

**COMMITTEE OF THE WHOLE
CITY HALL, THIRD FLOOR**

TUESDAY, AUGUST 23, 2022

8:30 A.M.

Present: Mayor Gibbons, Kent Greer, Ike Perkins, Ralph Prestwood, Todd Perdue, Jonathan Beal, David Stevens.

Staff Present: City Manager Scott Hildebran, Finance Director Donna Bean, Economic Development Director Kaylynn Horn, Public Works Operations Manager, Jon Hogan, Public Utilities Operations Manager, Jeff Church, Parks & Recreation Director, Kenny Story, Fire Chief Ken Hair, Police Chief Brent Phelps, Downtown Engagement Coordinator, Matthew Anthony, Risk Manager/Purchasing Agent, David Coffey, Planning Administrative Assistant, Lauren Hartley, and Communications Director, Joshua Harris.

Absent: Mayor Pro-Tem Crissy Thomas and City Clerk Shirley Cannon.

I. Mayor Gibbons welcomed everyone and called the meeting to order.

II. Citizen Comment-None

III. Committee Items:

A. Update; Public Utilities-Jeff Church

- They have received the official notice of the award letter for the Brownfields Project.
- The Biosolids Project is to complete the outside hopper. That should pave the way to get the other items complete.
- The Crossroads Sewer Project's contractor completed the bore under Morganton Boulevard for McDonalds. This step may speed up the pipe installation once they cross Harper Avenue.
- Freeze and Nichols are moving along with the Lead and Copper study and the Asset Management plan for the general fund related facilities.
- McGill is working on grant applications for asset inventory assessment grants for the water and sewer systems and continues to work on other projects that are underway.
- Joyceton Water System- The public comment time period on the sale of the system to the City ends at the end of August or early September. The City can complete the purchase if there are no major concerns and the NC Utilities Commission gives final approval.

B. Update; Public Works-Jon Hogan

- Hospital Ave Sidewalk: New erosion control permit submitted by Wetherill.
- 22-23 Resurfacing: All documents are signed and a pre-construction meeting will be in two weeks.
- Facility Condition Assessment: ongoing w/ Freeze & Nichols

- LFD Infrastructure Failure: Catawba Valley Engineering has completed the report. WK Dickson is working on design.
- Laurel Place Road Improvements: This project is to begin September 15th.
- City Hall Facade Projects: Bids are due Friday August 26th.
- Building Maintenance completed wiring of the new building and new LED lighting at the Police Firing Range.
- Sanitation Department's new automated truck will be put into service this week.
- Street Department completed a storm drain pipe replacement on Swanson Drive.

V. Community Development

A. Lenoir Business Advisory Board: Kaylynn Horn, Economic Development Director, stated the Board did not meet in August. Ongoing projects include a Downtown Master Plan and the Campus Master Plan. Director Horn reported she is continuing to coordinate numerous grants, working with architects and engineers regarding the Campus historic buildings and the possible OVT Pavilion site. In addition, she mentioned that economic vitality includes Social Districts. Additional projects being worked on are the Main Street/AARP Entrepreneur Ecosystem pilot program and NC Main Street/National Realtor Association Business Development program. Staff is currently working on City-wide vehicular wayfinding signage as well as signage for Smith Crossroads, City Hall Facade - UNCG design, NPS Facade Grant, holiday decor for downtown, and power washing sidewalks.

B. PROMOTION/EVENTS:

Blackberry Festival follow-up with Bryan Moore
LHS 100-year Celebration
Tattoo Gathering
Halloween
National Night Out October 4 and Veteran's Day November 11
WOOD FIRE SMOKE BBQ Festival
Light Up Lenoir
Small Business Saturday
Elf on A Shelf
Starry Night Christmas Parade
Carriage Rides
2023 Gravity Games

C. Social Districts: Matthew Anthony, Main Street Engagement Coordinator, and Brent Phelps, Chief of Police presented the following information about social districts.

(A copy of the proposal is attached to these minutes as information.)

