediation, Henry S. Morphis). **(Exhibit VIII.E.)**
- F. Budget Revision Number 7. **(Exhibit VIII.F.)**

1. To recognize and appropriate \$2,500 of revenue received from Catawba County for reimbursement of Personal Protective Equipment expenses due to COVID incident responses beginning on October 12, 2020.
2. To transfer and appropriate \$5,000 from Water and Sewer Fund Balance into the McLin & Lyle Creek wastewater outfall project (#803305) for necessary environmental permits.
3. To appropriate \$1,664 of insurance-claims revenue received from a private party's insurance for damages to a Solid Waste truck (#3507) on July 8, 2020.
4. To transfer \$75,000 each from General Fund and Water & Sewer Fund Balances, appropriating a total of \$150,000 into the Bruce Meisner Park Capital Project (#620008) for construction of the shelter and restroom facilities.

- G. Approval of the Bid, Award of the Contract and Authorize the City Manager to Execute the Contract with WC English, Inc., for the Riverwalk North Carolina Department of Transportation EB-5939 Project in the Amount of \$7,185,655.25. **(Exhibit VIII.G.)**

*Staff requests Council's approval of the bid, award of the contract, and authorize the City Manager to execute the contract with WC English, Inc., for the Riverwalk NCDOT EB-5939 Project in the amount of \$7,185,655.25, contingent on North Carolina Department of Transportation (NCDOT) approval. The Riverwalk NCDOT project will contain an entrance from Old Lenoir Road, parking and access to the trail system, as well as an elevated walkway over Lake Hickory that interacts with existing City of Hickory amenities. Lighting on the bridge, retaining walls and all necessary drainage piping are included in this project. This project was advertised on September 6, 2020 and bids were received on October 8, 2020. Three bids were received from contractors and the results are as follows: WC English, Inc. - \$7,185,655.25; Dane Construction - \$8,501,959.75; and James R. Vannoy & Sons - \$8,952,259.76. Staff recommends Council approval of the bid, award of the contract and authorize the City Manager to execute the contract with WC English, Inc., for the Riverwalk NCDOT EB-5939 Project in the amount of \$7,185,655.25, contingent on NCDOT approval.*

IX. Items Removed from Consent Agenda

X. Informational Item

XI. New Business:

A. Public Hearings

1. Consideration of FY 2019-2020 Consolidated Annual Performance and Evaluation Report (CAPER) – Presentation by Community Development Manager Karen Dickerson. **(Exhibit XI.A.1.)**

*The City of Hickory, in complying with the U.S. Department of Housing and Urban Development's requirements, has prepared the CAPER, for submission to HUD. The CAPER outlines the City's Community Development Block Grant (CDBG) expenditures from July 1, 2019 through June 30, 2020. Staff requests Council's consideration of the FY 2019-2020 Consolidated Annual Performance and Evaluation Report (CAPER).*

*This public hearing was advertised in a newspaper having general circulation in the Hickory area on October 6, 13, and 20, 2020.*

2. Consideration of the Joint Economic Development Agreement with Merchants Distributors, Inc. – Presentation by City Manager Warren Wood. **(Exhibit XI.A.2.)**

*This public hearing was advertised in a newspaper having general circulation in the Hickory area on October 9, 2020.*

B. Departmental Reports

1. Quarterly Financial Report – Presentation by Assistant City Manager Rodney Miller
2. Appointments to Boards and Commissions

**COMMUNITY APPEARANCE COMMISSION**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
At-Large (Outside City but within HRP) (Council Appoints) VACANT

**COMMUNITY RELATIONS COUNCIL**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
Other Minority (Council Appoints) VACANT  
Other Minority (Council Appoints) VACANT  
Other Minority (Council Appoints) VACANT  
Differently-Abled and is African-American or Other Minority (Council Appoints) VACANT

**HICKORY REGIONAL PLANNING COMMISSION**

(Terms Expiring 6-30; 3-Year Terms With Unlimited Appointments)  
(Appointed by City Council)  
Brookford (Mayor Appoints with Recommendation from Brookford) VACANT

**LIBRARY ADVISORY BOARD**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
At-Large (Mayor Appoints) VACANT  
(Unexpired Term of Helen Devlin)

**PUBLIC ART COMMISSION**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
Ward 4 (D. Williams Appoints) VACANT

**PUBLIC HOUSING AUTHORITY**

(Terms Expiring 6-30; 5-Year Terms) (Appointed by the Mayor)  
Position 3 (Mayor Appoints) VACANT  
Position 9 (Mayor Appoints) (Unexpired Term of Rebecca Clements) VACANT

**YOUTH COUNCIL**

(Terms Expiring 6-30; 1-Year Terms) (Appointed by City Council)  
Youth Council Applicant Review Committee Recommends the Following Appointments:

FTF VACANT  
HCAM VACANT  
HHS VACANT  
Homeschool VACANT

C. Presentation of Petitions and Requests

- XII. Matters Not on Agenda (requires majority vote of Council to consider)
- XIII. General Comments by Members of Council, City Manager or City Attorney of a Non-Business Nature
- XIV. Closed Session Per NC General Statutes 143-318.11(a)(1)(6) to consult with the attorneys regarding the following: (Action on these items, if any, will occur in Open Session)

1. *Approval of Closed Session Minutes of September 15, 2020 - NCGS §143-318.11(a)(1)*
2. *Discussion of Personnel Matter - NCGS §143-318.11(a)(6)*

XV. Adjournment

**\*Hickory City Code Section 2-56. Public Address to Council:**

**“When conducting public hearings, considering ordinances and otherwise considering matters wherein the public has a right to be heard, when it appears that there are persons present desiring to be heard, the Mayor shall require those opposing and favoring the proposed action to identify themselves. Each side of the matter shall be given equal time. Those opposing the proposed action shall be allowed 15 minutes for presentation, followed by 15 minutes for those favoring the action, with the opponents then to have five minutes for rebuttal and the proponents to then have five minutes for surrebuttal. Those persons on either side shall have the right to divide their allotted time among them as they may choose. The Council, by majority vote, may extend the time for each side equally. On matters in which the person desiring to address the Council does not have a legal right to speak, the Council shall determine whether it will hear the person. The refusal to hear a person desiring to speak may be based upon grounds that the subject matter is confidential, that its public discussion would be illegal, that it is a matter not within the jurisdiction of the Council or for any other cause deemed sufficient by the Council. Any person allowed to speak who shall depart from the subject under discussion or who shall make personal, impertinent or slanderous remarks, or who shall become boisterous while addressing the Council shall be declared out of order by the Mayor, or by vote of the Council, and barred from speaking further before the Council unless permission to continue shall be granted by a majority vote of the Council, under such restrictions as the Council may provide.”**

**The City of Hickory holds all public meetings in accessible rooms.  
Special requests for accommodation should be submitted by individuals  
with disabilities at least 48 hours before the scheduled meeting.  
Phone Services (hearing impaired) – Call 711 or 1-800-735-2962**

A Regular Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Tuesday, October 6, 2020 at 7:00 p.m., with the following members present:

Tony Wood	Hank Guess	David L. Williams
Charlotte C. Williams	Aldermen	David P. Zagaroli
Danny Seaver		Jill Patton

A quorum was present.

Also present were: City Manager Warren Wood, Assistant City Manager Rick Beasley, Assistant City Manager Rodney Miller, City Attorney John W. Crone, III, Deputy City Clerk Crystal B. Mundy and City Clerk Debbie D. Miller

- I. Mayor Guess called the meeting to order. All Council members were present with Alderman Williams arriving at 7:07 p.m.
- II. Invocation by Associate Pastor Jasmine Tesdahl, Holy Trinity Lutheran Church
- III. Pledge of Allegiance
- IV. Special Presentations
  - A. Presentation to Hickory Fire Department – Proclamation for Fire Prevention Week October 4 – 10, 2020.
 

Mayor Guess asked Hickory Fire Department Staff to the podium. He read the Proclamation for Fire Prevention Week and presented it to Fire Chief Matt Hutchinson and other Fire Department Staff.
  - B. Assistant Public Services Director Steve Miller to Recognize Roads Scholars Bobby Hatley and Józef Siwik.
 

Mayor Guess asked Assistant Public Services Director Steve Miller to the podium to recognize the City's Roads Scholars.

Assistant Public Services Director Steve Miller advised with him was Mr. Bobby Hatley, Mr. Józef Siwik and Transportation Manager Caroline Kone. He recognized Mr. Hatley and Mr. Siwik for receiving their Roads Scholar certificate. He explained the Roads Scholars program was a professional development opportunity offered by the North Carolina Local Technical Assistance Program at ITRE through NC State University. The Roads Scholar program was funded by a grant from the Federal Highway Administration, the US Department of Transportation and through the local technical assistance program. The purpose of this program was to recognize local government personnel who had significantly increased their knowledge of road maintenance procedures and improved their technical and managerial skills. By successfully completing seven of the Roads Scholar courses offered through the center, Mr. Hatley and Mr. Siwik had earned this distinction. Mr. Hatley was the Street Division Supervisor and had worked for the City of Hickory for nine years and Mr. Siwik was a heavy equipment operator in the Street Division and had worked for the City of Hickory for 14 years. He advised that Mr. Siwik was working the pager tonight and had been working before coming into the meeting. He commented that you couldn't have two more dedicated employees for the City of Hickory. He asked Transportation Manager Caroline Kone to present them with their certificates.
- V. Persons Requesting to Be Heard
- VI. Approval of Minutes
  - A. Regular Meeting of September 15, 2020.
 

Alderman Patton moved, seconded by Alderman Seaver that the Minutes of September 15, 2020 be approved. The motion carried unanimously.
- VII. Reaffirmation and Ratification of Second Readings. Votes recorded on first reading will be reaffirmed and ratified on second reading unless Council Members change their votes and so indicate on second reading.
 

Alderman Patton moved, seconded by Alderman Seaver that the following be reaffirmed and ratified on second reading. The motion carried unanimously.

  - A. Approval to Amend the Traffic Ordinance to Reduce the Posted Speed Limit Along 20<sup>th</sup> Avenue Drive NW, 18<sup>th</sup> Avenue Drive NW, 18<sup>th</sup> Avenue Court NW, 9<sup>th</sup> Street NW, 9<sup>th</sup> Street Drive NW, 9<sup>th</sup> Street Court NW, and 18<sup>th</sup> Avenue Circle NW to 25 MPH. **(First Reading Vote: Unanimous)**
  - B. Approval to Amend the Traffic Ordinance to Reduce the Posted Speed Limit Along 2<sup>nd</sup> Avenue SE, From Tate Boulevard SE to Lenoir-Rhyne Boulevard SE to 25 MPH and Implement an All-Way Stop at the Intersection of 2<sup>nd</sup> Avenue SE and 7<sup>th</sup> Street SE. **(First Reading Vote: Unanimous)**

October 6, 2020

- C. Approval to Amend the Traffic Ordinance to Reduce the Posted Speed Limit Along 36<sup>th</sup> Avenue NW and 36<sup>th</sup> Avenue Circle NW to 25 MPH. **(First Reading Vote: Unanimous)**
- D. Approval of the Request from the North Carolina Department of Transportation to Amend the Speed Limit Along US Highway 70 and Springs Road. **(First Reading Vote: Unanimous)**
- E. Budget Revision Number 5. **(First Reading Vote: Unanimous)**

VIII. Consent Agenda: All items below enacted by vote of City Council. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item IX.

City Manager Warren Wood requested Item "J" be removed from the consent agenda.

Alderman Seaver moved, seconded by Alderwoman Patton approval of the Consent Agenda except for Item "J". The motion carried unanimously.

- A. Approved Change Order with Moss-Marlow Building Co., Inc. in the Amount of \$6,413 for the Hangar Replacement Project at Hickory Regional Airport.

Staff requests City Council's approval of a change order with Moss-Marlow Building Co., Inc. in the amount of \$6,413 for removal of trench rock encountered for the underground drainage lines related to the hangar replacement project. The change order is for the removal of 58.3 cubic yards of trench rock encountered while digging for the underground DS lines. This additional work will not increase the contract time for completion. The change order itemizes the various costs associated with the additional trench work. General fund contingency will fund this additional work. Staff recommends City Council's approval of a change order from Moss-Marlow Building Co. Inc. in the amount of \$6,413.

- B. Approved the Renewal of Taxicab and Other Passenger Vehicles for Hire Franchise.

Hickory Police Department recommends approval of Certificates of Convenience and Necessity for four businesses to operate taxicabs and/or passenger vehicles for hire within the city. Section 30-41 of Hickory City Code states that no person shall operate any taxicab or other passenger vehicle for hire in the City without first having obtained a certificate of public convenience and necessity from the City Council authorizing such operation. The four businesses listed have applied for and met the issuance standards and procedures set forth in Hickory City Code.

Company	Taxicabs	Passenger Vehicle for Hire
Mile High Enterprises	0	9
Hickory Limousine	0	1
Diamond Cab	2	0
Yellow Cab	6	1
Total	8	11

Hickory Police Department recommends the issuance of Certificates of Convenience and Necessity for the four businesses and vehicles for the fiscal year of 2020-2021.

- C. Approved the Acceptance of the 2020 Justice Assistance Grant in the Amount of \$15,962 to Purchase Three eBikes and Naloxone.

Hickory Police Department requests approval to accept the 2020 Justice Assistance Grant. The City of Hickory has received notification to receive \$15,962 under the 2020 Justice Assistance Grant (JAG) Program. The JAG Program is a formula-based grant through the Office of Justice Programs/Bureau of Justice Assistance (BJA) that utilizes Uniform Crime Reporting statistics of all law enforcement agencies to determine eligibility for direct federal grant awards. There is no match required. Hickory Police Department will use grant funds to purchase three eBikes and naloxone. Naloxone will be supplied to each police officer for when he or she arrives first on the scene. Police officers administer the lifesaving drug naloxone to the person(s), which will undo the effects of an opiate/heroin overdose. The eBikes will be used to give the police department better and quicker response time. eBikes will be used to patrol neighborhoods, special events, gatherings, City Walk, and Riverwalk. Hickory Police Department recommends approval to accept the 2020 Justice Assistance Grant in the amount of \$15,962.

- D. Approved the Purchase and Up-Fit of Ten Specialized Police Package Emergency Vehicles from Four Seasons Ford.

Hickory Police Department (HPD) requests approval to purchase and up-fit ten specialized police package emergency vehicles. Hickory Police Department has funds budgeted in the 2020-2021 CIP for replacement and up-fitting of police vehicles. HPD



staff and the City of Hickory Fleet Manager researched and reviewed independent comparison studies comparing available police package vehicles. The 2021 Ford Police Interceptor Utility all-wheel drive best fits the needs of the department. Four Seasons Ford in Hendersonville, NC was awarded and currently has the NC Sheriff's Association Contract for the 2021 Ford Police Interceptor Utility all-wheel drive with a base price of \$32,767.55. Four Seasons Ford has partnered with Global Public Safety, LLC in Statesville, NC to provide the total "turnkey" up-fitting of these ten specialized police package emergency vehicles. Global Public Safety, LLC would install all the specialized and emergency equipment. Added up-fitting options provided by Global Public Safety, LLC - \$15,202.08. Total purchase and up-fitting price - \$47,969.63. Hickory Police Department recommends the purchase and up-fitting of ten all-wheel drive 2021 Ford Police Interceptor Utility vehicles from Four Seasons Ford on the NC Sheriff's Association Contract at a cost of \$47,969.63 per vehicle and a total cost of \$479,696.30. Funds are budgeted in the FY 2020/2021 CIP.

- E. Approved a Resolution Authorizing the Conveyance of City-Owned Property to Habitat for Humanity of the Catawba Valley Located at 344 3<sup>rd</sup> Street SE.

Staff request approval of a Resolution authorizing the conveyance of City-owned property to Habitat for Humanity of the Catawba Valley. The City of Hickory owns property at 344 3<sup>rd</sup> Street SE. This is a vacant residentially zoned lot that can be used for construction of a new affordable single-family home. The City plans to convey this property to Habitat in order to create additional affordable housing. NCGS 160A-279 authorizes cities to convey property to nonprofit organizations carrying out a public purpose. Under the terms of the agreement as consideration for the city-owned property, Habitat will agree to deed restrictions on the property to construct a single-family home to sell to a low- or moderate-income homeowner within the next five years. The organization will also convey a small parcel it owns adjacent to Kiwanis park as additional consideration. Staff requests approval of the Resolution authorizing the conveyance of property to Habitat for Humanity of the Catawba Valley.

RESOLUTION NO. 20-36  
A RESOLUTION AUTHORIZING THE SALE OF  
REAL PROPERTY TO ENTITIES CARRYING OUT A PUBLIC PURPOSE

WHEREAS, the City of Hickory is the owner of a parcel located at 344 3<sup>rd</sup> Street SE, Hickory, NC 28602 having Catawba County PIN 3702-08-77-5567.

WHEREAS, North Carolina General Statute §160A-279 provides that a city may convey real property to any public or private entity which carries out a public purpose by the private sale procedures outlined in North Carolina General Statute §160A-267; and

WHEREAS, Habitat for Humanity of the Catawba Valley ("Habitat"), a North Carolina non-profit corporation provides affordable housing opportunities to low- and moderate-income homeowners; and

WHEREAS, Habitat desires to construct additional affordable housing units in the City of Hickory; and

WHEREAS, the City and Habitat acknowledge that affordable housing in the City is an issue impacting individuals, communities, and the general public; and

WHEREAS, City desires to assist Habitat in providing affordable housing by conveying the City's property on 3<sup>rd</sup> Street SE to the nonprofit.

THEREFORE, THE CITY COUNCIL OF THE CITY OF HICKORY RESOLVES THAT:

1. The City Council authorizes the City Manager to execute the sale of the described property using the private sale procedure of North Carolina General Statute §160A-267 with said property more particularly described herein:
  - a. Parcel 1: 344 3<sup>rd</sup> Street SE, Hickory, NC 28602 (Catawba County PIN 3702-08-77-5567)  
See Exhibit A for Legal Description (on file in the City Clerk's Office which is hereby incorporated by reference and made a part of the minutes)

2. The City's conveyance of the 3<sup>rd</sup> Street SE property to Habitat is contingent upon Habitat conveying its property identified as Catawba County PIN 3702-12-85-8009 to the City as consideration. See Exhibit B for Legal Description. (on file in the City Clerk's Office which is hereby incorporated by reference and made a part of the minutes)
3. As additional consideration, the sale is contingent upon Habitat covenanting to construct a home on the property for the public purpose of creating affordable housing for low- and moderate-income individuals.
4. Said covenants and restrictions will be specifically defined in the City's deed of conveyance of the property to Habitat.
5. Habitat acknowledges that should the nonprofit not construct a home that is sold to a low- and moderate-income homeowner within five years of the sale of the property, the properties shall revert to the City in fee simple without any consideration from the City.
6. The City Clerk shall publish a notice summarizing the contents of this resolution, and the property may be conveyed at any time after 10 days after the publication of this notice.

- F. Approved the Purchase of Two Properties Related to the BUILD Grant Project Located at the Corner of 13<sup>th</sup> Avenue Drive NW and US 321 NW and 1179 3<sup>rd</sup> Avenue Drive NW.

Staff requests City Council's approval of the purchase of two properties associated with the BUILD Grant – EB-6038 right of way acquisition. The acquisition of the required right of way for EB-6038 left two unbuildable property remnants that must be purchased by the City. Parcel remnant 016 is located at the corner of 13<sup>th</sup> Avenue Drive NW and US 321 NW and is approximately 0.146 acres in size. The remnant parcel was valued at \$15,375 by an North Carolina Department of Transportation (NCDOT) approved appraiser. Parcel remnant 040 is located at 1179 3<sup>rd</sup> Avenue Drive NW and is approximately 0.295 acres in size. The remnant parcel was valued at \$7,475 by an NCDOT approved appraiser. These properties must be purchased to complete right of way acquisition. Both parcels were included in the right of way budget for EB-6038. Both parcels are unbuildable but can provide additional green space along City Walk and Aviation Walk. Staff requests Council's approval of the purchase of parcel remnant 016 and 040 as they related to the construction of the BUILD Grant project – EB-6038.

- G. Approved the Issuance of a Pyrotechnic Display Permit to Pyro Shows for Friday, October 16, 2020 for Hickory Crawdads.

Douglas Locascio, General Manager of the Hickory Crawdads, has submitted a request to obtain permission to conduct a public firework display on Friday, October 16, 2020. The North Carolina Fire Code requires an operational permit for the use and handling of pyrotechnic special effects material. The Hickory Fire Department Fire & Life Safety Division shall review all required documentation for the event, including Alcohol Tobacco and Firearm's (ATF) License, Operator and Assistant Operators Permits from North Carolina Office of State Fire Marshal (NCOSFM), Site Plan, and the one million dollar liability insurance policy. The Fire & Life Safety Division will also inspect the pyrotechnics display area before the event to ensure compliance with NCOSFM Guidelines, National Fire Protection Association (NFPA) NFPA 1123 Code for Fireworks Display, and NFPA 1126 Use of Pyrotechnics Before a Proximate Audience (if applicable). Staff recommends approval of the issuance of the pyrotechnic display permit to Pyro Shows.

- H. Approved an Amendment with Greater Hickory Cooperative Christian Ministry for Funding through the City's Community Development Block Grant Program.

Approval of an amendment between the City of Hickory and Greater Hickory Cooperative Christian Ministry for funding through the City's Community Development Block Grant Program. On July 21, 2020, the City entered into an agreement with the Greater Hickory Cooperative Christian Ministry (GHCCM) to utilize the Community Development Block Grant funding from the CARES Act (CDBG-CV) in the amount of \$155,684 to make emergency grant payments for water/sewer utility bills on behalf of needy households. Since the signing of the initial agreement, the US Department of Housing and Urban Development (HUD) extended the period that grantees can make emergency grant payments on behalf of eligible individuals and families from three months to six months. In addition to the extended timeframe, the City and GHCCM would like to remove the limitation of \$100 for maximum emergency grant payment in order to meet the greater needs of households. The US Department of Housing and Urban Development have advised that entirety of the funding does not have to be spent within the one-year timeframe the contract originally states. Updated guidance has advised that at least 80

percent of the grant must be spent within three-years. Staff and GHCCM would like to update the timeframe of the contract to July 1, 2020 to June 30, 2023. City Staff recommends approval of the addendum for an extension of the emergency payment grant period from three months to six months based upon updated guidance from HUD; extending the contract to June 30, 2023; and eliminating the maximum payment amount per household.

- I. Approved a Utility Relocation Agreement with Duke Energy for BUILD Grant Project – 9<sup>th</sup> Street NW and 11<sup>th</sup> Street NW Connector and US 321 Multi-Use Trail and Bike/Pedestrian Bridge.

Staff requests Council’s approval of two utility relocation agreements with Duke Energy with an estimated amount \$425,570.72 for Phase 1 of the project and an estimated amount of \$486,121.01 for Phase 2 of the project. These agreements are for the relocation of overhead power lines and poles necessary for construction of the BUILD Project - EB-6038. The Hickory Reconnected Through Transportation Infrastructure Investment Project that the City of Hickory submitted application for is an approximately 1.7-mile bicycle and pedestrian trail, including a bridge over US 321 and a 0.9-mile complete streetscape loop in downtown Hickory. This project will be an extension of the City of Hickory Bond Referendum projects to activate various parts of the City through multi-modal path interconnection. Duke Energy is directly affected in several locations as a part of this project that will require relocation. Staff requested utility relocation agreements with Duke Energy for the construction necessary to accommodate the BUILD Project including 9<sup>th</sup> Street NW & 11<sup>th</sup> Street NW Connector and US 321 multi-use trail and bike/pedestrian bridge (EB-6038). Duke Energy will bill the costs based on the actual cost involved with the work. Duke Energy’s estimated relocation costs are Phase 1 - US 321 Multi-Use Trail and Bike/Ped Bridge - \$425,570.72 and Phase 2 - 9<sup>th</sup> Street NW & 11<sup>th</sup> Street NW Connector – \$486,121.01. Staff recommends Council’s approval of the utility relocation agreements with Duke Energy for estimated amounts of \$425,570.72 for Phase 1 and \$486,121.01 for Phase 2, for relocation of overhead power lines and poles necessary for construction of BUILD Project - EB-6038, contingent upon NCDOT concurrence.

- J. Removed from Consent Agenda the Donation of Real Property Located at 3600 Sandy Ford Road, Newton.

Michael Sigmon approached City Staff about a possible donation of real property adjacent to the Henry Fork River and across the road from City-owned property that includes a sewer pump station. It is not in the City limits of Hickory; however, it is in the Hickory rural fire district and has a City sewer line on the property. The current County property tax value for the 3.52-acre parcel is \$31,600. The City contracted for an appraisal of the property earlier this year that resulted in a value of \$23,900. If approved, this value will be recognized as the value of the donation. As the City continues to grow, the property could offer some potential recreational purposes such as a walking trail, canoe launch or other amenities for the public in the future in this area. County taxes owed for 2020 would be pro-rated for the time period owned. As a condition of the donation, if the City develops the property into a park, then the name of the park would include the Sigmon family name.

Staff recommends Council’s acceptance of donated real property at 3600 Sandy Ford Rd. in Newton.

- K. Approved on First Reading Budget Revision Number 6

ORDINANCE NO. 20-50  
BUDGET REVISION NUMBER 6

BE IT ORDAINED by the Governing Board of the City of Hickory that, pursuant to N.C. General Statutes 159.15 and 159.13.2, the following revision be made to the annual budget ordinance for the fiscal year ending June 30, 2021 and for the duration of the Project Ordinances noted herein.

SECTION 1. To amend the General Fund within the FY 2020-21 Budget Ordinance, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Public Safety	10,000	-
General Government	10,000	-
Contingency	-	6,413
Other Financing Uses	243,864	-
TOTAL	263,864	6,413

To provide funding for the above, the General Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous Revenues	10,000	-
Other Financing Sources	247,451	-
TOTAL	257,451	-

SECTION 2. To amend the Solid Waste Fund within the FY 2020-21 Budget Ordinance, the expenditures shall be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Environmental Protection	1,240	-
TOTAL	1,240	-

To provide funding for the above, the Solid Waste Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous Revenues	1,240	-
TOTAL	1,240	-

SECTION 3. To amend the Airport Hangar Reconstruction Capital Project Ordinance (#650030), the expenditures shall be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	6,413	-
TOTAL	6,413	-

To provide funding for the above, the Project revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	6,413	-
TOTAL	6,413	-

SECTION 4. To amend the Lenoir-Rhyne Blvd/I-40 Exit 125 Gateway Capital Project Ordinance (#B1G002), the expenditures shall be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	237,451	-
TOTAL	237,451	-

To provide funding for the above, the Project revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	237,451	-
TOTAL	237,451	-

SECTION 5. To establish the 2020 Justice Assistance Grant (“JAG”) Grant Project Ordinance (#G51102), the expenditures shall be established as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Public Safety	15,962	-
TOTAL	15,962	-

To provide funding for the above, the Project revenues will be established as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Restricted Intergovernmental Revenues	15,962	-
TOTAL	15,962	-

SECTION 6. Copies of the budget revision shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

IX. Items Removed from Consent Agenda – Item “J”.

City Manager Warren Wood requested Item “J” be removed from the consent agenda in order to get some clarification on some items from the donor.

X. Informational Item

XI. New Business:

A. Public Hearings

1. Approved an Economic Development Agreement with Lake Park – 321, LLC – Presentation by Catawba County Economic Development President Scott Millar.

This public hearing was advertised in a newspaper having general circulation in the Hickory area on September 25, 2020.

City Manager Warren Wood asked Catawba County Economic Development President Scott Millar to the podium to present Council with an economic development agreement with Lake Park – 321, LLC.

