

**AMENDED NOTICE OF A SPECIAL MEETING  
OF THE ASHEBORO CITY COUNCIL**

**Thursday, May 21, 2015**

**5:30 p.m.**

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Notice is hereby given of a special meeting of the Asheboro City Council that will begin at 5:30 p.m. on Thursday, May 21, 2015, in the Asheboro City Hall Council Chamber, 146 North Church Street, Asheboro, North Carolina 27203. During this special meeting, the following agenda items will be brought before the City Council:

1. Ms. Katie L. Snuggs will take and subscribe before the city clerk the oath of office for a City of Asheboro Council Member.
2. The City Council will consider declaring the city-owned real property at 133 West Wainman Avenue (the former location of the Asheboro Senior Center) to be surplus property and authorizing the disposal of the property by means of the negotiated offer, advertisement, and upset bid process.
3. The City Council will receive an update on potential uses for the former Asheboro Hosiery Mills/Cranford Industries property purchased by the city in September 2014.
4. Mayor Smith and the Council Members will receive an update on the city's health insurance program.
5. Mayor Smith and the Council Members will receive a report on research conducted by city staff members of municipal services that may be offered in support of proposed county landfill operations.

This amended notice is issued on the 18<sup>th</sup> day of May, 2015.

/s/ David H. Smith  
David H. Smith, Mayor

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**SPECIAL MEETING  
ASHEBORO CITY COUNCIL  
CITY COUNCIL CHAMBER, MUNICIPAL BUILDING  
THURSDAY, MAY 21, 2015  
5:30 p.m.**

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This being the time and place for a special meeting of the Asheboro City Council, a meeting was held with the following elected officials and city staff members present:

David H. Smith           ) – Mayor Presiding

Talmadge S. Baker     )  
Clark R. Bell            )  
Edward J. Burks        )  
Linda H. Carter         ) – Council Members Present  
Walker B. Moffitt       )  
Charles A. Swiers       )

John N. Ogburn, III, City Manager  
Tamela D. Garner, Permit Technician / Deputy City Clerk  
Dakota R. Gaddy, Engineering Intern  
Stacy R. Griffin, Human Resources Director  
Leigh Anna Johnson, Public Information Officer  
Michael L. Leonard, P.E., City Engineer  
Trevor L. Nuttall, Community Development Director  
Deborah P. Reaves, Finance Director  
Jonathan M. Sermon, Recreation Services Superintendant  
Jeffrey C. Sugg, City Attorney

**1. Call to order.**

A quorum thus being present, Mayor Smith called the meeting to order for the transaction of business, and business was transacted as follows.

**2. Oath of Office for New Council Member.**

Katie L. Snuggs, who was appointed by Council action during the regular May meeting of the City Council to fill the vacancy created by the death of Council Member Michael Hunter, swore to and subscribed before the deputy city clerk the following oath of office:

**OATH OF COUNCIL MEMBER**

STATE OF NORTH CAROLINA  
COUNTY OF RANDOLPH  
CITY OF ASHEBORO

I, Katie L. Snuggs, do solemnly swear that I will support, defend, and maintain the Constitution and laws of the United States, and the Constitution and laws of North Carolina not inconsistent therewith, and that I will faithfully discharge and perform the duties of my office as Council Member for the City of Asheboro, on which I am about to enter, according to my best skill and ability; so help me, God.

/s/ Katie L. Snuggs  
Katie L. Snuggs

Sworn to and subscribed before me this 21<sup>st</sup> day of May, 2015.

/s/ Tamela D. Garner  
Tamela D. Garner  
Deputy City Clerk  
City of Asheboro, North Carolina

**3. Disposition of surplus property at 133 West Wainman Avenue.**

Mr. Leonard utilized a visual presentation of the building at different angles on the property at 133 West Wainman Avenue (the former location of the Asheboro Senior Center) for consideration by the City Council to declare the city-owned real property to be surplus property and authorizing the disposal of the property by means of the negotiated offer, advertisement, and upset bid process.

After discussion of the presentation, Mr. Ogburn asked the council to consider taking action to authorize the sale of the above-described real property as surplus property. Upon motion by Mr. Bell and a second by Mr. Baker, Council voted unanimously to adopt the following resolution:

**RESOLUTION NUMBER 14 RES 5-15**

**CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA**

**RESOLUTION AUTHORIZING AN UPSET BID PROCESS TO DISPOSE OF THE REAL PROPERTY FORMERLY USED AS THE LOCATION FOR THE ASHEBORO SENIOR CENTER**

**WHEREAS**, the City of Asheboro (hereinafter referred to as the "City") owns certain real property that is located at 133 West Wainman Avenue, is identified by Randolph County Parcel Identification Number 7751717380, and is more specifically described by a North Carolina Non-Warranty Deed recorded in the office of the Randolph County Register of Deeds in Book of Record 2428, Page 1110; and

**WHEREAS**, the above-described property, which was formerly occupied by the Randolph County Senior Adults Association, Inc. and previously utilized for the Asheboro Senior Center, is no longer needed by the City; consequently, the property described in the immediately preceding paragraph will be hereinafter referred to as the "Surplus Property;" and

**WHEREAS**, Section 160A-269 of the North Carolina General Statutes permits the City to sell property by upset bid, after the receipt of an offer for the property; and

**WHEREAS**, the City has received an offer to purchase the Surplus Property, in the amount of seventy-five thousand and no hundredths dollars (\$75,000.00), from Schwarz & Schwarz, LLC, a North Carolina limited liability company; and

**WHEREAS**, Schwarz & Schwarz, LLC has paid to the City the required five percent (5%) deposit on the limited liability company's offer;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Asheboro, North Carolina as follows:

**Section 1.** The City Council hereby authorizes the sale of the Surplus Property by means of the negotiated offer, advertisement, and upset bid procedure established in Section 160A-269 of the North Carolina General Statutes.

**Section 2.** The city clerk shall cause notice of the proposed sale to be published. This notice shall describe the Surplus Property and the amount of the offer, and shall state the terms under which the offer may be upset.

**Section 3.** Persons wishing to upset the offer that has been received from Schwarz & Schwarz, LLC shall submit a sealed bid with their offer to the office of the city clerk within ten (10) calendar days after the notice of sale is published. At the conclusion of the said 10-day period, the city clerk shall open the bids, if any, and the highest such bid will become the new offer. If there is more than one (1) bid in the highest amount, the first such bid received by the city clerk will be the new offer.

**Section 4.** If a qualifying higher bid is received, the city clerk shall cause a new notice of upset bid to be published, and shall continue to do so until a 10-day period has passed without any qualifying upset bid having been received. At that time, the amount of the final high bid shall be reported to the City Council.

**Section 5.** A qualifying higher bid is one that raises the existing offer by not less than ten percent (10%) of the first one thousand and no hundredths dollars (\$1,000.00) of the existing offer and by not less than five percent (5%) of the remainder of the existing offer.

**Section 6.** A qualifying higher bid must also be accompanied by a deposit in the amount of five percent (5%) of the bid; the deposit may be made in cash, cashier's check, or certified check. The City will return the deposit on any bid not accepted, and will return the deposit on an offer subject to upset if a qualifying higher bid is received. The City will return the deposit of the final high bidder at closing.

**Section 7.** The terms of the final sale as follows:

- (a) The City Council must approve the final high offer before the sale is closed, which the Council will take action on this sale within thirty (30) calendar days after the final upset bid period has passed;
- (b) The City's ownership interest in the Surplus Property will be conveyed by means of a North Carolina Non-Warranty Deed, no other form of deed will be used by the City;
- (c) The closing on this sale must be successfully completed within thirty (30) calendar days of the date upon which the City Council approves the final high offer;
- (d) The closing attorney for this land sale will be an attorney designated in the sole and exclusive discretion of the City;
- (e) The buyer must pay with good funds at the time of closing; and
- (f) If the offer or who submitted the final high offer accepted by the City Council attempts to withdraw the offer or in some other manner fails to strictly comply with the terms of the final sale, then the deposit submitted with the bid shall be forfeited to the City.