Matthew Anthony presented this item to Council. He stated a social district is a defined outdoor area in which a person may consume alcoholic beverages sold by an ABC permittee. He explained the requirements for the City and participating restaurants which includes providing signage and cups showing the date and time. The Social District hours would be from 12pm-10pm Monday-Sunday. Councilmember Perkins stated he would not be in support of it and would be voting no. Brent Phelps, Police Chief, stated he has

spoken to other municipalities that have a Social District and he has not received any negative feedback.

City Council will consider this item in September.

D. Planning Board: The Planning Board met on Monday, August 22nd at 5:30 p.m. A report was not given at this time.

E. Parks & Recreation Advisory Board: The Parks & Recreation Advisory Board met on Monday, August 15th. The next meeting is scheduled for Monday, September 19th at 6:00 p.m. Parks & Recreation Director Kenny Story, presented updates on current activities.

- Fall sports for youth baseball and soccer signups are underway.
- The Sculpture Celebration will be held Saturday, September 10th.
- The pickleball courts have been a great asset and are being used daily.
- The LED lighting at the Mack Cooke stadium should be installed soon.

VI. Finance and Administration

A. July Financial Summary: Finance Director Donna Bean discussed the Financial Summary as of July 31, 2022. The over/under balance in the General Fund is \$9,817,486.02, Downtown District (\$6,447.47) and Water & Sewer Fund \$391,141.32.

B. ADA Transition Plan: David Coffey, Risk Manager/Purchasing Agent presented a report showing the ADA transition plan including a self-assessment study of the City's public right of way assets. The study found a total of 3,481 deficiencies across 24.7 miles of sidewalk assets maintained by the City. There is not a timeline on when these should be complete, as long as progress is being made. This item will be placed on the September 6, 2022 Agenda for consideration of approval by City Council.

C. Update; Job descriptions; Police Department & Planning Department

- Finance Director, Donna Bean recommended the position of Housing/ Zoning Inspector title be changed to Code Compliance Officer in order to better reflect the job duties.
- Police Chief Phelps recommended the position of Senior Detective title be changed to Property and Evidence Clerk for the same purpose.

Motion

Following a brief discussion, and upon a motion by Councilmember Beal, Council voted 6 to 0 to approve the job titles as described above and as recommended by Finance Director Bean.

D. Update; Public Communications: Joshua Harris, Public Information Officer, presented the Communications Report for the month of July. Director Harris reported there were 5 news releases, 193 photos, 4 videos, 164 social posts, 24 questions & answers and 5 e-sign ups. The website has 594 new followers, social reach is 187,958, and video views 3,336. There were 41,952 Facebook, Twitter, and Instagram followers.

Director Harris also reviewed the Customer Service Training report and the recent Golden Ticket winners. He stated the annual Employee Litter Sweep Day will be held on Wednesday, September 21st.

Mayor Gibbons stated Director Harris is doing a great job keeping City Council, Staff, and the residents informed about events that are happening in the community.

VII. Public Safety

- A. Update; Police Department: Brent Phelps, Police Chief, presented a traffic study on Pennwood Street and Glenview Street completed April 22 - May 2, 2022. It was recommended the Lenoir Police Department continue to have a visible presence in this residential neighborhood in an effort to address citizen concerns. It was also mentioned to move the No through Trucks road sign closer to the street in order to make it more noticeable by the general public. This item will be placed on the September 6 Agenda for consideration of approval by City Council.
- B. Quarterly Report (April, May & June): Police Chief Phelps presented the Department's second quarterly report for April, May & June as information. This report details training hours, outreach, demos, events and tours by Staff and the types of calls the Department receives.
- C. Update; Fire Department, Quarterly Report: Fire Chief, Ken Hair, reviewed information in the Department's 2nd Quarterly Report for April, May & June. He reported four firefighters resigned in July, but the Department held interviews with several good quality candidates. Chief Hair mentioned they also received applications from firefighters that are currently employed by other fire departments. He stated these are conditional offers due to the doctor's office not being able to perform physicals for a couple of weeks.

VIII. OTHER

- 1. The September calendar was provided in packet as information listing committee meetings and upcoming events.

IX. ADJOURN

There being no further business, the meeting was adjourned.

Attachment

Social District Proposal

July Financial Summary

*Minutes prepared by Lauren Hartley, Planning Administrative Assistant.