Catawba County Economic Development President Scott Millar Mayor apologized for almost being late. He had been with the Chairman of the Federal Reserve Board out of Richmond and was at dinner with him explaining some of the cool stuff that Hickory had accomplished. He had been downtown, and he knew about all the project activities that Hickory had did from MDI last week to MaxPax a couple of weeks ago, to the project next door to City Hall and all of City Walk. He said he felt like Hickory had that secret ingredient. Mr. Millar thought he was very surprised and impressed by the visits that he had today. He spent all day at the Workforce Solutions Complex and had Zoomed visits with six different furniture CEOs. Mr. Millar thought that he came away impressed. If we can impress someone of that stature, of course, we also want to impress ourselves, so that we become deputy salesman for this area, and we can impress others when they consider us as well.

Mr. Millar advised Council that he was bringing before them an opportunity to do something for the first time in the City of Hickory that they had done a couple of times now successfully in the City of Claremont. The opportunity that he was bringing to Council was for a 40,000 square foot speculative building. He presented a PowerPoint and referred to the graphic of the facility that would be the rendering for the facility that was being proposed for a site off US 321 north. He knew that Alderman Seaver was fully aware that Charlie Dixon worked with them to help develop the program that was the underlying program that they used to develop this and had been so successful. He had heard Alderman Seaver say that several times.

Mr. Millar advised there had been several opportunities for spec buildings in Catawba County. They did a different style of spec building with the Adevco group out of Atlanta quite a few years ago. It was a partnership with Catawba County to build a 60,000 square foot office facility. It was a call center facility in Sherwood Business Park. What happened in that instance was the folks that ultimately came in and brought Convergys here; they came originally to see the spec building and they saw the other building and located there. That left them the opportunity to recruit Fiserv into that and of course, both of those combined over 1,000 jobs in the City of Hickory as a result of that spec building partnership. They entered this style of relationship with Claremont and the Matthews construction owners, and they entered a 50,000 square foot building construction. Another company was now located about 600 yards from that facility called Substance Incorporated. They built a building as a result of coming to town and seeing that facility, but decided they wanted more expansion opportunities. Then they got to recruit DAE, which was an aviation supplier into that facility. He noted a trend here. It seemed that every one of these buildings so far had caused the opportunities for others to come. The second spec building in Claremont was also 50,000 square feet. The Progressive Company took that and expanded it and added office to that. While it was under contract ITM in the Trivium Corporate Center, came to town to see this facility, hoping that that agreement would fall through. It did not. And then they ended up announcing in Trivium. Approximately four to five months ago Stonemont, which was a development group out of Atlanta, had committed to work with the City of Hickory and Catawba County to build a much larger facility, 192,000 square foot facility that was under construction. As an update the walls were probably going to go up on that in the middle of next week. Hopefully sometime in the next week or two, that building was going to start taking shape. He commented they could see that they had high hopes for this, and they had a good track record with these opportunities.

Mr. Millar discussed the process that they developed under that formula that they used successfully in Claremont. They appraised the site in a developed condition, and they appraised the building with that expected value in place. They calculated the carrying costs, the construction costs of the interest costs on that construction note for a period of 36 months. They added general building insurance, other costs, such as basic electricity to have fans so that the facility doesn't turn into a cave and start dripping water from the ceiling, those sorts of thing as well as security lighting. Also permitted connection fees and interim taxes while that building was vacant. This program was established in order to

encourage a developer to take the risk, but not shoulder the City specifically with that entire risk. Many municipalities take that risk on themselves and build spec buildings, and it's not the developer that's taking the risk it was the municipality. In this instance what they were doing was keeping the burden of the long-term risk on the developer and not the municipality. When a transaction comes, when one of those DAE's, or ITM's comes to town, what happens was a deal is struck that is jointly agreed on by the developer and the participating municipality in the County. Then the landowner gets paid first, second the building gets paid for, and then with the money that hopefully is still left in the pot, and has been in each of these instances, the municipalities and the counties get reimbursed for the money that they put on the table at risk, so to speak, for that period of time. And then if there was still money in the pot, like there was in the second spec building that was recently done in Claremont, the developer gets to keep that as a result of taking on that risk in the first place. The City and the County are not guaranteed repayment, but in each instance, so far, they had recovered their money 100 percent.

Mr. Millar discussed the specifics of the Lake Park - 321 spec building. The site was up along 321. He referred to the PowerPoint and showed the location of Highway 321, the Yamaha dealership, the Waffle House entrance as you enter the Lake Park Development, a hotel, and an undeveloped site. You could see that this had the potential to be either commercial or an industrial type of use because both of those uses are already in the park. The rest of the photos were site layout plans, as they have been developed on this site. The site was roughly 3.5 acres and 40,000 square foot, concrete tilt, a class "A" type facility with 24-foot ceiling heights. A nice-looking building. He noted a complete set of plans were in Council's documents. He thought they had the opportunity, should they want, to get into the nitty gritty details of this facility. It was a nice-looking facility that was going to be built there. He referred to the PowerPoint and showed the rendering of that facility. He pointed out that the Aviation Walk section of the City Walk went right adjacent to the facility and it could have that potential to be another one of those cool places that they had talked about along the Aviation Walk or City Walk itself.

Mr. Millar discussed specifics about the contractual agreement. It was not like the Stonemont agreement where they put land into the deal that the City already owned. In this instance it was like Claremont, where they had determined the carrying costs for up to three years and they do a 50/50 share of that with Catawba County. Catawba County considered this on September 21<sup>st</sup>, and they came away with approval of the same concept. In this instance, just like the others, permit and connection fees would be either waved or reimbursed, whichever the circumstances were, 36 months of those interim taxes up to, he should say, because they hope that it doesn't take 36 months for this facility to be occupied; and the carrying costs up to a specified maximum amount and these would be paid out on a quarterly basis in arrears. The developer would present to the EDC the cost for that quarter based on what those actual costs were. They modeled the interest rate to be at 3.25 percent in year one, they built in an increase factor of up to 50 basis points in year two and another 50 in year three. It didn't currently look like those were going to take place, but who knows? They could take place. Up to this maximum amount shown in item number three, Hickory's share of these responsibilities would be up to \$40,000 maximum in year one, \$45,000 in year two, and \$50,000 in year three. The City had already made a construction payment on that due to the Aviation Walk in progress, which reduced their portion of that amount by \$52,000. It had already been applied. The resulting payment for the City would be zero in year one; \$33,000 year two, and \$50,000 in year three, up to that \$83,000 total. That was the reason why the County's number was different from the City's. Their preference was that this was a manufacturing facility. He recalled they had tried to institute this program to create manufacturing-oriented buildings. For example, if this turns into a distillery and most of the production at this distillery or brewery were to happen on premise, then this would be more like a restaurant and not a manufacturing facility. They have a safeguard in place for that that the money does not get reimbursed in that event. They do the exact same payout, and then the projected risk of the developer at \$2.7 million would be compensated on that speculative basis. If they don't come to a transaction within that 36-month period, the City's money, that \$83,000 maximum would be lost, or it would stop, and the building remains there. It was going to pay taxes after that 36-month period, but preferably prior to that when a user takes that facility. He advised he had a lot of contractual information if Council wished for him to discuss it with them.

Alderman Seaver asked how long it had taken on the other spec buildings.

Mr. Millar advised the first building took probably 24 months before they fully consummated it, but they had an agreement after 18 months. The second one was after four months. He didn't want to be that Rosie, but he would say that there were a lot less facilities available particularly of this type in this region than there were even in those days.

Alderwoman Patton commented that it said that the City and the County get to approve what was considered a qualified end user. If there was a disagreement and they all have equal voting rights, then do they override that automatically.

Mr. Millar advised there were eight votes that could be cast for the approval or disapproval of an agreement. If the developer placed his four votes and the City and County held hands and had theirs, you would come to an impasse. In the unlikely event of an impasse, then the maximum amount that would be reimbursed would be half of the monies that are on the table.

Alderman Williams asked what the interest level was in this site and had the safety aspect been considered with the Aviation Walk going through there and if it was going to be a manufacturing plant or whatever with the traffic coming through there. He asked had there been a study on the parking, the safety of people in that area.

Mr. Millar referred to the PowerPoint and displayed the site plan. He pointed out the outline of the building and the Aviation Walk which ran down the lower end of the property. He pointed out a concrete wall, unless, for example, it becomes some sort of open-air type of opportunity. For example, it became a brewery and of course the money would go away at that point, if most of it were on premise, but they could open that up to the City Walk, if that were the end user. On the other hand, all the entry and trucking were completely opposite to the points where pedestrians would be coming in. He didn't think there was any real incongruity between the two uses there unless it was desired and then that would be a selling point. The interest level in this, he thought that certainly there was a demand for this type of structure and this type of building. They had documented demand over many years for different opportunities that they had created. They had kept charting on that since 2013 and felt comfortable that there would be a level of interest in this facility once it was approved.

Alderman Wood asked Mr. Millar to go to the contractual specifics slide, item four. It read "in place if 75 percent of production is not offsite, repayment is required".

Mr. Millar commented that was shorthand. If 75 percent of the production of this facility must be sold or used offsite.

Mayor Guess asked for any other questions for Mr. Millar.

Alderwoman Williams asked what the timeline was they were looking at.

Mr. Millar advised there was a requirement that this facility would be complete within eight months. That was much slower than he anticipated. He thought that this would start taking shape very quickly. There's a demand, and the developer understands that.

Mayor Guess asked for any other questions. He explained the rules for conducting the public hearing. He declared the public hearing open and asked if there was anyone present to speak in opposition to the proposal. No one appeared. He asked if there was anyone present to speak in favor of the proposal. No one appeared. Mayor Guess closed the public hearing.

Alderman Seaver moved, seconded by Alderwoman Williams approval of the economic development agreement with Lake Park – 321, LLC. The motion carried unanimously.

2. Approved a Voluntary Non-Contiguous Annexation of Property Owned by Gerald McCray and wife, Donna McCray, Containing Approximately 2.156 Acres of Property Located at 4610 16<sup>th</sup> Street Drive NE, Identified as PIN 3725-17-11-5773 – Presentation by Planning Director Brian Frazier.

Gerald and Donna McCray have petitioned for the voluntary non-contiguous annexation of 2.156 acres of property located at 4610 16<sup>th</sup> Street Drive NE. The subject property is currently located within the City's extra-territorial jurisdictional area (ETJ), and zoned Low Density Residential (R-1). The annexation is being requested in order to connect to the City's sewer system. The property may be developed for one- and two-family residential uses at an intensity of two dwelling

units per acre, which could potentially yield four new dwelling units. The property owner intends to divide the property into two lots, and construct two single-family dwellings. The current tax value of the property is \$36,200. If annexed with its present value, the property would immediately generate additional tax revenues of \$212.68. The future tax revenues generated by the development of the property is currently unknown. Upon analysis, staff has determined the petition meets the statutory requirements for voluntary non-contiguous annexation, and adequate public services are available. Staff finds the petition to be in conformity with applicable statutes and recommends approval of the petition.

This public hearing was advertised in a newspaper having general circulation in the Hickory area on September 11, 2020.

City Manager Warren Wood asked the City's Planning Director Brian Frazier to the podium to present Council with a voluntary non-contiguous annexation of property owned by Gerald McCray and wife, Donna McCray, containing approximately 2.156 acres of property located at 4610 16<sup>th</sup> Street Drive NE.

Planning Director Brian Frazier presented a PowerPoint presentation. He advised the applicant was Mr. and Mrs. McCray. The annexation type was voluntary noncontiguous. The property was located on 16<sup>th</sup> Street Drive NE and contained just a little over two acres. It was in Councilwoman Williams' Ward 2. The current property was residentially zoned and was currently vacant. The applicants intended to subdivide the property into two lots for the construction of two single-family homes. The property was currently located within the City's extra territorial jurisdiction (ETJ) and zoned R-1, which was the City's lowest density residential zoning. Annexation was being requested in order to connect to public utilities. He referred to the PowerPoint presentation and pointed out the red hatched area here off 16<sup>th</sup> Street Drive NE, which was the subject property. He pointed out the properties currently within the City's limits, in the ETJ and County zoned property. He referred to another slide pointing out the subject property. He advised the property located in R-1 zoning and located in Catawba County's zoning. He displayed an aerial ortho of the site. He noted the single-family development that was already there. This would be right contiguous with that area. The voluntary annexation petition complied with all applicable annexation statutes. Adequate public services were available. The annexation of the property would not cause any available public services to fall below acceptable levels. Based upon these findings, staff respectfully recommended approval of the requested annexation. He asked Council for any questions that they may have.

Mayor Guess asked for any questions. He declared the public hearing open and asked if there was anyone present to speak in opposition to the proposal. No one appeared. He asked if there was anyone present to speak in favor of the proposal. No one appeared. Mayor Guess closed the public hearing.

Alderman Patton moved, seconded by Alderman Seaver approval of the voluntary non-contiguous annexation of property located at 4610 16<sup>th</sup> Street Drive NE. The motion carried unanimously.

ANNEXATION ORDINANCE NO. 460  
VOLUNTARY ANNEXATION ORDINANCE (NON-CONTIGUOUS)  
Gerald McCray and wife, Donna McCray

AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF HICKORY, NORTH CAROLINA, PURSUANT TO GENERAL STATUTES 160A-58.1, AS AMENDED (NON-CONTIGUOUS)

WHEREAS, the City Council of the City of Hickory desires to annex the area described herein, under G.S. 160A-58.1, as amended; and

WHEREAS, the City Council has by resolution directed the City Clerk to investigate the sufficiency of said annexation; and

WHEREAS, the City Clerk has certified to the sufficiency of said request, and a public hearing on the question of this annexation was held in the Council Chamber of the Julian G. Whitener Municipal Building, located at 76 North Center Street, Hickory, North Carolina, at 7:00 p.m. on the 6<sup>th</sup> day of October, 2020; and

WHEREAS, the City Council of the City of Hickory 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 City of Hickory.
- b. No point on the proposed satellite corporate limits is closer to another city than to the City of Hickory.
- c. The areas described are so situated that the City 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.

WHEREAS, the City Council of the City of Hickory 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 have been complied with; and

WHEREAS, the City Council further finds that the annexation is otherwise valid, and that the public health, safety and welfare of the City of Hickory and of the areas proposed for annexation will be best served by annexing the area herein described.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HICKORY, 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 a part of the City of Hickory as of the 31<sup>st</sup> day of October 2020:

SATELLITE ANNEXATION  
BY THE CITY OF HICKORY  
OF THE PROPERTY OF  
GERALD R. MCCRAY AND WIFE DONNA M. MCCRAY

That certain parcel or tract of land lying and being about 5.2 miles north northeast of the center of the City of Hickory. Bounded on the north by the lands of Donald S. Bumgarner as described in Deed Book 2259 at Page 105, on the west and the south by other City of Hickory city limits, as shown in Plat Book 44 at Page 44, on the west by the right-of-way of 16<sup>th</sup> Street Drive NE and more particularly described as follows, to wit:

Beginning at a 1/2" rod, said rod having N.C. grid coordinates (NAD 83) of N 751,555.5093, E 1,321,364.5739 and being located a grid bearing and distance of North 28 degrees 22 minutes 37 seconds East 420.45 feet from NCGS Monument "Killian", having N.C. grid coordinates (NAD 83) of N 751,185.581, E 1,321,164.746 and running thence, as new City of Hickory city limits lines the following calls: North 60 degrees 00 minutes 04 seconds West 9.16 feet to a mag nail in the centerline of 16<sup>th</sup> Street Drive NE; thence, with the centerline of 16<sup>th</sup> Street Drive NE, North 20 degrees 11 minutes 19 seconds East 98.96 feet to a point; thence, with the centerline of 16<sup>th</sup> Street Drive NE, the same bearing a distance of 244.77' to a railroad spike in the centerline of 16<sup>th</sup> Street Drive NE; thence, with the centerline of 16<sup>th</sup> Street Drive NE, North 20 degrees 54 minutes 42 seconds East 161.90 feet to a point in the centerline of 16<sup>th</sup> Street Drive NE; thence leaving the centerline of 16<sup>th</sup> Street Drive NE, South 59 degrees 58 minutes 36 seconds East 29.19 feet to a 3/4" pipe on the east right-of-way of 16<sup>th</sup> Street Drive NE; thence, as said right-of-way, South 21 degrees 27 minutes 14 seconds West 60.67 feet to a 1/2" pipe on said right-of-way and the southwest corner of the lands of Donald S. Bumgarner as described in Deed 2259 at page 105; thence, leaving said right-of-way and as the south line of Bumgarner, South 60 degrees 07 minutes 07 seconds East 79.63 feet to a 1" solid rod; thence, continuing with the south line of Bumgarner, South 59 degrees 36 minutes 02 seconds East 125.29 feet to a 3/4" pipe in the south line of Bumgarner and being the northernmost corner of the existing City of Hickory city limits as shown in Plat Book 44 at Page 44; thence, leaving the south line of Bumgarner and as said existing city limits the following calls: South 26 degrees 29 minutes 45 seconds West 268.01 feet to a 1/2" rod, passing a 3/4" pipe at 70.82 feet; thence South 26 degrees 29 minutes 06 seconds West 171.03 feet to concrete monument; thence North 59 degrees 52 minutes 54 seconds West 176.69 feet to the point of beginning. Containing 2.156 acres more or less.

Section 2. Upon and after the 31<sup>st</sup> day of October, 2020, the above-described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the City of Hickory and shall be entitled to

the same privileges and benefits as other parts of the City of Hickory. Said territory shall be subject to municipal taxes according to G.S. 160A-58.10, as amended.

Section 3. The newly annexed territory described herein shall become part of Ward No. 2 of the City of Hickory.

Section 4. The Mayor of the City of Hickory shall cause to be recorded in the Office of the Register of Deeds of Catawba 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 duly certified copy of this Ordinance. Such a map shall also be delivered to the County Board of Elections, as required by G.S. 163-288.1.

B. Departmental Reports:

1. Airport Master Plan Update – Presentation by Mr. Pat Turney with Talbert, Bright, & Ellington, Inc.

City Manager Warren Wood advised the FAA required cities that have airports to undergo an airport master plan periodically to update proposed projects both in the private side and public sector side and also to be eligible for Federal Aviation Administration (FAA) and North Carolina Department of Transportation (NCDOT) funding. They had gone through that process. He introduced Mr. Pat Turney with Talbert, Bright, & Ellington, Inc. and advised he would present that to Council.

Mr. Pat Turney, Talbert, Bright & Ellington, Inc., presented a PowerPoint presentation. He thanked Council for the support and trust that the City of Hickory had placed in Talbert, Bright, & Ellington. They had been fortunate to be the City's airport consultant for almost 20 years now. They really appreciated the opportunity to be a partner with the City in the development of the airport guiding that along and administering the construction projects. They really appreciated that. Staff asked update Council on where they were with the airport layout plan, the Airport Master Plan. He advised that Judy Elder, Principal Planner, was also present and she was responsible for a good portion of this effort in the work that Council would see some of tonight. He commented he hated to say it, but they would bore Council to death if they tried to show them everything that they had been doing. He would like to hit the highlights and just give Council an idea where things were, where they had come and where they have to go, and point out a few things that they thought might be of interest to the City that have been discussed in the past.

Mr. Turney explained what an airport layout plan was. It was basically a comprehensive plan that the FAA requires. Normally, it was done about every 15 to 20 years, or when significant changes happen to the airport. The last ALP (airport layout plan) was done almost 20 years ago. It was time to undertake that again. Some things had happened at the airports, such as the change in who runs the airport. The City had always owned it, but previously an FBO ran the airport, but now City staff was doing that. In this process, they had taken that into account as well.

Mr. Turney discussed the goal. Much like any development plan, the goal of an airport layout plan was to develop improvements in a very deliberate planned manner in a cost-effective manner as much as possible. How do you develop the airport to meet the demands that are existing now and then using FA industry standard forecasting methods that are being forecast to come into the future? How do they go about meeting that? And then also they must keep an eye to the environmental in the socioeconomic side of things just to make sure they were not really stepping out of line with anything that they were proposing to be developed at the airport.

Mr. Turney discussed the timeline of where they had come and where they were tonight and what was left to go in the schedule. They started back in 2018 with a kickoff meeting, had a visioning session, and then once they got an agreement signed and contracts all in place, they had a survey done. It was a very expensive survey, but it was something the FA requires. That took a little while to get the survey, which showed them what was out there right now. Then there were some products that the FA required to be uploaded to an FA website. All that had been done. Once they got that information provided to them, they were able to start doing some of the layout work and some other things. Once they got to a point where they felt comfortable, after City staff and airport staff reviewed it, they made some tweaks and some adjustments and submitted that to the Division of Aviation. They had met the first submittal. They received some

comments back, and had resubmitted the updated, revised documents back to the Division of Aviation, along with some preliminary cost estimates. They were now reviewing that. If they don't have any more comments from the Division of Aviation, they can go to the next step. After tonight's presentation, if they don't receive any more comments from the Division of Aviation, then they will send them an approval to send the same package that they just looked at to the FAA. The FAA was the second line of review that was required that they look at it and comment as well. They had somewhat simplified the FAA's process in this general part. They could have multiple rounds of comments and responses from them back to the FAA with answers, changes to the documents, but they hope that with what they had done right now, they had minimized the chances of that and hopefully don't have too many rounds of that. Once the FAA says they were good to go, then there was a process where they have to upload the electronic version of some documents they were going to look at. The end-product, all the deliverables they will upload that to the FA website, and then once that is done, the FA verifies that everything was good to go to. The boxes have been checked, the i's have been dotted. Then the FAA will issue an approval of conditional approval. At that point, they will get all the documents signed by the Mayor, and that would be the official submittal back to the FAA. There would be some projects that he would discuss tonight that required some initial environmental work to be looked at, and that would be the next progression to start an environmental assessment and dive a little bit deeper into some potential environmental impacts for some of these key projects.

Mr. Turney referred to the PowerPoint and displayed a list of the deliverables. He explained on the left-hand side was the narrative report. He advised Council they could provide them with copies of these if they so desired once they get to the final product. He explained on the right-hand side was the drawing set. That showed pictorially what they airport had right now, what they had identified with staff input, also FAA and Division of Aviation comments and what would be good improvements to consider meeting these forecasts of the demands that come into the future.

Mr. Turney referred to the PowerPoint and advised this was one page out of the report document that he had mentioned. He advised this was a snapshot of where the airport was right now. He pointed out the long runway and the short secondary runway, with the links and widths. He pointed out the "T" hangars. He advised the "T" hangars were individual aircraft parking garages and they were in the shape of a thick "T" or letter "T". The plane backs in with his tail and the wings were closer to the front, that forms the "T". Right now, the airport has basically two units that are freestanding units that are on the airport. Using these FA standard forecasting documents and forecasting methods they were estimating that the airport was probably going to need around 23 of those to satisfy some of the demand that you currently have as well as some waiting lists that the airport had been keeping up with. He advised it was also important to note, when you look at conventional hangar space, this was more like a big box hangar. You might see 100 x 100, 100 x 120. He mentioned there was a 32,000 square foot hangar that was destroyed a few years ago when the tornado destroyed that. That hangar was close to being opened back up. Right now, they were showing a deficit of about 90,000 square feet of conventional boxing or space that was really needed to meet the forecast of demand that was out there.

Mayor Guess commented that doesn't include the hangar that was not currently able to be used.

Mr. Turney commented once that hangar was constructed, then they would reduce the 90,000 by 32,000 square feet so the net number they would really need to be looking at was going to be about 58,000 square feet. Mr. Turney referred to the PowerPoint and advised it was the airport layout plan. It was an overall view of the airport, plus a little bit out into the approaches off both runway ends. He pointed out the primary runway, 624, 6,400 feet long. He pointed out runway 119, that was 4,400 feet long. Most of the traffic uses runway 624. There was some traffic from the smaller aircraft that end up using runway 119, but the bulk of it was 624. He advised the airport had some instrumentation for bad weather operations already on 624, they didn't have that on the shorter runway 119. He commented there was some good discussion about economic development potential in the area. He referred to the PowerPoint and pointed out a tract that the City of Hickory owned that was potentially available for economic development. It could be stand alone or it could be something that was compatible with the airport, where a tenant may come in and say I need to be close to the airport. He advised they work for Charlotte Monroe Executive Airport, in Monroe, North Carolina and they have a very strong presence of industrial buildings and compatible development around their airport. It was certainly not unheard of. They thought that was potentially a good thing for the

City at some point. They had helped look at previous economic development alternatives for that particular property with the City. He commented they were happy to partner with that, unfortunately, they hadn't really had the right match yet, but they continue to still help the City whenever those come along. They were trying not to really overdevelop and put too much out here and leave some areas open for economic development at the airport. He advised this area had a great view of the area to the north and could be used for any number of things that you could put on the airport. They had also reserved a spot off the end of runway 24 as another potential economic development area in the future, leaving some space available in case it makes sense with the Riverwalk, with Aviation Walk and all that the City was master planning. He advised there was an area that they were also reserving that could very well be an extension of some hangar development, or it could be something else depending on what the City would like to do with it. He mentioned there had been talk about a runway extension to extend the airport's main runway from 6,400 feet to 7,000 feet in length. That would really put the City of Hickory in the operation line of airports as far as runway length goes. With that, you can attract larger, bigger aircraft. If they were based here the tax revenues from property taxes could really build up quickly with that. He advised what they were showing was a 600-foot extension in two phases. They were showing a 400-foot extension on the runway six end, along with the taxiway extension. And they were also showing a 200-foot extension on the 24 end with also a taxiway extension there.

Mr. Turney discussed the northern end of the current runway 119. In the past, there had been some workshops with Council to talk about the possible closure of runway 119. It was their understanding that when the proper economic development comes along to trigger that, the City does want to look for that. With that in mind, they showed some potential development on the northern end for right now for runway 119. The good thing about the land that's adjacent to the runway was most of the area that they would need to put a hangar on had already been graded due to runway safety area requirements, which were analogous to shoulders along the roadways that we all travel. The airport already had a lot of land here that was easily developed and easy to accommodate hangars. It would be a little bit of work to construct an access road and some parking, but relative to the overall cost to do it somewhere else on the airport, this presented a real attractive area to consider airport hangar development. He advised on this side they focused their development scheme using conventional box hangars that he showed the airport would have about 58,000 square feet of demand in the future once the replacement hangar was opened back up. For right now they had shown these in three different phases. He referred to the PowerPoint and showed the three phases. He advised they had shown some potential hangar development and some potential future development on out past the current planning period that this airport layout plan addressed. He mentioned the airport had two "T" hangars right now, he reiterated they should really look at doing about 23 of them. They had shown some development options for some "T" hangar units. He referred to the PowerPoint and pointed out the areas for the development options. So hopefully they would see those start to materialize once they get past this and start to see some of these areas develop. He mentioned this was somewhat unique to Hickory and the Hickory Regional Airport, the proximity to some large Universities and Colleges. Throughout the year, the airport had been blessed with getting some charter operations here with football teams and other sports teams flying into the Hickory Regional Airport and unloading onto a bus. The teams go play and then they come-back and they leave out. That had been a nice thing for the City to do. The only problem was the aircraft parking area was somewhat limited, and if they get more than one of those in here, that really gets crowded. They thought it would be a good idea to consider building designated parking area for the first phase for some of the larger jets that bring the football teams in and some of the larger sports teams to be able to accommodate that and not have to turn them away or not have to go through a hassle to accommodate them. Then similarly beyond the current planning period, they were showing another potential area that would be adjacent to this one that could accommodate a second larger charter type jet as well.

Mr. Turney advised with that development comes some cost. What they had done here was try to get orders of magnitude on the proposed development so that from a budgeting standpoint, from a grant request standpoint, the City could start getting an idea of what these things are likely to cost and start budgeting for that. It could also be used for some of the box hangar developments. If the City had a private individual/corporation who decides they want to build one of these hangars at Hickory, that was not uncommon at all, that could help a little bit with some potential tax revenue calculations as far as budgeting goes to get an idea of what kind of value that hangars was going to bring with it if somebody builds one here. Some of these projects may never get built. They hope all of them did

at some point, but that did not mean that the very bottom line here, that the City had to spend that much money or else the FAA was going to be upset about it. This was just a planning tool like the rest of it and as the demand comes along and the City undertakes one of these projects than this table, and any updates they do after this document was in its final form, could be used for those purposes he mentioned previously, budgeting and so on.

Mr. Turney discussed the runway extension project timeline. He advised this runway extension would not happen overnight, and it would not be something that goes very, very quickly. Once you get to the end of it, it was a very worthwhile endeavor because of the attraction to different aircraft and bigger aircraft that bring along with it a host of positive things. It was somewhat of a drawn-out process. With the airport layout plan process they were trying to go ahead and try to get ahead of the curve a little bit and start the environmental process that was related specifically to the runway extension and also do a document that does the justification for the runway extension that the FAA and the State Division of Aviation was going to require. Once they get past that, and they get to the point where they could start doing some design and bidding. They had talked about the possibility of breaking that out into phases. The phases were easily done based on funding, once they get to that particular bullet they would have be able to have a better idea what funding was available and what part of this they would go forward with, and what part of it they would do also to keep the impacts to the airport down so that traffic could continue to come in and go out of the airport to the maximum extent possible. Then they would get into construction. Again, there will be some impacts and they would try to keep those to a minimum. They could do a lot of construction at night during runway closures when the airports not that busy. They could also do some other things that help minimize those impacts during construction.

Mr. Turney discussed the potential closure of runway 119 when a viable hangar development comes along, whether it's one, whether it's two or multiple ones. This plan addressed some potential for development along the sides of runway 119. He pointed out when that was converted into a taxiway, they would be eligible for more rehabilitation grant money that the City was not able to tap into right now because it's a secondary runway, but when it becomes a taxiway, there would be some additional grant money they could help the City go after on that. He commented all of this was important to realize that all of the improvements for the runway extension and also the conversion of the current runway 119 to a taxiway was eligible for 90 percent State or Federal funding and the City's part of that would be a 10 percent match. He asked Council if they had any questions.

Alderwoman Patton commented once they decide to do the 119 closure, what the timeframe was of getting approval and going through that process.

Mr. Turney advised there was some time that the State and the FAA had to be given a document that the City would send, and they would help with that, that says they want to close runway 119. That process usually takes between a year or two years, depending on the workload and depending on general comments that they want addressed as part of that process. They factor in about a year and a half to two years just to be safe.

Alderman Wood asked what the primary driver of the growth that they were projecting in volume.

Mr. Turney advised right now, hangar development. The airport had been keeping up with a hangar waiting list. With that and building hangars whether the City decides to do that, or they have private individuals to come forward and say they would like to develop or build their own hangar. Before this effort, there really wasn't anything shown officially on runway 119 for hangar development. It was on other pieces of property that were hard to develop that were tied to some road relocations that are now not going to happen and those kinds of things. The driver would be to start the hangar growth, with that hangar growth was going to come additional tax revenue, fuel sales, things like that that really don't require roads to be built. They don't require any more schools and so forth. It was great tax revenue to take into consideration.

Alderman Zagaroli commented that Mr. Turney had said that it would take about two years to close runway 119.

Mr. Turney responded yes, through the paperwork process.

Alderman Zagaroli asked if the City could start building some of these "T" hangars prior to the closure of that.

Mr. Turney replied absolutely, because their access to the airfield was off the parallel taxiway that serves runway 119 and the aircraft parking area. So, yes, you could start those right of way.

Alderman Zagaroli replied the City could start some of the building of the "T" warehouses.

Mr. Turney responded, absolutely.

Mayor Guess asked for any further questions for Mr. Turney. He thanked Mr. Turney.

2. Appointments to Boards and Commissions

**COMMUNITY APPEARANCE COMMISSION**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
At-Large (Outside City but within HRP) (Council Appoints) VACANT

**COMMUNITY RELATIONS COUNCIL**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
Other Minority (Council Appoints) VACANT  
Other Minority (Council Appoints) VACANT

Other Minority (Council Appoints) VACANT  
Differently-Abled and is African-American or Other Minority (Council Appoints) VACANT

**HICKORY REGIONAL PLANNING COMMISSION**

(Terms Expiring 6-30; 3-Year Terms With Unlimited Appointments)  
(Appointed by City Council)  
Brookford (Mayor Appoints with Recommendation from Brookford) VACANT

**LIBRARY ADVISORY BOARD**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
Ward 4 (D. Williams Appoints) Elliott Neil Walker  
(Eligible for Reappointment)  
At-Large (Mayor Appoints) VACANT  
(Unexpired Term of Helen Devlin)

Alderman Williams nominated Elliott Neil Walker for Reappointment as Ward 4 Representative on the Library Advisory Board.

**PUBLIC ART COMMISSION**

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)  
Ward 4 (D. Williams Appoints) VACANT

**PUBLIC HOUSING AUTHORITY**

(Terms Expiring 6-30; 5-Year Terms) (Appointed by the Mayor)  
Position 3 (Mayor Appoints) VACANT  
Position 9 (Mayor Appoints) (Unexpired Term of Rebecca Clements) VACANT

**YOUTH COUNCIL**

(Terms Expiring 6-30; 1-Year Terms) (Appointed by City Council)  
Youth Council Applicant Review Committee Recommends the Following Appointments:

FTF VACANT  
HCAM VACANT  
HHS VACANT  
Homeschool VACANT

**WESTERN PIEDMONT SISTER CITY ASSOCIATION**

(Terms Expiring 6-30; 2-Year Terms with 3-Term Limit) (Appointed by City Council)

Two Representatives for City of Hickory

Mayor Guess nominated Alderman Seaver and Christoph Klingspor as the Hickory Representatives for the Western Piedmont Sister City Association.

Mayor Guess moved, seconded by Alderwoman Patton approval of the above nominations. The motion carried unanimously.

C. Presentation of Petitions and Requests

XII. Matters Not on Agenda (requires majority vote of Council to consider)

XIII. General Comments by Members of Council, City Manager or City Attorney of a Non-Business Nature

Mayor Guess commented that the City had lost a co-worker, the passing of the Public Services Director Kevin Greer. There were just no words to express how they felt. He commented that Kevin was instrumental in practically every project that they City had going on at this time. He had been an employee of the City for 25 years. There were not any words to express how sad they felt. He asked that everyone to continue to remember Kevin's family. He advised there was a Go Fund Me page to help with some medical expenses and different things. If that was something that anyone wanted to assist with, they could go to the Go Fund Me page and contribute to that.

XIV. There being no further business, the meeting adjourned at 8:00 p.m.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

3  
**COUNCIL AGENDA MEMOS**

Exhibit VIII.A.

**To:** City Manager's Office  
**From:** Melissa Miller, Finance Officer  
**Contact Person:** Camille Abernathy, Billing & Collections Manager  
**Date:** October 8, 2020  
**Re:** Curb and Gutter Assessments  
Petition # 20-01

**REQUEST**

To prepare an assessment roll for curb and gutter along a portion of 638 28<sup>th</sup> Av Ct NE that was constructed in response to a petition from property owners.

**BACKGROUND**

The City Clerk received petition number 20-01 from the owners of property along 638 28<sup>th</sup> Av Ct NE to install curb and gutter along a portion of their street as per section 29-2 of the Hickory Code of Ordinances. The City Council adopted a Resolution Directing that Street Improvement Project Be Undertaken.

**ANALYSIS**

The attached preliminary assessment roll number 20-01 has been prepared based on the curb and gutter constructed along a portion of 638 28<sup>th</sup> Av Ct NE in response to a petition by property owners. The attached Resolution calls for a public hearing on these matters to be held on November 3, 2020.

**RECOMMENDATION**

Recommend approval of the Resolution authorizing preparation of an assessment roll and to set a public hearing date of November 3, 2020 to discuss all matters concerning Preliminary Assessment Roll # 20-01 that is for curb and gutter constructed along a portion of 638 28<sup>th</sup> Av Ct NE.



**BUDGET ANALYSIS:**

**Budgetary Action**

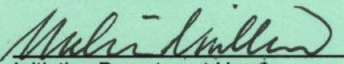
Is a Budget Amendment required?

Yes

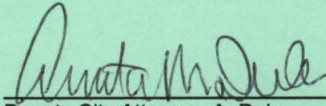
No

**LIST THE EXPENDITURE CODE:**

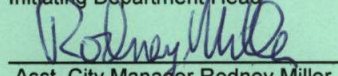
**Reviewed by:**

  
Initiating Department Head

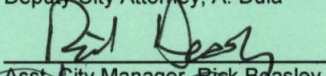
10/12/20  
Date

  
Deputy City Attorney, A. Dula

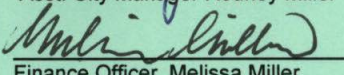
10-15-20  
Date

  
Asst. City Manager Rodney Miller

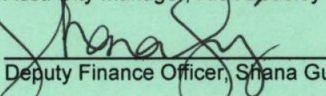
10/14/20  
Date

  
Asst. City Manager, Rick Beasley

10/12/20  
Date


  
Finance Officer, Melissa Miller

10/12/20  
Date

  
Deputy Finance Officer, Shana Guy

10/12/20  
Date

**Recommended for approval and placement on October 20, 2020 Council agenda (as Consent, Public Hearing, Informational, Department Report, etc).**

  
City Manager, W. Wood

10.13.20  
Date

**PETITION FOR CONSTRUCTION OF CURB AND GUTTER**

PETITION # \_\_\_\_\_  
(For Office Use Only)

QUALIFYING DATE: \_\_\_\_\_  
(For Office Use Only)

TO THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL OF THE CITY OF HICKORY,  
NORTH CAROLINA:

We, the undersigned citizens of the City of Hickory, being the owners of land abutting the street or section thereof, hereinafter named and described, do hereby petition the Mayor and Members of City Council of the City of Hickory to proceed as is provided in Chapter 160A, Article 10, of the General Statutes of North Carolina, to improve the portion of:

south side of 600 block of 28<sup>th</sup> Ave. Ct. NE

by constructing concrete curb and gutter, according to plans and specifications on file in the office of the City Engineer.

We, the undersigned, do further petition that the cost of such improvements as measured along the right-of-way line for curb and gutter at \$27.50 per linear foot plus \$14.67 per linear foot for storm drain piping for a total of \$42.17 per linear foot excluding driveway cuts and \$55.25 per linear foot of driveway apron measured at its narrowest point plus \$14.67 per linear foot for storm drain piping for a total of \$69.92 per linear foot of driveway apron, be specially assessed against the property abutting on that portion of said street as is heretofore described, all as is provided for in said General Statutes or the Charter of the City of Hickory.

We, the undersigned, do further understand that the costs of the above petitioned improvements will be assessed against our property and that this assessment is payable to the City of Hickory upon completion in not more than five (5) annual installments at 8% interest.

\*Prices effective July 1, 2019 through June 30, 2020.

ADDRESS OF LOT(S)	FOR PETITION	AGAINST PETITION	DATE
ADDRESS 638 28 <sup>th</sup> Ave. Ct. NE	PRINT NAME Luther L. Keller, Jr.	PRINT NAME	
FIN 3714 1423 6525	SIGNATURE <i>[Signature]</i>	SIGNATURE	2-18-20
ADDRESS 638 28 <sup>th</sup> Ave. Ct. NE	PRINT NAME Judith P. Keller	PRINT NAME	
FIN 3714 1423 6525	SIGNATURE <i>[Signature]</i>	SIGNATURE	2-18-20
ADDRESS	PRINT NAME	PRINT NAME	
FIN	SIGNATURE	SIGNATURE	
ADDRESS	PRINT NAME	PRINT NAME	
FIN	SIGNATURE	SIGNATURE	
ADDRESS	PRINT NAME	PRINT NAME	
FIN	SIGNATURE	SIGNATURE	
ADDRESS	PRINT NAME	PRINT NAME	
FIN	SIGNATURE	SIGNATURE	
ADDRESS	PRINT NAME	PRINT NAME	
FIN	SIGNATURE	SIGNATURE	
ADDRESS	PRINT NAME	PRINT NAME	
FIN	SIGNATURE	SIGNATURE	
ADDRESS	PRINT NAME	PRINT NAME	
FIN	SIGNATURE	SIGNATURE	

**RECEIVED**  
 BY: *[Signature]*  
 DATE: 2-20-2020

**PRELIMINARY ASSESSMENT ROLL  
CONCRETE CURB AND GUTTER**

DRAWN: October 6, 2020

PETITION NUMBER: 20-01

LOCATION: 638 28th Ave. Ct. NE

DATE COMPLETED: September 28, 2020

TOTAL LENGTH OF PROJECT: 173 l.f.

PROPERTY OWNERS TO BE ASSESSED FOR CURB AND GUTTER AT THE RATE OF: \$42.17 /l.f.

PLUS DRIVEWAYS AT THE RATE OF: \$69.92 /l.f.

NAME & ADDRESS	PARCEL TAX ID	TOTAL FRONTAGE (l.f.)	CURB AND GUTTER (l.f.)	DRIVEWAY (l.f.)	ADDITIONAL CHARGE (*)	AMOUNT BILLED
Judith P. Keller and Luther L. Keller, Jr. 638 28th Ave. Ct. NE Hickory, NC 28601	3714 1423 6525	173	155	18		\$7,794.91
		0				\$0.00
		0				\$0.00
		0				\$0.00
		0				\$0.00
		0				\$0.00
		0				\$0.00
		0				\$0.00
		0				\$0.00
		0				\$0.00
<b>TOTALS</b>		<b>173 l.f.</b>	<b>155 l.f.</b>	<b>18 l.f.</b>	<b>\$0.00</b>	<b>\$7,794.91</b>

RESOLUTION NO. 20-\_\_\_\_\_

RESOLUTION AUTHORIZING PREPARATION OF ASSESSMENT ROLL AND  
PUBLIC HEARING ON PRELIMINARY ASSESSMENT ROLL  
NO. 20-01

WHEREAS, the curb, and gutter project along a portion of 638 28<sup>th</sup> Avenue Court NE, Hickory has been completed and it has been determined that the project consisted of 155 linear feet of curb and gutter at \$42.17 per linear foot and 18 linear feet of driveway at \$69.92 per linear foot for the property located at 638 28<sup>th</sup> Avenue Court NE, Hickory.

NOW, THEREFORE, BE IT RESOLVED:

THAT, the property whose owners that have not paid their proportionate part of the project shall be assessed at the rate of \$42.17 per linear foot of curb and gutter, and \$69.92 per linear foot of driveways;

THAT, the Clerk be and she is hereby ordered to prepare an assessment roll or ledger to show the names of persons assessed as far as they can be ascertained, the amount assessed against them, respectively, with a brief description of the lots or parcels of land assessed, and

THAT, the clerk shall file the Preliminary Assessment Roll in the City Clerk's Office available for public inspection and shall publish and notify property owners of the public hearing as required by North Carolina General Statute 160A-227.

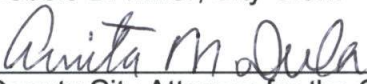
THAT, a public hearing will be held at 7:00 p.m. in the Council Chamber of the Municipal Building, located at 76 North Center Street, Hickory, North Carolina, on the 3<sup>rd</sup> day of November, 2020, for the purpose of hearing all interested persons who appear with respect to any matter covered by the Preliminary Assessment Roll.

This the 20<sup>th</sup> day of October 2020.

\_\_\_\_\_  
Hank Guess, Mayor

ATTEST:

\_\_\_\_\_  
Debbie D. Miller, City Clerk

  
\_\_\_\_\_  
Deputy City Attorney for the City of Hickory

**COUNCIL AGENDA MEMOS**

**To:** City Manager's Office  
**From:** Karen Dickerson, Community Development Manager  
**Contact Person:** Karen Dickerson, Community Development Manager  
**Date:** October 8, 2020  
**Re:** Microenterprise Grant Agreement with Nuology Spyrtech

**REQUEST**

Approve microenterprise grant agreement with **Nuology Spyrtech**

**BACKGROUND**

In its 2015-2019 Consolidated Plan for Housing and Community Development, the City of Hickory identified increasing entrepreneurship opportunities as a high priority need. This led to the creation of a program to provide microenterprise grants to businesses looking for funding necessary to take their business to the next level. This continues to be a focus of the 2020-2024 Consolidated Plan. The 2019-2020 Community Development Block Grant (CDBG) Annual Action Plan has \$27,000 allocated towards assistance for entrepreneurial activities. According to the US Department of Housing and Urban Development, a microenterprise is a business that has fewer than five employees, one of whom is the owner of the business. The program offers grants of up to \$4,000 for low to moderate income business owners for business property, inventory, necessary fixed assess, marketing and business promotion, or other improvements approved by the Business Development Committee. Applicants are required to submit a business plan and have a counseling session with a local business support organization.

**ANALYSIS**

Bena Ra Speret has applied for a Microenterprise Grant to support and enhance his start-up business, Nuology Spyrtech. The business will develop and distribute a unique diffuser/infuser for multiple therapeutic modalities, including aroma, sound and vibration for holistic and natural healing. The Business Development Committee reviewed the application and recommends approval of the grant in the amount of \$4,000. The grant funds will be used develop a prototype diffuser/infuser. More information can be found in the attached agreement, which contains the original application.

**RECOMMENDATION**

Staff recommends that City Council approve the Microenterprise Grant agreement with Nuology Spyrtech.

**BUDGET ANALYSIS:**

**Budgetary Action**

Is a Budget Amendment required?

Yes

No

**LIST THE EXPENDITURE CODE:**

**2016-059-1530-558-38-78**

**Reviewed by:**

Dave Leonetti <sup>DGL</sup> 10/8/2020  
Initiating Department Head Date

Amita M. Dula 10-15-20  
Deputy City Attorney, A. Dula Date

Rodney Miller 10/14/20  
Asst. City Manager, Rodney Miller Date

Rick Beasley 10/12/20  
Asst. City Manager, Rick Beasley Date

Melissa Miller 10/12/20  
Finance Officer, Melissa Miller Date

Shana Guy 10/12/20  
Purchasing Manager, Shana Guy Date

\_\_\_\_\_  
Date

Recommended for approval and placement on \_\_\_\_\_ Council agenda (as Consent, Public Hearing, Informational, Department Report, etc).

W. Wood  
City Manager, W. Wood

10-13-20  
Date

PREPARED BY: Legal Department, City of Hickory  
PO Box 398, Hickory, NC 28603

**STATE OF NORTH CAROLINA**

**CDBG MICROENTERPRISE  
GRANT PERFORMANCE  
AGREEMENT**

**COUNTY OF CATAWBA**

THIS AGREEMENT, made and entered into this \_\_\_\_day of \_\_\_\_\_, 201\_, by and between the **CITY OF HICKORY**, a municipal corporation of Catawba County, North Carolina, hereinafter referred to as the "City" and having a mailing address of P.O. Box 398, Hickory, North Carolina 28603, and Nuology Spyrtech, hereinafter referred to as the "Recipient" and having a mailing address of 457 2<sup>nd</sup> St PI SW,, Hickory, NC 28601.

**WITNESSETH**

THAT WHEREAS, as part of its 2020-2024 Consolidated Plan for Housing and Community Development, the City has identified continued entrepreneurial opportunities in the community as a priority; and

WHEREAS, to fulfill this priority, the CITY has created the Community Development Block Grant Microenterprise Grant Program ("CDBG Microenterprise Grant Program" or "Program") to provide grants to qualifying business owners upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained the parties agree as follows:

1. The City shall provide a grant to the Recipient for the sum of \$4,000.00, which the City shall disburse in accordance with the schedule set forth in §4 herein. The City shall not be obligated to disburse any grant funds until the Recipient complies with all disbursement prerequisites set forth in this Agreement for all or any part of the grant funds.
2. The Recipient agrees to utilize the grant funds for the purposes set forth in: to fulfill that project as described in the CDBG Microenterprise Grant Program Guidelines and Application Materials attached hereto as Exhibit "A." Said guidelines and application materials are made a part of this Agreement and incorporated herein by reference as if more fully set forth.
3. Projects funded in whole or in part must meet all applicable regulations of the CDBG program, including environmental review requirements. The purpose of the environmental review process is to identify if the project will have a significant impact on the quality of the human environment. The grant agreement for an approved grant cannot be executed until this process has been completed.

4. The Recipient shall ensure that the grant is used for permitted purposes only and shall be responsible for any misuse of grant funds by any of its officers, members, employees, or agents.
5. The grant is payable in accordance with the funding schedule which will be developed by the City of Hickory's Business Development Committee, hereinafter referred to as the "BDC." The funding schedule is made a part of this Agreement as Exhibit B and incorporated herein by reference as if more fully set forth.
6. Grant disbursements shall be for expenses incurred as set forth in the Application only. The City shall require itemized documentation of project expenses.
7. Strict compliance by the Recipient with all of its obligations imposed by this Agreement is an express condition of the Recipient's obligation to make any portion of the grant funds available. No degree of partial performance by the Recipient shall deprive the City of its right to require complete performance prior to its disbursement of grant funds.
8. Technical assistance provided by the City will be advisory only. The City will not be a party in negotiations between the Recipient and any contractor employed by the Recipient nor will the City provide legal advice or services to any party. The Recipient agrees to hold the City harmless for any defects in workmanship or from any liability, damages, or other costs relative to this project.
9. The RECIPIENT shall not assign or subcontract any of its rights or obligations under this Agreement without the prior written consent of the CITY.
10. By executing this Agreement/Contract, BEN RASPER certify/certifies Nuology is/are not listed on the Iran Final Divestment List ("List") created by the State Treasurer pursuant to N.C.G.S. 147-86.58, Iran Divestment Act ("Act"). In compliance with the Act's requirement and N.C.G.S. § 147-86.59, Nuology shall not utilize in the performance of this agreement/contract any subcontractor that is identified on the List. The List can be found on the State Treasurer's website at the address [www.nctreasurer.com/Iran](http://www.nctreasurer.com/Iran) and should be updated at least every 180 days.
11. This Agreement may be terminated and the City may withhold grant monies upon the Recipient's breach of or failure to perform any of the terms of this agreement. The City shall give the Recipient notice in writing of any potential breach of this Agreement, after which the applicant shall have thirty (30) calendar days in which to cure said breach. The thirty (30) calendar day cure period shall not apply to any of the time requirements described in this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed upon the day and year first written above.



CITY OF HICKORY

By: \_\_\_\_\_  
Hank Guess, Mayor

ATTEST: (SEAL)

\_\_\_\_\_  
Debbie D. Miller, City Clerk

Approved as to form and legality on behalf of the City of Hickory only:

*Ronita M. Dyer*  
Attorney for the City of Hickory

This document has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

*Melissa Miller*  
Melissa Miller, Financial Officer

Recipient

By: *Hank Guess*

STATE OF NORTH CAROLINA  
COUNTY OF CATAWBA

I, \_\_\_\_\_ a Notary Public of said county and state, certify that **Debbie D. Miller** personally came before me this day and acknowledged that she is City Clerk of the City of Hickory, a North Carolina municipal corporation, and that by authority duly given and as the act of the City Council of the City of Hickory, the foregoing instrument was signed in its name and by its Mayor, sealed with its corporate seal and attested by her as its City Clerk.

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 201\_.

(Seal)

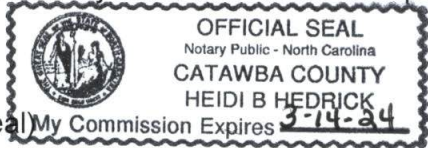
\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

STATE OF NORTH CAROLINA  
COUNTY OF CATAWBA

I, Heidi B. Hedrick, a Notary Public of Catawba County, North Carolina, do hereby certify that Bena Ra Speret of Nuology Spyrtech, a North Carolina Corporation, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official stamp or seal this 9<sup>th</sup> day of October, 2020



Heidi B. Hedrick  
Notary Public

My Commission Expires: March 14, 2024



Life. Well Crafted.  
The City of Hickory

### CDBG Microenterprise Grant Program

In its 2020-2024 Consolidated Plan for Housing and Community Development, the City of Hickory identified increasing entrepreneurship opportunities as a high priority need. This led to the creation of a program to provide microenterprise grants to businesses looking for funding necessary to take their business to the next level.

#### What is a microenterprise?

According to the US Department of Housing and Urban Development, a microenterprise is a business that has five or fewer employees, one of whom is the owner of the business.

Since the project will be funded with CDBG funds, all applicants will need to have a household income of less than 80% of the area median income. That is currently \$47,600 for a family of four. The table below indicates the current HUD income limits. (All limits are subject to change as HUD updates their information.)

Persons in Family	Maximum Income
1	\$33,350
2	\$38,100
3	\$42,850
4	\$47,600
5	\$51,450
6	\$55,250
7	\$59,050
8	\$62,850

#### Award Ceiling

The award range will be from \$1,000 to \$4,000. The maximum funding will be based on needs presented in the business plan.

#### Use of Funds

Grant funds may be used for the following purposes:

- Business Equipment
- Inventory
- Necessary Fixed Assets
- Marketing and business promotion
- Other necessary business improvements as approved by the Business Development Committee

Grant funds may not be used for real property improvements. Funds may not be used for expenses that were incurred prior to final approval of the funding agreement by the Hickory City Council.

**Additional Requirements**

The following additional requirements apply to all recipients.

- The business must be located in the Hickory City Limits.
- The business must be in compliance with all applicable City of Hickory regulations including the Land Development Code.

**Funding Eligibility Exclusions**

The following uses are not eligible for funding:

- Religious organizations for sectarian purposes;
- Buildings not within the City of Hickory municipal limits;
- Individual K-12 schools (public or private);
- Organizations that discriminate on the basis of race, culture, gender sexual orientation, age, or religion;
- Political activities;
- Adult businesses;
- Civic Organizations.

**Application Requirements**

- Completed application form
- Business Plan (template included)
- Financial Projections
- Counseling appointment with one of the following three agencies: the CVCC Small Business Center, LRU Center for Social and Commercial Entrepreneurship, or the Small Business Technology Development Center.
- Letter of Recommendation from one of the above counseling agencies
- Income verification information to include prior year tax returns for all household members. Additional information may be required to meet HUD income verification requirements. The City of Hickory uses the Internal Revenue Service Form 1040 method of calculating income.

**Scoring Criteria**

The following criteria will be used by the Business Development Committee to prioritize grant projects:

- Number of jobs created
- Length of time business has been in existence (priority will be given to startups)
- Growth potential
- General quality of the business plan
- Other funding secured
- Social return on investment

**Grant Payment Schedule and Other Required Activities**

- After consulting with the counseling organization, the Business Development Committee will approve a project schedule detailing implementation milestones and objectives. This schedule

will be part of the funding agreement. Funding will generally be paid in at least two equal installments based upon meeting required milestones.

- Recipients will be required to check in with the Business Development Committee at least once during project execution to provide updates on the business.
- Recipients will also be required to have periodic meetings with the counseling organization. The frequency of these meetings will be described in the funding agreement. Generally, one additional meeting during project execution will be required.

#### **Conflicts of Interest**

No persons who exercise or have exercised any responsibilities with respect to this program shall be eligible to receive any assistance under this program. This lists includes, but is not limited to, all City staff, all elected and appointed officials exercising responsibilities related to the CDBG program, and the immediate family members of these groups. This prohibition will continue for a period of one year from the date their affiliation ceases. Immediate family members include: parents, spouses and domestic partners, siblings, and children regardless of age.

#### **General Disclaimer**

There is no right or entitlement to funding. All decisions are made at the discretion of the granting authority. All projects must meet all applicable regulations of the Community Development Block Grant program, including environmental review requirements. All grant agreements are subject to approval by the Hickory City Council.

**NUOLOGY Spyrytech**  
www.nuology.co

Phone: 828.372.2727

E-mail: spyrytech@nuology.co

457 2<sup>nd</sup> St PI SW

Hickory, NC 28602

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August 24, 2020

Karen Dickerson  
City of Hickory  
Office of Business Development  
Business Services Division  
PO Box 398  
Hickory, NC 28603

Dear Ms. Dickerson,

On behalf of Spyrytech, I would like to thank you for extending the invitation to us to participate in the City of Hickory's Microenterprise Grant Program. We are excited about this opportunity to partner with the City of Hickory in embarking upon an endeavor that will ultimately contribute to the wellbeing of our communities!