**Section 8.** The City reserves the right to withdraw the Surplus Property from sale at any time before the final high bid is accepted, and the City further reserves the right to reject at any time all bids.

**Section 9.** If no qualifying upset bid is received within the specified time period after the initial public notice, the offer set forth above is hereby accepted, and the appropriate City officials are authorized to execute the instruments necessary to convey the Surplus Property to Schwarz & Schwarz, LLC.

This Resolution was adopted by the Asheboro City Council in open session during a special meeting of the governing board that was held on the 21<sup>st</sup> day of May, 2015.

/s/ David H. Smith  
David H. Smith, Mayor  
City of Asheboro, North Carolina

ATTEST:

/s/ Tamela D. Garner  
Tamela D. Garner, Deputy City Clerk  
City of Asheboro, North Carolina

A copy of the visual presentation used by Mr. Leonard is on file in the City Clerk's office.

**4. Update on potential uses for the former Asheboro Hosiery Mills/ Cranford Industries property purchased by the city in September, 2014.**

Mr. Leonard utilized a visual presentation to facilitate a discussion regarding the property located at 133 South Church Street. Mr. Ogburn supplied other information about this property as well and after some discussion, Mayor Smith entertained a motion on the memorandum of agreement between the City of Asheboro and Jerry D. Neal regarding the potential sale of the property.

Upon a motion by Mr. Bell to approve the current Memorandum of Agreement between the City of Asheboro and Jerry D. Neal and second by Mr. Burks, Council voted unanimously to approve the following Memorandum of Agreement:

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**Prepared by: L. McKay Whatley, 19 S. Fayetteville St., Asheboro, NC 27203**

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**NORTH CAROLINA  
RANDOLPH COUNTY**

**MEMORANDUM OF AGREEMENT  
Between the City of Asheboro and Jerry D. Neal  
Regarding the Potential Sale of 133 South Church Street, Asheboro**

**WHEREAS** the City of Asheboro ("the City") is the owner of property having the Randolph County Tax Parcel ID number 7751726479, located at 133 South Church Street in the City of Asheboro; and

**Whereas** the property is a Certified Historic Structure, based upon its listing in the National Register of Historic Places (the "National Register") on December 7, 2011 as part of the **Asheboro Hosiery Mills and Cranford Furniture Company Complex**, also known as Cranford Industries and National Chair Company, a historic [hosiery mill](#) and furniture manufacturing facility (the "Historic Property") which includes the 115-foot-tall Cranford Industries smokestack as a Contributing Property ("the Smokestack"); and

**Whereas** the City received an unsolicited offer ("Current Offer") to purchase the said property from Jerry D. Neal ("Current Potential Purchaser"), with extensive experience in preserving historic industrial buildings and objects; and

**Whereas** the Current Potential Purchaser intends to rehabilitate the Historic Property in accordance with the federal historic preservation tax credit program pursuant to 36CFR Part 67 and Section 47 of the Internal Revenue Code ("Historic Tax Credit Requirements"); and

**Whereas**, before making any written offer to purchase the Historic Property the Current Potential Purchaser desired to conduct extensive due diligence examinations of the structural integrity and stability of the building and the Smokestack, a process which was initially authorized by the City on April 20, 2015 in a document entitled "Memo of Understanding: Smokestack Preservation Project" (the "Smokestack Preservation Memo"); and

**Whereas** the initial investigation by agents of the Current Potential Purchaser have revealed serious structural defects and safety issues which require immediate attention to ensure preservation of the status quo of the Historic Property pending further negotiations regarding the Current Offer;

**NOW THEREFORE**, the City and the Current Purchaser agree as follows:

- 1. Revocation of Prior Agreement.** It is hereby mutually agreed that the Smokestack Preservation Memo dated April 20, 2015, signed by the City and the Current Potential Buyer (Jerry D. Neal as CEO and Owner of Linbrook Heritage Estate) shall be immediately cancelled and revoked, and this

Memorandum of Agreement shall be substituted entirely as the current understanding between the parties.

2. **Due Diligence Period.** That the Current Potential Buyer shall have ninety (90) days to inspect, or at Buyer's expense, hiring Agents to conduct a complete and thorough examination of the current state of the building at 133 South Church Street, together with the Boiler and Electrical Rooms and the Smokestack; that said Agents shall document the conditions found and, upon request, relay such information to the City, its employees and inspectors.
3. **Repairs.** Pursuant to the inspections obtained as stated above, if any repairs are necessary, the City shall have the option of (1) completing them; (2) providing funds for their completion; (3) refusing to complete them. If City elects not to complete or provide for the completion of the repairs, then Buyer shall have the option of (1) accepting the property in its existing condition, or (2) terminating this agreement. All work which may be required to remediate and repair the Historic Property and/or Smokestack shall be performed in a good and workmanlike manner according to accepted standards and practices in the trade.
4. **Existential Threats.** In the event that the inspections obtained by the Current Potential Buyer disclose mechanical and/or structural issues that indicate fundamental concerns regarding the safety and welfare of the public, or of adjoining property owners; or that pose questions regarding the stability and architectural integrity of the Historic Property amounting to a threat to its continued existence (an "Existential Threat"), then and in that event the City and the Current Potential Buyer agree that pursuant to Articles 3D and 8 of Chapter 143 of the N.C. General Statutes, the Current Potential Buyer may, at his own expense, and contract with Agents to make such repairs as may be necessary to remediate any such Existential Threat, protect the safety and welfare of the public, and preserve the status quo of the Historic Property pending further negotiations on its purchase and sale. The City and the Current Potential Buyer agree for this purpose that any mutually agreed-upon sums expended by the Current Potential Buyer to remediate and/or correct and Existential Threat shall be considered a Lien upon the Historic Property that will be credited toward the purchase price if the Current Potential Buyer shall enter a Purchase Agreement with the City, or will be reimbursed to the Current Potential Buyer in the event the Historic Property is sold to another Potential Buyer.
5. **Reasonable Access.** The City will provide reasonable access to Buyers or Buyers' Agents and representatives for the purposes of appraisal, inspection and/or evaluation, and for the safe remediation and correction of any documented Existential Threat.
6. **Risk of Loss.** The Current Potential Buyer agrees to provide documentation to the City to prove that Buyer's Agents and workmen have sufficient insurance and resources to hold both the City and the Current Potential Buyer harmless from damages or losses caused by any actions of Buyer or his Agents. However, the risk of loss or damage by fire or other casualty shall be upon the City, subject to recapture of expenses from Buyer's insurance carriers. If the improvements or the Property are destroyed or materially damaged prior to closing, the Current Potential Buyer may terminate this Agreement by written notice delivered to the City or its Agent.
7. **RIGHT OF FIRST REFUSAL.** Subject to the requirements of Article 12 of Chapter 160A of the North Carolina General Statutes, the City agrees to give the Current Potential Buyer the right of first refusal to purchase the Historic Property described above, on terms to be determined after the Due Diligence Period. At any time in the future when the aforesaid land is to be sold, the City shall first offer the same in writing to the Current Potential Buyer, for his consideration for a period of fifteen (15) days, within which Buyer shall in writing accept or reject the offer of sale upon the terms and conditions stated in the notice. Buyer shall have up to sixty (60) days to close the purchase in the event he elects to exercise his right to buy. In the event Buyer does not respond within the allotted time, Seller shall be free to sell upon the same terms and conditions to any other party of his choice, but in no event shall Seller sell said land to another party under more favorable terms of sale. This right of first refusal shall be continuing in nature and the Buyer shall be entitled to notification of any offers of different price and/or terms for which the land is being offered by sale by the City.
8. **ENTIRE AGREEMENT.** This contract contains the entire agreement of the parties, and all changes, additions or deletions hereto must be in writing and initialed by all parties. The contract shall be binding upon and shall inure to the benefit of the parties, their heirs, successors and assigns. This offer shall become a binding contract when signed by both parties.

**IN TESTIMONY WHEREOF**, the said parties have executed this contract in duplicate originals, one of which is retained by each of the parties hereto, the day and year first above written.

**The City of Asheboro, by:**

\_\_\_\_\_ (SEAL)  
Mayor

\_\_\_\_\_ (SEAL)  
Manager

**Current Potential Buyer:**

\_\_\_\_\_ (SEAL)  
Jerry D. Neal

A copy of the visual presentation used by Mr. Leonard is on file in the City Clerk's office.

**5. Update on the city's health insurance program.**

Michael Cornwell, CHFC Director, Sales and Underwriting for Medcost Benefit Services presented a self funding review of the City of Asheboro medical and prescription annual plan cost per employee from plan year ending June, 2010 thru plan year ending June, 2014 compared to the 2013 National average along with information on Annual Liability verses Annual Plan Cost. He also included a cost band breakdown and detail showing the claimants and percentages that were paid out comparing prior plan year-to-date and current plan year-to-date and an annual claims comparison.

Ms. Griffin presented a Health Plan – Plan of Action for 2015-2016 that included:

- (a) Educating employees on the cost of health care.
- (b) Assessing Health Clinic Function.
- (c) Beginning the process of creating a strategic wellness initiative.

There are to be employee meetings about the Health Plan starting the first week in June, 2015.

Mr. Ogburn spoke on these presentations, and there was a discussion in which Council members had positive comments concerning the plan of action and the health clinic and staff. No action was taken on this agenda item by the Council.

A copy of the presentations by Mr. Cornwell and Ms. Griffin are on file in the City Clerk's office.

**6. Report on research conducted by city staff members of municipal services that may be offered in support of proposed county landfill operations.**

Mr. Leonard utilized a visual presentation of the Turkey Run landfill in Hogansville, Georgia, that staff had visited in March, 2015 showing different areas of the landfill and how the landfill was maintained. This landfill is operated by a company known as Waste Management, and this company is the same corporate entity selected by Randolph County to manage the proposed landfill operation in this county.

One of the focal points for staff research is the treatment of leachate coming off the landfill. Mr. Leonard's presentation explained how staff observed wells placed at points throughout the Turkey Run landfill to collect runoff. The leachate collected from various areas throughout the landfill is pumped to a large storage tank and then released at a controlled rate into the wastewater collection and treatment system that serves the landfill.

Staff reported observing industrial growth directly adjacent to the landfill property.

Within the landfill itself, cells are filled with refuse to predetermined heights. When a cell is filled to its maximum capacity, the cell is then capped with a liner and covered with earth at which time rainfall is diverted to storm water and no longer infiltrates the landfill. Multiple storm water ponds collect runoff and act as wetland buffers before it leaves the landfill site.

With regard to the proposed Randolph County Landfill, the proposed utilities are as follows:

- (a) Water services will be supplied to the proposed site from new lines running down Old Cedar Falls Road to Foxworth Road to an existing line located on Loflin Pond Road; and
- (b) Sewer will be pumped from a proposed City maintained lift station on the site to Henley Country Road and then to an existing lift station on Old Cedar Falls Road.

The first 10-year permit for the Randolph County Landfill is proposed to allow a maximum of 7 cells with an expected maximum runoff averaging 37,000 gpd.