**City of Lenoir
Financial Summary
As of 7/31/2022**



General Fund					
	2022-2023 Budget	7/31/2022	% of Budget	Change from Previous Year	7/31/2021
Total Revenue	\$ 20,320,130.00	\$ 11,739,670.12	58%	\$ 6,995,977.37	\$ 4,743,692.75
Expenditures	\$ 20,320,130.00	\$ 1,922,184.10	9%	\$ (892,646.71)	\$ 2,814,830.81
Over/Under	\$ -	\$ 9,817,486.02		\$ 7,888,624.08	\$ 1,928,861.94
Downtown District					
	2022-2023 Budget	7/31/2022	% of Budget	Change from Previous Year	7/31/2021
Revenues	\$ 288,220.00	\$ 13,609.94	5%	\$ (1,339.49)	\$ 14,949.43
Expenditures	\$ 288,220.00	\$ 20,057.41	7%	\$ 5,962.16	\$ 14,095.25
Over/Under	\$ -	\$ (6,447.47)		\$ (7,301.65)	\$ 854.18
Water/Sewer Fund					
	2022-2023 Budget	7/31/2022	% of Budget	Change from Previous Year	7/31/2021
Revenues	\$ 10,232,980.00	\$ 952,269.20	9%	\$ 56,720.10	\$ 895,549.10
Expenditures	\$ 10,232,980.00	\$ 561,127.88	5%	\$ 107,463.57	\$ 453,664.31
Over/Under	\$ -	\$ 391,141.32		\$ (50,743.47)	\$ 441,884.79



Social District Proposal for the City of Lenoir

Background: House Bill 890 was passed by the NC House and Senate on Wednesday, September 8, 2021 and signed by the Governor on September 10. Included in House Bill 890 is a provision that allows the creation of social districts in North Carolina. The North Carolina Retail Merchants Association was the major interest group pushing for the passage of this legislation to drive foot traffic to downtown businesses and level the playing field for brick-and-mortar businesses without ABC permits.

What is a Social District?

A defined outdoor area in which a person may consume alcoholic beverages sold by an ABC permittee.

Who Can Designate a Social District?

House Bill 890 did not create a statewide social district, but instead allows cities and counties to “opt-in” to social districts via an ordinance. A city may adopt an ordinance designating an area within the municipal limits as a social district under G.S. 160A-205.4.

What are the requirements for a City to Create a Social District?

1. Social districts must be clearly defined and post signage in conspicuous locations indicating:
 - a. The area included in the social district
 - b. The days and hours during which alcoholic beverages can be consumed in the social district
 - c. The telephone number for the ALE division and local law enforcement jurisdiction over the social district.
 - d. A clear statement that an alcoholic beverage purchased for consumption in a social district shall:
 - i. Only be consumed within the social district
 - ii. Be disposed of before the person possessing the alcoholic beverage exits the social districts, unless the person is reentering the licensed ABC premises where the alcoholic beverage was purchased (G.S. 18B-904.1(c)(1)).

2. Social districts are only allowed to operate during the hours defined under G.S. 18B-1004: from 7am until 2 am Monday-Saturday and 10am-2am on Sundays. (G.S. 18B-904.1(c)(1))
3. A city designating a social district is required to establish management and maintenance plans for the social district and post these plans along with a drawing of the boundaries and the applicable days and hours of the social district on the city's website. A social district must be maintained in a manner that protects the health and safety of the general public. (G.S. 18B-904.1(c)(2))
4. Before a social district can become operational, a city must submit to the North Carolina ABC a detailed map of the social district with the boundaries clearly marked and the days and hours during which alcoholic beverages can be consumed. (G.S. 18B-904.1(c)(3))

Who Can Sell Alcohol in a Social District?

Under G.S. 18B-904.1(a)(1), a business holding any of the following ABC Permits may sell alcohol to be consumed in a social district:

1. An on-premises malt beverage permit issued pursuant to G.S. 18B-1001(1)
2. An on-premises unfortified wine permit issued pursuant to G.S. 18B-1001(3)
3. An on-premises fortified wine permit issued pursuant to G.S. 18B-1001(5)
4. A mixed beverages permit issued pursuant to G.S. 18B-1001(10)
5. A distillery permit issued pursuant to G.S. 18B-1100(5)

What additional rules do ABC permittees have to follow to sell alcohol within a social district? (G.S. 18B-904.1(d))

First, an ABC permittee must be located in or contiguous to the social district in which it is selling alcohol to be consumed.