Respectfully Submitted,



Bena Ra Speret, CEO  
NUOLOGY Spyrytech

encl



**CITY OF HICKORY MICROENTERPRISE GRANT APPLICATION**

Applications should be submitted to the Department of Planning and Development. For more information, please contact David Leonetti at (828) 323-7422.

**APPLICANT INFORMATION**

Business Name: NUOLOGY Spyrtech

Mailing Address:

457 2<sup>nd</sup> St PI SW

Street Address: (same)

City: Hickory

State: NC

Zip: 28602

Telephone:

828.372.2727

FAX:

E-Mail: spyrtech@nuology.co

Business Project Manager Name and Title (if different than above.): Bena Ra Speret, CEO

Project Manager Organization Name: N/A

Date Business Established: 1-19-18

Tax ID or Social Security Number: 82-3967647

**PROJECT INFORMATION**

Amount Requested: \$4,000

Project Title: The Pyneamid Prototype Development

Zoning of the Parcel:

Address of Building: N/A

N/A

Proposed Use: Marketing and Funding

**INCOME INFORMATION**

Total Household Income of Business Owner: \$4,800

Number of Persons in Household: 1

	<u>Name</u>	<u>Date of Birth</u>
1.	Bena Ra Speret	6-5-66
2.		
3.		
4.		
5.	(Add additional lines as needed)	

**PROPOSED FINANCING SOURCES FOR PROJECT:**

BANK LOAN	AMOUNT \$ _____	% OF TOTAL _____
GRANT	AMOUNT \$ 4,000 _____	% OF TOTAL <u>53</u> _____
APPLICANT/EQUITY	AMOUNT \$ _____	% OF TOTAL _____
OTHER	AMOUNT \$ 3,500 _____	% OF TOTAL <u>47</u> _____
TOTAL	AMOUNT \$ 7,500 _____	% OF TOTAL 100.0

**PROJECT NARRATIVE:**

**Provide a brief narrative description of business, proposed project and reason for grant:**

NUOLOGY Spyrtech will develop and distribute a unique diffuser/infuser, which utilizes vibration and aromas to  
create a relaxing, ambient atmosphere. The Pyneamid Prototype Development project is the impetus of the traction  
phase of the business, where we present a viable product that is representative of this opportunity to the public and  
potential investors. This funding will allow us to maintain our momentum and facilitate traction by allowing us to  
proceed with scale production development of our fully functional prototype. This is essential to the procurement of  
the necessary funding to launch our company. We have detailed the "big picture" as matter of protocol, but this  
grant will be pursuant to scale manufacturing prototype production, which will be the cornerstone of our marketing  
campaign, granting us ingress into the fundraising arena.

**PROPOSED USE OF PROJECT FUNDS:**

<b>BUSINESS EQUIPMENT</b>	\$ _____
<b>INVENTORY</b>	\$ _____
<b>MARKETING AND BUSINESS PROMOTION</b>	\$ 4,000 _____
<b>OTHER* ( _____ )</b>	\$ _____

**\*MUST BE APPROVED BY BUSINESS DEVELOPMENT**

**COMMITTEE REQUIRED ATTACHMENTS**

All applications must include the following information:

- Completed application form
- Business Plan (template included)
- Financial Projections (template included)
- Confirmation of completed counseling appointment with one of the following three agencies: the CVCC Small Business Center, LRU Center for Social and Commercial Entrepreneurship, or the Small Business Technology Development Center.
- Letter of Recommendation from one of the above counseling agencies
- Income verification information to include prior year tax returns for all household members. Additional information may be required to meet HUD income verification requirements. The City of Hickory uses the Internal Revenue Service Form 1040 method of calculating income.



Applicant's Certification:

I/We certify that all information in this application and all information furnished in support of this application are true and complete to the best of my/our knowledge and belief. Verification can be obtained from any source named, and I/we agree to submit to personal and business credit checks.

  
Signature

8-24-20  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Spyrytech Microenterprise Grant Program Business Plan

**Applicant Name: NUOLOGY Spyrytech**      **Date: 8-24-20**

- 1) Describe the fundamental elements of your business. Describe what business you are in, why you are in it, and what you hope to accomplish. List and describe the products or services you will offer.

Diffusers help exude essential oils and aromas and create a relaxed and appealing ambience not only at homes but also in workplaces. These diffusers are available in different colors, shapes, types, and sizes. There are several types of aromatherapy diffusers such as ultrasonic, nebulizers, evaporative and heat diffusers. They are commercially available as aroma diffuser combo sets, electric, handheld, aroma tea light combo sets, jelly, refill and passive diffusers. The Pyneamid [Pi-nee-uh-mid] Infuser, **the world's first marketed diffuser**, is unlike any other diffuser. It consolidates multiple therapeutic modalities into a portable treatment regimen: Aroma, Sound, Color, and Vibration. NUOLOGY Spyrytech is seeking to manufacture and distribute this flagship product to customers all over the world.

Spyrytech's target markets are the holistic and natural health industries. Our customers utilize and practice spiritual, natural, and infoceutical type healing remedies. Infoceuticals are liquids used as energetic remedies that have been imprinted with bio-information frequencies to directly correct distortions in the body-field and restore the body's inherent self-healing capabilities. Infoceuticals are produced through a process of imprinting data into liquids for delivery into the Human Body Field at the subatomic level. The Infoceuticals activate a holistic matrix of innate healing responses. They stand alone in their unique essence and action, incorporating biology, Chinese medicine, quantum physics, and technology to stimulate innate and powerful holistic healing activation. They deliver the precise information the body needs to reclaim optimal functioning health and wellness. *The Pyneamid* will make the infoceutical remedy more readily available to consumers who desire to practice this natural healing method.

We also plan to market Customized essential oils and develop in-line industrial level ultrasonic systems.

- 2) Describe the qualifications and experience of your management team and any other key employees. Also describe any outside professional services (accountants, attorneys, etc.) you have or plan to engage.

Bena Ra Speret, **NUOLOGY Spyrytech** Founder and Chief Executive Officer, is a native North Carolinian. He holds a B.S. in Industrial Engineering from North Carolina State University and a D.Div. in Spiritual Counseling from the University of Metaphysical Sciences. Bena has experience as a personal trainer, record label owner/music producer, online sales, foreign business development, and nonprofit management. An aromatherapy practitioner and lifelong entrepreneur, his passions are independent study and Spirituality.

Tracy Armstrong, **NUOLOGY Spyrytech** Co-Founder, was also born in North Carolina. He holds a B.S. in Industrial Engineering from North Carolina State University and an MBA from the University of Phoenix. Tracy is also a veteran of the US Air Force, has over 25 years of experience in engineering, project

management, and product safety, and holds a number of professional certifications. Mr. Armstrong is passionate about fitness and wellness and is a dedicated aromatherapy practitioner.

Dr. Patricia Crisp is our Naturopathic Counselor. She was recently crowned as Global Health and Pharma's 2019 Naturopath of the Year. As a Classical Naturopath, Dr. Crisp specializes in healing. Her use of natural remedies is designed to support the body's innate wisdom and natural tendencies toward renewal and replenishment to achieve optimal health. She focuses on identifying the root causes of your symptoms then tailors a protocol specifically for you, to enable you to work with your body's own innate self-healing intelligence, ultimately leading to wellness.

Renea Cunningham is our Administrative and Public Relations Consultant. Renea comes to **NUOLOGY Spyrtech** with a passion for health and wholeness; with a desire to achieve optimal overall health, and to assist others to do so. She studied at Winston Salem State University and Lenoir Rhyne University where she obtained her BA in Psychology. She currently works in the Healthcare/Mental Health field as a Behavioral Health Coordinator and Mental Health/IDD Qualified Professional. She daily witnesses the effects of a failing healthcare system that is dependent upon ineffective pharmaceuticals.

We have also partnered with numerous other professionals for assistance with animation, financial and legal advisement, crowdfunding, prototype development, PR and marketing, and executive consulting.

- 3) Describe the customers you will serve and the geographic territory to be targeted with your marketing efforts. Describe the advertising, marketing techniques, pricing strategies, and tools you will use to promote your business.

Most of the aromatherapy diffusers, not only ultrasonic diffusers, are sold through online platforms, such as various websites and social media platforms including Facebook, Pinterest, Instagram, and YouTube. Some of the major companies run their own e-commerce website to sell their products, while some others use other e-commerce websites, such as Amazon and BestBuy, to reach out to their customers. Diffusers are also sold through various discount retail stores and merchandise retail stores, such as Walmart and Target, which attract a huge middle-class crowd. NUOLOGY Spyrtech has developed a network of proven 3rd parties outlets (Amazon, eBay) with established online platforms i to facilitate agreements to market The Pyneamid.

NUOLOGY has launched an initial campaign which has generated over 1,500 followers through social media. Support to customers and other information explaining spiritual treatment techniques will provide additional marketing opportunities. Free essential oils with purchase of the product, discounts, warranties, free accessories, replacement parts, etc. will also be a part of the marketing strategy.

The average price for diffusers runs \$40 - \$50. The functionality of the Pyneamid more than justifies the \$99.95 price point we have set for this unique and versatile product.

Additionally, as the diffusers are also frequently used at homes, females account for larger consumer share in comparison to males, therefore many companies design strategies to target the female population. Spyrtech will adhere to this approach as well.

- 4) List those firms you have identified as primary competitors in your market(s). Identify their strengths and weaknesses. What advantages does your company have as compared with its primary competitors?

Company	Distribution Channels	Intersense Capability	Chakra Attunement	Infusion	Customization
Young Living Essential Oils	Strong	Non-competitive	Non-competitive	Non-competitive	Non-competitive
NOW Foods	Strong	Non-competitive	Non-competitive	Non-competitive	Non-competitive
dōTERRA International	Strong	Non-competitive	Non-competitive	Non-competitive	Non-competitive
SpaRoom	Moderate	Non-competitive	Non-competitive	Non-competitive	Non-competitive
ZAQ	Non-competitive	Non-competitive	Non-competitive	Non-competitive	Non-competitive
Muji	Non-competitive	Non-competitive	Non-competitive	Non-competitive	Non-competitive
Always Feel Good LLC	Non-competitive	Non-competitive	Non-competitive	Non-competitive	Non-competitive
InnoGear	Moderate	Non-competitive	Non-competitive	Non-competitive	Non-competitive
Osuman Technology Co., Limited	Moderate	Non-competitive	Non-competitive	Non-competitive	Non-competitive
GreenAir, Inc.	Moderate	Non-competitive	Non-competitive	Non-competitive	Non-competitive
SPYRYTECH	Strong	Strong	Strong	Strong	Strong

Company	Value Chain	Regional Presence	Product Portfolio	Overall
Young Living Essential Oils	Strong	Strong	Strong	Strong
NOW Foods	Strong	Strong	Strong	Strong
dōTERRA International	Strong	Strong	Moderate	Strong
SpaRoom	Moderate	Moderate	Strong	Moderate
ZAQ	Non-competitive	Non-competitive	Strong	Moderate
Muji	Non-competitive	Moderate	Non-competitive	Non-competitive
Always Feel Good LLC	Non-competitive	Non-competitive	Moderate	Moderate
InnoGear	Moderate	Non-competitive	Strong	Moderate
Osuman Technology Co., Limited	Moderate	Non-competitive	Strong	Moderate
GreenAir, Inc.	Moderate	Strong	Strong	Strong
SPYRYTECH	Moderate	Non-competitive	Strong	Strong

 Strong

 Moderate

 Non-competitive

Our advantage is that the current evolutionary trending of the aromatherapy industry focuses on accessories and aesthetics . . . not functionality and beneficiality. The Pyneamid will be the only diffuser

on the market that is also an infuser and it will be the only diffuser that is marketing it's functionality as differentiation. Furthermore, its effectiveness is not essential-oil-industry driven, as is the one-dimensionality of the current market, and we are also marketing consumer-regulated infoceuticals.

- 5) Describe your plans for growth or expansion. Include the impact on working capital needs, equipment, and/or your current facility or building.

R&D and working capital will be utilized to interpolate Spyrtech's vision into viable products that will advance the consumer's control of Home Health Management. We plan to enhance The Pyneamid's market presence by introducing a levitation function that will further enjoin the consumer to be more participative in their own destiny, and this function will also promote the exploitation of the youth market.

We also intend to develop industrial versions of our product to market to private practices, businesses, hotel chains, and other industrial settings, converting our concept into a more homogeneous presentation.

- 6) Describe in detail your plan for financing your business. Please specify how much money you can put towards the project, and how much money you can borrow.

Since we are seeking public and private funding to engage in the production phase of manufacturing and we are not currently producing product, there is no foundation to justify borrowing at this juncture. We feel that we can procure the amount necessary to initiate this pre-production stage with grant, venture, angel, and investment funds for continued growth.

However, the linchpin for the next phase is development of a fully functional production prototype. This is essential to the procurement of the necessary funding to launch our company. The marketing aspect of our venture revolves around the presentation of a viable product that works and can be reproduced at a profit. Consequently, even though this grant is for a comparably small amount in relation to "start-up" costs, its significance is exponentially more valuable at this juncture.

The budget details for the Pyneamid Prototype Development Project (production scale design and manufacture), procured from the developer of the 1<sup>st</sup> iteration prototype (image below), are as follows:

Design services (Mechanical Design, Electronics Design, Firmware, PCB Design, Prototyping, Assembly & Testing, Reworks, App adjustments for Wi-Fi) - \$6,000

Material - \$1,500

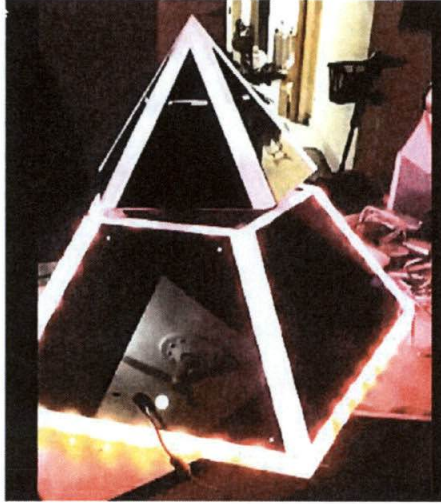
Total: \$7,500

Deliverables:

- Electronics Schematics, PCB Design, BOM, Gerbers
- Mechanical Design Files
- Functional prototype
- Firmware source code
- Application source code

The prototype is the catalyst that will drive us forward to the next step in our process and these funds will be the catapult that launches us into the marketing arena.

7) This is an image of our 1<sup>st</sup> iteration prototype (see it in action at [www.pyneamid.com](http://www.pyneamid.com)).



**APPLICABLE PROJECT EXPENSES                      EXPENSE \$**

Production Prototype		
Design	\$	6,000
Materials	\$	1,500
Shipping	\$	500
Products/Inventory	\$	100,000 (2000 units @ \$50)
Mold(s)	\$	30,000

**Total Project Expense \$: \$                      138,000.00**

<b>APPLICABLE OPERATING EXPENSES</b>	<b>MONTHLY EXPENSE \$</b>
<b>Cost of Services/Cost of Goods</b>	
Shipping (avg monthly)	577
Sales Commissions (avg monthly)	2,891
<b>Total Cost of Service/Goods Sold</b>	<b>3,468</b>
<b>Operating/Fixed Expenses</b>	
Phone/Mobile	45
Web Hosting	25
Loan	60
Miscellaneous	833
<b>Total Operating/Fixed Expenses</b>	<b>963</b>

Monthly Operating Expenses \$ 4,431



Exhibit A

**ESTIMATING SALES REVENUE -- Multiply Monthly Units X Average Selling Price**

How many units of product/service will you sell each month? Your unit could be actual products, # of billed hours, or # of projects.  
 What is an average SELLING PRICE (SP) you will sell your product or service for?

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total
The Pyneamid # of Units	24	41	53	70	96	125	168	194	237	345	389	572	2314
Cumulative # Units	24	65	118	188	284	409	577	771	1008	1353	1742	2314	
Avg SP	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95
Sales Revenue for Product/Service 1	\$ 2,399	\$ 4,098	\$ 5,297	\$ 6,997	\$ 9,595	\$ 12,494	\$ 16,792	\$ 19,390	\$ 23,688	\$ 34,483	\$ 38,881	\$ 57,171	\$ 231,284
<b>TOTAL SALES REVENUE</b>	<b>\$ 2,399</b>	<b>\$ 4,098</b>	<b>\$ 5,297</b>	<b>\$ 6,997</b>	<b>\$ 9,595</b>	<b>\$ 12,494</b>	<b>\$ 16,792</b>	<b>\$ 19,390</b>	<b>\$ 23,688</b>	<b>\$ 34,483</b>	<b>\$ 38,881</b>	<b>\$ 57,171</b>	<b>\$ 231,284</b>

Exhibit A

PROJECTED PROFIT & LOSS													
Month	1	2	3	4	5	6	7	8	9	10	11	12	Total
Total Sales Revenue	\$ 2,399	\$ 4,098	\$ 5,297	\$ 6,997	\$ 9,595	\$ 12,494	\$ 16,792	\$ 19,390	\$ 23,688	\$ 34,483	\$ 38,881	\$ 57,171	\$ 231,284
Cost of Goods/Service													\$ -
Total Cost of Goods/Service	\$ 1,632	\$ 2,787	\$ 3,603	\$ 4,759	\$ 6,526	\$ 8,498	\$ 11,421	\$ 13,189	\$ 16,112	\$ 23,454	\$ 26,445	\$ 38,886	\$ 157,312
Gross Profit Before Operating Exp	\$ 767	\$ 1,311	\$ 1,694	\$ 2,238	\$ 3,069	\$ 3,996	\$ 5,371	\$ 6,202	\$ 7,576	\$ 11,029	\$ 12,435	\$ 18,285	\$ 73,973
<b>Operating/Fixed Expenses</b>													
Phone/Mobile	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 540
Web Hosting	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 300
Loan	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 720
Miscellaneous	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 9,996
Total Operating/Fixed Expenses	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 11,556
<b>NET PROFIT</b>	\$ (196)	\$ 348	\$ 731	\$ 1,275	\$ 2,106	\$ 3,033	\$ 4,408	\$ 5,239	\$ 6,613	\$ 10,066	\$ 11,472	\$ 17,322	\$ 62,417

Exhibit A

CASH FLOW PROJECTIONS

	Start-Up	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Beginning Cash Position													
Income (cash received)		\$ -	\$ (196)	\$ 152	\$ 883	\$ 2,158	\$ 4,264	\$ 7,297	\$ 11,704	\$ 16,943	\$ 23,558	\$ 33,622	\$ 45,094
Cash Sales		\$ 2,399	\$ 4,098	\$ 6,297	\$ 6,997	\$ 9,595	\$ 12,494	\$ 16,792	\$ 19,390	\$ 23,688	\$ 34,483	\$ 38,881	\$ 57,171
Collection of Accounts Receivable													
Equity Investment (Owners)	\$ -												
Equity Investment (Investors)	\$ 134,000												
Proceeds of Loan	\$ -												
Grants	\$ 4,000												
Other (cash injections)													
Total Cash Inflows	\$ 138,000	\$ 2,399	\$ 4,098	\$ 6,297	\$ 6,997	\$ 9,595	\$ 12,494	\$ 16,792	\$ 19,390	\$ 23,688	\$ 34,483	\$ 38,881	\$ 57,171
Disbursements (cash used)													
Start-Up Expenses	\$ 138,000												
Cost of Sales		\$ 1,632	\$ 2,787	\$ 3,603	\$ 4,759	\$ 6,526	\$ 8,498	\$ 11,421	\$ 13,189	\$ 16,112	\$ 23,454	\$ 28,445	\$ 38,886
Total Operating/Fixed Expenses		\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963	\$ 963
Capital Expenditures													
Total Disbursements (cash used)	\$ 138,000	\$ 2,595	\$ 3,750	\$ 4,566	\$ 5,722	\$ 7,489	\$ 9,461	\$ 12,384	\$ 14,152	\$ 17,075	\$ 24,417	\$ 27,408	\$ 39,849
Cash Flow Monthly	\$ -	\$ (196)	\$ 348	\$ 731	\$ 1,275	\$ 2,106	\$ 3,033	\$ 4,408	\$ 5,239	\$ 6,613	\$ 10,066	\$ 11,472	\$ 17,322
Ending Cash Position (Cumulative)	\$ -	\$ (196)	\$ 152	\$ 883	\$ 2,158	\$ 4,264	\$ 7,297	\$ 11,704	\$ 18,943	\$ 23,558	\$ 33,622	\$ 45,094	\$ 62,417

Information for highlighted cells must be manually entered.  
 Other rows connected to P&L Projections

Exhibit A

**BREAK-EVEN SALES \$**

Break-Even Formula =  
Fixed Monthly Expenses / (Average Sales Price per Unit - Average Cost Per Unit)

What are your Monthly Fixed Operating Expenses?	\$	963	
What is your Average Sales Price Per Unit? (This could be average sale for your products or service.)	\$	99.95	
What is your Average Cost of your Unit?	\$	67.98	
Break Even UNITS You need to sell each month to cover your costs:		30	units each month
Break Even in \$ (Break-Even UNITS x Avg Sales Unit)	\$	3,011	sales \$ each month

**START-UP EXPENSES****EXPENSE \$**

Facility and Equipment		
Office Space		
Space Improvements		
Office Equipment		
Software/Licenses		
Office Supplies		
Communication Hook Up		
Utility Deposit		
Legal / Professional		
License/Permits		
Lawyer	\$	20,000
Accountant/Bookkeeper	\$	10,000
Insurance; Business/Liability		
Insurance; Health		
Research & Development	\$	50,000
Patent Maintenance	\$	15,000
Marketing/Advertising	\$	75,000
Business Cards		
Brochure/Printed Materials		
Web Site Development		
Advertising/Promotion		
Products/Inventory	\$	125,000 (2500 units @ \$50)
Salaries/Employees	\$	70,000
Payroll Taxes		
Funding Expense		
Travel/Transport		
Mold	\$	30,000
Project Management	\$	30,000
Working Capital	\$	25,000
<b>Total Start-Up Expense \$:</b>	<b>\$</b>	<b>450,000.00</b>

OPERATING EXPENSES	MONTHLY EXPENSE \$
<b>Cost of Services/Cost of Goods</b>	
Product Labor	
Production Payroll Taxes (7.65%)	
Materials	
Purchased Goods/Inventory	
Shipping (avg monthly)	1,308
Sales Commissions (avg monthly)	6,559
<b>Total Cost of Service/Goods Sold</b>	<b>7,867</b>
<b>Operating/Fixed Expenses</b>	
Non-Production Labor	5,833
Non-Production Payroll Taxes (7.65%)	446
Workers Comp (3 or more employees)	
Insurance; Business/Liability	625
Insurance; Health/Benefits	
Research & Development	6,250
Software/Licenses	
Phone/Mobile	45
Web Hosting	25
Advertising/Promotion/Mkting	6,250
Rent	583
Utilities	417
Office Supplies	150
Legal	1,667
Accounting/Bookkeeping	833
Other Professional Expenses	
Auto/Travel	
Meals/Entertainment	
Interest	0
Bank Charges	0
Owners Draw	0
Self-Employment Taxes (15.3%)	0
Loan	60
Patent Maintenance	625
Miscellaneous	833
<b>Total Operating/Fixed Expenses</b>	<b>24,642</b>

**Monthly Operating Expenses \$ 32,509.57**

Exhibit A

**ESTIMATING SALES REVENUE – Multiply Monthly Units X Average Selling Price**

How many units of product/service will you sell each month? Your unit could be actual products, # of billed hours, or # of projects.  
 What is an average SELLING PRICE (SP) you will sell your product or service for?

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total
The Pyneamid # of Units	24	41	53	70	96	125	168	194	237	345	389	572	2314
Cumulative # Units	24	65	118	188	284	409	577	771	1008	1353	1742	2314	
Avg SP	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95	\$ 99.95
Sales Revenue for Product/Service 1	\$ 2,399	\$ 4,098	\$ 5,297	\$ 6,997	\$ 9,595	\$ 12,494	\$ 16,792	\$ 19,390	\$ 23,688	\$ 34,483	\$ 38,881	\$ 57,171	\$ 231,284
<b>TOTAL SALES REVENUE</b>	<b>\$ 2,399</b>	<b>\$ 4,098</b>	<b>\$ 5,297</b>	<b>\$ 6,997</b>	<b>\$ 9,595</b>	<b>\$ 12,494</b>	<b>\$ 16,792</b>	<b>\$ 19,390</b>	<b>\$ 23,688</b>	<b>\$ 34,483</b>	<b>\$ 38,881</b>	<b>\$ 57,171</b>	<b>\$ 231,284</b>

Exhibit A

PROJECTED PROFIT & LOSS

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total
Total Sales Revenue	\$ 2,399	\$ 4,098	\$ 5,297	\$ 6,997	\$ 9,595	\$ 12,494	\$ 16,792	\$ 19,390	\$ 23,688	\$ 34,483	\$ 38,881	\$ 57,171	\$ 231,284
Cost of Goods/Service													\$ -
Total Cost of Goods/Service	50.0% \$ 1,199	\$ 2,049	\$ 2,649	\$ 3,498	\$ 4,798	\$ 6,247	\$ 8,396	\$ 9,695	\$ 11,844	\$ 17,241	\$ 19,440	\$ 28,586	\$ 115,642
Gross Profit Before Operating Exp	\$ 1,199	\$ 2,049	\$ 2,649	\$ 3,498	\$ 4,798	\$ 6,247	\$ 8,396	\$ 9,695	\$ 11,844	\$ 17,241	\$ 19,440	\$ 28,586	\$ 115,642
<b>Operating/Fixed Expenses</b>													
Non-Production Labor	\$ 5,833	\$ 5,833	\$ 5,833	\$ 5,833	\$ 5,833	\$ 5,833	\$ 5,833	\$ 5,833	\$ 5,833	\$ 5,833	\$ 5,833	\$ 5,833	\$ 69,996
Non-Production Payroll Taxes (7.65%)	\$ 446	\$ 446	\$ 446	\$ 446	\$ 446	\$ 446	\$ 446	\$ 446	\$ 446	\$ 446	\$ 446	\$ 446	\$ 5,355
Workers Comp (3 or more employees)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance; Business/Liability	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 7,500
Insurance; Health/Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research & Development	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 75,000
Software/Licenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Phone/Mobile	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 540
Web Hosting	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 300
Advertising/Promotion/Mkting	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ 75,000
Rent	\$ 583	\$ 583	\$ 583	\$ 583	\$ 583	\$ 583	\$ 583	\$ 583	\$ 583	\$ 583	\$ 583	\$ 583	\$ 6,996
Utilities	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 5,004
Office Supplies	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
Legal	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 20,004
Accounting/Bookkeeping	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 9,996
Other Professional Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auto/Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meals/Entertainment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Owners Draw	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Self-Employment Taxes (15.3%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 720
Patent Maintenance	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 7,500
Miscellaneous	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 9,996
<b>Total Operating/Fixed Expenses</b>	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 295,707
<b>NET PROFIT</b>	\$ (23,443)	\$ (22,593)	\$ (21,994)	\$ (21,144)	\$ (19,845)	\$ (18,395)	\$ (16,246)	\$ (14,947)	\$ (12,798)	\$ (7,401)	\$ (5,202)	\$ 3,943	\$ (180,065)



Exhibit A

## CASH FLOW PROJECTIONS

	Start-Up	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Beginning Cash Position		\$ (450,000)	\$ (473,443)	\$ (496,036)	\$ (518,030)	\$ (539,174)	\$ (559,018)	\$ (577,414)	\$ (593,660)	\$ (608,607)	\$ (621,405)	\$ (628,806)	\$ (634,008)
Income (cash received)													
Cash Sales		\$ 2,399	\$ 4,098	\$ 5,297	\$ 6,997	\$ 9,595	\$ 12,494	\$ 16,792	\$ 19,390	\$ 23,688	\$ 34,483	\$ 38,881	\$ 57,171
Collection of Accounts Receivable													
Equity Investment (Owners)	\$ -												
Proceeds of Loan	\$ -												
Other (cash injections)													
<b>Total Cash Inflows</b>	<b>\$ -</b>	<b>\$ 2,399</b>	<b>\$ 4,098</b>	<b>\$ 5,297</b>	<b>\$ 6,997</b>	<b>\$ 9,595</b>	<b>\$ 12,494</b>	<b>\$ 16,792</b>	<b>\$ 19,390</b>	<b>\$ 23,688</b>	<b>\$ 34,483</b>	<b>\$ 38,881</b>	<b>\$ 57,171</b>
Disbursements (cash used)													
Start-Up Expenses	\$ 450,000												
Cost of Sales		\$ 1,199	\$ 2,049	\$ 2,649	\$ 3,498	\$ 4,798	\$ 6,247	\$ 8,396	\$ 9,895	\$ 11,844	\$ 17,241	\$ 19,440	\$ 28,566
Total Operating/Fixed Expenses		\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642	\$ 24,642
Capital Expenditures													
<b>Total Disbursements (cash used)</b>	<b>\$ 450,000</b>	<b>\$ 25,842</b>	<b>\$ 26,691</b>	<b>\$ 27,291</b>	<b>\$ 28,140</b>	<b>\$ 29,440</b>	<b>\$ 30,889</b>	<b>\$ 33,038</b>	<b>\$ 34,337</b>	<b>\$ 36,486</b>	<b>\$ 41,884</b>	<b>\$ 44,082</b>	<b>\$ 53,228</b>
<b>Cash Flow Monthly</b>	<b>\$ (450,000)</b>	<b>\$ (23,443)</b>	<b>\$ (22,593)</b>	<b>\$ (21,994)</b>	<b>\$ (21,144)</b>	<b>\$ (19,845)</b>	<b>\$ (18,395)</b>	<b>\$ (16,246)</b>	<b>\$ (14,947)</b>	<b>\$ (12,798)</b>	<b>\$ (7,401)</b>	<b>\$ (5,202)</b>	<b>\$ 3,943</b>
Ending Cash Position (Cumulative)	\$ (450,000)	\$ (473,443)	\$ (496,036)	\$ (518,030)	\$ (539,174)	\$ (559,018)	\$ (577,414)	\$ (593,660)	\$ (608,607)	\$ (621,405)	\$ (628,806)	\$ (634,008)	\$ (630,065)

Information for highlighted cells must be manually entered

Other rows connected to P&amp;L Projections

Exhibit A

**BREAK-EVEN SALES \$**

Break-Even Formula =  
 Fixed Monthly Expenses / (Average Sales Price per Unit - Average Cost Per Unit)

What are your Monthly Fixed Operating Expenses?	\$	32,510	
What is your Average Sales Price Per Unit? (This could be average sale for your products or service.)	\$	99.95	
What is your Average Cost of your Unit?	\$	50.00	
Break Even UNITS You need to sell each month to cover your costs:		650.84	units each month
Break Even in \$ (Break-Even UNITS x Avg Sales Unit)	\$	65,051.68	sales \$ each month



August 18, 2020

To: Whom it May Concern

I have met with Bena Ra Speret, and I am providing business counseling assistance to him for his business plan. I have and will continue to provide him with confidential business counseling services.

Bena has met the counseling requirements of working with the Small Business Center to be eligible for the City of Hickory Micro-Grant program.

This is not an endorsement, just an advisement that the counseling requirement for the Micro-Grant program has been met. Please contact me at the Small Business Center if you need further information.

Best regards,

Jeff Neuville

Director, CVCC Small Business Center

[jneuville@cvcc.edu](mailto:jneuville@cvcc.edu)

828-327-7000, ext. 4102

CVCC Small Business Center  
2664 Highway 70 SE, Hickory, NC 28602  
[sbc@cvcc.edu](mailto:sbc@cvcc.edu) – 828-327-7000, ext. 4117

## COUNCIL AGENDA MEMOS

Exhibit VIII.C.

**To: City Manager's Office**  
**From: Shawn Pennell – Assistant Public Services Director – Public Utilities**  
**Contact Person: Kelly Winkler, P.E. – Senior Civil Engineer**  
**Date: October 20, 2020**  
**Re: Bookwalk South Project - NCDOT EB-5938, Change Order #2**

### REQUEST

Staff requests Council approval and acceptance of Change Order #2 to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for additional services related to EB-5938 in the amount of \$33,559.58, contingent upon NCDOT concurrence.

### BACKGROUND

The City of Hickory Bond Commission and City Council approved a group of projects that were voted on by the citizens of Hickory to complete with a \$40 Million Bond Referendum. These projects are intended to identify Hickory as a prospering and vibrant City to enjoy, do business in and hopefully move to the area. The Bookwalk Project is one of the projects envisioned in the Bond Referendum and is intended to provide improved connectivity from Patrick Beaver Memorial Library to Ridgeview Library and further to Hwy 70 in the general area of shopping and commerce.

### ANALYSIS

The Bookwalk project is an element of the Bond Referendum that was to be added in the future as a continued development of the multi-use path around the City that connected all parts of the City for citizens and visitor's enjoyment. This project has received NCDOT funding at 80/20 ratio, NCDOT and City respectively.

Change Order #2 for Bookwalk South identifies additional services that include lighting plan/coordination and construction phase services.

City of Hickory portion of fees will be funded by Bond proceeds.

### RECOMMENDATION

Staff recommends Council approval and acceptance of Change Order #2 to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for additional services related to EB-5938 in the amount of \$33,559.58, contingent upon NCDOT concurrence.

### BUDGET ANALYSIS:

**Budgetary Action**

Is a Budget Amendment required?

Yes

No

**LIST THE EXPENDITURE CODE:**

**Project# B1L004  
061-7504-577.22-01**

**Reviewed by:**

*msf*

M. Shawn Pennell  
Initiating Department Head

10-8-2020  
Date

*Annita M. Dula*  
Deputy City Attorney, A. Dula

10-5-20  
Date

*Rodney Miller*  
Asst. City Manager, Rodney Miller

10/14/20  
Date

*Rick Beasley*  
Asst. City Manager, Rick Beasley

10/21/20  
Date

*Melissa Miller*  
Finance Officer, Melissa Miller

10/12/20  
Date

*Shanay*  
Purchasing Manager

10/12/20  
Date

\_\_\_\_\_  
Date

**Recommended for approval and placement on \_\_\_\_\_ Council agenda (as  
Consent, Public Hearing, Informational, Department Report, etc).**

*Warren Wood*  
City Manager, Warren Wood

10-13-20  
Date



## MEMORANDUM

To: John Marshall (City of Hickory), Jackie McSwain (NCDOT)

From: Andrew Hickling, Steve Blakley  
Kimley-Horn and Associates, Inc.

Date: 9/18/20

Subject: EB-5937/EB-5938 Additional Lighting Plans/Coordination and Construction Phase Services

---

The City of Hickory has requested additional lighting plan/coordination and construction phase services for the EB-5937 Book Walk and EB-5938 Book Walk South projects. Kimley-Horn is providing the following scope of services and associated fees for the additional work to be added to the original project contracts:

- **Lighting Plans/Coordination** – Addition of pedestrian lighting to the project as follows:
  - Kimley-Horn will provide a preliminary layout for pedestrian lighting to Duke Energy using 50' spacing as a guide and shifting as necessary to avoid conflicts with entrances/other features.
  - Duke Energy will provide a photometric design/analysis based on the preliminary layout. Kimley-Horn will adjust the layout at Duke Energy's request based on the results of the analysis.
  - Duke Energy (in conjunction with the City) will determine meter/service locations for the pedestrian lights and the illuminated wayfinding signs/bollards.
  - Kimley-Horn will create lighting plan and detail sheets for inclusion in the construction plans showing lighting designs provided by Duke Energy.
  - Duke Energy will provide price quote for decorative adder fee to the City once lighting design is finalized.

- **Construction Phase Services** – Kimley Horn will perform the following services:

**Clarifications and Interpretations.** Consultant will respond to up to five (5) reasonable and appropriate Contractor requests for information and issue necessary clarifications and interpretations of the Contract Documents. Any orders authorizing variations from the Contract Documents will be made by Client.

**Shop Drawings and Samples.** Consultant will review up to ten (10) Shop Drawings/ Samples which Contractor is required to submit and will approve or take other appropriate action, but only for conformance with the information given in the Contract Documents. Such review and approvals or other action will not extend to means, methods, techniques, equipment choice and usage, schedules, or procedures of construction or to related safety programs.

**Visits to Site and Observation of Construction.** Consultant will make up to two (2) visits as directed by Client in order to observe the progress of the work. Such observations will not be exhaustive or extend to every aspect of Contractor's work. Observations will be limited to spot checking, selective measurement, and similar methods of general observation. Based on information obtained during site visits, Consultant will evaluate whether Contractor's work is generally proceeding in accordance with the Contract Documents, and Consultant will keep Client informed of the general progress of the work.

Consultant will not supervise, direct, or have control over Contractor's work, nor shall Consultant have authority to stop the Work or have responsibility for the means, methods, techniques, equipment choice and usage, schedules, or procedures of construction selected by Contractor, for safety programs incident to Contractor's work, or for any failure of Contractor to comply with any laws. Consultant does not guarantee the performance of any Contractor and has no responsibility for Contractor's failure to perform its work in accordance with the Contract Documents.

Any additional items not specifically mentioned in the list above or in the original scope of services are not included and will be considered Additional Services.

For the services set forth above, Client shall pay Consultant the following compensation:

Up to thirty-three thousand five hundred fifty-nine dollars and fifty-eight cents (\$33,559.58) for EB-5937. (see attached scope and man day estimate spreadsheet)

Up to thirty-three thousand five hundred fifty-nine dollars and fifty-eight cents (\$33,559.58) for EB-5938. (see attached scope and man day estimate spreadsheet)

# Change Order

No. 2

Date of Issuance: September 18, 2020 Effective Date: September 18, 2020

Project : STIP EB-5938	Owner: City of Hickory	Owner's Contract No.:
Contract: EB-5938 Book Walk South		Date of Contract: October 15, 2019
Contractor: Kimley-Horn and Associates, Inc.		Engineer's Project No.:

**The Contract Documents are modified as follows upon execution of this Change Order:**

Description: Additional services to include lighting plans/coordination and construction phase services.

**Attachments (list documents supporting change):**

Contract Amendment 02 - Lighting Plans/Coordination & Construction Phase Services (see attached for scope)

**CHANGE IN CONTRACT PRICE:**

**CHANGE IN CONTRACT TIMES:**

Original Contract Price:  
\$279,169.98

Current Contract Price:  
\$298,138.59

Contract Contingency:  
\$ \_\_\_\_\_

Current Available Contingency:  
\$ \_\_\_\_\_

Amount of this Change Order:  
\$33,559.58

Change Order to be Funded Through:  
 Contingency  Contract Price

Contingency Incorporating this Change Order:  
\$ \_\_\_\_\_

Contract Price Incorporating this Change Order:  
\$331,698.17

Original Contract Times:  Working Days  Calendar Days

Substantial completion (days or date): \_\_\_\_\_  
Ready for final payment (days or date): \_\_\_\_\_

Increase  Decrease from previously approved Change Orders  
No. \_\_\_\_\_ to No. \_\_\_\_\_:

Substantial completion (days): \_\_\_\_\_  
Ready for final payment (days): \_\_\_\_\_

Contract Times Prior to this Change Order:

Substantial Completion (Days or Date): \_\_\_\_\_

Ready for Final Payment (Days or Date): \_\_\_\_\_

Increase  Decrease of this Change Order:  
Substantial Completion Date (Days or Date): \_\_\_\_\_

Ready for Final Payment (Days or Date): \_\_\_\_\_ This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Contract Times with all approved Change Orders:

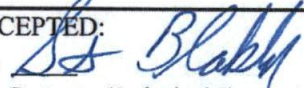
Substantial completion (days or date): \_\_\_\_\_

Ready for final payment (days or date): \_\_\_\_\_

  
City of Hickory  
Finance Officer

RECOMMENDED:  
By: \_\_\_\_\_  
Engineer (Authorized Signature)

ACCEPTED:  
By: \_\_\_\_\_  
Owner (Authorized Signature)

ACCEPTED:  
By:   
Contractor (Authorized Signature)

Date: \_\_\_\_\_  
Approved by Funding Agency  
(if applicable): \_\_\_\_\_

Date: \_\_\_\_\_

Date: 9/28/20  
Date: \_\_\_\_\_



**AMENDMENT NUMBER 02 TO THE AGREEMENT BETWEEN CLIENT AND KIMLEY-HORN  
AND ASSOCIATES, INC.**

This is Amendment number 02 dated September 18, 2020 to the agreement between City of Hickory ("Client") and Kimley-Horn and Associates, Inc. ("Consultant") dated 10/15/2019 ("the Agreement") concerning EB-5938 Book Walk South (the "Project").

The Consultant has entered into the Agreement with Client for the furnishing of professional services, and the parties now desire to amend the Agreement.

The Agreement is amended to include services to be performed by Consultant for compensation as set forth below in accordance with the terms of the Agreement, which are incorporated by reference.

Consultant (or their subconsultant) will perform the following services:

- **Lighting Plans/Coordination** – Addition of pedestrian lighting to the project as follows:
  - Kimley-Horn will provide a preliminary layout for pedestrian lighting to Duke Energy using 50' spacing as a guide and shifting as necessary to avoid conflicts with entrances/other features.
  - Duke Energy will provide a photometric design/analysis based on the preliminary layout. Kimley-Horn will adjust the layout at Duke Energy's request based on the results of the analysis.
  - Duke Energy (in conjunction with the City) will determine meter/service locations for the pedestrian lights and the illuminated wayfinding signs/bollards.
  - Kimley-Horn will create lighting plan and detail sheets for inclusion in the construction plans showing lighting designs provided by Duke Energy.
  - Duke Energy will provide price quote for decorative adder fee to the City once lighting design is finalized.

- **Construction Phase Services** – Kimley Horn will perform the following services:

**Clarifications and Interpretations.** Consultant will respond to up to five (5) reasonable and appropriate Contractor requests for information and issue necessary clarifications and interpretations of the Contract Documents. Any orders authorizing variations from the Contract Documents will be made by Client.

**Shop Drawings and Samples.** Consultant will review up to ten (10) Shop Drawings/Samples which Contractor is required to submit and will approve or take other appropriate action, but only for conformance with the information given in the Contract Documents. Such review and approvals or other action will not extend to means, methods, techniques, equipment choice and usage, schedules, or procedures of construction or to related safety programs.

**Visits to Site and Observation of Construction.** Consultant will make up to two (2) visits as directed by Client in order to observe the progress of the work. Such observations will not be exhaustive or extend to every aspect of Contractor's work.

Observations will to be limited to spot checking, selective measurement, and similar methods of general observation. Based on information obtained during site visits, Consultant will evaluate whether Contractor's work is generally proceeding in accordance with the Contract Documents, and Consultant will keep Client informed of the general progress of the work.

Consultant will not supervise, direct, or have control over Contractor's work, nor shall Consultant have authority to stop the Work or have responsibility for the means, methods, techniques, equipment choice and usage, schedules, or procedures of construction selected by Contractor, for safety programs incident to Contractor's work, or for any failure of Contractor to comply with any laws. Consultant does not guarantee the performance of any Contractor and has no responsibility for Contractor's failure to perform its work in accordance with the Contract Documents.

**Any additional items not specifically mentioned in the list above or in the original scope of services are not included and will be considered Additional Services.**

For the services set forth above, Client shall pay Consultant the following compensation:

**Lighting Plans/Coordination** - Lump sum fee of six thousand two hundred forty-two dollars and eighty-six cents (\$6,242.86).

**Construction Phase Services** – Cost Plus with a maximum fee of twenty-seven thousand three hundred sixteen dollars and seventy-two cents (\$27,316.72).

**Total Amendment Fees** not to exceed thirty-three thousand five hundred fifty-nine dollars and fifty-eight cents (\$33,559.58).

CLIENT:

CITY OF HICKORY

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

CONSULTANT:

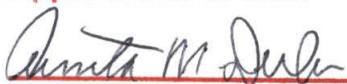
KIMLEY-HORN AND ASSOCIATES, INC.

By: 

Title: SVP

Date: 9/28/2020

Approved as to form

  
City of Hickory – Legal Dept.

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

  
City of Hickory  
Finance Officer

## COUNCIL AGENDA MEMOS

Exhibit VIII.D.

**To:** City Manager's Office  
**From:** Shawn Pennell – Assistant Public Services Director – Public Utilities  
**Contact Person:** Kelly Winkler, P.E. – Senior Civil Engineer  
**Date:** October 20, 2020  
**Re:** Bookwalk Project - NCDOT EB-5937, Change Order #3

### REQUEST

Staff requests Council approval and acceptance of Change Order #3 to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for additional services related to EB-5937 in the amount of \$33,559.58, contingent upon NCDOT concurrence.

### BACKGROUND

The City of Hickory Bond Commission and City Council approved a group of projects that were voted on by the citizens of Hickory to complete with a \$40 Million Bond Referendum. These projects are intended to identify Hickory as a prospering and vibrant City to enjoy, do business in and hopefully move to the area. The Bookwalk Project is one of the projects envisioned in the Bond Referendum and is intended to provide improved connectivity from Patrick Beaver Memorial Library to Ridgeview Library and further to Hwy 70 in the general area of shopping and commerce.

### ANALYSIS

The Bookwalk project is an element of the Bond Referendum that was to be added in the future as a continued development of the multi-use path around the City that connected all parts of the City for citizens and visitor's enjoyment. This project has received NCDOT funding at 80/20 ratio, NCDOT and City respectively.

Change Order #3 for Bookwalk identifies additional services that include lighting plan/coordination and construction phase services.

City of Hickory portion of fees will be funded by Bond proceeds.

### RECOMMENDATION

Staff recommends Council approval and acceptance of Change Order #3 to the Agreement for Professional Services with Kimley-Horn and Associates, Inc. for additional services related to EB-5937 in the amount of \$33,559.58, contingent upon NCDOT concurrence.

**BUDGET ANALYSIS:**

**Budgetary Action**

Is a Budget Amendment required?

Yes

No

**LIST THE EXPENDITURE CODE:**

**Project# B1L003**

**061-7504-577.22-01**

**Reviewed by:**

*MS*

M. Shawn Pennell  
Initiating Department Head

10-8-2020  
Date

*A. Dula*  
Deputy City Attorney, A. Dula

10-15-20  
Date

*Rodney Miller*  
Asst. City Manager, Rodney Miller

10/14/20  
Date

Asst. City Manager, Rick Beasley

\_\_\_\_\_  
Date

*Melissa Miller*  
Finance Officer, Melissa Miller

10/12/20  
Date

*Shonda*  
Purchasing Manager,

10/12/20  
Date

\_\_\_\_\_  
Date

**Recommended for approval and placement on \_\_\_\_\_ Council agenda (as Consent, Public Hearing, Informational, Department Report, etc).**

*Warren Wood*  
City Manager, Warren Wood

10.13.20  
Date



## MEMORANDUM

To: John Marshall (City of Hickory), Jackie McSwain (NCDOT)

From: Andrew Hickling, Steve Blakley  
Kimley-Horn and Associates, Inc.

Date: 9/18/20

Subject: EB-5937/EB-5938 Additional Lighting Plans/Coordination and Construction Phase Services

---

The City of Hickory has requested additional lighting plan/coordination and construction phase services for the EB-5937 Book Walk and EB-5938 Book Walk South projects. Kimley-Horn is providing the following scope of services and associated fees for the additional work to be added to the original project contracts:

- **Lighting Plans/Coordination** – Addition of pedestrian lighting to the project as follows:
  - Kimley-Horn will provide a preliminary layout for pedestrian lighting to Duke Energy using 50' spacing as a guide and shifting as necessary to avoid conflicts with entrances/other features.
  - Duke Energy will provide a photometric design/analysis based on the preliminary layout. Kimley-Horn will adjust the layout at Duke Energy's request based on the results of the analysis.
  - Duke Energy (in conjunction with the City) will determine meter/service locations for the pedestrian lights and the illuminated wayfinding signs/bollards.
  - Kimley-Horn will create lighting plan and detail sheets for inclusion in the construction plans showing lighting designs provided by Duke Energy.
  - Duke Energy will provide price quote for decorative adder fee to the City once lighting design is finalized.

- **Construction Phase Services** – Kimley Horn will perform the following services:

**Clarifications and Interpretations.** Consultant will respond to up to five (5) reasonable and appropriate Contractor requests for information and issue necessary clarifications and interpretations of the Contract Documents. Any orders authorizing variations from the Contract Documents will be made by Client.

**Shop Drawings and Samples.** Consultant will review up to ten (10) Shop Drawings/ Samples which Contractor is required to submit and will approve or take other appropriate action, but only for conformance with the information given in the Contract Documents. Such review and approvals or other action will not extend to means, methods, techniques, equipment choice and usage, schedules, or procedures of construction or to related safety programs.

**Visits to Site and Observation of Construction.** Consultant will make up to two (2) visits as directed by Client in order to observe the progress of the work. Such observations will not be exhaustive or extend to every aspect of Contractor's work. Observations will be limited to spot checking, selective measurement, and similar methods of general observation. Based on information obtained during site visits, Consultant will evaluate whether Contractor's work is generally proceeding in accordance with the Contract Documents, and Consultant will keep Client informed of the general progress of the work.

Consultant will not supervise, direct, or have control over Contractor's work, nor shall Consultant have authority to stop the Work or have responsibility for the means, methods, techniques, equipment choice and usage, schedules, or procedures of construction selected by Contractor, for safety programs incident to Contractor's work, or for any failure of Contractor to comply with any laws. Consultant does not guarantee the performance of any Contractor and has no responsibility for Contractor's failure to perform its work in accordance with the Contract Documents.

Any additional items not specifically mentioned in the list above or in the original scope of services are not included and will be considered Additional Services.

For the services set forth above, Client shall pay Consultant the following compensation:

Up to thirty-three thousand five hundred fifty-nine dollars and fifty-eight cents (\$33,559.58) for EB-5937. (see attached scope and man day estimate spreadsheet)

Up to thirty-three thousand five hundred fifty-nine dollars and fifty-eight cents (\$33,559.58) for EB-5938. (see attached scope and man day estimate spreadsheet)

# Change Order

No. 3

Date of Issuance: September 18, 2020 Effective Date: September 18, 2020

Project : STIP EB-5937	Owner: City of Hickory	Owner's Contract No.:
Contract: EB-5937 Book Walk		Date of Contract: October 15, 2019
Contractor: Kimley-Horn and Associates, Inc.		Engineer's Project No.:

**The Contract Documents are modified as follows upon execution of this Change Order:**

Description: Additional services to include lighting plans/coordination and construction phase services.

**Attachments (list documents supporting change):**

Contract Amendment 03 - Lighting Plans/Coordination & Construction Phase Services (see attached for scope)

**CHANGE IN CONTRACT PRICE:**

Original Contract Price:

\$333,660.43

Current Contract Price:

\$366,283.82

Contract Contingency:

\$ \_\_\_\_\_

Current Available Contingency:

\$ \_\_\_\_\_

Amount of this Change Order:

\$33,559.58

Change Order to be Funded Through:

Contingency  Contract Price

Contingency Incorporating this Change Order:

\$ \_\_\_\_\_

Contract Price Incorporating this Change Order:

\$399,843.40

**CHANGE IN CONTRACT TIMES:**

Original Contract Times:  Working Days  Calendar Days

Substantial completion (days or date): \_\_\_\_\_

Ready for final payment (days or date): \_\_\_\_\_

Increase  Decrease from previously approved Change Orders  
No. \_\_\_\_\_ to No. \_\_\_\_\_:

Substantial completion (days): \_\_\_\_\_

Ready for final payment (days): \_\_\_\_\_

Contract Times Prior to this Change Order:

Substantial Completion (Days or Date): \_\_\_\_\_

Ready for Final Payment (Days or Date): \_\_\_\_\_

Increase  Decrease of this Change Order:

Substantial Completion Date (Days or Date): \_\_\_\_\_

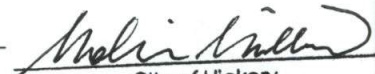
Ready for Final Payment (Days or Date): \_\_\_\_\_

Contract Times with all approved Change Orders:

Substantial completion (days or date): \_\_\_\_\_

Ready for final payment (days or date): \_\_\_\_\_

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

  
City of Hickory  
Finance Officer

RECOMMENDED:

By: \_\_\_\_\_

Engineer (Authorized Signature)

Date: \_\_\_\_\_

Approved by Funding Agency

(if applicable): \_\_\_\_\_

ACCEPTED:

By: \_\_\_\_\_

Owner (Authorized Signature)

Date: \_\_\_\_\_

ACCEPTED:

By: 

Contractor (Authorized Signature)

Date: 9/28/20

Date: \_\_\_\_\_

**AMENDMENT NUMBER 03 TO THE AGREEMENT BETWEEN CLIENT AND KIMLEY-HORN  
AND ASSOCIATES, INC.**

This is Amendment number 03 dated September 18, 2020 to the agreement between City of Hickory ("Client") and Kimley-Horn and Associates, Inc. ("Consultant") dated 10/15/2019 ("the Agreement") concerning EB-5937 Book Walk (the "Project").

The Consultant has entered into the Agreement with Client for the furnishing of professional services, and the parties now desire to amend the Agreement.

The Agreement is amended to include services to be performed by Consultant for compensation as set forth below in accordance with the terms of the Agreement, which are incorporated by reference.

Consultant (or their subconsultant) will perform the following services:

- **Lighting Plans/Coordination** – Addition of pedestrian lighting to the project as follows:
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For the services set forth above, Client shall pay Consultant the following compensation:

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**Construction Phase Services** – Cost Plus with a maximum fee of twenty-seven thousand three hundred sixteen dollars and seventy-two cents (\$27,316.72).

**Total Amendment Fees** not to exceed thirty-three thousand five hundred fifty-nine dollars and fifty-eight cents (\$33,559.58).

CLIENT:

CITY OF HICKORY

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

CONSULTANT:

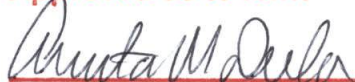
KIMLEY-HORN AND ASSOCIATES, INC.

By: 

Title: SVP

Date: 9/28/2020

Approved as to form



City of Hickory – Legal Dept.

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

  
City of Hickory  
Finance Officer

**CEMETERY DEED**

Excise Tax: \$ \_\_\_\_\_

Prepared By / Return To: Morphis Law & Mediation, Henry S. Morphis, 845 Second Street NE, Hickory, NC 28601

**THIS DEED** made this \_\_\_\_ day of \_\_\_\_\_, **20** \_\_\_\_, by and between

GRANTOR	GRANTEE
<p><b>George W. Brown, Jr</b>   <b>661 6<sup>th</sup> Avenue Place NW</b>  <b>Hickory, NC 28601</b></p>	<p><b>Mary E. Starnes</b>   <b>136 13<sup>th</sup> Avenue NW</b>  <b>Hickory, NC 28601</b></p>

**WITNESSETH**

That Grantor, inconsideration of TEN DOLLARS (\$10) AND OTHER VALUABLE CONSIDERATION to him paid by Grantee, receipt of which is hereby acknowledged, has bargained and sold, and by these presents, does bargain, sell and convey to Grantee, and their heirs and assigns, the following:

**That certain lot land situate in Oakwood Cemetery in the City of Hickory and designated on the plot of said Cemetery as Plot J; Lot Nos. 1, 2; Section 53.**

**TO HAVE AND TO HOLD** said cemetery lot and spaces to said Grantee, their heirs and assigns forever, for burial of bodies of persons, and for no other purpose.

This deed is executed, delivered and accepted upon condition that incase of the actual or attempted use of said lot by Grantee, their heirs or assigns, for any other purpose than that designated herein, said conveyance shall become inoperative, and the City of Hickory shall have the right to immediately resume possession and control of said lot; and upon the further condition that said lot shall not be transferred without the consent in writing of the City of Hickory; and upon the further condition that no curbing shall be placed upon/around or partially around said lot.

The City of Hickory reserves the right to trim or acquire to be trimmed any trees, shrubbery or other plants, on said lot in such manner as shall prevent the same from extending over adjoining lots, walkways, or driveways or interfering in any manner with the development of the cemetery.

This conveyance is made subject to the approval and consent of the City of Hickory.

All references to Grantor and Grantee as used herein shall include the parties as well as their heirs, successors and assigns, and shall include the singular, plural, masculine, feminine or neuter as required by context.

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

*George W. Brown, Jr.*  
George W. Brown, Jr

STATE OF NORTH CAROLINA  
COUNTY OF CATAWBA

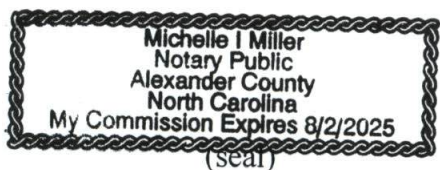
I, the undersigned Notary Public of the County and State aforesaid, certify that **George W. Brown, Jr.** personally appeared before me this day and that they signed the foregoing instrument.

WITNESS my hand and Notarial stamp or seal this 25 day of September, 2020.

*Michelle I Miller*  
Notary Public

*Michelle I Miller*  
Print Name

My Commission Expires: 8/2/2025



THIS IS TO CERTIFY THAT THE FOREGOING TRANSFER OF CEMETERY LOTS IN OAKWOOD CEMETERY WAS DULY APPORIVED BY THE CITY COUNCIL OF THE CITY OF HICKORY IN REGULAR SESSION HELD ON \_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_, Hickory City Clerk

**BUDGET REVISION # 7**

**BE IT ORDAINED** by the Governing Board of the City of Hickory that, pursuant to N.C. General Statutes 159.15 and 159.13.2, the following revision be made to the annual budget ordinance for the fiscal year ending June 30, 2021 and for the duration of the Project Ordinances noted herein.

**SECTION 1.** To amend the General Fund within the FY 2020-21 Budget Ordinance, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Public Safety	2,500	
Other Financing Uses	75,000	
<b>TOTAL</b>	77,500	-

To provide funding for the above, the General Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Restricted Intergovernmental Revenues	2,500	
Other Financing Sources	75,000	
<b>TOTAL</b>	77,500	-

**SECTION 2.** To amend the Water and Sewer Fund within the FY 2020-21 Budget Ordinance, the expenditures are to be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Uses	80,000	
<b>TOTAL</b>	80,000	-

To provide funding for the above, the Water and Sewer revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	80,000	
<b>TOTAL</b>	80,000	-

**SECTION 3.** To amend the *McLin & Lyle Creek Wastewater Capital Project Ordinance (#803305)*, the expenditures shall be changed as follows: :

FUNCTIONAL AREA	INCREASE	DECREASE
Water and Sewer Capital Projects	5,000	
<b>TOTAL</b>	5,000	-

To provide funding for the above, the Project revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	5,000	
<b>TOTAL</b>	5,000	-

**SECTION 4.** To amend the Solid Waste Fund within the FY 2020-21 Budget Ordinance, the expenditures shall be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Environmental Protection	1,664	
<b>TOTAL</b>	1,664	-

To provide funding for the above, the Solid Waste revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous Revenues	1,664	
<b>TOTAL</b>	1,664	-

**SECTION 5.** To amend the *Bruce Meisner Park Capital Project Ordinance (#620008)*, the expenditures shall be changed as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
General Capital Projects	150,000	
<b>TOTAL</b>	150,000	-

To provide funding for the above, the Project revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	150,000	
<b>TOTAL</b>	150,000	-

**SECTION 6.** Copies of the budget revision shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

8

COUNCIL AGENDA MEMOS

To: City Manager's Office
From: Shawn Pennell Assistant Public Services Director
Contact Person: Shawn Pennell, Assistant Public Services Director
Date: October 20, 2020
Re: Riverwalk Bond Project - NCDOT EB-5939 Construction

REQUEST

Staff requests Council's approval of the bid, award of the contract, and authorize the City Manager to execute the contract with WC English, Inc., for the Riverwalk NCDOT EB-5939 Project in the amount of \$7,185,655.25, contingent on NCDOT approval.

BACKGROUND

The City of Hickory Bond Commission and City Council approved a group of projects that were voted on by the citizens of Hickory to complete with a \$40 Million Bond Referendum. These projects are intended to identify Hickory as a prospering and vibrant City to enjoy, do business in and hopefully move to. The Riverwalk Bond Project is one of the core projects of the Bond Referendum and the third to move forward in construction. The Riverwalk will offer on-land connections to existing and future amenities, including the Lake Hickory Trails, paved greenway and Boy Scout Cabin at Rotary-Geitner Park, future Deidra Lackey Memorial Park, and the future pedestrian bridge across Lake Hickory.

ANALYSIS

The Riverwalk NCDOT Portion project will contain an entrance from Old Lenoir Road, parking and access to the trail system, as well as an elevated walkway over Lake Hickory that interacts with existing City of Hickory amenities. Lighting on the bridge, retaining walls and all necessary drainage piping are included in this project.

This project was advertised on September 6, 2020 and bids were received on October 8, 2020. Three bids were received from contractors and the results are as follows:

- WC English, Inc \$7,185,655.25
Dane Construction \$8,501,959.75
James R. Vannoy & Sons \$8,952,259.76

RECOMMENDATION

Staff recommends Council approval of the bid, award of the contract and authorize the City Manager to execute the contract with WC English, Inc., for the Riverwalk NCDOT EB-5939 Project in the amount of \$7,185,655.25, contingent on NCDOT approval.

**BUDGET ANALYSIS:**

**Budgetary Action**

Is a Budget Amendment required?

Yes

No

**LIST THE EXPENDITURE CODE:**

**Project# B1R002  
061-7503-577.23-02**

**Reviewed by:**

Shawn Pennell  
Initiating Department Head

10.15.2020  
Date

A. Dula  
Deputy City Attorney, A. Dula

10-15-20  
Date

Asst. City Manager, Rodney Miller  
Finance Officer, Melissa Miller

Date  
10/15/20  
Date

Asst. City Manager, Rick Beasley  
Purchasing Manager,

Date  
10-15-20  
Date

\_\_\_\_\_  
Date

**Recommended for approval and placement on \_\_\_\_\_ Council agenda (as  
Consent, Public Hearing, Informational, Department Report, etc).**

\_\_\_\_\_  
City Manager, Warren Wood

\_\_\_\_\_  
Date



Shaping Communities Together

October 15, 2020

Mr. Rick Beasley, Assistant City Manager  
 City of Hickory  
 Post Office Box 398  
 Hickory, North Carolina 28603

RE: Award Recommendation  
 NCDOT Project EB-5939 Hickory Riverwalk  
 Hickory, North Carolina

Dear Mr. Beasley:

The public bid opening for the NCDOT Project EB-5939 Hickory Riverwalk was held on October 8, 2020. A total of three (3) bids were received, and W.C. English, Incorporated of Lynchburg, Virginia, submitted the lowest responsive, responsible bid with a total base bid amount of \$7,185,655.25.

We recommend award of this project to W.C. English, Incorporated in the amount of \$7,185,655.25 based on the following information:

- W.C. English, Incorporated is appropriately licensed with the North Carolina Board for General Contractors
- W.C. English, Incorporated is registered with NCDOT as a Prequalified Bidder
- Based on discussion with project references, W.C. English, Incorporated has successfully completed similar projects.
- The bid appears to be properly prepared with no irregularities
- The bid meets the 1.0% DBE participation level established by NCDOT
- The base bid fell within amount of budgeted funding

Enclosed for your use is the certified bid tabulation. If you have any questions or comments, please do not hesitate to contact us at (828) 328-2024.

Sincerely,  
**McGILL ASSOCIATES, P.A.**

 A handwritten signature in blue ink, appearing to read 'Matthew D. Oetting'.
 

**MATTHEW D. OETTING, PE**  
 Project Manager

Enclosures: Certified Bid Tabulation

L:\Hickory\Projects\2016 PROJECTS\16.01420 HICKORY NC - Hickory Riverwalk\02\_Design Phase\Documents\BIDDING-2020  
 Rebid\ L:\Hickory\Projects\2016 PROJECTS\16.01420 HICKORY NC - Hickory Riverwalk\02\_Design Phase\Documents\RB 2020-  
 10-15 NCDOT Hickory Riverwalk Award Letter.docx

BID TABULATION

NCDOT STBG-DA PROJECT - EB-6393 FOR THE CITY OF HICKORY RIVERWALK  
Hickory, North Carolina

PREPARED BY MCGILL ASSOCIATES, P.A.  
BID OPENING 2:00 pm October 8, 2020

Project: NCDOT STBG-DA PROJECT - EB-6393 FOR THE CITY OF HICKORY RIVERWALK						BIDDERS					
BASE BID						Dane Construction		W.C. English Incorporated		James R. Vannoy & Sons	
Line #	Item Number	Sec. #	Description	Quantity	UM	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1	305000000-E	SP	TIMBER DECKING	5.356	SF	\$ 45.00	\$ 241,020.00	\$ 44.00	\$ 235,664.00	\$ 58.10	\$ 311,183.80
2	807000000-E	410	FOUNDATION EXCAVATION (BRIDGE)	181	CY	\$ 25.00	\$ 4,525.00	\$ 20.00	\$ 3,620.00	\$ 29.34	\$ 5,310.54
3	810552000-E	411	3'-0" DIA DRILLED PIERS IN SOIL	307	LF	\$ 1,800.00	\$ 549,200.00	\$ 1,775.00	\$ 544,925.00	\$ 1,318.18	\$ 404,681.26
4	810562000-E	411	3'-0" DIA DRILLED PIERS NOT IN SOIL	152	LF	\$ 1,850.00	\$ 281,200.00	\$ 1,775.00	\$ 269,800.00	\$ 1,953.22	\$ 296,889.44
5	811200000-E	411	PERMANENT STEEL CASING FOR 3'-0" DIA DRILLED PIER	459	LF	\$ 160.00	\$ 73,440.00	\$ 150.00	\$ 68,850.00	\$ 166.71	\$ 76,519.89
6	811300000-N	411	BID INSPECTIONS	8	EA	\$ 500.00	\$ 4,000.00	\$ 550.00	\$ 4,400.00	\$ 1,812.12	\$ 14,496.96
7	811400000-N	411	SPT TESTING	1	EA	\$ 500.00	\$ 500.00	\$ 550.00	\$ 550.00	\$ 1,208.08	\$ 1,208.08
8	811500000-N	411	CSL TESTING	6	EA	\$ 2,500.00	\$ 15,000.00	\$ 2,750.00	\$ 16,500.00	\$ 3,020.20	\$ 18,121.20
9	817500000-E	420	CLASS AA CONCRETE (BRIDGE)	272	CY	\$ 3,500.00	\$ 952,000.00	\$ 1,000.00	\$ 272,000.00	\$ 1,491.84	\$ 405,780.48
10	822400000-E	425	EPOXY COATED REINFORCING STEEL (BRIDGE)	66,910	LBS	\$ 2.50	\$ 167,275.00	\$ 1.45	\$ 97,019.50	\$ 1.39	\$ 93,004.90
11	828000000-E	440	STRUCTURAL STEEL - Approximately 264,574 LBS	1	LS	\$ 3,599,665.00	\$ 3,599,665.00	\$ 3,185,000.00	\$ 3,185,000.00	\$ 4,250,227.40	\$ 4,250,227.40
12	828000000-E	440	MAIN TENSION RODS (INCL. FITTINGS)	29,483	LBS	\$ 4.00	\$ 117,932.00	\$ 6.40	\$ 188,691.20	\$ 11.17	\$ 329,325.11
13	847500000-E	SP	PEDESTRIAN HANDRAIL SYSTEM	1,126	LF	\$ 430.00	\$ 486,040.00	\$ 470.00	\$ 530,160.00	\$ 515.83	\$ 581,830.64
14	865400000-N	SP	DISC BEARINGS	8	EA	\$ 10,000.00	\$ 80,000.00	\$ 10,000.00	\$ 80,000.00	\$ 7,047.95	\$ 56,383.60
15	870600000-N	SP	STRIP SEALS	40	LF	\$ 2,550.00	\$ 102,000.00	\$ 950.00	\$ 38,000.00	\$ 894.30	\$ 35,772.00
16	889200000-E	SP	FORM LINER	2,909	SF	\$ 2.75	\$ 7,174.75	\$ 17.00	\$ 44,353.00	\$ 20.44	\$ 53,327.96
17	889200000-E	SP	STAINING CONCRETE SURFACES	4,451	SF	\$ 6.00	\$ 26,706.00	\$ 5.50	\$ 24,480.50	\$ 4.60	\$ 20,474.60
18	000010000-N	800	MOBILIZATION	1	LS	\$ 425,090.00	\$ 425,090.00	\$ 350,000.00	\$ 350,000.00	\$ 447,609.00	\$ 447,609.00
19	000010000-N	800	CONSTRUCTION SURVEYING	1	LS	\$ 45,000.00	\$ 45,000.00	\$ 62,600.00	\$ 62,600.00	\$ 40,047.83	\$ 40,047.83
20	000091000-N	SP	GENERIC MISC ITEM, REMOVABLE BOLLARD	1	EA	\$ 850.00	\$ 850.00	\$ 3,090.00	\$ 3,090.00	\$ 1,691.31	\$ 1,691.31
21	000100000-N	200	CLEARING/GRUBBING	1	LS	\$ 150,255.00	\$ 150,255.00	\$ 81,960.00	\$ 81,960.00	\$ 29,822.05	\$ 29,822.05
22	004300000-N	226	GRADING	1	LS	\$ 415,000.00	\$ 415,000.00	\$ 255,800.00	\$ 255,800.00	\$ 236,445.59	\$ 236,445.59
23	015600000-E	250	REMOVAL OF EXISTING ASPHALT PAVEMENT	2,220	SY	\$ 6.00	\$ 13,320.00	\$ 7.65	\$ 16,963.00	\$ 14.51	\$ 32,212.20
24	036600000-E	310	18" RCP PIPE, CLASS III	114	LF	\$ 95.00	\$ 10,830.00	\$ 60.85	\$ 6,936.90	\$ 54.04	\$ 6,160.56
25	036600000-E	310	15" RCP CULVERT, CLASS IV	23	LF	\$ 69.00	\$ 1,587.00	\$ 56.05	\$ 1,289.15	\$ 58.56	\$ 1,348.88
26	045300000-E	310	15" PIPE END SECTION	1	EA	\$ 1,800.00	\$ 1,800.00	\$ 839.75	\$ 839.75	\$ 966.46	\$ 966.46
27	112100000-E	520	AGGREGATE BASE COURSE	1,410	TON	\$ 35.00	\$ 49,350.00	\$ 39.10	\$ 55,131.00	\$ 44.85	\$ 63,238.50
28	129700000-E	607	MILLING ASPHALT PAVEMENT, 2" DEPTH	500	SY	\$ 9.00	\$ 4,500.00	\$ 10.40	\$ 5,200.00	\$ 9.08	\$ 4,530.00
29	149100000-E	610	ASPHALT CONC. BASE COURSE, TYPE B25 0C	350	TON	\$ 110.00	\$ 38,500.00	\$ 94.60	\$ 33,110.00	\$ 102.69	\$ 35,941.50
30	151900000-E	610	ASPHALT CONC. SURFACE COURSE, TYPE S9 5B	300	TON	\$ 112.00	\$ 33,600.00	\$ 111.05	\$ 33,315.00	\$ 138.93	\$ 41,786.00
31	227500000-E	1000-6	FLOWABLE FILL	10	CY	\$ 875.00	\$ 8,750.00	\$ 315.20	\$ 3,152.00	\$ 238.52	\$ 2,385.20
32	228600000-N	840	MASONRY DRAINAGE STRUCTURES	4	EA	\$ 2,500.00	\$ 10,000.00	\$ 3,348.35	\$ 13,393.40	\$ 2,543.35	\$ 10,173.40
33	237400000-N	840	FRAME W/GRATE & HOOD STD 840 03, TYPE E	2	EA	\$ 730.00	\$ 1,460.00	\$ 996.90	\$ 1,993.80	\$ 663.72	\$ 1,327.44
34	237410000-N	840	FRAME W/GRATE & HOOD STD 840 03, TYPE G	1	EA	\$ 825.00	\$ 825.00	\$ 996.90	\$ 996.90	\$ 664.19	\$ 664.19
35	239600000-N	840	FRAME WITH COVER, STANDARD 840 04	1	EA	\$ 750.00	\$ 750.00	\$ 996.90	\$ 996.90	\$ 612.24	\$ 612.24
36	248400000-E	SP	GENERIC DRAINAGE ITEM 2" STONE WASHED STONE AGGREGATE BLIND SWALE	72	LF	\$ 155.00	\$ 11,160.00	\$ 65.10	\$ 4,687.20	\$ 46.01	\$ 3,312.72
37	253500000-E	846	8" x 12" CONCRETE CURB	245	LF	\$ 24.78	\$ 6,071.10	\$ 71.05	\$ 17,407.25	\$ 29.94	\$ 7,335.30
38	253500000-E	846	1'-8" CONCRETE CURB & GUTTER	120	LF	\$ 31.11	\$ 3,733.20	\$ 70.70	\$ 8,484.00	\$ 37.56	\$ 4,506.80
39	254900000-E	846	2'-6" CONCRETE CURB & GUTTER	2,330	LF	\$ 25.28	\$ 58,902.40	\$ 43.20	\$ 100,656.00	\$ 30.54	\$ 71,158.20
40	259100000-E	848	4" REINFORCED CONCRETE SIDEWALK	1,150	SY	\$ 45.98	\$ 52,877.00	\$ 76.60	\$ 88,090.00	\$ 55.55	\$ 63,882.50
41	259100000-E	848	4" REINFORCED CONCRETE SIDEWALK WITH MONOLITHIC CURB	58	SY	\$ 83.65	\$ 4,851.70	\$ 280.10	\$ 16,245.80	\$ 103.06	\$ 5,977.48
42	261200000-E	848	8" REINFORCED CONCRETE DRIVEWAY	120	SY	\$ 78.99	\$ 9,478.80	\$ 387.50	\$ 46,500.00	\$ 96.03	\$ 11,403.60
43	273800000-E	SP	GENERIC PAVING ITEM - INTEGRALLY COLORED STAMPED CONCRETE	120	SY	\$ 98.59	\$ 11,830.80	\$ 278.80	\$ 33,456.00	\$ 119.10	\$ 14,292.00
44	364900000-E	876	RIP RAP CLASS B	40	TON	\$ 75.00	\$ 3,000.00	\$ 56.55	\$ 2,262.00	\$ 52.11	\$ 2,084.40
45	437000000-N	SP	GENERIC SIGNING ITEM	1	LS	\$ 6,500.00	\$ 6,500.00	\$ 1,850.00	\$ 1,850.00	\$ 2,389.51	\$ 2,389.51
46	481000000-E	1205	PAINT PAVEMENT MARKING LINES (4")	360	LF	\$ 8.50	\$ 3,060.00	\$ 11.00	\$ 3,960.00	\$ 6.95	\$ 2,502.00
47	570910000	1520	2" FORCE MAIN SEWER	1,000	LF	\$ 31.00	\$ 31,000.00	\$ 21.10	\$ 21,100.00	\$ 25.37	\$ 25,370.00
48	600000000-E	1605	TEMPORARY SILT FENCE	1,800	LF	\$ 3.00	\$ 5,400.00	\$ 4.40	\$ 7,920.00	\$ 3.02	\$ 5,436.00
49	603600000-E	1631	MATTING FOR EROSION CONTROL	1,230	SY	\$ 2.30	\$ 3,075.00	\$ 3.30	\$ 4,059.00	\$ 3.02	\$ 3,714.60
50	606400000-E	1615	SEEDING & MULCHING	1	LS	\$ 15,000.00	\$ 15,000.00	\$ 5,280.00	\$ 5,280.00	\$ 6,040.40	\$ 6,040.40
51	613200000-N	SP	GENERIC EROSION CONTROL ITEM - TEMP. ROCK SEDIMENT DAM TYPE B 1634 02	1	EA	\$ 400.00	\$ 400.00	\$ 403.00	\$ 403.00	\$ 4,377.64	\$ 4,377.64
52	613200000-N	SP	GENERIC EROSION CONTROL ITEM - ROCK INLET SEDIMENT TRAP TYPE C 1633 03	2	EA	\$ 1,375.00	\$ 2,750.00	\$ 473.00	\$ 946.00	\$ 750.18	\$ 1,500.36
53	613200000-N	SP	GENERIC EROSION CONTROL ITEM - ROCK PIPE INLET SEDIMENT TRAP TYPE A 1635 01	1	EA	\$ 1,800.00	\$ 1,800.00	\$ 403.00	\$ 403.00	\$ 3,009.18	\$ 3,009.18
54	613200000-N	SP	GENERIC EROSION CONTROL ITEM - TEMP. CONSTRUCTION ENTRANCE 1607 01	1	EA	\$ 4,000.00	\$ 4,000.00	\$ 4,450.00	\$ 4,450.00	\$ 3,822.06	\$ 3,822.06
55	611700000-N	SP	RESPONSE FOR EROSION CONTROL	5	EA	\$ 175.00	\$ 875.00	\$ 1,320.00	\$ 6,600.00	\$ 302.02	\$ 1,510.10
56	611750000-N	SP	CONCRETE WASHOUT STRUCTURE	1	EA	\$ 2,250.00	\$ 2,250.00	\$ 2,400.00	\$ 2,400.00	\$ 2,120.92	\$ 2,120.92
57	873400000-N	SP	ELECTRICAL WORK	1	LS	\$ 415,000.00	\$ 415,000.00	\$ 289,000.00	\$ 289,000.00	\$ 809,413.18	\$ 809,413.18
<b>TOTAL BID PRICE</b>						<b>\$</b>	<b>\$ 8,601,969.76</b>	<b>\$</b>	<b>\$ 7,185,666.26</b>	<b>\$</b>	<b>\$ 8,962,289.78</b>

Mathematical error not affecting the outcome of the bid

This is to certify that the bids tabulated herein were accompanied by a 5% bid bond or certified check and publicly opened and read aloud at 2:00 pm local time on the 8th day of October, 2020 in the Council Chamber Room of the Hickory City Hall located at 76 North Center Street, Hickory, North Carolina, 28601

Matthew D. Oetting, PE



1240 19th Street Lane, NW  
Hickory, North Carolina 28601





**Notice of Award**

Date: **October 20, 2020**

Project: <b>EB5939 Hickory Riverwalk</b>	
Owner: <b>City of Hickory, North Carolina</b>	Owner's Contract No.:
Contract: <b>Hickory Riverwalk</b>	Engineer's Project No.: <b>16.01420</b>
Bidder: <b>W.C. English, Incorporated</b>	
Bidder's Address: <b>615 Church Street, Lynchburg, Virginia 24504</b>	

You are notified that your Bid dated **October 8, 2020** for the above Contract has been considered. You are the Successful Bidder and are awarded a Contract for **NCDOT Project EB-5939 Hickory Riverwalk**

The Contract Price of your Contract is **Seven Million One Hundred Eighty Five Thousand Six Hundred Fifty Five and 25/100** Dollars (**\$7,185,655.25**).

**Four (4)** copies of the proposed Contract Documents (except Drawings) accompany this Notice of Award.

You must comply with the following conditions precedent within ten (10) days of the date you receive this Notice of Award.

1. Deliver to the Owner **Four (4)** fully executed counterparts of the Contract Documents.
2. Deliver with the executed Contract Documents the Contract security [Bonds] and other documents as specified.

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award, and declare your Bid security forfeited. Within ten days after you comply with the above conditions, Owner will return to you one fully executed counterpart of the Contract Documents.

City of Hickory, North Carolina  
Owner

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

**ACCEPTED**

\_\_\_\_\_  
Contractor

By: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

# **MODIFIED AGREEMENT BETWEEN OWNER AND CONTRACTOR**

Prepared by

**ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE**

and

Issued and Published Jointly by



AMERICAN COUNCIL OF ENGINEERING COMPANIES

ASSOCIATED GENERAL CONTRACTORS OF AMERICA

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**MODIFIED AGREEMENT  
BETWEEN OWNER AND CONTRACTOR  
FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)**

THIS AGREEMENT is by and between City of Hickory, North Carolina (“Owner”) and  
W.C. English, Incorporated (“Contractor”).

The Effective Date of the Agreement is \_\_\_\_\_

Owner and Contractor hereby agree as follows:

**ARTICLE 1 – WORK**

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

**NCDOT Project EB-5939 Hickory Riverwalk:** construction of an access road, drop-off area, parking lot, and multipurpose trail along Lake Hickory, together with approximately 520 linear feet of iconic elevated walkway over the water’s edge.

**ARTICLE 2 – NOT USED**

**ARTICLE 3 – CONTRACT TIMES**

3.01 *Time of the Essence*

A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

3.02 *Dates for Substantial Completion and Final Payment*

A. The Contract Work will be substantially completed within **530 calendar days**, and completed and ready for final payment in accordance with the General Conditions within **550 calendar days**.

### 3.03 *Liquidated Damages*

- A. Contractor and Owner recognize that time is of the essence and that Owner will suffer financial loss if the Work is not completed within the times specified in Paragraph 3.02 above, plus any extensions thereof allowed in accordance with the General Provisions. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay Owner **\$500.00** for each calendar day that expires after the time specified in Paragraph 3.02 above for completion and readiness for final payment until the Work is completed and ready for final payment.

## ARTICLE 4 – CONTRACT PRICE

4.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents an amount equal to the sum of the amounts determined pursuant to Paragraphs 4.01.A, and 4.01.B below:

- A. For lump sum work an amount equal to the percentage completed of specific items of work provided by the Contractor as a schedule of values for the Lump Sum work.
- B. For all Unit Price Work, an amount equal to the sum of the established unit price for each separately identified item of Unit Price Work times the actual quantity of that item. The unit price for each item is as supplied in the Bid for the project.

## ARTICLE 5 – PAYMENT PROCEDURES

### 5.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment complete with the following items; total quantity of units completed or percentage of lump sum items completed, quantity and costs for stored materials claimed, current Contractor's lien waiver and corresponding lien waivers from all Subcontractors and Suppliers, certified sales tax statement, and an updated construction schedule.

### 5.02 *Progress Payments; Retainage*

- A. Owner shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment on or about the 25th day of each month during performance of the Work as provided in Paragraph 5.02.A.1 below. All such payments will be measured by the schedule of values established and approved by the Engineer prior to work beginning (and in the case of Unit Price Work based on the number of units completed).
1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Engineer may determine or Owner may

withhold to account for Contractor's performance, liens or claims, including but not limited to liquidated damages.

- a. 95 percent of Work completed (with the balance being retainage). If the Work has been 50 percent completed as determined by Engineer, and if the character and progress of the Work have been satisfactory to Owner and Engineer, then as long as the character and progress of the Work remain satisfactory to Owner and Engineer, there will be no additional retainage; and

- B. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to 95 percent of the Work completed, less such amounts as Engineer shall determine for defective work, change orders, or costs to correct defective work, and less 2.5 percent of Engineer's estimate of the value of Work to be completed or corrected as shown on the tentative list of items to be completed or corrected attached to the certificate of Substantial Completion.

### 5.03 *Final Payment*

- A. Upon final completion and acceptance of the Work Contractor shall submit a final Application for Payment accompanied by the following; consent of surety for final payment, a list of all claims against Owner that Contractor believes are unsettled, complete and legally effective releases or waivers of all Lien rights arising out or connected to the work. Owner shall pay the remainder of the Contract Price as recommended by Engineer.

## ARTICLE 6 – CONTRACTOR'S REPRESENTATIONS

6.01 In order to induce Owner to enter into this Agreement, Contractor makes the following representations:

- A. Contractor has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.
- B. Contractor has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
- C. Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.
- D. Contractor has reviewed all General and Supplementary Conditions applicable to the Work.
- E. Contractor has considered the information known to Contractor; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, including any specific means,

methods, techniques, sequences, and procedures of construction expressly required by the Contract Documents; and (3) Contractor's safety precautions and programs.

- F. Based on the information and observations referred to in Paragraph 6.01.E above, Contractor does not consider that further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.
- G. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
- H. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
- I. The Contract Documents are sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

## ARTICLE 7 – MISCELLANEOUS

### 7.01 *Assignment of Contract*

- A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

### 7.02 *Successors and Assigns*

- A. Owner and Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

### 7.03 *Severability*

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

### 7.04 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 7.04:
1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;
  2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
  3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
  4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

## ARTICLE 8 – CONTRACT DOCUMENTS

### 8.01 Contents

- A. The Contract Documents consist of the following:
1. This Agreement (pages 1 through 7, inclusive).
  2. Performance Bond (pages \_\_ through \_\_, inclusive)
  3. Payment Bond (pages \_\_ through \_\_, inclusive)
  4. Notice of Award (pages 1 through 1, inclusive)
  5. 2018 NCDOT Standard Specifications for Roads and Structures (Incorporated by Reference).



6. Drawings consisting of 64 sheets with each sheet bearing the following general title: **NCDOT STBG-DA Project EB-5939 for the City of Hickory Riverwalk**
  7. Addenda (numbers 1 through 5, inclusive).
  8. Exhibits to this Agreement (enumerated as follows):
    - a. Contract Proposal ( pages 1 through 175, inclusive).
    - b. Owner's Award Resolution (1 page).
    - c. NCDOT Letter of Concurrence in Award (pages 1 through 2, inclusive)
  9. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:
    - a. Notice to Proceed.
    - b. Work Change Directives.
    - c. Change Orders.
- B. The documents listed in Paragraph 8.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 8.
- D. The Contract Documents may only be amended, modified, or supplemented by written agreement by both parties.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement. Counterparts have been delivered to Owner and Contractor. All portions of the Contract Documents have been signed or have been identified by Owner and Contractor or on their behalf.

OWNER:

City of Hickory, North Carolina

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

Title: \_\_\_\_\_

Address for giving notices:

City of Hickory

76 North Center Street (P.O. Box 398)

Hickory, North Carolina 28603

Pre-Audit Statement: This instrument has been pre-audited in the manner required by the Local Budget and Fiscal Control Act as amended.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

CONTRACTOR

W.C. English, Incorporated

By: \_\_\_\_\_

Title: \_\_\_\_\_

(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)

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

Title: \_\_\_\_\_

Address for giving notices:

\_\_\_\_\_

\_\_\_\_\_

License No.: \_\_\_\_\_

Agent for service of process:

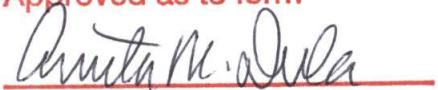
\_\_\_\_\_

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.



City of Hickory  
Finance Officer

Approved as to form



City of Hickory – Legal Dept.

**RESOLUTION 20-**

**A RESOLUTION AWARDING A CONTRACT TO WC ENGLISH, INC. AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT ON BEHALF OF THE CITY OF HICKORY AND ANY CHANGE ORDERS WITHIN THE BUDGETED AMOUNT FOR THE PROJECT KNOWN AS RIVERWALK NORTH CAROLINA DEPARTMENT OF TRANSPORTATION EB-5939**

**BE IT RESOLVED BY THE HICKORY CITY COUNCIL OF THE CITY OF HICKORY:**

**Section 1:** The contract for construction of the Riverwalk North Carolina Department of Transportation (NCDOT) Project EB-5939 be awarded to WC English, Inc., in the amount of \$7,185,655.25 as stated in the contract.

**Section 2:** The City Manager is hereby authorized to execute on behalf of the City of Hickory a contract with WC English, Inc., in the amount of \$7,185,655.25 and any change orders within the budgeted amount for the City of Hickory for Riverwalk NCDOT Project EB-5939 and Concurrence in Award, provided the award of the contract is approved by the North Carolina Department of Transportation.

**Section 3:** The resolution shall become effective upon adoption.

This the 20th day of October, 2020.

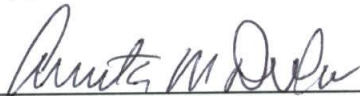
\_\_\_\_\_  
Mayor

(SEAL)

ATTEST:

\_\_\_\_\_  
City Clerk

Approved as to Form:

  
\_\_\_\_\_  
Attorney for the City of Hickory

**COUNCIL AGENDA MEMOS**

**To:** City Manager's Office  
**From:** Karen Dickerson, Community Development Manager  
**Contact Person:** Karen Dickerson, Community Development Manager  
**Date:** September 30, 2020  
**Re:** Public Hearing to consider FY 2019-2020 Consolidated Annual Performance and Evaluation Report (CAPER)

**REQUEST**

Conduct a public hearing to consider the FY 2019-2020 Consolidated Annual Performance and Evaluation Report (CAPER) for submission as required by the U.S. Department of Housing and Urban Development.

**BACKGROUND**

The U.S. Department of Housing and Urban Development requires the City of Hickory, as a Community Development Block Grant (CDBG) entitlement funding recipient, to report on CDBG monies spent within the previous fiscal year. The CAPER evaluates the effectiveness of the use of resources in addressing identified goals and objectives cited in the Annual Action Plan which is prepared before the fiscal year begins. CDBG resources were used for the following activities:

Housing Rehabilitation	\$ 46,115.80
Housing Rehab Admin	6,974.43
Habitat for Humanity	18,791.19
ALFA	10,000.00
Exodus Homes	6,000.00
Family Care Center	6,000.00
Family Guidance Center	10,000.00
Hickory Soup Kitchen	6,000.00
Patrick Beaver Learning Resource	6,000.00
Microenterprise Assistance	7415.84
Small Business Loan Program	17,225.26
Public Infrastructure Improvements	109,484.15
Cliff Teague Park Improvements	40,497.58
Taft Broome Park Improvements	59,365.41
Down-payment Assistance	6,000.00
Fair Housing	1,745.00
Program Administration	<u>68,528.08</u>
<b>TOTAL</b>	<b>\$426,142.74</b>

**ANALYSIS**

The City of Hickory, in complying with the U.S. Department of Housing and Urban Development's requirements, has prepared the CAPER, for submission to HUD. The CAPER outlines the City's CDBG expenditures from July 1, 2019 thru June 30, 2020. Notice of the availability of this document for public review was published in the Hickory Daily Record on October 6<sup>th</sup>, October 13<sup>th</sup>, and October 20<sup>th</sup>.

**RECOMMENDATION**

Staff recommends that City Council conduct a public hearing on October 20, 2020 to consider the FY 2019-2020 Consolidated Annual Performance and Evaluation Report (CAPER).

**BUDGET ANALYSIS:**

**Budgetary Action**

Is a Budget Amendment required?

Yes

No

**LIST THE EXPENDITURE CODE:**

**Reviewed by:**

Dave Leonetti

Initiating Department Head

9/30/2020

Date

Amata M. Dula

Deputy City Attorney, A. Dula

10-15-20

Date

Rodney Miller

Asst. City Manager Rodney Miller

10/14/20

Date

Rob Beasley

Asst. City Manager, R. Beasley

10/12/20

Date

Melissa Miller

Finance Officer, Melissa Miller

10/12/20

Date

Shana Guy

Purchasing Manager, Shana Guy

10/12/20

Date

Recommended for approval and placement on \_\_\_\_\_ Council agenda (as Consent, Public Hearing, Informational, Department Report, etc).

W. Wood

City Manager, W. Wood

10-13-20

Date

# City of Hickory

## Consolidated Annual Performance and Evaluation Report

July 1, 2019 to June 30, 2020



Life. Well Crafted.

*City of Hickory*  
PO Box 398  
Hickory, NC 28603  
[www.hickorync.gov](http://www.hickorync.gov)

## CR-05 - Goals and Outcomes

### Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

The City of Hickory's program year 2019-2020 highlights include:

1. Preservation of the City's Housing Stock: \$64,906.99 was provided to low and moderate income homeowners to assist with repairs to their homes. Three rehabs were completed during the program year through the City of Hickory's Housing Rehabilitation Loan Program. Three other rehabs had final payout in 2019 for a grand total of \$46,115.80. Habitat for Humanity used \$18,791.19 to assist four additional homeowners.
2. Administration of Housing Rehabilitation Program: \$6974.43 funded staff costs related to the implementation of the City's Housing Rehabilitation Loan Program.
3. Enhancing Affordable Housing Opportunities: \$6,000 was provided in downpayment assistance to First-Time Homebuyers. The City assisted three first-time homebuyers in obtaining homeownership.
4. Public Services Initiative: \$6,000 was provided to Exodus Homes to fund employment and transportation coordination services for homeless, formerly incarcerated individuals, and those coming from treatment programs. Exodus Homes provides employment assistance and transportation for all residents. 66 residents received assistance.
5. Public Services Initiative: \$10,000 was allocated to AIDS Leadership Foothills Area Alliance (ALFA) to provide case management services to people living with HIV/AIDS. ALFA also offers HIV prevention education programs to the community at large. They have 150 people in care through their program.
6. Public Services Initiative: \$6,000 was provided to the Hickory Soup Kitchen, which enabled the organization to serve approximately 350 meals per day to 215 residents of Hickory needing a hot meal.
7. Public Services Initiative: \$6,000 was provided to Family Care Center to support for a transitional housing program for homeless or potentially homeless families. 92 individuals received assistance.
8. Public Services Initiative: \$6,000 was provided to Patrick Beaver Learning Resource Center's Augustine Literacy Program. This program supports educational reading initiatives for at-risk elementary school age students (K to 3rd grade). 32 children were assisted.
9. Public Services Initiative: \$10,000 was provided to Family Guidance Center to assist their financial and housing counseling program. This organization assists in foreclosure avoidance and establishing homeownership in the city. 47 homeowners were assisted.

CAPER

1

10. Increase Entrepreneurship Opportunities: \$7,415.84 in total grants were provided to assist two small businesses owned by low/moderate income individuals. A grant of \$3,415.84 was provided to assist a business that staffs mental health professionals and a grant of \$4,000 was provided to assist a business that sells wigs and extensions. An additional small business loan of \$17,225.26 was provided to assist a business with purchasing needed equipment in order to expand and create jobs.

11. Public Infrastructure Improvements: \$109,484.15 was used to resurface a neighborhood street located within a low and moderate income neighborhood. Approximately 2,100 linear feet of two lane neighborhood street was resurfaced. 2,130 individuals benefited from this project.

12. Improvements to Parks: At Taft Broome Park, \$59,365.41 was used for improvements which included purchase of new play equipment, picnic tables, benches, grills, trash receptacles, water fountain and a new picnic shelter. At Cliff Teague Park \$40,497.58 was used for the final improvements of the tennis court. 3,785 individuals benefited from these two projects.

13. Promote Fair Housing: \$1,745.00 was used to purchase newspaper ads to inform residents of their fair housing rights.

14. Program Administration: \$68,528.08 was used to provide program administration and planning.

**Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)**

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee’s program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Demolish Dilapidated Structures	Non-Housing Community Development	CDBG: \$	Buildings Demolished	Buildings	4	0	0.00%			



Downpayment Assistance	Affordable Housing	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	156	133	85.26%	50	47	94.00%
Downpayment Assistance	Affordable Housing	CDBG: \$	Direct Financial Assistance to Homebuyers	Households Assisted	25	9	36.00%	0	1	
Homeless Services and Prevention	Homeless	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1500	1374	91.60%			
Homeless Services and Prevention	Homeless	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0		300	373	124.33%
Increase Entrepreneurship Opportunities	Non-Housing Community Development	CDBG: \$	Facade treatment/business building rehabilitation	Business	0	0		0	0	
Increase Entrepreneurship Opportunities	Non-Housing Community Development	CDBG: \$	Jobs created/retained	Jobs	3	3	100.00%	1	1	100.00%
Increase Entrepreneurship Opportunities	Non-Housing Community Development	CDBG: \$	Businesses assisted	Businesses Assisted	15	9	60.00%	5	3	60.00%

Increase Fair Housing Outreach and Awareness	Affordable Housing	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0				
Increase Fair Housing Outreach and Awareness	Affordable Housing	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0		0	0	
Park Improvements	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	5000	14005	280.10%	2085	3785	181.53%
Preserve the City's Housing Stock	Affordable Housing	CDBG: \$	Rental units rehabilitated	Household Housing Unit	10	0	0.00%			
Preserve the City's Housing Stock	Affordable Housing	CDBG: \$	Homeowner Housing Rehabilitated	Household Housing Unit	20	55	275.00%	12	7	58.33%
Provide Services to Persons Living with HIV/AIDS	Non-Homeless Special Needs	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	750	646	86.13%	160	150	93.75%

Public Infrastructure Improvements	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	5500	22220	404.00%	2100	2130	101.43%
Youth Services	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	150	41	27.33%			
Youth Services	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	40	32	80.00%	50	32	64.00%

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

**Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.**

The City of Hickory was able to address significant portions of its goals. Projects helped protect the City's housing stock by providing urgent repairs and housing rehabilitation assistance to eight (8) households during the program year. Significant numbers of citizens benefited from street resurfacing projects and public facility improvements. Improvement projects were completed at Taft Broome Park and Cliff Teague Park in 2019 both in low/mod census tracts with a benefit to 3,785 individuals. In 2019, the City resurfaced one street in a low/mod census tract in the southwest portion of the city and included bike lanes where applicable to benefit 2,130 individuals.

In 2019 Program year, the City of Hickory continued its small business loan program which provides funding money to businesses to create jobs

and purchase equipment necessary to take their business to the next level. We have completed three loans to date.

The City's public services initiative continued to assist the community's most vulnerable populations, which included: the homeless, persons living with HIV and AIDS, and persons with substance abuse issues.

Fair housing activities are undertaken through the City's program administration funds and will not show specific accomplishments in IDIS. This year's fair housing outreach included ads in the Hickory Daily Record and Hola Noticias Spanish language newspaper. Additional ads on Facebook greatly increased the reach of the City's advertising efforts.

DRAFT

**CR-10 - Racial and Ethnic composition of families assisted**

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	<b>CDBG</b>
White	358
Black or African American	213
Asian	18
American Indian or American Native	0
Native Hawaiian or Other Pacific Islander	0
<b>Total</b>	<b>589</b>
Hispanic	37
Not Hispanic	552

Table 2 – Table of assistance to racial and ethnic populations by source of funds

**Narrative**

This table indicates the racial and ethnic breakdown of families assisted through CDBG public service funds. This does not include the racial and ethnic breakdown of area benefit activities that benefit all residents of a census tract or block group. Please note that there are 15 multi-racial individuals that do not appear in the table above due to lack of category listing within the required software.

**CR-15 - Resources and Investments 91.520(a)****Identify the resources made available**

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	605,068	426,143
Other	public - federal	194,604	0

**Table 3 - Resources Made Available****Narrative**

The funds available include \$199,708.70 in unexpended funds at the beginning of the program year. The City received \$316,023.00 in its annual allocation from the US Department of Housing and Urban Development. The City also received \$89,336.05 in program income during the fiscal year. There is also an additional \$194,604 in CDBG-CV funds that are allocated to 2019 Action Plan that are now being expended in PY 2020.

**Identify the geographic distribution and location of investments**

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
CDBG ELIGIBLE AREA	70	70	Low Mod Census Tracts
City-Wide	30	30	Eligibility Area

**Table 4 – Identify the geographic distribution and location of investments****Narrative**

The majority of funds expended during program year 2019 were spent in low and moderate income census tracts. \$208,347.14 was spent on three infrastructure and facility projects in CDBG eligible areas. This includes improvements to two parks and one residential two lane street. Four of six public services agencies are located in low to moderate income census tracts. Four of six homeowners assisted through the City of Hickory Housing Rehabilitation Program are located in low and moderate income census tracts. The percentages shown above are based on the estimated percentage of non-program administration expenses spent in low and moderate income census tracts.

## Leveraging

**Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.**

These federal funds were leveraged through the use of donated roofing shingles from Habitat for Humanity. The organization is able to receive donated shingles to assist low income households including those with City rehabilitation projects. This helps the City provide roof repair services to additional households. For loan recipients, the reduced cost of the roof repairs is passed on the homeowners in the form of lower loan payments. The City also receives funds from the North Carolina Housing Finance Agency for their Urgent Repair Program to assist homeowners with their needs. This funding, in conjunction with CDBG funds, allow the City to assist more individuals in the community. In Program Year 2019-2020 the City of Hickory assisted 7 homeowners with repairs through the Urgent Repair Program.

DRAFT

**CR-20 - Affordable Housing 91.520(b)**

**Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.**

	<b>One-Year Goal</b>	<b>Actual</b>
Number of Homeless households to be provided affordable housing units	0	0
Number of Non-Homeless households to be provided affordable housing units	0	1
Number of Special-Needs households to be provided affordable housing units	0	0
<b>Total</b>	<b>0</b>	<b>1</b>

Table 5 – Number of Households

	<b>One-Year Goal</b>	<b>Actual</b>
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	0	1
Number of households supported through Rehab of Existing Units	12	7
Number of households supported through Acquisition of Existing Units	0	0
<b>Total</b>	<b>12</b>	<b>8</b>

Table 6 – Number of Households Supported

**Discuss the difference between goals and outcomes and problems encountered in meeting these goals.**

Households continue to be served through the City's Housing Rehabilitation Loan program and the Habitat Repairs! Single Family Rehabilitation program. The City's program assisted two low and moderate income households with home repairs. Habitat funded repairs to four households in the 2019 program year with their allocation. The number of rehabs completed was less in 2019 than in the past but this was likely due to the impact of the Coronavirus.



The City provided assistance to one first time home buyer under its Down-payment Assistance program in this program year.

In 2019, the City of Hickory partnered with the Unifour HOME Consortium to receive funding to construct two affordable houses on city-owned lots. These houses are currently under construction with an expected completion time frame of October 2020. These homes will be sold to households that are at or below 80% of AMI (\$47,600 for a family of four in the Hickory-Lenoir-Morganton metropolitan statistical area). Financing will be layered for down payment assistance through the NC Housing Finance Agency Community Partners Loan Pool and the Western Piedmont Council of Governments. In addition to the City built homes, Habitat for Humanity is continuing their effort to construct affordable housing in several neighborhoods in the City of Hickory.

**Discuss how these outcomes will impact future annual action plans.**

The City plans to continue funding both its program and the Habitat Repairs! program in future action plans. The City also plans to continue applying for funding from the North Carolina Housing Finance Agency Urgent Repair Program to fund urgently needed home repairs.

The City will continue to work to increase the number of families served through housing rehabilitation. Its deferred loan program has begun to gain popularity, and the expectation is for it to continue to grow. Since it does not require the owner to make monthly payments, it is easier for homeowners to qualify. In recent years, fewer applicants have been able to meet loan criteria, which led to the creation of the program for households earning less than 50% of the area median income. Recently, the City moved all rehab housing loans to a deferred program, doing away with a previous version that allowed for amortized loans for homeowners with household incomes between 50% and 80%. The City has implemented an advertising process to increase awareness of these programs to those that most need the assistance.

The City will work to increase the number of families served by the housing counseling program offered by a local non-profit. The Family Guidance Center program assists in housing counseling, foreclosure avoidance and establishing homeownership investment in our community. The Family Guidance Center is a local HUD Housing Counseling Agency. They will be assisting the city by managing the Community Partners Loan Pool for the NC Housing Finance Agency and will counsel those individuals who are interested in purchasing the affordable homes that the City of Hickory is constructing.

**Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.**

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	3	0
Low-income	3	0
Moderate-income	2	0

Total	8	0
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Table 7 – Number of Households Served

**Narrative Information**

Eight families were assisted with funding during the 2019-2020 program year. Seventy-five percent were low and extremely low income families. The City works to assist those with the greatest financial needs with the funding that is available. The number of families assisted in 2019 is less than in the past due to the impact of the Coronavirus.

DRAFT

## **CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)**

**Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:**

### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

Community Development Division staff continues to serve on the Catawba County Continuum of Care. This organization brings together homeless serving agencies from across the county to determine funding options, raise awareness about important issues, and reduce duplication of services. The City funded the Hickory Soup Kitchen in the amount of \$6,000. This organization provides a hot meal and showers to homeless individuals five days per week. The City supported the Family Care Center with a grant of \$6,000 to provide support for a transitional housing program for homeless or potentially homeless families. The City also supported Exodus Homes with a \$6,000 grant. This organization provides a residential treatment program for homeless and previously incarcerated individuals with substance abuse issues.

Additionally, in the summer of 2019, the City hired a Community Navigator to work specifically with our homeless population. This position is responsible for case management and ensuring that homeless persons reach the proper agency in order to receive services. This coordinated effort by multiple agencies has helped to ensure that our community is reaching as many of our homeless neighbors as possible. To date, the Community Navigator has received 79 referrals for assistance to the homeless. He has been able to assist approximately 45 individuals with services needed and has secured housing for 22 individuals to help them transition from homelessness to sheltered.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

The City continues to fund Exodus Homes, which provides transitional housing to homeless and previously incarcerated individuals with substance abuse issues. The organization was funded with an \$6,000 grant in 2019-2020. These funds were used to assist program participants with transportation and employment services. Approximately 66 individuals received assistance during the 2019-2020 program year. The City also supported the Family Care Center with a grant of \$6,000 to provide support for a transitional housing program for homeless or potentially homeless families. Approximately 92 individuals received assistance through the program during 2019-2020 program year.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that**

**address housing, health, social services, employment, education, or youth needs**

The City's grants to public service agencies assist low income individuals by providing free or low cost services such as healthcare, food assistance and job training. These services can enable families to make their incomes go further and reduce the likelihood of homelessness. The Hickory Soup Kitchen provides meals and food assistance to individuals in need with the City's grant of \$6,000. ALFA, with the City's grant of \$10,000, provides case management services to persons living with HIV and AIDS to help them stay in care, which should reduce healthcare costs and help reduce the risk of becoming homeless. The Family Care Center assists families that are homeless or are in danger of becoming homeless with transitional housing and counseling to help provide a path towards self sufficiency and greater economic opportunity. They were supported with a grant of \$6,000 in program year 2019-2020. The City also supported Exodus Homes with a \$6,000 grant. This organization provides a residential treatment program for homeless and previously incarcerated individuals with substance abuse issues.

The City's Community Navigator works specifically with our homeless population including youth. This position is responsible for case management and ensuring that homeless persons reach the proper agency in order to receive services. This coordinated effort by multiple agencies has helped to ensure that our community is reaching as many of our homeless neighbors as possible. To date, the Community Navigator has received 79 referrals for assistance to the homeless. He has been able to assist approximately 45 individuals with services needed and has secured housing for 22 individuals to help them transition from homelessness to sheltered.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

Exodus Homes helps homeless individuals with substance abuse issues make the transition from homelessness to employment and permanent housing. The Family Care Center assists families in need by providing transitional housing program and counseling for those that are homeless or in danger of becoming homeless. Also, the City continues to work with the Continuum of Care to coordinate services and work with other service providers to identify gaps in services, and assist agencies in serving as many individuals in need as possible.

Additionally, in the summer of 2019, the City hired a Community Navigator to work specifically with our homeless population. This position is responsible for case management and ensuring that homeless persons reach the proper agency in order to receive services. This coordinated effort by multiple agencies has helped to ensure that our community is reaching as many of our homeless neighbors as possible. The Community Navigator received 79 referrals. Out of those 79 referrals, he was able to assist 45 of them in some fashion and was also able to secure housing/shelter for 22 of them and or reunite them with their families.

DRAFT

## **CR-30 - Public Housing 91.220(h); 91.320(j)**

### **Actions taken to address the needs of public housing**

Staff continues to work with Hickory Housing Authority staff on planning issues related to housing authority properties. The City met with the Hickory Housing Authority last year to get insight into their challenges and to gain insight into the fair housing issues that could arise in Public Housing as well as to ensure their needs were considered in the development of the most recent Consolidated Plan. The City is also in the process of constructing a multi-modal path for bikes and pedestrians called the Book Walk. This path will be located in the Ridgeview Community, in close proximity to the majority of Hickory Public Housing Authority units. This will give community members easier and safer access to the downtown area, as well necessary amenities such as a grocery store.

### **Actions taken to encourage public housing residents to become more involved in management and participate in homeownership**

Community outreach to the housing authority during the consolidated planning process ensured that resident needs were considered in plan development.

Staff is in the process of building affordable homes on City owned property that is adjacent to Hickory Public Housing. In 2019, the City of Hickory partnered with the Unifour HOME Consortia to receive funding to construct two affordable houses on city-owned lots. These houses are currently under construction with an expected completion time frame of October, 2020. These homes will be sold to households that are at or below 80% of AMI (\$47,600 for a family of four in our metropolitan statistical area). Financing will be layered for down payment assistance through the NC Housing Finance Agency Community Partners Loan Pool and the Western Piedmont Council of Governments. In addition to the City built homes, Habitat for Humanity is continuing their effort in constructing affordable housing in several neighborhoods in the City of Hickory. These homes will be promoted to residents of the Housing Authority through the Section 8 homeownership program.

### **Actions taken to provide assistance to troubled PHAs**

The Hickory Housing Authority does not have a troubled housing authority designation.

### **CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)**

**Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)**

City of Hickory staff continues to review its ordinances annually to ensure there are not unnecessary barriers to affordable housing. Recent actions taken to address affordable housing needs include rezoning of an area in NE Hickory to high-density residential (R-4). The area had been zoned as Medium-Density Residential (R-2) and Community Center Commercial (CC-1) for the last few decades, but the City has rezoned it to High-Density Residential. It is the hope of staff and City Council that this helps spur residential multi-family development in the area with the help of the Low Income Housing Tax Credit (LIHTC) Elk Ridge Multi-Family project. The rezoning was completed in the spring of 2019. Since 2015, the City of Hickory has partnered with the NCHFA to create approximately 230 Low Income Housing Tax Credit (LIHTC) apartments, with another 70 to 80 units with planned for 2021.

In order to reduce barriers to multi-family and affordable housing, City ordinances allow multi-family homes or duplexes to be permitted by right within all commercial zoning districts and within all but one residential zoning district.

Additionally, City Staff is in the final phase of building two affordable homes on City owned property that is adjacent to Hickory Public Housing. These homes will be promoted to residents of the Housing Authority through the Section 8 homeownership program.

### **Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)**

The City continues to use CDBG funding to provide public infrastructure and facility improvements in low and moderate income areas. Infrastructure projects this year included resurfacing approximately ½ mile of a city street including bike lanes where applicable in the southwestern portion of the City. CDBG funding enables the City to provide additional resurfacing beyond its normal resurfacing schedule. Facility and infrastructure improvements were completed for Taft Broome Park. These improvements included the reconstruction of a picnic shelter, new picnic tables, new benches, new grills, new trash receptacles and a new water fountain. The final improvements were also completed at Cliff Teague Park with the resurfacing of the tennis court. CDBG funds are used to provide additional facility improvements that would not be possible without federal funding. Also, the City of Hickory has partnered with the NCHFA to create approximately 230 Low Income Housing Tax Credit (LIHTC) apartments in recent years, with another 70 to 80 units planned for 2021.

### **Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)**

The City has also taken actions to reduce lead paint hazards. The City follows the lead safe housing rule

when conducting housing rehabilitation activities. All of the City's rehabilitation projects are under \$25,000 in hard costs, which means that the City must identify and address lead hazards when paint is disturbed by renovation activities. This includes conducting a lead hazard risk assessment on the home and addressing all of the hazards identified in the report. All lead hazards are addressed at no cost to the homeowner.

**Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)**

Numerous public service activities are funded each year with the aim of reducing poverty in the City of Hickory. \$6,000 was provided to the Hickory Soup Kitchen to provide meals and food assistance to very low income families. These families that received assistance were able to stretch their income further to fund additional needs. ALFA received \$10,000 to assist its case management program, which provides medications, food, and housing assistance to persons with HIV and AIDS to ensure that they stay in treatment. Exodus Homes received \$6,000 to provide job and transportation coordination services for residents in its substance abuse treatment programs. The goal of the program is to assist residents in finding employment and move towards self sufficiency. The Family Care Center received \$6,000 for its transitional housing program that assists families living that are homeless or are in danger of becoming homeless. This program also offer counseling and aimed at providing them a pathway to economic self-sufficiency.

**Actions taken to develop institutional structure. 91.220(k); 91.320(j)**

Staff continues to review policies and procedures to ensure that programs are run according to appropriate federal guidelines. Improvements in the previous program year included a continuation of streamlining the environmental review process. In addition, staff has worked to streamline the continual review of nonprofit subrecipients. This includes regular updates on required documentation and regular meetings with nonprofit subrecipients to ensure that they are aware of federal requirements. As Habitat for Humanity has expanded its housing rehabilitation program efforts, staff continues to meet regularly to discuss procurement, lead based paint, and other requirements related to the program.

**Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)**

City of Hickory staff continues to attend Catawba County Continuum of Care meetings. These meetings provide a forum for local public and private housing providers along with public and private social service agencies to address issues confronting the homeless and poverty level families in the community.

The City has recently hired a Community Navigator to work specifically with our homeless population. This position is responsible for case management and ensuring that homeless persons reach the proper agency in order to receive services. This coordinated effort by multiple agencies has helped to ensure that our community is reaching as many of our homeless neighbors as possible. The Community



Navigator received 79 referrals. Out of those 79 referrals, he was able to assist 45 of them in some fashion and was also able to secure housing/shelter for 22 of them and or reunite them with their families.

The City of Hickory and Habitat for Humanity have also enhanced their partnership to provide housing rehabilitation assistance within the City of Hickory. The City has provided additional assistance to Habitat for Humanity as they increase the amount of housing rehabilitation services they provide in the community.

**Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)**

City of Hickory Staff continues to advertise and educate citizens regarding their rights to fair housing. Advertisements informing residents of their fair housing rights ran in the Hickory Daily Record, and the Spanish newspaper Hola Noticias. This year's advertising included a Facebook marketing campaign that increased the reach of the City's advertising efforts. Staff continues to serve on the Catawba Valley Association of Realtors Equal Housing Opportunity Committee. This committee provides education and outreach to local realtors regarding fair housing laws. In April 2020, City staff was to make a presentation on fair housing at the bi-monthly luncheon that for the association. Unfortunately, the bi-monthly luncheon was cancelled due to the coronavirus.

DRAFT

### **CR-40 - Monitoring 91.220 and 91.230**

**Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

The City of Hickory Community Development Division conducts file audits of all city-initiated CDBG activities to ensure compliance with relevant federal requirements. Staff maintains file checklists for each of the types of activities normally undertaken each year. In addition, all nonprofit subrecipients are monitored by City staff at least once per year to ensure compliance with applicable requirements. Also, the City hires an independent auditor to review its finances each year. This audit includes an in-depth review of CDBG program activities.

In May, 2020 the Greensboro Field Office of Housing and Urban Development conducted a remote monitoring of the City of Hickory. They gave us some suggestions that we immediately implemented and had no significant findings for the City of Hickory.

### **Citizen Participation Plan 91.105(d); 91.115(d)**

**Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.**

All reports are made available for review on the City's website and in the Planning and Development Services department at City Hall. The City also holds a public hearing to receive comments on the report prior to its consideration by the Hickory City Council.

### **CR-45 - CDBG 91.520(c)**

**Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.**

This is the fifth and last year of the City's 2015-2019 Consolidated Plan. The overall aspects of our Consolidated Plan for 2020-2024 did not change drastically as the programs seem to be assisting those most in need. The City allocates a good portion of its funding to housing rehabilitation as well as public infrastructure and park projects for low and moderate income areas. In 2018, City allocated funds to

increase entrepreneurial activities by creating a small business loan program in addition to the existing Micro-Enterprise Grant Program. This has allowed the City to support entrepreneurial activities and economic development by assisting businesses in job creation. The City will continue to support economic and entrepreneurial activities through the course of the next five years.

In 2019, the City made the decision to move all rehab housing loans to a deferred program, doing away with a previous version that allowed for amortized loans for homeowners with household incomes between 50% and 80% of area median income. City loans no longer require homeowners to make monthly payments. This makes it easier for homeowners to qualify while reducing the cost burden to households already in need. This has increased the use of the program by low and moderate income homeowners.

**Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?**

No

**[BEDI grantees] Describe accomplishments and program outcomes during the last year.**

DRAFT

Prepared by:

Arnita M. Dula, Staff Attorney  
P.O. Box 398  
Hickory, North Carolina 28603

**STATE OF NORTH CAROLINA  
COUNTY OF CATAWBA**

**JOINT ECONOMIC DEVELOPMENT  
AGREEMENT**

This **JOINT ECONOMIC DEVELOPMENT AGREEMENT** (this “Agreement”) is made and entered into as of this \_\_\_ day of October 2020, by and between the **City of Hickory** (the “City”) a North Carolina Body Politic Corporate in Nature, having a mailing address of P.O. Box 398, Hickory, North Carolina 28603, and **Merchants Distributors, LLC and MDI Management, LLC and affiliates** (collectively hereinafter referred to as “MDI”), being North Carolina limited liability companies or corporations and having a mailing address of 120 4<sup>th</sup> Street SW, Hickory, NC 28602. All material transactions regarding this Agreement shall be deemed to have occurred in Caldwell County, North Carolina.

**WITNESSETH:**

WHEREAS, the City is desirous of fostering joint economic development within its boundaries; and

WHEREAS, North Carolina General Statutes Section 158-7.1(a) authorizes the City to make appropriations for the purpose of aiding and encouraging the location and expansion of business enterprises and industrial and commercial plants in or near its boundaries; and

WHEREAS, Merchants Distributors, LLC and MDI Management, LLC and affiliates are North Carolina limited liability companies or corporations, registered with the State of North Carolina and lawfully authorized to do business within the State of North Carolina; and

WHEREAS, Merchants Distributors, LLC is engaged in the business of warehousing, packaging and distribution of wholesale groceries within the meaning of North Carolina General Statutes Section 158-7.1; and

WHEREAS, MDI Management, LLC and Merchants Distributors, LLC intend to build, upfit the building, and add tangible personal property to accommodate the additional growth in the business of Merchants Distributors, LLC within the limits of the City at 5005 Alex Lee Blvd, Hickory, NC 28601, Parcel ID # 2794367840 (Caldwell County) (the “Property”) for the purpose of increasing its business of warehousing, packaging and delivery of wholesale groceries (the “Facility”); and

WHEREAS, in order to engage in such enterprise, MDI intends to improve and expand the existing building located on the Property, acquire and/or relocate equipment and install the same in the Facility, acquire tangible personal property in connection with the project; and undertake such other work as may be appropriate to accomplish the improvements described herein (collectively, the “Improvements”); and

WHEREAS, MDI anticipates that the total cost of the Improvements, including the upfit cost of the Property and inclusive of any equipment or fixtures or other tangible personal property,

during the improvement period, as defined below, will equal or exceed **One Hundred Twenty Million (\$120,000,000) Dollars**; and

WHEREAS, the Improvements are expected to increase the tax base of the City by a related amount and expected to create 111 jobs; and

WHEREAS, as an inducement to MDI, and to assist MDI in connection with the Improvements, the City is willing to appropriate and expend City funds to provide certain economic development incentives for the creation of jobs and the Improvements, as provided in this Agreement, all such appropriations and expenditures to be made pursuant to the terms and conditions of this Agreement and N.C.G.S. Section 158-7.1(a); and

WHEREAS, the City has approved the appropriation and expenditure as hereinafter set forth to serve a public purpose and for the specific purpose of making economic development grants based on the value of the property improvement and the Improvements to be made; and

WHEREAS, MDI is expected to be a community-oriented company and intends to participate in philanthropy, community events and programs intended to increase the health and happiness of its employees and the greater community as a whole; and

WHEREAS, in consideration of these economic development incentives, MDI agrees to comply with the covenants and conditions binding upon it as set forth in this Agreement; and

WHEREAS, the parties are desirous of reducing their agreement to written form;

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

The City and MDI agree that this Agreement shall apply only with respect to Improvements undertaken by MDI between July 1, 2020 and December 31, 2023 (the "improvement period") for the purposes of the defined capital "Improvements" unless, after appropriate notice and public hearing as required by law, if any, the parties shall agree in writing to extend the same. In no event shall the amounts established herein be increased due to any extension of time for fulfillment of the terms and conditions of this Agreement.

1. This Agreement is executed subject to the fulfillment, on or before November 1, 2020 of each of the following conditions precedent, except to the extent that MDI may, in its absolute discretion, waive one or more thereof in whole or in part (except Section 1.1):
  - 1.1 The City shall deliver to MDI an Opinion of Counsel for the City, in form and substance reasonably satisfactory to MDI, that this Agreement has been duly authorized, executed and delivered by the City;
  - 1.2 The City shall deliver to MDI, in form and substance reasonably satisfactory to MDI, evidence in the form of a Resolution or Resolutions of the City duly adopted authorizing the economic development incentives set forth in this Agreement.

2. This Agreement is executed subject to the fulfillment, on or before December 1, 2020, of each of the following conditions precedent, except to the extent that the City may, in its absolute discretion, waive one or more thereof in whole or in part:
  - 2.1 MDI shall deliver to the City a certificate confirming it has entered into a contract for the construction of Improvements at Caldwell County PIN ID # 2794367840. In addition, the certificate shall verify the average number of full-time employees at its current facility during 2019 and confirm that the construction, and/or installation of the Improvements will result in the creation of a minimum of 111 new net jobs prior to December 31, 2025 in the City, and that the average wage of the net new jobs will meet or exceed the average wage requirement in Caldwell County under the North Carolina Department of Commerce rules. Such certificate shall be in the form or substantially in the form of the certificate attached to this Agreement as Exhibit "A".
  - 2.2 An Officer's Certificate and Incumbency Certificate of MDI, in form and substance reasonably satisfactory to the City, certifying that (i) this Agreement has been duly authorized, executed and delivered by MDI and (ii) this Agreement is binding upon and enforceable against MDI in accordance with its terms.
  
3. In order to induce the City to enter into this Agreement and to appropriate and expend monies for payment of economic development incentives pursuant to this Agreement, MDI represents and warrants to the City that as of the execution date hereof:
  - 3.1 That the entities are limited liability companies or corporations duly organized and existing under the laws of the State of North Carolina, have a place of business within the State of North Carolina, and are in good standing and authorized to do business in the State of North Carolina;
  - 3.2 The entities have corporate power and authority to own their properties and assets and to carry on their business as now being conducted and have the corporate power and authority to execute and perform this Agreement;
  - 3.3 This Agreement (i) is the valid and binding instrument and agreement of MDI, enforceable against MDI in accordance with its terms; (ii) does not violate any order of any court or other agency of government binding on MDI, the charter documents or operating agreement of MDI or any provision of any indenture, agreement or other instrument to which MDI is a party; and (iii) does not conflict with, result in a breach of, or constitute an event of default, or an event which, with notice or lapse of time, or both, would constitute an event of default, under any indenture, agreement or other instrument to which MDI is a party;
  - 3.4 There is no suit, claim, action or litigation pending, or to the best knowledge of MDI threatened, relating to the Improvements or the use of the Improvements for their intended purpose that would prevent MDI from meeting its commitments under this Agreement;
  - 3.5 To the best of MDI's knowledge, there is no impediment to the use of the Property for the purposes contemplated by this Agreement.
  - 3.6 MDI is not engaged in a business that would be exempt from property taxes.
  
4. Subject to satisfaction of the conditions set forth in Sections 1, 2 and 3 above, MDI covenants and agrees with the City that in consideration of the appropriation and expenditure by the City of such economic development incentives, MDI shall make substantial improvements to the Property during the investment period. MDI expects that

the cumulative expenditures will meet or exceed One Hundred Twenty Million Dollars (\$120,000,000) by December 31, 2023, as determined by the Caldwell County tax office. MDI further covenants and agrees it will maintain in place said improvements for a period of not less than five (5) years after December 31, 2023.

5. Payment of economic development incentives for Improvements and for Job Creation in accordance with this Agreement shall be made as follows:

City will provide annual payments equal to the following percentages: 90% Year 1; 80% Year 2; 75% for Years 3-8 of the ad valorem taxes paid by MDI associated with the additional value (exclusive of rolling stock) as paid to City for an eight-year period, commencing with the taxes payable for the tax values on January 1<sup>st</sup> of a year to be determined by MDI, and then on January 1<sup>st</sup> of the succeeding seven years for investments made pursuant to paragraph 4 above with maximum payments as reflected in paragraph 5.a. and in the chart below. MDI shall provide written notice to the City six months year prior to its payment of ad valorem taxes that will trigger the City's payment of the Year 1 incentives.

- a. In no event will the cumulative payments under this paragraph by City exceed \$4,371,000 for the eight years.

<b>Grant Year</b>	<b>Percentage</b>	<b>Maximum Payment By City by Year</b>
1	90%	\$634,500
2	80%	\$564,000
3	75%	\$528,750
4	75%	\$528,750
5	75%	\$528,750
6	75%	\$528,750
7	75%	\$528,750
8	75%	\$528,750
<b>Total</b>		<b>\$4,371,000</b>

- b. Said amounts shall be payable annually, beginning in Grant Year 1 (to be determined by MDI) and payable through Grant Year 8.
- c. Upon payment of ad valorem taxes by MDI to City for each Grant Year and certification by MDI in the form or substantially in the form of the certificate attached hereto as Exhibit B of Improvements made and proof of payment of taxes and verification that Company has created and maintained jobs as agreed herein, City will, within sixty (60) days, pay to MDI an economic development incentive payment, the amount of which is calculated by multiplying by the appropriate grant percentage numeric value times the total ad valorem tax revenue received by City attributable to the value of the Improvements made by MDI pursuant to this Agreement in excess of the assessed tax value on the site as of January 1, 2020 and certification of the number of full-time jobs in the form or substantially in the form of Schedule 1 hereto attached as Exhibit C. This same process will be followed by City and MDI in each of the following Grant Years.

- d. MDI shall furnish to City on or before March 5th of each calendar year, following and corresponding to the previous July 1st when taxes are billed, the certification required by Section 5.c and proof of payment of all applicable taxes. If requested, MDI shall provide City, at City's expense, independent certification as to such expenditures and number of existing jobs.
  - e. For the eight-year period during which the City will pay MDI the agreed upon economic incentive tax grants, no additional economic incentives will be paid by the City for improvements by MDI for this expansion project that exceed the investment amount as set out in the provisions of this Agreement. No incentives will be paid by the City after the eighth year as pursuant to this Agreement, but nothing in this Agreement precludes the City and MDI from entering into a subsequent agreement pertaining to other economic development incentives, for example, for subsequent or different expansions.
6. Under NCGS 158-7.1(b)(5), the City agrees to provide an infrastructure development grant to MDI in the amount of \$500,000 to provide for or assist in the extension of utility services to be furnished to the facility or other onsite or offsite services or infrastructure improvements. City will make payment to the company within 30 days of company's submission of proof it has incurred the first \$500,000 in such improvements. Eligible proof of expenditure includes copies of invoices and/or receipts with attached invoices.
  7. Notwithstanding the provisions of Paragraph 8, in the event MDI is unable to meet the requirements of Paragraph 5 as a result of (i) an event of force majeure, including but not limited to fires, explosions, acts of God, pandemics, acts of public enemy, insurrections, riots, terrorism, embargoes, labor disputes, including strikes, lockouts and job actions, or boycotts; (ii) the inability to obtain the governmental permits or approvals (including zoning) necessary for the undertaking and operating the Improvements after a good faith effort to obtain same has been made; (iii) shortages of materials or energy; (iv) changes in laws; or (v) other causes beyond the reasonable control of and arising without the fault or negligence of MDI; then, in such event, the improvement period shall be extended for a period equal to the delay caused by any of the foregoing events so long as MDI shall (a) have furnished the City on a timely basis, upon the occurrence of such event, a notice thereof, and (b) take all commercially reasonable steps necessary to relieve the effect of such event and to resume completion of the Improvements.
  8. It shall be an Event of Default if any one or more of the following events shall occur for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):
    - a. If MDI, except in the event of force majeure, shall commit a material breach of a material covenant or obligation hereunder and such breach shall continue without cure for a period of ninety (90) or more days following the receipt of written notice from the City;
    - b. If any material representation, warranty or other statement of fact contained in this Agreement or in any writing, certificate, report or statement furnished by MDI to



- the City in connection with the transaction described in this Agreement, shall be false or misleading in any material respect when given;
- c. If MDI shall be unable to pay its debts generally as they become due; files a petition to take advantage of any insolvency statute; makes an assignment for the benefit of creditors; commences a proceeding for the appointment of a receiver, trustee, liquidator or conservator of itself or of the whole or any substantial part of its property; files a petition or answer seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state;
  - d. If a Court of competent jurisdiction shall enter a final order, judgment, or decree appointing a custodian, receiver, trustee, liquidator, or conservator of MDI or of the whole or any substantial part of its properties, or approve a petition filed against MDI seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of MDI or of the whole or any substantial part of its properties or
  - e. If MDI shall allow on an annual basis its employment and the average wage of the net new jobs to fall below the minimum values agreed upon in this Agreement, as each of the same pertains to the Facility contemplated by this Agreement.
  - f. If MDI fails to make substantial improvements to the Property of which the cumulative expenditures meet or exceed One Hundred Twenty Million Dollars (\$120,000,000) by December 31, 2023.
9. Remedy for City in the event of substantial failure to maintain required Jobs and create Improvements required for Economic Development Incentive Grants: If MDI fails to cure an Event of Default for which it receives written notice, which written notice will not be given to MDI by the City for a failure to timely file Exhibit A, from City due to its failure to satisfy the Investment requirement or Jobs Creation requirement, the obligation of the City to pay Economic Development Incentive Grants as set out herein shall be reduced on a pro rata basis. The City may waive this remedy if there is substantial compliance by MDI. The Company shall, as it relates to an Event of Default, have Ninety (90) days after receipt of the notice required above, to cure the Event of Default ("Right to Cure").
  10. In the event enforcement action shall be brought by the City for the breach of any condition contained herein by MDI, MDI shall pay to the City all reasonable costs, charges and expenses, including reasonable attorney's fees not to exceed 15% of the amounts recovered. Such attorney's fees shall be paid promptly on the successful completion of the action.
  11. Both MDI and the City acknowledge that any and all monies appropriated and expended by the City for economic development incentives, as provided in this Agreement, are for a bona fide public purpose and are expended in good faith reliance on North Carolina General Statute 158-7.1. In the event a Court of competent jurisdiction, after final appeal, rules in a lawsuit to which either MDI or the City is a party, that all monies expended by the City pursuant to this Agreement were not offered and accepted in good faith and pursuant to and in compliance with North Carolina General Statute 158-7.1 and, further, that such monies must be repaid, MDI will make such repayment. Further, if any elected officials, officers agents or employees of the City are found by a Court of competent jurisdiction, after final appeal, to be personally liable for any of the monies so expended, and such liability is not

covered by the City's public officials' liability insurance, then MDI will indemnify such elected officials, officers, agents or employees individually to the extent of the monies expended by the City pursuant to this Agreement, including all court costs and reasonable attorney fees. The City agrees to maintain adequate public official liability coverage. In the event one or more lawsuits are brought against the City or any City elected official, officer, agent or employee challenging the legality of this Agreement, then the City, in the exercise of sole discretion, shall exercise its best efforts to defend against any and all such lawsuits.

12. All notices, certificates or other communications required or permitted to be given or served hereunder shall be deemed given or served in accordance with the provisions of this Agreement if the notice is (i) mailed in a sealed wrapper and is deposited in the United States mail, certified mail, return receipt requested, postage prepaid, or (ii) deposited with a national overnight courier service that retains receipts for its deliveries, properly addressed as follows:

City of Hickory  
P.O. Box 398  
Hickory, NC 28603  
Attn: Warren Wood, City Manager

Copy to: City of Hickory, Legal Department  
P.O. Box 398  
Hickory, NC 28603  
Attn: Arnita M. Dula, Staff Attorney

Company: Merchants Distributors, LLC  
120 4<sup>th</sup> Street SW  
Hickory, NC 28602  
Attn: John Orgain, General Counsel

The City or MDI may, by notice given to the other, designate any further or different addresses to which notices, certificates, requests or other communications shall be sent.

13. This Agreement shall inure to the benefit of, and is binding upon, City and MDI and their respective successors and assigns. However, neither this Agreement, nor any rights, privileges, or claims created by this Agreement may be transferred by MDI without the prior, written approval of the City which will not be unreasonably withheld or delayed.
14. Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified or altered except by written agreement of the parties.
15. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions of this Agreement.
16. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such fully-executed counterpart.

17. This Agreement is governed by and shall be construed in accordance with the laws of the State of North Carolina, venue in Catawba County.
18. The term of this Agreement shall commence on the date of execution and expire upon payment by the City of all payments due to MDI hereunder, unless earlier terminated as provided herein.
19. Both MDI and the City acknowledge and stipulate that this Agreement is the product of mutual negotiation and bargaining and that it has been drafted by Counsel for both MDI and the City. As such, the doctrine of construction against the drafter shall have no application to this Agreement.
20. The City will only be obligated to pay such incentive grants each year if MDI is current in its payment of all undisputed taxes, charges and fees owed to the City and only after MDI has made its ad valorem tax payment for the calendar year for which an incentive grant is being paid.
21. No provision of this Agreement shall be construed or interpreted as creating a pledge of the faith and credit of the City within the meaning of any constitutional debt limitation. No provision of this Agreement shall be construed or interpreted as delegating governmental powers as a donation or a lending of the credit of the City within the meaning of the State Constitution. This Agreement shall not directly or indirectly or contingently obligate the City to make any payments beyond those appropriated in the City's sole discretion for any fiscal year in which this Agreement is in effect. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of the City's monies nor shall any provision of this Agreement restrict to any extent prohibited by law, any action or right of action on the part of any future City governing body. To the extent of any conflict between this paragraph and any other provision of this Agreement, this paragraph shall take priority.

[Signatures to appear on following pages]

Executed the date first set forth above.

**THE CITY OF HICKORY**

A North Carolina Municipal Corporation

\_\_\_\_\_  
Hank Guess, Mayor

**Attest:**

**(SEAL)**

\_\_\_\_\_  
Debbie Miller, City Clerk

This document has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

\_\_\_\_\_  
Rodney Miller, Chief Financial Officer

Approved as to form on behalf of the City of Hickory only:

\_\_\_\_\_  
Attorney for the City of Hickory

**STATE OF NORTH CAROLINA  
COUNTY OF CATAWBA**

I, \_\_\_\_\_ a Notary Public of said County and State, certify that Debbie Miller personally came before me this day and acknowledged that she is City Clerk of the City of Hickory, a North Carolina Municipal Corporation, and that by authority duly given and as the act of the municipal corporation, the foregoing instrument was signed in its name and by its Mayor, sealed with its corporate seal and attested by her as its City Clerk.

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

(SEAL)

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**MERCHANTS DISTRIBUTORS, LLC**

**Attest:  
(SEAL)**

By: \_\_\_\_\_

\_\_\_\_\_  
Secretary

**STATE OF** \_\_\_\_\_

**COUNTY OF** \_\_\_\_\_

I, \_\_\_\_\_ a Notary Public of said county and state, certify that \_\_\_\_\_ personally came before me this day and acknowledged that he/she is Secretary of Merchants Distributors, LLC, a North Carolina corporation, and that by authority duly given and as the act of the corporation the foregoing instrument was signed in its name by its \_\_\_\_\_, sealed with its corporate seal, and attested by himself/herself as Secretary.

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

(SEAL)

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**MDI MANAGEMENT, LLC**

**Attest:  
(SEAL)**

By: \_\_\_\_\_

\_\_\_\_\_  
Secretary

**STATE OF \_\_\_\_\_**  
**COUNTY OF \_\_\_\_\_**

I, \_\_\_\_\_ a Notary Public of said county and state, certify that \_\_\_\_\_ personally came before me this day and acknowledged that he/she is Secretary of MDI Management, LLC, a North Carolina corporation, and that by authority duly given and as the act of the corporation the foregoing instrument was signed in its name by its \_\_\_\_\_, sealed with its corporate seal, and attested by himself/herself as Secretary.

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

(SEAL)

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**EXHIBIT A**

**Joint Economic Development Agreement  
Between the City of Hickory and Merchants Distributors, LLC**

**CERTIFICATE**

**TO: City of Hickory**

This Certificate is delivered pursuant to Section 2.1 of the Joint Economic Development Agreement (the "Agreement"), dated \_\_\_\_\_, 20\_\_, between the City of Hickory and MDI Management, LLC and Merchants Distributors, LLC and affiliates ("MDI"). Any capitalized term not otherwise defined herein shall have the meaning assigned to such term in the Agreement.

I, \_\_\_\_\_, do hereby certify, for and on behalf of MDI, that:

MDI has entered into a construction contract for the construction of Phase I Improvements for the property located at 5005 Alex Lee Blvd, Hickory, NC 28601, Caldwell County Parcel ID # 2794367840. A copy of the contract can be reviewed by the City upon request.

MDI had an average of \_\_\_\_ number of full-time employees at its current facility during 2019.

MDI confirms it intends to create improvements that will lead to the creation of an additional 111 jobs by December 31, 2025.

Dated at City of Hickory, North Carolina, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**EXHIBIT B**

Joint Economic Development Agreement  
Between City of Hickory, Merchants Distributors, LLC and MDI Management, LLC

**CERTIFICATE**

**TO: City of Hickory**

This Certificate is delivered pursuant to Section 5 of the Joint Economic Development Agreement (“the “Agreement”) dated \_\_\_\_\_, 20\_\_, between the City of Hickory and Merchants Distributors, LLC and MDI Management, LLC and affiliates (“MDI”). Any capitalized term not otherwise defined herein shall have the meaning assigned to such term in the Agreement.

MDI does hereby certify that:

- (a) The following improvements were made during the 20\_\_ Calendar Year: \_\_\_\_\_  
\_\_\_\_\_;
- (b) The following jobs were created during the 20\_\_ Calendar Year: \_\_\_\_\_;
- (c) The average wage of the net new jobs at the facility during the 20\_\_ Calendar Year is as follows: \_\_\_\_\_;
- (d) Total cumulative personal property valuation installed at the facility during the 200\_\_ Calendar Year \_\_\_\_\_.

Dated at the City of Hickory, North Carolina, this \_\_\_\_ day of \_\_\_\_\_, 2020.

**Merchants Distributors, LLC**

BY: \_\_\_\_\_ TITLE: \_\_\_\_\_

**MDI Management, LLC**

BY: \_\_\_\_\_ TITLE: \_\_\_\_\_



**EXHIBIT C  
SCHEDULE 1**

1. The number of full-time employees employed by each employer as of the 1<sup>st</sup> day of January, 20\_\_, by each company is as follows:

Merchants Distributors, LLC \_\_\_\_\_

MDI Management, LLC \_\_\_\_\_

Full-time employee means a person employed at the property described herein for at least 32 hours per week on a regular basis and who has available to him or her a company provided group health insurance plan for which the company pays at least ½ of the employee's premiums. Attached is a copy of the form NCUI 101, Employers Quarterly Tax and Wage Report, Payroll records and such other reports or documentation as the City may reasonably request to verify the number of MDI's full-time employees.