



FEBRUARY 14, 2011
5:30 PM

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval of minutes from January 13, January 24 and January 31, 2011 **(page 5)**

Approval/Amendments to Agenda

I. Consent Agenda:

- A. Adopt – Budget Ordinance Amendment for Senior Programs Division of Parks and Recreation (\$1,500) **(page 27)**
- B. Authorize – The Repurchase of Cemetery Lot S-16, Plots 7 and 8 in Oakdale Cemetery (\$1,200) and Adopt Budget Ordinance Amendment **(page 29)**
- C. Adopt – Budget Ordinance Amendment to adjust the Water Fund's contingency to 5% **(page 34)**
- D. Adopt – Budget Ordinance to amend the Storm Water Capital Project Ordinance to redistribute the appropriation to specific accounts **(page 36)**
- E. Adopt – Budget Ordinance Amendment to appropriate funds for the balance remaining from the Gates library grant (\$4,748) **(page 38)**
- F. Adopt – Budget Ordinance Amendment to appropriate funds for the Energy & Demand Reduction pilot project **(page 41)**
- G. Approve – Re-instatement of the Chief Building Official **(page 44)**

II. Comments from the Public:

III. Public Hearing on Zoning: **6:00 PM**

- A. None



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IV. Public Hearing – Other:

- A. Accept & Adopt – The recommendation of the Planning Board **and** Approve the Ordinance to repeal Chapter 6, Article V, Housing, in its entirety and replace a new Article V, Housing, as provided **(page 49)**
- B. Accept & Adopt – The recommendation of the Planning Board **and** Approve the Ordinance to amend Chapter 40, Sec. 40-93, Table of Uses, of the Code of Ordinances for Tattoo Parlors **(page 72)**

V. Scheduled Public Appearances:

- A. Marie Tomasulo, Ross Hamory, Dee Congleton – Donations for Festival Park
- B. Lydia Jennings – Update and thank you – Wright Flight Inc.
- C. Wendy Godley – Relay For Life Softball Tournament – March 5-6
- D. Bill Walker – Little Washington Sailing Club **(page 75)**
- E. Bill Sykes & WHDA – Newly created Washington Waterfront Docks Web

VI. Correspondence and Special Reports:

- A. Memo – The North Carolina Governor’s Crime Commission Grant Report **(page 79)**
- B. Memo – Bell of Washington Dockage **(page 80)**
- C. Memo – Sea Tow Pamlico Dockage **(page 81)**
- D. Memo – Load Management Device Report **(page 82)**
- E. Memo – Northgate Subdivision Infrastructure Project **(page 85)**
- F. Memo – Energy Interns Project Update **(page 90)**
- G. Memo – Electric Fund Load Management Budget Transfer **(page 92)**



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- VII. Reports from Boards, Commissions and Committees:
- A. Human Relations Council **(page 94)**
 - B. Washington Harbor District Alliance **(page 96)**
 - C. Washington Tourism Development Authority **(page 101)**
 - D. Financial Reports **(emailed as available)**
- VIII. Appointments:
- A. None –
- IX. Old Business:
- A. Authorize – Mayor to enter into a lease with Impressions Manufacturing Group **(page 102)**
 - B. Approve – Purchase Orders in excess of \$20,000 **(page 142)**
- X. New Business:
- A. Adopt – Ordinance to amend Chapter 18, Sec. 83- Regulation of traffic on a portion of Stewart Parkway **(page 150)**
 - B. Authorize – City Manager to sign the Authorized Agent Consent Agreement to amend the CAMA Permit for the Waterfront **(page 154)**
 - C. Accept – Bid Award Contract to Wimco Corp and Authorize City Manager to sign contract for Phase 1 in the “Festival” Park PARTF (\$125,700) **(page 156)**
 - D. Adopt – Resolution establishing the Storm Water Debt Service/Capital Reserve Fund **(page 166)**
 - E. Adopt & Accept – Project Budget Ordinance and Accept the Award for Main Street Energy Fund grant (\$71,583.29) **(page 168)**
 - F. Authorize – Interim City Manager to enter into a five year lease with 3-B Farms, Inc. **(page 178)**



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- XI. Any Other Items From City Manager:
 - A. Discuss – Scheduling CIP Review for 2-28-2011

- XII. Any Other Business from the Mayor or Other Members of Council
 - A. Discuss – Homeless Shelter – Mark Recko’s presentation to the Human Relations Council (Councilman Pitt)

- XIV. Adjourn - Until February 28, 2011 at 5:30 pm, in the Council Chambers at the Municipal Building.

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

January 13, 2011

The Washington City Council met in a special session on Thursday, January 13, 2011 at 5:00pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Pete Connet, Interim City Manager; Franz Holscher, City Attorney and Cynthia Bennett, City Clerk.

Councilman Ed Moultrie was absent and excused from the meeting.

Also present were: Susan Hodges, Human Resource Director; Mike Voss, of the Washington Daily News; Hartwell Wright and Lisa Kinsey of the NC League of Municipalities.

Mayor Jennings called the meeting to order and Councilman Pitt delivered the invocation.

**PRESENTATION & DISCUSSION: HARTWELL WRIGHT, NC
LEAGUE OF MUNICIPALITIES - CITY MANAGER SEARCH**

Hartwell Wright with the N.C. League of Municipalities met with the council to advise them on what to do and what not to do when it comes to recruiting and reviewing applicants for the position. He also advised them on what to do when they are ready to hire the new manager. The advertising process for the next city manager has already started with a deadline for applicants to submit resumes by Feb. 28th, the positing will remain open until filled.

Mr. Wright told the Council the way it conducts its search for a new city manager could influence applicants in deciding whether they want to come to Washington or not. He also stated with the state of the economy, there will likely be numerous resumes submitted.

Mr. Wright also told the Council and Mayor that choosing a new city manager will be one of the most important decisions they make during their time in office. The search will likely take about six months, from receiving resumes to making an offer to the preferred candidate.

Mr. Wright noted that a competitive starting salary range for this position based upon Washington's size, service area, geographic areas, and population is roughly \$100,000 to \$115,000.

Councilman Mercer said he had checked the salaries of city managers in 28 North Carolina municipalities with populations ranging from 8,000 to 13,000 and determined that only four managers were making more than our previous city manager.

Mayor Pro Tem Roberson reminded Council that items other than salary likely will make up the city manager's compensation package, items such as a car allowance, life insurance, disability insurance, deferred income, retirement contributions and health-care insurance for dependents. He also stated he expects the next city manager to want an employment contract, one that includes a severance package between him/her and the city.

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

January 13, 2011

The next step in the City Council's search for a new city manager will be developing a profile to use as a tool in helping find a replacement for former City Manager James C. Smith.

The Council will develop the profile during a special meeting at 4 p.m., prior to its regular meeting set for 5:30 p.m. January 24, 2011.

**CLOSED SESSION: UNDER NCGS 143-318.11 (A)(3)ATTORNEY/CLIENT
PRIVILEGE AND (A)(6)PERSONNEL**

By motion of Councilman Pitt, seconded by Councilman Davis, Council agreed to enter into closed session at 6:30pm under NCGS 143-318.11(a)(3)Attorney/Client Privilege and 143-318.11(a)(6)Personnel.

By motion of Councilman Davis, seconded by Councilman Pitt, Council agreed to come out of closed session at 6:45pm.

STATEMENT OF JIM SMITH RELEASE AGREEMENT FOR COUNCIL MINUTES

As required by North Carolina General Statute § 143-318.11(a)(3), and to the extent allowed by North Carolina General Statute § 160A-168, the City of Washington announced the terms of the Release Agreement it has entered with James C. Smith, Jr. In accordance with the specific terms of said Release Agreement, the City has paid Mr. Smith: (a) a severance payment equal to six (6) months of Mr. Smith's net wages at his 2010 pay rate; (b) a retirement contribution payment equal to the net percentage contribution to Mr. Smith's deferred compensation account that the City would normally pay on the severance payment; and (c) a premium payment that represents an amount equal to the monthly premium the City would pay for Mr. Smith's comprehensive medical insurance, dental, vision and life insurance from his effective date of resignation, January 1, 2011, until February 4, 2011. In exchange, the City received, among other things, a full release of claims, including prior contractual obligations between Mr. Smith and the City.

ADJOURN

By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, Council adjourned the meeting until January 24, 2011 at 4:00 pm in the Council Chambers at the Municipal to discuss the hiring of a new City Manager with an emphasis on developing a profile to assist in the search.

(Subject to the Approval of the City Council)

**Cynthia S. Bennett, CMC
City Clerk**

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

January 24, 2011

The Washington City Council met in a special session on Monday, January 24, 2011 at 4:00pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Ed Moultrie, Councilman; Doug Mercer, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Pete Connet, Interim City Manager; Franz Holscher, City Attorney and Cynthia Bennett, City Clerk.

Also present were: Susan Hodges, Human Resources Director and Mike Voss, of the Washington Daily News.

Mayor Jennings called the meeting to order and Councilman Pitt delivered the invocation.

SUBMITTED CRITERIA FOR MANAGER SEARCH

- *At least five years experience as a Manager, preferably in a town of 5000 or more.
- *Some experience with developing working programs with other entities.
 - a. Outsourcing
 - b. Partnering with other groups
 - c. If successful at (2), managing the resulting downsizing of the work force.
- *The ability to communicate with Council regarding ongoing programs or problems.
- *Leadership-a true communicator and motivator. The next manager should be adept and unafraid of honestly communicating the Council's direction to the employees in the appropriate context and then, relaying any employee concerns or challenges back to the Council. In addition, the manager should develop and regularly utilize network or direct lines of communication to the public. Team work, esprit de corps, and mutual trust should be nurtured at every level of the organization through the focus on clear goals and objectives.
- *The new manager should make every effort to share in activities that mirror the community by being the first face of city government to its citizens by regular public updates and forums to update and explain the changes and reasons for the council's direction. The manager should even seek out potential leaders and unite them with current leaders to better unify and share every citizen's desire to be heard.
- *Four year degree from an accredited school in public administration, business administration, or urban planning with at least 5 years experience as an assistant manager or city manager.
- *Emphasis on enterprise funds (water, sewer) with electrical distribution experience preferred
- *Successful completion of a capital improvement project over a million dollars.
- *Experience with operating a public private enterprise fund-garbage-vehicle maintenance, etc.
- *Experience in Historic Preservation and CAMA land use regulations preferred.

*Economic Development experience (business recruitment) preferably with a Main Street Community.

*Chamber of Commerce experience with the full understanding of the correlation of business growth and the growth of the City, tax base, etc.

*A history of working together with many different organizations in a community and understanding their importance regarding the City of Washington.

*A history of working closely with County Government and a track record of working closely to be on the same page in hopes of moving in the right direction. The Board wants there to be a strong understanding of business growth and how important it is to the future of our City.

*Upon reviewing all the recommendations from various Council members, Council determined the following:

Must Haves:

1. 4 Year College Degree in either Public Admin or Business Management
2. Financial experience with Enterprise Funds and Major Projects
3. Supervisory experience in an upper level management position
4. Progression thru the ranks/stability with the organization
5. Minimum of 5 years work experience or Graduate Work
6. Clean record- Financial and Criminal- Valid Drivers Lic.

Preferred/Desired:

1. Active in the Community- working well with Community Groups such as County, Chamber of Commerce, Downtown Development/Economic Development/ Elected and appointed boards
2. Masters Degree
3. Strongly prefer Manager/ACM, and/or Finance Director
4. Electrical experience
5. Thorough understanding of Public Safety Issues/ISO training in the Incident Command System

Other Wishes from Council:

Don't overlook Minorities: African American, Hispanic, and women; a four-year degree will be mandatory, at least a minimum work experience/graduate study is strongly preferred. Council also suggested there should be some progression of employment and work experience.

Resumes will be fielded on the basic requirements listed in the job advertisement. Mayor Pro tem Roberson suggested asking the Department Heads what they would like to see in the new City Manager.

Continued until 5:30PM ON January 24, 2011

(Subject to the Approval of the City Council)

**Cynthia S. Bennett, CMC
City Clerk**

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

January 24, 2011

The Washington City Council met in a regular session on Monday, January 24, 2011 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; Edward Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Pete Connet, Interim City Manager; and Cynthia Bennett, City Clerk.

Also present were: Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Keith Hardt, Electric Director; John Rodman, Planning Director; Major Sandy Blizzard, Police Department; Philip Mobley, Parks and Recreation Director; Susan Hodges, Human Resource Director; Lynn Lewis, Tourism Director; Mike Voss, of the Washington Daily News and Delma Blinson, of the Beaufort Observer.

Mayor Jennings called the meeting to order and Councilman Pitt delivered the invocation.

APPROVAL OF MINUTES

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved the December 13, 2010 minutes as submitted.

APPROVAL/AMENDMENTS TO AGENDA

Mayor Pro tem Roberson and Councilman Mercer requested adding the following three items for discussion under XII – Any other business from the Mayor or other members of Council:

1. Copper Wire
2. Planning Board request
3. NCEMPA

Councilman Mercer requested moving the following two items from the consent agenda for discussion under New Business:

1. **Adopt** – Budget Ordinance Amendment for the actual debt service for the Recovery Zone Projects (RZEDB) – as **Item B**
2. **Approve** – Purchase Orders in excess of \$20,000 – as **Item C**

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the agenda as amended.

CONSENT AGENDA

By motion of Councilman Mercer, seconded by Councilman Pitt, Council unanimously accepted the consent agenda as amended.

- A. **Adopt** – CDBG Housing Development Grant – WHI Deed of Trust and Promissory Note

(copy attached)

- B. Adopt – Budget Ordinance Amendment for the Brooks Boatworks tax incentive (\$6903)
(copy attached)
- C. Moved to New Business – Adopt – Budget Amendment for the actual debt service for the Recovery Zone Projects (RZEDB)
- D. Adopt – Budget Ordinance Amendment for Interim City Manager Employment
(copy attached)
- E. Moved to New Business – Approve – Purchase Orders in excess of \$20,000
- F. Authorize – The Repurchase of Cemetery Lot G-36, Plot in Cedar Hill Cemetery for \$600 and Adopt Budget Ordinance Amendment
(copy attached)

COMMENTS FROM THE PUBLIC

No public comments at this time.

TIM PRICHARD – PARKING & TRAFFIC ON NORTH ACADEMY STREET

Tim Prichard voiced concern with parking issues in his neighborhood. Referencing distributed photographs he stated the parking problems are mainly Monday-Thursday and Sunday. He stated he has contacted the Police Department concerning some of the issues they are having and safety is his number one concern. Parents are parking on North Academy to drop their kids off at the First Christian pre-school. The Church has 4 acres over on 2nd Street with a front & side driveway but yet they choose to have this activity at North Academy Street. Letters were sent to the Pastors of neighboring Churches. Also, trash cans are visible on North Academy where they could be stored out of site.

Councilman Mercer mentioned that he is a member of the First Christian Church and is chairman of the board and that he is very familiar with that neighborhood. Councilman Mercer stated he made it a point to go look at Academy Street and counted seven empty parking places on Academy Street between the hours of 11-12 o'clock, it seemed to him that the street is not being crowded during that period of time. Councilman Mercer shared that he had looked at the area on numerous Sunday's but would like to point out that for many years we marked Academy Street one-way on Sunday morning. They had the City's permission and a sign was placed at 2nd and Academy and made it one-way coming from Main to 2nd. This was stopped at the objections of the neighbors. If a one-way street on Sunday morning will help the problem then we can try it again. However, if we are going to enforce the regulations, we should enforce them fairly and apply them to everyone. If the City needs to remark the street then Councilman Mercer would be willing to go to the church and make the recommendation that we may be able to address these problems. The Church would like to resolve the issue as well.

ACCEPT & APPROVE – THE BEAUFORT COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN UPDATE

Mayor Jennings opened the public hearing. Interim City Manager, Pete Connet stated the plan was presented to Council on 12-13-2010 and Council had requested time to read through the report. Comments from Councilman Mercer had been received by Mr. Reed Whitesell of Holland Consulting Planners and corrections to the language have been incorporated where there was a need. Mr. Connet shared how critical it is to adopt the plan this month due to some reimbursement from FEMA.

There being no further public comments, the public hearing was closed.

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council unanimously accepted the recommendation of the Hazard Mitigation Advisory Committee and approved the Beaufort County Multi-Jurisdictional Hazard Mitigation Plan Update as amended.

WILLIAM BARNVILLE – MARTIN COUNTY COMMUNITY ACTION (MCCA) WEATHERIZATION PROGRAM

Weatherization Program Administrator, Ms. Marisol Barr introduced Ms. Becky Copeland, Assistant Weatherization Coordinator-Quality Control. Ms. Copeland presented the Incorporated Report to City Council. The report had been updated from their Weatherization Assistance Program. Update from the last meeting, they recently hired auditors and carpenter assistants citing the training each had attended. In house training has been provided to both the auditors and carpenter assistants with more training scheduled. The total number of homes weatherized in Beaufort County is 105 with 78 of those homes being within the City of Washington. With the \$6,000 average cost per unit this leaves 29 units remaining before reaching the minimum program mandated number of 134. Also, in progress within Beaufort County there are 39 additional homes to be completed. Once this happens, it will result in 10 units above the mandated amount to be completed in the County. With this number it may be possible that the rest of the units will be done outside of the City as the number in the surrounding area is far less than what we have within the City. The Agency cost is currently \$6,298 per unit and is \$6,154.34 in Beaufort County.

As with all energy efficiency measures installed with DOE funds, refrigerator replacement must result in a savings-to-investment ratio (SIR) of 1.0 or greater. When the age of the refrigerator is approximately 10 years or more, the annual kilowatt usage must be determined by either metering or by obtaining estimated values from an approved database. A minimum of 10% of the refrigerators must be metered.

The weatherization program was reviewed by a State monitor in November. The monitor highlighted some needed improvements. Ms. Copeland stated they have already begun addressing these areas of concern by increasing efforts around unit close-outs and scheduled trainings to increase staff development. Also, future monitoring visits are being schedule.

All Health & Safety Contractors are required to maintain compliance with inspection permits. When required, permits are submitted with invoices prior to payment. A few cities in our service area require permits for shell work which equals to or exceed \$4,500. Ms. Copeland stated, to date, it has been our understanding that this is the case in the City of Washington. If and when that becomes a requirement please inform MCCA so that they may proceed accordingly.

The Customer Satisfaction Surveys for about 90% of customer in our county shows 98% of our customers is satisfied with our overall weatherization program. Of the population, 84% reports extreme satisfaction.

Ms. Copeland noted that office space became available in the Washington Square location and in an effort to remain fiscally responsible it has been determined that we relocate our weatherization staff. The weatherization staff began operating at the new location on January 24, 2011.

Mayor Pro tem Roberson requested a list of Washington applicants and would like the following information provided:

1. Date contractor was supposed to be there and the date the project was completed. Reason: If the City is beginning to do a new development block grant and doing housing rehabilitation, we do not want to get into an area which has been serviced with weatherization because that would put the project ineligible when sending it up to Raleigh.
2. Energy efficiency appliance replacement (hope refrigerators not being substituted for insulation).
3. Permit process being followed.

Ms. Copeland asked to clarify the request made by Mayor Pro tem Roberson:

1. Ms. Copeland will follow-up on providing this list to the City.
2. With regard to refrigerator metering – the program is about energy efficiency and they have determined that after that amount of years, a refrigerator that uses above the recommended amount of kilowatts is no longer efficient. The overall weatherization assistance is an effort to help the home become more energy efficient. Everything is addressed from lighting, air, refrigerator monitoring. The only time a stove is address is if there is a situation where there is a gas stove and there is a carbon monoxide issue.
3. If the scope of this work requires the permit, it must be submitted.

Planning & Development Director, John Rodman addressed permitting concerns. MCCA needs to insure their contractors go to the Inspection Department to request permits and advise staff they are with the Weatherization program. This way the Inspection Department can keep up with the permits issued to MCCA. Ms. Copeland stated when the contractor comes in they pull the contract under the license of their business and MCCA had never been informed to instruct the contractor to state it was for their agency.

MEMO - FEMA FIRE PREVENTION AND SAFETY GRANT APPLICATION

(Begin memo) This memo is to inform you of our intentions to apply for the FEMA – Fire Prevention and Safety Grant to purchase automatic extinguishing devices that attach under residential cooking hoods to assist in reducing the occurrence of cooking fires. Our intentions are to apply for funding in the amount of \$30,000.00 to purchase at least 1000 of these devices; and hopefully more with competitive pricing. Federal funding, if granted, would be 95% (\$28,500), with our 5% match of \$1,500. Our matching amount could be absorbed out of current or upcoming budget depending on award time line if application is successful.

This is a highly competitive grant with an application period from January 4, 2011 to February 4, 2011 and we welcome any comments concerning proceeding with this application. (End memo)

Councilman Mercer inquired how much it would cost to install the 1000 devices and where the money would come from. Chief Rose stated they would partner up with the Housing Authority on this program. A requirement of the grant is to target a group for cooking fires which was low income housing and senior citizens. Washington Housing Authority will take care of the installation part.

MEMO – LOAD MANAGEMENT DEVICE REPORT

(Begin memo) Listed herein is the load management switch installation activity for December 2010.

Total Load Management Switch Installations	103
Air Conditioner/Heat Pump Control Installations	89
Auxiliary Heat Strip Control Installations	57
Water Heater Control Installations	49
Total Appliance Control Installations for period	195

(End memo)

MEMO – APPLY FOR AN LSTA TECHNOLOGY GRANT

(Begin memo) The Library would like to apply for an LSTA Technology grant for a computer mobile lab. The grant would add 10 laptop computers that would be used to teach patrons how to fill out resumes, how to fill out job applications, how to use the internet, and email protocol. In addition, it would include adding an access point in the multi-purpose room where the classes would be taught by volunteers.

The grant would be approximately \$25,000 with a 20% match that would be included in this year's fiscal budget. (end memo)

MEMO – UPDATE POLICE FACILITY

(Begin memo) Chief Reed updated Council on the outcome of the community meeting regarding the construction of the new police facility held January 6, 2011 at 7 pm at Beaufort County Agricultural Center.

The agenda topics included:

1. Project overview: WPD Philosophy, facility need, site selection and funding (Chief Reed)
2. Design process (Kevin Ratigan, ADG)
3. Question and Answer (all)

Additionally, we seek the council’s guidance regarding both a variance and special use permit from the Board of Adjustment.(end memo)

Lieutenant Chrismon suggested they had addressed some of Council’s concerns and is seeking guidance from Council to go to the Board of Adjustment to request an easement and variance adjustment of 65’ setback on the airport side.

Council directed Lieutenant Chrismon to go before the Board of Adjustment with the request for the footprint of the building and advised if approval is granted for the variance you will still need permission for the design.

By consensus, Council agreed and directed Lieutenant Chrismon to apply to the Board of Adjustment to approve the special use and the 65’setback on the airport side.

MEMO – DEBT SETOFF RESULTS

(Begin memo)The City of Washington participates in a debt setoff program administered by the NC League of Municipalities. The program applies delinquent debts to State tax refunds and education lottery winnings. As of December 2010 our results are as follows:

Total Debt Submitted	\$668,046
Amount Collected:	
2007	26,817
2008	42,247
2009	42,778
2010	42,837
Total	154,679

These results are due to the diligent efforts of Sharon Probert, our Revenue Collections Assistant and the Revenue Collections Department. (end memo)

MEMO – AUDIT REPORT CORRECTION

(Begin memo) Councilman Mercer questioned the schedule of revenue and expenditures of the Sewer Fund in our annual audit report during the December Council meeting. There was a formula error in the revenues over (under) expenditures total. The corrected number is \$401,601 and can be found on the attached. (end memo)

(copy attached)

MEMO – DRAFT – IMPRESSIONS LEASE UPDATE

(Begin memo) Impressions has leased from the City since 2006 and from Hamilton Beach for a period prior. The rent was \$.50/square foot through August 2009 and is currently \$1 or \$392,736 annually. The facility was in dire need of significant repair prior to Hamilton Beach’s exit and to date minimal maintenance has been performed, none at the City’s expense. The rent and any other revenue generated from this facility contribute to the General Fund with little offsetting expense.

The major focus of the lease negotiations has been to address the maintenance of the facility. City Staff and Counsel have met with Impressions on numerous occasions and are close to an agreement of which a draft is attached. A general contractor evaluated the building condition, identified the areas in most need of immediate repair, and provided cost estimates outlined below. Work will be bid out per NC General Statute requirements and costs finalized. The city will fund the improvements and recoup through an increase in rent of \$.45/ square foot over a five year period.

Building Improvements Summary:

\$457,430	Roof replacement/repair
108,861	Fire protection system
36,646	General Contractor
66,629	Contingency
<u>100,000</u>	Other repairs
\$769,566	Total

Staff will be meeting with Impressions January 14th with the intent of concluding the basis of the lease agreement and input from Council is appreciated. (end memo)

City Attorney, Franz Holscher was commended on his work for this project.

WASHINGTON HARBOR DISTRICT ALLIANCE

The City Council adopted the Downtown Revitalization and Reinvestment Strategy developed by Land Design. DWOW combined with the Historic Merchants Association and the Citizens for Revitalization Committee to form the Washington Harbor District Alliance. Two merchants were appointed to the WHDA Board and the events formerly handled by the Historic Merchants Association were assigned to the WHDA’s Promotions Committee. The Chair of the Citizen’s for Revitalization Committee joined the WHDA Board as the VP for Economic Restructuring bringing the members of the Revitalization Committee’s working groups with him.

The Economic Restructuring Committee formed three subcommittees, City Government projects (Festival Park, restrooms/boaters facilities and city docks),

New Construction and Adaptive Reuse.

The City Council formally named the downtown area the Harbor District. The large evergreen tree was removed from Harding Square, creating a view corridor down Market

Street to the water. The square's brickwork was redone. The plantings and benches were purchased and maintained by the Washington Garden Club. Working with the Parks Advisory Board, the Parks and Recreation Department and the City Council a \$295,000 grant was obtained to build a Performance pavilion, a gazebo, a playground for small children and bathrooms (as agreed to in the Land Design Plan). The first phase of this effort -performance pavilion, gazebo, tot lot and landscaping, is scheduled for completion in the spring of 2011. A grant for the construction of permanent public restrooms, boater showers and facilities on the west end of the promenade (including the dock master facility) has been applied for by the Planning Department. We are optimistic that we will be successful in obtaining this grant, as we were asked to apply after a pre-qualification review. Developed a plan for the orderly expansion of the city docks which includes a public pier at the end of Market Street. Enlisted the NC Department of Transportation to conduct of study of downtown traffic flow, to address the issue of one way verses two way streets. The study was to be completed in December of 2010, but will now be done in April of 2011. Working with the Chamber of Commerce and the NC Department of Commerce- Main Street Agency surveys were conducted to develop a business recruitment and retention plan to attract new business to the Harbor District.

Obtained money from the City to hire the National Development Corporation for one year. The NDC is a nonprofit corporation which has expertise in obtaining funding for public private partnerships which provide for the adaptive reuse of downtown buildings and the new construction of needed facilities. In concert with the Washington Area Historic Foundation and ECU's School of Interior Design, students presented several adaptive reuse designs for Old City Hall at two public meetings.

PROMOTIONS:

Formed a committee to run Music in the Streets, which revised the format of the event, including the placement of bands, and partnering with the Turnage Theater. Due to the efforts of our volunteers, lead by Mark Brunon of Notes Café and LaVon Drake, we had a highly successful season, conducting the series from April thru October. Instituted a monthly Movie in the Park series. Providing free movies to the public the third Friday of every month from May thru October. Using \$18,000 provided by the City to promote the downtown, we instituted a program to advertise events using media outlets outside of Beaufort County, with the aim of drawing visitors to Washington from a broader geographic area. This money is used to support all events no matter who is the sponsor (e.g.: The Washington Noon Rotary, BC Arts Council, Wash/BC Chamber of Commerce, the Eastern Carolina Wildlife Guild). Partnered with the Arts Council in staging two Art Walks, to promote downtown galleries and merchants. Supported the Noon Rotary in putting on Smoke on the Water (an event traditionally conducted by the Merchants Association). Combining the event with Music in the Streets, and one of our Movies in the Park. WTDA and WHDA ran several advertisements in West Virginia markets to attract Marshall University Alumni to stay in Washington while in NC for the ECU game. The movie shown was: We are Marshall. Put on Pickin' on the Pamlico (August), the Pirates Beach Music festival (September), and the Christmas flotilla (December). Instituted an informal monthly meeting with the Chamber, Turnage, WTDA, BC Arts Council, and Washington City Parks and Recreation to coordinate activities and leverage

resources. Coordinating with Parks and Recreation and Beaufort County Community College staff and students developed a web site aimed specifically at boaters to attract them to the City waterfront docks. www.washingtonncdocks.org Our goal is to promote a major event conducted in the Harbor District each month April through December (in addition to Music in the Streets). By using a coordinated advertising campaign, we will promote our City as an exciting place to live , work, shop and spend leisure time. We conducted the Saturday Farmers Market weekly from May through October. This year we enjoyed a highly successful season, with the addition of several new vendors.

LITTLE WASHINGTON SAILING CLUB:

The school enjoyed its second successful season. Floating Docks were purchased and the boats were given new sails. After being funded from WHDA operational funds for the past several years, the club is now self funding.

ORGANIZATION:

Promoted Beth Byrd, our only paid employee, from a part time to a full time, salaried position. Beth is now the Director and remains the only full time employee. Our treasurer instituted a comprehensive budget regime, which projects and tracks expenditures for each event and project. After a two year hiatus we received \$27,000 in City funds for operating expenses. We are conducting quarterly meetings with downtown merchants to assure that their interests are properly represented. At the merchants request we successfully proposed that the city change the parking time limit on Main and Market Streets from two to three hours. We have begun a Friends of the Alliance Campaign, to raise funds for operating expenses, to increase our volunteer membership, and to keep the public up to date with what is going on downtown.

DESIGN:

We conducted our annual “Spring Clean Up” enlisting the help of the Garden Clubs, to spruce up the waterfront, as well as Main and Market Streets. Using \$3,000 from the City we coordinated with the Parks and Recreation Dept. and the Electric Dept. to replace the Christmas tree lighting on Main and Market Streets.

GENERAL:

This year we have made huge strides. We are now partnering with the City and other nonprofit organizations in projects and activities which benefit not just the Harbor District but the City and county as well. All the members of our Board, with the exception of the President and the Secretary have begun their service in the past year. With the introduction of new board members and the synergy generated by combining with the Merchants Association and the Citizen’s for Revitalization, we have energized our committee structure and embarked on new projects. WHDA has enjoyed excellent media support throughout the year, with a number of activities and initiatives earning reportorial, editorial and “Sound Off” support. The Executive Director has an excellent and working relationships with, the downtown merchants, our sister nonprofit organizations and city officials. This has enabled us to leverage our efforts by partnering with others in conducting events, obtaining grants for park facilities, and making our downtown a community asset.

WASHINGTON HARBOR DISTRICT ALLIANCE BOARD OF DIRECTORS:

President Ross Hamory

VP Economic Restructuring Chris Furlough

VP Design Bobby Roberson

VP Promotions Mac Hodges

VP Organization Rebecca Clark & Garleen Woolard

Merchant Bob Henkel

Merchant Glenn Wetherington

Secretary Sharon Pettey

Treasurer Bill Sykes

Ex-Officio: Catherine Glover, Lynn Lewis & Jim Smith (retired)

Council Liaison: Bobby Roberson

WHDA currently has a staff of one F.T. employee Director, Beth Byrd

WASHINGTON TOURISM DEVELOPMENT AUTHORITY

At the December WTDA Board meeting, CPA William Oden presented the audit report for fiscal year 2009-10. While a few recommendations were made regarding the way to report accruals, the overall audit was favorable. Copies of the audit will be provided for each Council Member.

The Visitor Center is relocating temporarily to 141 S. Market Street (pink building) while work is being done to repair some issues in the current location. This transition will begin on Monday, January 3 and should end two weeks later. The Visitor Center will continue to be open daily from 10 AM to 4 PM.

Proposals have been received to improve the quality of wireless internet access available at the Civic Center. Options are being considered to determine when/if the work can be completed.

December and January are slow months of the year with regard to visitation. These two months are used primarily for planning and preparations for the busy Spring season.

The WTDA Board will be having a goal-setting and planning workshop following its January meeting.

The WTDA has discussed its interest in continuing the management agreement for the Civic Center beyond the 5 year contract period that ends in June, 2011. This has been communicated to Mr. Connet and Mr. Rauschenbach. Washington will be re-joining the Historic Albemarle Tour for 2011. We have not been represented in this organization for several years, but the organization seems to have a renewed energy and direction.

FINANCIAL REPORTS

Councilman Mercer expressed his concerns for the January financials. He was concerned with expenditures being more than revenues and having a possible potential shortfall.

Chief Financial Officer, Matt Rauschenbach addressed this issue and shared that it would be address more during the budget session. He did share that property taxes appeared to be up this year compared to last year. Mr. Rauschenbach stated it appears they are doing a little better this year from a budget standpoint but he will take the opportunity to look at the expenses as Councilman Mercer alluded to. This will be addressed at the next Committee of the Whole meeting.

APPOINTMENT – FIREMAN’S RELIEF ASSOCIATION

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council unanimously approved the reappointment of William M. Alligood Jr. as the Fire Department appointee, and replaced Fred Watkins Jr. with Richard Brooks as the Council appointee to the Fireman’s Relief fund for a new term of two years to expire in January 2013.

ADOPT – RESOLUTION TO CONVEY THE PROPERTY LOCATED AT 507 WEST SECOND STREET TO REILLY SOFTWARE, LLC AND AUTHORIZE THE MAYOR TO SIGN ALL NECESSARY LEGAL DOCUMENTS TO CONVEY SURPLUS PROPERTY AND AWARD UPSET BID (\$3,500)

Council Mercer inquired if the restrictions were the same as in the original proposal purchase by Mr. Banks. City Attorney, Franz Holscher noted the City received an offer (Council had authorize the Clerk to initiate the upset bid process which had been seen through). This is the last bid received without an upset. When the property was originally put through the upset bid process he helped draft the Resolution and the Resolution states that if the Council awarded the bid that it would be subject to such restrictions and protection as a preservation agreement. If the Resolution is adopted, Council will be presented with a Special Warranty Deed containing certain restrictive and protective covenants as well as a preservation, rehabilitation and maintenance agreement for approval at a future meeting. The property will not actually be conveyed until Council has had the chance to see those covenants.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council unanimously adopted the Resolution to convey the property located at 507 West Second Street to Reilly Software, LLC in the amount of \$3,500 and authorized the Mayor to execute all the legal documents necessary to convey the surplus property consistent with the terms of the original and subsequent offers and public notices.

Mayor Jennings commended the Planning Board, Historic Commission Planning Board and the Council. This is the first by product of Demolition by Neglect.

(copy attached)

AUTHORIZE – INTERIM CITY MANAGER TO ENTER INTO A ONE YEAR WEB CAM ADVERTISING AGREEMENT WITH WITN (\$500/MONTH)

Chief Financial Officer, Matt Rauschenbach stated this was a follow up item from the last Council meeting. The action item from the last meeting included the maximum exposure advertising proposal from WITN. Council directed staff to separate the web cam portion and defer it to the February meeting.

Councilman Mercer inquired if the \$6,000 was part of the \$24,000 and Mr. Rauschenbach responded 'no'. Mr. Rauschenbach mentioned the advertising through the daily news, the first quarter was at no cost to the City, ElectriCities agreed to fund that. Mayor Jennings noted that he heard all positive things from at least three channels of communications.

Mayor Pro tem Roberson inquired if the money was in the budget, Mr. Rauschenbach responded 'yes' but the advertising with the newspaper and other media will be at the City's expense starting around April.

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council authorized the Interim City Manager to enter into a one year web cam advertising agreement with WITN. Motion carried 4-1, Councilman Mercer opposed.

ACCEPT BID AND AWARD CONTRACT – TO TD EURE, AUTHORIZE CITY MANAGER TO SIGN CONTRACT, ADOPT BUDGET ORDINANCE AMENDMENT IN THE AMOUNT OF \$211,627 FOR THE BIG-P Y08 PROJECT

Parks and Recreation Director, Philip Mobley highlighted the project details. Staff had been working on the 2008 BIG-Project since late 2006. The application was submitted in 2007 and the City was awarded the grant in 2008. This was a Federal grant and the City had participated against 8 other States and 3 foreign territories. The City is now in its third extension to complete the project. Bids were opened on January 13, 2011. Notification for the CAMA Permit finally came via email on Friday, January 14, 2011. The total cost needed for the project is \$432,391.

The City will need to appropriate \$211,627 to complete this project. There is a ten year payback of all City monies in this project, with the increase of available permanent slips and projected increase of revenues for new transient slips.

During the CAMA permitting process, the Army Corp of Engineers entertained a comment from the US Coast Guard about a perceived navigation concern in the Harbor. As a result, because of a comment made by the Corp, CAMA placed a condition on the permit which disallows dockage on the face of the new boat docks.

Mr. Mobley stated they had just received bids on the contract for the new pier extensions and from that standpoint they had received a total bid of \$354,400. At this particular time, we had cash on hand of \$225,000. The in-kind services wouldn't be

allowed because we are not doing the new docks of G & H. We are now doing A & B extensions after the public input session. There are also some new fire codes. We are now working on a short time table and the City has already invested \$66,000 in engineering fees.

Mr. Mobley stated they have the Major CAMA permit now. Discussing the Big Grant with the Supervisor for the State, she has allowed the City to take as the dock sits now A & B to take the 4 faces and count them as the transient slip dock. This will allow us to qualify for the grant. We will need 12 slips and by getting those 4 we will qualify (this will give us 14 slips).

Mr. Mobley shared that Councilman Davis worked on the grant and enabled Parks & Recreation staff to contact Representative Jones with the Corp of Engineers and the Coast Guard.

Councilman Mercer suggested that Mr. Mobley indicated the CAMA permit states specifically that you cannot dock boats at the end of the reconstructed A & B and Mr. Mobley responded 'yes'. You also said that the project coordinator has stated they will give us credit for those 4 slips in order to qualify for the grant. Mayor Jennings suggested that 120 foot pier with power cost approximately \$32,000 and the City will be getting about 10 new slips for \$400,000, he feels we are out in front of ourselves even with the \$200,000 being funded by the grant. Essentially the City has \$250,000 in this project. Mayor Jennings inquired of Mr. Rauschenbach if the City has an original budgeted match for this in the FY08-09 or FY09-10 budget the response 'yes' and the amount was \$25,000.

Councilman Mercer stating he is opposed to funding unbudgeted items.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council accepted the bid from TD Eure in the amount of \$354,400 which includes Bid Alternate 1 and 2 in amount of \$24,500 for the BIG-P Y08 Project; and authorized the City Manager to sign a contract with TD Eure in the amount of \$354,400 and adopted a budget ordinance amendment in the amount of \$211,627. Motion carried 3-2; In favor of the motion: Davis, Pitt and Moultrie. Against the motion: Mercer and Roberson.

(copies attached)

**AUTHORIZE – THE MAYOR AND CITY CLERK TO EXECUTE THE
UTILITY AND MUNICIPAL AGREEMENTS WITH THE NORTH
CAROLINA DEPARTMENT OF TRANSPORTATION FOR PROJECT
R-02510 C**

Interim City Manager, Pete Connet stated this was the third phase of the US 17 project. The four lanes will continue near Cherry Run Road to a point just North of NC 171. There are two agreements, the Municipal agreement (the City will be responsible for all municipal-owned utilities within existing NCDOT right of way) and there is a City water line that runs along US 17 and turns onto Cherry Run Road that will need to be relocated as part of the project. The preliminary estimate for the cost of relocating this

line is \$131,120. The City is responsible for the relocation of this line because it is within the right of way US 17. This in no way (which will be pointed out in a letter to NCDOT) waives our rights to challenge the second section on the utility relocation cost that the NCDOT is trying to charge to the City.

City Attorney, Franz Holscher pointed out that the Utility agreement by contract obligates the City to pay for removing the lines and Mr. Lewis shared that is the way it will always be unless the City asked DOT (which would increase the cost of reimbursement process) to go beyond the right of way and place a utilities easement.

Councilman Mercer suggested including copies of the letter to Secretary Conti and Mr. Hugh Overholt and Council agreed.

Council directed the Attorney to include both gentlemen to receive copies as well. Mr. Holscher and Mr. Connet shared who was copied on the letter but they would be certainly willing to include the other two individuals.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council unanimously authorized the Mayor and City Clerk to execute the attached Utility and Municipal Agreements with NCDOT for Project R-2510-C.

(copy attached)

Recess at 7:45 pm.

ADOPT – BUDGET AMENDMENT FOR THE ACTUAL DEBT SERVICE FOR THE RECOVERY ZONE PROJECTS (RZEDB)

Chief Financial Officer, Matt Rauschenbach addressed this budget amendment. This was a \$4,000,000 Recovery Zone Project and the corresponding net debt service as a result of the projects that was approved increasing the amount to \$5,040,000. Councilman Mercer expressed his concern with the increase compared to the amount of money borrowed. The debt service principle almost doubled. Mr. Rauschenbach stated he had not compared it back to the \$4,000,000 but the numbers are in line with the debt service that was presented when Council approved the \$5,000,000 in storm water projects.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council unanimously adopted a Budget Ordinance Amendment to appropriate funds for the actual debt service of the final amount borrowed for the Recovery Zone Projects and to demonstrate the correct numbers.

(copy attached)

APPROVE – PURCHASE ORDERS IN EXCESS OF \$20,000

Councilman Mercer expressed his concerns over the following purchase orders:

1. Replace vehicle #160 - a 2005 Crown Vic with a purchase of a Crown Vic. Vehicle #160 was not in the budget for replacement this year. Councilman Mercer does not have a problem with a substitution and Mr. Rauschenbach shared

this was a substitution. Councilman Mercer suggested this information be included when they received the request Councilman Mercer inquired if the purchase order has already been issued and the response was ‘no’ – all vehicle purchase orders come before Council before it goes to the vendor. Mayor Blizzard noted the transmission was slipping on #160. Mayor Jennings requested the change be documented in the purchase order request.

2. Councilman Mercer expressed his concern with the Tree trimming contract. Mr. Leggett confirmed he will stay within the budget.
3. Councilman Mercer expressed his concern on the vehicle purchase by the Electric Department. \$22,000 had been budgeted to replace vehicle 614 the Ford Explorer. The request states that Explorer’s are no longer available on the State contract this year and the Dodge is the best thing that will serve their needs which is a \$27,000 Durango. He understands the vehicle is assigned to the Electric Director’s office. There are two vehicles on the State contract program namely: Jeep Liberty 4 X 4 for \$18,800 and a Ford Escape 4 X 4 for \$22,000. Mr. Hardt stated this vehicle is daily driver for the Electric System Engineer and noted that a Jeep and Ford were not long enough to hold all field equipment even with the seats folded down.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council unanimously approved the Crown Vic, the mowing contract (tree clearing crew) and the rebuild of the generator but requested further evaluation on the purchase of the Durango.
(copy attached)

DISCUSS – TDA AGREEMENTS AND LEASE FOR FEBRUARY AGENDA

Interim City Manager, Pete Connet noted this will hopefully be on the February agenda. Copies have been forwarded to City Council.

**DISCUSS – STRATEGIC PLANNING MEETING WHICH WAS
ORIGINALLY SCHEDULED FOR JANUARY 24, 2011 AT 3:00 PM –
BROWN LIBRARY**

Interim City Manager, Pete Connet requested Council set a date for the Strategic Planning Session.

By motion Councilman Davis, seconded by Mayor Pro tem Roberson, Council set the date for Monday, January 31, 2011 at 5:00 pm at Brown Library. *The Library was unavailable, subsequently the meeting was held in the Council Chambers.

DISCUSS – COPPER WIRE

Mayor Pro tem Roberson requested the Interim City Manager to report to Council with about the recent copper theft. This is the second report of theft the City have had in less than seven months. Chief Financial Officer, Matt Rauschenbach noted that some of the research is continuing and they don’t have a total amount of the magnitude of filing the claim. We should have some information available later in the week.

DISCUSS – PLANNING BOARD REQUEST

Councilman Mercer had drawn up some specific wording regarding temporary signs and presented it at a previous meeting and requested it be forwarded to the Planning Board for comment. John Rodman, Planning Director is working on this project with the Planning Board.

DISCUSS – POWER AGENCY BOARD - NCEMPA

Councilman Mercer mentioned the Power Agency Board will be meeting Wednesday in Wilson and has requested the representatives on the Board to be prepared to discuss potential positions. Councilman Mercer requested concurrence from the Council to make a presentation or to make a statement. Councilman Mercer stated he was interested in having the Power Agency and ElectriCities look at the concept of actually getting out of ownership to pay off debt with our buyout from Progress/Duke merger.

By consensus, Council agreed to explore this option for discussion proposes.

DISCUSS – GREEN FLEET POLICY

Councilman Mercer noted the Green Fleet Policy was adopted approximately 2 years ago. The Green Fleet Policy stated we would evaluate our Green Fleet in terms of cost of operation and come back to make recommendations. As part of the Green Fleet Policy we were going to look at compact cars. Can we have a report from that committee sometime within the next 60 days? Mr. Rauschenbach will compile a report for Council.

CLOSED SESSION – UNDER § NCGS 143-

318.11(a)(3)ATTORNEY/CLIENT PRIVILEGE AND UNDER § NCGS 143-318.11(a)(6) PERSONNEL

By motion of Councilman Pitt, seconded by Councilman Davis, Council agreed to enter closed session under § NCGS 143-318.11(a)(3) Attorney/Client Privilege and under § NCGS 143-318.11(a)(6) Personnel @ 8:22 PM.

By motion of Councilman Davis, seconded by Councilman Pitt, Council agreed to come out of Closed Session at 8:49pm.

ADJOURN – UNTIL MONDAY, JANUARY 31, 2010 AT 5:00 PM IN THE COUNCIL CHAMBERS AT THE MUNICIPAL BUILDING

By motion of Councilman Davis, seconded by Councilman Pitt, Council adjourned the meeting @ 9:00 pm until January 31, 2011 at 5:00 pm in the Council Chambers at the Municipal for the Strategic Budget Planning Session.

(Subject to the Approval of the City Council)

**Cynthia S. Bennett, CMC
City Clerk**

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

January 31, 2011

The Washington City Council met in a special session on Monday, January 31, 2011 at 5:00pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Ed Moultrie, Councilman; Doug Mercer, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Pete Connet, Interim City Manager; Franz Holscher, City Attorney and Cynthia Bennett, City Clerk.

Also present were: Also present were: Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Keith Hardt, Electric Director; John Rodman, Planning Director; Sandy Blizzard, Major; Director; Philip Mobley, Parks and Recreation Director; Susan Hodges, Human Resource Director; Lynn Lewis, Tourism Director; Mike Voss, of the Washington Daily News and Delma Blinson, the Beaufort Observer.

Mayor Jennings called the meeting to order and Councilman Pitt delivered the invocation.

CLOSED SESSION – UNDER § NCGS 143-318.11(a)(3) ATTORNEY/CLIENT PRIVILEGE, NCGS 143-318.11(a)(6) PERSONNEL AND NCGS 143.318.11(a)(5) ACQUISITION OF PROPERTY

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council agreed to enter into closed session under NCGS 143-318.11(a)(3) Attorney/Client Privilege, NCGS 143-318.11(a)(6) Personnel and NCGS 1473.318.11(a)(5) at 5:02 PM.

By motion of Councilman Davis, seconded by Councilman Pitt, Council agreed to come out of closed session at 5:40pm.

STRATEGIC PLANNING BUDGET SESSION

1. Reduce transfer from Electric to General Fund by \$200,000
2. Balance all funds without transfers from Fund Balance
3. Discuss with County complete transfer of 9-1-1 services
4. Outsource residential sanitation work
5. Reduce all fund expenditures by 10%
6. Reduce electric rates
7. Delay as many capital projects as possible unless it is necessary to meet safety requirement
8. Look at other vendors/re-advertise for services
9. Small/medium/large equipment service & repair (possible outsource)
10. Outsource commercial sanitation
11. Review collections on lot mowing/cleaning
12. Outsource grass cutting
13. Debt service

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

January 31, 2011

14. Establish peak generator replacement fund & review rebate on amount saved on wholesale cost
15. Report on Edux(smart meters)
16. Reduce health insurance rates

Mayor Jennings requested that Council review the list and prioritize said items. This prioritized list will be discussed further during the February 14th Council meeting.

ADJOURN – UNTIL MONDAY, FEBRUARY 14, 2011 AT 5:30 PM IN THE COUNCIL CHAMBERS AT THE MUNICIPAL BUILDING

By motion of Councilman Davis, seconded by Councilman Pitt, Council adjourned the meeting at 9:00 pm until February 14, 2011 at 5:30 pm in the Council Chambers at the Municipal.

(Subject to the Approval of the City Council)

**Cynthia S. Bennett, CMC
City Clerk**



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Philip Mobley, Parks and Recreation Department Director *pm*
Date: February 14, 2011
Subject: Adopt Budget Ordinance Amendment in the amount of \$1,500
Applicant Presentation:
Staff Presentation:

RECOMMENDATION:

I move that City Council adopt a budget ordinance amendment in the amount of \$1,500 for Senior Programs Division of Parks and Recreation

BACKGROUND AND FINDINGS:

The Parks and Recreation Department would like to accept this \$1,500 for Elderly and Disabled Transportation Program Supplement for the budget year 10-11. These funds will be rewarded in the form of a check from Beaufort County upon the approval and acceptance of City Council. There will be no match required in funding for this money. The only paperwork will be this City Council Action with attached Budget Ordinance Amendment.

The Recreation Advisory Committee voted in support of accepting the \$1,500 for Elderly and Disabled Transportation Program Supplement for the past two years.

PREVIOUS LEGISLATIVE ACTION

December 8, 2008 – City Council accepted \$1,500 for the EDTPS.
March 8, 2010 – City Council accepted \$1,500 for the EDTPS

FISCAL IMPACT

___ Currently Budgeted (Account _____) ___ Requires additional appropriation ___x___ No Fiscal Impact

SUPPORTING DOCUMENTS

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *2/9/11* Concur *1* Recommend Denial _____ No Recommendation _____ Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2010-2011**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the Estimated Revenues in the General Fund be increased in the amount of \$1,500 in the account EDTAP – Seniors Grant, account number 10-40-3622-3300.

Section 2. That account number 10-40-6123-4515, EDTAP – Seniors Grant, Senior Programs portion of the General Fund appropriations budget be increased in the amount of \$1,500 to provide funds for gas cards for volunteers.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 14th day of February, 2011.

MAYOR

ATTEST:

CITY CLERK



City of Washington
REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Allen Lewis, Public Works Director *Allen Lewis*
Date: 02-02-11
Subject: Authorize the Repurchase of Cemetery Lot S-16, Plots 7 and 8 in Oakdale Cemetery for \$1,200.00 and Adopt Budget Ordinance Amendment.
Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATION:

I move that Council authorize the repurchase of Lot S-16, Plots 7 and 8 in Oakdale Cemetery from Mr. James T. Graver in the amount of \$1,200.00 and adopt the attached budget ordinance amendment to cover the cost.

BACKGROUND AND FINDINGS:

The purpose of this Council Action is to receive authorization to repurchase two (2) plots in Oakdale Cemetery. The City has received a written request from Mr. James T. Graver for the repurchase of these plots which were purchased in 2006. He states that she no longer has the need for the plots.

Section 8-5(c) of the City Code states, "No cemetery lot may be sold or transferred by its owner to any other party. If the owner finds that he has no use for a lot, the city will buy it back at the same price originally paid for same; provided no interments have been made thereon." Staff has checked our records and has verified that there are currently no internments on this plot.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

___ Currently Budgeted (Account ___) Requires additional appropriation ___ No Fiscal Impact

SUPPORTING DOCUMENTS

Attached request from Mr. James T. Graver, copy of plots "deed" and budget ordinance amendment.

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: February 14, 2011 (if applicable)
City Manager Review: *2/14/11* Concur Page 2 of 10 Denial _____ No Recommendation _____ Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2010-2011**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the Estimated Revenues in the Cemetery Fund be increased in the amount of \$1,200 in the account Transfer from General Fund, account number 39-90-3980-1000.

Section 2. That account number 39-90-4740-4901, Repurchase Cemetery Lots, portion of the Cemetery Fund appropriations budget be increased in the amount of \$1,200 to provide funds for the repurchase of cemetery lot S-16, plots 7 and 8.

Section 3. That account number 10-00-4400-3900, Transfer to Cemetery Fund, Miscellaneous portion of the General Fund appropriations budget be increased in the amount of \$1,200.

Section 4. That the Estimated Revenues in the General Fund be increased in the amount of \$1,200 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 5. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 6. This ordinance shall become effective upon its adoption.

Adopted this the 14^h day of February, 2011.

MAYOR

ATTEST:

CITY CLERK

10 January 2011

**City of Washington
102 East Second Street
Attn: Jerome Tyson/Oakdale Cemetery
Washington, NC 27889**

Mr. Tyson: In response to our previous telephone conference, request that the City of Washington, NC purchase two plots in Oakdale Cemetery. The lot is S-16 and plots 7 & 8. We have moved to Dover, DE and have no plans to return to North Carolina. I am enclosing a copy of the Original Deed. Upon notification that the city will purchase the two plots, the original deed will be forwarded. I can be reached at 302-535-8002 or 252-945-0761. Our new address is 4410A Vermont Drive; Dover, DE 19901.

Thank you for your assistance in this matter.

James T. Graver

This Certifies that the CITY OF WASHINGTON,
NORTH CAROLINA, for and in consideration of:

2686

FEE.....\$ 1200.00

has sold and conveyed to James T. & Dolores R. Graver
436 Hill Rd. Chocowinity NC 27817
the right of interment for LOT(S) S-16 in
PLOT(S) 7 & 8 in Oakdale
Cemetery according to the plan or map of said cemetery.

PROVIDED that this conveyance shall be subject to all the rules and regulations now existing or hereafter adopted by the said City with reference to said Cemetery.

IN WITNESS WHEREOF, The Mayor and City Clerk of said City have set their hands and affixed the corporate seal of said City hereto this the

12th day of December, 2006

City Clerk *[Signature]*

Mayor *[Signature]*

LOT NO. S-16 OWNER Double grave section LOT FEE _____
 ST. ADDRESS _____ PER. CARE _____
 CITY _____ TOTAL _____

1 S Charles Smith 4-8-2007 Deed: Shirley Smith Plot* 1:2	2 S	3 Deed: Charles + Donna Bolen Plot 3:4	4
5 SOLD Deed: CORA Williams Plot* 5:6	6 SOLD	7 <u>Sold</u> Deed: James T. & Dolores GRAVER Plot* 7:8	8 <u>Sold</u>

OWNER

NAME: GRAVER, James T. & Dolores R.
 ADDRESS: 436 Hill Rd.
Chocowinity, N.C. 27817
 OAKDALE LOT # S-16 PLOT # 7:8
 CEDAR HILL LOT # _____ PLOT # _____
 PURCHASE DATE: 10-27-2006
 PURCHASE PRICE: \$ 1,200.00



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: February 14, 2011
Subject: Budget Ordinance Water Fund Contingency
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council adopt a Budget Ordinance Amendment to adjust the Water Fund's contingency to 5%.

BACKGROUND AND FINDINGS:

Budget ordinance amendment will reduce the Water Fund's contingency to the NC Statute maximum of 5%.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Budget Ordinance

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: 2/9/11 Concur _____ Recommend Denial _____ No Recommendation
_____ Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2010-2011**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That account number 30-90-3991-9910, Fund Balance Appropriated, portion of the Water Fund revenue budget be decreased in the amount of \$30,891.

Section 2. That account number 30-90-6610-9276, Transfer to Capital Reserve, Miscellaneous portion of the Water Fund appropriations budget be increased in the amount of \$28,990.

Section 3. That account number 30-90-9990-9900, Contingency, Contingency portion of the Water Fund appropriations budget be decreased in the amount of \$59,881.

Section 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 5. This ordinance shall become effective upon its adoption.

Adopted this the 14^h day of February, 2011.

MAYOR

ATTEST:

CITY CLERK

**AN ORDINANCE TO AMEND THE CAPITAL PROJECT ORDINANCE FOR
THE RECOVERY ZONE BOND STORM WATER PROJECTS
CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2010-2011**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the following accounts in the Storm Water Capital Project be increased or decreased by the following amounts:

58-90-5710-0400	Professional Services	\$ 41,827
58-90-5710-0405	Engineering	508,005
58-90-5710-4500	Construction	4,060,902
58-90-5710-7100	Acquisition	155,950
58-90-5710-7400	Capital Outlay	(5,000,000)
58-90-5710-9900	Contingency	<u>233,316</u>
	Total	\$ 0

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3. This ordinance shall become effective upon its adoption.

Adopted this the 14th day of February, 2011.

MAYOR

ATTEST:

CITY CLERK



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: February 14, 2011
Subject: Budget Ordinance Gates Grant
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council adopt a Budget Ordinance Amendment to appropriate funds for the balance remaining from the Gates library grant.

BACKGROUND AND FINDINGS:

\$4,748 balance remains form the Gates library grant received in 2009. Remaining funds were overlooked in the uncompleted project appropriation approved in October 2010.

PREVIOUS LEGISLATIVE ACTION

Prior year's appropriation.

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Budget Ordinance and grant recap.

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: Concur Recommend Denial No Recommendation
2/14/11 Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2010-2011**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That account number 10-00-3991-9910, Fund Balance Appropriated, portion of the General Fund revenue budget be increased in the amount of \$4,748.

Section 2. That account number 10-40-6110-7000, Non-capitalized Purchases, Brown Library portion of the General Fund appropriations budget be increased in the amount of \$4,748.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 14^h day of February, 2011.

MAYOR

ATTEST:

CITY CLERK

Matt Rauschenbach

From: Anita Radcliffe
Sent: Monday, January 31, 2011 9:51 AM
To: Matt Rauschenbach
Cc: Gloria Moore; David Carraway
Subject: Gates Grant

Matt,

I met with Gloria about the Library Corp invoices and they can't be applied to the Gates grant. They actually go with the LSTA grant. Here is a recap of the Gates Grant.

Phase I Grant Revenue from Gates	\$5,850
Phase I Grant Match from Friends	1,950
Phase II Grant Revenue from Gates	2,600
Phase II Grant Match from Friends	<u>2,600</u>
Total Grant and Match Revenue	13,000

Expenses to Date (5 Computers)	<u>(5,330)</u>
Balance Left on Grant for Spending	7,670

PO # 45496 forward to FY 10/11	<u>(2,922)</u>
Need to Appropriate for Spending	4,748

Gloria would like to go ahead and appropriate the remaining balance (\$4,748) at the Feb. Council meeting so we can get this grant closed out. She is meeting with David Carraway about potential items that may be purchased with the \$7,670.

Thanks,
Anita

Anita C. Radcliffe
Assistant Finance Director
City of Washington, North Carolina
252-975-9301
252-946-1965 fax
aradcliffe@washingtonnc.gov

10 40 6110 7000



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: February 14, 2011
Subject: Budget Ordinance Energy & Demand Reduction Technologies
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council adopt a Budget Ordinance Amendment to appropriate funds for the Energy and Demand Reduction pilot project.

BACKGROUND AND FINDINGS:

Residential demand and energy reduction technology pilot will be conducted on 40 residential units.

PREVIOUS LEGISLATIVE ACTION

Council awarded the contract during the December 13, 2010 Council meeting.

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Budget Ordinance

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: Concur _____ Recommend Denial _____ No Recommendation
2/9/11 Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2010-2011**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That account number 35-90-3991-9910, Fund Balance Appropriated, portion of the Electric Fund revenue budget be increased in the amount of \$20,000.

Section 2. That account number 35-90-8375-4500, Contract Services, Load Management portion of the Electric Fund appropriations budget be increased in the amount of \$20,000.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 14^h day of February, 2011.

MAYOR

ATTEST:

CITY CLERK

Washington Electric Utilities

A City of Washington Enterprise

Post Office Box 1988 • Washington, North Carolina 27889-1988



Office of the Director

MEMORANDUM

To: Pete Connet, Interim City Manager
From: Keith Hardt, P.E., Electric Utilities Director
Date: 3 February 2011
Reference: Update - Home Energy Management Project (e-Dux)

The City Council approved \$20,000 in funding for the project to install energy control and monitoring systems (brand name e-Dux) in residential customer's homes.

Below is the current progress and scheduling of this project:

- Monitoring and control units are on order and are expected to be delivered in late March.
- Training for installation employees will be in training the first week of March.
- Scheduling for installations will begin in March after the units are in stock.
- All of the customers in the original pilot project pool have been contacted and interested customers have been notified of the schedule. Additional customer participants are currently being contacted.



February 14, 2011

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City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Peter T. Connet, Interim City Manager
Date: February 14, 2011
Subject: Chief Building Official
Applicant Presentation:
Staff Presentation:

RECOMMENDATION:

I move that the City Council approve the re-instatement of the Chief Building Official classification at Pay Grade 24 Salary range \$42,907 to \$63,502 and also the reclassification of the currently vacant Building Codes Enforcement Officer to Chief Building Official.

BACKGROUND AND FINDINGS:

Effective July 1, 2005 the City enacted a Reduction In Force including the abolishment of the Chief Building Official position. Currently the Code Enforcement unit is comprised of a Sr. Building Code Enforcement Officer, Building Code Enforcement Officer and a Code Enforcement Officer, with all three positions reporting directly to the Community Development and Planning Director, John Rodman. Mr. Rodman has indicated the need for a supervisor to coordinate and direct the work of the division as well as to provide guidance and evaluate the performance of staff in the code enforcement unit. This position will also perform field work. With a current vacancy in the department created by a recent resignation, this seems to be an appropriate time to reinstate a Chief Building Official position.

PREVIOUS LEGISLATIVE ACTION

None

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Memorandum from John Rodman
Chief Building Official Class Specification
Organizational Chart (proposed)

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: Concur Recommend Denial _____
No Recommendation 2/14/11 Date



Washington *The Original* North Carolina *Est. 1776*

City of Washington Municipal Government & Services

MEMORANDUM

DATE: February 2, 2011

TO: Ms. Susan Hodges, Director
Human Resources

FROM: John Rodman, Director *JR*
Planning and Development

RE: Position Reclassification

The purpose of this memo is to provide justification and clarification regarding the request for reclassification of the vacant Senior Building Code Official in the Department of Planning and Development (Code Enforcement Division).

City staff positions are normally classified on the basis of duties and responsibilities assigned and exercised. As duties and responsibilities change a position needs to be reclassified. This reclassification request is occurring as a result of a vacant position that now exists and I feel a change to a different classification needs to occur to better meet the needs of the department.

The reclassification request should be utilized because the vacant position needs to assume a significant change in the level of duties and responsibilities on a permanent basis. A majority of the duties that were originally assigned to the Senior Building Code Official will still be performed by the new position, however, the level of complexity and the degree of involvement and responsibilities has increased.

Other factors that need to be considered when reviewing this reclassification request are the diversity of work; level of knowledge and skills required; the degree of supervision exercised over existing staff; the opportunity to make determinations and judgments and the consequences of that decision making.

With regards to the aforementioned factors, I hereby, request that the vacant position of Senior Building Code Official be reclassified to Chief Building Official with a salary grade of 24.

If you have any questions or I may further assist you in any way please don't hesitate to let me know.

CHIEF BUILDING OFFICIAL

General Statement of Duties

Performs supervisory work for the City's building codes and ordinance enforcement unit and performs inspections of complex commercial and residential projects to ensure compliance with City, Federal and State codes and ordinances.

Distinguishing Features of the Class

An employee in this class is responsible for directing, training, and providing leadership in the building codes and local ordinance enforcement unit and for performing inspections of complex commercial and residential construction projects. Work includes the review of building plans; the inspection of construction, electrical, plumbing, and mechanical installations with code compliance; and the reporting on inspections activities. The employee provides leadership in inspection records and report activities and works daily with contractors, architects, engineers, and home owners in complying with State and local ordinances and codes. Tact, courtesy, and firmness must be exercised in dealing with professionals and the general public. Work subjects the employees to inside and outside environmental conditions; extremes in temperature; hazards associated with construction work; and may require one to work in close quarters, crawl spaces, and similar enclosed spaces. Work is performed under the general supervision of the Community Development & Planning Director and is evaluated based on periodic conferences, review of inspection reports, and through contractor and public reactions.

Duties and Responsibilities

Essential Duties and Tasks

Supervises code enforcement staff.

Reviews site and building plans and specifications and receives applications for permits; issues permits.

Inspects building construction for compliance with codes in all five trades areas; monitors and enforces local ordinances such as minimum housing, nuisance, junk cars, or others approved by the Council; and inspects projects for compliance with CAMA requirements.

Trains and instructs workers in the appropriate safety procedures and policies for the job and enforces their use; participates in the City's safety program and adheres to safety procedures and policies of the department.

Advises contractors in interpreting and applying code regulations.

Maintains records of inspections and prepares necessary reports.

Makes final determination regarding interpretation of state and local codes and ordinances.

Provides technical advice and assistance to other inspectors in the unit.

Notifies responsible parties of defects and reinspects to determine if corrective actions have been taken; issues stop work orders.

Serves as CAMA officer and enforces flood plain regulations.

Manages the Increased Cost of Compliance Program (CRS - Community Rating Service & ISO Insurance Services Office)

Issues Certificates of Occupancy.

Handles personnel issues with staff, assigns and trains employees, and establishes work priorities.

Coordinates fire protection requirements with Fire Marshal.

Additional Job Duties

Makes public presentations to commissions, committees, and the general public.

Attends training and educational sessions to keep current in the field.

Assists in budget preparation for the unit.

Performs related duties as required.

Recruitment and Selection Guidelines

Knowledge, Skills, and Abilities

Thorough knowledge of State building codes, applicable State and Federal laws, and local laws, and City's ordinances.

Thorough knowledge of construction and system installation procedures in electricity, plumbing, heating, and air conditioning systems.

Skill in the interpretation of codes and ordinances and their application to specific situations.

Skill in reading and interpreting plans and specification.

Ability to analyze situations in the areas of codes, ordinances, and related functions.

Ability to provide leadership and evaluate the work of the other inspectors.

Ability to establish and maintain effective working relationships with contractors and the public.

Ability to enforce regulations tactfully and firmly.

Working knowledge of management practices and theory including employee communication, motivation, performance evaluation, and rewards.

Physical Requirements

Must be able to physically perform the basic life operational functions of climbing, balancing, stooping, kneeling, crouching, crawling, reaching, walking, talking, and hearing.

Must be able to perform light work exerting up to 10 pounds of force occasionally, and/or a negligible amount of force frequently or constantly to move objects.

Must possess the visual acuity to prepare and analyze figures, use a computer, do extensive reading, use measurement devices, and perform building inspection tasks.

Desirable Education and Experience

Graduation from high school and considerable experience in the building construction industry including experience in supervision and enforcement of code standards; or an equivalent combination of training and experience.

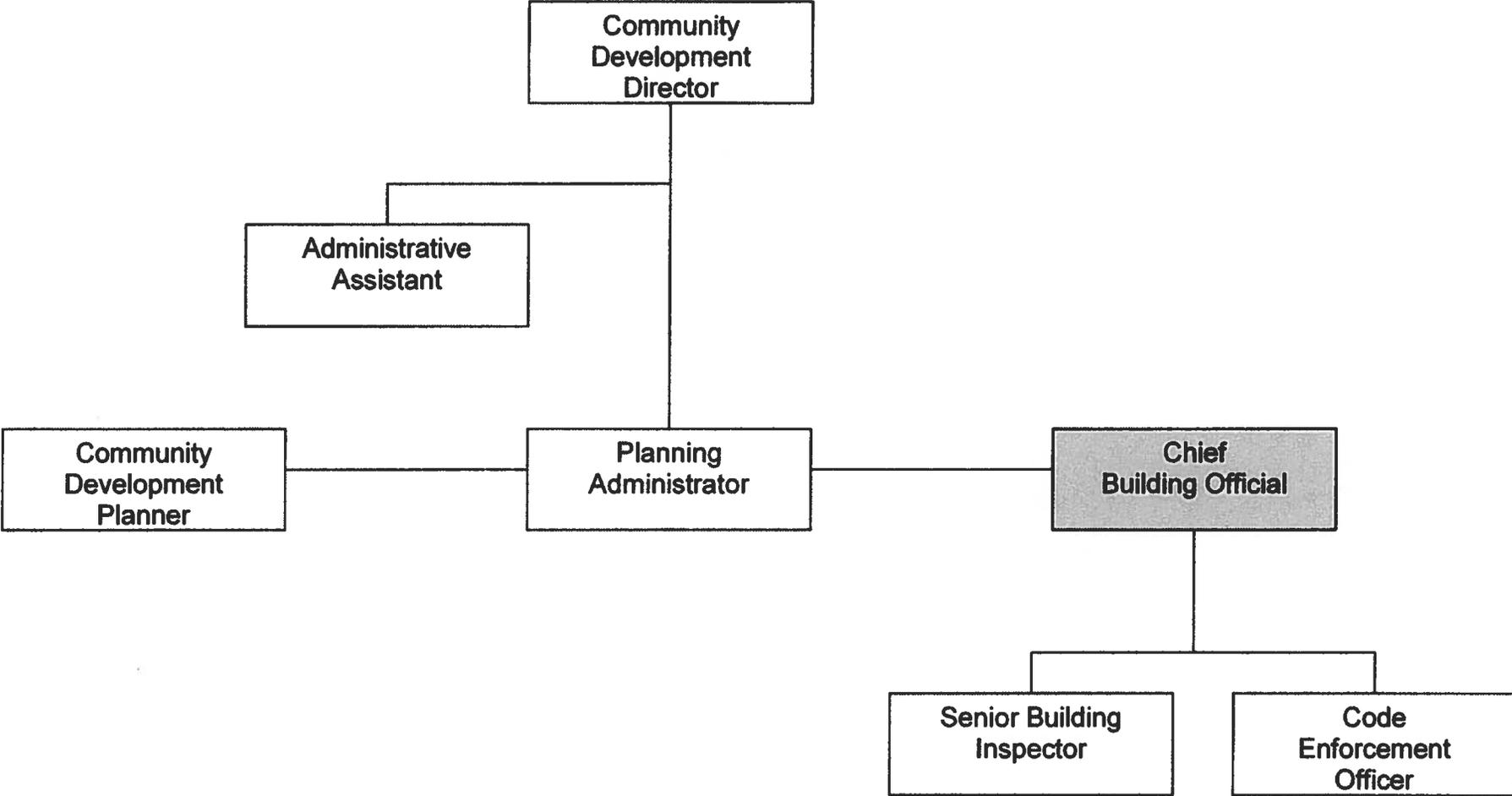
Special Requirements

NC certification as a Building Inspector and in the five trades areas at Level III; additional certification in building code law and administration.

Possession of a valid North Carolina driver's license.

Washington
1995/2004/2006/2011

**PLANNING AND DEVELOPMENT DEPARTMENT
ORGANIZATIONAL CHART**





City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: John Rodman, Planning & Development
Date: February 3, 2011
Subject: Public Hearing: Adopt an ordinance to amend Chapter 6, Article V, Housing, of the Code of Ordinances of the City of Washington.

Applicant Presentation: Department of Planning and Development
Staff Presentation: Dot Moate, Planning Board Chairman
 John Rodman, Planning and Development

RECOMMENDATION:

I move that the City Council accept the recommendation of the Planning Board and approve the Ordinance to repeal Chapter 6, Article V, Housing, in its entirety and replace a new Article V, Housing, as provided.

BACKGROUND AND FINDINGS:

The City Comprehensive and Land Use Plan identify the need to develop and implement a true City Minimum Housing Code. The Planning Board, with the assistance of the City Attorney, the Inspections Office, and the Fire Marshall's Office has prepared the attached Minimum Housing Code. The code is based on standards recommended by the NC General Statutes. Adoption of a minimum housing code is recommended as part of the Comprehensive Plan to promote safety, livability and aesthetic desirability.

PREVIOUS LEGISLATIVE ACTION

Planning Board – October & November 2010, January 2011
City Council – draft presented December 2010

FISCAL IMPACT

___ Currently Budgeted (Account _____) ___ requires additional appropriation ___
No Fiscal Impact

SUPPORTING DOCUMENTS

Ordinance

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: Concur Recommend Denial No
 Recommendation 2/9/11 Date _____
 Page 49 of 192

**ORDINANCE AMENDING CHAPTER 6, ARTICLE V, HOUSING, OF THE
CODE OF ORDINANCES OF THE CITY OF WASHINGTON**

WHEREAS, NCGS 160A-441 authorizes local governments to amend ordinances regulating the existence and occupation of dwellings within their jurisdiction that are unfit for human habitation; and

WHEREAS, the amendment set out below is intended to promote the public health, safety, and welfare by amending the City Code to define and regulate unfit dwellings and to add prescribed conditions for such uses.

BE IT ORDAINED by the City Council of the City of Washington that:

Section 1: Article V of Chapter 6, Housing of the Code of Ordinances be and is hereby repealed in its entirety and a new Article V, inserted as follows:

ARTICLE V. HOUSING CITY OF WASHINGTON

GENERAL PROVISIONS

Sec. 6-109. General.

These regulations shall be known as the City of Washington Minimum Housing Code, hereafter referred to as "this Article."

Sec. 6-110. Finding; Purpose.

- (a) Pursuant to G.S. 160A-441, it is hereby found and declared that there exist in the City of Washington, dwellings which are unfit for human habitation due to dilapidation, defects increasing the hazards of fire, accidents and other calamities, lack of ventilation, light and sanitary facilities, and due to other conditions rendering such dwellings unsafe or unsanitary, and dangerous and detrimental to the health, safety and morals, and otherwise inimical to the welfare of the residents of the City.
- (b) In order to protect the health, safety and welfare of the residents of the City as authorized by G.S. 160A Art. 19, Part 6, it is the purpose of this Article to establish minimum standards of fitness for the initial and continued occupancy of all buildings used for human habitation, as expressly authorized by G.S. 160A-444.
- (c) The current edition of the North Carolina State Residential Building Code as amended from time to time, is hereby adopted by reference as fully as though set forth in this section as the housing code of the city.

Sec. 6-111. Scope.

- (a) The provisions of this Article shall apply to any existing dwelling and to all structures hereafter constructed, altered, or repaired within the City. Portable, mobile or modular buildings or structures, including trailers, when used or intended for use as a dwelling within the City shall be subject to the applicable provisions of this Article.

(b) The provisions of this Article shall be applicable within the corporate limits of the City and extends one (1) mile into its extraterritorial planning jurisdiction.

Sec. 6-112. Definitions.

The following definitions shall apply in the interpretation and enforcement of this Chapter:

Abandoned Structure. Any structure, whether designed and intended for residential or other uses, which is vacant or not in active use, regardless of purpose or reason, for the past one-year period and which is determined by the director to be unfit for human habitation or occupancy based upon the standards as set forth in this article.

Basement. A portion of a dwelling which is located partly underground, having direct access to light and air from windows located above the level of the adjoining ground.

Cellar. A portion of a dwelling, which is located partly or wholly underground, having an inadequate access to light and air from windows located partly or wholly below the level of the adjoining ground.

Certificate of Occupancy. Written certification by the inspector that a dwelling or dwelling unit complies with the requirements of this Chapter and all other applicable provisions of the Washington City Code, and NC General Statutes.

Code Official. The person duly designated by the City Council to administer and enforce the Housing Code.

Deteriorated. A dwelling that is unfit for human habitation and can be repaired, altered or improved to comply with all of the minimum standards established by this chapter at a cost not in excess of 50% of its value, as determined by finding of the Housing Administrator.

Dilapidated. A dwelling that is unfit for human habitation and cannot be repaired, altered or improved to comply with all of the minimum standards established by this chapter except at a cost in excess of 50% of its value, as determined by finding of the Housing Administrator.