Secondly, the ABC Permittee is only allowed to sell and serve alcoholic beverages ON its licensed premises. In other words, the ABC Permittee cannot sell alcoholic beverages in the street or down the street from its licensed premises just because they are located in, or are contiguous to the social district.

Third, alcoholic beverages that are being sold to be consumed in a social district can only be sold in a container that meets the following requirements:

1. The container clearly identifies the ABC permittee from which the alcoholic beverage was purchased.
2. The container clearly displays a logo or some other mark that is unique to the social district in which it will be consumed.
3. The container is NOT made of glass.
4. The container displays, in no less than 12-point font, the statement "Drink Responsibly – Be 21."
5. The container cannot hold more than 16 fluid ounces.

Finally, the ABC permittee must prohibit a person from entering or reentering its licensed premises with an alcoholic beverage not sold by the ABC permittee as is the current law. An example XYZ restaurant sells John Smith a cup of wine. John Smith cannot reenter XYZ Restaurant with a cup of beer he bought at Acme Brewing located within the same social district. John Smith also cannot enter XYZ restaurant for the first time with the cup of beer John Smith bought at Acme Brewing. They can, however, re-enter the same location where they purchased the alcohol that they are still consuming.

Businesses Who Wish to Opt Out.

- Signage will indicate that retail customers cannot enter with alcohol (or food & drink if that is the policy).
- Signage can indicate that a bar or restaurant customer may not remove alcohol from the facility.

Customer Requirements:

First, a person can only possess and consume alcoholic beverages purchased from an ABC permittee located in or contiguous to the social district on a designated social district container.

Second, any alcoholic beverages consumed in the social district must be consumed from the required social district container. A person cannot pour their wine, beer or liquor into a solo cup or any type of container other than the one meeting all the requirements for social districts.

Third, alcoholic beverages shall only be possessed and consumed IN the social district during the days and hours set by the city.

The sale and delivery of alcohol in a social district is subject to the same limitations for sales and deliveries of alcohol in North Carolina:

- No more than two malt beverage or wine drinks at one time to a single patron
- No more than one mixed beverage or spiritous liquor drink at one time to a single patron

Finally, a person is required to dispose of any alcoholic beverage in the person's possession prior to exiting the social district unless the person is reentering the licensed ABC premises where the alcoholic beverage was purchased. If a person is leaving the social district area, they must pour out or throw away their alcohol. They also cannot take it with them into any other business that sells alcohol or has opted out of the social district. They may ONLY take their alcoholic drink into the establishment where they bought it or a participating business that does not sell alcohol.

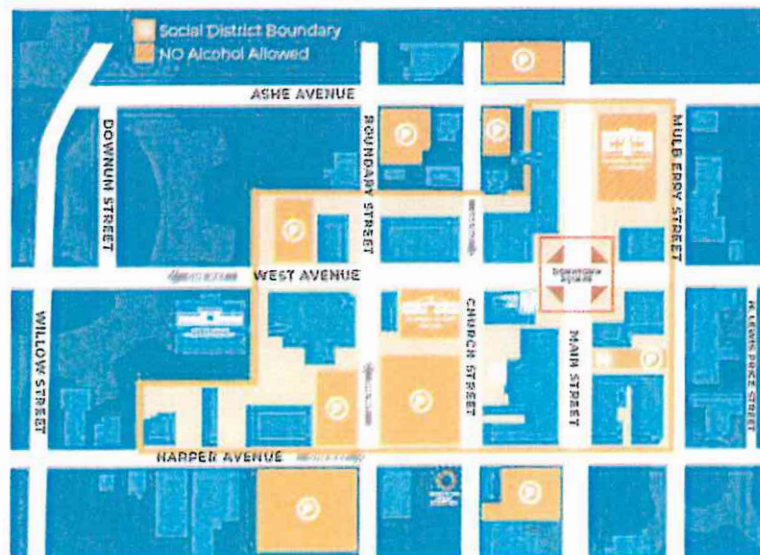
The Proposed Downtown Lenoir Social District Details:

The structure for the proposed Social District in Downtown Lenoir was based on input from the following:

Research:

- Two live webinars in which 3 Town Managers discussed their experiences with their Social Districts: Mobile, AL, Huntsville, AL and Grand Rapids, MI.
- Information gathering from social districts with the state:
 - Kannapolis, NC
 - Greensboro
 - Hickory
 - Sylva
 - Newton
 - Salisbury
 - Mooresville
 - Asheboro
 - Oxford
 - Monroe
- Discussions with Permit Holders and Non-Permit Holders within the district, as well as downtown residents.
- Discussion with the Chief and Assistant Chief of Police to hear their concerns.
- Conversation with the ABC legal team in Raleigh about liability scenarios.
- Conversations with David Coffey about insurance liabilities.
- A Law Enforcement Meeting with a local ALE agent, Lenoir Police, Katie Brummett (Liquid Roots Brewery, Kaylynn Horn (Economic Development Director) and Scott Hildebran (City Manager) to discuss liability scenarios.

District Details:



The **Social District** hours would be from 12pm-10pm Monday-Sunday.

Merchant Educational Program:

The DLMS would conduct an informational webinar that would also be recorded for the merchants outlining requirements. Chief Phelps would be on this call. Merchants can opt out of the program if they choose to.

Container:

The permit holders opting into the social district would supply their own containers that meet the state requirements (branded with their business or using a sticker), and Downtown Lenoir Main Street has designed a district sticker with required verbiage along with date/time line which is required to be filled out at point of sale. The participating permit holders will be responsible for purchasing the district stickers.

Signage:

Public Works would implement required signage indicating the district (ground decals as is necessary for the state highway on Main Street), and merchants who choose to opt-out would need to provide their own signage. For retailers: "This Retailer Has Opted Out of the Downtown Lenoir Social District. Do not enter with an alcoholic beverage." For permit-holders: "This Business Has Opted Out of the Downtown Lenoir Social District. You May Not Take Alcoholic Beverages Off-Site Purchased from This Location." Additionally, permit-holders opting into to the program would be encouraged to place signage that indicates "No Outside Alcohol" on their entrances. Those with patios would be encouraged to have signage that indicates "No Glass Beyond this Point" at the patio exit/entrance to the district.

Special Events:

If an event is hosted in Downtown that allows the sale of Alcoholic Beverages, the same permit-holder rules will apply to the boundary of the event. That permit holder will be required to serve in the required container, and consumers can move about the district with alcohol purchased at the event, but will not be allowed to bring alcohol into the event purchased from other permit-holder locations outside of the district.

Next Steps:

1. Craft the Ordinance
2. Hold a Public Input Meeting for the Ordinance Proposal
3. Vote on the Ordinance
4. If passed, record the Social District Plan with NC ABC Commission
5. Implement the Program
 - a. Merchant information session
 - b. Place required signage demarking the district
 - c. Acquire social district stickers and create other communication programs

Social District Background Research – Web Meeting

Selling Points: Great for economic development, especially during a pandemic to encourage shoppers and diners to move around outside and patronize retailers. So many festivals did not happen – losses are still significant for businesses. In other towns, it has proven to increase business traffic and property occupancy rates.

Signage Requirements: Where the district boundaries are, hours of the social district and who to call for help.

Cups: Must be non-glass and branded with the permittee who is selling, and required verbiage. It can be a sticker from the town's district, plus a sticker from the permittee.

Social District Specifics:

- Opt-In or Opt-Out for both alcohol sales permit holders and those who don't. All other laws for permittees will still be in place.
- Social districts CAN include NCDOT roads with proper signage.
- The town will need to pass an ordinance.
- The town can define the hours and days of the week
- The town should be comfortable with maintaining and policing the district
- The town will need to submit a plan to ABC for filing, but not for approval

Enforcement:

- No big issues with any of the towns who have it. Most exempted parking lots and decks to discourage people from refilling their cups.

Social District Logo/Signage:

