CITY COUNCIL
BUSINESS MEETING
REVISED AGENDA
KANNAPOLIS CITY HALL
401 LAUREATE WAY,
KANNAPOLIS NC
MAY 22, 2023 6:00 PM

Please Turn off Cell Phones or Place on Silent Mode.

CALL TO ORDER AND WELCOME

MOMENT OF SILENT PRAYER AND PLEDGE OF ALLEGIANCE

ADOPTION OF AGENDA - Motion to Adopt Agenda or make revisions

PROCLAMATIONS

A. Proclamation Honoring & Celebrating the 100th Birthday of Harold Sechler (Mayor Darrell Hinnant)

B. National Public Service Appreciation Week (Mayor Darrell Hinnant)

CONSENT AGENDA - Motion to Adopt Consent Agenda or make revisions

A. FYE 2023 Audit Contract Approval (Brian Roberts, Finance Director)

B. Town of Landis Interlocal Agreement for Wholesale Sewer Agreement (Alex Anderson, Director of Water Resources)

C. Resolution Authorizing Joining and Incorporating the Yadkin-Pee Dee Water Management Group (Alex Anderson, Director of Water Resources, Gerald Faulkner, Water Treatment Manager)

D. Resolution Approving Award of Street Resurfacing Contract (Michael Rattler, Director of Transportation & Environmental Services)

BUSINESS AGENDA

A. Continued from April 24, 2023 Case No. CZ-2022-08 - Rezoning request - Trinity Church Rd and Stirewalt Rd (Richard Smith, Planning Director)

B. Presentation Fiscal Year Ending 2022 Audit (Brian Roberts, Finance Director)

C. Public Hearing Voluntary Annexation of approximately 176.034 +/- combined non-contiguous property located at Kannapolis Crossing (Richard Smith, Planning Director)

D. Presentation of Recommended Budget for FY2023-2024 (Kristin Jones, Assistant to the City Manager)

E. WSACC Appointment to the Board of Directors (Mike Legg, City Manager)

F. 9th Amendment to Lease Agreement between City of Kannapolis Apparel Unlimited a.k.a. Lee Clothing Warehouse (Mike Legg, City Manager, Walter Safrit, City Attorney)

CITY MANAGER REPORT

CITY COUNCIL COMMENTS

SPEAKERS FROM THE FLOOR

ADA Notice and Hearing Impaired Provisions

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), anyone who requires auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service or activity of the City of Kannapolis, should contact the office of Tina H. Cline, Human Resource Director by phone at 704-920-4302 or email at tcline@kannapolisnc.gov as soon as possible, but no later than forty-eight (48) hours before the scheduled event.

Office of the Mayor
Kannapolis, North Carolina
Proclamation Honoring & Celebrating the 100th Birthday of
HAROLD SECHLER

WHEREAS, on this 22nd day of May 2023, friends and family of Harold Sechler will gather to honor Harold on his 100th birthday, and

WHEREAS, Harold Monroe Sechler was born to James and Ethel Sechler on February 5, 1923, in Landis North Carolina, and

WHEREAS, Harold graduated as Class President and Valedictorian of Landis High School in 1940 and graduated with a one-year Business Administration Degree from Lenoir Rhyne College in 1941, and

WHEREAS, Harold served in World War II as a Sergeant Major with the 4051 Army Air Force Base Unit in San Antonio, Texas and as Manager of the Separation Center of Sacramento California, and

WHEREAS, Harold began work at Cannon Mills as an Assistant Account Manager. He had many promotions and ended his career with Cannon Mills in 1985 as Assistant Vice President and Manager of Order Data Processing, and

WHEREAS, Harold and Margaret Sloop were married for 70 years, living in their home in Kannapolis and their Lake Norman home, and

WHEREAS, Harold and Margaret had two children; Michael and Julia Caudle and blessed with two Grandchildren; Erich Sechler and Kris Caudle and one Great-Grandchild; Shepherd Sechler, and

WHEREAS, Harold is a member of St. John's Reformed Church where he has served countless leadership roles and is a member of the American Legion Post 115, serving two terms as Post Commander and five terms as Finance Officer.

NOW THEREFORE, I, MILTON DARRELL HINNANT, Mayor of the City of Kannapolis, North Carolina, by the virtue of the authority vested in me as Mayor, deem it an honor and pleasure to extend our sincerest congratulations and best wishes to Harold Sechler on his 100th birthday. May you be blessed with many years to come, filled with happiness, warmth, and health.

IN WITNESS WHEREOF I have set my Hand and caused the Great Seal of the City of Kannapolis to be affixed this 22nd day of May 2023.

Milton D. Hinnant

Office of the Mayor

KANNAPOLIS, NORTH CAROLINA

P R O C L A M A T I ON

"NATIONAL PUBLIC WORKS WEEK"
May 15-22, 2023

WHEREAS, public works services provided in our community are an integral part of our citizens' everyday lives; and

WHEREAS, the support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs such as water supply, water treatment, sewers, streets, recycling, and solid waste collection; and

WHEREAS, the health, safety, and comfort of citizens of the City of Kannapolis greatly depends on these services; and

WHEREAS, the quality and effectiveness of these services, as well as their planning, design, and construction, is vitally dependent upon the efforts and skill of public works employees; and

WHEREAS, the efficiency of the qualified and dedicated personnel who staff the public works departments is materially influenced by the people's attitude and understanding of the importance of the work they perform.

NOW, THEREFORE, BE IT RESOLVED, that we, the City of Kannapolis, also proclaim that May 15-22, 2023 as National Public Works Week in the City of Kannapolis, and I call upon all citizens and civic organizations to acquaint themselves with the issues involved in providing our public works and to recognize the contributions which public works employees make every day to our health, safety, comfort, and quality of life.

IN WITNESS WHEREOF I have set my hand and caused the Great Seal of the City of Kannapolis to be affixed this 22nd day of May, 2023.

Milton D. Hinnant

Kannapolis City Council

City Council Agenda Staff Report
May 22, 2023

To: Mayor and City Council

From: Brian Roberts, Finance Director

Subject: FYE 2023 Audit Contract Approval

Action Requested by City Council

Approve Fiscal Year 2023 Audit Contract with Martin, Starnes & Associates, CPAs.

Required Votes to Pass Required Action

Majority Present at Meeting

Background

Each unit of local government in North Carolina is required to have an audit performed of its financial records. Attached with this report is the proposed Audit Contract and Audit Engagement Letter from Martin, Starnes & Associates, CPAs.

Martin, Starnes & Associates, CPAs has been the City's auditors for a number of years.

Fiscal Implications

The FYE 2023 annual audit will cost $45,325.

Policy Issues

None.

Legal Issues

An audit of the City's financial records is required annually by State Statute.

Recommendations and Alternate Courses of Action

1. **Motion to approve FY 2023 Audit Contract with Martin, Starnes & Associates, CPAs. (Recommended)**
2. Table the action to a future meeting.

Attachments

1. City of Kannapolis - 2023 Audit Contract
2. City of Kannapolis - 2023 Single Audit Engagement Letter

CONTRACT TO AUDIT ACCOUNTS

The

Governing Board
City Council

of

Primary Government Unit
City of Kannapolis, NC

and

Discretely Presented Component Unit (DPCU) (if applicable)
N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and

Auditor Name
Martin Starnes & Associates, CPAs, P.A.
Auditor Address
730 13th Avenue Drive SE, Hickory, NC 28602

Hereinafter referred to as Auditor

for

Fiscal Year Ending	Date Audit Will Be Submitted to LGC
06/30/23	10/31/23

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended $100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit- related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. the invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later. T**he auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;

b) the status of the prior year audit findings;

c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and

d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards,2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: ☑ Auditor ☐ Governmental Unit ☐ Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	***Title and Unit / Company:***	***Email Address:***
Brian Roberts	Finance Director, City of Kannapolis	broberts@kannapolisnc.gov

OR Not Applicable ☐ *(Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)*

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

Primary Government Unit	City of Kannapolis, NC
Audit Fee	$ 37,725
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	$
Writing Financial Statements	$ 7,600
All Other Non-Attest Services	$

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit Fee	$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	$
Writing Financial Statements	$
All Other Non-Attest Services	$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Martin Starnes & Associates, CPAs, P.A.	
Authorized Firm Representative (typed or printed)* Amber Y. McGhinnis	Signature* Amber Y. McGhinnis
Date* 04/27/23	Email Address* amcghinnis@msa.cpa

GOVERNMENTAL UNIT

Governmental Unit* City of Kannapolis, NC	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* M. Darrell Hinnant, Mayor	Signature*
Date	Email Address dhinnant@kannapolisnc.gov

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer* (typed or printed) Brian Roberts, Finance Director	Signature*
Date of Pre-Audit Certificate*	Email Address* broberts@kannapolisnc.gov

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* N/A	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

DPCU Finance Officer (typed or printed)* N/A	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT

KWH
Koonce, Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the
Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards,* including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of pass.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 4, 2021

Raleigh
4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

Durham
3500 Westgate Drive
Suite 203
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro
579 West Street
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

Smithfield
212 East Church Street
Post Office Box 2348
Smithfield, North Carolina 27577

919 934 1121
919 934 1217 FAX

MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.
"A Professional Association of Certified Public Accountants and Management Consultants"

April 27, 2023

Brian Roberts, Finance Director
City of Kannapolis
401 Laureate Way
Kannapolis, NC 28081

The following represents our understanding of the services we will provide the City of Kannapolis.

You have requested that we audit the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kannapolis, NC, as of June 30, 2023, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City of Kannapolis' basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and state award programs for the period ended June 30, 2023. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and state award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

730 13th Avenue Drive SE ♦ Hickory, NC 28602 ♦ 828-327-2727 ♦ Fax 828-328-2324
13 South Center Street ♦ Taylorsville, NC 28681 ♦ 828-632-9025 ♦ Fax 828-632-9085
800-948-0585 ♦ www.martinstarnes.com

Accounting principles generally accepted in the United States of America require that certain supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Special Separation Allowance schedules
- Other Post-Employment Benefits' schedules
- Local Government Employees' Retirement System's schedules

Supplementary information other than RSI will accompany the City of Kannapolis' basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual fund financial statements
- Budgetary schedules
- Other schedules
- Schedule of Expenditures of Federal and State Awards

Schedule of Expenditures of Federal and State Awards

We will subject the Schedule of Expenditures of Federal and State Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the Schedule of Expenditures of Federal and State Awards is presented fairly in all material respects in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the basic financial statements:

- Introductory information
- Statistical section

Data Collection Form (if applicable)

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of Expenditures of Federal and State Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Kannapolis' ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the City of Kannapolis' basic financial statements. Our report will be addressed to the governing body of the City of Kannapolis. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the City of Kannapolis' major federal and state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended, the Uniform Guidance, and the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such an opinion on major federal and state award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal and state award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal or state programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal and state programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major

programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

Also, as required by the Uniform Guidance and the State Single Audit Implementation Act, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal and state award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and State programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;
5. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act;
6. For designing, implementing, and maintaining effective internal control over federal and state awards that provides reasonable assurance that the entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
7. For identifying and ensuring that the entity complies with federal and state laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal and state award programs, and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations and the terms and conditions of federal and state award programs;
8. For disclosing accurately, currently and completely the financial results of each federal and state award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;

11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal and state award programs, such as records, documentation, and other matters;
    b. Additional information that we may request from management for the purpose of the audit;
    c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
    d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report (if applicable); and
    e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report (if applicable).
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year or period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant roles in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the Schedule of Expenditures of Federal and State Awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the Schedule of Expenditures of Federal and State Awards in accordance with the Uniform Guidance and the State Single Audit Implementation Act, (b) to provide us with the appropriate written representations regarding the Schedule of Expenditures of Federal and State Awards, (c) to include our report on the Schedule of Expenditures of Federal and State Awards in any document that contains the Schedule of Expenditures of Federal and State Awards and that indicates that we have reported on such schedule, and (d) to present the Schedule of Expenditures of Federal and State Awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited basic financial statements readily available to the intended users of the Schedule of Expenditures of Federal and State Awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

We will perform the following nonattest services:

- Draft of financial statements and footnotes
- GASB 34 conversion entries
- Preparation of auditor portions of Data Collection Form
- Preparation of LGC's data input worksheet

We will not assume management responsibilities on behalf of the City of Kannapolis. However, we will provide advice and recommendations to assist management of the City of Kannapolis in performing its responsibilities.

The City of Kannapolis' management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

During the course of the engagement, a portal will be in place for information to be shared, but not stored. Our policy is to terminate access to this portal after one year. The City is responsible for data backup for business continuity and disaster recovery, and our workpaper documentation is not to be used for these purposes.

Provisions of Engagement Administration and Fees

Marcie Spivey is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are as follows:

Audit Fee	$	37,725
Financial Statement Drafting		7,600
	$	45,325

Our invoices for these fees will be rendered in four installments as work progresses and are payable upon presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City of Kannapolis' personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as

previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Our fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fees for such services range from $85-$390 per hour.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.
We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under

the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major federal and state award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the City of Kannapolis by:

Signature: _____

Title: _____

Date: _____

Kannapolis City Council

City Council Agenda Staff Report
May 22, 2023

To: Mayor and City Council

From: Alex Anderson, Director of Water Resources

Subject: Town of Landis Interlocal Agreement for Wholesale Sewer Agreement

Action Requested by City Council

Motion to approve the Resolution and authorize the City Manager to execute.

Required Votes to Pass Required Action

Majority Present at Meeting

Background

The Club at Irish Creek Subdivision located off W Fifth Street in Landis, NC was developed from 2005-2008 as a higher-end residential development for Southern Rowan County adjacent to Kannapolis Country Club. During initial development, the City of Kannapolis (Kannapolis) worked with the Town of Landis (Landis) and the developer to provide sanitary sewer service to the subdivision. Although the subdivision lies within the Town of Landis, the topography of the site naturally allows the subdivision's sanitary sewer to flow into Kannapolis' system. In 2007, the economic environment began to change, and the country started to experience a period of economic stagnation and recession. The economic downturn stalled the completion of the Irish Creek Subdivision. As progress slowed on the subdivision, the lack of substantial sewer flows limited the need for metering. Kannapolis mutually agreed with Landis to delay the need for a sewer meter until the economic climate improved. As a result, Kannapolis has not accepted any fees or revenues for the Irish Creek Subdivision related to sewer collection, transmission, pumping, and treatment. Now, with an improved economy, nearly half the lots in the Irish Creek Subdivision are either built or under construction. The level of development in the subdivision justifiably necessitates the need to start metering sewer. Kannapolis is providing the proposed Interlocal Agreement (Agreement) that includes a sufficient time to design, procure and install a sewer meter. The meter will allow for accurately measuring the discharge volumes from the Landis to Kannapolis. The Agreement will only accept sewer from the existing Irish Creek Subdivision and shall be sufficiently allocated for the full buildout of the existing 70 lots.

Kannapolis staff is not recommending to City Council that it seek compensation for past sewer flows but there is an expectation for payments to begin related to current and future flow upon execution of the attached agreement. In addition to payments to Kannapolis for monthly wastewater transmission, treatment and pumping costs, Landis will be responsible for payment of the WSACC system development fees in accordance with the WSACC schedule of fees. These fees are based on meter size. Landis will be responsible for providing proof of meter size for each connection. These fees are subject to change at the discretion of the WSACC Board of Directors. Under this arrangement, Kannapolis would provide an allocation permit for each remaining lot to be developed prior to issuance of a zoning clearance permit from Landis or building permit from Rowan County. The Town of Landis approved the Interlocal Agreement May 8, 2023.

Fiscal Implications
None

Policy Issues
None

Legal Issues
City Council approval is required for all Interlocal Agreements.

Recommendations and Alternate Courses of Action

1. **Approve the Resolution. (Recommended)**
2. Amend and then approve the Resolution.
3. Reject the Resolution.
4. Defer action to a future meeting.

Attachments
1. WSACC System-Development-Fees-Adopted-2022-2023
2. Wholesale Sewer Sales Agreement - Final Draft
3. IrishCreekHouses2
4. 05122023_Wholesale Sewer Sales Agreement Between Landis and Kann
5. Resolution Approving Interlocal Agreement between Town of Landis and City

Water & Sewer Authority of Cabarrus County
System Development Fees (Wholesale)
Effective July 1, 2022-June 30, 2023

Meter Size in Inches	System Development Fees
5/8 & 3/4"	$ 2,040
1"	$ 5,100
1.5"	$ 10,200
2"	$ 16,320
3"	$ 30,601
4"	$ 51,001
6"	$ 102,002
8"	$ 163,203
10"	$ 244,804
12"	$ 540,610

Per SDF Ordinance Section II.1.
Single Family, Apartments, Condominiums and Duplexes will be calculated on a per unit basis, and assumed to be a 5/8" connection.

Wholesale Sewer Sales Agreement
Between Landis and Kannapolis

This Agreement (the "Agreement") is made and entered into this __ day of _____, 2022, by and between the Town of Landis (hereinafter referred to as "Landis"), and the City of Kannapolis (hereinafter referred to as "Kannapolis") sometimes hereinafter collectively referred to as the "Parties" pursuant to the provisions of North Carolina General Statute Sections 160A-318 and 160A-461.

WITNESSETH

WHEREAS, Kannapolis operates and maintains a municipal sewer collections system which includes but is not limited to sewer pump stations and collection lines, and

WHEREAS, Landis operates and maintains a municipal sewer collections system which includes but is not limited to a sewer pump stations and collection lines; and

WHEREAS, Landis desires to purchase and Kannapolis desires to sell wastewater treatment capacity for municipal purposes in accordance with the terms, conditions and provisions of this Agreement; and

WHEREAS, Kannapolis has sufficient capacity to transport and treat wastewater to serve the needs of Landis as specifically provided in this Agreement only; and

WHEREAS, existing sanitary sewer connections are currently in place and planned connections to be in place as part of the Irish Creek Kannapolis Lake Development and between the Parties.

NOW, THEREFORE, in consideration of the premises, covenants and agreements contained in this Agreement, the Parties agree as follows:

1. Purpose. The purpose of this Agreement is to provide terms for the sale of wastewater treatment capacity by Kannapolis to Landis.

2. Duration of Agreement. The term of this Agreement is ten (10) years from and after execution by both parties unless terminated as herein provided. The Agreement commences on the date _____. The Anniversary Date is twelve months thereafter.

3. Wastewater Treatment Charge. The rate for the sale of each 1,000 gallons of wastewater from Landis to Kannapolis shall be as follows which includes all operations, maintenance, transmission, and treatment costs (the "Costs") to supply water to Landis:

Year 1 - $4.42	Year 6 - $5.12
Year 2 - $4.55	Year 7 - $5.27
Year 3 - $4.69	Year 8 - $5.43
Year 4 - $4.83	Year 9 - $5.59
Year 5 - $4.97	Year 10 - $5.75

4. Quantity of Wastewater. Kannapolis will supply daily wastewater treatment up to Twenty Thousand (20,000 gallons per day) as may be required by Landis. Landis will be charged only for wastewater conveyed as measured by meter(s).

5. Operation and Maintenance. Landis shall be responsible for the maintenance of the system interconnections with Kannapolis including but not limited to quarterly meter recalibration and replacements as deemed necessary by Kannapolis, pump maintenance, repair, replacement, valve maintenance, line cleaning, and all other related general maintenance to the Landis wastewater collection system, metering flume locations and interconnections. Landis will notify Kannapolis in advance and receive written authorization from the City Manager or his designee prior to altering the present configuration of the system interconnections.

   Landis shall seek approval from Kannapolis and NCDEQ and construct a metering system for the existing Irish Creek Development that discharges wastewater to the existing Kannapolis Golf Course Sewer Lift Station within 18 months. This metering system shall then adhere to all operations and maintenance requirements.

6. Development Fees. All applicable Water and Sewer Authority of Cabarrus County (WSACC) development fees shall be paid to Kannapolis for any and all connections made to the Landis Sewer System in which the wastewater is discharged to the Rocky River Basin for treatment. Payments shall be submitted to Kannapolis prior to building permits being issued by Rowan County. Landis shall pay Kannapolis the development fees charged by WSACC, and Kannapolis shall submit payments to WSACC.

7. Termination. This Agreement may be terminated by either party upon 90 days advance written notice to the other party.

8. Amendments. This Agreement may be amended only by consent of both Parties in writing.

IN WITNESS WHEREOF, Kannapolis and Landis have executed this Agreement the day and year first above written.

CITY OF KANNAPOLIS

Adopted this ____ day of _____, 2023.

BY:

_____
Milton D. Hinnant, Mayor

ATTEST:

_____
Bridgette Bell, MMC, NCCMC
City Clerk

TOWN OF LANDIS

BY:

_____
Meredith Smith, Mayor

ATTEST:

_____
Phil Conrad, Interim Town Manager

Irish Creek Sewer Connections

Total Parcels-70

- Construction-4
- House-32
- No House-33
- Office-1

Wholesale Sewer Sales Agreement
Between Landis and Kannapolis

This Agreement (the "Agreement") is made and entered into this 8th day of May, 2023, by and between the Town of Landis (hereinafter referred to as "Landis"), and the City of Kannapolis (hereinafter referred to as "Kannapolis") sometimes hereinafter collectively referred to as the "Parties" pursuant to the provisions of North Carolina General Statute Sections 160A-318 and 160A-461.

WITNESSETH

WHEREAS, Kannapolis operates and maintains a municipal sewer collections system which includes but is not limited to sewer pump stations and collection lines, and

WHEREAS, Landis operates and maintains a municipal sewer collections system which includes but is not limited to a sewer pump stations and collection lines; and

WHEREAS, Landis desires to purchase and Kannapolis desires to sell wastewater treatment capacity for municipal purposes in accordance with the terms, conditions and provisions of this Agreement; and

WHEREAS, Kannapolis has sufficient capacity to transport and treat wastewater to serve the needs of Landis as specifically provided in this Agreement only; and

WHEREAS, existing sanitary sewer connections are currently in place and planned connections to be in place as part of the Irish Creek Kannapolis Lake Development and between the Parties.

NOW, THEREFORE, in consideration of the premises, covenants and agreements contained in this Agreement, the Parties agree as follows:

1. Purpose. The purpose of this Agreement is to provide terms for the sale of wastewater treatment capacity by Kannapolis to Landis.

2. Duration of Agreement. The term of this Agreement is ten (10) years from and after execution by both parties unless terminated as herein provided. The Agreement commences on the date 5-8-2023. The Anniversary Date is twelve months thereafter.

3. Wastewater Treatment Charge. The rate for the sale of each 1,000 gallons of wastewater from Landis to Kannapolis shall be as follows which includes all operations, maintenance, transmission, and treatment costs (the "Costs") to supply water to Landis:

Year 1 - $4.42	Year 6 - $5.12
Year 2 - $4.55	Year 7 - $5.27
Year 3 - $4.69	Year 8 - $5.43
Year 4 - $4.83	Year 9 - $5.59
Year 5 - $4.97	Year 10 - $5.75

4. Quantity of Wastewater. Kannapolis will supply daily wastewater treatment up to Twenty Thousand (20,000 gallons per day) as may be required by Landis. Landis will be charged only for wastewater conveyed as measured by meter(s).

5. Operation and Maintenance. Landis shall be responsible for the maintenance of the system interconnections with Kannapolis including but not limited to quarterly meter recalibration and replacements as deemed necessary by Kannapolis, pump maintenance, repair, replacement, valve maintenance, line cleaning, and all other related general maintenance to the Landis wastewater collection system, metering flume locations and interconnections. Landis will notify Kannapolis in advance and receive written authorization from the City Manager or his designee prior to altering the present configuration of the system interconnections.

   Landis shall seek approval from Kannapolis and NCDEQ and construct a metering system for the existing Irish Creek Development that discharges wastewater to the existing Kannapolis Golf Course Sewer Lift Station within 18 months. This metering system shall then adhere to all operations and maintenance requirements.

6. Development Fees. All applicable Water and Sewer Authority of Cabarrus County (WSACC) development fees shall be paid to Kannapolis for any and all connections made to the Landis Sewer System in which the wastewater is discharged to the Rocky River Basin for treatment. Payments shall be submitted to Kannapolis prior to building permits being issued by Rowan County. Landis shall pay Kannapolis the development fees charged by WSACC, and Kannapolis shall submit payments to WSACC.

7. Termination. This Agreement may be terminated by either party upon 90 days advance written notice to the other party.

8. Amendments. This Agreement may be amended only by consent of both Parties in writing.

IN WITNESS WHEREOF, Kannapolis and Landis have executed this Agreement the day and year first above written.

Adopted this 8 day of May, 2023.

CITY OF KANNAPOLIS

BY:

_____
Milton D. Hinnant, Mayor

ATTEST:

_____
Bridgette Bell, MMC, NCCMC
City Clerk

TOWN OF LANDIS

BY:
Meredith Smith, Mayor

ATTEST:

Madison Stegall, Town Clerk

THE TOWN OF LANDIS CORPORATE SEAL EST. 1901 NORTH CAROLINA

CITY OF KANNAPOLIS
RESOLUTION
APPROVING INTERLOCAL AGREEMENT

WHEREAS, the City of Kannapolis ("City") and the Town of Landis ("Town") are authorized to enter into Interlocal Agreements pursuant to the provisions of NCGS Section 160-461 for the purpose of executing any undertaking for the benefit of its citizens; and

WHEREAS, Landis desires to purchase and Kannapolis desires to sell wastewater treatment capacity for municipal purposes in accordance with the terms, conditions and provisions of the Agreement attached hereto and incorporated by reference; and

WHEREAS, Kannapolis has sufficient capacity to transport and treat wastewater to serve the needs of Landis as specifically provided in the Agreement only; and

WHEREAS, the City Council finds that the Interlocal Agreement to assist Town for the specified service is in the best interests of the citizens of the City and Town to accomplish the goals therein set forth.

NOW, THEREFORE, the Interlocal Agreement is hereby approved, and the City Manager is authorized to execute said Agreement.

Adopted this 22nd day of May, 2023.

_____
Milton D. Hinnant, Mayor

ATTEST:

_____
Bridgette Bell, MMC, NCCMC
City Clerk

Kannapolis City Council

City Council Agenda Staff Report
May 22, 2023

To: Mayor and City Council

From: Alex Anderson, Director of Water Resources, Gerald Faulkner, Water Treatment Manager

Subject: Resolution Authorizing Joining and Incorporating the Yadkin-Pee Dee Water Management Group

Action Requested by City Council

Motion to adopt the Resolution of the City of Kannapolis Authorizing Joining and Incorporating the Yadkin-Pee Dee Water Management Group

Required Votes to Pass Required Action

Majority Present at Meeting

Background

The City of Kannapolis currently participates, and is a member of the Yadkin-Pee Dee Water Management Group, as approved under the current MOU (Memorandum of Understanding). The City of Kannapolis has been a paying member since the founding of the group. The work of this group and our participation has been an ongoing effort to ensure proper water management of the Yadkin-Pee Dee River.

The Yadkin-Pee Dee Water Management Group was developed through a collaborative effort by a workgroup of 18 governmental, public-water-utility and reservoir-operator parties providing service within the Yadkin-Pee Dee River Basin. The discussions began in 2015 and progressed to a point where a formal organization was formed in 2016. The Yadkin-Pee Dee Water Management Group provides a structure for regional collaboration that can coordinate activities and explore mutually beneficial ways to protect and develop our water supply – and save money and time. Regional collaboration by our water supply managers is one step towards our goal of enhancing the welfare of Yadkin-Pee Dee residents by jointly planning for the sustainable use of water from the Yadkin-Pee Dee River Basin.

The Yadkin-Pee Dee Water Management Group works together to plan for the water supply of the Yadkin-Pee Dee River Basin. The group's goal is securing a long-term sustainable regional water supply for the Yadkin-Pee Dee region. The Yadkin-Pee Dee Water Management Group operates under the principles of regional collaboration, sustainable water supply, environmental stewardship, mutual and collective benefit, shared responsibility, equal representation, and financial stability.

Fiscal Implications

None. The City of Kannapolis is already a paying member under the approved MOU.

Policy Issues

None

Legal Issues

City Council approval by Resolution is required for all Interlocal Agreements.

Recommendations and Alternate Courses of Action

1. **Motion to adopt the Resolution of the City of Kannapolis Authorizing Joining and Incorporating the Yadkin-Pee Dee Water Management Group (Recommended)**
2. Amend the Resolution and then adopt.
3. Table motion to a future meeting.

Attachments

1. Resolution - Authorizing Joining and Incorporating the Yadkin-Pee Dee Water Management Group
2. 032123 Articles of Incorporation
3. Attorneys Memo to WMG
4. YPDWMG Bylaws_March2023

Resolution # _____

RESOLUTION OF THE CITY OF KANNAPOLIS AUTHORIZING JOINING AND INCORPORATING THE YADKIN-PEE DEE WATER MANAGEMENT GROUP

WHEREAS, many local governments in North Carolina who operate public water systems and other governmental and private entities have a vested interest in the Yadkin-Pee Dee Basin ("Basin"); and

WHEREAS, the Yadkin-Pee Dee Water Management Group has been a successful partnership between many of these governmental and private entities since 2016; and

WHEREAS, the Water Management Group has actively pursued nonprofit incorporation for nearly two years in order to enhance the long-term sustainability of the Group; and

WHEREAS, the Yadkin-Pee Dee Water Management Group Members have recommended that the Water Management Group form as a tax-exempt, non-profit corporation on or before June 30, 2023. The Water Management Group has also recommended that the eligible members who join the newly-incorporated Water Management Group adopt a standard resolution authorizing the incorporation of the Water Management Group using the Articles of Incorporation and Bylaws approved by the Water Management Group, all of which are attached to the Attorneys' Memo dated March X, 2023 to all eligible members of the Water Management Group as identified in the Organizational Documents; and

WHEREAS, the City of Kannapolis is eligible to join in the formation of the Water Management Group and approves the incorporation of the Water Management Group as recommended by the Yadkin-Pee Dee Water Management Group Members.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Kannapolis that:

1. On behalf of the City of Kannapolis, Alex Anderson is hereby authorized and directed to take all actions reasonably necessary or convenient to join the Yadkin-Pee Dee Water Management Group in accordance with the terms of the Organizational Documents, including without limitation, authorizing the filing of the Articles of Incorporation (as set forth in the Organizational Documents) listing the City of Kannapolis as an Initial Member; and

2. Alex Anderson is hereby designated as the Member Representative and Gerald Faulkner is hereby designated as the Alternate of the City of Kannapolis, and the same are hereby authorized and directed to: attend the organizational meeting of the Water Management Group; adopt the Bylaws (as set forth in the Organizational Documents); elect officers and at-large directors; consider, vote and take action on such other matters as may come before the Water Management Group at that meeting; and discharge the duties and responsibilities of such positions as set forth in the Organizational Documents so long as each shall hold such position without any requirement for further approval or authorization from the City of Kannapolis. Without limiting the foregoing, said Member Representative and Alternate are authorized to consider, vote and take action on matters set forth by the Water Management Group in accordance with its bylaws, attached hereto. The Kannapolis City Council is authorized to remove Member Representatives and Alternates and appoint replacement Member Representatives and Alternates.

This the ____ of May, 2023.

_____
Milton D. Hinnant, Mayor

ATTEST:

_____
Bridgette Bell, MMC, NCCMC
City Clerk

State of North Carolina
Department of the Secretary of State

ARTICLES OF INCORPORATION
NONPROFIT CORPORATION

Pursuant to §55A-2-02 of the General Statutes of North Carolina, the undersigned corporation does hereby submit these Articles of Incorporation for the purpose of forming a nonprofit corporation.

1. The name of the nonprofit corporation is: Yadkin-Pee Dee Water Management Group.

2. ☐ (Check only if applicable.) The corporation is a charitable or religious corporation as defined in NCGS §55A-1-40(4).

3. The name of the initial registered agent is: Warren Miller.

4. The street address and county of the initial registered agent's office of the corporation is:

   Number and Street: 2217 Black Walnut Court

   City: Raleigh State: NC Zip Code: 27606-9014 County: Wake

   The mailing address ***if different from the street address*** of the initial registered agent's office is:

   Number and Street or PO Box: _____

   City: _____ State: NC Zip Code: _____ County: _____

5. The name and address of each incorporator is as follows:

Name	Address
Aubrey Lofton	500 N Main St Monroe NC, 28112-4731 United States
James Behmer	1 Water Street Salisbury NC, 28144-4261 United States
Warren Miller	2217 Black Walnut Court Raleigh NC, 27606-9014 United

6. (Check either "a" or "b" below.)

   a. ☑ The corporation will have members.

   b. ☐ The corporation will not have members.

7. ☐ Attached are provisions regarding the distribution of the corporation's assets upon its dissolution.

8. ☐ Attached are provisions regarding the limitation of activities of the corporation.

9. Any other provisions which the corporation elects to include are attached.

10. The street address and county of the principal office of the corporation is:

Principal Office Telephone Number: (919) 539-2927

Number and Street: 2217 Black Walnut Court

City: Raleigh State: NC Zip Code: 27606-9014 County: Wake

The mailing address ***if different from the street address*** of the principal office is:

Number and Street or PO Box: _____

City: _____ State: _____ Zip Code: _____ County: _____

11. Principal Office Email Address: Privacy Redaction

12. **(Optional):** Listing of Officers (See instructions for why this is important)

Name	Address	Title

13. **(Optional):** Please provide a business e-mail address: Privacy Redaction.
The Secretary of State's Office will e-mail the business automatically at the address provided at no charge when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is being offered, please see the instructions for this document.

14. These articles will be effective upon filing, unless a future time and/or date is specified: _____

This is the 21st day of March ,2023.

_____
Incorporator Business Entity Name

Warren Miller
Signature of Incorporator

Warren Miller Incorporator
Type or print Incorporator's name and title, if any

NOTES:
1. Filing fee is $60. This document must be filed with the Secretary of State.

James Behmer - 1 Water Street Salisbury NC, 28144-4261 United States Signature: James Behmer
Warren Miller - 2217 Black Walnut Court Raleigh NC, 27606-9014 United States Signature: Warren Miller

Memorandum

TO: Yadkin-Pee Dee Water Management Group Members

FROM: Jay Dees
County Attorney, Rowan County

Marilena Jensen-Guthold
Assistant City Attorney, City of Winston-Salem

Walter Safrit
City Attorney, City of Kannapolis

Garry Rice
Deputy General Counsel, Duke Energy

In cooperation with the Yadkin-Pee Dee Water Management Steering Committee

DATE: April 12, 2023

RE: Organizational documents for incorporating Yadkin-Pee Dee Water Management Group

The purpose of this memo is to summarize the work that has been performed by attorneys representing members of the Yadkin-Pee Dee Water Management Group (WMG) in incorporating the WMG as a nonprofit entity and to highlight the recommendations we have made to our respective clients about how governmental entities, public water utilities, or reservoir operators who are eligible to join the WMG as an initial member should do so. The summary of our work is set forth later in this memo.

Recommendations

The strong recommendation we have made to our respective clients is that any eligible entity who wishes to join the WMG before its organizational meeting as a nonprofit entity should:

- Carefully consider the organizational documents identified below;

- Recognize the extraordinary amount of work that the WMG has undertaken to date in preparation for the nonprofit incorporation of the WMG, including the legal work described below; and
- Not seek changes in the wording of the organizational documents as a condition of becoming a member.

Because of the need to incorporate the Water Management Group as soon as reasonably possible, only those public water suppliers who approve the organizational documents as drafted, including adopting the Resolution for eligible Members to be initial members of the WMG (minor, non-substantive changes in the form of the Resolution will be accepted) should be recognized as members of the WMG at its organizational meeting.

Reasons for Nonprofit Incorporation

The Yadkin-Pee Dee Water Management Group (WMG) has been operating under a Memorandum of Understanding (MOU) since September 2016. The WMG has since established that incorporating as a 501(c)(3) nonprofit would provide many benefits, including, but not limited to: 1.) increased opportunities for grant funding, 2.) independent management of its finances, which will no longer rest on one Member, and 3.) creating a sense of permanence for the WMG.

Summary of WMG's Work

In October 2020, the WMG began to examine what organizational form would be most beneficial. Examining the WMG's structure and/or incorporating as a 501(c)(3) nonprofit has been an agenda topic of fourteen of the last sixteen WMG meetings. In January 2021, a Structure Committee formed in which several WMG Members explored various structural options. By April 2021, the Structure Committee recommended that the WMG work to become a nonprofit. Since spring 2021, several Members have been involved in the development of organizational bylaws. In June 2022, the WMG formally voted to move forward with incorporating as a nonprofit.

At the request of our clients, several Members' organizational attorneys, represented here in this memorandum, have provided input on the WMG's incorporation for the purposes of:

- Drafting the documents needed to incorporate the WMG in accordance with applicable law and the WMG's directions; and
- Proposing changes to WMG bylaws and organizational documents where legal or other considerations warranted such changes.

We have undertaken this work on behalf of our respective clients who are prospective members of the nonprofit WMG. On several occasions, members of the WMG were asked to send their attorneys to provide input and work with us. A number of them did.

We have met with the WMG members on several occasions and held multiple conference calls by phone and numerous other email and phone communications between and among the attorneys in our group.

While none of us can act as attorney for the WMG writ large, we have been authorized by our respective clients to inform the WMG of the advice that we have provided to our respective clients. From the view of the attorneys representing public water suppliers in

North Carolina, the organizational documents provide for the formation and operation of the WMG in a way that conforms with North Carolina law applicable to the local governmental units that they represent.

Attached are the organizational documents which have been approved by the WMG

- Articles of Incorporation,
- Bylaws, and
- Resolution for public water suppliers to be initial members of the WMG.

YADKIN-PEE DEE

WATER MANAGEMENT GROUP

BYLAWS

March 30, 2023

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YADKIN PEE-DEE

WATER MANAGEMENT GROUP (WMG)

BYLAWS

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YADKIN-PEE DEE
WATER MANAGEMENT GROUP (WMG)

BYLAWS

1. BACKGROUND

The Yadkin-Pee Dee Water Management Group was developed through a collaborative effort by a workgroup of 18 governmental, public-water-utility and reservoir-operator parties providing service within the Yadkin-Pee Dee River Basin. The discussions began in 2015 and progressed to a point where a formal organization was formed in 2016.

The Yadkin-Pee Dee Water Management Group provides a structure for regional collaboration that can coordinate activities and explore mutually beneficial ways to protect and develop our water supply – and save money and time. Regional collaboration by our water supply managers is one step towards our goal of enhancing the welfare of Yadkin-Pee Dee residents by jointly planning for the sustainable use of water from the Yadkin-Pee Dee River Basin.

The Yadkin-Pee Dee Water Management Group works together to plan for the water supply of the Yadkin-Pee Dee River Basin. The group's goal is securing a long-term sustainable regional water supply for the Yadkin-Pee Dee region. The Yadkin-Pee Dee Water Management Group operates under the principles of regional collaboration, sustainable water supply, environmental stewardship, mutual and collective benefit, shared responsibility, equal representation, and financial stability.

2. DEFINITIONS

(a) Administrator – Any person or entity contracted by the Group to assist in managing the day-to-day operations of the Group

(b) Alternate – A person identified by a Member to represent the Member in decision-making in the absence of the Member Representative. Alternates are encouraged to attend all WMG meetings.

(c) Consensus – a WMG decision, made unanimously, without any vote against a proposed action by the Member Representatives present and voting at a meeting at which a quorum exists.

(d) Group (or WMG) – The Yadkin-Pee Dee Water Management Group

(e) Invited Guests – Nonprofit entities or other organizations with a local and/or stakeholder interest, who are not WMG Members, may attend Group meetings and provide input, but will not have decision-making power.

(f) Majority Vote (or Simple Majority) – a WMG decision made by vote in favor of a proposed action by more than half of the Member Representatives present and voting at a

meeting at which a quorum exists. Unless otherwise specified herein, all actions by the Member Representatives shall be taken by majority vote.

(g) Member in Good Standing – a WMG Member that is current in paying its dues, subject to any applicable grace period

(h) Member Representative – A person identified by each Member to attend WMG meetings and represent the Member

(i) Super Majority Vote – a WMG decision made by vote in favor of a proposed action by two-thirds or more of the Member Representatives present and voting at a meeting at which a quorum exists.

(j) Water Management Fund – The Group's primary account, use to implement the Group's projects and objectives

(k) WMG Member – Any governmental entity, public water utility or reservoir operator that provides a water-related service within or by using the water resources of the Yadkin-Pee Dee River Basin that has joined the Group.

3. PURPOSES AND OBJECTIVES OF THE WATER MANAGEMENT GROUP

The Water Management Group will identify, fund, and manage projects that will help to preserve, extend, and enhance the capabilities of the Yadkin and Pee Dee Rivers to provide water resources for human needs (water supply, power production, industry, agriculture, and commerce). The Group will strive to improve coordination of efforts and the pooling of resources to accomplish its objectives.

The Group's objectives include, but are not limited to, the following:

- Comprehensive and collaborative regional planning
- Effective management of the river basin
- Optimization of water supply resources
- Facilitating broad support and a unified regional voice for water supply needs
- Promoting a united regional approach to drought response

4. PURPOSES OF THE BYLAWS

The purposes of these Bylaws are to define and govern the WMG's decision making processes, define the membership and membership representation, define the method of election and powers

of the Board of Directors, describe how the Group and the projects undertaken by the Group will be managed and funded, and describe the need for the WMG to communicate with the Members.

5. WMG MEMBERSHIP

Initial WMG Membership

Group membership is voluntary and, subject to the terms and conditions of these Bylaws, will include only entities that are eligible to be members. Any governmental entity, public water utility or reservoir operator that provides a water-related service within or by using the water resources of the Yadkin-Pee Dee River Basin may join the Group. The inaugural members of the Group are:

- City of Albemarle, NC
- Water and Sewer Authority of Cabarrus County, NC
- Charlotte Water
- City of Concord, NC
- Cube Yadkin Generation
- Davidson County, NC
- Davidson Water, Inc.
- Davie County, NC
- Duke Energy
- City of Kannapolis, NC
- City of Monroe, NC
- Montgomery County, NC
- Rowan County, NC
- City of Salisbury, NC (Salisbury-Rowan Utilities)
- City of Statesville, NC
- Union County, NC
- Town of Wilkesboro, NC
- Winston-Salem/Forsyth County Utility Commission, NC

WMG Member Terms, Representation, Officers, Directors, and Members

General. Each WMG Member will be represented by one person identified by that Member, in writing (each, a "Member Representative"). Each WMG Member will also designate,

in writing, an alternate representative to attend meetings in the event that the Member Representative cannot attend (each, an "Alternate"). The Alternates are also encouraged to attend all WMG meetings.

If any Member Representative or Alternate is no longer able or willing to serve, that person shall so inform the Chair in writing, by US Mail or by email or other electronic means, prior to the WMG's next scheduled meeting. The Member will, then, in writing, select a successor Member Representative or Alternate to represent the Member at the next WMG Member meeting.

If any Member wishes to change its Member Representative or Alternate, it must do so by informing the Chair in writing, by US Mail or by email or other electronic means, prior to the WMG's next scheduled meeting. Each Alternate shall have the power to act as, and on behalf of, the applicable Member Representative, in such Member Representative's absence, as if such Alternate were, themselves, the Member Representative. Any reference to Member Representative in these Bylaws shall be construed to include an Alternate acting on behalf of a Member Representative, if such Member Representative is not serving or acting in that capacity, except as otherwise expressly provided herein.

Meetings. The group shall meet at least once per year on such date and at such location determined by the Chair. Additional meetings of the Members may be called by the Chair, or the Vice Chair and Secretary/Treasurer, or by twenty-five percent (25%) of the Members. Notice of any meeting of the Members shall be given at least five (5) business days prior to the meeting; provided, however, that notice delivered by United States mail must be postmarked at least seven (7) business days prior to the meeting. Such notice will be delivered personally or sent by certified, first-class mail, return receipt requested, facsimile transmission or electronic mail to each Member Representative and Alternate at their address, as shown by the records of the corporation. If sent by facsimile transmission or electronic mail, such notice shall be deemed delivered when confirmation of delivery to the designated number or mailbox is received. Such notice shall specify the purpose for which the meeting is called and an outline of the agenda to be discussed. Members of record at the close of business on the business day preceding the day on which notice is given are entitled to notice of the meeting.

Meeting by Video Conference or Conference Telephone. Any one or more Member Representative may participate in a meeting of the Group by means of a video conferencing platform, conference telephone, or similar communications device which allows all Member Representatives participating in the meeting to simultaneously hear each other during the meeting, and such participation in a meeting shall be deemed presence in person at such meeting.

Quorum, Voting. A majority of the Member Representatives and/or the Alternates substituting for the Member Representatives shall constitute a quorum for the transaction of business at any meeting of the Members. Once a Member Representative or Alternate is present for any purpose at a meeting, the Member Representative or Alternate is deemed present for quorum purposes, for the remainder of the meeting. A quorum, once established, will not be broken by the departure from the meeting of a Member Representative or Alternate. Member Representatives and Alternates may participate, which participation includes, without limitation, voting, in meetings by any means of communication by which all participants may simultaneously

hear each other during the meeting. A Member Representative participating in a meeting by this means is deemed to be present in person at the meeting. No proxy voting shall be permitted. The Member Representatives may meet in a closed executive session per N.C.G.S. 143-318.11. Action taken by the Member Representatives, without a meeting, is, nevertheless, Member action if written consent to the action in question is approved by all of the Member Representatives. Such approval may be evidenced by signature or electronic indicia of assent filed with the minutes of the proceedings of the Members, whether done before or after the action so taken.

Officers and Directors

General; Election; Removal; Vacancy. At the first official meeting of the Members and then each year at the annual meeting of the Members, the Member Representatives will elect, pursuant to Section 9 of these Bylaws, a Chair, Vice Chair, and Secretary/Treasurer (collectively, the "Officers") and two persons to serve as at-large members of the Board of Directors (the "At-Large Directors"), each of whom will serve for the following calendar year. The Officers, together with the At-Large Directors, shall constitute the Board of Directors of the corporation. The Member Representatives may remove any Officer or At-Large Director at any time pursuant to Section 9 of these Bylaws. A vacancy occurring among the Officers or the At-Large Directors may be filled by the Member Representatives pursuant to Section 9 of these Bylaws.

Duties; Qualifications. The Chair will serve as the administrative officer of the WMG and, in respect of both the Membership and the Board of Directors, will establish meeting schedules, call for special meetings, establish the meeting agendas, and either preside or appoint the person to preside at the meetings. The Vice Chair will perform the Chair's responsibilities when the Chair is unable to do so. The Secretary/Treasurer, with assistance from the Administrator if needed, will secure meeting locations, announce or provide notice of meetings, compile and distribute meeting summaries and action items, keep the official membership rolls, serve as corresponding secretary for the WMG, maintain or oversee the WMG's financial records, and provide regular financial reports to the Members. Each Officer and At-Large Director shall be a Member Representative. Alternates are not eligible to serve as Officers or At-Large Directors. Notwithstanding the foregoing, if, at any time, the WMG shall have fewer than five Members but more than two Members, Alternates shall be eligible to serve as Officers and At-Large Directors. Further notwithstanding the foregoing, if, at any time, the WMG shall have only two Members, the WMG shall have no At-Large Directors, Alternates shall be eligible to serve as Officers, and the offices of Vice Chair and Secretary/Treasurer may be held by the same person.

Amendment or Repeal of Bylaws or Articles of Incorporation

These Bylaws or the Group's Articles of Incorporation may be amended or repealed and new or amended bylaws or articles of incorporation may be adopted by the Members pursuant to Section 9 of these Bylaws, provided that at least ten (10) days' written notice is given of intention to amend, repeal, or adopt new bylaws or articles of incorporation at such meeting and that such notice includes a copy of the proposed amendment, repeal, or adoption.

6. MEMBERSHIP PROCEDURES

Membership Additions

An Eligible Participant, a prospective member whom current Members deem eligible pursuant to criteria set forth by these bylaws, that initially chooses not to become a Member may join the Group, at any time, by contributing the current year's dues or a pro-rata amount if joining sometime after the dues payment date anniversary. The Members shall determine whether such prospective Member is an Eligible Participant and can meet the requirements of a Member in Good Standing. Additional membership requirements will be decided by the Member Representatives pursuant to Section 9 of these Bylaws.

Member Resignation

Any Member may choose to resign from the Group for any reason and may do so at any time. However, no dues refunds will be made. Any Member that resigns agrees to inform the WMG Chair in writing, of its decision in a timely manner.

Member Expulsion

A Member no longer in Good Standing may be expelled as set forth in Section 9. In addition, a Member in violation of 9.1 (a) or (b) may be expelled upon a vote of two-thirds of the members of the Board of Directors present at a duly called meeting. A Member not in Good Standing may vote in all items *except* in matters of their own expulsion.

Resigned Member Reinstatement

Any Member that has resigned may rejoin the Group at any time by contributing the year's dues or a pro-rata amount if joining sometime after the dues payment date anniversary, provided that reinstatement is approved by the Member Representatives pursuant to Section 9 of these Bylaws upon a determination that such Member will meet the requirements of a Member in Good Standing.

Expelled Member Reinstatement

Any Member that has been expelled may rejoin the Group on each anniversary of the Group's initial dues payment date (i.e., each July 31st) by contributing the current year's dues plus the dues for each year since its expulsion up to two years (three total years maximum), plus any dues owed when expelled, provided that reinstatement is approved by the Members, pursuant to Section 9 of these Bylaws, upon a determination that such Member will meet the requirements of a Member in Good Standing.

7. RESPONSIBILITIES OF WMG MEMBER REPRESENTATIVES

WMG Member Representatives and Alternates are expected to stay informed about, and to represent, their organization's interests. Each Member Representative or, when applicable, their Alternate, is expected to attend and fully participate in WMG meetings and calls.

Member Representatives and Alternates are expected to read appropriate materials and arrive at all meetings prepared to work and are responsible for being authorized to represent their respective Members' interests. Materials presented for discussion should be distributed as practical in advance of a meeting.

Member Representatives and Alternates are expected to read, fully understand, and conduct themselves in accordance with these Bylaws, the Conflict of Interest Policy, and any other policies and procedures adopted by the Members.

Group Members are expected to make good-faith efforts to design, maintain, and operate their new or expanded systems consistently with Best Management Practices identified in this document or later adopted by the Members.

8. WMG ACTIVITIES

The Group's principal activities will include:

- Identifying projects that further the Group's objectives;
- Overseeing a Water Management Fund (the "Fund") to help implement identified projects;
- Developing and maintaining a running five-year plan of projects, an annual funding budget, and a Member contribution schedule to fund approved projects;
- Managing its projects through appropriate contractual agreements;
- Conducting periodic studies of safe-yield capacity related to public water supply;
- Coordinating with appropriate resource agencies and other interested parties, including the Drought Management Advisory Group (DMAG), when the Low Inflow Protocol is reviewed; and
- Providing periodic reports and status updates to Members.

9. DECISIONS

The vote of each Member Representative will be counted equally. A Member who has been expelled or who has resigned is not permitted to vote. All decisions made pursuant to this Section 9 shall be made in accordance with the Group's Conflict of Interest Policy.

Decisions Requiring Consensus

Decisions requiring Consensus will be:

- Establishing or changing the Fund's annual target amount (if Consensus cannot be reached, the Fund's annual target amount will be the previous year's amount);

- Establishing or changing the allocation basis and timing of dues contributions (if Consensus cannot be reached, the allocation basis and timing of dues contributions will be the same as in the previous year);
- Dissolving the Group; and.
- Amending or repealing a provision of these Bylaws or the Articles of Incorporation that involves matters that require a Consensus vote listed above in this section.

Decisions Not Requiring Consensus

The WMG will make numerous decisions not related to topics in the previous subsection. While it will always be the goal for the WMG to make all decisions by Consensus, the following provisions describe the decision process when Consensus cannot be reached. Specific topics requiring either Super Majority or Simple Majority Votes are noted below.

Super Majority Decisions

A Super Majority Vote will be required for the following decisions:

- Determining resigned and expelled Member reinstatement;
- Determining Eligible Participants and the admission of new Members;
- Determining credits that should be applied to any Member's annual dues payments;
- Amending these Bylaws, the Articles of Incorporation or the Conflict of Interest Policy, except with respect to matters that require a Consensus vote, as specified above; and
- Removing a WMG Officer or At-Large Director from their position prior to the expiration of their elected term.

Simple Majority Decisions

A Simple Majority Vote will be required for the following decisions:

- Approving or revising the five-year project list;
- Approving a project for funding;
- Approving a Member to handle contract management for a particular project;
- Approving recommendations to the Member that will handle contract management for contractor selection and contract conditions for performing projects;
- Approving WMG governance and administrative procedures (e.g., fund management, contracting and project management, project evaluation criteria);
- Electing WMG Officers and At-Large Directors to normal terms or to complete terms of vacant positions; and

- Making all other decisions not requiring a Consensus or Super Majority Vote or a vote as required for "Member Expulsion" in Section 6, above.

Consideration of Members in Good Standing

A Member is presumed to be a Member in Good Standing until a Member fails to pay dues, subject to any applicable grace period, as set forth herein or when it is determined by the Board of Directors that a Member has ceased to be in good standing in respect to clause (b) and/or clause (c) of the definition of Member in Good Standing set forth herein.

The following provides criteria for determining whether or not an entity is a Member in Good Standing:

9.1 Current in paying its dues to the Water Management Group:

(a) Due Date – All dues are to be paid in full by the Member to the WMG Secretary/Treasurer (or designee) via check or to the institution handling the WMG Fund account via wire transfer by July 31 of each year, with the inaugural payments due by July 31, 2023 for Members joining initially. Partial payment will not be accepted.

(b) Notifications and Recordkeeping

(i) Billing – The WMG Secretary/Treasurer (or designee) will ensure that a reminder is sent to each WMG Member on or about June 1 of each year that identifies July 31 as the due date and shows the amount that is due.

(ii) Receipts – The WMG Secretary/Treasurer (or designee) or the institution handling the WMG Fund account will send each Member a receipt for its dues payment.

(iii) Default – The WMG Secretary/Treasurer (or designee) will send a written notification via certified mail by August 31 to any WMG Member who fails to pay its dues by July 31.

(iv) Payment Recordkeeping – The WMG Secretary/Treasurer (or designee) will maintain an auditable trail of each Member's payment record to verify the number of years each Member paid its dues in the month of July, within the 90-day automatic grace period and within any longer grace period as approved by the WMG.

(c) Grace Periods

(i) Automatic 90-Day Grace Period – Each Member is afforded an automatic 90-day grace period for paying its dues. There will be no grace period for the inaugural payments.

(ii) Grace Period Extension – Any Member may request, and the Board of Directors may grant, additional grace period time for extenuating circumstances, but the total grace period time (including the automatic 90-day grace period) may not extend beyond 180 days. Such requests must be made in writing by the Member and must be received by the WMG Secretary/Treasurer by October 1 and the Board of Directors must conduct a vote on or before November 2.

(d) Method of Determining Default – A Member is automatically in default of this dues payment requirement and deemed no longer a Member in Good Standing if:

(i) Normal Condition – The Member's valid check or wire transfer for the full dues amount is not received by the WMG Secretary/Treasurer (or designee) by 5:00 pm on November 2. If November 2 falls on a weekend or federally recognized holiday, the due date will be 5:00 pm on the first business day following November 2.

(ii) Extenuating Circumstances – The Member's valid check or wire transfer for the full dues amount is not received by the WMG Secretary/Treasurer (or designee) for checks or the institution handling the WMG Fund account for wire transfers by 5:00 pm on the last day of the WMG-approved grace period. The Member will not be classified as a Member in default or not in Good Standing while the Member awaits the Board's decision.

9.2 Adequate WMG Participation

Each Member shall make all reasonable efforts to attend at least one of three consecutive official meetings of the WMG. Participation via video conferencing platform, conference call, or similar communication device, which allows all Member Representatives participating in the meeting to simultaneously hear each other during the meeting, counts as attending the meeting for meetings where a conference call or similar option is provided. For recordkeeping, it is each Member's obligation to ensure that the WMG Chair, Secretary/Treasurer or their designee includes the Member on the applicable meeting attendance list.

9.3 Dispute Resolution

Except as otherwise specifically provided in these Bylaws, disputes among Members arising under or related to these Bylaws and related to the core purpose of the Group (each, a "Dispute") shall be resolved as follows.

(a) Consultation

(i) Any Member alleging a Dispute with another Member shall notify the Board of Directors. Within fifteen (15) days of receiving such notice, the Board of Directors shall notify all Members and shall give at least thirty (30) days' notice of a meeting to be held for the purpose of resolving the Dispute. The meeting notice shall describe the Dispute and shall provide the time, date and location of the meeting. The Member alleging a Dispute, the Member against whom the Dispute is alleged, and each Member who has a direct financial or other

interest who notifies all other Members of the Member's interest in the resolution of the alleged Dispute shall be considered to be an Interested Party. All Members agree to engage in good-faith negotiations to resolve the Dispute for a period of ninety (90) days ("Consultation Period") from the date of the meeting; except that, in emergency situations beyond the reasonable control of the Interested Party seeking relief, or if required to preclude the running of any applicable limitations period, which cannot be effectively tolled by agreement of the Members, an Interested Party may, for good cause, seek relief in court prior to the expiration of the 90-day period.

(ii) The Interested Parties may, by unanimous agreement, extend the Consultation Period up to an additional ninety (90) days. To the extent permitted by law, the Members shall consider any applicable limitations period, whether arising by statute, regulation, contract, or otherwise to be tolled during the Consultation Period. No Member shall raise as a defense to any action, whether judicial or administrative, the running of any period of limitation, so long as the action was filed within the limitations period, plus the Consultation Period.