Dwelling. Any building, structure, manufactured, or mobile home or part thereof which is wholly or partly used or intended to be used for living, sleeping or habitation by human occupants, and includes any outhouses and appurtenances belonging thereto or usually enjoyed therewith. Temporary housing, as defined in this section, shall not be regarded as a dwelling. The term shall include within its meaning the terms "rooming house" and "rooming unit", as defined in this section.

Dwelling Unit. Any room or group of rooms located within a dwelling and forming a single habitable unit with facilities which are used or intended to be used for living, sleeping, cooking and eating.

Extermination. The control and elimination of insects, rodents or other pests by removing or making inaccessible materials that may serve as their food; by poisoning,

spraying, fumigating or trapping; or by any other recognized and legal pest elimination methods approved by the Code Official.

Garbage. The waste material resulting from the handling, preparation, cooking and consumption of food or trash.

Habitable Room. A room or enclosed floor space used or intended to be used for living, sleeping, cooking or eating purposes, excluding bathrooms, water closet compartments, laundries, heater rooms, foyers or communicating corridors, closets and storage spaces.

Habitable Structure. Any structure used for living, sleeping, cooking or eating purposes for extended periods or on a regular basis or is designed for living, sleeping, cooking or eating for extended periods on a regular basis.

Imminent Danger. A condition which would cause serious or life-threatening injury or death at any time.

Infestation. The presence, within or around a dwelling, of any insects, rodents, bats or other pests in such number as to constitute a menace to the health, safety or welfare of the occupants or the public.

Inspections Division. The Inspections Division of the Planning and Development Department of the City of Washington.

Manufactured or Mobile Home. A structure, transportable in one or more sections, which in the traveling mode is eight body feet or more in width, or 40 body feet or more in length, or, when erected on site, is 320 or more square feet; and which is built on a permanent chassis and designed to be used as a dwelling, with or without permanent foundation when connected to the required utilities, including the plumbing, heating, air conditioning and electrical systems contained therein. "Manufactured home" includes any structure that meets all of the requirements of this subsection except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the Secretary of HUD and complies with the standards established under the Act. For manufactured homes built before June 15, 1976, "manufactured home" means a portable manufactured housing unit designed for transportation on its own chassis and placement on a temporary or semi permanent foundation having a measurement of over 32 feet in length and over eight feet in width. "Manufactured home" also means a double-wide manufactured home, which is two or more portable manufactured housing units designed for transportation on their own chassis that connect on site for placement on a temporary or semi permanent foundation having a measurement of over 32 feet in length and over eight feet in width.

Multiple (Multi-Family) Dwelling. Any dwelling containing more than two dwelling units.

Occupant. Any person over one year of age, living, sleeping, cooking or eating in or having actual possession of a dwelling, dwelling unit or rooming unit.

Operator. Any person who has charge, care or control of a building, or part thereof, in which dwelling units or rooming units are let.

Owner. Any person who alone, jointly or severally with others:

- (1) Shall have title to any dwelling, dwelling unit or rooming unit, with or without accompanying actual possession thereof;
- (2) Shall be a mortgagee of record for any dwelling, dwelling unit or rooming unit;
- (3) Shall have charge, care or control of any dwelling, dwelling unit or rooming unit, as owner or agent of the actual owner, or as executor, executrix, administrator, trustee or guardian of the estate of the actual owner. Any such person thus representing the actual owner shall be bound to comply with the provisions of this chapter, and of rules and regulations adopted pursuant thereto, to the same extent as if he or she were the owner.

Party or Parties in Interest. All persons who have interests of record in a dwelling, dwelling unit or rooming unit, and any persons who are in possession thereof.

Person. Any individual, corporation, firm, partnership, association, organization or other legal entity.

Plumbing. All of the following supplied facilities and equipment: gas pipes, gas burning equipment, water pipes, mechanical garbage disposal units (mechanical sink grinders), sewage disposal pipes, water closets, sinks, installed dishwashers, lavatories, bathtubs, shower baths, installed clothes washing machines, catch basins, drains, vents and any other similar supplied fixtures, together with all connections to water, sewer or gas lines.

Public Authority. Any housing authority or any officer who is in charge of any department or branch of the government of the city, the county or the state relating to health, fire, building regulations or other activities concerning dwellings in the city.

Rooming or Boarding House. Any dwelling, or that part of any dwelling containing one or more rooming units, in which space is let by the owner or operator to three or more persons who are not husband or wife, son or daughter, mother or father or brother or sister of the owner or operator.

Rooming Unit. Any room or group of rooms forming a single habitable unit used or intended to be used for living and sleeping, but not for cooking or eating purposes.

Rubbish. The term shall include paper, rags, cartons, boxes, wood, excelsior, rubber, leather, tree branches, yard trimmings, tin cans, metals, mineral matter, glass and dust.

Supplied. Paid for, furnished or provided by or under the control of the owner or operator.

Temporary Housing. Any tent, trailer or other structure used for human shelter which is designed to be transportable and which is not attached to the ground, to another structure or to any utilities system on the same premises for more than 30 consecutive days.

Unfit for Human Habitation. Conditions exist in a dwelling, dwelling unit, rooming house or rooming unit which violate or do not comply with one or more of the minimum standards of fitness or one or more of the requirements established by this chapter.

Vacant Dwelling. Any dwelling that has not been occupied or otherwise inhabited for a period of six (6) months. In the case of rental property, "vacant dwelling" shall also refer to any dwelling unit or rooming unit that is currently unoccupied and not being leased or rented to any person.

Water Closet. A water closet is a room which contains a flush toilet, usually accompanied by a wash bowl or sink.

Words Having Certain Meaning. Whenever the words "dwelling," "dwelling unit", "rooming house", "rooming unit", or "premises" are used in this chapter, they shall be construed as though they were followed by the words "or any part thereof."

MINIMUM HOUSING STANDARDS

Sec. 6-113. Minimum Standards of Fitness for Dwellings and Dwelling Units.

Every dwelling and dwelling unit used as a human habitation, or held out for use as a human habitation, shall comply with all the minimum standards of fitness for human habitation and all of the requirements of Section 6-114 through Section 6-126 of this Article. No person shall occupy as owner or occupant, or let to another for occupancy or use as a human habitation, any dwelling or dwelling unit which does not comply with all the minimum standards of fitness for human habitation. Only approved building materials for specific purposes may be used in making necessary repairs.

Sec. 6-114. Dwelling Unfit for Human Habitation.

The Code Official shall determine that a dwelling is unfit for human habitation if he finds that any one of the following conditions exist in such dwelling:

- (a) Interior walls or vertical studs which seriously list, lean or buckle to such an extent as to render the dwelling unsafe.
- (b) Supporting member or members which show thirty-three (33) percent or more damage or deterioration, or nonsupporting, enclosing or outside walls or covering which shows fifty (50) percent or more of damage or deterioration.
- (c) Floors or roofs which have improperly distributed loads, which are overloaded or which have insufficient strength to be reasonably safe for the purpose used.
- (d) Such damage by fire, wind or other causes as to render the dwelling unsafe.
- (e) Dilapidation, decay, unsanitary conditions or disrepair which is dangerous to the health, safety or welfare of the occupants or other people in the city or jurisdiction.
- (f) Inadequate facilities for egress in case of fire or panic.

- (g) Defects significantly increasing the hazards of fire, accident or other calamities.
- (h) Lack of adequate ventilation, light, heating or sanitary facilities to such extent as to endanger the health, safety or general welfare of the occupants or other residents of the city.
- (i) Lack of proper electrical, heating or plumbing facilities required by this article which constitutes a health or a definite safety hazard.
- (j) Lack of connection to a potable water supply and/or to the public sewer or other approved sewage disposal system, the lack of either one of which renders a dwelling unfit for human habitation. For the purpose of this standard, a dwelling is not connected to a potable water supply if the water supply has been "cut off" because of non-payment of the water bill or otherwise, or if the system for any reasons is not receiving a flow of potable water to the tap.

Sec. 6-115. Minimum Standards for Exterior Property Areas.

- (a) All exterior property and premises shall be maintained in a clean, safe and sanitary condition. The occupant shall keep that part of the exterior property which such occupant occupies or controls in a clean and sanitary condition.
- (b) All premises shall be graded and maintained to prevent the erosion of soil and to prevent the accumulation of stagnant water thereon, or within any structure located thereon. Lots shall also be properly graded to prevent surface water run off from being directed onto adjoining properties.
- (c) All sidewalks, walkways, stairs, driveways, parking spaces and similar areas shall be kept in a proper state of repair, and maintained free from hazardous conditions.
- (d) All structures and exterior property shall be kept free from rodent harborage and infestation. Where rodents are found, they shall be promptly exterminated by approved processes which will not be injurious to human health. After extermination, proper precautions shall be taken to eliminate rodent harborage and prevent re-infestation.
- (e) Pipes, ducts, conductor, fans or blowers shall not discharge gases, steam, vapor, hot air, grease, smoke, odors or other gaseous or particulate wastes directly upon abutting or adjacent public or private property or that of another tenant.
- (f) All accessory structures, including detached garages, fences and walls, shall be maintained structurally sound and in good repair.
- (g) No person shall willfully or wantonly damage, mutilate or deface any exterior surface of any structure or building on any private or public property by placing thereon any marking, carving or graffiti. It shall be the responsibility of the owner to restore said surface to an approved state of maintenance and repair.

Sec. 6-116. Minimum Standards for Structural Condition.

(a) Foundation

- (1) A foundation wall system shall support the building at all points and shall be free of holes, cracks, and loose mortar or masonry which would admit rodents, water or dampness to the interior of the building or which lessen the capability of the foundation to support the building.
- (2) Crawl space shall be graded so as to prevent any water standing.
- (3) Foundation walls and footings shall be free of defects such as cracks, holes and loose mortar.
- (4) Piers shall be sound with no loose mortar or masonry.

(b) Floors

- (1) There shall not be decayed, termite-damaged, fire-damaged, broken, overloaded or sagging sills that adversely affect the structural integrity of the building framing system.
- (2) Joists shall not be decayed or broken so as to adversely affect the structural integrity of the floor framing system.
- (3) Flooring shall be weathertight without holes or cracks which permit excessive air to penetrate rooms.
- (4) There shall be no loose flooring.
- (5) Bathroom and kitchen flooring surface shall be constructed and maintained so as to be reasonably impervious to water and so as to permit such flooring to be easily kept in a clean and sanitary condition.
- (6) All floor covering shall be constructed and maintained as not to constitute a trip hazard and kept in a clean and sanitary condition.
- (7) There shall be no use of the ground for floors, or wood floors on the ground.

(c) Exterior Walls

- (1) There shall be no broken, cracked or fire damaged structural members.
- (2) All siding shall be weathertight, with no holes or excessive cracks or decayed boards which permit excessive air or moisture to penetrate rooms.
- (3) There shall be no loose siding.

- (4) Exterior surfaces not inherently resistant to deterioration shall be treated with a protective coating or covering and maintained in good repair to prevent deterioration.

(d) Interior Walls

- (1) The interior finish shall be free of holes and cracks.
- (2) All interior walls shall be treated and maintained so as to be easily kept in a clean and sanitary condition
- (3) No loose plaster, loose boards or other loose wall materials shall be allowed.
- (4) There shall be no decayed or termite-damaged studs.
- (5) There shall be no broken or cracked studs or other broken or cracked structure members allowed.

(e) Ceilings

- (1) There shall be no joists which are decayed or broken, sagging, or improperly supported.
- (2) There shall be no holes or excessive cracks which permit air to penetrate rooms.
- (3) There shall be no loose plaster, boards, gypsum wall board, or other ceiling finish.
- (4) There shall be no evidence of water damage.

(f) Roof

- (1) There shall be no rafters which are decayed or broken.
- (2) No rafters shall be damaged by fire.
- (3) Sheathing shall not be loose.
- (4) No loose roof covering shall be allowed, nor shall there be any holes or leaks which could cause damage to the structure.
- (5) There shall be proper flashing at walls and roof penetrations.
- (6) There shall be no chimneys or part thereof which are defective, deteriorated or in danger of falling, or in such condition to constitute a fire hazard.

Sec. 6-117. Minimum Standards for Basic Equipment and Facilities

(a) Plumbing system.

- (1) Each dwelling unit shall be connected to a potable water supply and to the public sewer or other approved sewer disposal system.
- (2) Each dwelling unit shall contain not less than a kitchen sink, lavatory, tub or shower, water closet and an adequate supply of both cold water and hot water.
- (3) All plumbing fixtures shall meet the standards of the North Carolina Plumbing Code and shall be maintained in a state of good repair and good working order.
- (4) All required plumbing fixtures shall be located within the dwelling unit and be accessible to the occupants of same. The water closet and tub or shower shall be located in a room or rooms affording privacy to the user.
- (5) Water closet shall be functional and free of leaks.
- (6) Water closet shall not be loose from floor or leaking.
- (7) Tub and shower stall floors and walls shall be watertight.
- (8) Fixtures shall not be cracked or broken and shall function as designed.
- (9) Sewer and water lines shall be properly supported, with no broken or leaking lines.

(b) Heating system.

- (1) Every dwelling and dwelling unit shall provide central heat or other approved permanent source of heating.
- (2) Central and electric heating system. Every central or electric heating system shall be of sufficient capacity so as to heat at least one habitable room, excluding the kitchen, in every dwelling unit to which it is connected a minimum temperature of 68 degrees Fahrenheit measured at a point three (3) feet above the floor during ordinary winter conditions.
 - (a) All ducts, pipes and tubes should be free of leaks and functioning properly.
- (3) Other heating facilities. Where central or electric heating system are not provided, each dwelling and dwelling unit shall be provided with sufficient fireplaces, chimneys, flues or gas vents whereby heating appliances are connected so as to heat at least one habitable room, excluding the kitchen, with a minimum temperature of 68 degrees Fahrenheit measured at a point three (3) feet above the floor during ordinary winter conditions.

- (a) All floor, wall or room heaters must comply with standards of the North Carolina State Building Code.
- (b) Chimneys shall have no loose bricks or mortar and shall have a flue.
- (c) Flues shall have no holes.
- (d) Open masonry fireplaces shall only be used as supplemental heat and not as a primary source of heating.
- (e) No portable kerosene space heater may be used as a primary source of heat.
- (f) If the fireplace opening is closed, the closure shall be of noncombustible material and airtight.
- (g) No hanging chimneys will be allowed.

(c) Electrical System.

- (1) Every dwelling and dwelling unit shall be wired for electric lights and convenience receptacles. Every habitable room shall contain at least two floor or wall-type electric convenience receptacles, connected in such manner as determined by the North Carolina Electric Codes. There shall be installed in every bathroom, water closet room, laundry room and furnace room at least one supplied ceiling or wall type electric fixture for lighting. In the event wall or ceiling light fixtures are not provided in any habitable room, then such habitable room shall contain at least three floor or wall type electric convenience receptacles.
- (2) Every common hall and stairway in every multiple dwelling shall have adequate lighting by electric lights at all times when natural lighting is not sufficient.
- (3) All fixtures, receptacles, equipment and wiring shall be maintained in a state of good repair and installed in accordance with the State Electrical Code and any new provisions correlating with new provisions of the State Building Code.
- (4) All receptacles shall have outlet covers installed.
- (5) All light switches shall have covers installed.
- (6) Each dwelling unit shall have electric service from a separately metered delivery system provided by a licensed utility company. No drop cords, extension cords or similar wiring mechanism may be utilized in any fashion other than in conformance with the purposes in which it was designed.

Sec. 6-118. Minimum Standards for Smoke Detectors.

- (a) Every owner of a residential dwelling unit shall have UL approved smoke detectors installed, mounted on or near the ceiling on every level, at a point centrally located in the corridor or area giving access to each group of rooms used for sleeping

purposes. Where bedrooms are not centrally located more than one smoke detector may be required.

Sec. 6-119. Minimum Standards for Ventilation.

- (a) All habitable rooms shall be provided with aggregate glazing area of not less than eight percent (8%) of the total floor area of such rooms. One-half of the required area of glazing shall be openable. For the purpose of determining the light and ventilation requirement, any room may be considered as a portion of an adjoining room when one-half of the area of the common wall is open and unobstructed and provides an opening of not less than one-tenth of the floor area of the interior room or 25 sq ft., whichever is greater. Exceptions to this standard are as follows:
- (1) The glazed areas need not be openable where the opening is not required by Section 310 of Volume VII of the State Building Code and an approved mechanical ventilation system is provided capable of producing 0.35 air change per hour in the room or a whole-house mechanical ventilation system is installed capable of supplying outdoor ventilation air of 15 cubic feet per minute (cfm) (7.08 L/s) per occupant computed on the basis of two occupants for the first bedroom and one occupant for each additional bedroom.
 - (2) The glazed areas may be omitted in rooms where the opening is not required by Section 310 of Volume VII of the State Building Code and an approved mechanical ventilation system is provided capable of producing 0.35 air change per hour in the room or a whole-house mechanical ventilation system is installed capable of supplying outdoor ventilation air of 15 cubic feet per minute (cfm) (7.08 L/s) per occupant computed on the basis of two occupants for the first bedroom and one occupant for each additional bedroom, and artificial light is provided capable of producing an average illumination of 6 foot candles (6.46 L/s) over the area of the room at a height of 30 inches above the floor level.
- (b) All exterior windows and doors shall be reasonably weathertight, shall have no broken glass, and shall have adequate operable locks and hardware.
- (c) All interior windows and hardware shall be in good repair.
- (d) Required glazed openings shall open directly onto a street or public alley, or a yard or court located on the same lot as the building.
- (e) Bathrooms, water closet compartments and other similar rooms shall be provided with aggregate glazing area in windows of not less than 3 square feet, one-half of which must be openable. An exception to this standard is as follows:
- (1) The glazed areas shall not be required where artificial light and an approved mechanical ventilation system capable of producing a change of air every 12 minutes are provided. Bathroom exhausts shall be vented directly to the outside.

Sec. 6-120. Minimum Standards for Space, Use and Location.

(a) Room Size.

- (1) Every dwelling unit shall have at least one habitable room which shall have not less than 150 square feet of floor area. Other habitable rooms shall have an area of not less than 70 square feet. Every kitchen shall not have less than 50 square feet of floor area. Habitable rooms except kitchens, shall not be less than 7 feet in any horizontal dimension.
- (2) In every dwelling unit and in every rooming unit, every room occupied for sleeping purposes by one occupant shall contain at least seventy (70) square feet of floor area, and every room occupied for sleeping purposes by more than one occupant shall contain at least fifty (50) square feet of floor area for each occupant twelve (12) years of age and over and at least thirty-five (35) square feet of floor area for each occupant under twelve (12) years of age.

(b) Ceiling Height.

Habitable rooms, except kitchens, shall have a ceiling height of not less than 7 feet 6 inches for at least 50 percent of their required areas. Not more than 50 percent of the required area may have a sloped ceiling less than 7 feet 6 inches in height with no portion of required areas less than 5 feet in height. If any room has a furred ceiling, the prescribed ceiling height is required for at least 50 percent of the area thereof, but in no case shall the height of the furred ceiling be less than 7 feet. A portion of a room with a sloping ceiling measuring less than 5 feet 0 inches or a furred ceiling measuring less than 7 feet 0 inches from the finished floor to the finished ceiling shall not be considered as contributing to the minimum required habitable area for that room. Exceptions to this standard are as follows:

- (1) Beams and girders spaced not less than 4 feet on center may project not more than 6 inches below the required ceiling height.
- (2) All other rooms including kitchens, baths and hallways may have a ceiling height of not less than 7 feet measured to the lowest projection from the ceiling.
- (3) Ceiling height in basements without habitable spaces may not be less than 6 feet 8 inches clear except for under beams, girders, ducts or other obstructions where the clear height shall be 6 feet 4 inches.

(c) Cellar.

- (1) No cellar shall be used for living purposes.

(d) Basements.

- (1) No basement shall be used for living purposes unless:
 - (a) The floor and walls are substantially watertight.

(b) The total window area, total openable window area, and ceiling height are equal to those required for habitable rooms.

(c) The required minimum window area of every habitable room is entirely above the grade adjoining such window area, except where the window or windows face a stairwell, window well, or access way.

Sec. 6-121. Minimum Standards to Means of Egress.

(a) Every dwelling shall have safe, unobstructed means of egress with a minimum ceiling height of 7 feet leading to a safe and open space at ground level.

(b) Every exterior, cellar or basement door and hatchway shall be substantially weathertight and rodent proof, and shall be kept in sound working condition and good repair.

(c) Every exterior door shall be provided with properly installed hardware that is maintained to insure reasonable ease of operation to open, close and secure as intended by the manufacturer of the door and attached hardware.

(d) Exterior door frames shall be properly maintained and shall be affixed with weatherstripping and thresholds as required to be substantially weathertight, watertight and rodent and insect resistant when the door is in a closed position.

(e) Exterior door jams, stops, headers and molding shall be securely attached to the structure, maintained in good condition without splitting or deterioration that would minimize the strength and security of the door in a closed position.

(f) All exterior doors shall have manufactured locks specifically designed for use with exterior doors requiring a key to be unlocked from the outside.

(g) Every sleeping room shall have at least one openable window or exterior door approved for emergency egress or rescue. The units must be operable from the inside to a full clear opening without the use of a key or tool. Where windows are provided as a means of egress or rescue they shall have a sill height of not more than 44 inches above the floor.

(h) All egress or rescue windows from sleeping rooms must have a net clear opening of 4.0 square feet. The minimum net clear opening height shall be 22 inches. The minimum net clear opening width shall be 20 inches. Each egress window from sleeping rooms must have a minimum total glass area of not less than 5.0 square feet in the case of a second story window.

(i) Bars, grills, screens or other obstructions placed over emergency escape windows shall be releasable or removable from the inside without the use of a key or tool.

Sec. 6-122. Minimum Standards for Porches or Raised Platform.

- (a) Foundation flooring, ceiling and roofing for porches and raised platforms shall be equal to standards set forth in Section 6-116 except sills and joists need not be level if providing drainage of floor and floors need not be weathertight.
- (b) Roof post and attached railings shall be structurally sound.
- (c) Every porch terrace or raised platform located at least forty (40) inches above the adjacent finished grade shall be equipped with guardrails not less than thirty-six (36) inches high. Open guardrails shall have intermediate rails such that a six inch sphere cannot pass through any opening.

Sec. 6-123. Minimum Standards for Stairs and Steps.

- (a) Stairs and steps shall not be decayed and shall be in good repair.
- (b) Every rail shall be firmly fastened and maintained in good condition.
- (c) No flight of stairs more than one (1) inch out of its intended position or pulled away from supporting or adjacent structures shall be allowed.
- (d) Supports shall be structurally sound.
- (e) Where steps and stairs that must be replaced due to deterioration, construction must comply with North Carolina State Building Code standards.
- (f) Stairways having four or more risers above a floor or finished ground level shall be equipped with handrails located not less than 30 inches nor more than 38 inches above the leading edge of a tread. An exception from this standard is that handrails that form part of a guardrail may be 42 inches high.
- (g) Gripping surfaces shall be continuous without interruption.

Sec. 6-124. Minimum Standards for Control of Insects, Rodents and Infestations.

- (a) Screens. In every dwelling unit, for protection against mosquitoes, flies, and other insects, every door opening directly from a dwelling unit to outdoor space shall have supplied and installed screens and a self-closing device, where an air condition is not provided. Every window or other device with openings to outdoor space shall be supplied with screens, where an air condition is not provided.
- (b) Rodent Control. Every basement or cellar window used or intended to be used for ventilation and every other opening to a basement which might provide an entry for rodents shall be supplied with screens installed or such other approved device as will effectively prevent their entrance.
- (c) Infestation. Every occupant of a dwelling containing a single dwelling unit shall be responsible for the extermination or removal of any insects, rodents, bats or other

pests therein or on the premises, and every occupant of a dwelling unit in a dwelling containing more than one dwelling unit shall be responsible for such extermination or removal whenever his or her dwelling unit is the only one infested. Whenever infestation is caused by failure of the owner to maintain a dwelling in a rodent proof or reasonable insect proof condition, extermination or removal shall be the responsibility of the owner. Whenever infestation exists in two or more of the dwelling units in any structure or in the shared or public parts of any structure containing two or more dwelling units, extermination or removal shall be the responsibility of the owner.

- (d) Garbage storage and disposal. Every dwelling unit shall have adequate garbage disposal facilities or garbage storage containers as required by the Washington City Code and the owner, operator or agent in control of such dwelling or dwelling unit shall be responsible for the removal of garbage. At least one 95 gallon outside garbage can will be required for single family residents.

Sec. 6-125. Minimum Standards Applicable to Rooming Houses; Exceptions.

All the provisions of this Chapter, and all of the minimum standards and requirements of this Chapter, shall be applicable to rooming houses, and to every person who operates a rooming house, or who occupies or lets to another for occupancy any rooming unit in any rooming house, except as provided in the following subsections:

- (a) Water closet, hand lavatory and bath facilities. At least one (1) water closet, lavatory basin, and bathtub or shower, properly connected to an approved water system and sewer system and in good working condition, shall be supplied for each four (4) rooms within a rooming house wherever said facilities are shared. All such facilities shall be located within the residence building served and shall be directly accessible from a common hall or passageway and shall be not more than one (1) story removed from any of the persons sharing such facilities. Every lavatory basin and bathtub or shower shall be supplied with hot and cold water at all times. Such required facilities shall not be located in a cellar.
- (b) Minimum floor area for sleeping purposes. Every room occupied for sleeping purposes by one (1) occupant shall contain at least seventy (70) square feet of floor area, and every room occupied for sleeping purposes by more than one (1) occupant shall contain at least fifty (50) square feet of floor area for each occupant twelve (12) years of age or older and at least thirty-five (35) square feet of floor area for each occupant under twelve (12) years of age.
- (c) Sanitary facilities. Every water closet, flush urinal, lavatory basin, bathtub, or shower required by subsection (1) of this section shall be located within the rooming house and within a room or rooms which afford privacy and are separate from habitable rooms, which are accessible from a common hall and without going outside the rooming house or through any other room therein.
- (d) Sanitary conditions. The operator of every rooming house shall be responsible for the sanitary maintenance of all walls, floors, and ceilings, and for the sanitary maintenance of every other part of the rooming house; he shall further be

responsible for the sanitary maintenance of the entire premises where the entire structure or building within which the rooming house is contained is leased or occupied by the operator.

Sec. 6-126. Responsibilities of Owners and Occupants.

- (a) Every owner of a dwelling containing two or more dwelling units shall be responsible for maintaining in a clean and sanitary condition, the shared or public areas of the dwelling and the premises thereof.
- (b) Every occupant of a dwelling or dwelling unit shall keep in a clean and sanitary condition that part of the dwelling or dwelling unit and the premises thereof which he occupies or controls.
- (c) No owner or owner's agent shall lease or rent to any other person any vacant dwelling unit unless it complies with the provisions of the article and is reasonably clean, sanitary and fit for human occupancy.

Sec. 6-127. Special Historic Buildings and Districts.

All exterior alterations or repairs required by the provisions of this Article to structures that are identified and classified by the City Council as a designated landmark or being within a local historic district must meet the requirements of the City of Washington as administered by the Historic Preservation Commission.

ADMINISTRATION AND ENFORCEMENT

Sec. 6-128. Duties of the Code Official.

The Director of Planning & Development (or his designee) is hereby designated as the Code Official to administer and enforce the provisions of this Article and to exercise the duties and powers herein prescribed. It shall be the duty of the Code Official:

- (a) To investigate the dwelling conditions, and to inspect dwellings and dwelling units, located in the City in order to determine which dwellings and dwelling units are unfit for human habitation, and for the purpose of carrying out the objectives of this article with respect to such dwellings and dwelling units;
- (b) To take such action, together with other appropriate departments and agencies, public and private, as may be necessary to effect rehabilitation of housing which is deteriorated;
- (c) To keep a record of the results of inspections made under this article and an inventory of those dwellings that do not meet the minimum standards of fitness herein prescribed; and
- (d) To perform such other duties as may be herein prescribed.

Sec. 6-129. Powers of the Code Official.

The Code Official is authorized to exercise such powers as may be necessary or convenient to carry out and effectuate the purpose and provisions of this Article, including the following powers in addition to others herein granted:

- (a) To investigate the dwelling conditions in the City in order to determine which dwellings therein are unfit for human habitation;
- (b) To administer oaths and affirmations, examine witnesses and receive evidence;
- (c) To enter upon premises for the purpose of making examinations and inspections; provided that such entries shall be made in such manner as to cause the least possible inconvenience to the persons in possession; and
- (d) To appoint and fix the duties of such officers, agents and employees as he deems necessary to carry out the purposes of this Article.

Sec. 6-130. Inspections: Right of Entry

For the purpose of making inspections, the Code Official is hereby authorized to enter, examine and survey at all reasonable times all dwellings, dwelling units, rooming units and premises. The owner or occupant of every dwelling unit, or rooming unit, or the person in charge thereof, shall give the Code Official free access to such dwelling, dwelling unit or rooming unit, and its premises at all reasonable times for the purposes of such inspection, examination and survey. Every occupant of a dwelling or dwelling unit shall give the owner thereof, or his agent or employee, access to any part of such dwelling or dwelling unit, and its premises, at all reasonable times, for the purpose of making such repairs or alterations as are necessary to affect compliance with the provisions of this article or with any lawful order issued pursuant to the provisions of this article.

(Code 1972, § 9-6; Code 1993, § 4-89)

Sec. 6-131. Housing Appeals Board.

The Board of Adjustment, provided for under Chapter 40, pertaining to zoning, shall serve as the Housing Appeals Board, to which appeals may be taken from any decision or order of the Code Official, as provided by Section 40-510. Such Board shall perform the duties prescribed by Section 40-512, shall have the power to adopt rules of procedure relative to its duties under this article and shall keep an accurate record of all its proceedings.

(Code 1972, § 9-12; Code 1993, § 4-90)

Sec. 6-132. Procedure for Enforcement.

- (a) Preliminary investigation; notice; hearing. Whenever a petition is filed with the Code Official by a public authority or by at least five (5) residents of the city charging that any dwelling or dwelling unit is unfit for human habitation, or whenever it appears to the Inspector upon inspection, that any dwelling or dwelling unit is unfit for human habitation, he shall, if his preliminary investigation discloses a basis for such

charges, issue and cause to be served upon the owner of and parties in interest in such dwelling or dwelling unit a complaint stating the charges and containing a notice that a hearing will be held before the Code Official (or his designated agent) at a place within the City, therein fixed, not less than ten (10) days nor more than thirty (30) days after the serving of such complaint. The owner or any party in interest shall have the right to file an answer to the complaint and to appear in person, or otherwise, and give testimony at the place and time fixed in the complaint. Notice of such hearing shall also be given to at least one (1) of the persons signing a petition relating to such dwelling. Any person desiring to do so may attend such hearing and give evidence relevant to the matter being heard. The rules of evidence prevailing in courts of law or equity shall not be controlling in hearings before the Inspector.

(b) Procedure after hearing. After such notice and hearing, the Code Official shall state in writing his determination whether such dwelling or dwelling unit is unfit for human habitation, and, if so, whether it is deteriorated or dilapidated.

(1) If the Code Official determines that the dwelling or dwelling unit is deteriorated, he shall state in writing his findings of fact in support of such determination, and shall issue and cause to be served upon the owner thereof an order directing and requiring the owner to repair, alter and improve such dwelling or dwelling unit to comply with the minimum standards of fitness established by this article within a specified period of time, not to exceed ninety (90) days or to vacate and close the same. Such order may also direct and require the owner to vacate and close such dwelling or dwelling unit until such repairs, alterations and improvements have been made.

(2) If the Code Official determines that the dwelling is dilapidated, he shall state in writing his findings of fact to support such determination, and shall issue and cause to be served upon the owner thereof an order directing and requiring the owner to vacate and close the dwelling, and to repair, alter and improve such dwelling or dwelling unit to comply with the minimum standards of fitness established by this article, or to remove or demolish the same within a specified period of time not to exceed ninety (90) days.

(c) Failure to comply with order. The following remedies are available upon the failure of an owner to comply with any order issued hereunder:

(1) If the owner of any deteriorated dwelling or dwelling unit shall fail to comply with an order of the Code Official to repair, alter or improve the same within the time specified therein, or if the owner of a dilapidated dwelling shall fail to comply with an order of the Code Official to vacate and close, and repair, alter and improve such dwelling or dwelling unit to comply with the minimum standards of fitness or remove or demolish the same within the time specified therein. The Code Official shall submit to the City Council at its next regular meeting a resolution directing the City Attorney to petition the Superior Court for an order directing such owner to comply with the order of the Chief, as authorized by G.S. 160A-446(g).

(2) After failure of an owner of a deteriorated dwelling or dwelling unit, or of a dilapidated dwelling, to comply with an order of the Code Official within the time

specified therein, if injunctive relief has not been sought or has not been granted as provided in subsection (c)(1) of this section, the Code Official shall submit to the City Council an ordinance ordering the owner to cause such dwelling or dwelling unit to be repaired, altered, improved or vacated and closed and removed or demolished, as provided in the original order of the Inspector, and pending such removal or demolition, to placard such dwelling, as provided by G.S. 160A-443(4) and Section 6-134.

(d) Appeals from orders of the Code Official. An appeal from any decision or order of the Code Official may be taken by any person aggrieved thereby or by any public officer, board or commission of the city. Any appeal from the Code Official shall be taken within ten (10) days from the rendering of the decision or service of the order, and shall be taken by filing with the Code Official and with the Housing Appeals Board a notice of appeal which shall specify the grounds upon which the appeal is based. Upon the filing of any notice of appeal, the Code Official shall forthwith transmit to the Board all the papers constituting the record upon which the decision appealed from was made. When an appeal is from a decision of the Code Official refusing to allow the person aggrieved thereby to do any act, his decision shall remain in force until modified or reversed. When any appeal is from a decision of the Code Official requiring the person aggrieved to do any act, the appeal shall have the effect of suspending the requirement until the hearing by the Board, unless the Code Official certifies to the Board, after the notice of appeal is filed with him, that by reason of the facts stated in the certificate (a copy of which shall be furnished the appellant), a suspension of his requirement would cause imminent peril to life or property, in which case the requirement shall not be suspended except by a restraining order, which may be granted for due cause shown upon not less than one (1) day's written notice to the Code Official, by the Board or by a court of record upon petition made pursuant to G.S. 160A-446(f) and subsection (e) of this section.

(1) The Board shall fix a reasonable time for the hearing of all appeals, shall give due notice to all the parties, and shall render its decision within a reasonable time. Any party may appear in person or by agent or attorney. The Board may reverse or affirm, wholly or partly, or may modify the decision or order appealed from, and may make such decision and order as in its opinion ought to be made in the matter, and to that end it shall have all the powers of the Code Official, but the concurring vote of four (4) members of the Board shall be necessary to reverse or modify any decision or order of the Code Official. The Board shall have power also in passing upon appeals, in any case where there are practical difficulties or unnecessary hardships in the way of carrying out the strict letter of the ordinance, to adapt the application of the ordinance to the necessities of the case to the end that the spirit of the ordinance shall be observed, public safety and welfare secured, and substantial justice done.

(2) Every decision of the Board shall be subject to review by proceedings in the nature of certiorari instituted within fifteen (15) days of the decision of the Board, but not otherwise.

(e) Petition to Superior Court by owner. Any person aggrieved by an order issued by the Code Official or a decision rendered by the Board shall have the right, within thirty (30) days after issuance of the order or rendering of the decision, to petition the

Superior Court for a temporary injunction restraining the Code Official pending a final disposition of the cause, as provided by G.S. 160A-446(f).

Sec. 6-133. Methods of Service of Complaints and Orders.

Complaints or orders issued by the Code Official, pursuant to this Article, shall be served upon persons either personally or by registered or certified mail. If the identities of any owners or the whereabouts of persons are unknown and cannot be ascertained by the Code Official in the exercise of reasonable diligence, and the Code Official makes an affidavit to that effect, then the serving of the complaint or order upon the unknown owners or other persons may be made by publication in a newspaper having general circulation in the City at least once no later than the time at which personal service would be required under the provisions of this article. When service is made by publication, a notice of the pending proceedings shall be posted in a conspicuous place on the premises thereby affected.

Sec. 6-134. Placarding by Inspector.

- (a) After failure of an owner of a dwelling or dwelling unit to comply with an order of the Code Official issued pursuant to the provisions of this Article, and upon adoption by the City Council of an ordinance authorizing and directing him to do so, as provided by G.S. 160A-443(5) and Section 6-132, the Code Official shall proceed to cause such dwelling or dwelling unit to be repaired, altered or improved to comply with the minimum standards of fitness established by this Article or to be vacated and closed and removed or demolished, as directed by the ordinance of the City Council and shall cause to be posted on the main entrance of such dwelling or dwelling unit a placard with the following words: "This building is unfit for human habitation; the use or occupation of this building for human habitation is prohibited and unlawful." The occupation of a building so posted shall constitute a misdemeanor.
- (b) Each such ordinance shall be recorded in the office of the Register of Deeds in the county wherein the property is located, and shall be indexed in the name of the property owner in the grantor index, as provided by G.S. 160A-443(5).

Sec. 6-135. Abandonment of Property

- (a) If the Code Official has issued an order for a dwelling to be repaired, altered, improved or vacated and closed, as provided in Section 6-132 of this Article, and if the owner has vacated and closed such dwelling and kept it vacated and closed for a period of one year pursuant to the ordinance or order, then if the City Council shall find that:
 - (1) The owner has abandoned the intent and purpose to repair, alter or improve the dwelling in order to render it fit for human habitation;
 - (2) That the continuation of the dwelling in its vacated and closed state would be inimical to the health, safety, and welfare of the municipality in that the dwelling would continue to deteriorate;
 - (3) That the dwelling would create a fire and safety hazard;

- (4) That the dwelling would be a threat to children and vagrants;
- (5) That the dwelling would attract persons intent on criminal activities;
- (6) That the dwelling would cause or contribute to blight and the deterioration of property values in the area; and
- (7) That the dwelling would render unavailable property and a dwelling which might have otherwise have been made available for decent and affordable housing in the City, then in such circumstances, the City Council may, after the expiration of such one year period, enact an ordinance and serve such ordinance on the owner setting forth the following:
 - (a) If it is determined that the repair of the dwelling to render it fit for human habitation can be made at a cost of fifty percent (50%) or less of the then current value of the dwelling, the ordinance shall require that the owner either repair or demolish and remove the dwelling with 90 days; or
 - (b) If it is determined that the repair of the dwelling to render it fit for human habitation can only be made at a cost exceeding fifty percent (50%) of the then current value of the dwelling, the ordinance shall require the owner to demolish and remove the dwelling within 90 days.
- (b) The ordinance in subsection (a) of this section shall be recorded in the office of the Register of Deeds and shall be indexed in the name of the property owner in the grantor index. If the owner fails to comply with this ordinance, the inspector shall effectuate the purpose of the ordinance.

Sec. 6-136. Liens for Costs of Repairs, Alterations, etc.

As provided by G.S. 160A-443(6), the amount of the cost of any repairs, alterations or improvements, or vacating and closing, or removal or demolition, caused to be made or done by the Code Official pursuant to Section 6-132, shall be a lien against the real property upon which such cost was incurred. Such lien shall be filed, have the same priority, and be enforced and the costs collected as provided by G.S. 160A, Art. 10 (G.S. 160A-216 et seq.).

Sec. 6-137. Alternative Remedies.

Neither this Article nor any of its provisions shall be constructed to impair or limit in any way the power of the City to define and declare nuisances and to cause their abatement by summary action or otherwise, or to enforce this Article by criminal process as authorized by G.S. 14-4 and Section 6-132, and the enforcement of any remedy provided herein shall not prevent the enforcement of any other remedy provided herein or in other ordinances or laws.

Sec. 6-138. Conflict With Other Provisions.

In the event any provision, standard or requirement of this Article is found to be in conflict with any provision of any other ordinance or code of the City, the provision which establishes the higher standard or more stringent requirement for the promotion and protection of the health and safety of the residents of the City shall prevail.

Sec. 6-139. Penalties and Violations.

(a) It shall be unlawful for the owner of any dwelling or dwelling unit to fail, neglect or refuse to repair, alter, or improve the same, or to vacate and close and remove or demolish the same, upon order of the Code Official duly made and served as herein provided, within the time specified in such order, and each day that any such failure, neglect or refusal to comply with such order continues shall constitute a separate and distinct offense. It shall be unlawful for the owner of any dwelling or dwelling unit with respect to which an order has been issued, pursuant to Section 6-132, to occupy or permit the occupancy of the same after the time prescribed in such order for its repair, alteration or improvement or its vacation and closing, and each day that such occupancy continues after such prescribed time shall constitute a separate and distinct offense.

(b) The violation of any provision of this article shall constitute a misdemeanor, as provided by G.S. 14-4.

Sec. 6-140 – 6-150. Reserved.

Section 2. This Ordinance shall become effective upon its adoption.

Section 3. All Ordinances or parts in conflict herein are repealed.

Adopted this ____ 14th ____ day of ___February___, 2011.

N. Archie Jennings, Mayor

ATTEST:

Cynthia S. Bennett, City Clerk



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: John Rodman, Planning & Development
Date: February 2, 2011
Subject: Public Hearing: Adopt an ordinance to amend Chapter 40, Section 40-93, Table of Uses, of the Code of Ordinances of the City of Washington.

Applicant Presentation: Department of Planning and Development
Staff Presentation: Dot Moate, Planning Board Chairman
 John Rodman, Planning and Development

RECOMMENDATION:

I move that the City Council accept the recommendation of the Planning Board and approve the Ordinance to amend Chapter 40, Article IV, Zoning Districts, Section 40-93, Table of Uses, by adding "Tattoo Parlors" as a Special Use in the I-2 (Light Industrial) and I1 (Heavy Industrial) Zoning Districts.

BACKGROUND AND FINDINGS:

Tattooing and Tattoo Parlors were not a listed use within the City of Washington's Zoning Ordinance's Table of Uses. The Planning board felt it necessary that text needed to be added to the City's Ordinance to help regulate these activities and allow them in the appropriate zoning districts. Several tattoo parlors have recently located within the downtown business historic district.

PREVIOUS LEGISLATIVE ACTION

Planning Board – January 2011

FISCAL IMPACT

___ Currently Budgeted (Account _____) ___ requires additional appropriation ___
 No Fiscal Impact

SUPPORTING DOCUMENTS

Ordinance, Permitted Uses

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: Concur _____ Recommend Denial _____ No
 Recommendation 2/9/11 Date February 14, 2011
 Page 72 of 192

An Ordinance to Amend Chapter 40, Zoning, Article IV,
Section 40-93, of the Washington City Code

WHEREAS, NCGS 160A-385 authorizes local governments to amend ordinances regulating land use within their jurisdiction; and

WHEREAS, the amendment set out below is made in accordance with NCGS 160A-364; and

WHEREAS, the amendment set out below is intended to promote the public health, safety, and welfare by amending the City Code to define and regulate **Tattoo Parlors**, and to add prescribed conditions for such uses.

THEREFORE, BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That **Chapter 40. Article VI, Section 40-93, Table of Uses**, be amended by adding that **Tattoo Parlors** will be permitted only by Special Use Permit issued by the City of Washington Board of Adjustment within the I-2 (Light Industrial) and I-1 (Heavy Industrial) Zoning Districts.

Section 2. That **Chapter 40. Article VI, Section 40-119, Index to Listed Uses**, be amended by adding as follows:

(ss) Tattoo Parlors.

Section 3. That **Chapter 40. Article VI, Section 40-120, Listed Uses, Specific Criteria**, be amended by adding **(ss) Tattoo Parlors** as follows:

Definitions

Tattoo - means the inserting of permanent markings or coloration, or the producing of scars, upon or under human skin through puncturing by use of a needle or any other method. As defined by NCGS 180A-283

Tattoo Parlor - means any location where tattooing is engaged in or where the business of tattooing is conducted or any part thereof. For purposes of this Section, Tattoo Establishment or Studio falls within this definition.

(ss) Tattoo Parlor

(1) Special Use Permit granted under this section shall be for a period of one (1) year and must be renewed annually. It shall be the responsibility of the owner/operator to make timely application for permit renewal.

- (2) Hours of Operation. The business shall only be allowed to operate on Monday through Saturday between the hours of 8:00 AM and 9:00 PM and on Sunday between the hours of 1:00 PM and 9:00 PM.
- (3) Business must obtain all applicable permits and licenses.
- (4) The Tattoo Parlor must be a minimum of five hundred (500) linear feet from any other Tattoo Parlor.
- (5) The Tattoo Parlor must be a minimum of five hundred (500) linear feet from any residential structure.
- (6) The Tattoo Parlor must be a minimum of five hundred (500) linear feet from any church or religious institution, public or private school, daycare facility, playground or park.
- (7) The Tattoo Parlor will not be allowed to serve alcoholic beverages or allow the consumption of any alcoholic beverages on site.

Section 4. This Ordinance shall become effective upon its adoption.

Section 5. All Ordinances or parts in conflict herein are repealed.

Adopted this _____ 14th _____ day of ___February___, 2011.

N. Archie Jennings, Mayor

ATTEST:

Cynthia S. Bennett, City Clerk



Little Washington Sailing Club

P.O. Box 1988 Washington, NC 27889

Phone 252-946-3969 E-mail: dwow@washingtononthewater.com

January 28, 2011

City Manager's office

The attached are the documents for the Little Washington Sailing Club presentation at the next City Council meeting on February 14, 2011.

The Documents include:

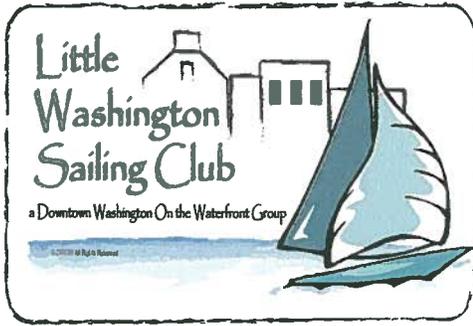
1. Update report on 2010 and plans for 2011 along with our request of City Council.
2. Current financial statement
3. Dock plan diagram.

Thank you,

Bill Walker

Little Washington Sailing Club

Downtown Washington on the Waterfront



Little Washington Sailing Club

P.O. Box 1988 Washington, NC 27889

Phone 252-946-3969 Email: dwow@washingtononthewater.com

City Council Meeting Monday February 14, 2011

Report on 2010 Highlights and Plans for 2011

2010 Highlights:

- 48 students
- Relocated to Dock J on the waterfront from the Estuarium.
- Paid back line of credit and ended season with a positive cash flow
- Purchased 4 additional sections of floating platform to accommodate all 6 boats.
- Outfitted boats with new sails and running rigging.
- Received new major funding from Noon Rotary and Wachovia Bank
- Donor provided the club with 2 inflatable safety boats.
- Considerable positive community feedback.

Plans for 2011

- Hire Program Director to coordinate all activities of the club. Done
- Adding 2 full week classes, one for an advanced class for prior graduates.
- Investigate offering Boy Scout Sailing Merit Badge course.
- Need new CAMA permit to modify City's new dock plan permit.
- Anticipating new major sponsors.
- Emphasis on grant applications.
- Major emphasis on recruiting scholarship students.
- Maintain positive cash flow.

Current Needs

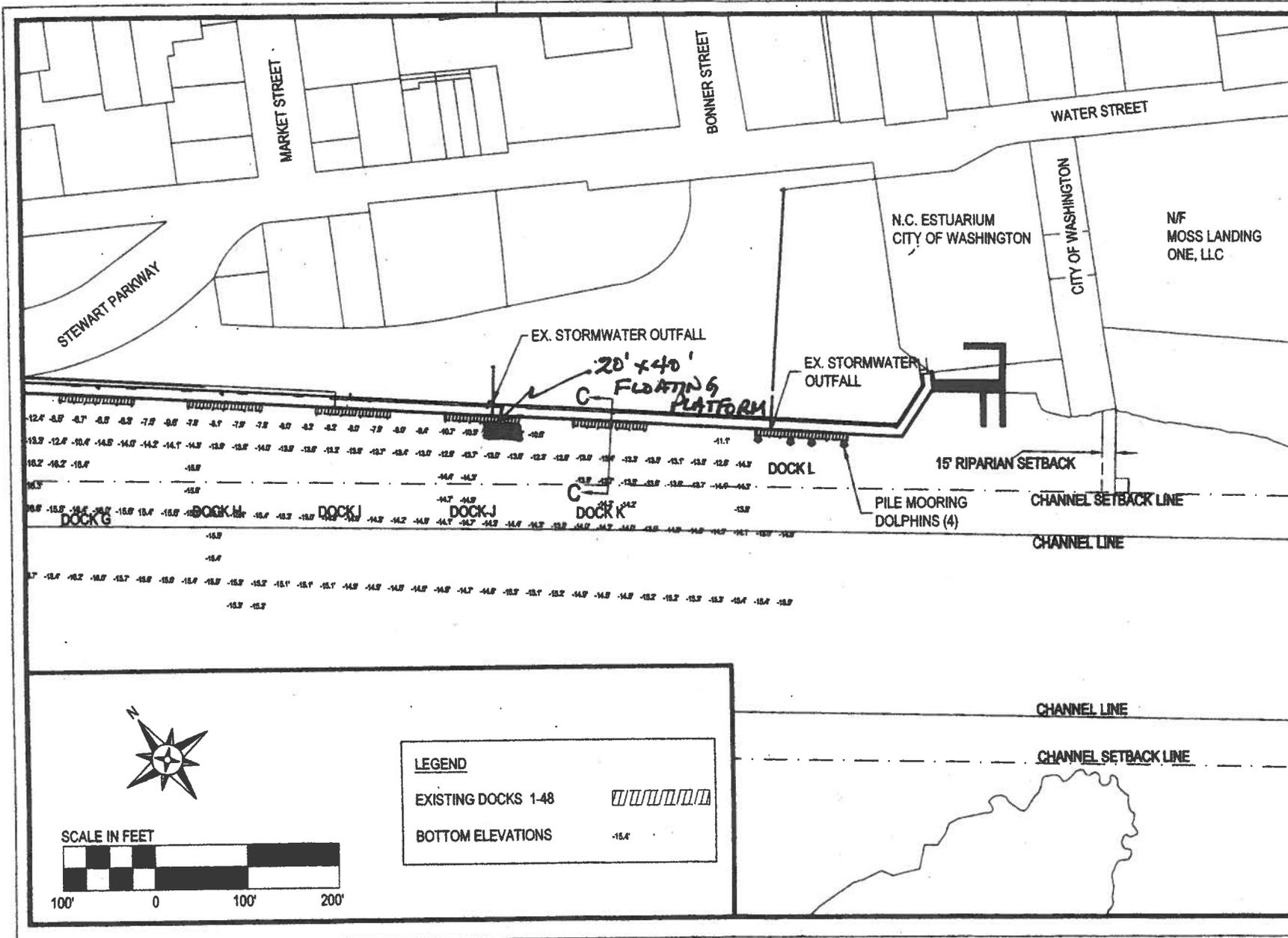
- New 9 -10 hp motor for donated inflatable. (we will sell our flat bottom safety boat, motor and trailer to offset.)
- New classroom space.
- Offseason storage space for boats and work area. (approx. 5000 sq. ft.)

Request

1. Permission to apply to CAMA for a modification to the City's Dock Plan permit.
2. Permission to permanently locate our operation once again on the downtown waterfront at Dock J or other location as may be dictated by the dock plan.

**Little Washington
Sailing Club
Funds Status Budget/Actual
2010 - 2011**

	A	B	C	D	E	F	G
1	LWSC 2010/2011			Quickbooks Account	Budget	Actual	Variance
2	INCOME						
3	4010 - Revenue - Contributions				\$13,000.00	\$5,000.00	\$8,000.00
4	4140 - Donated Equipment					\$12,000.00	(\$12,000.00)
5	5180 - Revenue - Program Service Fees				\$15,000.00	\$1,600.00	\$13,400.00
6	5410 - Revenue - Sales of Material				\$200.00		\$200.00
7	TOTAL INCOME				\$28,200.00	\$18,600.00	\$9,600.00
8							
9	EXPENSE						
10	7220 - Salaries and Related Expense				\$10,000.00	\$3,500.00	\$6,500.00
11	7240 - Employer Benefits - Work Comp Ins				\$900.00		\$900.00
12	7250 - Employer Payroll Taxes				\$765.00	\$267.75	\$497.25
13	8050 - Advertising and Promotions				\$3,000.00	\$142.40	\$2,857.60
14	8110 - Office Supplies				\$500.00		\$500.00
15	8140 - Postage, Shipping & Delivery				\$50.00	\$26.40	\$23.60
16	8170 - Printing, Copying, Fotos				\$500.00		\$500.00
17	8210 - Occupancy (rent, other fees)				\$200.00		\$200.00
18	8520 - Insurance - Non-Employee				\$2,000.00	\$98.00	\$1,902.00
19	8530 - Membership Dues - Organization				\$125.00	\$125.00	\$0.00
20	8590 - Misc Expense Other				\$50.00		\$50.00
21	8610 - Program Equipment Expense				\$3,500.00	\$1,957.23	\$1,542.77
22	8680 - Goodwill				\$350.00	\$100.00	\$250.00
23	TOTAL EXPENSE				\$21,590.00	\$6,216.78	\$15,473.22
24							
25	NET ORDINARY INCOME				\$6,610.00	\$12,383.22	(\$5,873.22)
26							
27	FIXED ASSETS						
28	9830 - Capital Purchases - Equipment				\$3,000.00	\$12,000.00	(\$9,000.00)
29	Total Expenditures					\$18,216.78	
30	NET INCOME					\$383.22	
31	Funds Carried Over (09/10)					\$1,576.92	
32	Total Net Income & FCO					\$1,960.14	
33	WHDA LOC					\$7,000.00	
34	WHDA Balance			Cash on Hand		\$8,960.14	



JOB NO. 10121-01

PROJECT MANAGER: JWF
 DESIGNED: JWF
 CAD: JWF
 CHECKED:
 FILED:
 DATE: 08/17/10
 REVISED:
 REVISED:



PROJECT OFFICE:
 505 CHESAPEAKE CITY
 505 CHESAPEAKE AVENUE
 SUITE 201
 ROANOKE CITY, NC 28607
 (800) 347-4300
 FAX (800) 347-7300
 BRANCH OFFICES:
 1000 MARKET AVE
 WASHINGTON, NC 27688
 (800) 347-4300
 1000 MARKET AVE
 WASHINGTON, NC 27688
 (800) 347-4300

CLIENT:
 CITY OF WASHINGTON
 P.O. BOX 1988
 WASHINGTON, NC 27688

Preliminary Drawing
 Not For Construction

PROJECT:
 CITY OF WASHINGTON
 MARINA - PHASE III
 HEADPORT COUNTY

EX. CONDITIONS
 SHEET 1 OF 2

BEAUFORT COUNTY, NC

SHEET NO:

3

SCALE: 1" = 100'



Washington City Police

201 W. 3rd Street, Washington, NC 27889
Telephone: (252) 946-1444 Fax: (252) 948-9448
www.washingtonnc.gov



G. Mitchell Reed
Chief of Police

Sandy Blizzard
Deputy Chief of Police

To: City Council
From: G.M. Reed, Chief of Police
Date: February 3, 2011
Re: **GRANT INFORMATION**

During the last two (2) weeks of January 2011, the North Carolina Governor's Crime Commission published a grant opportunity. This is a block grant, in the amount of \$2000.00 to \$10,000.00. As in the past, the grant was open to any law enforcement agency in the state.

The first requirement of the process was completion of a pre-application, on line with the Governor's Crime Commission. The deadline for registering via the pre-application was January 31, 2011. The Washington Police Department completed the application process, and the Manager signed the authorization page, within the deadline. This step does not obligate the City of Washington, it was simply to comply with the deadline.

The pre-application was completed in the amount of \$9,410.00. The proposed use of the funds, will be allocated to pay overtime for officers, to continue the efforts of combating illegal drug activity within the city. This application, if Council approves, would require a \$3136.00 local match.

This memo is for informational purposes only, and requires no action by Council at this time.

G. M. Reed
Chief of Police

MEMORANDUM

DATE: February 14, 2011
TO: Mayor and City Council
FROM: Philip W. Mobley, Director Parks and Recreation *Pw m*
SUBJ: Belle of Washington Dockage

The Belle of Washington is once again requesting to continue their relationship with the City of Washington for docking at the Waterfront Docks. They are not requesting any changes in the agreement.

During the past year the Belle of Washington has had at least 21 cruises in the season between April and December. Communications with these events have been good as the Belle has coordinated well with the Parks and Recreation office and visa versa.

The Recent explosion aboard the Belle has brought forth new awareness of the Importance of the strict agreement that has been in place for the Belle to operate on City docks.

The new docking agreement will be for the period of April 27, 2011 – March 26, 2012.

MEMORANDUM

DATE: February 14, 2011
TO: Mayor and City Council
FROM: Philip W. Mobley, Director Parks and Recreation *Pwm*
SUBJ: SeaTow Pamlico Dockage

SeaTow Pamlico is once again requesting to continue their relationship with the City of Washington for docking at the Waterfront Docks. They are not requesting any changes in the agreement.

During the past year SeaTow Pamlico has been an invaluable resource to the Waterfront Docks Division, giving advice and assistance to the staff and boaters alike. Dock Attendants have requested logs to be removed from the docks an average of once per month via work order and other times while Larry Williams, Owner, was on site.

SeaTow continues to be an asset in the community as well. During recent Storms, his expertise has guided planning and recovery. His experience and contacts with other marinas has been a good resource when comparing policies, rules and regulations. His availability in the area has enabled him to be of assistance to our "resident" boaters as well as the community at large.

The new docking agreement will be for the period of April 1, 2011 – March 31, 2012.

Washington Electric Utilities

A City of Washington Enterprise

Post Office Box 1988 • Washington, North Carolina 27889-1988



Office of the Director

MEMORANDUM

To: Pete Connet, Interim City Manager
From: Keith Hardt, P.E., Electric Utilities Director
Ref: Load Management Device Report
Date: 1 February 2011

Listed herein is the load management switch installation activity through January 2011.

Total Load Management Switch Installations	158
<hr/>	
Air Conditioner/Heat Pump Control Installations	139
Auxiliary Heat Strip Control Installations	80
Water Heater Control Installations	87
Total Appliance Control Installations for Project	317



February 14, 2011

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102 East Second Street • Telephone (252) 975-9300

TDD 1-800-735-2962 • 24-Hour Emergency (252) 975-9320 • Fax (252) 946-1965

City Owned Generators Cost/Benefit (January 2010 to December 2010)

\$672,537 Wholesale Savings

\$276,466 Customer Credits (*note 1*)

\$174,387 Generator Fuel (*note 2*)

\$67,376 Generator Operation & Maintenance (*note 3*)

\$518,229 Total Generator Expenses

\$154,307 Net Savings

Note 1: Customer Credits provide for an average 6% retail rate reduction to participating customers. Other credits not included are available to customers with customer-owned equipment.

Note 2: Generator Fuel is the actual expense for fuel for City owned generators for the period.

Note 3: Generator Operation & Maintenance includes material, equipment, contractor expenses, and force account labor (including benefits) for the period. Any current debt service is not included.

Load Management System Savings

Estimated Annual Savings for Entire System

Water Heater Units Controlled	2,401
Water Heater Wholesale Savings	\$217,368
Customer Credits	\$72,030
Net Savings	\$145,338
Air Contitioner Units Controlled	2,146
Air Contitioner Wholesale Savings	\$111,427
Customer Credits	\$30,044
Net Savings	\$81,383
Heat Strip Units Controlled	900
Heat Strip Wholesale Savings	\$89,867
Customer Credits	\$18,360
Net Savings	\$71,507
Resistive Heat Units Controlled	143
Resistive Heat Wholesale Savings	\$19,038
Customer Credits	\$5,388
Net Savings	\$13,650
Annual Wholesale Savings	\$437,700
Annual Customer Credits	\$125,822
Annual Net Savings	\$311,878

Estimated Annual Savings for Current Project to Date

Water Heater Units Installed	80
Water Heater Wholesale Savings	\$7,243
Customer Credits	\$2,400
Net Savings	\$4,843
Air Contitioner Units Installed	139
Air Contitioner Wholesale Savings	\$7,217
Customer Credits	\$1,946
Net Savings	\$5,271
Heat Strip Units Installed	80
Heat Strip Wholesale Savings	\$7,988
Customer Credits	\$1,632
Net Savings	\$6,356
Resistive Heat Units Installed	11
Resistive Heat Wholesale Savings	\$1,464
Customer Credits	\$414
Net Savings	\$1,050
Annual Wholesale Savings	\$23,912
Annual Customer Credits	\$6,392
Annual Net Savings	\$17,520
LM Switches Installed to Date	158
LM Switch Cost to Date	\$10,270
Contract Installation Cost to Date	\$16,850



City of Washington

P. O. Box 1988, Washington, NC 27889-1988

MEMORANDUM

DATE: January 27, 2011

TO: Mayor Jennings & Members of City Council

FROM: John Rodman, Director of Planning & Development
Franz Holscher, City Attorney

RE: Report, Northgate Subdivision
Infrastructure Project I-1, CHAF-00-D-133

In 2002 and as a result of Hurricane Floyd, the City of Washington (City), in conjunction with Northgate Development, LLC (Northgate), was awarded a grant in the amount of \$1,620,000 under the Crisis Housing Assistance Program from the North Carolina Department of Crime Control and Public Safety through the North Carolina Redevelopment Center. The grant funds were used to construct water, sewer, street and drainage infrastructure improvements for vacant lots in Northgate Subdivision.

Of the 162 projected lots, the developer originally was required by the grant to convey 81 lots with homes constructed thereon to Hurricane Floyd victims. The requirements of the grant have been modified over time by the granting agency to require, among other things, conveyances to low to moderate income (LMI) persons, instead of Hurricane Floyd victims, as the benchmark for grant compliance. Furthermore, the number of lots required to be sold to LMI has been decreased by the granting agency from 81 to 32 lots.

To date, 22 lots have been confirmed by the granting agency as qualifying conveyances to LMI, leaving 10 additional sales to LMI being required. The build-out date for the Northgate project and the expiration date for the grant originally was October of 2007. The granting agency granted a first extension of that deadline to December 31, 2009. The granting agency granted a second extension of that deadline to December 31, 2010. In November of 2010, the City Attorney's office, on behalf of the City and Northgate Development, LLC, requested, among other things, a third extension of the deadline. The State has stated that it is willing to grant a third extension through December 31, 2011. This third extension is contingent upon the City and Northgate reaching an acceptable agreement regarding compliance with the grant and a source for recapture of grant funds if the grant requirements are not met.

February 14, 2011
Page 85 of 192

Initially, a \$250,000 Letter of Credit from Northgate had been established as a source for recapture of grant funds (measured at \$10,000/lot) to cover any lots that were not sold to LMI up to 32 (there were 7 qualifying conveyances at that time). As part of the agreement for the second extension of the grant deadline, a replacement \$140,000 Letter of Credit was established in order to provide a source for the recapture of grant funds. However, the replacement Letter of Credit will expire on March 1, 2011. As part of the agreement for the third extension of the grant deadline, a new \$100,000 Letter of Credit is required in order to provide a source for the recapture of \$10,000 for every lot that is not sold to LMI, up to 32. Attached is a copy of the December 8th correspondence from Ms. Gleason, Agency Legal Specialist, North Carolina Redevelopment Center that discusses the project and confirms that NCRC will grant the extension. Also attached is a copy of the proposed Letter of Credit.

We are asking the City Council to consider accepting/ratifying the Letter of Credit from Northgate and authorizing the City Attorney or the City Manager to effectuate the City's authority thereunder in accordance with its terms at the appropriate time if it becomes necessary.

Encl.: December 8, 2010 correspondence from Britne Gleason to Franz Holscher
Proposed replacement \$100,000 Letter of Credit



**NORTH CAROLINA DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY
NORTH CAROLINA REDEVELOPMENT CENTER**

Beverly Eaves Perdue, Governor

Reuben F. Young, Secretary

December 8, 2010

Franz F. Holscher
Rodman, Holscher, Francisco & Peck, P.A.
320 North Market Street
Post Office Box 1747
Washington, North Carolina 27889

Re: City of Washington Crisis Housing Assistance Funds (CHAF) Northgate Subdivision
Infrastructure Project; Your File No.: 02-55-10455

Dear Mr. Holscher:

This letter concerns your November 24, 2010 letter to North Carolina Redevelopment Center (NCRC) Director Yolanda Abram and Assistant Attorney General Cheryl Perry regarding the City of Washington CHAF Northgate Subdivision Infrastructure Project. Ms. Abram and Ms. Perry referred this matter to me for response. Therefore, please accept this letter as response to your November 24, 2010 letter to Ms. Abram and Ms. Perry.

A. The build-out deadline.

In your November 24, 2010 letter, you requested an extension of the build-out deadline for the Northgate Infrastructure Project to April 26, 2013. The build-out deadline was previously extended from October 20, 2007 to December 31, 2008. The build-out deadline was next extended to December 31, 2009. It was then extended again to December 31, 2010. I understand that the current build-out deadline for the Northgate Infrastructure Project is set to expire on December 31, 2010. The NCRC is willing to grant an additional extension of the build-out deadline to December 31, 2011.

B. The sale of lots with homes constructed on the lots to low to moderate income (LMI) persons.

Your November 24, 2010 letter states that the City of Washington Northgate Subdivision has sold twenty-two (22) of the required thirty-two (32) lots with homes constructed on the lots to LMI persons. Attached is the list of twenty-two (22) persons approved by the NCRC as LMI



purchasers as of the date of this letter. If the City of Washington Northgate Subdivision has sold twenty-two (22) of the required thirty-two (32) lots with homes constructed on the lots to LMI persons, then the City of Washington Northgate Subdivision is required to sell an additional ten (10) lots with homes constructed on the lots to LMI persons by December 31, 2011, in order to fully avoid recapture under the revised CHAF Infrastructure Recapture Policy Relief. The remaining lots with homes constructed on the lots may be sold to LMI persons by either the current Developer or Washington Housing, Inc. (WHI), and avoid recapture, as long as they are sold to LMI persons by December 31, 2011.

I further understand that there may be additional homes that were sold in 2010 to persons such as Hilda Moore, who could not demonstrate LMI status based on their 2009 income, but may be able to demonstrate LMI status based on their 2010 income due to a decrease in income during 2010. This additional extension to December 31, 2011, will allow homeowners in this situation adequate time to file their 2010 income taxes in order to demonstrate that they qualified as LMI purchasers at the time they purchased homes in the Northgate Subdivision. If Hilda Moore and/or others in her situation can demonstrate that their 2010 total annual household adjusted gross income (AGI) qualifies them as LMI, then Hilda Moore and possibly others may then be included in the LMI numbers in order to reduce the remaining number of LMI homes required to be sold in the Northgate Subdivision to avoid recapture. The NCRC reserves the right to review and approve any such purchasers that want to be re-considered based on a decrease in income during 2010. The NCRC would also like to remind the City and its developers that it must use the correct income limits chart to determine whether or not a purchaser may be considered LMI. The most recent submissions have included an income chart that the NCRC does not recognize and is not the correct chart that was adopted by the CHAF Program. The CHAF Program has adopted the Housing and Urban Development (HUD) Income Limits Chart for the State of North Carolina, which is available on the NCRC and HUD websites. In making an income determination, the homeowner's AGI from their federal income tax returns should be compared to the corresponding fiscal year on the HUD Income Limits chart, Beaufort County, for the number of individuals in the household. For your convenience, attached are copies of the HUD Income Limits Chart for the State of North Carolina for Fiscal Years 2009 and 2010. Please forward the correct HUD Income Limits Charts to the City of Washington, the current developer and WHI. Additional fiscal years HUD Income Limits Charts can also be provided, if requested.

C. WHI's CDBG Housing Development Program April 26, 2013 deadline.

In a letter dated November 17, 2009 from Gina Amaxopulos of WHI to NCRC Director Yolanda Abram, Amaxopulos states "The Housing Development application was submitted to N.C. Department of Commerce October 31, 2009" It states "WHI and the City of Washington are waiting to hear if the grant will be awarded." It also states "WHI will operate within the guidelines of the CDBG Housing Development Grant which allows 3 years to construct homes on lots purchased with the Housing Development Grant funds. All homes must be sold to and remain with low to moderate income residents." The NCRC recognizes that WHI may be operating under a 3-year timeframe in relation to its CDBG Housing Development Grant. Your November 24, 2010 letter indicates that WHI's CDBG Housing Development Program deadline



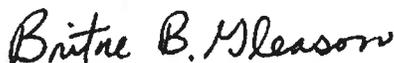
is April 26, 2013. I understand that the NCRC does not agree to extend the build-out deadline to April 26, 2013. The NCRC expects the City of Washington, Northgate Developer Jason Briley, and WHI to continue its efforts to sell the remaining lots with homes constructed on the lots to LMI persons by the new December 31, 2011 deadline. As long as the City of Washington, Jason Briley and WHI continue to make progress and can demonstrate such progress to the NCRC by December 31, 2011, then the NCRC may consider another request for an extension at that time to help achieve consistency with WHI's timeframe. However, the NCRC does not guarantee that it will extend the build-out deadline beyond the current extension to December 31, 2011.

D. The Letter of Credit.

Regarding the possible letter of credit, the NCRC supports the City of Washington's efforts to assure the Developer's performance. It appears that a letter of credit in the amount of \$100,000 would cover the current maximum recapture amount. However, the NCRC cannot comment on the specific provisions or details of your arrangement or whether ultimately such agreement will be enforceable. I understand that this is an issue between the City of Washington and its Developer, and trust that it will be resolved in a manner that is amenable to both parties.

I hope that this answers your questions. If you have any additional questions or concerns, please call me at (919) 716-6534. Thank you.

Sincerely,



Britne B. Gleason
Agency Legal Specialist, NCRC

Enclosures: HUD Income Limits Chart for the State of North Carolina for Fiscal Years 2009 and 2010
List of twenty-two (22) persons approved by the NCRC as LMI purchasers

cc: Reuben F. Young, Secretary, N.C. Department of Crime Control and Public Safety
Yolanda T. Abram, Director, NCRC
Cheryl A. Perry, Assistant Attorney General, Crime Control Section
Donna Miller, Program Services Director, NCRC
N. Archie Jennings, III, Mayor, City of Washington
Jim Smith, City Manager, City of Washington
John Rodman, Planning Director, City of Washington
Bianca Gentile, Special Projects Coordinator, City of Washington
Gina Amaxopulos, Washington Housing Incorporated
Jimmy Nelson, Attorney for Northgate Development, LLC
Will Mayo, Attorney





CITY OF WASHINGTON MEMORANDUM

DATE: February 14, 2011

TO: Mayor and City Council

FROM: John Rodman, Planning and Community Development Director

SUBJ: Energy Interns Project Update

Since September, 2010 the Planning and Community Development Department has been working with two interns from East Carolina University as part of a grant funded by the State Energy Office. The project entitled "Energy Interns" is divided into two categories:

1. Promoting energy efficiency in the historic district
2. Surveying household energy consumptions patterns

Ms. Carmen Mercer, MPA Candidate, is researching how energy efficiency in historic districts is achieved while complying with the secretary of the interiors guidelines for historic preservation. Ms. Mercer will produce a set of policy recommendations that will be reviewed by the Historic Preservation Commission. This research is slated for completion June, 2011.

Chris Baker, MA Sociology, has completed a survey that will be distributed to 800 Washington Electric Utility Customers via SPSS (analytical statistical software program) random sampling. This survey aims to better understand the behavioral patterns of energy use in WEU customers. He will collect, analyze and process findings using SPSS and other quantitative analysis tools. ECU professors will assist in reviewing survey interpretations. A whitepaper is expected to surface as the final product of his efforts.

The survey will be distributed via mail the week of February 14. We would like to include a introductory letter from the Mayor. A sample of that letter has been included for your review.



City of Washington

The Heart of the Inner Banks

Dear Washington Utility Customer,

As Mayor I am committed to the mission of enhancing the quality of life for the citizens of the City of Washington. Promoting energy efficiency is one of the most important and impacting ways we can do so. Energy efficiency not only helps in the preservation and conservation of vital natural resources, it also helps individuals save money by reducing their monthly utility bills.

In an effort to better understand the most effective way to serve you, the City has developed a partnership with East Carolina University to conduct a survey that will be used to gauge energy consumption and behavior. The survey will be available both online and mail. With the knowledge gained from the survey's results, we will be better able to offer services and programs that will help you conserve energy AND save money!

We have tried to make this survey as easy as possible to complete. However, if you have any questions, please call Bianca Gentile, Community Development Planner at 252.402.6888. Thank you for completing the survey.

Sincerely,

N. Archie Jennings, III
Mayor
City of Washington



City of Washington
MEMORANDUM

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: January 11, 2011
Subject: Electric Fund Load Management Budget Transfer

The Budget Officer transferred \$15,000 of funding between divisions of the Electric Fund to move the funding for heat pump and water heater rebates from the Substation Division to the newly formed Load Management Division. This is consistent with including all related expenses of load management in the new division.

NC GS 159-15 states that this shall be reported to the Council at its next regular meeting and be entered in the minutes. Transfer request is attached.

Request for Transfer of Funds

Date: 1/10/2011

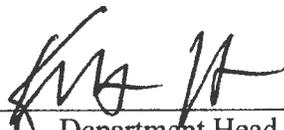
TO: City Manager or Finance Director
 FROM: Matt Rauschenbach
 SUBJECT: REQUEST FOR TRANSFER OF FUNDS

I hereby request the transfer of funds as set forth below from one account to another, all within the same appropriation fund account, as permitted and authorized by the General Statutes of North Carolina.

	Department	Account Number	Object Classification	Amount
FROM:	35-90	8370	5701	\$15,000
TO:	35-90	8375	5701	\$15,000

For the purpose of: Transfer Heat pump and water heater rebate to new load management department

 Supervisor



 Department Head

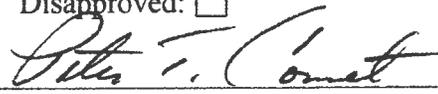
ACTION OF CITY MANAGER OR FINANCE DIRECTOR

Approved: X

Disapproved:

* Request for Transfer of Funds from Department to Department require City Manager's approval.

** Request for Intradepartmental Transfer of Funds require Finance Director approval.



 City Manager or Finance Director
 1/10/11



HUMAN RELATIONS COUNCIL

102 East 2nd Street

Washington, NC 27889

Phone: 252-975-1280

Fax: 252-974-6461

Human Relations Council (HRC) Report for the month of January Monday February 14, 2010 City Council Meeting

MISSION STATEMENT

- To promote social and economic equality in the community, working with Local Government and other resources
- To appreciate the cultural and ethnic diversity of the citizens of Washington and Beaufort County
- To encourage citizens to live and work together in harmony and mutual respect

Scheduled Public Appearances:

Executive Director with Washington Housing, Mr. Marc Recko introduced the topic of a Homeless Shelter in Washington. Mr. Recko shared that the Domestic Violence Program stopped and the two existing buildings (the two old Options buildings) on Market Street between 7th & 9th Street are now vacant and in bankruptcy court. The buildings consist of a fully outfitted Homeless Shelter and an office building. Both buildings have gone into bankruptcy procedure.

Mr. Lentz Stowe with Beaufort County Community College is working on a grant with Ms. Marisol Barr to help develop a business plan for operating those buildings. Mr. Recko had met with the bankruptcy attorney on 1-17-11 to obtain requirements and the status of the property. He is presenting the idea to the Human Relations Council to assist in promoting and supporting a facility of this type. Once the business plan has been formulated and presented in more detail to the HRC Board Mr. Recko requested the Human Relations Council help with submitting a proposal to City Council.

Update on Marker for Ed Peed commemoration

Board member O'Pharrow shared Ms. Betty Randolph will donate the monument free of charge to the HRC Board and the marker should be completed by the end of this month. Philip Mobley has agreed that his staff will put the marker in place at Beebe Park. The commemoration service for Ed Peed will take place at Fire Station One on 2-19-11 @ 11:00 am. Board member O'Pharrow suggested some type of event to acknowledge and show special recognition to honor those from the community and organizations who have been supportive of the Human Relations Council by using their own funds over the last year. The proclamations for Ed Peed, Brotherhood/Sisterhood, Human Relations Council month and Black History month - ASALH will be signed by Mayor Jennings on 2-14-11.

DISCUSSION/FYI

The newly organized Latino/Hispanic Council will be seeking the support of the Human Relations Council on the film for Brother Town if this should become one of their projects.

The Beaufort County branch of the NAACP is seeking the support of the Human Relations Council if they go forward with a forum to be presented by Dr. Timothy Tyson of Duke University, the author of Blood Done Sign My Name (best seller and also made into a movies)

DISCUSSION

Hand out material from Chair Roberson concerning Domestic Violence Services.

DISCUSSION

The Board decided to write a proclamation in honor of Brotherhood/Sisterhood month and publicize it in the media.

FYI

Reimbursement of funds (\$225) into the Human Relations Council account for Jim Smith's reception held on 12-14-10.

Washington Harbor District Alliance Report Monday, February 14, 2011 City of Washington Council Meeting

New City of Washington Docks Web Site

Bill Sykes would like to present at the Monday, February 14 meeting. Bill Sykes coordinated an effort to create a Washington City Docks Web site. Ken Roble, BCCC professor stepped forward to offer to create this web site with his students. Many people have given their input such as Teresa Hamilton from Parks and Recreation. We hope the Mayor and Council will approve.

Main Street Energy Grant Round II – This grant has been awarded to the City of Washington. A “Request for City Council Action” has been presented by Bianca Gentile, to seek the City Council’s acceptance of the award. WHDA has offered any assistance that may be needed. WHDA feels that this is an excellent example of how the City of Washington can assist small businesses in Washington, (thereby retaining small businesses and helping them to grow and thrive). Steps like this also send a clear message that the City of Washington values business relations and hopefully that will encourage more businesses to move to Washington

NDC - National Development Council

WHDA received an unexpected call from Hank Coleman, NDC representative, in early January. Hank Coleman has resigned from his position with NDC because of illness in his family. WHDA contacted the NDC East Coast director, Dan Marsh. In a conference call between Dan Marsh, Chris Furlough, Ross Hamory, Beth Byrd and Joe Blalock the future of the relationship was discussed. An email was sent confirming the new terms set for the contract with NDC.

Tuesday, Feb. 1, 2011

Dear Mr. Marsh,

Thank you for talking with us last Monday, January 24th. We appreciate your willingness to work with us and your quick response about the new market tax credits.

The committee has discussed your proposition and would like to accept your offer to continue a relationship with NDC.

Just to review, we discussed that NDC would be willing to amend the terms of the initial contract. NDC would extend the contract two or three months so that WHDA would not suffer any hardship concerning the time with which it takes to get adjusted after Hank Coleman’s departure. This would allow us sufficient time in which to “get up to speed” with the new NDC representative, Regina Celestin.

Secondly, both you and Regina Celestin would schedule a trip to Washington. At that time WHDA would submit to NDC an outline of needs that would help guide our future relations and actions. At that meeting we will also finalize extending our contract.

We are happy to work with your schedules and look forward to meeting you in the future.

No reply has been received from Dan Marsh as yet.

Old City Hall

There has been an effort under way by the Economic Restructuring Committee to find the best means with which the Old City Hall Property could be returned to a useful property, one that creates another destination point to attract consumers to the Harbor District. Bianca Gentile has been very helpful meeting with the committee to determine the scenarios that the City can legally use to dispose of a property. WHDA was hoping to lend a guiding hand in the process of selecting the developer for the property, ensuring that the most qualified developer could be found. All scenarios have not yet played out but we are currently concentrating on two different processes. More details will follow.

Downtown Business Analysis and Development Plan

Bob Murphrey of the NC Main Street organization presented finalized version of the plan to the Economic Development committee and the Chamber of Commerce. The next step would be to have the reports available to interested businesses. Trent Tetterton has been actively recruiting restaurants to fill some of our empty store fronts; this finalized report should help him further.

New Event coming the last weekend in April!

Washington Marine Market ...Anything & Everything Nautical!

The Washington Harbor District Alliance is proud to present the first open air nautical market along the City of Washington docks on the Pamlico River. Come to browse through all types of nautical gear – both new and used. Take advantage of the bargains on everything from fishing tackle to boats. Vendors wanted (from yard sale items to boat manufacturers)! Go to www.whda.org Saturday, April 30th, 9:00AM – 5:00PM and Sunday May 1st, 11:00AM – 4:00PM. Free Admission

2011 Schedule of Events

WHDA 2011 Calendar of Events	
January	
February	
March	<ul style="list-style-type: none"> • Downtown Clean Up Day Sat. March 26th
April	<ul style="list-style-type: none"> • Music in the Streets Starts April 15th Runs every Third Friday thru Oct. • Saturday Market Begins April 16th Continues every weekend • Nautical Market April 30th & May 1st
May	<ul style="list-style-type: none"> • Artwalk – Thursday, May 5th • Sat Market Every Saturday/Artist Expo Second Sat • Music in the Streets May 20th • 1st Movies in the Park May 20th • (Assistance only) • ? Blackbeard returns to the Pamlico Festival Friday, May 20th, and Sat. May 21st
June	<ul style="list-style-type: none"> • Sat Market Every Saturday/Artist Expo Second Sat • Music in the Streets June 17 • Movies in the Park June 24th • Little Washington Sailing Club 2011 Season
July	<ul style="list-style-type: none"> • Sat Market Every Saturday/Artist Expo Second Sat • July 4th Celebrations • Music in the Streets July 15 • Movies in the Park July 15 • Little Washington Sailing Club 2011 Season
August	<ul style="list-style-type: none"> • Sat Market Every Saturday/ Artist Expo Second Sat • Music in the Streets August 19 • Skip Movies in the Park • Pickin on the Pamlico - Sat., Aug. 20 • Little Washington Sailing Club 2011 Season
September	<ul style="list-style-type: none"> • Sat Market Every Saturday/Artist Expo Second Sat • Beach Music Festival - Sunday, Sept. 11th • Music in the Streets September 16 • Movies in the Park Sept. 16th • Could plan additional Movies in the Park corresponding with ECU football game.

October	<ul style="list-style-type: none"> • Sat Market Every Saturday/ Artist Expo Second Sat • Music in the Streets October 21st • Movies in the Park Oct. 21st • (Assist) Smoke on the Water Oct. 21/Oct. 22
November	<ul style="list-style-type: none"> • Art Walk Thursday, Nov. 18th
December	<ul style="list-style-type: none"> • Flotilla & Hometown Holiday Sat., Dec. 3rd

New Funding Source Corporate Sponsorships

Mac Hodges, Beth Byrd and others have been working at creating a new sponsorship package. These sponsors will contribute once a year to WHDA, instead of WHDA contacting these sponsors for each of the individual events, as done the past. These corporate sponsors will then enjoy special privileges, increased marketing presence and rewards for their commitment. So far, Potash, Coldwell Banker Coastal Rivers, East Carolina Bank has graciously signed up for the program.

Friends of the Alliance Campaign has raised over \$2,000 to date.

Washington Harbor District Board

Glenn Wetherington of Down on Main Street and Nauti Life has joined the WHDA Board. WHDA is thrilled to have one of the top downtown merchants to join our group. We are also proud to announce that Bob Henkel was awarded the Entrepreneur of the Year by the Washington Chamber of Commerce. Bob's hard work and dedication to Inner Banks Artisans Center is really paying off.

WHDA Board is complete at this point.

2011 Board Members are:

President: Ross Hamory

V.P. Economic Restructuring: Chris Furlough

V.P. Promotions: Mac Hodges

V.P. Design: Bobby Roberson

V.P. Organization: Garleen Woolard & Rebecca Clark

At Large Merchants: Bob Henkel

At Large: Glenn Wetherington

Treasurer: Bill Sykes

Secretary: Sharon Pettey

City Liaison: Bianca Gentile, Planning Dept.

Ex-Officio: Catherine Glover- Washington/B.C. Chamber of Commerce

Lynn Lewis - WTDA

Pete Connet - Interim City Manager

ADVISORS:

Little Washington Sailing Club - Dot Moate

Little Washington Sailing Club - Bill Walker

Saturday Market Manager - Leonard Huber

Public Relations - George Fields

2011 Pickin' on the Pamlico Chair - Virginia Finnerty

Christmas Flotilla & Past Market Manager - Tom Miller

Music In The Streets - LaVon Drake

WHDA Board of Directors, Committees & Volunteers

BOARD OF DIRECTORS:

President: *Ross Hamory*

V.P. Economic Restructuring: *Chris Furlough*

V.P. Promotions: *Mac Hodges*

V.P. Design: *Bobby Roberson*

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There are many other volunteers that WHDA relies on throughout the year. Without their participation we could not do all that is done for Washington.

ECONOMIC RESTRUCTURING SUB-COMMITTEE:

Hank Coleman - National Development Council

Chris Furlough - Chair

John Rodman - City Planning

Bianca Gentile - City Planning

Trent Tetterton - Co-Chair

Joe Taylor

Fred Watkins

Joe Blalock

Tom Atkins

Mac Hodges

Bill Sykes

Bob Henkel

Ross Hamory

ECONOMIC RESTRUCTURING COMMITTEE OF THE WHOLE

Previously the Citizens for Revitalization

Chris Furlough - Chair

Hank Coleman - National Development Council

Trent Tetterton *Dee Congleton*

Joe Taylor *Jennie Jones*

Fred Watkins *Erick Green*

Joe Blalock *Ross Hamory*

Tom Atkins *Doug Mercer*

Mac Hodges *Dot Moate*

Bill Sykes *Scott Henley*

John Rodman *Mike Sloan*

Bob Henkel *Lynn Lewis*

Al Klemm *Catherine Glover*

Don Harte *Beth Byrd*

Alma Friedman

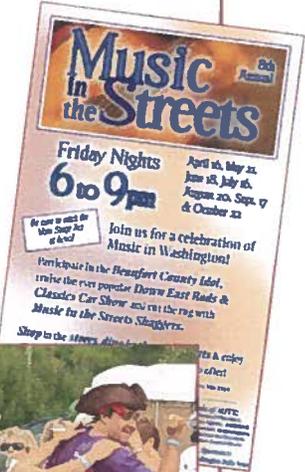
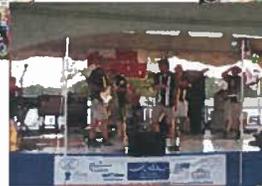
HISTORIC DOWNTOWN MERCHANTS

Bob Henkel - Chair

Includes all merchants and restaurateurs in the Harbor District



2011 CORPORATE SPONSORSHIP OPPORTUNITIES



Join the movement to improve downtown

Washington Harbor District Alliance (WHDA) is a non-profit organization. Our sole purpose is to support downtown Washington by concentrating on four areas of work:

■ **Promotion:** Establishing downtown as an enticing place for shoppers, investors and visitors. This means not only improving sales but also rekindling community excitement and involvement.

■ **Organization:** Building partnerships to create a consistent revitalization program and develop effective management and leadership downtown.

■ **Design:** Enhancing the visual quality of the downtown.

■ **Economic Restructuring:** Strengthening the existing economic assets of the business district while diversifying its economic base.

WHDA is a volunteer driven organization. These volunteers, with the help of one staff member have worked diligently to advance WHDA.

WHDA has enjoyed many milestones in the past two years. We facilitated the creation of the Wash. Visualization & Reinvestment Strategy. We have merged with the Merchants Assoc. and the Citizens for Revitalization Committee. We then changed our name from DWOW to Washington Harbor District Alliance to reflect our new position in the community.

We have built a new Board of Directors comprised of dedicated community leaders. We have re-established once popular downtown events and created new events to attract more people to Washington. We have gained the confidence of the City of Washington and have created strong partnerships with the other organizations that support downtown.

But, we still have a long way to go...

WHDA is seeking your participation as a committed partner by asking for your financial support. Anyone who recognizes the importance of a thriving harbor district in Beaufort County shares WHDA's purpose. We ask you to join with the volunteers, property owners, merchants and organizations who have given their time & money to support the Harbor District Alliance.

WHDA'S Mission

The Mission of WHDA is to serve as a facilitator and catalyst to renew, restore, rebuild, and revitalize the downtown business district, improve economic conditions, encourage tourism, and preserve historical buildings and their significance.

Mission Implementation: To serve as a clearinghouse for information about the assets of downtown; educating businesses, property owners, potential investors, and the general public about opportunities and conditions in the downtown area; maintaining and preserving downtown's historic character and integrity; promoting downtown as a place to live, shop, work, and be entertained, all within the framework of the 'Main Street Four Point Approach' as described in areas of work.

WHDA Goals: Maintain an ongoing, financially stable organization that enables a dynamic waterfront, increased economic activity, increased population, new jobs & investment, and an expanded, downtown tax base.

2011 EVENTS



Annual events & projects produced by WHDA with generous support from our sponsors include:

Pickin' on the Pamlico – August 20th A memorable evening of great music & local seafood for over 550 people on the Pamlico river.

Pirates Beach Music Festival – September 11th (Date could change) Thousands of beach music fans converge on the banks of the Pamlico to hear a day long festival of the best beach music a shagger can find.

Music In The Streets – 3rd Friday: April-October A monthly celebration of music, dance and a time to enjoy all the Harbor District has to offer!

Movie In The Park Series – May thru October Free movies and sporting events shown on the east end of the promenade.

Lee Chevrolet's 4th of July & the City of Washington Fireworks – NEW! Music & Fireworks-

Washington Marine Market - NEW! Anything and Everything Nautical for Sale! April 30th and May 1st

Saturday Market – Every Saturday April-October Weekly farmers market and monthly artisan market held in downtown Washington attracting hundreds to downtown.

Art Walk – Spring and Fall. A time to showcase our thriving art scene. Galleries and merchants open late

Hometown Holiday & 8th Christmas Flotilla – Featuring the Toys for Tots Campaign, merriment and festivities concluding with a parade of lighted boats.

Our many ongoing projects prove that WHDA is working faithfully to support the harbor district.

Strong Connections To The Community

Facebook Insights:

1400 Friends, 316 Daily Users

75% are in the 18 to 54 age range

72% are Women, 6% are Men

Web Site Stats:

From January 2010 until Dec. 2010

Total Visitors: 38,251

Total Pageviews: 109,684

Average Visitors per day: 110

Email Contacts: 3,000 and growing. We also enjoy reciprocal forwarding emails from partner agencies such as the Washington/BC Chamber of Commerce, Wash. Tourism Development Authority and the BC Arts Council.

Annual Friends Campaign: New for 2011



Why Support Washington Harbor District Alliance?

By supporting WHDA you will also be marketing your company!

Sponsorship provides a great means of broadening your competitive edge by improving your company's image, prestige and credibility by supporting events that your target market finds attractive.

In recent years, corporate sponsorship has become the fastest growing type of marketing in the United States because it is a proven method of boosting your company's visibility in our community. It is also a relatively inexpensive way of enhancing your company's public profile, differentiating your company from competitors and showcasing services and products. Sponsorships can boost both short-term and long-term sales.

By supporting WHDA you'll reach many of the people you probably have targeted as the perfect demographic for your company. We are fortunate to attract people to our events that are generally between the ages of 25 and 65. They like to be seen out and about and are looking for a good time to experience with friends and family.

Most are very up on what is happening in Washington and are fairly civic-minded. They have the benefit of relying on a middle to higher income level. Most are from Washington and the surrounding areas, but we also market to people coming to town for recreation from the Chapel Hill and Raleigh areas, Virginia, Washington, D.C. and as far away as California. These people usually have family in the area or keep up with the happenings in Washington because they are considering moving here.

Given the current trends moving the local economy away from industry and towards tourism, it is critical that Washington focuses on offering events that make Washington a destination for many. It is important the WHDA present a consistent message to neighboring areas that Washington is a fun town and worth the effort to visit. On the other hand, offering frequent events improves the quality of life for all who call Beaufort County their home. Either way, it is a win-win for both visitors and residents. And a win-win for your company when you become a corporate sponsor and are listed as a corporate sponsor for our many events.

2011 CORPORATE SPONSORSHIP OPPORTUNITIES

When you choose to sponsor WHDA your money will go directly into the marketing and cost for a year of events brought to Washington by Washington Harbor District Alliance. WHDA intends to spend about \$20,000 on advertising this year. You will be included in the advertising for these major events: Music in the Streets, Pickin' on the Pamlico, Pirates Beach Music Festival, the Washington 4th of July celebration, Hometown Holidays & Christmas Flotilla.

Besides the goodwill and publicity created for your company, you will receive:

- Tickets & reserved table for 10 at our annual Pickin' on the Pamlico event held August 20th, 2011 (\$500 value)
- 8 tickets with VIP Parking package to the September 11th (Date may change) Pirates Beach Music Festival (\$320 value)
- Your company logo included in all print ads under the title Corporate Sponsor
- Your company logo will be placed on our popular Facebook page and web site with a direct link to your web page.
- Complimentary space provided at the Music In the Streets, Pirates Beach Music Festival and Pickin on the Pamlico with which you can promote your company and its products.
- Recognition at all events as Corporate level sponsor.
- Your company listed as a corporate sponsor in all emails sent from the WHDA office.
- This is an annual campaign - contribute once and you're done! Installment payments are gratefully accepted.
- WHDA is an incorporated 501 (c)(3) non-profit organization and contributions are tax deductible (Federal Tax ID # 20-0175742)

January-February Tourism Development Authority Report

- In a quest to lead the branding effort for Washington, research and conference calls continue. Several entities have been identified that suit the needs of our community. Research includes conversations with my peers across the state and recommendations from other communities. A recommendation is anticipated in the next month. There will be costs associated with this effort. Cost will be an important consideration in the recommendation.
- The WTDA is working with a class from ECU's School of Business to develop a comprehensive plan for the Civic Center. The group of students will be studying operations, staffing, and marketing of the facility to make recommendations to help narrow the revenue/expense gap for the future.
- The WTDA is working with a graduate level class of students from the Center for Sustainable Center at ECU to identify more than a dozen niche markets for Washington and develop plans to reach and grow the markets.
- TDD Lewis attended a workshop about tourism related research beyond economic impact. The class was presented by the Destination Marketing Association of NC, which Lewis serves on the Board of Directors. Professional researchers in the tourism industry revealed simple methods of research that can be used by all sizes of bureaus.
- The WTDA assisted the Salty Southeast Cruisers Net with a media event where checks were presented to those who suffered losses at the McCotter's Marina fire. TDD Lewis wrote press releases and coordinated attendance by local media.
- The WTDA has invited travel writers from across the state to attend the EC Wildlife Arts Festival.
- Billboard concepts for Highway 17 have been developed and will be in place by mid to late February. Eye Integrated developed concepts based on recommendation by RTM Travel (the group who conducted travel research for the WTDA).
- As a member of the North Carolina Travel Industry Association, TDD Lewis participated in a board meeting where legislative issues for the upcoming session were discussed. The school calendar issue (Tourism supports a later start date, after August 25) will be a hotly contested issue in this session, especially with Basnight's resignation.
- Met with Debbie Vargas, director of the Greenville-Pitt County CVB, to discuss their current efforts and where/how we can coordinate efforts that will benefit both communities.
- Chris Prokos interviewed TDD Lewis in preparation for the upcoming Progress publication to be done by the Washington Daily News.
- The WTDA has re-joined the Historic Albemarle Tour (HAT). The group has a new leader and appears to have a renewed energy in promotion of tourism assets in the region.



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: February 14, 2011
Subject: Impressions Lease
Applicant Presentation:
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council authorize the Mayor to enter into a lease with Impressions Manufacturing Group with an initial term of five years effective April 1, 2011.

BACKGROUND AND FINDINGS:

The current lease extension expires on March 31st, 2011. The City Attorney, Staff, and Impressions have worked together to craft this agreement that includes direction from Council. The attached red line draft includes revisions since last presented to Council. Language was added to section 5. a., shaded in gray, and sent to Impressions for review February 7th. We anticipate their concurrence prior to the Council meeting and will provide a final version at that time.

PREVIOUS LEGISLATIVE ACTION

90 day lease extension

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Lease
Memo

City Attorney Review: _____ Date By: February 14, 2011 (if applicable)
Finance Dept Review: _____ Date By: Page 102 of 192 (if applicable)
City Manager Review: Concur Recommend Denial No Recommendation
 2/9/11 Date



City of Washington
MEMORANDUM

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: January 10, 2011
Subject: Impressions Lease Update

Impressions has leased from the City since 2006 and from Hamilton Beach for a period prior. The rent was \$.50/square foot through August 2009 and is currently \$1 or \$392,736 annually. The facility was in dire need of significant repair prior to Hamilton Beach's exit and to date minimal maintenance has been performed, none at the City's expense. The rent and any other revenue generated from this facility contribute to the General Fund with little offsetting expense.

The major focus of the lease negotiations has been to address the maintenance of the facility. City Staff and Counsel have met with Impressions on numerous occasions and are close to an agreement of which a draft is attached. A general contractor evaluated the building condition, identified the areas in most need of immediate repair, and provided cost estimates outlined below. Work will be bid out per NC General Statute requirements and costs finalized. The City will fund the improvements and recoup through an increase in rent of \$.45/ square foot over a five year period.

Building Improvement Summary:

\$457,430	Roof replacement/repair
108,861	Fire protection system
36,646	General Contractor
66,629	Contingency
<u>100,000</u>	Other repairs
\$769,566	Total

Staff will be meeting with Impressions January 14th with the intent of concluding the basis of the lease agreement and input from Council is appreciated.

**NORTH CAROLINA
BEAUFORT COUNTY**

THIS LEASE made and entered into as of the 1st day of April, 2011, by and between the **CITY OF WASHINGTON**, a municipal corporation organized under the laws of the State of North Carolina with an office located at 102 East Second Street, Washington, North Carolina, (hereinafter referred to as “Landlord”) and **IMPRESSIONS MARKETING GROUP, INC.**, a Virginia corporation, with offices located at 7951 Angleton Court, Lorton, Virginia (hereinafter referred to as “Tenant”).

WITNESSETH:

WHEREAS, Landlord is the owner of the real property and the improvements thereon and appurtenant thereto, including, without limitation all buildings and parking lots located at 234 Springs Road, Washington, North Carolina and as shown on that survey recorded in the Beaufort County Register of Deeds in Plat Cabinet H, Slide 52-9.

WHEREAS, Hamilton Beach Brands, Inc. f/k/a Hamilton Beach/Proctor-Silex, Inc. (hereinafter referred to as “HBBI”) formerly leased said property and improvements from the City until August 31, 2006.

WHEREAS, in or about 1992, HBBI discovered that portions of the property were contaminated, the nature of, extent of, and responsibility for such contamination is recognized, understood, and acknowledged by the parties hereto as the same is defined, described and established by the administrative record, including various reports and other documentation currently on file with the North Carolina Department of Environment and Natural Resources.

WHEREAS, Tenant has leased the property and the improvements thereon or portions thereof from Landlord under a series of letter agreements since September 1, 2006, which letter agreements incorporated the terms and provisions of the City’s former lease with HBBI.

WHEREAS, it was contemplated by the parties hereto that the Beaufort County Committee of 100 would purchase a portion of said property as well as the improvements located thereon, assist Tenant in obtaining certain financing necessary to renovate the improvements located thereon, and enter a long-term lease with Tenant.

WHEREAS, for various reasons, the contemplations of the parties have not come to fruition.

WHEREAS, the parties hereto agree that this Lease shall be subject to that Grant of Easement and Indemnity Agreement (hereinafter referred to as "HBBI Access Agreement") by and between HBBI and the Landlord, effective October 2, 2008 and recorded in Deed Book 1661, Page 951, Beaufort County Registry.

WHEREAS, Tenant desires to lease from Landlord those portions of said property and the improvements that are identified and defined hereinafter as the "Leased Premises" and Landlord desires to lease the Leased Premises to Tenant, on the terms and conditions set forth herein.

NOW, THEREFORE, subject to the terms and conditions hereinafter set forth, Landlord does hereby lease and let unto Tenant and Tenant hereby takes and accepts, together with all privileges and appurtenances thereto, the Leased Premises. In consideration of the mutual promises and covenants hereinafter contained, the benefits to Landlord and Tenant, and for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

1. COMMENCEMENT DATE. This Lease shall commence on the "Commencement Date" which is the date the Lease was made and entered into, effective as of April 1, 2011.
- 1A. LEASED PREMISES. Subject to the terms and conditions contained herein, Landlord leases to Tenant and Tenant leases from Landlord that certain tract or parcel of land, including the facility as well as other improvements or fixtures located thereon ("Leased Premises") lying and being in the City of Washington, Beaufort County, North Carolina, more particularly described as follows:

BEING all of Tract 3 as shown on that survey for the City of Washington by Mayo and Associates, P.A. dated April 29, 2008 and recorded in Plat Cabinet H, Slide 52-9, Beaufort County Registry, to which reference is herein made for a more complete and accurate description, a copy of which survey is attached hereto as Exhibit B and the same is incorporated herein by reference.

- a. The parties hereto acknowledge, understand, and shall be bound by the following. Landlord shall retain Tract 1, Tract 2, Tract 4 and an easement over a portion of Tract 3, all as more specifically shown on said survey. Landlord intends to convey to the North Carolina Department of Transportation (“NC DOT”) so much of Tract 1 retained by Landlord as may be necessary to provide sufficient right of way within which NC DOT may construct a road running from State Road 1509 (Cowhead Springs Road) and connecting to a road to be constructed and/or improved by NC DOT that extends the existing State Road 1536 (Linnie Perry Road) and runs along the southern boundary of the Leased Premises. As additional consideration for the Lease contemplated herein, Tenant shall hereafter release to NC DOT without consideration so much of the Leased Premises as may be necessary to provide sufficient right of way within which NC DOT may construct said roads. If Landlord conveys Tract 1 or a portion thereof to NC DOT, Tenant shall accept, as part of the Leased Premises, any portion of Tract 1 that is not conveyed to NC DOT. With the possible exception of a portion of the easternmost parking area and a section of the southernmost fence, it is understood by the parties hereto that said roads will in no way interfere with or impact those improvements currently located on the Leased Premises or Tenant’s intended use of the property. Landlord shall allow Tenant to utilize said portion of the easternmost parking area until such time as the same is needed by Landlord; at which time, said portion of the easternmost parking area may be removed by Landlord or NC DOT, as the case may be, such area as may be removed

shall be released from this Lease, and the parties shall execute any document that may be required to effectuate all of the foregoing.

In the event a portion of Tract 3 is conveyed to NC DOT or a portion of Tract 1 becomes a part of the Leased Premises as provided for hereinabove, the parties shall enter and execute an Amendment to this Lease that provides for and incorporates into this Lease a revised description as well as a revised survey in order to accurately describe and depict the boundaries of the Leased Premises after said conveyance or addition.

2. TERM. The agreements between the parties set forth herein, including but not limited to all obligations to provide insurance coverage, shall be effective from and after the date hereof. The initial rental term of this Lease shall commence on the Commencement Date at 12:01 a.m. and shall terminate at midnight on the fifth (5th) anniversary of the Commencement Date (the “Initial Term”).

Provided that Tenant is not then in default beyond any applicable cure period, Tenant shall have the right to extend the term of this Lease for an additional two (2) year term (the “First Extended Term”), such First Extended Term to commence at the expiration of the Initial Term and terminate at midnight on the seventh (7th) anniversary of the Commencement Date. Tenant may exercise Tenant’s right to extend the term of this Lease for such First Extended Term by giving Landlord written notice of Tenant’s intention to extend this Lease for the First Extended Term on or before the date that is the later of (i) one hundred eighty (180) days prior to the expiration of the Initial Term of this Lease and (ii) the date that is thirty (30) days following the date that Tenant receives written notice from Landlord that Tenant has failed to exercise its option to extend the term of this Lease for the First Extended Term (which notice Landlord shall not be entitled to give to Tenant earlier than the date which is two hundred ten (210) days prior to the expiration of the Initial Term of this Lease).

Provided that Tenant is not then in default beyond any applicable cure period and subject to the parties entering a written agreement that establishes the

annual rental amount at least forty-five (45) days prior to the expiration of the First Extended Term, Tenant shall have the right to extend the term of this Lease for an additional two (2) year term (the "Second Extended Term"), such Second Extended Term to commence at the expiration of the First Extended Term and to terminate at midnight on the ninth (9th) anniversary of the Commencement Date. Tenant may exercise Tenant's right to extend the term of this Lease for such Second Extended Term by giving Landlord written notice of Tenant's intention to extend this Lease for the Second Extended Term on or before the date that is the later of (i) ninety (90) days prior to the expiration of the First Extended Term of this Lease and (ii) the date that it is thirty (30) days following the date that Tenant receives written notice from Landlord that Tenant has failed to exercise its option to extend the term of this Lease for the Second Extended Term (which notice Landlord shall not be entitled to give to Tenant earlier than the date which is one hundred twenty (120) days prior to the expiration of the First Extended Term of this Lease).

3. USE. Landlord agrees that Tenant, during the term of this Lease, shall have control and use of the Leased Premises for the operation of a light manufacturing facility and for all other ancillary uses customarily associated with the operation of a light manufacturing facility, or for any other lawful use, subject to all applicable governmental laws, ordinances, regulations, reservations contained herein, private restrictions of record in the chain of title, and any Brownfields Agreement that may hereafter pertain to the Leased Premises.
4. RENT. Tenant agrees to pay to Landlord during the term of this Lease, rent as set forth below.
 - a. The annual rental amount for the Initial Term, shall be THREE HUNDRED NINETY-TWO THOUSAND SEVEN HUNDRED THIRTY-SIX AND 00/100s DOLLARS (\$392,736.00) and shall be due and payable monthly, in advance, in equal monthly installments of THIRTY-TWO THOUSAND SEVEN HUNDRED TWENTY-EIGHT and 00/100s DOLLARS (\$32,728.00) per month beginning on the

Commencement Date, and thereafter on the first day of each subsequent month for sixty (60) months except that any rent which may have accrued prior to April 1, 2011 shall be paid on April 1, 2011.

- b. In the event Tenant exercises Tenant's right to extend the term of this Lease for the First Extended Term, the annual rental amount due hereunder for said First Extended Term shall continue to be the same as the Initial Term, THREE HUNDRED NINETY-TWO THOUSAND SEVEN HUNDRED THIRTY-SIX and 00/100s DOLLARS (\$392,736.00) and shall be due and payable monthly, in advance, in equal monthly installments of THIRTY-TWO THOUSAND SEVEN HUNDRED TWENTY-EIGHT and 00/100s DOLLARS (\$32,728.00) per month beginning on April 1, 2016 and thereafter on the first day of each subsequent month of the First Extended Term.

In the event Tenant exercises Tenant's right to extend the term of this Lease for the Second Extended Term and subject to the parties entering a written agreement that establishes the annual rental amount at least forty-five (45) days prior to the expiration of the First Extended Term, the annual rental amount due hereunder for said Second Extended Term shall be the amount reestablished by the parties. Said reestablished amount shall be due and payable monthly, in advance, in equal monthly installments beginning on April 1, 2018 and thereafter on the first day of each subsequent month ~~for the remainder~~ of the Second Extended Term.

- c. The rent referenced above in Subsections 4(a) and 4(b) represents the minimum amount of rent to be paid under this Lease. All monetary obligations due by Tenant to Landlord, including, without limitation, Supplemental Rent (as that term is defined in Exhibit A, which Exhibit A is incorporated herein by reference as if fully set forth), late charges, payments due for taxes, insurance or other payments not specifically designated as rent, shall nevertheless constitute rent due hereunder (hereinafter sometimes called "additional rent"), and Tenant's failure to

make such payments for additional rent when due shall entitle Landlord to pursue the remedies available to Landlord pursuant to the provisions of Section 12 hereof.

Without otherwise limiting Landlord's rights and remedies hereunder, Tenant shall pay to Landlord a late payment fee equal to five percent (5%) of any payment due if the payment due is not received by Landlord within ten (10) days after the date it is due. Should Landlord at any time either extend the time of payment or accept partial payment of any payment due hereunder, neither of such actions shall prejudice Landlord's right to subsequently insist upon Tenant's strict compliance with the requirements hereof. Landlord's acceptance of any partial rent payment shall be without prejudice to Landlord's right to recover the balance of rent then owing or to pursue any other remedy provided for in this Lease or otherwise provided by law.

5. MAINTENANCE, REPAIR AND REPLACEMENT; DESTRUCTION OF LEASED PREMISES.

a. Maintenance, Repair and Replacement.

Except as specifically provided for in Section 5.a.1., Tenant shall repair and improve the Leased Premises to the extent required to bring the Leased Premises into compliance with the requirements of all applicable local, state and federal building codes and any requirements of Beaufort County and/or the City of Washington, as may be applicable, at Tenant's sole expense. Except in the instance of (i) a casualty affecting the Leased Premises (which shall be addressed as set forth in Subsection 5(b) hereinbelow), or (ii) a condemnation affecting the Leased Premises (which shall be as set forth in Section 17 hereinbelow), Tenant shall perform all needed maintenance, repairs and replacements to the Leased Premises, including but not limited to, all needed maintenance, repairs and replacements to all structural and nonstructural, exterior and interior, items; the roof; structure; walls; parking areas; drives; walks; signs; the

ceiling; the lighting system; the heating, ventilating and air conditioning systems; all water, sewer, electrical and sprinkler systems located within the Leased Premises; and all doors and door opening mechanisms. Tenant shall perform all preventative maintenance to the Leased Premises as needed. Tenant promptly shall replace any cracked or broken plate glass or window glass used in any exterior or interior windows and doors in the Leased Premises. All repairs, replacements and maintenance which are the responsibility of Tenant shall be completed promptly and shall be in quality and class at least equal to the original work. The obligations of Tenant hereunder include maintaining, repairing and replacing the Leased Premises and the improvements thereon in a manner so as to keep the Leased Premises in a good condition and state of repair; in compliance with all applicable laws, rules, ordinances, orders and regulations of governmental authorities; and in accordance with reasonable requirements by any insurance company insuring all or any part of the Leased Premises. Tenant shall maintain the Leased Premises in a clean, orderly and sanitary condition and free of any insects, rodents, vermin and other pests; shall not permit the accumulation of garbage, trash, rubbish or other refuse on the Leased Premises and shall remove such items from the Leased Premises prior to their accumulation; shall obtain and pay the cost for proper refuse containers, including dumpsters; shall maintain temperatures within the Leased Premises sufficient to prevent the freezing and bursting of water and sewer pipes serving the Leased Premises; and shall always keep the Leased Premises landscaped and mowed and the paved areas of the Leased Premises clean, sealed and striped as needed.

Tenant shall provide Landlord with reasonable notice prior to making any repair, maintenance, or improvement that involves a corresponding lump sum expenditure in excess of \$50,000.00.

Tenant shall maintain a twelve (12) month rolling tabulation and supporting documentation concerning all repair and maintenance expenditures incurred by Tenant. In the event Tenant deems it necessary to

make any repair or maintenance expenditure that would cause Tenant's total repair and maintenance expenditures for the then current twelve (12) month rolling period to exceed \$75,000.00, Tenant may provide Landlord with written notice of the same, which notice may contain Tenant's request for contribution from the City, in the form of rent abatement, toward the same. In no event shall said requested contribution from the City exceed fifty percent (50%) of the anticipated expenditure. Tenant shall provide Landlord with such information, including said supporting documentation, as Landlord requires in order for Landlord to assess said request. Within thirty (30) days of Landlord's receipt of said written notice and supporting documentation, Landlord shall furnish Tenant with its written response to said request, which response shall include what contribution, if any, Landlord will commit to said expenditure in the form of rent abatement and the manner in which such rent abatement will be implemented.

Upon written notice received in accordance herewith by Landlord from Tenant of a maintenance or repair issue that arises hereafter, is not the result of an act or omission of Tenant, is not covered by insurance, and either materially impacts the ability of Tenant to occupy the Leased Premises as well as to substantially conduct its normal business operations therein for an appreciable period of time or exceeds \$75,000.00, the parties shall immediately enter into good faith negotiations to affect a timely resolution to the issue. If the parties are unable to reach a written agreement to affect a timely resolution to the maintenance or repair issue contained in said written notice within sixty (60) days of Landlord's receipt thereof, either party shall have the option and right to terminate this Lease and, after such termination, neither party shall have any further rights or obligations hereunder, other than those rights or obligations that accrued or arose prior to Landlord's receipt of said written notice from Tenant. Notwithstanding the foregoing, Tenant's obligation to pay rent during said sixty (60) day period and Tenant's obligation to pay all the

Supplemental Rent shall continue and survive any such termination hereinabove described.

Upon any default by Tenant in making any repairs or replacements or in performing any maintenance which is the responsibility of Tenant that is not remedied within thirty (30) days following written notice thereof from Landlord (or if it is not feasible to remedy such default within such period, if Tenant shall not have commenced to remedy such default within such period and be prosecuting such remediation with due diligence), Landlord, in its sole discretion, may make, but shall not be required to make, such repairs and replacements and perform such maintenance on Tenant's account. The cost thereof shall constitute and be collectible as additional rent, payable by Tenant on demand. Alternatively, Landlord, in its sole discretion, may obtain, but shall not be required to obtain, an estimate of repairs from a company licensed to make such repairs. In which case, Tenant shall pay to Landlord the amount of the estimate, collectible as additional rent and payable by Tenant on demand, to be used solely for such repairs and any additional costs associated with such repairs.

- a.1. See Exhibit A entitled "Improvements to the Leased Premises" which is incorporated herein by reference as if fully set forth.
- b. Casualty. If (i) the Leased Premises are totally destroyed by fire or other casualty, or (ii) the Leased Premises are damaged by fire or other casualty to such an extent that such damage cannot be repaired within two hundred forty (240) days following such damage ("Major Damage"), then, subject to the proviso set forth below, rent hereunder shall be equitably abated to the extent of untenantability until the Leased Premises are again ready for occupancy. If the Leased Premises are damaged by fire or other casualty but only to an extent that such damage can be repaired within two hundred forty (240) days following such damage ("Minor Damage") then, subject to the proviso set forth below, rent hereunder shall also be equitably

abated to the extent of such untenability. Unless otherwise agreed by the parties at that time, upon the occurrence of either Major Damage or Minor Damage, and only in the event the damage or destruction is insured by the insurance policies required by Paragraph 7 hereof, and only to the extent of Landlord's recovery under those policies and the availability of such funds to Tenant for such purpose, plus the amount of applicable deductibles, Tenant (subject to Landlord's obligation to make such insurance proceeds available to Tenant for the purpose of such restoration) shall promptly restore the Leased Premises to substantially the same condition as it was immediately prior to the damage or destruction. All applicable insurance proceeds required by Section 7 hereof shall be paid to Landlord and, to the extent actually received by Landlord, promptly made available to Tenant for restoration purposes on a monthly "draw request" basis in amounts equivalent to the percentage of completion of such restoration as may be required to return the Leased Premises to the condition which existed prior to the fire or other casualty. If Tenant reasonably is required to close its operations during the period of repair or restoration, rent shall be abated during the period of such untenability. If Tenant is able to continue its operations during repairs, Tenant shall be obligated to pay rent. In such event, the rent shall be adjusted and reduced by an amount equal to the proportion that the Leased Premises is untenable. For all purposes of determining any applicable rent abatement under this Section 5, the Leased Premises shall be deemed untenable to the same extent that such damage or destruction shall prevent Tenant's ability to conduct operations and produce a completed product in the Leased Premises.

Tenant shall not have the option to terminate this Lease, regardless of the cause or the extent of damage or destruction; provided however, if reconstruction and restoration of the improvements on the Leased Premises ~~is~~are not completed within one (1) year of the date of damage or destruction, then either party may terminate this Lease at any time after

the one (1) year period and, after such termination, neither party shall have any further rights or obligations hereunder, other than those rights or obligations that accrued or arose prior to the date of such fire or other casualty, or for damages incurred during the period after the casualty, and Landlord may retain the Leased Premises and the benefit of all casualty insurance proceeds.

Notwithstanding anything herein to the contrary, if any fire or other casualty occurs either in the last year of the Initial Term or during the First Extended Term, and if Tenant has not theretofor exercised Tenant's right to extend the term of this Lease further, Tenant shall have thirty (30) days or so many days as are left in the then current term, whichever is less, to notify Landlord concerning whether Tenant is exercising Tenant's right to extend the term of this Lease further. If Tenant declines to exercise Tenant's right to extend the term of this Lease further as hereinabove specifically provided or if said fire or other casualty occurs in the Second Extended Term, Tenant shall have no maintenance, repair, or replacement responsibility hereunder, but shall ensure that any insurance proceeds as may be recovered on account of said fire or other casualty are received and retained by Landlord.

6. DELIVERY OF POSSESSION, SUBSEQUENT ADDITIONS AND IMPROVEMENTS BY TENANT.

- a. Tenant acknowledges that it has inspected and is familiar with the condition of the Leased Premises prior to the execution of this Lease and Tenant agrees to accept the Leased Premises in its current "AS IS" condition. Tenant's taking possession of the Leased Premises shall be conclusive evidence as against Tenant that Tenant has accepted said Leased Premises AS IS and that Landlord is under no duty to repair anything, furnish any services for, or otherwise improve in any way the Leased Premises except as specifically provided for in Section 5.a.1.

The parties acknowledge that, at the time Tenant began occupying the Leased Premises under letter agreements in 2006, the original structure was approximately forty (40) years old and that the condition of the Leased Premises is generally depicted by pictures taken on or around the fall of 2010, which pictures are contained on a disk, a copy of which disk is in the possession of each party. Upon completion of the improvements as provided for in Section 5.a.1., the parties shall collaborate to update the pictures on said disk in order to accurately depict the condition of the portions of the Leased Premises improved by such improvements.

- b. Tenant, at the sole cost and expense of Tenant, shall have the right to make renovations, additions and improvements, in addition to those things required of Tenant under Section 5 hereof, of or to the Leased Premises only in accordance with plans and specifications submitted to and approved in writing by Landlord, which approval Landlord agrees not to unreasonably withhold, condition or delay. All such approvals and related work will be subject to subsequent inspection of such renovations, additions and improvements for conformity with their initial approval and, in the event of any inconsistency therewith, Tenant shall remedy the same for consistency. Any and all repairs, replacements, renovations, additions or improvements of or to the Leased Premises that are permitted by this subsection or are otherwise required elsewhere in this Lease and that shall be permanently affixed to or become a part of the Leased Premises shall remain to be surrendered as part of the Leased Premises, without cost to Landlord, at the expiration or earlier termination of this Lease; provided however, that Tenant may at any time remove its trade fixtures and other business related equipment to the extent such fixtures and equipment were paid for by Tenant and all damage caused by such removal shall be repaired by Tenant in a good and workmanlike manner.

7. INSURANCE.

- a. Throughout the term of this Lease, Tenant, at its sole cost and expense, shall keep or cause to be kept insured for the benefit of both Landlord and Tenant, as their interests may appear, all improvements (including all buildings) now or hereafter located on or appurtenant to the Leased Premises against loss or damage by fire and windstorm and such other risks as are now or hereafter may be included in standard extended coverage endorsements providing vandalism, explosion and malicious mischief coverages, in a form and with companies reasonably satisfactory to Landlord. The amount of such insurance coverage shall be sufficient to prevent either Landlord or Tenant from becoming a coinsurer under the provisions of the policy(ies), but in no event shall the amount be less than Five Million Dollars (\$5,000,000) (the "Full Insurable Value"). All policies of insurance required by this Subsection 7(a) shall provide that the proceeds shall be paid to Landlord, and Landlord agrees that, except when specifically provided for herein to the contrary, such proceeds shall be timely made available by Landlord to Tenant to repair, restore and/or reconstruct the improvements upon the Leased Premises or as otherwise provided in this Lease to the extent Landlord actually receives such proceeds.
- b. Tenant shall maintain, at its own expense, all insurance on its personal property, including without limitation its equipment and trade fixtures.
- c. Throughout the term of this Lease, Tenant, at its sole cost and expense, shall keep or cause to be kept in force, for the mutual benefit of Landlord and Tenant, comprehensive broad form commercial general liability insurance against claims and liability for personal injury, death or property damage arising from the use, occupancy, misuse or condition of the Leased Premises, the improvements located thereon and adjoining streets or ways, providing, at the date hereof, protection of at least Three Million and no/100 Dollars (\$3,000,000.00) combined single limit coverage for bodily injury or property damage, all in a form and with companies reasonably satisfactory to Landlord and having a deductible not to exceed

Five Thousand and no/100 Dollars (\$5,000.00), together with appropriate worker's compensation insurance in connection with any work on or about the Leased Premises. Coverage in excess of Three Million and no/100 Dollars (\$3,000,000.00) may be obtained by Landlord or Tenant at such party's expense; provided however, any such excess coverage obtained by either party shall name the other party as an additional insured.

- d. Such policies as are required by this Section 7 or duly executed certificates of insurance, with original policies to follow promptly thereafter, shall be delivered to Landlord within thirty (30) days following the full execution of this Lease, and thereafter at least ten (10) days prior to the expiration of the policy term. All casualty insurance policies carried by either party hereunder shall provide for a waiver of subrogation against the other party by the insurance carrier. In the event Tenant fails to obtain and provide to Landlord all of the policies of insurance as specified above, Landlord may obtain such insurance at Tenant's expense. All costs incurred by Landlord in obtaining such insurance as it is required to obtain by the terms of this Lease and in obtaining such insurance which Tenant is required to obtain by the terms of this Lease but has failed to do so, shall constitute and be collectible by Landlord as additional rent, payable by Tenant to Landlord on demand. All liability insurance policies shall name Tenant as the insured and Landlord and such other persons or entities as may be designated by Landlord and/or Tenant, as additional insureds, as their interests may appear. All casualty and flood insurance policies shall name Landlord and such other persons or entities as may be designated by Landlord as insureds. All such policies shall be nonassessable and shall contain language, to the extent obtainable, to the effect that (i) any loss shall be payable notwithstanding any act or negligence of Landlord or Tenant that might otherwise result in a forfeiture of the insurance, (ii) the policies are primary and noncontributing with any insurance that may be carried by Landlord, and (iii) the policies cannot be cancelled or materially changed except after thirty (30) days' notice by the insurer to Landlord.

- e. For the purpose of waiver of subrogation, the parties mutually release and waive unto the other all rights to claim damages, costs or expenses for any injury to person or property caused by a casualty of any type whatsoever in, on or about the Leased Premises, to the extent covered by insurance carried or required to be carried hereunder. With the exception of any worker's compensation insurance required of Tenant hereunder, all insurance policies carried with respect to this Lease, if permitted under applicable law, shall contain a provision whereby the insurer waives, prior to loss, all rights of subrogation against either Landlord or Tenant.

8. INDEMNIFICATION.

- a. Indemnity by Tenant. Tenant indemnifies Landlord, its directors, officers, and employees and agrees to save them harmless and, at the option of any of them, defend them from and against any and all claims, actions, damages, liabilities and expenses (including attorneys' and other professional fees) judgments, settlement payments, and fines paid, incurred or suffered by any of them in connection with the loss of life, personal injury, or damage to property, suffered by third parties, in or upon the Leased Premises, and arising from or out of the negligence or intentional misconduct of the Tenant, or its directors, officers, employees, contractors or agents in or about the Leased Premises during the Term of this Lease, unless caused by the negligence or intentional misconduct of Landlord, or its directors, officers, employees, contractors or agents.
- b. Indemnity by Landlord. Landlord indemnifies Tenant, its directors, officers and employees and agrees to save them harmless and, at the option of any of them, defend them from and against any and all claims, actions, damages, liabilities and expenses (including attorneys' and other professional fees) judgments, settlement payments, and fines paid, incurred or suffered by any of them in connection with loss of life, personal injury, or damage to property suffered by third parties in or upon the Leased Premises, and arising from or out of the negligence or

intentional misconduct of the Landlord, or its directors, officers, employees, contractors or agents in or about the Leased Premises during the Term of this Lease, unless caused by the negligence or intentional misconduct of Tenant, or its directors, officers, employees, contractors or agents.

- c. Survival of Indemnities. Tenant's obligations pursuant to Subsection 8a and Landlord's obligations pursuant to Subsection 8b shall survive any termination of this Lease with respect to any act, omission or occurrence which took place prior to such termination.
9. ASSIGNMENT AND SUBLETTING. Tenant shall not assign or in any manner transfer this Lease or any interest therein or sublet the Leased Premises or any part thereof, without the prior consent of Landlord, which consent shall not be unreasonably withheld. Notwithstanding anything herein to the contrary, however, no transfer of interests between or among the shareholders of Tenant shall be deemed a transfer requiring Landlord's consent hereunder. As a condition of Landlord's approval of any assignment of this Lease requiring Landlord's consent, Tenant shall obtain the written agreement of the assignee in form reasonably acceptable to Landlord, providing for the assumption of all of Tenant's obligations and covenants hereunder. Consent by Landlord to one (1) or more assignments or sublettings shall not operate as a waiver of Landlord's rights as to any subsequent assignment or subletting. Notwithstanding the assumption of liability by the assignee or subtenant, Tenant shall remain fully responsible and liable for the payment of the rent herein specified and for compliance with all other obligations and covenants of Tenant as set forth in this Lease.

In connection with any request to approve an assignment or sublease, Tenant shall deliver to Landlord a notice specifying the identity of the proposed assignee or subtenant and such other information as Landlord reasonably may require in order to evaluate such request.

10. UTILITIES AND TAXES. Tenant shall be responsible for and shall pay any and all utility charges, including but not limited to electricity, heating/air conditioning,

water and sanitary sewer, which it may require for use in or on the Leased Premises. Tenant shall be responsible for and promptly pay before default any and all real and personal property taxes, if any, that may be levied or assessed against the Leased Premises or any improvements or other property situated on the Leased Premises, it being the mutual intention of the parties that Landlord shall not be required to pay any taxes on either real or personal property by reason of permitting Tenant to use said real property as herein described. Tenant also agrees to indemnify Landlord against any loss or liability resulting from any and all claim or liens in connection with such taxes and assessments. Any unpaid amounts arising from the above shall be deemed and treated as additional rent as more specifically described herein.

11. LANDLORD'S ACCESS TO LEASED PREMISES. Landlord shall have the right, either itself or through its authorized agents, to enter the Leased Premises at all reasonable times to examine same, and to make repairs, alterations or additions to the Leased Premises. Landlord shall give reasonable advance notice of its intention to enter, and shall not interfere with Tenant's business operations. The foregoing shall include the right to construct, maintain, operate, repair, alter, or add to any and all utility, including electric, water, and sewer, infrastructure deemed necessary by Landlord in Landlord's sole discretion and the right of access necessary to accomplish the same.
12. DEFAULT. The happening of any one or more of the following shall be deemed to be an Event of Default under this Lease:
 - a. The failure of Tenant to pay any installment of rent, additional rent, Supplemental Rent, or other charge or money obligation herein required to be paid by Tenant to Landlord when due, which failure is not remedied within five (5) business days after written notice to Tenant thereof; or
 - b. The failure of Tenant to comply with any covenant or provision of this Lease (except payment of any installment of rent, additional rent, Supplemental Rent, or other charge or money obligation described in Subsection 12(a) above) which failure is not remedied within thirty (30)

days after written notice of such failure to comply is given by Landlord, or if it is not feasible to cure such failure within such period, to begin performance of such covenant within such period and to diligently pursue performance to completion in a reasonable period of time thereafter; or

- c. The occurrence of any of the following events: (i) Tenant shall file with any bankruptcy court a voluntary bankruptcy petition; (ii) Tenant shall be the subject of any order for relief issued under the bankruptcy code; (iii) Tenant shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or other relief for debtors; (iv) Tenant shall seek or consent to or acquiesce in the appointment of any trustee, receiver, conservator, or liquidator for Tenant or all or any substantial part of the assets of Tenant; (v) Tenant shall be the subject of any order, judgment, or decree entered by any court approving a petition filed against Tenant for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency or other relief for debtors which shall not be set aside or otherwise dismissed within sixty (60) days following actual notice to Tenant regarding same; or (vi) Tenant shall make an assignment for the benefit of creditors.

Upon the occurrence of any such Event of Default, and prior to same having been remedied by Tenant, Landlord shall have the option to pursue any one or more of the following remedies and any other remedy provided at law or in equity:

- (i) Terminate this Lease, in which event Tenant shall immediately surrender the Leased Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Leased Premises and remove Tenant and

any other person who may be occupying said Leased Premises or any part thereof, and relet the Leased Premises for such rent and on such terms as Landlord may deem advisable; and Tenant shall be liable to Landlord for all loss and damage which Landlord may suffer by reason of such termination, including, but not limited to, rent for the remainder of the term of this Lease plus all of Landlord's costs and expenses identified in Section 12(c)(iv) of this Lease. In this instance, Tenant's liability for rent shall be set off by any rent received by Landlord from any subsequent tenant for any time period during which this Lease would have been in effect but for such termination.

- (ii) Enter upon and take possession of the Leased Premises without terminating this Lease and remove Tenant and any other person who may be occupying said Leased Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefor and if Landlord so elects, but without obligation to do so, relet the Leased Premises for such rent and on such terms as Landlord may deem advisable. Tenant shall be liable to Landlord for any deficiency and expenses that may arise by reason of any reletting of the Leased Premises.
- (iii) With or without terminating this Lease, enter upon the Leased Premises and (i) perform, correct or repair any condition or any matter which Tenant has failed to perform, correct or repair hereunder, or (ii) perform any of Tenant's other obligations under this Lease.
- (iv) Enforce Tenant's obligations under the Lease, including bringing suit from time to time for the collection of the rent or other amounts for which Tenant may be in default or for any expenses incurred in connection with the enforcement of any of the foregoing remedies, including, without limitation, brokerage fees,

attorneys' fees, unamortized sums expended by Landlord for the construction of tenant improvements, all costs relating to the recovery of the Leased Premises, and the cost of alteration of or repair to the Leased Premises which is necessary or proper to prepare the same for reletting; or bring suit for the performance of any other covenant or agreement of Tenant and recovery of any other damages, all without entering into possession or terminating this Lease. Tenant further agrees that no suit or recovery of any amount due Landlord hereunder shall be any defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Landlord.

No reentry or taking possession of the Leased Premises by Landlord or any other action taken by or on behalf of Landlord shall be construed to be an acceptance of surrender of this Lease or an election by Landlord to terminate this Lease.

Pursuit of any of the remedies set forth herein shall not preclude pursuit of any other remedies available under this Lease or provided by law. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of such default.

13. NOTICES. Any notice or communication required or permitted in connection with this Lease shall be in writing and shall be sent by either of the following methods: (a) by a reputable overnight delivery service, providing a delivery receipt, addressed to the respective party at the address specified herein; or (b) by personal delivery. Notices or communications sent by overnight delivery service or personal delivery shall be deemed received upon receipt or refusal of delivery. The addresses to be used are as follows:

to Landlord: City of Washington
Attn: City Manager
P.O. Box 1988

102 East Second Street
Washington, NC 27889

with a copy to: Rodman, Holscher, Francisco & Peck, P.A.
Attn: Franz F. Holscher
Attorney for the City of Washington
P.O. Box 1747
320 North Market Street
Washington, NC 27889

to Tenant: Impressions Marketing Group, Inc.
Attn: Kevin R. Goodale, CFO
7951 Angleton Ct.
Lorton, VA 22079

Any party may change or add to the addresses to which such notices shall be sent by providing written notice to the other parties.

14. QUIET ENJOYMENT. If Tenant promptly and punctually complies with each of its obligations hereunder, Tenant shall peacefully have and enjoy possession of the Leased Premises during the term of this Lease, subject, however, to any contrary provisions hereof.
15. MISCELLANEOUS.
 - a. Headings of paragraphs are for convenience of reference only and shall not be used to construe the meaning of the contents of such paragraphs.
 - b. The invalidity of any portion of this Lease shall not affect the balance thereof.
 - c. Should Landlord or Tenant institute any legal proceedings against the other for breach of any provisions herein contained, the prevailing party in such action shall, in addition to any other recovery, be entitled to recover its costs and expenses from the losing party including its reasonable attorney's fees.
 - d. This Lease shall be binding upon the respective parties hereto, and upon their heirs, successors and, if expressly permitted herein, assigns.

- e. This Lease incorporates all prior negotiations between the parties, and any changes hereto must be in writing and signed by both parties.
- f. Other than as specifically provided herein, Landlord and Tenant each warrant to the other that they have had no dealings with any real estate broker, agent or finder in connection with the negotiation or execution of this Lease. If either party has dealt with a broker or agent, they shall pay that broker or agent and indemnify and hold the other party harmless from all claims by that broker or agent.
- g. Nothing herein contained shall be deemed or construed by the parties hereto, nor by any other party, as creating the relationship of principal and agent or of partnership or joint venture between the parties hereto.
- h. No waiver of any covenant, term or condition of this Lease by either party shall be construed as a waiver of a subsequent breach of the same covenant, term or condition.
- i. The consent or approval of either party to any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary the consent to, or approval of, any subsequent similar act.
- j. Landlord and Tenant shall be excused for the period of any delay in the performance of any of their obligations hereunder when prevented from performance by causes beyond their reasonable control, including, without limitation, injunction, labor disputes, civil commotion, war, weather, fire, flood or other casualty, acts of God or inability to obtain materials or service. Provided however, that the preceding sentence shall not excuse the payment of rent or any other monetary payment.
- k. This Lease was negotiated by the parties and their counsel. Each party had input into the terms and provisions of this Lease. The provisions of this Lease shall not be construed against the party who drafted the Lease as a result of that party's drafting of the Lease.

- l. The parties agree that this Lease shall not be recorded. Upon demand by either Landlord or Tenant, the other party agrees to execute a memorandum of this Lease suitable for recording in the office of the Register of Deeds of Beaufort County. In the event of the recording of any memorandum of lease, upon the termination of the Lease, the parties agree to record a memorandum of termination of lease. Tenant agrees to indemnify Landlord and hold Landlord harmless from all loss, cost, liability, claim, suit, damage or expense (including attorneys' fees) caused to Landlord as a result of Tenant's refusal to execute a memorandum of termination of this Lease in the event this Lease has terminated.
- m. The Exhibits attached hereto are incorporated herein by reference.
- n. Landlord shall notify Tenant concerning any inquiry Landlord receives from a third party concerning Landlord's willingness to sell or otherwise convey the Leased Premises or a portion thereof and keep Tenant timely informed of any subsequent negotiations. In addition to the foregoing, if Landlord receives an offer to purchase the Leased Premises, Landlord will provide Tenant with written notice of such an offer within five (5) days of Landlord's receipt of the same. With the exception of a privately negotiated sale that is in accordance with North Carolina General Statutes and consented to by Tenant, any potential sale of the Leased Premises or a portion thereof during the Initial or any Extended Terms hereof shall be accomplished only through the negotiated offer, advertisement and upset bid process authorized by North Carolina General Statute § 160A-269 or a functionally equivalent statutorily authorized process that will ensure Tenant has the opportunity to receive notice of, and to upset, any bid or offer to purchase from any third party.
- o. Reporting requirements. Tenant shall keep or cause to be kept annual financial statements, as are customarily kept by businesses in Tenant's industry, of the business conducted or transacted in relation to the Leased Premises and Tenant's operations thereon. Upon request of the Landlord,

Tenant shall provide such financial statements to Landlord's Chief Financial Officer. Nothing in this Lease, however, shall be construed to permit the Landlord to copy documents of Tenant that contain trade secrets or attorney client privileged information or to disclose Tenant's proprietary information.

- p. Option to Purchase. Upon written notice from Tenant, Landlord shall initiate the upset bid process authorized by North Carolina General Statute § 160A-269 to sell the Leased Premises so long as said written notice contains an offer from Tenant to purchase the Leased Premises, which offer shall be equal to or more than the appraised value of the Leased Premises as determined by an appraiser or appraisal process mutually agreed upon in writing by the parties.
16. SUBORDINATION, NON-DISTURBANCE, ATTORNMENT AND ESTOPPEL. Subject to the non-disturbance provisions set forth below, Tenant agrees that this Lease is and shall be subordinate and subject to any mortgage, deed of trust, or any other hypothecation for security which has been or which hereafter may be placed upon the Leased Premises by Landlord, and to any and all advances to be made under any such mortgage, deed of trust, or other such encumbrance and all renewals, modifications, extensions, consolidations and replacements thereof. The aforesaid provision shall be self-operative and no further instrument shall be required to evidence same. Notwithstanding the self-operative nature of the foregoing, however, Tenant agrees to execute any reasonable document(s) which may be required or requested by Landlord to evidence such subordination. It is further understood and agreed, however, that neither such subordination, nor any foreclosure of any mortgage or deed of trust, shall affect Tenant's right to continue in possession of the Leased Premises under the terms of this Lease, and Tenant's rights hereunder shall continue and not be disturbed, so long as no Event of Default on the part of Tenant shall have occurred and be continuing. Landlord agrees to execute and deliver affirmation of such non-disturbance, and to take reasonable steps to cause the owner and holder of each such mortgage, deed of trust or other applicable party to execute and

deliver an affirmation of such non-disturbance, reasonably satisfactory to Tenant and Landlord's lender and in recordable form so long as Tenant has fully complied in all material aspects with all terms and requirements of this Lease.

If the holder of any mortgage, deed of trust or other instrument encumbering the fee title to the Leased Premises shall succeed to the rights of Landlord under this Lease, at the election of such holder, Tenant shall attorn to and recognize such holder as Tenant's landlord under this Lease and shall promptly execute and deliver any instrument (in form reasonably satisfactory to such holder) that may be necessary to evidence such attornment.

Each party hereto agrees that it will, from time-to-time and within ten (10) business days after written request by the other party or any lender of such other party, execute and deliver to the requesting party a statement certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified); that all conditions and agreements hereunder have been satisfied or performed, except as set forth in such statement; the dates to which rent and other charges payable under this Lease have been paid; and the status of any other matters as may be reasonably requested by the requesting party.

17. CONDEMNATION. If the whole or any part of the Leased Premises shall be appropriated and taken by virtue of any condemnation proceeding for any public or quasi-public use or purpose so as to render the remaining portion untenable for the uses and purposes contemplated by the parties, this Lease immediately shall terminate on the date possession thereof shall be so appropriated and taken. In the event of any lesser condemnation, the Lease shall continue but the rent shall abate proportionately to the untenability of the Leased Premises. For the purposes of this Section 17, untenability shall be determined in the same manner as untenability is determined under the provisions of Section 5 hereinabove. In any such case, each party shall be entitled to claim and receive an award of damages suffered by it by reason of such taking or conveyance, but Tenant shall not be entitled to any award attributable to the unexpired portion of

the term or to any renewal option or purchase option. Tenant shall be allowed to share in the award only if a portion of the award is expressly attributed to the value of its leasehold improvements or moving expenses, and only to the extent that its award shall not affect the amount of any award to Landlord. Landlord shall promptly, following any partial condemnation that does not result in a termination of the Lease, restore the Leased Premises as nearly as possible to the condition as existed immediately prior to such taking and rent shall equitably abate during such restoration, only to the extent that such restoration may be completed with the proceeds of the condemnation.

18. SPECIAL MATTERS.

- a. During the final one hundred eighty (180) days of the Initial or any Extended Term of this Lease, Landlord or its agents shall have the right to enter the Leased Premises at all reasonable times, for the purpose of showing the Leased Premises to any prospective tenant or purchaser; provided however, Landlord shall not interfere with Tenant's business operations. At any time during the final one hundred eighty (180) days of the Initial or any Extended Term of this Lease, Landlord shall also have the right to erect on the Leased Premises a sign, consistent with any applicable zoning regulations, indicating that the Leased Premises is for sale or for rent, effective at the date of termination of the then current term.
- b. This Lease shall be subject to that Grant of Easement between HBBI and the Landlord recorded in Deed Book 1661, Page 952, Beaufort County Registry.

19. APPLICABLE LAW. This Lease shall be construed and interpreted under the laws of the State of North Carolina.

20. OTHER PROVISIONS.

- a. Tenant shall have no power to create a lien of any kind or character upon the title of Landlord in the Leased Premises and no person shall be entitled

to any lien directly or indirectly derived through or under Tenant, or its agents or servants, on or account of any act or omission of Tenant, which lien shall be superior to the interest of Landlord in the Leased Premises. All persons contracting with Tenant, or furnishing materials or labor to Tenant, its contractors or subcontractors, or to their agents or servants, shall be bound by this provision. Should any lien be filed against either Landlord's or Tenant's interest in the Leased Premises because of work contracted for by Tenant, Tenant shall cause the same to be cancelled and discharged of record by bond or otherwise within twenty (20) days after Tenant receives actual notice of such filing. If Tenant shall fail to cause such lien to be cancelled or discharged within the period aforesaid, Landlord may, in addition to any other right or remedy, pay the amount of such lien or discharge the same by deposit or bond or pay any judgment recovered on such claim, and any such amount paid or expense incurred by Landlord shall be deemed additional rent for the Leased Premises and shall be due and payable by Tenant to Landlord upon demand.

- b. Tenant will comply with all applicable laws, ordinances, orders, rules, restrictions, covenants, regulations, and other federal, state, and local governmental requirements relating to the use, condition, or occupancy of the Leased Premises, and all applicable rules, orders, regulations, and reasonable requirements of the Board of Fire Underwriters or Insurance Service Office, or other similar body, having jurisdiction over the Leased Premises, and the requirements of any insurance company providing insurance coverage for the Leased Premises. The cost of such compliance will be borne by Tenant.
- c. Tenant shall not permit, allow or cause any act or deed to be performed or any practice to be adopted or followed in and about the Leased Premises which shall cause or be likely to cause injury or damage to any person or said Leased Premises, the buildings, sidewalks, walkways and parking lots which are on or adjoin the Leased Premises.

- d. Tenant agrees to surrender the Leased Premises to Landlord at the expiration or earlier termination of this Lease in good order and condition, ordinary wear and tear and damage by fire or other casualty, if any, excepted. In the event Tenant remains in possession of the Premises after the expiration of the term of this Lease and without the execution of a new lease or a renewal of this Lease, Tenant shall be deemed to occupy the Leased Premises as a month-to-month tenant at a rental equal to the rental due for the last month of the then existing term and Tenant shall be responsible for any damages that Landlord may sustain as a result of Tenant's failure to make proper delivery of the Leased Premises to Landlord upon the termination of this Lease. In no event shall there be any renewal of this Lease by operation of law.
 - e. Tenant shall not commit waste on the Leased Premises.
 - f. In the event Landlord ceases to be the owner of the fee interest in the Leased Premises, and any new owner of the fee interest in the Leased Premises expressly assumes the obligations of Landlord hereunder, and a copy of such assumption instrument is provided to Tenant, Landlord's obligations hereunder first arising from and after the date of assumption of such obligations shall terminate and such new owner of the fee interest in the Leased Premises shall be responsible for the performance of Landlord's obligations hereunder from and after such date.
21. ENVIRONMENTAL MATTERS.
- a. Definitions.
 - 1. For the purposes of this Section 21, the term "Hazardous Substance" shall mean, without limitation, any flammable explosive, radon, radioactive materials, asbestos, urea formaldehyde foam insulations, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, including, without limitation, those defined as such in:

(i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. sections 9601 et seq.); (ii) the Hazardous Materials Transportation Act, as amended (49 U.S.C. sections 1801 et seq.); (iii) the Resource Conservation and Recovery Act, as amended (42 U.S.C. sections 6901 et seq.); or (iv) any other applicable Environmental Law and in regulations adopted pursuant thereto.

2. For the purposes of this Section 21, the term “Environmental Laws” shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety, and sanitation laws, statutes, ordinances, and codes relating to the protection of the environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production, release, or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, permits, decisions, orders, and directives of federal, state and local governmental agencies and authorities with respect thereto.

b. Current Condition. Tenant and Landlord acknowledge that each of them is aware of the presence of certain Hazardous Substances existing as of the effective date of this Lease, in the soil and ground water on, under, around or within the Leased Premises as the same is defined, described and established by the administrative record, reports and other documentation currently on file with the North Carolina Department of Environment and Natural Resources (“NCDENR Record”), which shall expressly exclude for the purposes of this Lease, however, the presence of any Hazardous Substances that are not included in said Record (the “Current Environmental Condition”).

c. Environmental Indemnification.

1. Landlord shall defend, indemnify, and hold Tenant harmless from and against any and all claims, response or remediation costs,

losses, damages, penalties, actions, judgments, expenses, and liabilities of every kind and nature whatsoever (including, without limitation, reasonable attorneys' and consultants' fees and costs of investigation, remediation and defense), to the extent they arise out of, result from or are connected to: (i) the exacerbation of the Current Environmental Condition of the Leased Premises during the Initial Term and any Extended Term attributable to the acts or omissions of Landlord, its employees, agents, representatives and contractors; (ii) a violation of any Environmental Laws at the Leased Premises during the Initial Term and any Extended Term by Landlord, its employees, agents, representatives and contractors; or (iii) the production, treatment, processing, handling, storage, disposal, spillage, or release of Hazardous Substances on or about the Leased Premises during the Initial Term and any Extended Term by Landlord its employees, agents, representatives and contractors.

2. Tenant shall defend, indemnify, and hold Landlord harmless from and against any and all claims, response or remediation costs, losses, damages, penalties, actions, judgments, expenses, and liabilities of every kind and nature whatsoever (including, without limitation, reasonable attorneys' and consultants' fees and costs of investigation, remediation, and defense), to the extent they arise out of, result from or are connected to: (i) the exacerbation of the Current Environmental Condition of the Leased Premises during the Initial Term and any Extended Term attributable to the acts or omissions of Tenant, its employees, agents, representatives and contractors; (ii) a violation of any Environmental Laws at the Leased Premises during the Initial Term and any Extended Term by Tenant, its employees, agents, representatives and contractors; or (iii) the production, treatment, processing, handling, storage, disposal, spillage, or release of Hazardous Substances on or about

the Leased Premises during the Initial Term and any Extended Term by Tenant, its employees, agents, representatives and contractors.

3. The indemnification obligations set forth in this Section 21(c) shall survive expiration or earlier termination of this Lease.

(THE REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK)

DRAFT

IN WITNESS WHEREOF, Landlord and Tenant have caused this instrument to be signed with all due authority under seal and in such form as to be binding, as of the day and year first above written.

PRE-AUDIT CERTIFICATE

This Agreement has been pre-audited pursuant to North Carolina General Statute § 159-28 in the manner required by the Local Governmental Budget and Fiscal Control Act.

THE CITY OF WASHINGTON

MATT RAUSCHENBACH,
Chief Financial Officer/
Assistant City Manager

LANDLORD

CITY OF WASHINGTON
a North Carolina municipal corporation

(corporate seal)

BY: _____ (Seal)
N. Archie Jennings, III, Mayor

ATTEST:

Cynthia S. Bennett, City Clerk

TENANT

IMPRESSIONS MARKETING GROUP, INC.
a Virginia corporation

(corporate seal)

By: _____
Name: _____
Title: _____

COUNTY OF BEAUFORT
STATE OF NORTH CAROLINA

I, _____, a Notary Public of the State and County aforesaid, certify that CYNTHIA S. BENNETT personally appeared before me this day and acknowledged that she is City Clerk of the **CITY OF WASHINGTON**, a North Carolina municipal corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by N. ARCHIE JENNINGS, III, its Mayor, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the ____ day of _____, 2011.

NOTARY PUBLIC

My Commission expires: _____.

STATE OF _____
COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that _____, who is personally known by me or has produced satisfactory evidence of identity, appeared before me this day and acknowledged that he/she is _____ of the **IMPRESSIONS MARKETING GROUP, INC.**, a Virginia corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed by _____, as _____.

Witness my hand and official seal, this the ____ day of _____, 2011.

NOTARY PUBLIC

My Commission expires: _____.

Exhibit A

Improvements to the Leased Premises

Landlord shall diligently pursue and use its best efforts to obtain financing suitable to Landlord, in Landlord's sole discretion, in the amount of \$769,566.00, and, assuming said financing is obtained, commit up to the following dollar amounts for the corresponding prospective improvements. In the event Landlord is unable to obtain financing suitable to Landlord, in Landlord's sole discretion, Landlord shall have no further obligation hereunder other than that related to the grant referenced hereinbelow.

1. Up to \$457,430.00 for roof repair/replacement. The roof on the principal building has eight (8) sections. Sections 1, 3, and 6 have been replaced in the last ten years. Said sections shall be recoated with an aluminum-fibered roof coating. Sections 2, 4, and 5 have not been replaced and require major repair. A roof membrane shall be installed for these sections. The warehouse (upper level) has a membrane roof and requires no repair at this time. The office area roof shall be spot patched as leaks are identified.
2. Up to \$26,061.00 for interior fire protection system. The interior sprinkler system shall be inspected, tested, and repaired to current fire code if any deficiencies are noted.
3. Up to \$82,800.00 for exterior fire protection system. The existing water storage tank shall be abandoned due to its age and deterioration. The sprinkler system shall be connected to the City water system through, among other things, a connection to the water main at the fire pump.
4. Up to \$100,000.00 miscellaneous. Numerous other items have been identified and prioritized for repair, such as replacing certain loading dock doors, and additional items will likely be identified as the above improvements are made. Such items shall be addressed upon recommendation of the general contractor for this project and only after both parties consent to the items recommended to be addressed, the manner in which said items shall be addressed, and the manner in which said funds shall be expended.

\$36,646.00 of said financing will be utilized by the Landlord to contract with Turning Point Renovations and Remodeling, Inc. to be the general contractor for this project and to coordinate as well as monitor all improvements contemplated hereunder. The balance remaining from the financing shall be set aside as contingency and utilized for this project in the discretion of the general contractor.

Landlord shall procure said improvements in conformity with North Carolina law through the appropriate, statutorily required bidding process. Landlord shall provide Tenant with copies of any related requests for proposals, bid specifications, and responses, or similar documents, and the opportunity for Tenant to meet and confer with Landlord regarding the same. Except the amount committed to the general contractor and notwithstanding the monetary limits set forth above, all funding from financing shall be committed to first accomplish items 1 through 3 as described above (roof repair/replacement, interior fire protection system, and exterior fire protection system). Any funding remaining from said financing after said items are accomplished, excepting said amount committed to the general contractor, shall be utilized upon recommendation of the general contractor and only after both parties consent to the items recommended to be addressed, the manner in which said items shall be addressed, and the manner in which said funds shall be expended.

The improvements contemplated hereby shall be completed within fifteen (15) months of the Commencement Date.

During the Initial Term, additional, annual rent (herein referred to as "Supplemental Rent") shall be ONE HUNDRED SEVENTY-SIX THOUSAND SEVEN HUNDRED THIRTY-ONE DOLLARS and 00/100s (\$176,731.00) and shall be due and payable monthly, in advance, in equal monthly installments of FOURTEEN THOUSAND SEVEN HUNDRED TWENTY-SEVEN and 58/100s (\$14,727.58) per month beginning on the Commencement Date, and thereafter on the first day of each subsequent month for sixty (60) months or until such time as Tenant has reimbursed Landlord for the amount of said financing (principal plus

the interest and borrowing costs) (collectively referred to as “Reimbursement to Landlord”). Upon completion of the improvements contemplated hereby and satisfaction of all expenditures associated with said improvements, the parties shall meet in good faith to adjust payment of the Supplemental Rent as may be necessary in order to effectuate proper Reimbursement to Landlord during the Initial Term. Said adjustments shall be limited to the following: 1) an increase in the amount of the monthly installments, 2) a decrease in the number of monthly installments, and/or 3) a decrease in the amount of the last monthly installment. Notwithstanding the foregoing, other than the amount of the last monthly installment, the amount of the monthly installments shall not be reduced and the parties shall not consider such a reduction.

Notwithstanding anything in this Exhibit A or this Lease to the contrary, Tenant’s obligation to pay Supplemental Rent shall continue and be unaffected by any circumstance or event or any provision in this Exhibit A or this Lease, including but not limited to Casualty affecting the Leased Premises, termination of this Lease, an Event of Default, Condemnation affecting the Leased Premises or any other circumstance, event, or provision that might otherwise serve to reduce, set off, abate, or eliminate payment of rent or Supplemental Rent hereunder.

In addition to the foregoing, Landlord is the recipient of a lighting retrofit grant entitled “Energy Efficiency in Government Buildings”. The amount of said grant that is dedicated to the Leased Premises is \$230,000.00. Subject to grant compliance as well as any restrictions associated therewith and assuming sufficient grant funding is and remains available, Landlord shall utilize said amount of grant funding toward the following.

- A. Abandon the current air conditioning system and eliminate the current boiler heating system. Install a direct fired heating system. Associated improvements are estimated to cost \$98,000.00.

- B. Employ a new lighting layout using modern high efficiency lighting. Associated improvements are estimated to cost \$130,405.00.

Tenant shall contribute a \$23,000.00 match toward said grant. If said grant funding is unavailable or becomes unavailable for any reason, Landlord and Tenant shall have no further obligation regarding said lighting retrofit grant, said match, or the specific improvements related thereto.

The parties hereby acknowledge that Landlord has no maintenance or repair obligation other than that specified in this Exhibit A.



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: February 14, 2011
Subject: Purchase Orders > \$20,000 Approval
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council approve the attached purchase orders.

BACKGROUND AND FINDINGS:

Requisition #8504, Ilderton Dodge, \$27,096, Dodge Durango to replace vehicle 614. \$22,000 was budgeted based on last year's State contract price for a Ford Explorer. Explorer's are no longer available and the Dodge is the most reasonably priced vehicle that is suitable. Account 35-90-7220-7401.

Requisition #8648, Ilderton Dodge, \$18,846 Jeep Liberty to replace vehicle 658. \$24,000 is budgeted, account 35-90-7250-7401

Purchase Order 46199, Capital Ford, \$15,015, Ford Fusion to replace vehicle 138 a 2003 Crown Vic. Account 10-10-4310-7402.

Requisition # 8654, Porter Corp, 139,795, events/concert stand and picnic shelter for Festival Park

PREVIOUS LEGISLATIVE ACTION

2010-2011 adopted budgets and budget amendments

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Requisition # 8504, 8648, 8654 & PO 46199
Dodge Durango Memo

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: February 14, 2011 (if applicable)
City Manager Review: _____ Concur _____ Page 142 of 192
 _____ Date _____ Recommend Denial _____ No Recommendation

Purchase Order

Original

City Of Washington
P.O BOX 1988
WASHINGTON, NC 27889

PO Number: 46199
Issued To: 314

Phone: (252) 975-9301
Fax: (252) 946-1965

Date: 12/20/10
Required: 12/17/10
Ship Via: Best Method
Ship To:

CAPITAL FORD, INC.
PO BOX 58678

WASHINGTON POLICE DEPARTMENT
201 WEST 3RD STREET

RALEIGH NC 27658
FOB : SHIPPING POINT

WASHINGTON NC 27889
Terms: Not Applicable

Special Instructions: WASHINGTON POLICE DEPARTMENT
SANDY BLIZZARD
252-948-9431

DO NOT MAIL - SEND PO TO MAJOR BLIZZARD

Quantity	UOM	Asset	Item Description	Unit Price	Extended
1	EA		2011 FORD FUSION S MODEL 4DR, 4 CYLINDER, BODY CODE P0H, ORDER CODE 100A OPTION CODE 55S EXTERIOR COLOR - BORDEAU RESERVE METALLIC CODE #FQ - INTERIOR COLOR - MEDIUM LIGHT STONE	\$15,015.3000	\$15,015.30
Sub Total					\$15,015.30
Total Tax					\$0.00
Total					\$15,015.30

Account Number	Type	Account Description	Amount
10-10-4310-7402	E	INSTALLMENT PURCHASES	\$15,015.30
Total			\$15,015.30


Finance Officer

Purchasing Agent

THIS INSTRUMENT HAS BEEN PREAUDITED IN THE MANNER REQUIRED BY THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT.

THIS DOCUMENT IS GOVERNED BY THE PROVISIONS OF NCGS, CHAPTER 25 UNIFORM COMMERCIAL CODE ARTICLE 2, SALES.

Received By: _____

Date Received: February 14, 2011

Requisition Form

City Of Washington
P.O BOX 1988
WASHINGTON, NC 27889

Requisition #:8648
PO #: Not Assigned
User Name: Mike Whaley

Date: 02/07/2011
Approved By:
Approved Code: Awaiting Final Approval
Total Amount: \$18,846.00
Ship To:
CITY OF WASHINGTON WAREHOUSE
203 GRIMES ROAD
WASHINGTON, NC 27889

ILDERTON DODGE
PO BOX 350
HIGH POINT, NC 27260

Vendor Instructions: Warehouse for Meter Shop, Mike Whaley, 252-975-9308. Replaces vehicle #658. ATTN: Gary Briddle.

Quantity	Description	Job Number	Unit Price	Extended
1	2011 Jeep Liberty SUV, 3.7 L, 6 cylinder, gasoline, automatic, air, power steering and brakes, AM/FM radio, cruise control and tilt, rear wiper, towing package, trailer wiring harness, power door locks, and solar tinted glass. A) Color: white. B) interior: blue or gray vinyl. C) freight included. D) Title to: City of Washington, PO Box 1988, Washington, NC 27889.		\$18,846.00	\$18,846.00
Sub Total				\$18,846.00
Total Tax				\$0.00
Total				\$18,846.00

Account Number	Account Description	Amount
35-90-7250-7401	INSTALLMENT NOTE PURCHASE	\$18,846.00
Total		\$18,846.00

Approval List

Dept Level Approval: _____
Department Head: _____
PO Level Approval: _____
Purchase Order Prep: _____

February 14, 2011
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Requisition Form

City Of Washington
P.O BOX 1988
WASHINGTON, NC 27889

Requisition #:8504
PO #: Not Assigned
User Name: Mike Whaley

Date: 01/04/2011
Approved By:
Approved Code: Awaiting Final Approval
Total Amount: \$27,096.00

ILDERTON DODGE
PO BOX 350
HIGH POINT, NC 27260

Ship To:
CITY OF WASHINGTON WAREHOUSE
203 GRIMES ROAD
WASHINGTON, NC 27889

Vendor Instructions: Warehouse for Electrical Director, Mike Whaley, 252-975-9308. Relaces vehicle #614. ATTN: Amy Hill .

Quantity	Description	Job Number	Unit Price	Extended
1	2011 Dodge Durango SUV, 3.6Liter, gasoline, automatic, air, AM/FM radio, power steering and brakes, cruise control and tilt, rear wiper, power door locks, towing package. A) Coor: white. B) interior: blue or gray vinyl. C) freight included. D) Title to: City of Washington, PO Box 1988, Washington, NC 27889.		\$27,096.00	\$27,096.00
Sub Total				\$27,096.00
Total Tax				\$0.00
Total				\$27,096.00

Account Number	Account Description	Amount
35-90-7220-7401	INSTALLMENT PURCHASES	\$27,096.00
Total		\$27,096.00

Approval List

Dept Level Approval: _____
Department Head: _____
PO Level Approval: _____
Purchase Order Prep: _____

Washington Electric Utilities

A City of Washington Enterprise



Post Office Box 1988 • Washington, North Carolina 27889-1988

Office of the Director

MEMORANDUM

To: Pete Connet, ^{JK}Interim City Manager
From: Keith Hardt, P.E., Electric Utilities Director
Date: 1 February 2011
Reference: Vehicle 614 Justification

At the 24 January 2011 City Council meeting staff was requested to provide justification for the purchase of a 2011 Dodge Durango for the replacement of Vehicle 614.

Some of the facts pertaining to the use of the vehicle:

- Vehicle 614 is a 2000 Ford Explorer, four wheel drive; 140,045 miles
- The North Carolina State Purchasing Contract for 2011 does not make available a Ford Explorer.
- The current 2010-11 fiscal year budget included \$22,000 for this vehicle replacement based on 2010 North Carolina State Purchasing Contract pricing.
- Vehicle 614 is assigned to the Electric System Engineer used in the employee's daily work meeting with customers, assisting construction crews and power line engineering staking.
- Over the past 16 months vehicle 614 has experienced numerous engine and mechanical problems and failures.
- The rear cargo area of vehicle 614 is 100% utilized with necessary tools and apparatus used by the employee in their normal daily work duties. Among these include:
 - Surveying Range Rods: 58"
 - Extendible Insulated Fiberglass Measuring Rod: 66", collapsed
 - Staking supplies and tools



February 14, 2011

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102 East Second Street • Telephone (252) 975-9300

TDD 1-800-735-2962 • 24-Hour Emergency (252) 975-9320 • Fax (252) 946-1965

- Various troubleshooting tools
- Various personal tools and personal protective equipment
- 25% of the use of this vehicle is transporting three or four employees to project sites for engineering layout work. All of the above noted tools and apparatus are transported during these conditions. Therefore, all of the above tools and apparatus must be contained in the rear cargo area.

Some of the details of existing 614, Ford Explorer:

- Cargo area depth with rear seats upright: 40"
- Rear cargo area with rear seats upright: 17.2 ft²
- Cargo area depth with rear seats lowered: 75"
- Rear cargo area with rear seats lowered: 32.8 ft²

As noted above during the periods that more than two employees are traveling in this vehicle all of the necessary tools and apparatus must be stored in the rear cargo area of the vehicle. In the current Ford Explorer there is very little spare storage area in the rear cargo area when the rear seats are in use. Any replacement vehicle requires at least equal rear cargo area of the Ford Explorer.

Rear cargo area of comparable vehicles:

- Dodge Durango: 17.2 ft²
- Jeep Liberty: 9.1 ft²
- Ford Escape: 12.6ft²

Of the vehicles listed above only the Dodge Durango provides the needed storage capacity equivalent to the Ford Explorer

There are two pieces of equipment that are transported in the vehicle; surveying range rods (58") and fiberglass measuring rod (66"). When more than two employees are traveling in this vehicle these two items must be stored in the rear cargo area of the vehicle and stored so as not to be a hazard to the occupants while traveling or in the case of an accident. When these items are stored they lay diagonally across the rear cargo area. Currently both of these items can safely be stored in the Ford Explorer in the rear cargo area. Any replacement vehicle must accommodate the 66" fiberglass measuring rod stored below the level of the rear seat back.

Rear cargo dimensions of comparable vehicles:

- Ford Explorer: 45" wide x 39" deep; 59.5" on the diagonal
- Dodge Durango: 45" wide x 38" deep; 60" on the diagonal
- Jeep Liberty: 42" wide x 29" deep; 51" on the diagonal
- Ford Escape: 41" wide x 31" deep; 51.4" on the diagonal

Of the vehicles listed above only the Dodge Durango provides adequate storage dimensions to safely store the 66" fiberglass measuring rod.

Based on the information contained herein I request that the City Council approve the purchase of a Dodge Durango for the replacement of Ford Explorer vehicle 614.

Requisition Form

City Of Washington
P.O BOX 1988
WASHINGTON, NC 27889

Requisition #:8654
PO #: Not Assigned
User Name: Philip Mobley

Date: 02/08/2011
Approved By:
Approved Code: Awaiting Final Approval
Total Amount: \$139,795.00

PORTER CORP
4240 NORTH 136 AVENUE
HOLLAND, MI 49424

Ship To:
CITY OF WASHINGTON WAREHOUSE (REC
203 GRIMES ROAD
WASHINGTON, NC 27889

Vendor Instructions: Please call Philip Mobley, Pks & Rec Dept. @ cell 252-944-6157
for any assistances or call 252-975-9367 x 222 for Teresa
Delivery Site: 119 East Water Street, Washington, NC 27889
Do Not Mail!!!

Quantity	Description	Job Number	Unit Price	Extended
1	PO as per you quoto for these structures: Att: Brad Fritz Using: U S Communities		\$139,795.00	\$139,795.00
	Quote # 64778 for the Events/Concert Stand Total Package with freight/engineering		\$ 88,755.	
	Quoto # 65874 for the Picnic Shelter Total Package with frieght/engineering		\$ 51,040.	
	Total		\$ 139,795.	

Sub Total	\$139,795.00
Total Tax	\$0.00
Total	\$139,795.00

Account Number	Account Description	Amount
62-40-6120-8000	CONSTRUCTION	\$139,795.00
	Total	\$139,795.00

Approval List

Dept Level Approval: _____
Department Head: _____
PO Level Approval: _____
Purchase Order Prep: _____



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Allen Lewis, Public Works Director *Allen Lewis*
Date: 02-04-11
Subject: Amend Chapter 18, Article IV, Division 1 to add Section 83 – Regulation of traffic on a portion of Stewart Parkway.
Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATION:

I move Council adopt an ordinance to amend Chapter 18, Section 83 – Regulation of Traffic on a portion of Stewart Parkway in reference to the Festival Park project, as outlined in the attached ordinance, with an effective date of February 14, 2011.

BACKGROUND AND FINDINGS:

As discussed in the past, it is proposed to use a portion of the old portion of Stewart Parkway, which was demolished between Market Street and Bonner Street, as part of the proposed Festival Park project. The attached ordinance will retain the right of way of this portion of Stewart Parkway, which contains various City infrastructure including, but not limited to, storm drainage improvements, water, sewer and electric lines.

Attached is the amended portion of the ordinance for your consideration.

PREVIOUS LEGISLATIVE ACTION

N/A

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Attached ordinance to amend Chapter 18 by adding Section 83.

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: Concur February 14, 2011 Denial _____ No Recommendation 2/4/11 Date

**AN ORDINANCE TO AMEND CHAPTER 18, ARTICLE IV,
DIVISION 1 OF THE WASHINGTON CITY CODE
BY ADDING A NEW SECTION 18-83, REGULATION OF TRAFFIC ON A PORTION
OF STEWART PARKWAY**

WHEREAS, the City Council (Council) for the City of Washington (City) exercises general authority and control over all public streets, sidewalks, alleys, bridges, and other ways of public passage within its corporate limits pursuant to North Carolina General Statute § 160A-296 *et seq.*

WHEREAS, the local authority regarding regulation and control over streets, traffic and parking for the City is contained in Chapter 18, Motor Vehicles and Traffic, of the Code of the City of Washington, North Carolina.

WHEREAS, the Council desires to provide for the proper governance and regulation of streets, traffic, and parking in and for the City.

WHEREAS, a portion of Stewart Parkway is utilized, in part, for certain stormwater drainage improvements and, a portion of Stewart Parkway has become, in part, the subject of a project commonly known as Festival Park (Project) that is supported by the Council.

WHEREAS, the Project calls for the continued use of a portion of Stewart Parkway, in part, as stormwater drainage improvements and, in part, as part of the Project to define as well as enhance the same and therefore restricted use of and access to said portion of Stewart Parkway, as more particularly provided for hereinbelow, is required.

WHEREAS, said Project promotes community events as well as tourism, enhances appreciation for significant historical events of the City as well as surrounding areas, protects the natural beauty of that general area of the City, and encourages pedestrian activity.

WHEREAS, the City finds it to be in the public's best interest to modify the use of a portion of Stewart Parkway to conform with, in part, the existing stormwater drainage improvements and, in part, said Project plans by restricting the use of a certain portion of Stewart Parkway to use by pedestrians traveling on foot exclusively.

NOW, THEREFORE BE IT ORDAINED by the City Council of the City of Washington, North Carolina as follows.

Section 1. That Chapter 18, Article IV, Division 1 of the Code of the City of Washington be amended to add a new Section 18-83, Regulation of traffic on a portion of Stewart Parkway, as follows.

Sec. 18-83. Regulation of traffic on a portion of Stewart Parkway.

(a) Use, access to as well as from, and travel upon that largely unpaved portion of Stewart Parkway being approximately seventy (70) feet wide and beginning on its western end at its intersection with the currently paved (as of the date this ordinance was originally enacted) Stewart Parkway and running and extending generally in an easterly and then northerly direction and terminating on its eastern end at its intersection with Water Street shall be restricted to use by pedestrians traveling on foot exclusively. All other modes of travel thereupon are prohibited, specifically including but not limited to,

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golf carts, skateboards, ATVs, motor vehicles and all vehicles propelled by combustible engines with the exception of emergency as well as public safety vehicles and vehicles operated by individuals or entities given specific permission to access any portion thereof, including service areas established, authorized, or recognized by the City. The portion of Stewart Parkway subject to the above restrictions is all of that area labeled "Unpaved Portion of Stewart Parkway" as shown on that survey for the City of Washington by Russell Waters dated January 24, 2011 and recorded in Plat Cabinet _____, Slide ____-____, Beaufort County Registry, to which reference is herein made for a more complete and accurate description.

(b) Pursuant to North Carolina General Statute § 160A-175, as amended, a violation of this Section shall be a misdemeanor or infraction as provided by North Carolina General Statute § 14-4, as amended, and subject to the penalties therein.

Section 2. All ordinances in conflict herewith are hereby repealed.

Section 3. This ordinance shall become effective upon its adoption.

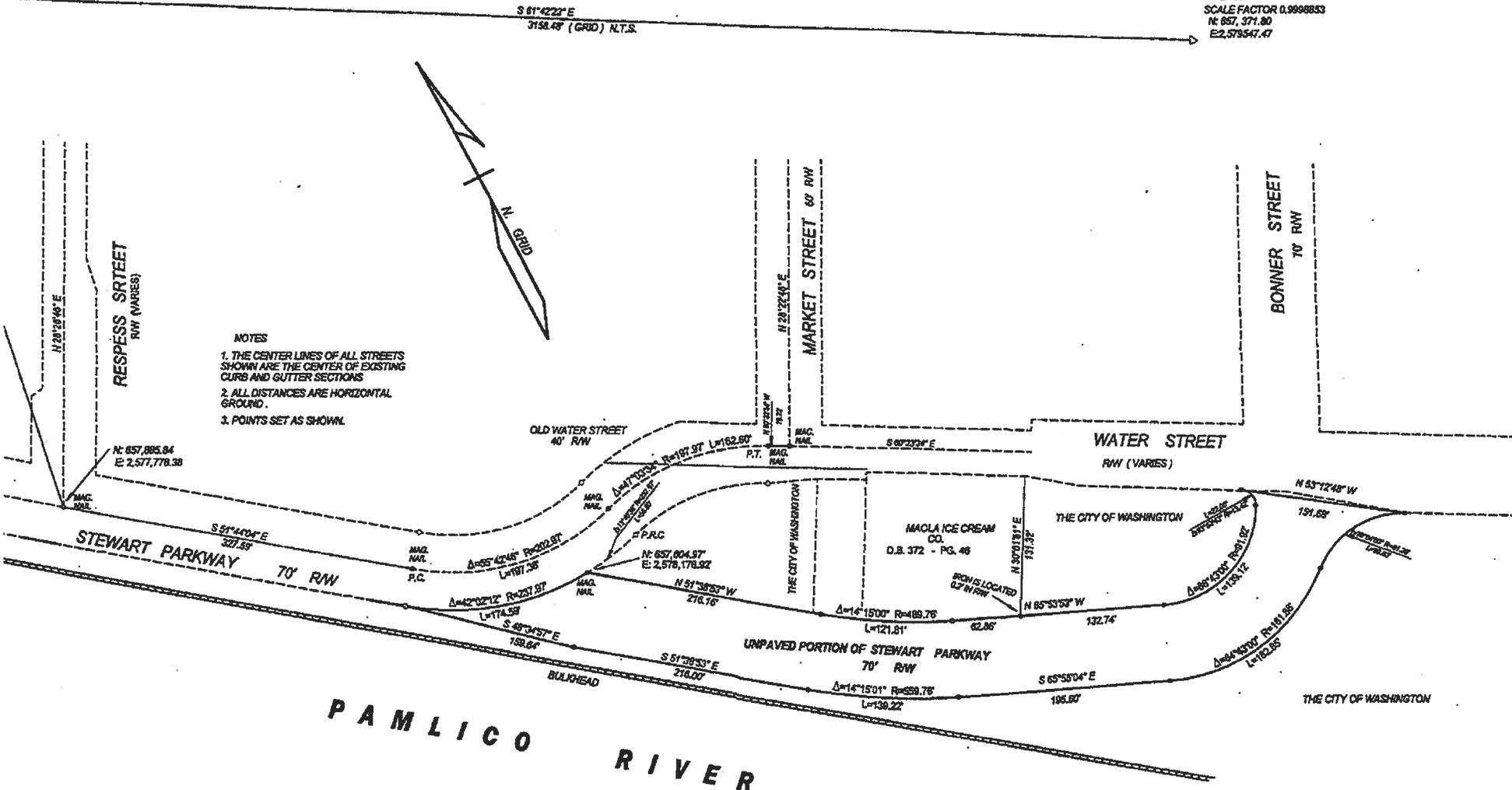
This the _____ day of _____, 2011.

Mayor

ATTEST:

City Clerk

(Destroyed)
MCGS MON. "HARVEY"
MAD 83
SCALE FACTOR 0.9998853
N: 857,371.80
E: 2,579,547.47



- NOTES
1. THE CENTER LINES OF ALL STREETS SHOWN ARE THE CENTER OF EXISTING CURB AND GUTTER SECTIONS
 2. ALL DISTANCES ARE HORIZONTAL GROUND.
 3. POINTS SET AS SHOWN.

OTHER CATEGORY AND DOES NOT VARY BY DEFINITION

LEGEND

- MAL & C&P - NEW
- NEW OR FORMERLY - NF
- NO POINT SET - N.P.S.
- NEW FROM - O
- EXISTING FROM - ●

I CERTIFY THAT THIS MAP WAS PREPARED FROM AN ACTUAL SURVEY AND THAT THE BOUNDARIES NOT SHOWN ON THIS MAP ARE THE BEST OF MY BELIEF AND TO THE BEST OF MY KNOWLEDGE AND TO THE BEST OF MY FAITH.

RUSSELL WATERS
PLS. L.



SURVEY FOR:	
THE CITY OF WASHINGTON	
UNPAVED PORTION OF STEWART PARKWAY	
SCALE: 1" = 70'	CITY OF WASHINGTON
JANUARY 25, 2011	BEAUFORT COUNTY, N.C.
SURVEY BY: RUSSELL WATERS P.L.S. L-1505	
110 RILEY PLACE, WASHINGTON, N.C. 27889	
TEL. 252 946 2783	



City of Washington
REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Philip Mobley, Director Parks and Recreation
Date: February 14, 2011
Subject: Authorize City Manager to sign the Authorized Agent Consent Agreement to amend the CAMA Permit for the Waterfront
Applicant Presentation: None
Staff Presentation: None

RECOMMENDATION:

- 1. I move City Council authorize the City Manager sign the Authorized Agent Consent Agreement as the Property Owner, with the Little Washington Sailing Club (LWSC), to amend CAMA Permit on the Waterfront.

BACKGROUND AND FINDINGS:

January 19, 2010 City Council approved the Little Washington Sailing Club to attach their floating dock to a Free Dock on the Waterfront for their program for the 2010 Season. In order for the Little Washington Sailing Club to attach a floating dock to our dock CAMA required them to have a Temporary CAMA Permit which they did for the 2010 season. In January the City of Washington received a new CAMA permit for the Waterfront Docks. It was recommended to the City, during the permitting process, not to make changes so as to not slow the process down. It was advised by CAMA that the LWSC could then ask for an amendment of the CAMA permit to allow the floating dock to rest against one of our existing docks. The Little Washington Sailing Club is seeking permission to amend the CAMA permit on behalf of the City of Washington. A copy of the application will be reviewed, by City Staff and the City Attorney before it is submitted to CAMA. This amendment would allow the LWSC to attach the floating dock to the existing dock on a permanent basis.

PREVIOUS LEGISLATIVE ACTION

- January 19, 2010 - City Council approved the Little Washington Sailing Club to attach their floating dock to a Free Dock on the Waterfront.
February 8, 2010 - City Council authorized the City Manager to sign the Authorized Agent Consent Agreement to obtain the Temporary CAMA Permit on the Waterfront.

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Authorized Agent Consent Agreement

City Attorney Review: Date By: (if applicable)
Finance Dept Review: Date By: February 14, 2011 (if applicable)
City Manager Review: [check] Concur Page 15 of 192 Denial No Recommendation 2/14/11 Date

Authorized Agent Consent Agreement

I _____, hereby authorize _____ to act on
(Property Owner) (Authorized Agent)
my behalf in obtaining CAMA permits for the location listed below.

Property Address:

Property Owner's Mailing Address:

Property Owner's Signature: _____

Authorized Agent Signature: _____

Date: _____



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
 From: Philip Mobley, Director Parks and Recreation *pm*
 Date: February 14, 2011
 Subject: Accept Bid, Award Contract to Wimco Corp, Authorize City Manager to Sign Contract in the amount of \$125,700 for Phase I in the "Festival" Park PARTF Project

Applicant Presentation: None
 Staff Presentation: Philip Mobley

RECOMMENDATION:

I move City council accept the Bid and Authorize the City Manager to sign a contract with Wimco Corp. in the amount of \$125,700.

BACKGROUND AND FINDINGS:

The "Festival" Park Planning Team continues to work on the scope of recommendations from the Land Design's Plan. Phase I will consist of the construction of the Events Stage, Picnic Shelter and Grasscrete walk/driveways. We met with NCDENR and the Washington Historic District Committee for the second time and have been approved to move forward with the "Festival" Park Phase I. Phase I is scheduled for completion by Spring 2011.

PREVIOUS LEGISLATIVE ACTION

1/19/2010	Public Hearing to adopt Addendum to Parks and Recreation Master Plan
9/13/2010	Council Accepted PARTF Grant and Adopted Budget Ord. Amendment \$295,125.
12/13/2010	Contract with Mark Smith Architect in the amount \$19,350.

FISCAL IMPACT

Currently Budgeted (Account 62-40-6120-8000) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

- Bid Tabulation Sheet
- Contract with Wimco Corp.

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: _____ (if applicable)
 City Manager Review: Concur Recommend Denial No Recommendation *2/9/11* Date

INFORMAL CONTRACT

FOR

Festival Park Phase 1
City of Washington Parks and Recreation
Washington, NC

SCOPE OF WORK

Work includes but is not limited to: Site preparation / grading and seeding, permeable paver drives and walkways construction, foundation construction, stairs, ramp and railings construction, erection of pre-manufactured buildings purchased by Owner, electrical service, power and lighting. See schedule of Contract Drawings in the project manual.

NOTICE TO BIDDERS

Sealed proposals for this work will be received by:

Mr. Philip Mobley
310 W Main St
Suite 200 Peterson Bldg
Washington, NC 27889
(252) 975-7224

up to 4:30 PM, on **February 9, 2011** and immediately thereafter publicly opened and read aloud. Complete plans and specification and contract documents can be obtained from

Mark Smith Architect
2020-A Cambria Drive
Greenville, NC 27834
(252) 717-4215

Contractors are hereby notified that they must have proper license under the State laws governing their respective trades and that North Carolina General Statute 87 will be observed in receiving and awarding contracts. General Contractors must have general license classification for Unlimited Building.

Performance bond and payment bond in the full amount of the contract shall be required.

No bid may be withdrawn after the opening of bids for a period of 30 days. The Owner reserves the right to reject any or all bids and waive informalities. Proposals shall be made only on the form provided herein with all blank spaces for bids properly filled in and all signatures properly executed.

Please note on the envelope – **Bid Proposal: Attn: Mr. Philip Mobley**

Festival Park Phase 1
Date
Contractor Name
Contractor License Number

Pre-Bid A pre Bid Conference will be held at the project site **January 31, 2011 at 4:00 pm**. Assemble at the project site.

February 14, 2011
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GENERAL CONDITIONS

GENERAL

It is understood and agreed that by submitting a bid that the Contractor has examined these contract documents, drawings and specifications and has visited the site of the Work, and has satisfied himself relative to the Work to be performed.

MATERIALS, EQUIPMENT AND EMPLOYEES

The contractor shall, unless otherwise specified, supply and pay for all labor, transportation, materials, tools, apparatus, lights, power, fuel, sanitary facilities and incidentals necessary for the completion of his work, and shall install, maintain and remove all equipment of the construction, other utensils or things, and be responsible for the safe, proper and lawful construction, maintenance and use of same, and shall construct in the best and most workmanlike manner, a complete job and everything incidental thereto, as shown on the plans, stated in the specifications, or reasonably implied there from, all in accordance with the contract documents.

All materials shall be new and of quality specified, except where reclaimed material is authorized herein and approved for use. Workmanship shall at all times be of a grade accepted as the best practice of the particular trade involved, and as stipulated in written standards of recognized organizations or institutes of the respective trades except as exceeded or qualified by the specifications.

No changes shall be made in the Work except upon written approval and change order of the Designer/Owner. Change orders shall be subject to provisions in the current North Carolina Construction Manual.

Products are generally specified by ASTM or other reference standard and/or by manufacturer's name and model number or trade name. When specified only by reference standard, the Contractor may select any product meeting this standard, by any manufacturer. When several products or manufacturers are specified as being equally acceptable, the Contractor has the option of using any product and manufacturer combination listed.

However, the contractor shall be aware that the cited examples are used only to denote the quality standard of product desired and that they do not restrict bidders to a specific brand, make, manufacturer or specific name; that they are used only to set forth and convey to bidders the general style, type, character and quality of product desired; and that equivalent products will be acceptable. Substitution of materials, items or equipment of equal or equivalent design shall be submitted to the architect or engineer for approval or disapproval; such approval or disapproval shall be made by the architect or engineer prior to the opening of bids.

If at any time during the construction and completion of the work covered by these contract documents, the conduct of any workman of the various crafts be adjudged a nuisance to the Owner or if any workman be considered detrimental to the work, the Contractor shall order such parties removed immediately from the site.

The contractor shall designate a foreman/superintendent who shall direct the work.

CODES, PERMITS AND INSPECTIONS

The Contractor shall obtain the required permits, if required, give all notices, and comply with all laws, ordinances, codes, rules and regulations bearing on the conduct of the work under this contract. If the Contractor observes that the drawings and specifications are at variance therewith, he shall promptly notify the Designer in writing. If the Contractor performs any work knowing it to be contrary to such laws, ordinances, codes, rules and regulations, and without such notice to the Owner; he shall bear all cost arising there from.

All work under this contract shall conform to the current North Carolina Building Code and other state and national codes as are applicable

SAFETY REQUIREMENTS

The Contractor shall be responsible for the entire site and the construction of the same and provide all the necessary protections as required by laws or ordinances governing such conditions and as required by the Owner or Designer. He shall be responsible for any damage to the Owner's property, or that of others on the job, by himself, his personnel or his subcontractors, and shall make good such damages. He shall be responsible for and pay for any claims against the Owner arising from ~~February 2011~~

- Contractor is required to comply with all current NCOSHA Safety and Health Standards that are applicable to the work being performed by the contractor for the City of Washington and should be so stated in the contract.
- As a part of the bid process, contractor(s) shall submit to the Director of Recreation the following information for evaluation:
 1. OSHA 300 Log results for the past three years
 2. OSHA citations received for the past three years
 3. Experience Modification Factor (Workers' Compensation) for the past three years.
 4. Contractor's written safety program including fall protection policy, personal protective equipment including documentation of training for employees.
 5. Contractor's drug and alcohol misuse prevention program.
- The City of Washington shall have the right to stop work if a condition is observed that is considered to be immediately dangerous to the life or health of a contractor's employee. The job shall be closed until the situation is corrected. The City's representative shall attempt to first contact the person designated by the contractor to handle questions or situations concerning safety. However, the City does not have to allow this situation to persist to satisfy any requirement to contact this person. The City of Washington shall not be liable for any expense or damages incurred by the contractor due to job closure that is the result of a condition that is immediately dangerous to life and health.
- Prior to the start of any work performed by a contractor for the City of Washington, the City's Risk Manager or designated representative will conduct a pre-job safety review with the contractor's designated representative. The meeting will provide an opportunity for the City's Representative to discuss with the contractor's representative applicable safety rules including work zone protection and provide for an open line of communication between both parties.

TAXES

North Carolina Sales Taxes and Use Tax do apply to materials entering into State Work (N.C. Sales and Use Tax Regulation No. 42, Paragraph A), and such costs shall be included in the bid proposal and contract sum.

Local Option Sales and Use Taxes do apply to materials entering into State work as applicable (Local Option Sales and Use Tax Act, Regulation No. 57), and such cost shall be included in the bid proposal and contract sum.

ACCOUNTING PROCEDURES FOR REFUND OF COUNTY SALES & USE TAX

Contractors shall provide the owner a signed statement containing the information listed in G.S. 105-164.14(e) for all materials purchased for the project.

The Department of Revenue has agreed that in lieu of obtaining copies of sales receipts from contractors, an agency may obtain a certified statement from the contractor setting forth the date, the type of property and the cost of the property purchased from each vendor, the county in which the vendor made the sale and the amount of local sales and use taxes paid thereon. If the property was purchased out-of-state, the county in which the property was delivered should be listed. The contractor should also be notified that the certified statement may be subject to audit.

In the event the contractors make several purchases from the same vendor, such certified statement must indicate the invoice numbers, the inclusive dates of the invoices, the total amount of the invoices, the counties, and the county sales and use taxes paid thereon.

Name of taxing county: The position of a sale is the retailer's place of business located within a taxing county where the vendor becomes contractually obligated to make the sale. Therefore, it is important that the county tax be reported for the county of sale rather than the county of use.

When property is purchased from out-of-state vendors and the county tax is charged, the county should be identified where delivery is made when reporting the county tax.

Such statement must also include the cost of any tangible personal property withdrawn from the contractor's warehouse stock and the amount of county sales or use tax paid thereon by the contractor.

Similar certified statements by his subcontractors must be obtained by the general contractor and furnished to the claimant.

Contractors are not to include any tax paid on supplies, tools and equipment which they use to perform their contracts and should include only those building materials, supplies, fixtures and equipment which actually become a part of or annexed to the building or structure.

EQUAL OPPORTUNITY

The non-discrimination clause contained in Section 202 (Federal) Executive Order 11246, as amended by Executive Order 11375, relative to Equal Employment Opportunity for all persons without regard to race, color, religion, sex or national origin, and the implementing rules and regulations prescribed by the Secretary of Labor, are incorporated herein.

The Contractors agree not to discriminate against any employees or applicant for employment because of physical or mental handicap in regard to any position for which the employees or applicant is qualified. The Contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices.

INSURANCE

The Contractor shall not commence work until he has obtained all insurance required, and the Owner has approved such insurance, nor shall the Contractor allow any subcontractor to commence work on his subcontract until all similar insurance required of the subcontractor has been obtained.

Current, valid insurance policies meeting the requirements herein identified shall be maintained during the duration of this project. Contractor and subcontractors may not begin work until these insurance provisions have been obtained.

Workers' Compensation Insurance: Insurance covering all employees meeting statutory limits in compliance with the applicable state and federal laws. The coverage must include employer's liability with a limit of \$500,000 bodily injury by accident, \$500,000 bodily injury by disease, \$500,000 bodily injury by disease policy limit.

Commercial General Liability: Coverage shall have minimum limits of \$1,000,000 general aggregate, products/completed operations aggregate, personal and advertising injury and each occurrence.

Business Auto Liability: Coverage shall have minimum limits of \$500,000 per occurrence, combined single limit for bodily injury liability and property damage liability. This shall include owned vehicles, hired and non-owned vehicles and employee non – ownership.

Builder's Risk: Contractor shall have all risk coverage with limits of insurance equal to 100% of the completed value of the buildings being constructed for the City of Washington.

Umbrella/Excess Liability: At the option of the contractor, the limits of primary general liability, auto liability and employer's liability may be less than stipulated herein, with an excess policy providing the additional limits needed. This form of coverage will only be accepted when both primary and excess policies include the coverage and endorsements required herein.

Special Requirements

- The City of Washington is to be included as an additional insured on the commercial general liability and business auto liability policies. If the contractor carries umbrella/excess coverage then the City shall also be named as an additional insured on this policy.
- Contractor shall deliver to the City, certificates of insurance for the insurance coverages contractor is required to maintain in compliance with this document.
- Coverage shall remain in effect at least until final payment and at all times thereafter when contractor may be correcting, removing or replacing defective work.

- Completed operations insurance shall remain in effect for at least two years after final payment, and contractor shall furnish the City evidence to show the continuation of such insurance.
- Renewal certificates shall be sent to the City 30 days prior to an expiration date. Policies shall contain a provision or endorsement that the coverage afforded will not be cancelled, materially changed, or renewal refused until at least 30 days prior written notice has been given to the City and contractor.
- It shall be the responsibility of the contractor to see that all subcontractors comply with these requirements.

INVOICES FOR PAYMENT

a. Not later than the fifth day of the month, the contractor shall submit to the designer a request for payment for work done during the previous month. The request shall be in the form agreed upon between the contractor and the designer, but shall show substantially the value of work done and materials delivered to the site during the period since the last payment, and shall sum up the financial status of the contract with the following information:

1. Total of contract including change orders.
2. Value of work completed to date.
3. Less five percent (5%) retainage, provided however, that after fifty percent (50%) of the contractor's work has been satisfactorily completed on schedule, with approval of the owner and the State Construction Office and written consent of the surety, further requirements for retainage will be waived only so long as work continues to be completed satisfactorily and on schedule.
4. Less previous payments.
5. Current amount due.

b. The contractor, upon request of the designer, shall substantiate the request with invoices of vouchers or payrolls or other evidence.

c. Prior to submitting the first request, the contractor shall prepare for the designer a schedule showing a breakdown of the contract price into values of the various parts of the work, so arranged as to facilitate payments to subcontractors in accordance with Article 17, Contractor and Subcontractor Relationships. The contractor(s) shall list the value of each subcontractor and supplier, identifying each minority business subcontractor and supplier as listed in Affidavit C, if applicable.

Executed contract documents, insurance certifications and, upon completion and acceptance of the work, invoices and other information requested are to be sent to:

Mark Smith Architect
2020-A Cambria Drive
Greenville, NC 27834
(252) 717-4215

It is imperative that contract documents, invoices, etc., be sent only to the above address in order to assure proper and timely delivery and handling.

CLEANING UP

The Contractor shall keep the sites and surrounding area reasonably free from rubbish at all times and shall remove debris from the site from time to time or when directed to do so by the Owner. Before final inspection and acceptance of the project, the Contractor shall thoroughly clean the sites, and completely prepare the project and site for use by the Owner.

GUARANTEE

The contractor shall unconditionally guarantee materials and workmanship against patent defects arising from faulty materials, faulty workmanship or negligence for a period of twelve (12) months following the final acceptance of the work and shall replace such defective materials or workmanship without cost to the owner.

Where items of equipment or material carry a manufacturer's warranty for any period in excess of twelve (12) months, then the manufacturer's warranty shall apply for that particular piece of equipment or material. The contractor shall replace such defective equipment or materials, without cost to the owner, within the manufacturer's warranty period.

Additionally, the owner may bring an action for latent defects caused by the negligence of the contractor, which is hidden or not readily apparent to the owner at the time of beneficial occupancy or final acceptance, whichever occurred first, in accordance with applicable law.

Guarantees for roofing workmanship and materials shall be stipulated in the specifications sections governing such roof, equipment, materials, or supplies.

CONTRACTOR-SUBCONTRACTOR RELATIONSHIPS

The Contractor agrees that the terms of these contract documents shall apply equally to a subcontractor as to the Contractor, and that the subcontractor is bound by those terms as an employee of the Contractor.

SUPPLEMENTARY GENERAL CONDITIONS

TIME OF COMPLETION

The Contractor shall commence work to be performed under this Contract on a date to be specified in written order from the Designer and shall fully complete all work hereunder within **ninety (90)** consecutive calendar days from the Notice to Proceed for base bid contract. For each day in excess of the above number of days, the Contractor shall pay the Owner the amount of **two hundred Dollars (\$200.00)** as liquidated damages reasonably estimated in advance to cover the losses to be incurred by the Owner should the Contractor fail to complete the Work within the time specified.

If the Contractor is delayed at anytime in the progress of his work by any act or negligence of the Owner, his employees or his separate contractor, by changes ordered in the work; by abnormal weather conditions; by any causes beyond the Contractor's control or by other causes deemed justifiable by Owner, then the contract time may be reasonably extended in a written order from the Owner upon written request from the contractor within ten days following the cause for delay.

UTILITIES

Owner shall make utilities available such as power and water, and pay utility charges, with connections and extensions by the Contractor.

PERFORMANCE AND PAYMENT BONDS

Contractor shall furnish a Performance Bond and Payment Bond executed by a surety company authorized to do business in North Carolina. The bonds shall be in the full contract amount. An authorized agent of the bonding company who is licensed to do business in North Carolina shall countersign all bonds.

HOLD HARMLESS AGREEMENT

Contractor agrees to protect, defend, indemnify and hold the City of Washington, its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlement costs, charges, professional fees or other expenses or liabilities of every kind and arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings, or causes of action of every kind in connection with or arising out of this agreement and/or the performance thereof that are due to the negligence of the contractor, its officers, employees, agents, subcontractors, or suppliers, not the result of the municipality's sole negligence. The contractor further agrees to investigate, handle, respond to, provide defense for and defend the same at its sole expense and agrees to bear all other costs and expenses related thereto.

PROPOSAL AND CONTRACT

Festival Park Phase 1, City of Washington Parks and Recreation

Work includes but is not limited to: Site preparation / grading and seeding, permeable paver drives and wall construction, foundation construction, stairs, ramp and railings construction, erection of pre-manufactured buildings purchased by Owner, electrical service, power and lighting. See schedule of Contract Drawings in the manual.

The undersigned, as bidder, proposes and agrees if this proposal is accepted to contract with the City of Washington for the furnishing of all materials, equipment, and labor necessary to complete the construction work described in these documents in full and complete accordance with plans, specifications, and other documents, and to the full and entire satisfaction of the City of Washington for the fixed sum of:

BASE BID: One Hundred Twenty Five Thousand Dollars \$ 125,700.00
Seven Hundred

Addenda received / work included in proposal:

Addendum # 1 date 1/31/2011
Addendum # 2 date 2/3/2011
Addendum # _____ date _____

Respectively submitted this 8th day of February 2011

WIMCO Corp.

(Contractor)

Federal ID#: [REDACTED]

By: Darlene T Moore

Witness: _____

Darlene T Moore

Title: Vice President - Finance
(Owner, partner, corp. Pres. Or Vice President)

(Proprietorship or Partnership)

Address: P. O. Box 121
Washington, NC 27889

Attest: (corporation)

(Corporate Seal)

By: Peggy B Jefferson License #: 3478

Peggy B Jefferson

Title: Asst. Corp. Sec.
(Corporation Secretary / Ass't Secretary.)

ACCEPTED by

City of Washington

(Agency/Institution)

BY: _____ TITLE: _____

DATE: _____ 20 _____



BID TABULATION

Mark Smith Architect

PROJECT: Washington Festival Park Phase 1
 BID DATE: February 8, 2001
 BID TIME: 4:30 PM
 BID LOCATION : Washington Parks & Recreation Dept
 310 W Main St
 Suite 200, Peterson Bldg
 Washington, NC 27889-1988

CONTRACTOR NAME	BASE BID
American Builders	\$146,000.00
A R Chesson	\$173,272.00
Mosely Construction	\$214,300.00
Stocks & Taylor	\$129,250.00
* WIMCO	\$125,700.00

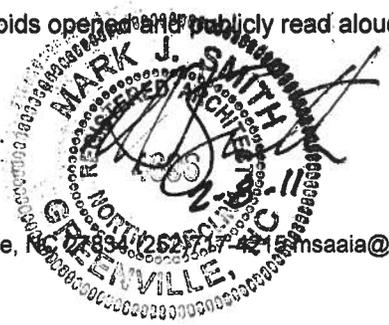
* Apparent low bid

The above represents the bids opened and publicly read aloud for the referenced project at the time and place indicated.

Certified:

Mark J Smith
Mark Smith Architect

2020-A Cambria Dr. Greenville, NC 27834 (252) 777-4215 msaaia@embarqmail.com





City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: February 14, 2011
Subject: Resolution to establish a Storm Water Debt Service/Capital Reserve Fund
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council adopt a resolution establishing the Storm Water Debt Service/Capital Reserve Fund.

BACKGROUND AND FINDINGS:

When the FY 10/11 budget was adopted, it provided for a \$112,654 transfer from the Storm Water Fund to a reserve fund for the purpose of meeting debt service obligations and/or funding storm water improvements. A resolution needs to be adopted to set up the Reserve Fund so the transfer may be made. Attached is the resolution for Council consideration.

PREVIOUS LEGISLATIVE ACTION

FY 10/11 annual budget adoption.

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Budget Ordinance

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: Concur _____ Recommend Denial _____ No Recommendation
2/19/11 Date

RESOLUTION
ESTABLISHMENT AND MAINTENANCE OF THE
STORM WATER DEBT SERVICE & CAPITAL RESERVE FUND

WHEREAS, there is a need for the City of Washington to reserve funds for the purpose of servicing Recovery Zone Economic Development Bond debt and set aside funds for storm water improvements; and

WHEREAS, the City must meet its obligation to its creditors and bear the cost of storm water improvements;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD THAT:

Section 1. The Governing Board hereby creates a Debt Service/Capital Reserve Fund for the purpose of servicing debt obligations and/or accumulating funds for storm water improvements.

Section 2. This fund will remain operational for a period not to exceed twenty years; beginning March 1, 2011 and ending February 28, 2031.

Section 3. The Board will appropriate for transfer to this fund, annually, operating and/or general revenues in an amount not less than \$400,000 with the exception of FY 10/11 when the transfer will be \$112,654.

Section 4. This Resolution shall become effective upon its adoption.

Adopted this 14th day of February, 2011.

Mayor

Attest:



City of Washington
REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: John Rodman, Planning & Development
Date: February 4, 2011
Subject: Main Street Energy Fund
Applicant Presentation: Department of Planning and Development
Staff Presentation: John Rodman, Planning and Development

RECOMMENDATION:

I move that council adopt the project budget ordinance and accept the award for Main Street Energy Fund grant, total - \$71,583.29.

BACKGROUND AND FINDINGS:

Through the Main Street Energy Grant, The State Energy Office (SEO) aims to promote energy efficiency and renewable energy initiatives for small businesses and industries with the "Main Street" program. These programs seek to boost economic development in small towns, including those in rural areas. Energy initiatives will complement existing economic development tools and support regional job creation strategies. This was a one of a kind funding opportunity, one of the only ARRA programs aimed directly towards business owners in Main Street districts.

Seven local businesses are participating:

1. Moss House Bed and Breakfast
2. Carolina Wind and Yacht Center
3. Mason Jones
4. Edward Jones Investments
5. Turnage Theater
6. Inner Banks Arts Center
7. Century 21 Real Estate

The grant was awarded at \$71,583.29, for a project total of \$143,076.58. The match will be supplied by the participating building owners

PREVIOUS LEGISLATIVE ACTION

N/A

FISCAL IMPACT

Currently Budgeted (Account) requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Grant Project Ordinance
Amendment One: Wage Determination
Award Letter

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: Concur _____ Recommend Denial _____ No
Recommendation 2/9/11 Date

**A GRANT PROJECT ORDINANCE FOR
MAIN STREET ENERGY GRANT
CITY OF WASHINGTON, N.C.
FOR FISCAL YEAR 2010-2011**

BE IT ORDAINED, by the City Council of the City of Washington, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section 1. The project authorized is for energy efficiency initiatives for small businesses and industries to be financed with federal grant funds.

Section 2. The officers of this unit are hereby directed to proceed with the project within the terms of the grant agreements.

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

66-60-4930-4500	Contract Services	\$71,584
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Section 4. The following revenue is anticipated to be available to complete this project:

66-60-3490-2300	Federal Grant Funds	\$71,584
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Section 5. The Finance Director is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to satisfy the requirements of the grant agreements.

Section 6. Funds may be advanced by the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grant agencies in an orderly and timely manner.

Section 7. The Finance Director is directed to report, on a monthly basis, on the financial status of each project element in Section 3 and on the total grant revenues received or claimed.

Section 8. The Budget Officer is directed to include a detail analysis of past and future costs and revenues on this grant project in every budget submission made to the City Council.

Section 9. Copies of this grant project ordinance shall be furnished to the City Clerk, and to the Budget Officer, and to the Finance Director for direction in carrying out this project.

Section 10. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 11. This ordinance shall become effective upon its adoption.

This the 14th day of February, 2011.

Mayor

Attest:

City Clerk

_Mechanic.....\$ 7.25
 _Motor grader.....\$ 7.25
 _Pan-scraper.....\$ 7.25
 _Paver-screed.....\$ 7.25
 _Roller.....\$ 7.25

 Roofer.....\$ 7.25

 Sheet metal worker.....\$ 7.25

 Soft floor layer.....\$ 7.25

 Tile setter.....\$ 7.50

 Truck driver.....\$ 7.25

 Drywall hanger.....\$ 7.25

 Air Conditioning & Heating
 Mechanic.....\$ 7.25

 Drywall Finisher/Taper.....\$ 7.25

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

=====

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

In the listing above, the "SU" designation means that rates listed under the identifier do not reflect collectively bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be prevailing.

WAGE DETERMINATION APPEALS PROCESS

- 1.) Has there been an initial decision in the matter? This can be:
- * an existing published wage determination
 - * a survey underlying a wage determination
 - * a Wage and Hour Division letter setting forth a position on a wage determination matter
 - * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

END OF GENERAL DECISION



North Carolina Department of Commerce State Energy Office

Beverly Eaves Perdue, Governor
Jennifer Bumgarner, Assistant Secretary for Energy

J. Keith Crisco, Secretary
Ward Lenz, Director, State Energy Office

January 31, 2011

Bianca Gentile
Special Projects Administrator
City of Washington
102 East Second Street
Washington, NC 27889

Dear Ms. Gentile:

Thank you for submitting a response to the State Energy Office request for proposals to participate in the Main Street Round Two Energy Grant Fund. Congratulations, your response has been awarded \$71,538.29 for energy efficiency initiatives. We look forward to working with you as you implement your project.

We will be contacting you shortly with the reporting and monitoring requirements of the grant and to coordinate the start date for your project. Please do not commit or expend any funds until we meet with you to discuss the Main Street Round Two Energy Grant Fund requirements. If you have any questions, please contact Kathy Walters at (919)-715-1448 or at kwalters@nccommerce.com.

Sincerely,

A handwritten signature in cursive script that reads "Starlette Hodge".

Starlette Hodge
Section Chief

Mailing Address:
1340 Mail Service Center
Raleigh, NC 27699-1340

Telephone (919) 733-2230
Fax (919) 733-2953
www.energync.net

Location:
1830A Tillery Place
Raleigh, North Carolina 27604

An Equal Opportunity/Affirmative Action Employer

February 14, 2011

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Printed on Recycled Paper

Grant Agreement Form

The Grant Agreement between the Department of Commerce, Energy Division (the "Agency") and the Grantee named below consists of all rights and obligations contained in the following:

- a. Funding Opportunity and Invitation to Submit Applications for the N.C. Main Street Energy Grant, including all Appendices and amendments thereto;
- b. Grantee's Application/Proposal as approved by the SEO;
- c. DOE Award Agreement DE-EE0000157, as the same may be amended from time to time;
- d. Applicable Directives of the OERI at <http://qa.ncrecoverycms.nc.gov/Compliance/OERIDirectives.aspx#>;
- e. SEP regulations, 10 CFR Part 420 at <http://ecfr.gpoaccess.gov>; and
- f. DOE Assistance Regulations, 10 CFR Part 600 at <http://ecfr.gpoaccess.gov>

The undersigned represent and warrant that they are authorized to bind their principals to the terms of this Grant Agreement. In witness whereof, the Grantee and the Agency have executed this Grant Agreement which shall become effective on the date executed by the Agency.

MAIN STREET PROGRAM/GOVERNMENTAL UNIT: City of Washington

CONTACT PERSON: Bianca Gentile

CONTACT INFORMATION: 252-402-6888 252-946-1965 bgentile@washingtonnc.
Phone Fax E-mail

BY: Matt Rauschenbach TITLE: CEO/Asst City Mgr DATE: 8/4/10
(Signature)

MATT RAUSCHENBACH
(Printed name)

(Dept. of Commerce use only)

BY: Richard H. Clark TITLE: Dir Intern Op DATE: 1-25-11
(Signature)

RICHARD H. CLARK
(Printed name)

THIS PAGE MUST BE SIGNED AND INCLUDED IN YOUR APPLICATION.



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: February 14, 2011
Subject: 3-b Farms Corporate Hangar Lease
Applicant Presentation:
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council authorize the Interim City Manager to enter into a five year lease with 3-b Farms, Inc.

BACKGROUND AND FINDINGS:

The current lease expires on June 30, 2011. The proposed lease reduces the leased premises from the 200 by 300 foot parcel of land to just the 80 by 66 foot footprint of the hangar and will therefore possibly allow the construction of another hangar in this area in the future. This is consistent with our other leases. The lease also includes a CPI escalator for the rent.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) _____ Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Lease

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: Concur Recommend Denial _____ No Recommendation
2/19/11 Date February 14, 2011
Page 178 of 192

**NORTH CAROLINA
BEAUFORT COUNTY**

CORPORATE HANGAR LEASE AGREEMENT

THIS CORPORATE HANGAR LEASE AGREEMENT (“Lease”), made, entered into, and executed in duplicate originals as of the 1st day of July, 2011, by and between **THE CITY OF WASHINGTON**, body politic and corporate under Chapter 160A of the North Carolina General Statutes and having a principal address of P.O. Box 1988, Washington, NC 27889 (“LESSOR”), and **3-B FARMS, INC.**, a North Carolina corporation, having a principal address of 13017 Highway NC 32 North, Washington, NC 27889 (“LESSEE”).

WITNESSETH:

That, pursuant to Chapter 63 of the North Carolina General Statutes, including but not limited to North Carolina General Statute § 63-53 and other relevant statutory authority, and for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, and in consideration of the mutual covenants contained herein as well as the valuable consideration paid and to be paid, LESSOR does hereby demise and lease unto LESSEE, and LESSEE does hereby accept from LESSOR, that certain tract or parcel of land, including corporate hangar situated thereon, (“premises”) lying and being at Warren Field Airport (“Airport”) in Washington Township, Beaufort County, North Carolina, more particularly described as follows:

MEASURING 80 feet by 66 feet, containing approximately 5,280 square feet and being the footprint of the hangar LESSEE currently occupies and specifically exclusive of all adjacent and nearby taxiways, access ramps, aprons, parking areas or other paved surfaces or grounds, and more particularly shown on Exhibit “A” attached hereto and incorporated herein by reference.

TO HAVE AND TO HOLD said land and premises together with all privileges and appurtenances thereto belonging to it, LESSEE, upon the following terms and conditions.

**SECTION ONE
Use of Airport**

Subject to the express conditions contained in Section 7, Part B hereof, LESSOR grants LESSEE the non-exclusive use, in common with others similarly authorized, of the Airport, together with all adequate space and facilities consisting of sufficient ground area to permit the efficient taxiing, servicing, taking off; equipment; improvements and services which have been or may hereafter be provided at or in connection with the Airport from time to time, including, but not limited to, the landing field and any extensions thereof or additions thereto, roadways, runways, aprons, taxiways, floodlights, landing lights, beacons, signals, radio aids, and any and all other conveniences for flying, landing, and takeoff.

LESSOR grants LESSEE the non-exclusive right, in common with others similarly authorized, to load and unload persons and property as is customary in said Airport so long as the normal routine of Airport operations is not interfered with or made burdensome and to install, maintain, and operate radio communications, meteorological and aerial navigations and such other equipment and facilities, in, on or about the premises herein leased, as may be necessary and convenient for LESSEE's operation so long as all applicable city, county and governmental regulations are complied with.

LESSOR grants LESSEE, its employees, customers, passengers, guests, and other licensees or invitees, the non-exclusive use, in common with others similarly authorized, of all public space in the terminal building of the Airport as well as all additional public space that may hereafter be made available therein and any additions thereto, including, but not limited to, the lobby, passenger lounges, waiting rooms, hallways, rest rooms, rooms for flight personnel and other public and passenger conveniences.

SECTION TWO

Acceptance, Maintenance and Use of Premises

LESSEE agrees to accept the premises in the physical condition in which the same now is. LESSEE further agrees to maintain the premises and the grounds immediately adjacent thereto in at least a like condition during the term of this Lease, normal wear and tear excepted. Said maintenance shall include mowing and other customary upkeep. LESSEE further agrees to maintain the premises and the grounds immediately adjacent thereto in a clean, neat and orderly manner so as to promote the use of the Airport, and further agrees to abide by such reasonable requests as may be made by LESSOR for the proper use and maintenance of the Airport to the end that the general welfare of the public may be promoted and served thereby, and that there not be permitted any accumulation of non-aviation equipment or discarded junk or the discharge of hazardous or regulated chemicals onto the airport. LESSEE further agrees to surrender the premises back to LESSOR in as good a condition as the same now is, ordinary wear and tear excepted, upon termination of this Lease. The parties expressly understand that LESSOR may develop the grounds immediately adjacent to the premises; in which case, the maintenance obligation described herein shall decrease as directed by LESSOR. As used herein "grounds immediately adjacent" shall mean the areas between the hangar and the pavement located generally to the north, the taxiway located generally to the west, the middle of the ditch located generally to the south, and the fence located generally to the east.

The premises are to be used only for aircraft related operations and limited to the storage of private aircraft owned or leased by LESSEE as well as for the repair and maintenance of LESSEE'S private aircraft or aeronautical equipment only. Only licensed and airworthy private aircraft owned or leased by LESSEE may occupy the hangar located on the premises (spare aircraft parts excepted). No other use of the premises will be permitted. Specifically, LESSEE shall not offer or permit any commercial sale, repair service or other services, including the rebuilding, restoring, or maintaining of a succession of aircraft, to be offered to, rendered in, on or from any hangar or premises. Aircraft to be hangared at the premises may be inspected by a representative of LESSOR prior to signing this Lease and during the Lease period. Should an

aircraft become unairworthy during the Lease period, a determination by LESSOR may terminate this Lease.

SECTION THREE
Parking Space

LESSOR grants LESSEE, its employees, customers, passengers, suppliers, and other licensees or invitees, without charge, adequate vehicular parking space located as near as possible to the premises. LESSOR shall designate the area to be used, which area shall be maintained and kept in good order and condition by LESSOR.

SECTION FOUR
Right of Ingress and Egress

LESSEE shall have at all times the full and free right of ingress to and egress from the premises and facilities referred to in this Lease for LESSEE, its employees, customers, passengers, guests, and other licensees or invitees. Such rights also extend to persons or organizations supplying materials or furnishing services to LESSEE, to include vehicles, machinery and equipment reasonably required by such persons or organizations.

SECTION FIVE
Term

Subject to earlier termination as provided herein, the term of this Lease shall be for a period of five (5) years, beginning on the 1st day of July, 2011 and ending on the 30th day of June, 2016.

SECTION SIX
Rental

LESSEE agrees to pay LESSOR for the use of the premises, facilities, rights, services, and privileges granted in this Lease the sum of \$1.821 per square foot of hangar space for 5,280 square feet per year (\$9,613.75 annually), due and payable each year in quarterly installments, beginning on or before July 1, 2011 and on or before the first day of each and every quarter thereafter until the termination of this Lease. The annual rental amount due hereunder (initially \$1.821 per square feet of hangar space) shall be reestablished each year to reflect the average adjustment in the Consumer Price Index over the previous year period. The readjusted annual amount due hereunder shall be applicable for the next year until the next readjustment consistent herewith. The rental amount shall also be adjusted to reflect any change in the square footage of the hangar space during the period of this Lease. Any change in the rental amount attributable to a change in square footage shall be applicable beginning with the first, full year following such change in square footage and in each succeeding year thereafter. As used herein, square footage will be based upon the footprint of the hangar.

SECTION SEVEN
Rights, Privileges, Obligations, and Responsibilities

A. In its use of the Airport and related facilities, LESSEE is granted the following specific rights and privileges:

- (1) LESSEE has the right to add and remove any additional capital improvements on the premises under the exclusive control of LESSEE, including the right to install, maintain, and remove additional adequate storage facilities and appurtenances for the purpose of carrying out any of the activities provided for herein, subject to advance approval from LESSOR as well as any other conditions herein generally or particularly set forth. All improvements so added by LESSEE will be and become the property of LESSOR at the termination of this Lease without cost to LESSOR. Any improvements that involve alterations to other Airport premises under the non-exclusive control of LESSEE shall be subject to approval in advance by LESSOR and all improvements so added by LESSEE will be and become the property of LESSOR at the termination of this Lease without cost to LESSOR.

B. In its use of the Airport and related facilities, LESSEE accepts the following obligations and responsibilities:

- (1) The use and occupancy of the premises and the use and maintenance of the grounds immediately adjacent thereto by LESSEE shall be without cost or expense to LESSOR. It is understood and agreed that LESSOR is not obligated to furnish any utility services such as light, water, sewer and gas to LESSEE during the period of occupancy. If LESSOR operates or maintains utility services to the premises, it will continue to furnish such utility services at the request of LESSEE provided that LESSEE shall assume and pay for necessary meters for measuring said service and the charges for providing such service.

LESSEE shall save LESSOR harmless of and from any and all costs or charges for utility services furnished to or required by LESSEE during the term hereof and shall provide, at its own cost or expense, such services as may be necessary or required in the operation and maintenance of the premises to any and all storm and sanitary sewers, water, and utility outlets at its own expense and shall pay for any and all service charges incurred or used on the premises.

- (2) LESSEE shall maintain and be responsible for all repairs to the hangar located on the premises. LESSEE agrees, at its own expense, to cause the premises and the buildings, improvements, and appurtenances thereto, including grounds immediately adjacent thereto, to be maintained in a presentable condition and equal in appearance and character to other similar improvements on said Airport. Tools, machines, parts and maintenance equipment shall be stored in the hangar.
- (3) LESSEE agrees, at its own expense, to cause all waste, garbage and rubbish to be removed from the premises and agrees not to deposit the same on any of the Airport premises, except LESSEE may temporarily deposit the same on the premises in an approved container or enclosure in connection with their collection

or removal. LESSEE agrees it will not allow the accumulation of rubbish or waste, foul, contaminate or otherwise create an unhealthy or hazardous condition on the premises.

- (4) LESSEE will not suffer or permit to be maintained upon the outside of any improvements located on the premises any billboards or advertising signs unless previously approved in writing by the LESSOR. A normal company identification sign will be permissible on the premises subject to the approval of LESSOR and any applicable ordinance.
- (5) LESSEE will make no unlawful, improper or offensive use of the premises.
- (6) Any and all improvements to, use of, or activities upon the premises shall conform to and be consistent with the then current Airport plan as well as the minimum standards, rules and regulations adopted for the Airport by LESSOR, as amended.
- (7) LESSEE, in its use, improvement, or operation of the premises and facilities of the Airport including premises, shall not, on the grounds of race, color, sex, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by law and shall otherwise use the premises in compliance with all other requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964 and as said regulations may be amended.

SECTION EIGHT Taxes and Assessments

LESSEE shall be responsible for and promptly pay before default any and all real and personal property taxes or special assessments, if any, that may be levied or assessed against the premises or any improvements or other property situated thereon, it being the mutual intention of the parties that LESSOR shall not be required to pay any taxes on either real or personal property by reason of permitting LESSEE to use said real property as herein described. LESSEE also agrees to indemnify LESSOR against any loss or liability resulting from any and all claims or liens in connection with such taxes and assessments.

LESSEE must verify, if requested, that the hangared aircraft, including any spare parts, is listed on the tax rolls of Beaufort County, North Carolina, for the current year.

SECTION NINE Maintenance and Utilities

Except as otherwise specified herein, during the term of this Lease, LESSOR shall maintain and keep in good repair so much of the Airport premises as are not under the exclusive control of the individual lessees, including, but not limited to the terminal building; vehicle parking areas and all roadways, runways, aprons and taxiways. Subject to the conditions expressly set forth in Section 7, Part B hereof, LESSOR shall also maintain and operate all sewage and water facilities,

electrical and electronic facilities and such other appurtenances and services as are now or hereafter connected with the operation of the Airport.

SECTION TEN Rules and Regulations

LESSEE agrees to comply with all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, officers and other parties, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the premises or any part thereof, or any of the adjoining property, or any use or condition of the premises or any part thereof. Further, LESSEE shall comply with any and all local, state, federal or other rules and regulations as well as all applicable environmental rules and regulations, including, but not limited to, such rules and regulations regulating hazardous or similar substances or conditions, their storage and disposal.

LESSEE agrees to observe and obey the rules and regulations with respect to the use of the Airport premises, including premises; provided, however, that such rules and regulations shall be consistent with all rules, regulations, and orders of the Federal Aviation Administration; and provided further, that such rules and regulations shall not be inconsistent with the provisions of this Lease or the procedures prescribed or approved from time to time by the Federal Aviation Administration with respect to LESSEE's use of the Airport premises, including premises. LESSEE further agrees to indemnify and hold LESSOR harmless for any and all damage of any kind arising from LESSEE's failure to comply with the aforementioned rules and regulations, including, but not limited to, the cost of clean-up, restoration fees, mitigation costs, and attorney's fees caused or occasioned by LESSEE, its employees, customers, passengers, guests, and other licensees or invitees.

LESSEE agrees to abide by and cooperate with LESSOR in the enforcement and implementation of applicable Airport security regulations, safety plan standards, and measures as may be adopted by LESSOR.

SECTION ELEVEN Subordination

This Lease shall be subject to and subordinate to the provisions of any existing or future agreement between LESSOR and the United States, the State of North Carolina, or any agencies thereof, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development or operation of the Airport or as a condition precedent to the acquisition of the Airport facilities by the LESSOR. It is specifically understood by LESSEE that this Lease is subject to the recapture clause and other conditions of grant agreements by the Department of Navy, Federal Aviation Administration, the Civil Aeronautics Administration, and the State of North Carolina. LESSOR shall, to the extent permitted by law, use its best efforts to cause any such agreements to include provisions protecting and preserving the rights of LESSEE in and to

the premises, and to compensation for the taking thereof, interference therewith and damage thereto, caused by such agreement or by actions of LESSOR or the United States or the State of North Carolina pursuant thereto.

SECTION TWELVE

Indemnification

LESSOR shall stand indemnified by LESSEE as hereinafter provided. It is expressly understood and agreed by and between the parties hereto that LESSEE herein is and shall be deemed to be an independent contractor, responsible to all parties for its respective acts or omissions and LESSOR shall in no way be responsible therefor. It is further agreed that in the use of the Airport; the maintenance, erection, or construction of any improvements thereon and the exercise or enjoyment of the privileges herein granted, LESSEE agrees to indemnify and save harmless the LESSOR from any negligence of LESSEE.

LESSEE agrees to indemnify LESSOR against any and all liability for injuries to persons or damage to property caused by LESSEE's negligent use or occupancy of the premises; provided, however, that LESSEE shall not be liable for any injury, damage, or loss occasioned by the negligence of LESSOR or its agents or employees; and provided further that LESSOR shall give to LESSEE prompt and timely notice of any claim made or suit instituted which in any way directly or indirectly, contingent or otherwise, affects or might affect LESSEE, and LESSEE shall have the right to compromise and defend the suit to the extent of its own interest.

SECTION THIRTEEN

Insurance

LESSEE shall procure and maintain in force necessary liability insurance coverage for the premises and LESSEE'S activities thereon in the minimum amount of \$1,000,000.00 for personal injury, death and property damage, including any environmental damage as well as any damages related to or arising from any hazardous material or product, resulting from each occurrence to indemnify and hold harmless LESSOR from any and all liability of claims for loss, damage, or injury to persons or property caused or occasioned by the use of the premises by LESSEE during the term of this Lease. All insurance shall be carried by a responsible company licensed in the State of North Carolina and shall be in a form satisfactory to LESSOR. LESSOR shall be furnished copies of any and all insurance policies obtained by LESSEE in compliance with this requirement. LESSEE agrees to maintain sufficient coverage on a current status and that all such insurance policies obtained by LESSEE in compliance with this requirement name LESSOR as additional insured and provide a thirty (30) day written notice to LESSOR of termination, material change in the terms thereof or non-renewal of such policies.

SECTION FOURTEEN

Termination and Default

- A. This Lease shall terminate at the end of its original term, unless sooner terminated as provided for herein. No holding over by LESSEE after the expiration or earlier

termination of this Lease shall operate to extend or renew this Lease for any further term whatsoever; but LESSEE will, by any such holding over, become the tenant at will of LESSOR. After any written notice by LESSOR to vacate the premises, continued occupancy thereof by LESSEE shall constitute LESSEE a trespasser.

B. This Lease shall be subject to termination by LESSEE in the event of any one or more of the following events:

- (1) The abandonment of the Airport as an airport or airfield for any type, class, or category of aircraft.
- (2) The default by LESSOR in the performance of any of the terms, covenants, or conditions of this Lease and the failure of LESSOR to remedy, or to undertake to remedy, such default for a period of thirty (30) days after receipt of notice from LESSEE to remedy the same.
- (3) Damage to or destruction of all or a material part of the premises or Airport facilities necessary for the Lessee's use of the premises.
- (4) The lawful assumption by the United States, or the State of North Carolina or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof, in such a manner as to restrict substantially LESSEE from using the premises for a period in excess of ninety (90) days.

C. This Lease shall be subject to termination by LESSOR in the event of any one or more of the following events:

- (1) The default by LESSEE in the performance of any of the terms, covenants, or conditions of this Lease, and the failure of LESSEE to remedy or undertake to remedy such default for a period of thirty (30) days after receipt of written notice from LESSOR to remedy the same. Notwithstanding the foregoing, if LESSEE abandons the premises for any period of time, allows the hangar thereon to remain vacant for a period in excess of ninety (90) days, or fails or neglects to make any payment of rental when due, LESSOR, at its option and without any other notice, demand, or legal proceeding, may declare this Lease void, terminate this Lease, require LESSEE to vacate, enter the premises, and eject LESSEE therefrom or may pursue any other lawful right or remedy.
- (2) LESSEE files a voluntary petition in bankruptcy including a reorganization plan; makes a general or other assignment for the benefit of creditors; is adjudicated as bankrupt or if a receiver is appointed for the property or affairs of LESSEE and such receivership is not vacated within thirty (30) days after the appointment of such receiver.

SECTION FIFTEEN
Surrender of Possession

Post Office Box 1988
Washington, NC 27889

TO LESSEE: 3-b Farms, Inc.
13017 Highway 32 North
Washington, NC 27889

Any notice so given to either party hereunder shall be conclusively considered to have been received on the third business day following the proper mailing thereof. Each party shall give written notice to the other of any change of address at least thirty (30) days in advance of the date such change is to become effective, whereupon the address so given shall control.

SECTION NINETEEN
Governing Law

This Lease shall be governed by, construed, and enforced in accordance with the laws of the State of North Carolina.

SECTION TWENTY
Severability

Any covenant, condition, or provision of this Lease that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this Lease, but such deletions shall in no way effect any other covenant, condition or provision of this Lease, so long as such deletion does not materially prejudice LESSOR or LESSEE in their respective rights and obligations contained in the valid covenants, conditions, or provisions of this Lease.

SECTION TWENTY ONE
Effect of Waiver

The waiver of any breach, violation or default in or with respect to the performance or observance of the covenants and conditions contained herein shall not be taken to constitute a waiver of any such subsequent breach, violation or default in or with respect to the same or any other covenant or condition hereof.

SECTION TWENTY TWO
Arbitration

In the event of any disagreement as to whether there has been a breach of contract under this Lease, the questions shall be submitted to arbitration, each party hereto selecting one arbitrator and the two so selected selecting a third arbitrator (but if no agreement can be reached as to the third arbitrator, he shall be appointed by the Clerk of Superior Court of Beaufort County), which board of arbitrators shall sit within two weeks following the date of their appointment, and after proper notice to both parties, shall hear the evidence presented by both sides and render their decision. The majority vote shall be binding on both LESSOR and LESSEE, and it shall be made and announced as soon as possible, and in no event later than two weeks after the

aforementioned hearing. Each party shall pay the arbitrator appointed by it, and the third arbitrator shall be paid jointly by LESSOR and LESSEE. In this connection, attention is invited to the fact of the management of said Airport, its general appearance and the manner in which LESSEE serves and meets the general public is of paramount importance to the LESSOR, and in the event of any disagreement requiring adjustment or adjudication by arbitration, as herein provided, said arbitrator shall give particular attention to these considerations to the extent that LESSEE shall comply with all requirements of this Lease.

SECTION TWENTY THREE
Effect of Lease

All covenants, conditions, or provisions in this Lease shall extend to and bind the legal representatives, successors and assigns of the respective parties. This Lease is in lieu of any lease heretofore executed between the parties hereto and any such prior lease is hereby cancelled and no longer in effect.

SECTION TWENTY FOUR
Attorney's Fees

In the event any action is filed in relation to this Lease, the unsuccessful party in the action shall pay to the successful party, in addition to all sums that either party may be called on to pay under this Lease, a reasonable sum for the successful party's attorney's fees.

SECTION TWENTY FIVE
Entire Agreement

This Lease shall constitute the sole agreement between the parties hereto and it is understood that the provisions contained herein shall not be altered, modified or changed in any manner except by written agreement executed by LESSOR and LESSEE, and no oral contract or agreement, or informal memorandum shall have the effect of so modifying, altering or changing this agreement. Any prior understanding or representation of any kind preceding the date of this Lease shall not be binding on either party except to the extent incorporated in this Lease.

SECTION TWENTY SIX
Modification of Lease

Any modification of this Lease or additional obligations assumed by either party in connection with this Lease shall be binding only if in writing signed by each party or an authorized representative of each party.

IN WITNESS WHEREOF, each party to this Lease has caused it to be duly and properly executed as evidenced by the authorized signatures below.

PRE-AUDIT CERTIFICATE

This Lease has been pre-audited pursuant to North Carolina General Statute § 159-28 in the manner required by the Local Governmental Budget and Fiscal Control Act.

Matt Rauschenbach, Chief Financial Officer
City of Washington

LESSOR:

CITY OF WASHINGTON

(corporate seal)

By: _____
_____, City Manager

ATTEST:

Cynthia S. Bennett, City Clerk

DATE: _____

LESSEE:

3-B FARMS, INC.

(corporate seal)

By: _____
James R. Boyd, President

ATTEST:

Phyllis Boyd, Secretary

DATE: _____

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

I, _____, a Notary Public of the State and County aforesaid, certify that **CYNTHIA S. BENNETT** personally appeared before me this day and acknowledged that she is City Clerk of the **CITY OF WASHINGTON**, a North Carolina municipal corporation, and as the act of the corporation, the foregoing instrument was signed in its name by _____, its City Manager, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the _____ day of _____, 2011.

NOTARY PUBLIC

My Commission Expires: _____

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

I, _____, a Notary Public of the State and County aforesaid, certify that **PHYLLIS BOYD** personally appeared before me this day and acknowledged that she is Secretary of **3-B FARMS, INC.**, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by James R. Boyd, its President, sealed with its corporate seal and attested by herself as its Secretary.

WITNESS my hand and official seal, this the ____ day of _____, 2011.

NOTARY PUBLIC

My Commission expires: _____.

EXHIBIT "A"