(iii) The Consultation Period ends when the times described above expire or when all Interested Parties indicate that consultation is no longer useful, whichever is sooner.

(b) Consensus – Upon resolution of a Dispute, by agreement or otherwise, the Interested Parties shall notify all Members of the resolution. A resolution based on consensus shall have the unanimous support of all Interested Parties.

(c) Remedies – If, after the expiration of the Consultation Period, the Interested Parties have not reached consensus, or, in the event of non-compliance, for which a schedule to cure the non-compliance has been established by the Interested Parties, the alleged offending Member has not cured the failure within the time established, any Interested Party may seek resolution, by any available means; provided, however, that any Interested Party may file such action sooner if required in order to preclude the running of any applicable limitations period which cannot be effectively tolled by agreement of the Members.

(d) Mediation Services

(i) Any Interested Party may propose the use of a professional mediator to facilitate dispute resolution. To initiate professional mediation, an Interested Party shall notify all Members, in writing, and shall convene a meeting not sooner than thirty (30) days, nor more than sixty (60) calendar days, following the date of notice to the last Member notified. Such notice shall state the date, time, and location of the initial meeting to consider professional mediation. At that initial meeting, all Members in attendance shall determine their interest in professional mediation. Mediation is purely voluntary, and no Member shall be compelled against its will to participate in professional mediation.

(ii) Those Members agreeing to mediation shall execute a contractually binding agreement with a professional mediator, and such agreement shall determine both how the mediating Members will share the cost of mediation and the schedule to undertake and complete mediation. No Member that chooses not to participate in

mediation shall be responsible for any costs related to mediation. No mediated resolution shall modify these Bylaws.

(iii) The Group shall not be pay for mediation between Members. If a dispute arises between a Member or subset of Members against the Group, the Group shall take a super majority vote on whether to assume the cost of dispute resolution, except if more than a third of the Members are involved in the dispute against the Group. In such a case, a simple majority vote of non-involved Members will be required.

10. MISCELLANEOUS PROVISIONS

Coordinating with Other Entities

The Group will establish approaches to coordinate projects and water supply study updates with resource agencies, as appropriate. The Group will establish approaches to get input from other interested entities, such as non-Member water intake owners, the Drought Management Advisory Group, non-governmental organizations, customers and local residents.

Self-Assessment

At the end of the first five (5) full calendar years after the Group is formed, and every five (5) calendar years thereafter, the Group will conduct a brief written assessment of its accomplishments in the previous five (5) years. The assessment will include evaluations of how efficient and effective the Group has been in fulfilling its purposes, as stated herein.

Service Life

The Water Management Group will continue to exist as long as it has two or more Members in Good Standing and provided that the Group does not vote to dissolve itself.

11. MANAGEMENT

Management

The Officers shall manage the day-to-day operations of the Group, personally or by engaging the services of other persons or entities. In so doing, the Group will seek to minimize the administrative cost to be covered by the Fund. No compensation shall be paid to the Officers or the At-Large Directors for their service as such.

Dues Collection

The Secretary/Treasurer or designee will collect dues based on the annual contribution schedule. Monies collected and interest thereon will be held in a Water Management Fund account.

Distributions and Project Management

Each WMG project may be managed by the Group itself or an appropriate Group Member under that Member's existing contracting and management vehicles. The WMG may fund such

projects managed by an appropriate Group Member by providing grants to Members from the Water Management Fund, provided that any such grants to Members shall be made in accordance with applicable laws and regulations, including, without limitation, procurement laws and regulations. In some cases, Water Management Funds will be paid to individual Members to perform work with labor on the permanent payroll of the Member concerned. Grants may be paid out in installments (e.g., monthly), lump sum, or as appropriate to the project. Notwithstanding the forgoing, any grants or other payments will be made pursuant to the Group's Conflict of Interest Policy. Any contracts awarded with grant money will be awarded pursuant to such procurement policy that may be adopted by the Member Representatives and will be subject to applicable law.

The Member project manager will be approved by vote of the Member Representatives, in accordance with the Conflict of Interest Policy, and will be selected based on such factors as interest, capability, geographical location relative to the project, size of the effort, and providing project management opportunities to all WMG Members.

At a minimum, all project contracts will include the following:

- A detailed scope-of-work statement;
- Schedules for completion of work and disbursement of funds;
- The funding requirement necessary and available to accomplish the scope of work;
- A per-year not-to-exceed requirement that is consistent with the portion of the existing Water Management Fund appropriated to that project for the current year; and
- Procedures and conditions for amending, modifying, or terminating the contract.
- To the extent permitted by applicable law, language to require the contractor to release, indemnify, and defend the Group and all WMG Members from and against any and all losses, costs, claims, demands, suits, damages, and expenses arising in connection with the contractor's or its employees' or agents' negligent, grossly negligent, reckless, or intentionally malfeasant performance of the contract.; and
- Language to require the contractor and all its subcontractors (via their subcontracts) to name the Group and all WMG Members additional insureds on their respective and relevant commercial general liability and automobile liability insurance policies.

The Member project manager will provide opportunities for the WMG to shape the scope of work and provide advice and counsel on proposals received and vendor selection. The Member project manager will provide regular status reports to the WMG at its meetings and/or by other means as appropriate.

Bidding and Procurement Requirements

Any expenditure of funds on a third-party contract must comply with applicable procurement statutes.

Annual Report

Prior to April 1 of each year, the Board of Directors will provide to the Members an accounting of the funds expended during the previous calendar year.

12. WATER MANAGEMENT FUND DUES

12.1 Basic and Calculation of Dues

Each Member will support the costs of each year of the Group's General Activities by payment of Membership dues to the Group. The Group may agree to increase or alter the amount of annual dues on a yearly basis, and shall revisit the basis for dues at least every five years.

Each Member's initial annual dues will be calculated by the following approach.

- Mainstem reservoir operators - $30,000/year
- ≥25,000 metered connections - $15,000/year
- <25,000 >1,700 metered connections - $7,500/year
- ≤1,700 metered connections (incl. no connections or customers) - $2,500/year

The Members may seek additional opportunities to cooperate on mutually beneficial planning and capital projects related to water supply resources from the Yadkin-Pee Dee River Basin (i.e., Additional Projects). Cost-sharing for each Additional Project shall be agreed upon by a unanimous vote of all Members who choose to participate in the Additional Project(s).
Invited guests may voluntarily contribute funds to support the work of the Group.

12.2 Coordinating with Member Budgeting Cycles

The development of the annual dues contribution amounts and the timing of the actual dues contributions will be coordinated with Group Members' budgeting cycles.

12.3 Management & Distribution of Water Management Fund

All dues payments are non-refundable and will be held by the Group in a restricted account for the Group's purposes. The funds in this restricted account are to be used upon a simple majority vote of the Group, for the Group's activities. The Secretary/Treasurer will provide balance and disbursement summaries for the Group's account at least annually or at more frequent intervals to be determined by the Group.

The dues for general activities will be used to support overall project management of the Group, including maintaining the official roster of Member Representatives, preparing meeting agendas, sending notices of meetings, meeting facilitation and documentation, internal and external communications and website set-up and management.

If the Water Management Group votes to dissolve itself, or is otherwise dissolved by operation of law, then any money remaining in the Water Management Fund after all WMG expenses are paid will be distributed in accordance with the Articles of Incorporation.

13. PROJECT AND BUDGET DETERMINATIONS

Project Development

Member Representatives will collectively determine, pursuant to the procedures outlined in Section 9, the projects to address the Group's purpose and objectives, the appropriate funding levels for the Group, and the required dues for each Member.

Planning Horizon

Each year, the Group will develop a five (5)-year project and funding plan and a current-year project implementation plan. The five (5)-year budget and the dues contribution schedule should provide funds to support regular and ongoing projects, as well as to accumulate money reserved for ad hoc projects that may require several years' worth of accumulated funds to accomplish.

Project Recommendations

Project recommendations may be submitted by individual Group Members or solicited from interested third parties. Third parties may also present project recommendations to the Group for consideration.

Cost-Shared Funding

Special emphasis will be provided for projects that can take advantage of matching and voluntary contributions to help leverage the Fund's budgets.

Project Restrictions

The Group does not intend to take on debt or financial liabilities. Collectively, projects will be funded only to levels that do not exceed the dues collected in any year, plus money from previous years' collections, reserved for projects that may require several years of accumulated funds to accomplish. Multi-year project contracts will include a per-year not-to exceed requirement that is consistent with the portion of the existing Water Management Fund appropriated to that project for the current year.

Contracts for the Group's provision of annual maintenance costs (e.g., for groundwater monitoring wells) will include a termination provision to ensure that no funding commitments exceed the Group's dues collections.

Funding for projects for individual withdrawers that support the Group's larger objectives will be considered. For example, modifying an individual withdrawer's intake to allow it to operate at lower reservoir levels could add storage that would be made available to other Group Members. There is no obligation by the Group to participate in funding any improvement that benefits only one withdrawer. No funding will be provided to relieve any Member of its existing responsibilities or to shift costs to others.

The Group does not anticipate owning assets or funding projects that will generate assets for the Group.

14. PROJECT TYPES

The following are examples of the types of potential projects that would be consistent with the objectives of the Group:

Water Conservation

- Consumer education on water conservation and drought issues
- Coordination of public information and outreach
- Support for regional conservation programs

Drought Preparation and Management

- Sharing information about local ordinances and plans consistent with the Low Inflow Protocol
- Coordinated, basin-wide public information and enforcement systems
- Active participation on the Drought Management Advisory Group
- Evaluation of inter-system connections that can be used during drought and low reservoir level conditions

Improved Water Quality

- Water quality monitoring and modeling
- Participation in sedimentation prevention and management
- Research and marketing related to water reuse

Sustained Suitability of Reservoirs for Water Supply

- Feasibility studies on improvements to reservoir safe yield, water conservation, and other areas of benefit to water withdrawers
- Funding for engineering studies (e.g., safe yield improvement feasibility studies)
- Evaluation of options to increase intakes' operating ranges relative to reservoir levels
- Participation in management/control of invasive species (fish, mussels, aquatic weeds, etc.) that threaten water intakes and/or the suitability of the reservoir for water supply use

Best Management Practices

- Identification and implementation of Best Management Practices (BMP), BMP audits, BMP training for Members and others
- Standards/protocol development of regular self-audits, using consistent methods to identify real water losses
- Standards/protocol development of leak detection/prevention programs when trigger points are reached to reduce real water losses
- Progress toward per-capita water consumption goals

15. INDEMNIFICATION; INSURANCE

Any person who, at any time, serves or has served as an At-Large Director, Officer or employee of the Group, in addition to Members, Member Representatives, and Alternates (the "Indemnified Party") shall have a right to be indemnified by the Group to the fullest extent permitted by law against (a) reasonable expenses, including, but not limited to, attorneys' fees and court costs, actually and necessarily incurred by the Indemnified Party, in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the corporation, seeking to hold the Indemnified Party liable by reason of the fact that the Indemnified Party is or was acting in such capacity, and (b) reasonable payments made by the Indemnified Party in satisfaction of any judgment, money decree, fine, penalty or settlement for which the Indemnified Party may have become liable in any such action, suit or proceeding.

The Board of Directors of the Group shall take all such action as may be necessary and appropriate to authorize the Group to pay the indemnification required by this provision, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due.

Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the At-Large Director, Officer, employee, Member, Member Representative, or Alternate to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Group as authorized in this provision. At-Large Directors, Officers, employees, Members, Member Representatives, or Alternates will not be entitled to indemnification in cases of malfeasance or wrongful misconduct.

Any person who, at any time after the adoption of this provision, serves or has served in any of the aforesaid capacities for or on behalf of the Group shall be deemed to be doing or to have done so in reliance upon the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from this provision.

In addition to the foregoing, the Board of Directors shall have the right and power to purchase and maintain insurance on behalf of any person who is or was an At-Large Director, Officer, or is or was serving at the request of the Group as director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise, to insure such person against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Group would have the power to indemnify him against such liability.

The Member Representatives may by resolution authorize and direct the Officers to procure appropriate insurance coverage for the Group, including without limitation directors and officers insurance.

Where appropriate herein, any word denoting or referring to one gender shall be deemed to include the other gender.

Kannapolis City Council

City Council Agenda Staff Report
May 22, 2023

To: Mayor and City Council

From: Michael Rattler, Director of Transportation & Environmental Services

Subject: Resolution Approving Award of Street Resurfacing Contract

Action Requested by City Council

Approve a Resolution to accept the bids presented in reference to the RFQ and awarded to the bidder NJR.

Required Votes to Pass Required Action

Majority Present at Meeting

Background

This action is in reference to the FY 2023 Budget. This year the resurfacing program will concentrate on two planned jobsites. The first site is Cloverleaf Plaza. located on the south end of the City. This is a business related intersection servicing retail, food, gas and hotels. It directly connects to 15 businesses. By the intersection with Cloverleaf Parkway, the street serves as a connector to South Cannon Boulevard and Concord Lake Road. This is a major intersection for access due to the proximity to I 85 interchange 58 and location of the City of Kannapolis and City of Concord limits. This jobsite includes up to five lanes and three intersections and two commercial driveways. The second job site is Rice Street is on the north end of the City.

Fiscal Implications

The amount of the contract is part of the FY2023 Budget allotted from the Powell Bill funding.

Policy Issues

N/A

Legal Issues

N/A

Recommendations and Alternate Courses of Action

1. **Approve the Resolution in favor of the award of the contract to the bidder, NJR (Recommended)**
2. Not accept the contract and rebid.
3. Defer action to a future meeting.

Attachments

1. Resolution to Accept Results of Formal Resufacing Construction Bid for FY 2023
2. Certified Bid Tabulation

A RESOLUTION STATING THE INTENT OF THE CITY OF KANNAPOLIS TO ACCEPT BID FOR FORMAL RESURFACING CONSTRUCTION BID FOR FY 2023

BE IT RESOLVED by the City Council of the City of Kannapolis:

Section 1. That the City Council of City of Kannapolis affirms to accept the NJR Bid for the formal construction resurfacing bid for FY2023.

Adopted this 22nd day of May 2023.

_____
Milton D. Hinnant, Mayor

_____
Bridgette Bell, MMC, NCCMC
City Clerk

CONTRACT : 2023 KANNAPOLIS RESURFACING PROJECT

CERTIFIED BID TABULATION

OWNER: CITY OF KANNAPOLIS
401 LAUREATE WAY
KANNAPOLIS, NORTH CAROLINA 28081

KANNAPOLIS

BID DATE: May 11, 2023 at 2:00 PM				NJR Group PO Box 924 Albemarle, NC 28002		Red Clay Industries PO Box 241689 Charlotte, NC 28224		Blythe Construction Inc PO Box 31635 Charlotte, NC 28231		Blythe Brothers Asphalt 1415 E. Westinghouse Blvd Charlotte, NC 28273		Reeves Construction 18606 Northline Dr Cornelius, NC 28031		ENGINEERS ESTIMATE	
ITEM NO.	**DESCRIPTION**	**QUANTITY**	**UNITS**	**UNIT PRICE**	**EXTENSION**	**UNIT PRICE**	**EXTENSION**	**UNIT PRICE**	**EXTENSION**	**UNIT PRICE**	**EXTENSION**	**UNIT PRICE**	**EXTENSION**	**UNIT PRICE**	**EXTENSION**
1	MOBILIZATION	1	LS	$ 25,000.00	$ 25,000.00	$ 38,750.00	$ 38,750.00	$ 21,000.00	$ 21,000.00	$ 19,000.00	$ 19,000.00	$ 29,000.00	$ 29,000.00	$ 30,000.00	$ 30,000.00
2	UNDERCUT	100	CY	$ 15.00	$ 1,500.00	$ 125.00	$ 12,500.00	$ 125.00	$ 12,500.00	$ 23.00	$ 2,300.00	$ 103.25	$ 10,325.00	$ 40.00	$ 4,000.00
3	GEOTEXTILE FOR SOIL STABILIZATION	100	SY	$ 4.00	$ 400.00	$ 12.00	$ 1,200.00	$ 5.00	$ 500.00	$ 6.00	$ 600.00	$ 11.50	$ 1,150.00	$ 5.50	$ 550.00
4	MILLING 11.5 INCH DEPTH (INCLUDES COMPACT EXIST BASE)	2,289	SY	$ 17.86	$ 40,881.54	$ 15.75	$ 36,051.75	$ 25.00	$ 57,225.00	$ 29.00	$ 66,381.00	$ 39.00	$ 89,271.00	$ 16.00	$ 36,624.00
5	MILLING 2 INCH DEPTH	1,520	SY	$ 12.60	$ 19,152.00	$ 7.50	$ 11,400.00	$ 11.00	$ 16,720.00	$ 7.00	$ 10,640.00	$ 7.75	$ 11,780.00	$ 5.75	$ 8,740.00
6	INCIDENTIAL MILLING (0" - 1.5" DEPTH)	70	SY	$ 35.00	$ 2,450.00	$ 15.00	$ 1,050.00	$ 35.00	$ 2,450.00	$ 7.00	$ 490.00	$ 54.00	$ 3,780.00	$ 25.00	$ 1,750.00
7	ASPHALT CONCRETE BASE COURSE, TYPE B25.0C	790	TN	$ 96.00	$ 75,840.00	$ 155.00	$ 122,450.00	$ 90.00	$ 71,100.00	$ 120.00	$ 94,800.00	$ 155.00	$ 122,450.00	$ 110.00	$ 86,900.00
8	ASPHALT CONCRETE INTERMEDIATE COURSE, TYPE I19.0C	580	TN	$ 98.00	$ 56,840.00	$ 157.00	$ 91,060.00	$ 90.00	$ 52,200.00	$ 120.00	$ 69,600.00	$ 150.00	$ 87,000.00	$ 120.00	$ 69,600.00
9	ASPHALT CONCETE SURFACE COURSE, TYPE S9.5C	720	TN	$ 110.00	$ 79,200.00	$ 165.00	$ 118,800.00	$ 125.00	$ 90,000.00	$ 110.00	$ 79,200.00	$ 160.00	$ 115,200.00	$ 130.00	$ 93,600.00
10	AST MAT COAT No 78M STONE	2,597	SY	$ 6.00	$ 15,582.00	$ 5.10	$ 13,244.70	$ 2.25	$ 5,843.25	$ 3.00	$ 7,791.00	$ 5.00	$ 12,985.00	$ 5.00	$ 12,985.00
11	THERMOPLASTIC PAVEMENT MARKING LINES (8 INCH- 90 MIL)	110	LF	$ 8.00	$ 880.00	$ 6.50	$ 715.00	$ 6.25	$ 687.50	$ 6.50	$ 715.00	$ 6.25	$ 687.50	$ 10.00	$ 1,100.00
12	THERMOPLASTIC PAVEMENT MARKING LINES (4 INCH- 120 MIL)	1,860	LF	$ 2.00	$ 3,720.00	$ 2.50	$ 4,650.00	$ 1.65	$ 3,069.00	$ 1.65	$ 3,069.00	$ 1.65	$ 3,069.00	$ 7.00	$ 13,020.00
13	THERMOPLASTIC PAVEMENT MARKING LINES (4 INCH- 90 MIL)	540	LF	$ 2.00	$ 1,080.00	$ 2.50	$ 1,350.00	$ 1.45	$ 783.00	$ 1.45	$ 783.00	$ 1.45	$ 783.00	$ 2.00	$ 1,080.00
14	THERMOPLASTIC PAVEMENT MARKING LINES (24 INCH- 90 MIL)	55	LF	$ 21.00	$ 1,155.00	$ 22.00	$ 1,210.00	$ 18.75	$ 1,031.25	$ 19.00	$ 1,045.00	$ 18.75	$ 1,031.25	$ 15.00	$ 825.00
15	THERMOPLASTIC ARROW SYMBOL, 90 MIL	10	EA	$ 150.00	$ 1,500.00	$ 160.00	$ 1,600.00	$ 135.00	$ 1,350.00	$ 135.00	$ 1,350.00	$ 135.00	$ 1,350.00	$ 250.00	$ 2,500.00
16	SHOULDER RECONSTRUCTION	0.47	SHLDR MILE	$ 15,000.00	$ 7,050.00	$ 12,500.00	$ 5,875.00	$ 9,250.00	$ 4,347.50	$ 6,000.00	$ 2,820.00	$ 20,000.00	$ 9,400.00	$ 9,500.00	$ 4,465.00
17	ADJUSTMENT OF MANHOLES	2	EA	$ 200.00	$ 400.00	$ 550.00	$ 1,100.00	$ 1,800.00	$ 3,600.00	$ 1,750.00	$ 3,500.00	$ 464.00	$ 928.00	$ 1,250.00	$ 2,500.00
18	ADJUSTMENT OF VALVE BOX	2	EA	$ 200.00	$ 400.00	$ 510.00	$ 1,020.00	$ 1,750.00	$ 3,500.00	$ 1,500.00	$ 3,000.00	$ 405.00	$ 810.00	$ 1,000.00	$ 2,000.00
19	INDUCTIVE LOOPS	7	EA	$ 3,500.00	$ 24,500.00	$ 4,500.00	$ 31,500.00	$ 1,600.00	$ 11,200.00	$ 3,200.00	$ 22,400.00	$ 3,600.00	$ 25,200.00	$ 4,000.00	$ 28,000.00
20	TRAFFIC CONTROL	1	LS	$ 31,900.00	$ 31,900.00	$ 35,000.00	$ 35,000.00	$ 62,000.00	$ 62,000.00	$ 18,600.00	$ 18,600.00	$ 65,000.00	$ 65,000.00	$ 50,000.00	$ 50,000.00
		SUB TOTAL			**$ 389,430.54**		**$ 530,526.45**		**$ 421,106.50**		**$ 408,084.00**		**$ 591,199.75**		**$ 450,239.00**
		10% CONTINGENCY			$ 38,943.05		$ 53,052.65		$ 42,110.65		$ 40,808.40		$ 59,119.98		$ 45,023.90
		TOTAL PROJECT BID			**$ 428,373.59**		**$ 583,579.10**		**$ 463,217.15**		**$ 448,892.40**		**$ 650,319.73**		**$ 495,262.90**
		Variance from Engineer's Estimate			**-13.51%**		**17.83%**		**-6.47%**		**-9.36%**		**31.31%**		

I HEREBY CERTIFY THIS BID TAB TO BE A TRUE AND ACCURATE COPY OF THE BIDS RECEIVED: Brent Gatt

Kannapolis City Council

City Council Agenda Staff Report
May 22, 2023

To: Mayor and City Council

From: Richard Smith, Planning Director

Subject: Continued from April 24, 2023 Case No. CZ-2022-08 - Rezoning request - Trinity Church Rd and Stirewalt Rd

Action Requested by City Council

1. Consider a motion to adopt a Statement of Consistency for CZ-2022-08
2. Consider a motion to approve the Resolution to Zone for CZ-2022-08

Required Votes to Pass Required Action

Majority Present at Meeting

Background

The applicant, John "Jack" McKinley, is requesting to rezone approximately 35.5 +/- acres of property located at 6205 Stirewalt Road and 5032 Trinity Church Road, further identified as Cabarrus County Parcel Identification Numbers 46939615960000 and 46939663830000 from Agricultural (AG) zoning district to a Residential 4 (R4-CZ) zoning district to allow for a 56-lot single-family detached residential development.

As shown on the subdivision plan, full-movement access is being provided on both Stirewalt Road and Trinity Church Road, both of which are NCDOT maintained. Both of these proposed points of access have received conceptual approval by NCDOT and the City. A Traffic Impact Analysis (TIA) is not warranted for the number of daily/hourly trips provided for this number of lots.

As proposed on the subdivision plan, the minimum lot size is 15,000 square feet, with the largest lot being shown as 39,239 square feet. The minimum lot dimensions are shown as 75’X125’ for width and depth minimums, but the overall lot area would be required to meet the 15,000 square foot minimum.

Two detention/water quality ponds are shown on the southern property boundary along with areas set aside for landscaped buffering/berms along both road frontages.

Although the applicant intends to connect to City water and sanitary sewer, information has been provided to staff and was also presented at the neighborhood meeting held on November 2, 2022, regarding alternative individual septic systems. The applicant has indicated that they fully intend to utilize City sewer, but given the timing and uncertainty of wastewater allocation and capacity in the short-term, individual septic systems were being proposed as a possible alternative. Additional concerns brought up at the neighborhood meeting by area residents included the proposed lot size, buffering/screening, well contamination (assuming aforementioned septic alternative) and consistency with the character of surrounding neighborhoods.

Although the applicant is requesting the R4-CZ zoning designation, which allows for a density of up to 4 units per acre, the overall density being requested is 1.56 dwelling units per acre. This density calculation assumes the total acreage divided by the total number of lots and includes common open space, landscaped buffers, and natural areas. Since this request is for conditional rezoning, the requested density of 1.5 units per acre is all that would be permitted if approved. Under the current AG zoning, the maximum density is 1 unit per acre with a 1-acre minimum lot size. The proposed density also fits within the density requirements of the R2 Residential Zoning District. Surrounding properties are zoned City of Kannapolis AG or Cabarrus County AO (Agriculture/Open Space). The subject properties were part of a rezoning petition withdrawn by MI Homes in 2018, which included additional properties along with higher density and smaller lots. The properties were initially zoned AG in 1999 as part of the Coddle Creek Annexation by the City.

The Planning and Zoning Commission denied the rezoning request at their December 13, 2022 meeting. Subsequent appeal was made by the applicant de novo for City Council to make a final decision on the rezoning request.

City Council conducted a Public Hearing (case No. CZ-2022-08) regarding the applicant's request to rezone to R4-CZ on February 13, 2023. The hearing was closed and City Council continued the case to March 13, 2023. The case was continued at the March 13, 2023 meeting to April 24, 2023. City Council instructed the Planning Department to bring the matter back before them for consideration of amending the zoning map to rezone the property from AG (Agricultural) to R2 (Residential) Zoning District. Notice of a public hearing was provided for this property to be considered for rezoning to R2 Residential.

Fiscal Implications

None

Policy Issues

Section 2.5.A.(2).c of the KDO states that Amending the Zoning Map is a matter committed to the legislative discretion of the Planning and Zoning Commission or of the City Council, as authorized by this section. In determining whether to adopt or deny the proposed amendment, the Planning and Zoning Commission or the City Council, as applicable, may consider, and weigh the relevance of, whether and to what extent the proposed Zoning Map amendment:

1. **Is the proposed rezoning consistent with the Comprehensive Plan and other applicable adopted City plans?** The property is in the “Neighborhood Transition 1” Character Area as designated in the Move Kannapolis Forward 2030 Comprehensive Plan. This Character area’s primary use is listed as single-family detached residential with a desired density not to exceed 2 units per acre. The proposed use(s) is consistent with the goals and objectives of the Plan.
2. **Is the proposed rezoning in conflict with any provision of this Ordinance or the City Code of Ordinances?** No. The property is currently vacant.
3. **Does the proposed rezoning correct an error in the existing zoning present at the time it was adopted?** No, the subject property has been zoned AG or equivalent since annexed into the City of Kannapolis in 1999.
4. **Does the proposed rezoning allow uses that are compatible with existing and allowed uses on surrounding land and with the stability and character of any adjacent residential neighborhoods?** Yes, the subject property is located approximately one-half mile west of the intersection of Mooresville Road (NC 3) and Kannapolis Parkway which is anticipated to see more development in the future. The proposed subdivision plan provides for a transition from higher-density development to the east and lower-density development to the west/southwest.

5. **Does the proposed rezoning ensure efficient development within the City, taking into consideration the capacity and safety of the street network, the adequacy of public facilities, the suitability of the land for the uses allowed under the existing zoning, and other relevant considerations?** Yes, there are no anticipated traffic concerns. There are two proposed points of ingress/egress onto two NCDOT roads.
6. **Does the proposed rezoning result in a logical and orderly development pattern, taking into consideration the size of the subject lands and the zoning and existing and proposed development on surrounding lands?** Yes, the proposed development provides a balance between surrounding low-density single-family residential land uses and the maximum density supported in the Comprehensive Plan.
7. **Does the proposed rezoning result in significant adverse impacts on the natural environment, including but not limited to water, air, noise, storm water management, wildlife, vegetation, wetlands, and the natural functioning of the environment?** There are no negative environmental impacts, and the development will be required to conform to all applicable local, state, and federal environmental regulations. The property is located along the fringe of the Protected Watershed Area for the Coddle Creek Reservoir (WSII BW) which limits the maximum built-upon area to 12% utilizing the low-density option.

Legal Issues

None

Recommendations and Alternate Courses of Action

City Council may take one of the following actions on this rezoning:

Approve with conditions and consistency: City Council finds that the proposed R2 zoning district is consistent with the “Neighborhood Transition 1” Character Area as designated in the Move Kannapolis Forward 2030 Comprehensive Plan. [a separate Statement of Consistency is provided as an attachment]

Motion 1- Move to adopt the Statement of Consistency
Motion 2- Move to adopt rezoning of the property to R2

Deny and not consistent: City Council finds that the proposed zoning district is not consistent with the Comprehensive Plan and does not consider the action to be reasonable and in the public interest. [a separate Statement of Inconsistency is provided as an attachment]

Motion 1- Move to adopt the Statement of Inconsistency
Motion 2- Move to Deny rezoning of the property to R2

City Council may also revert back to consideration of the applicant's original request to rezone this property to R4-CZ. If so, Council may take one of the following actions:

Approve with conditions and consistency: City Council finds that the proposed R4-CZ zoning district is consistent with the “Neighborhood Transition 1” Character Area as designated in the Move Kannapolis Forward 2030 Comprehensive Plan. [a separate Statement of Consistency is provided as an attachment]

Motion 1- Move to adopt the Statement of Consistency
Motion 2- Move to adopt rezoning of the property to R4-CZ

Deny and not consistent: City Council finds that the proposed zoning district is not consistent with the Comprehensive Plan and does not consider the action to be reasonable and in the public interest. [a separate Statement of Inconsistency is provided as an attachment]

Motion 1- Move to adopt the Statement of Inconsistency
Motion 2- Move to Deny rezoning of the property to R4-CZ

Attachments

1. Kannapolis Notice of Appeal 12-28-22 Signed
2. CZ App
3. Map
4. Site Plan
5. Neighborhood Meeting Info
6. R4 v R2
7. Public Notice Ad CC May 22
8. List of Notified Properties
9. Notice to Adjacent Property Owners
10. Public Notice Ad Feb 13 2023
11. CZ-2022-08 CC Feb 13 Notification Ltr
12. Posted Public Notice Signs
13. CZ-2022-08 CC Statement of Consistency R2
14. CZ-2022-08 CC Resolution to Zone R2
15. CZ-2022-08 CC Statement of Consistency R4-CZ
16. CZ-2022-08 CC Resolution to Zone R4-CZ
17. Statement of Inconsistency

NOTICE OF APPEAL

APPLICANT CONTACT:

Applicant &
Property Owner: John F. McKinley and
LaRue Sims Credle, Trustee and Clifton M. Credle, Jr., Trustees of
The LaRue Sims Credle Revocable Living Trust
c/o Jack McKinley
702 Possum Trot Road
Blacksburg, SC 29702
Phone: 980-622-5560
Email: jackmckinley@gmail.com

PROJECT INFORMATION:

Project Address: 6205 Stirewalt Road and 5032 Trinity Church Road
Kannapolis, NC
56 single family detached homes

Rezoning Case: #CZ-2022-08

Zoning District: The request was from a City of Kannapolis Agricultural (AG) Zoning Designation to a City of Kannapolis Residential 4-Units Per Acre Conditional Zoning (R4-CA) Zoning Designation.

Parcel PIN: #46939663830000 and #4693961596000

Size of Property: Two (2) parcels – TOTAL acreage 35.39+/-

Please take Notice of the Appeal hereby filed by John F. McKinley, individually, and on behalf of LaRue Sims Credle, Trustee and Clifton M. Credle, Jr., Trustees of The LaRue Sims Credle Revocable Living Trust, to the Kannapolis City Council from an adverse decision of the Planning and Zoning Board ("Board") on December 13, 2022.

The Planning and Zoning Board voted to deny that the Project was consistent with the Comprehensive Plan as designated in the *Move Kannapolis Forward 2030 Comprehensive Plan*. The Board never stated any reasons why the Application and Project were not consistent with the Comprehensive Plan and there are no indications as to the reasoning in the minutes of the hearing as to why the Board voted that the Application was inconsistent with the Comprehensive Plan.

The proposed Resolution from the Planning Staff states that the "proposed uses of a single-family residential development is consistent with the goals and objectives of the Plan. Furthermore, staff finds the request for rezoning reasonable and in the public interest because it will provide development that is suitable for the area. The proposed use is also compatible with the surrounding zoning and is not anticipated to have an adverse effect on the capacity or safety of the surrounding street network, nor anticipated to generate parking problems or any adverse impact on the environment. The Comprehensive Plan also calls for average lot sizes of 15,000 square feet or larger for all new development, with a desired density of up to 3 units per acre."

In addition to other procedural errors in the hearing, there was no motion or vote on the approval or denial of the Board as to the Application to Rezone the Property.

We hereby certify that all of the information presented by us in this Appeal is accurate to the best of our knowledge, information and belief.

JOHN F. MCKINLEY

DATE: 12/28/22

LaRue Sims Credle Trustee

LARUE SIMS CREDLE, TRUSTEE

DATE: 12/28/22

TRUSTEE

CLIFTON M. CREDLE, JR., TRUSTEE

DATE: 12/28/22

Planning Department
401 Laureate Way
Kannapolis, NC 28081
704.920.4350

KANNAPOLIS

Conditional Zoning Map Amendment Checklist

So that we may efficiently review your project in a timely manner, it is important that all required documents and fees listed on the "Submittal Checklist" below are submitted with your application. One or more of the required documents may be waived due to the size of the parcel, the proposed use or the adequacy of existing infrastructure servicing the location. Submit digitals and 1 hard copy of applications and accompanying documents to the Planning Department at the address above.

CONDITIONAL REZONING REQUEST

Conditional Rezoning – Request for an amendment to the Kannapolis Zoning Map.
Approval authority – Planning and Zoning Commission.

Requested Rezoning Property Address: 6205 Stirewalt Rd and 5032 Trinity Church Rd

Applicant: John Mckinley

Proposed development: 56 single family detached homes

SUBMITTAL CHECKLIST

- [x] **Pre-Application Meeting – send an email to planreviewappointment@kannapolisnc.gov**
- [ ] Neighborhood Meeting (if required)
- [x] **Zoning Map Amendment Checklist and Application – Complete with all required signatures**
- [x] Preliminary Major Site Plan
- [ ] **PDF format on disc containing all documents rotated and formatted in sequential order based upon cover page**
- [ ] Fee: $925.00 ($600 Application Fee, $300 Legal Notices and notification fee, # of property owners notified [see Fee Schedule])

PROCESS INFORMATION

Public Notification: This is a legislative process that requires a public hearing and public notification including newspaper notice, first-class mailed notice to adjacent property owners and a sign posted prominently on the property (Table 2.4.F(2) of the Kannapolis Development Ordinance [KDO]).

Review Process: All applications will be reviewed for compliance and then forwarded to the Planning and Zoning Commission for consideration at a public hearing which is held monthly on the 3rd Tuesday at 6:00pm in City Hall Laureate Center. The application and all fees must be paid prior to scheduling the public hearing.

Action by Planning and Zoning Commission: After conducting a public hearing, the Commission may: deny the application; conduct an additional public hearing on the application; or approve the application with conditions.

Scope of Approval: An affirmative vote of three-fourths of the members present and not excused from voting, shall be necessary to approve a conditional rezoning request. The approval of a rezoning does not authorize development activity, but does authorize the application to apply for a final major site plan. Any final decision rendered by the Commission may be appealed within fifteen (15) days to the City Council.

By signing below I acknowledge that I have reviewed the Submittal Checklist and have included the required submittal items and reviewed them for completeness and accuracy. I also acknowledge that my application will be rejected if incomplete.

Applicant's Signature: HM E Kinley *Date:* 10/26/22

Planning Department
401 Laureate Way
Kannapolis, NC 28081
704.920.4350

KANNAPOLIS

CONDITIONAL ZONING MAP AMENDMENT APPLICATION

Approval authority – Planning and Zoning Commission

Applicant Contact Information

Name: John Mckinley

Address: 702 Possum Trot Rd
Blacksburg, Sc 29702

Phone: 980-622-5560

Email: jackmckinley@gmail.com

(Credle's below)
TWO PROPERTY OWNERS (MCKINLEY to left)

Property Owner Contact Information ☑ same as applicant

Name: LaRue Sims Credle Trustee
Clifton M. Credle Jr Trustee

Address: 671 Lakeside Circle, Apt 822
Pompano Beach, FL 33060

Phone: 757-846-8027

Email: cliffce icloud.com
ccredle@hotmail.com
cliffce me.com

Project Information

Project Address: 6205 Stirewalt Rd and 5032 Trinity Church Rd, Kannapolis, NC 28081

Parcel: 46939663830000 & 4693961596000 # of parcels: 2 Approx. size of parcels: 35.59±
(attach separate list if necessary)

Current Zoning Designation: AG Requested Zoning Designation: R4 CZ

Reason for map amendment: Develop 56 single family detached homes

Condition(s) proposed by the applicant (attach separate sheet if necessary):

By signing below, it is understood and acknowledged that if the property is conditionally rezoned as requested, the property involved in this request will be perpetually bound to the use(s) authorized and subject to such condition(s) as imposed, unless subsequently changed or amended as provided for in the Zoning Ordinance.

John E Kinley — LaRue Credle — 10/26/22
Applicant Signature — LaRue Credle — 10/26/22 — Date

John E Kinley — Clifton Credle Jr — 10/26/22
Property Owner Signature — Date

For Staff Use Only:

Filing Fee: _____ Receipt #: _____

Case #: _____ Date Received: _____

Revised: 09/2022

I authorize John Mckinley, to request a zone change, special exception certificate of approval, and any other permits for the development of my property. PIN: 469339615960000

Credle LaRue Sims 10/26/22 Trustee
Owner Date

Credle Clifton M Jr. Trustee 10/26/22
Owner Date

Credle La Rue Sims Trustee
Credle Clifton M Jr Trustee
671 Lakeside Cir, Apt 822
Pompano Beach, FL 33060

Credle LaRue Sims + Credle Clifton JR personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness by my hand and official seal this day of 26, 20 22 October.

My Commission expires Feb 6, 2023

Barbara Lynne Hunt

Notary Public

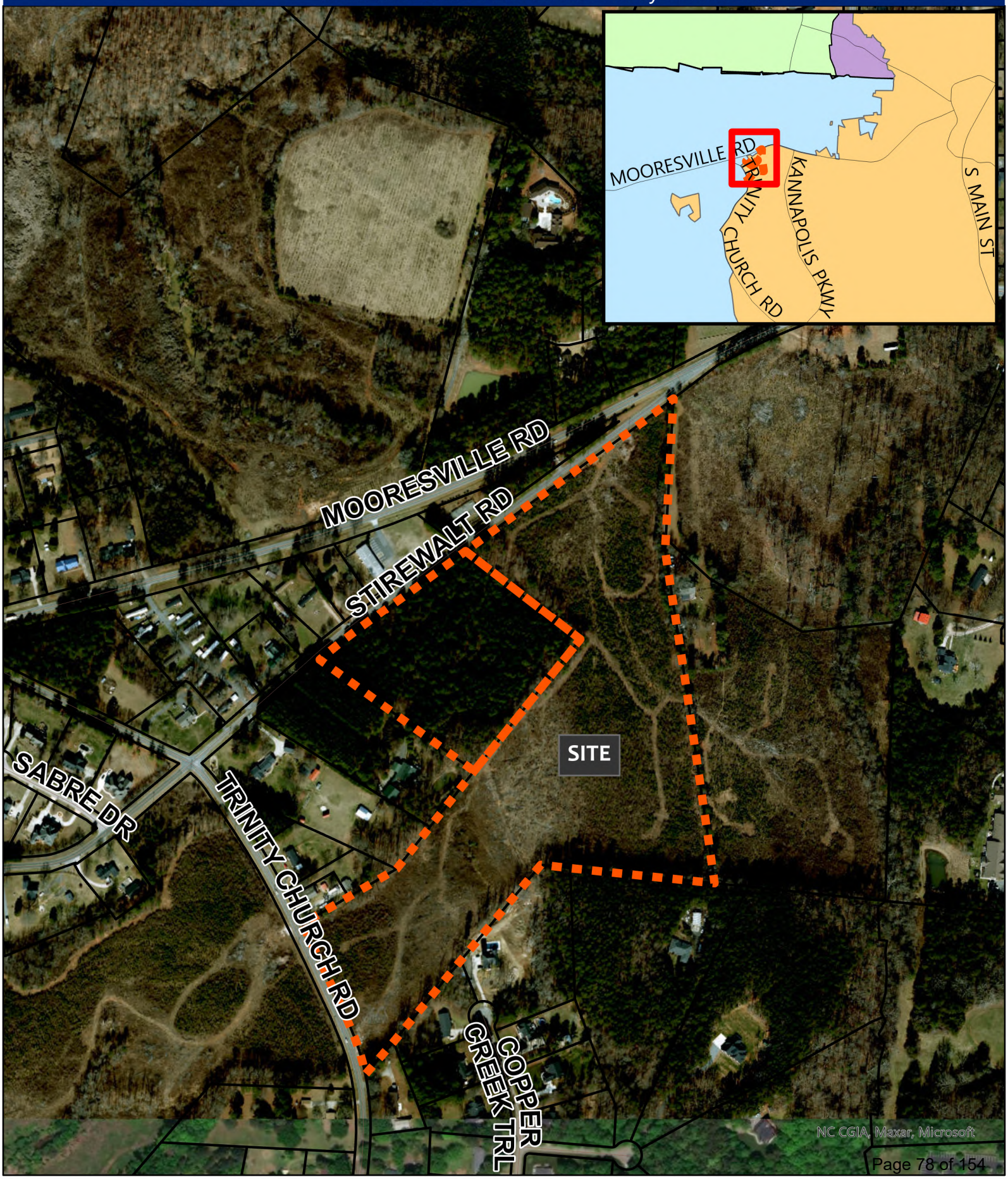
BARBARA LYNNE HUNT
Notary Public - State of Florida
Commission # GG 299106
My Comm. Expires Feb 6, 2023
Bonded through National Notary Assn.

Vicinity Map

Case Number: CZ-2022-08

Applicant: John McKinley

6205 Stirewalt Rd and 5032 Trinity Church Rd

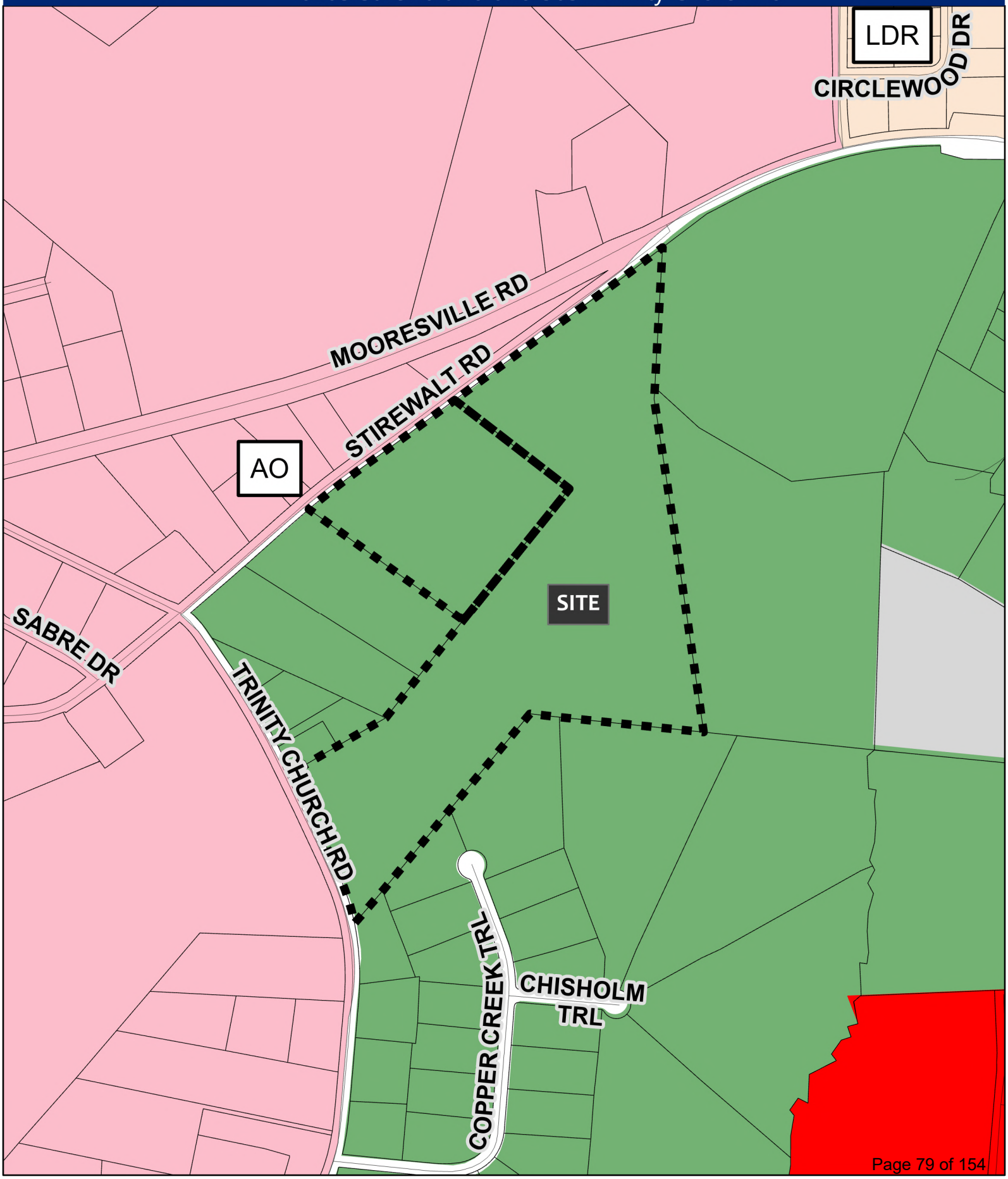


Kannapolis Current Zoning

Case Number: CZ-2022-08

Applicant: John McKinley

6205 Stirewalt Rd and 5032 Trinity Church Rd

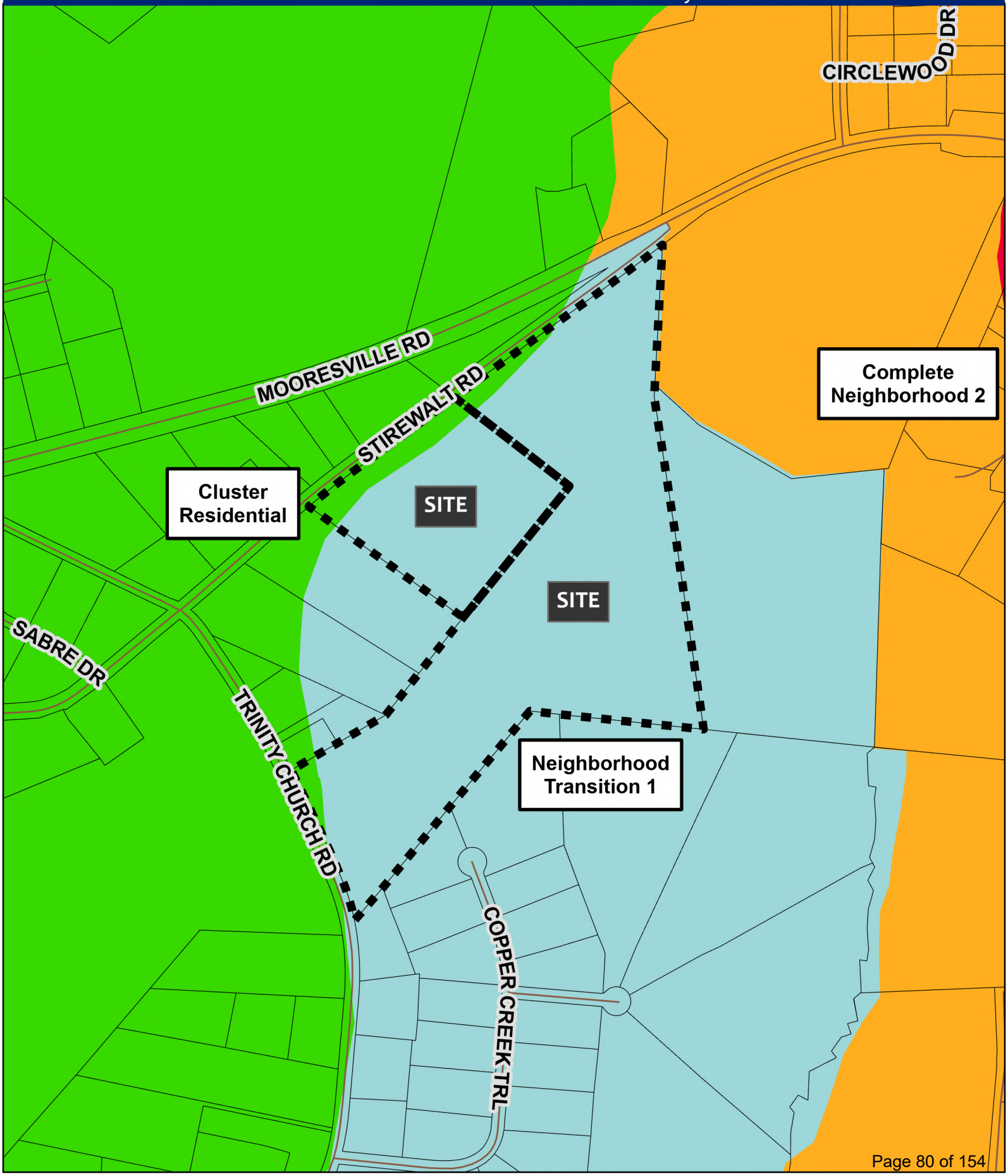


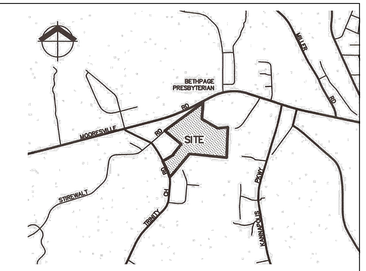
Kannapolis 2030 Future Land Use Map

Case Number: CZ-2022-08

Applicant: John McKinley

6205 Stirewalt Rd and 5032 Trinity Church Rd



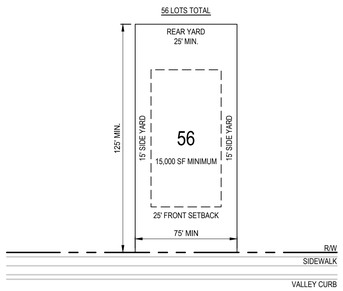


VICINITY MAP
NO SCALE

DEVELOPMENT DATA

OWNER:	LANDS OF McKINLEY and CREDLE
DEVELOPER INFO:	
CONTACT:	
EMAIL:	
SITE ADDRESS:	6205 STIRWALT RD, and 5032 TRINITY CHURH ROAD, KANNAPOLIS, NC 28081
GROSS SITE AREA:	35.59 ± AC.
P.I.D. No.:	04-049-0001.20, 04-001-0058.00
DEED BOOK / PAGE	-
EXISTING ZONING:	AG
PROPOSED ZONING:	R4 CZ KANNAPOLIS ZONING DISTRICT
EXISTING USE:	MOSTLY OPEN LAND
PROPOSED USE:	SINGLE FAMILY DETACHED HOMES
MAXIMUM # OF LOTS:	3 UNITS PER ACRE
PROPOSED # OF LOTS:	56±
PROPOSED DENSITY	1.57 DUA
MINIMUM LOT SIZE:	15,000 SF
BUILDING SETBACKS REQUIRED	
FRONT:	25'
SIDE:	15'
REAR:	25'
BUILDING HEIGHT:	35'
PROPOSED STREETS:	KANNAPOLIS RESIDENTIAL 60' R/W

PROPOSED RM-1 ZONING DISTRICT
MINIMUM LOT DIMENSIONS
N.T.S



N
0 50 100 200
1 INCH = 100 FEET

POB Engineering
Charlotte, NC 28278
704-564-3824
Frank.Cantrell@pobengineering.com

NORTH CAROLINA COL
P-1888

NORTH CAROLINA PROFESSIONAL SEAL 039811 ENGINEER FRANK L. CANTRELL

October 26, 2022

PRELIMINARY SITE PLAN
TRINITY CHURCH
MCKINLEY - CREDLE
KANNAPOLIS, NORTH CAROLINA

	DATE	DESCRIPTION	BY
A			

DRAWN	FC
DESIGNED	FC
CHECKED	DC
PROJECT #	220221

SHEET NUMBER

C-100

Plot Stamp: 10/26/2022 9:20:57 AM - F.Cantrell
File: E:\POB Engineering Projects\Mckinley Property\Trinity Church\Civil\DWG\01_Base\Sketch Plan\TRINITY CHURCH R4.dwg, Tab: C-100 SITE PLAN

POB
Engineering
Charlotte, NC 28278
704-564-3824
Frank.Cantrell@pobengineering.com

October 20, 2022

Dear Landowners,

Jack McKinley the landowner has made a zone change application to the City of Kannapolis to land adjacent to your property. This property is located just Southeast north of the intersection of Trinity Church Road and Stirewalt Road, parcel identification numbers 46939663830000, and 46933961596000, 6205 Stirewalt Road and 5032 Trinity Church Road, Kannapolis, NC. This property is currently zoned as AG. Mr. Mckinley is proposing to rezone this parcel to R4 Residential District Conditional Zoning.

This development is 35.59 ± acres and will provide a single-family home community.

We invite you to join us on November 2, 2022, from 6:30 pm to 7:30 pm at the Bethpage Presbyterian Church at 6020 Mooresville Rd. Kannapolis, NC 28081 to learn about our proposed development and present any questions you may have.

City of Kannapolis Planning Department staff may also be present for this meeting. We look forward to meeting with you.

Frank Cantrell

Frank Cantrell
POB Engineering, PLLC

VICINITY MAP
NO SCALE

DEVELOPMENT DATA

OWNER:	LANDS OF McKINLEY and CREDLE
DEVELOPER INFO:	
CONTACT:	
EMAIL:	
SITE ADDRESS:	6045 STIREWALT RD,6205 STIRWALT RD, 5032 TRINITY CHURH ROAD, KANNAPOLIS, NC 28081
GROSS SITE AREA:	35.59 ± AC.
P.I.D. No.:	04-049-0001.20, 04-001-0058.00
DEED BOOK / PAGE	-
EXISTING ZONING:	AG
PROPOSED ZONING:	RM-1 KANNAPOLIS ZONING DISTRICT
EXISTING USE:	MOSTLY OPEN LAND
PROPOSED USE:	SINGLE FAMILY DETACHED HOMES
MAXIMUM # OF LOTS:	3 UNITS PER ACRE
PROPOSED # OF LOTS:	56+
PROPOSED DENSITY	1.57 DUA
MINIMUM LOT SIZE:	15,000 SF
BUILDING SETBACKS REQUIRED	
FRONT:	25'
SIDE:	15'
REAR:	25'
BUILDING HEIGHT:	35'
PROPOSED STREETS:	KANNAPOLIS RESIDENTIAL 60' R/W

PROPOSED RM-1 ZONING DISTRICT
MINIMUM LOT DIMENSIONS
N.T.S.

POB Engineering
Charlotte, NC 28278
704-562-2882
Frank Cantrell@pobengineering.com

NORTH CAROLINA COA
P-1888

NORTH CAROLINA PROFESSIONAL SEAL 038811 ENGINEER FRANK L. CANTRELL

September 27, 2022

PRELIMINARY SITE PLAN
TRINITY CHURCH
MCKINLEY - CREDLE

DRAWN	FC
DESIGNED	FC
CHECKED	DC
PROJECT #	220221

SHEET NUMBER

C-100

Plot Stamp: 9/27/2022 7:42:57 AM + F.Cantrell
File: E:\POB Engineering Projects\McKinley Property\Trinity Church\Civil\DWG\01_Base\Sketch Plan\TRINITY CHURCH R4.dwg, Tab: C-100 SITE PLAN

TRINITY CHURCH NEIGHBORHOOD MEETING REPORT

Petitioner: **John (Jack) McKinley**

Property: **± 35.59 acres located off Trinity Church and Stirewalt Road**

This Neighborhood Meeting Report is being shared with the City of Kannapolis Planning Department.

PURPOSE OF THE NEIGHBORHOOD MEETING:

To allow the petitioner to share his plan to rezone this property from AG to R4 Residential District Conditional Zoning. And to give the neighborhood the opportunity to voice their opinions and thoughts about the rezoning request.

PERSONS AND ORGANIZATIONS CONTACTED WITH DATES AND EXPLANATIONS OF HOW CONTACTED:

The required Neighborhood Meeting was in person on Wednesday, November 2, 2022. POB Engineering mailed a written notice of the date, time, and details of the Neighborhood Meeting to the adjacent owners, including owners within 200 feet of this property as required by the Ordinance.

DATE, TIME, AND PLACE OF MEETING:

The Neighborhood Meeting required by the Ordinance was in-person on Wednesday, November 2, 2022, from 6:30 PM to 7:30 PM. The meeting was held at Bethpage Presbyterian Church, 6020 Mooresville Road, Kannapolis, North Carolina.

PERSONS IN ATTENDANCE AT MEETING:

POB Engineering documented the list of registered attendees from the Neighborhood Meeting by sign-in sheets. The Petitioner's representatives at the required Neighborhood Meeting were Jack Mckinley petitioner, Ann Pilkington attorney, Michael Berkowitz land appraiser, and Frank Cantrell with POB Engineering. City of Kannapolis representatives present was Richard Smith Director of Planning, Boyd Stanley Assistant Planning Director, and Rayvon Walker Planner.

SUMMARY OF ISSUES DISCUSSED AT MEETING:

I. Overview of Petitioner's Presentation.

Introduction and Overview of Development Plan.

Frank Cantrell welcomed everyone, and introductions were made around the conference table. After briefly introducing the project, he explained why we were having the neighborhood meeting.

Jack Mckinley gave a brief history of himself and his ties to the community and his intent to develop a quality residential community on this site.

Ann Pilkington introduced herself and Michael Berkowitz and then opened up the floor to questions.

II. Summary of Questions/Comments and Responses:

The following summary is in question (**Q**) answer (**A**) format

Q: The density of this development was questioned

A: This development is proposing a density of 1.56 dwelling units per acre. It was pointed out that this proposal is almost identical to Trinity Crossing. Kannapolis Planning staff acknowledged that less than 2 units per acre were not viewed as high density.

Several questions were asked about the Sanitary Sewer Service
Q: There was a concern about how sanitary sewer service would be provided.
A: The intent is to use public water and sewer service. It was pointed out that currently The City of Kannapolis does not have available allocation to provide sewer service and may not have any until 2024. It was explained that if needed the developer would explore using individual septic systems for each lot.
Q: Won't the septic systems contaminate our well water?
A: It was pointed out that they were also using a septic system and the newer systems if installed would meet all local and state standards.
Q: Will the homeowner association be responsible to maintain these new septic systems?
A: Each homeowner would be responsible to own and maintain their system.
Q: Will the septic system be for the entire subdivision?
A: No, each home will have its own septic system.
Q: Will the soils support septic systems and have you tested the soils?
A: Soils have not been tested at this stage of development but will be required as part of the approval process to allow or not allow the use of individual lot septic systems.

Q: It was asked if larger lots could be placed around the perimeter.
A: Because of the topography and the lot size provided it will not be possible to provide larger lots around the perimeter. Even though buffering is not required the development team offered to work with adjacent owners to provide buffering.

Q: Will the stormwater ponds become mosquito lagoons?
A: The stormwater pond shown will most likely be a sand filter basin and is designed to not have any standing water.
Q: Can the ponds be located somewhere else?
A: We can shift them around a little, but they are shown at the low point of the property and would have to remain at the locations shown

Q: There were a couple of questions about what traffic improvements the development team would provide primarily along Trinity Church Road.
A: We will meet with NCDOT and Kannapolis to determine what improvements will be required for the development of this project.

Q: What is the front yard setback, will there be enough room to park in the driveway without blocking the sidewalk, so children don't have to play in the street?
A: Homes will have a 25' setback from the road right of way and plenty of space for a pickup without overhang onto the sidewalk, the total distance from the road edge of pavement to the front of the home is approximately 40'.

Q: Will road improvements take place before new homes are started?
A: Road improvements if required will be delayed if possible so that construction traffic will not cause potential damage to new pavement.

Q: Why are roads stubbed out to adjacent parcels?
A: They are to provide connectivity to future neighborhoods it is also a planning requirement. In some cases, if street stubs are not provided the adjacent parcel would be landlocked.

Q: What type of construction materials will be used; we do not want cheap cookie-cutter type homes built.
A: We will work with the Kannapolis planning department to determine the minimum acceptable materials to use and those will be made part of the condition zoning.

Q: Once this zoning is approved will or can the plan change to something else?
A: This will be a conditional rezoning, if the plan changes from this use or what you see presented it will have to start over with a new approval and would be presented to the neighborhood again.

RESULTS OF THE MEETING:

Neighborhood meeting attendees stated their concerns and were vocal about a past development they were not happy with. I feel questions were answered to the satisfaction of the questioners and there were not any unresolved questions at the meeting that needed follow-up. Frank Cantrell did ask for someone in the adjacent communities to put together a list of items that they would like to see happen with the development of this new community and to email it to him.

Sign-in sheet for the attendees is attached to this meeting report.

cc: Boyd Stanley, Assistant Planning Director
Jack McKinley, Petitioner
Frank Cantrell, POB Engineering

NEIGHBORHOOD MEETING
FOR THE
Credle/McKinley Property Rezoning
Wednesday, November 1, 2022

Name	Address	Phone Number	Email
Frank Cantrell	POB Engineering		frank.cantrell@pobengineering.com
Laura Grayfishur	6947 Drakestone Rd	704 785-7158	grayfishur49@aol.com
Bob + Kay Doty	6325 Strewalt RD Kannapolis NC 28081	704-934-2640	BobDoty
Donna & Mike Cox	4926 Trinity Ch Rd Kannapolis NC 28081	[redacted]	donnawcox@yahoo.com
Richard Smith	City of Kannapolis	704 920 4325	rsmith@kannapolisnc.gov
Cathy & Steve DeFort	4870 Copper Creek Trail, Kannapolis NC	704 938 8355	cathydefort ADK@gmail.com
Joe + Kim Hall	4918 Copper Creek Trail		
Jim Allen	4942 Trinity Ch Rd Kannapolis N...	704 467-1935	
Kristina Salas	6413 Strewalt Rd Kannapolis NC 28081	910 315 4557	
Kevin Safrit	6419 Strewalt Rd, Kannapolis NC	704-305 6742	
JEFF ASHBAUGH	4949 Copper Creek Trail Kannapolis NC	704 975 0471	jashbaugh@benesch.com
Josh Poe	4929 Copper Creek Trail Kannapolis NC	980 939 3414	JPoe71089@yahoo.com
Derek Moore	6121 Chisholm Trail Kannapolis NC	919-360-5406	dhmoore44@gmail.com
Catherine Page	3025 Copper Creek Tr Kannapolis NC	704-791-5345	cpage64@me.com
DANIEL DUNN	6108 STREWALT RD.	704-763-7630	DANIELDUNN@GMAIL.COM
Mickey & Lindsey Kamy	3339 Trinity Church Rd.	704-230-2359	riverrockbee@gmail.com
SAM + LINDA MOORE	6121 CHISHOLM TRAIL	704.933.8318	SMOORE1928@HOTMAIL.COM

NEIGHBORHOOD MEETING
FOR THE
Credle/McKinley Property Rezoning
Wednesday, November 1, 2022

Name	Address	Phone Number	Email
Corey Jones	8130 Charlotte	704-791-5351	Plumbingfanatical@yahoo.com
Boyd Stanley	City		
Rayvon Walker	City		
Lt Jason Hinson	City KPD	7049204093	
JACK McKINLEY	702 Possum Trot Rd Blacksburg, SC 29702	980-622-5560	

Headcount 45
On the roster 29

	R2	R4*
Lot Width	100	75
Density	2 units per acre	4 units per acre
Setbacks:		
Front	35	25
Side	15	10
Rear	30	25
Height	35	35

Both R4 and R2 only allow single-family residential detached dwellings. All other uses are the same as well.

Note: The applicant has requested R4 conditional zoning, which incorporates 5 conditions of approval. These conditions include the densities of the conceptual plan, no more than 56 lots. A change to any other zoning district besides that requested by the applicant removes the agreed upon conditions, which is the primary difference between this request and a straight rezoning.

Order Confirmation

Order# 0000834574

PO Box 27283
Richmond, VA 23261-7283

Client: CITY OF KANNAPOLIS
Phone: 7049204300

Pavor : CITY OF KANNAPOLIS
Phone: 7049204300

Account: 3143368
Address: BRIDGETTE BELL
KANNAPOLIS NC 28081

Account: 3143368
Address: BRIDGETTE BELL
KANNAPOLIS NC 28081

Sales Rep	Accnt Rep	Ordered By	Fax:	7049337463
aboan	aboan	Pam	EMail:	ap@kannapolisnc.gov

Total Amount	**$618.00**
Payment Amount	**$618.00**
Amount Due	**$0.00**
Tax Amount:	0.00
Payment Meth:	Credit - Debit Card

Tear Sheets	Proofs	Affidavits	PO Number:
0	0	1	

Ad Number	Ad Type	Ad Size	Color
0000834574-01	CLS Liner	2 X 49 li	$0.00

Production Method
AdBooker (liner)

Production Notes

Product and Zone	Placement	Position	# Inserts
CON Independent Trib	C-Announcements	General-Spec Notice	2

Run Schedule Invoice Text: NOTICE OF PUBLIC HEARING 401 Laureate W

Run Dates 5/12/2023, 5/19/2023

TagLine: NOTICEOFPUBLICHEARING401LAUREATEWAYKANNAPOLISNCCIT 2023AT600PMZONINGMAPAMENDMENTCZ202208PUBLICHEA

KANNAPOLIS

NOTICE OF PUBLIC HEARING
401 Laureate Way, Kannapolis, NC

City Council Meeting
Monday May 22, 2023 at 6:00 pm

Zoning Map Amendment – CZ-2022-08 – Public Hearing to consider a request to rezone properties located at 6205 Stirewalt Road and 5032 Trinity Church Road from City of Kannapolis Agricultural (AG) zoning district to City of Kannapolis Residential 4- Conditional Zoning (R4-CZ) or Residential 2 Zoning (R2) to allow for a 56-unit single-family residential development. The subject properties are approximately 35.59 +/- combined acres and further identified as Cabarrus County Parcel Identification Numbers 46939615960000 and 46939663830000.

Voluntary Annexation A-2023-04 - Public Hearing to consider the voluntary noncontiguous annexation of twenty-seven (27) properties which are approximately 176.034 +/- combined acres located south of Old Beatty Ford Road and further identified as Rowan County Parcel Identification Numbers 139 047, 139 021, 139 072, 139 052, 139 060, 138 009, 139 022, 139 028, 139 020, 139 057, 139 054, 139 026, 139 005,139 004, 139 078, 139 048, 139 070, 139 036, 139 073, 139 01201, 139 083, 139 044, 139 059, 138 068, 139 050, 139 069 and 138 007.

Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of the City of Kannapolis, should contact the office of Tina H. Cline, Human Resource Director, by phone at 704-920-4302 or by email at tcline@kannapolisnc.gov as soon as possible but no later than 48 hours before the scheduled event.

Publish: May 12, 19, 2023.

AcctName1	MailAddr1	MailCity	MailState	MailZipCod
ANDREW & SAMANTHA RIDDLE	6088 MOORESVILLE RD	KANNAPOLIS	NC	28081
BETHPAGE PRESBYTERIAN CHURCH	6020 MOORESVILLE RD	KANNAPOLIS	NC	28081
DANIEL & ANNA DUNI	6208 STIREWALT RD	KANNAPOLIS	NC	28081
DEBORAH ORBISON	5130 TRINITY CHURCH RD	KANNAPOLIS	NC	28081
ERNEST & BARBARA BROCK	4937 TRINITY CHURCH RD	KANNAPOLIS	NC	28081
FREDERIC & KATHERINE ROBERTS	6045 STIREWALT RD	KANNAPOLIS	NC	28081
GARY L HAMBLIN				
GARY L HAMBLIN ESTATE	PO BOX 1262	KANNAPOLIS	NC	28082
GLENN LAMAR BENFIELD TRUSTEE				
DEBRA FABER BENFIELD TRUSTEE	101 ROLLING VIEW DR	NEW LONDON	NC	28127
JAMES R JR DOTY &				
SANDRA CARTER	6325 STIREWALT ROAD	KANNAPOLIS	NC	28081
JAMES & MEREDITH LASSITER	6111 CHISHOLM TRL	KANNAPOLIS	NC	28081
JOHN F MCKINLEY	702 POSSUM TROT RD	BLACKSBURG	SC	29702
JOHNNIE HARDEMAN	524 ANNEX ST	KANNAPOLIS	NC	28083
LA RUE SIMS CREDLE TRUSTEE				
CLIFTON M CREDLE JR TRUSTEE	671 LAKESIDE CIR APT 822	POMPANO BEACH	FL	33060
PUBLIC SERVICE CO OF N C INC				
ATTN: ELLEN DIGH	PO BOX 1398	GASTONIA	NC	28053
PURA VIDA INTERNATIONAL LLC	6814 HIGHGROVE PL	CONCORD	NC	28027
ROBERT & BRIDGET ROSSER	6100 MOORESVILLE RD	KANNAPOLIS	NC	28081
ROBERT A ROCHEVOT (LF EST)				
BETH A ROCHEVOT (LF EST)	5015 COPPER CREEK TRL	KANNAPOLIS	NC	28081
ROSSER HOLDINGS LLC	6100 MOORESVILLE RD	KANNAPOLIS	NC	28081
SAMUEL & LINDA MOORE	6121 CHISHOLM TRL	KANNAPOLIS	NC	28081
TIMOTHY ALLEN	6212 MOUNTAIN VINE AVE	KANNAPOLIS	NC	28081
TONY & KIM RIDDLE	6070 MOORESVILLE RD	KANNAPOLIS	NC	28081
TREY & HANNAH MILLER	6111 CHISHOLM TRL	KANNAPOLIS	NC	28081
WILLIAM & CATHERINE PAGE	5028 COPPER CREEK TRL	KANNAPOLIS	NC	28081

May 11, 2023

Dear Property Owner:

Please be advised that the Kannapolis City Council will conduct a Public Hearing on Monday, May 22, 2023 at 6:00 PM, in the Laureate Center located at 401 Laureate Way, Kannapolis, NC for the following case:

CZ-2022-08 – Zoning Map Amendment – 6205 Stirewalt Road and 5032 Trinity Church Road

The purpose of the Public Hearing is to consider a request to rezone properties located at 6205 Stirewalt Road and 5032 Trinity Church Road from City of Kannapolis Agricultural (AG) zoning district to City of Kannapolis Residential 4- Conditional Zoning (R4-CZ) or Residential 2 Zoning (R2) to allow for a 56-unit single-family residential development. The subject properties are approximately 35.59 +/- combined acres and further identified as Cabarrus County Parcel Identification Numbers 46939615960000 and 46939663830000 (see reverse side of this letter for a map showing the location of this property).

As a nearby property owner, you are being notified of this public hearing in accordance with the requirements of the Kannapolis Development Ordinance. You are invited to attend the public hearing and present testimony, if you desire, to City Council.

If you have any questions about the public hearing or request, please do not hesitate to call the Planning Department at 704.920.4325 or rsmith@kannapolisnc.gov.

Sincerely,

Richard B. Smith

Richard Smith
Planning Director

Enclosure

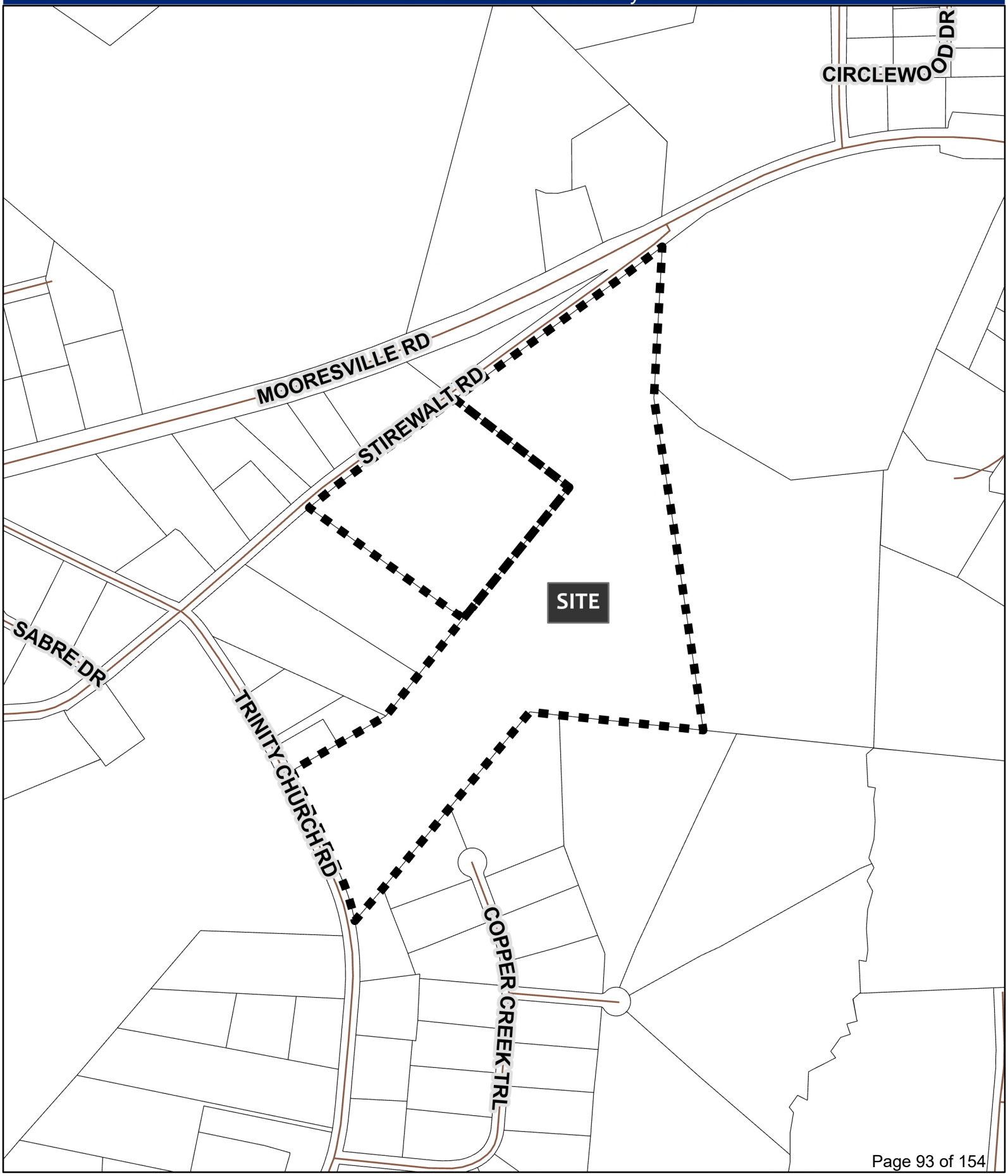
Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of the City of Kannapolis, should contact the office of Tina H. Cline, Human Resource Director, by phone at 704-920-4302 or by email at tcline@kannapolisnc.gov as soon as possible but no later than 48 hours before the scheduled event.

Special Use Permit

Case Number: CZ-2022-08

Applicant: John McKinley

6205 Stirewalt Rd and 5032 Trinity Church Rd



Order Confirmation

Order# 0000822413

PO Box 27283
Richmond, VA 23261-7283

Client: CITY OF KANNAPOLIS
Phone: 7049204300

Payor : CITY OF KANNAPOLIS
Phone: 7049204300

Account: 3143368
Address: BRIDGETTE BELL
KANNAPOLIS NC 28081

Account: 3143368
Address: BRIDGETTE BELL
KANNAPOLIS NC 28081

Sales Rep	Accnt Rep	Ordered By	Fax:	7049337463
aboan	aboan	Pam	EMail:	ap@kannapolisnc.gov

Total Amount	**$487.62**
Payment Amount	**$487.62**
Amount Due	**$0.00**
Tax Amount:	0.00
Payment Meth:	Credit - Debit Card

Tear Sheets	Proofs	Affidavits	PO Number:
0	0	1	

Ad Number	Ad Type	Ad Size	Color
0000822413-01	CLS Liner	2 X 37 li	$0.00

Production Method
AdBooker (liner)

Production Notes

Product and Zone	Placement	Position	# Inserts
CON Independent Trib	C-Announcements	General-Spec Notice	2

Run Schedule Invoice Text: NOTICE OF PUBLIC HEARING Kannapolis City Council

Run Dates 2/ 3/2023, 2/10/2023

Product and Zone	Placement	Position	# Inserts
NCC Online	C-Announcements	General-Spec Notice	8

Run Schedule Invoice Text: NOTICE OF PUBLIC HEARING Kannapolis City Council

Run Dates 2/ 3/2023, 2/ 4/2023, 2/ 5/2023, 2/ 6/2023, 2/ 7/2023, 2/ 8/2023, 2/ 9/2023, 2/10/2023

TagLine: NOTICEOFPUBLICHEARINGKANNAPOLISCITYCOUNCILMEETING401LAUREATEWAYKANNAPOLISNCMONDAYFEBRUARY132023AT630PMCONDITIONALZONINGMAPAMEND

KANNAPOLIS

NOTICE OF PUBLIC HEARING
Kannapolis City Council Meeting
401 Laureate Way, Kannapolis, NC

Monday February 13, 2023 at 6:30 pm

Conditional Zoning Map Amendment – CZ-2022-08 – The Kannapolis City Council will hold a public hearing to consider a request to rezone properties located at 6205 Stirewalt Road and 5032 Trinity Church Road. All interested parties are invited to attend. The request is to rezone from Agricultural (AG) zoning district to R-4 Residential-Conditional Zoning (R4-CZ) to allow for a 56-lot single-family residential development. The subject properties are approximately 35.59 +/- combined acres and further identified as Cabarrus County Parcel Identification Numbers 46939615960000 and 46939663830000.

Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of the City of Kannapolis, should contact the office of Tina H. Cline, Human Resource Director, by phone at 704-920-4302 or by email at tcline@kannapolisnc.gov as soon as possible but no later than 48 hours before the scheduled event.

Publish: February 3, 10, 2023.

February 2, 2023

Dear Property Owner:

Please be advised that the Kannapolis City Council will conduct a Public Hearing on Monday February 13, 2023 at 6:30 PM, for the following case:

CZ-2022-08 – Conditional Zoning Map Amendment – 6205 Stirewalt Road and 5032 Trinity Church Road

The purpose of the Public Hearing is to consider a request to rezone properties located at 6205 Stirewalt Road and 5032 Trinity Church Road from City of Kannapolis Agricultural (AG) zoning district to City of Kannapolis Residential 4-Conditional Zoning (R4-CZ) to allow for a 56-unit single-family residential development. The subject properties are approximately 35.59 +/- combined acres and further identified as Cabarrus County Parcel Identification Numbers 46939615960000 and 46939663830000 (see reverse side of this letter for a map showing the location of this property).

As a nearby property owner, you are being notified of this public hearing in accordance with the requirements of the Kannapolis Development Ordinance. You are invited to attend the public hearing and present testimony, if you desire, to City Council.

If you have any questions about the public hearing or request, please do not hesitate to call the Planning Department at 704.920.4325 or rsmith@kannapolisnc.gov.

Sincerely,

Richard B. Smith

Richard Smith
Planning Director

Enclosure

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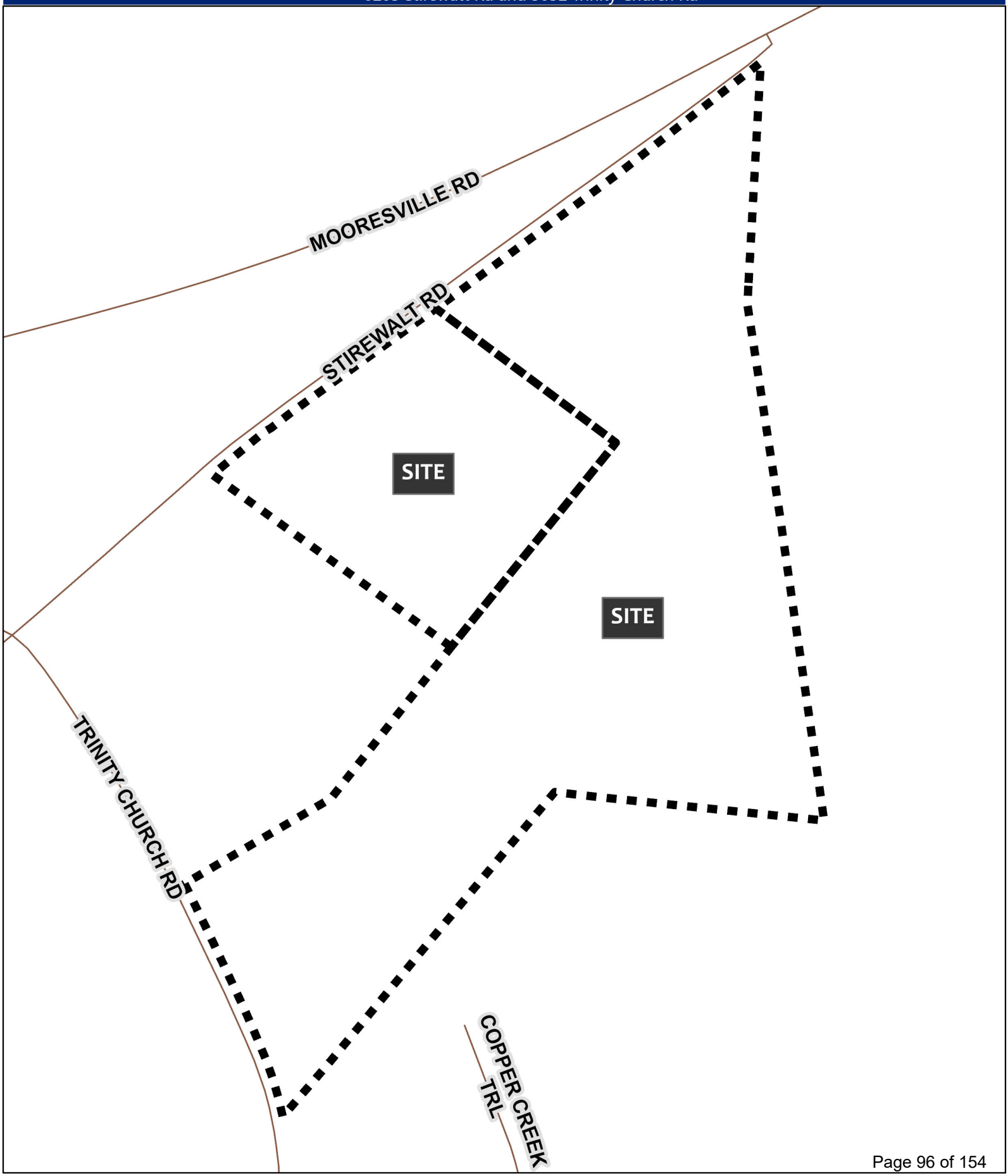
Conditional Rezoning

Case Number: CZ-2022-08
Applicant: John Mckinley
6205 Stirewatt Rd and 5032 Trinity Church Rd



KANNAPOLIS
CITY COUNCIL
MEETING
PUBLIC HEARING
INFORMATION
CALL 704-920-4350
CASE # CZ-2022-08

KANNAPOLIS

CITY COUNCIL

MEETING

PUBLIC HEARING
INFORMATION
CALL 704-920-4350

CASE # CZ-2022-08

RESOLUTION TO ADOPT A STATEMENT OF CONSISTENCY WITH REGARD TO CASE #CZ-2022-08

WHEREAS, Sections 160D-604 and 160D-605 of the North Carolina General Statutes specify that when adopting or rejecting any zoning amendment, the governing board shall also approve a statement describing whether its action is consistent with an adopted comprehensive plan and any other officially adopted plan that is applicable and explain why the action taken is reasonable and in the public interest; and

WHEREAS, Section 2.3.B(1).a. of the Kannapolis Development Ordinance delegates final authority to the Planning and Zoning Commission on zoning map amendments subject to an affirmative vote of three-fourths of the Commission members present and not excused from voting, or if there is no appeal of the decision; and

WHEREAS, the Planning and Zoning Commission conducted a Public Hearing on December 13, 2022 and denied the request to rezone; and

WHEREAS, the matter was appealed to City Council for consideration, then City Council shall have the authority to make a final decision on the requested rezoning; and

WHEREAS, on May 22, 2023 the City Council conducted a public hearing to consider a request to rezone property located at 6205 Stirewalt Road and 5032 Trinity Church Road (Cabarrus County Parcel Identification Number 46939615960000 and 46939663830000) owned by Clifton M Jr & La Rue Sims Credle Trustees and John F. McKinley (respectively), from Agricultural (AG) Zoning Designation to Residential 4-Conditional Zoning (R4-CZ) Zoning Designation; and

WHEREAS, on May 22, 2023 after such public hearing, City Council amended the zoning of the subject properties to Residential 2 (R2) Zoning Designation; and

NOW, THEREFORE BE IT RESOLVED *that the City Council finds this rezoning* ***consistent*** *with the goals and policies of the Move Kannapolis Forward 2030 Comprehensive Plan (2030 Plan), adopted by City Council, which designates this property as being located in the "Neighborhood Transition 1" Character Area as designated in the Move Forward 2030 Comprehensive Plan. The Neighborhood Transition 1 Character Area includes areas that have been developed over time into low-density residential neighborhoods. Existing neighborhoods will maintain their character, although there are opportunities to enhance these places with additional connectivity, bicycle and pedestrian amenities, parks open space, and sidewalks. New master planned communities in this area will be built according to the traditional neighborhood design principles and conserving connected open space. New developments will provide appropriate transitions to existing adjacent developments and homes. Transitions between existing and new developments can incorporate visual screenings*

through natural buffers and larger sized lots along the boundary of developments and major roadways. The proposed use(s) of a single-family residential development is consistent with the goals and objectives of the Plan. Furthermore, Council finds the request for rezoning reasonable and in the public interest because it will provide development that is suitable for the area. The proposed use is also compatible with the surrounding zoning and is not anticipated to have an adverse effect on the capacity or safety of the surrounding street network, nor anticipated to generate parking problems or any adverse impact on the environment. The Comprehensive Plan also calls for average lot sizes of 15,000 square feet or larger for all new development, with a desired density of up to 3 units per acre.

Adopted this the 22nd day of May 2023:

_____
Milton D. Hinnant, Mayor
City of Kannapolis

Attest:

_____
Bridgette Bell, MMC, NCCMC
City Clerk

RESOLUTION TO ZONE

Case #CZ-2022-08
(6205 Stirewalt Road and 5032 Trinity Church Road)

From City of Kannapolis Agricultural (AG) Zoning Designation to
City of Kannapolis Residential 2 (R2) Zoning Designation

WHEREAS, Section 2.3.B.(1).a of the Kannapolis Development Ordinance (KDO) specifically delegates authority to the Planning and Zoning Commission to take final action on a rezoning application provided, if the application is approved by less than a three quarters majority of voting members or denied, or if the Planning and Zoning Commission's decision is appealed, the City Council shall make the final decision on the application; and

WHEREAS, the Planning and Zoning Commission conducted a public hearing on December 13, 2022 and denied the request to rezone; and

WHEREAS, the matter was appealed to City Council for consideration and as a result City Council has the authority to make a final decision on the requested rezoning;

WHEREAS, the request was to rezone property located at 6205 Stirewalt Road and 5032 Trinity Church Road (Cabarrus County Parcel Identification Number 46939615960000 and 46939663830000) owned by Clifton M Jr & La Rue Sims Credle Trustees and John F. McKinley (respectively), from a City of Kannapolis Agricultural (AG) Zoning Designation to a City of Kannapolis Residential 4-Conditional Zoning (R4-CZ) Zoning Designation; and

WHEREAS, on May 22, 2023 after holding a public hearing, City Council amended the zoning of the subject properties to Residential 2 (R2) Zoning Designation; and

WHEREAS, the City Council has approved the rezoning and found it to be consistent with the City of Kannapolis *Move Kannapolis Forward, 2030 Comprehensive Plan*, reasonable and in the public interest; and

WHEREAS, per Section 2.5.A.(2).c of the Kannapolis Development Ordinance, the City Council makes the following findings in support of and in analysis of the rezoning:

1. **Is the proposed rezoning consistent with the Comprehensive Plan and other applicable adopted City plans?**
   The property is in the "Neighborhood Transition 1" Character Area as designated in the *Move Kannapolis Forward 2030 Comprehensive Plan*. This Character area's primary use is listed as single-family detached residential with a desired density not to exceed 3 units per acre. The proposed use(s) is consistent with the goals and objectives of the Plan.

2. **Is the proposed rezoning in conflict with any provision of this Ordinance or the City Code of Ordinances?**
   No. The property is currently vacant.

3. **Does the proposed rezoning correct an error in the existing zoning present at the time it was adopted?**
   No, the subject property has been zoned AG or equivalent since annexed into the City of Kannapolis in 1999.

4. **Does the proposed rezoning allow uses that are compatible with existing and allowed uses on surrounding land and with the stability and character of any adjacent residential neighborhoods?**

Yes, the subject property is located approximately one-half mile west of the intersection of Mooresville Road (NC 3) and Kannapolis Parkway which is anticipated to see more development in the future. The proposed subdivision plan provides for a transition from higher-density development to the east and lower-density development to the west/southwest.

5. **Does the proposed rezoning ensure efficient development within the City, taking into consideration the capacity and safety of the street network, the adequacy of public facilities, the suitability of the land for the uses allowed under the existing zoning, and other relevant considerations?**
   Yes, there are no anticipated traffic concerns. There are two proposed points of ingress/egress onto two NCDOT roads.

6. **Does the proposed rezoning result in a logical and orderly development pattern, taking into consideration the size of the subject lands and the zoning and existing and proposed development on surrounding lands?**
   Yes, the proposed development provides a balance between surrounding low-density single-family residential land uses and the maximum density of 3-units per acre supported in the Comprehensive Plan.

7. **Does the proposed rezoning result in significant adverse impacts on the natural environment, including but not limited to water, air, noise, storm water management, wildlife, vegetation, wetlands, and the natural functioning of the environment?**
   There are no negative environmental impacts, and the development will be required to conform to all applicable local, state, and federal environmental regulations.

   The property is located along the fringe of the Protected Watershed Area for the Coddle Creek Reservoir (WS-II BW) which limits the maximum built-upon area to 12% utilizing the low-density option.

NOW, THEREFORE BE IT RESOLVED by the City Council that the above referenced property, as shown on the site plan submitted to the City, be rezoned from Agricultural (AG) to Residential 2 (R2) subject to the following conditions:

1. The permitted uses allowed by this rezoning shall only include the single-family detached residential densities as shown on the conceptual site plan approved with this rezoning.
2. NCDOT driveway permits shall be obtained for both proposed access points.
3. A Final Site Plan, in compliance with all applicable KDO standards, shall be submitted to and approved by City Staff prior to issuance of a Zoning Clearance Permit.
4. Comply with current Land Development Standards Manual.
5. The alternative individual septic/wastewater system shall only be considered if capacity/allocation are not available at the time of development.

Adopted this the 22nd day of May 2023:

_____
Milton D. Hinnant, Mayor
City of Kannapolis

Attest:

_____
Bridgette Bell, MMC, NCCMC
City Clerk

RESOLUTION TO ADOPT A STATEMENT OF CONSISTENCY WITH REGARD TO CASE #CZ-2022-08

WHEREAS, Sections 160D-604 and 160D-605 of the North Carolina General Statutes specify that when adopting or rejecting any zoning amendment, the governing board shall also approve a statement describing whether its action is consistent with an adopted comprehensive plan and any other officially adopted plan that is applicable and explain why the action taken is reasonable and in the public interest; and

WHEREAS, Section 2.3.B(1).a. of the Kannapolis Development Ordinance delegates final authority to the Planning and Zoning Commission on zoning map amendments subject to an affirmative vote of three-fourths of the Commission members present and not excused from voting, or if there is no appeal of the decision; and

WHEREAS, the Planning and Zoning Commission conducted a Public Hearing on December 13, 2022 and denied the request to rezone; and

WHEREAS, the matter was appealed to City Council for consideration, then City Council shall have the authority to make a final decision on the requested rezoning; and

WHEREAS, on May 22, 2023 the City Council conducted a public hearing to consider a request to rezone property located at 6205 Stirewalt Road and 5032 Trinity Church Road (Cabarrus County Parcel Identification Number 46939615960000 and 46939663830000) owned by Clifton M Jr & La Rue Sims Credle Trustees and John F. McKinley (respectively), from Agricultural (AG) Zoning Designation to Residential 4-Conditional Zoning (R4-CZ) Zoning Designation.

NOW, THEREFORE BE IT RESOLVED *that the City Council finds this rezoning* ***consistent*** *with the goals and policies of the Move Kannapolis Forward 2030 Comprehensive Plan (2030 Plan), adopted by City Council, which designates this property as being located in the "Neighborhood Transition 1" Character Area as designated in the Move Forward 2030 Comprehensive Plan. The Neighborhood Transition 1 Character Area includes areas that have been developed over time into low-density residential neighborhoods. Existing neighborhoods will maintain their character, although there are opportunities to enhance these places with additional connectivity, bicycle and pedestrian amenities, parks open space, and sidewalks. New master planned communities in this area will be built according to the traditional neighborhood design principles and conserving connected open space. New developments will provide appropriate transitions to existing adjacent developments and homes. Transitions between existing and new developments can incorporate visual screenings through natural buffers and larger sized lots along the boundary of developments and major roadways. The proposed use(s) of a single-family residential development is consistent with the goals and objectives of the Plan. Furthermore, Council finds the request for rezoning reasonable and in the*

public interest because it will provide development that is suitable for the area. The proposed use is also compatible with the surrounding zoning and is not anticipated to have an adverse effect on the capacity or safety of the surrounding street network, nor anticipated to generate parking problems or any adverse impact on the environment. The Comprehensive Plan also calls for average lot sizes of 15,000 square feet or larger for all new development, with a desired density of up to 3 units per acre.

Adopted this the 22nd day of May 2023:

_____
Milton D. Hinnant, Mayor
City of Kannapolis

Attest:

_____
Bridgette Bell, MMC, NCCMC
City Clerk

RESOLUTION TO ZONE

Case #CZ-2022-08
(6205 Stirewalt Road and 5032 Trinity Church Road)

From City of Kannapolis Agricultural (AG) Zoning Designation to
City of Kannapolis Residential 4-Conditional Zoning (R4-CZ) Zoning Designation

WHEREAS, Section 2.3.B.(1).a of the Kannapolis Development Ordinance (KDO) specifically delegates authority to the Planning and Zoning Commission to take final action on a rezoning application provided, if the application is approved by less than a three quarters majority of voting members or denied, or if the Planning and Zoning Commission's decision is appealed, the City Council shall make the final decision on the application; and

WHEREAS, the Planning and Zoning Commission conducted a public hearing on December 13, 2022 and denied the request to rezone; and

WHEREAS, the matter was appealed to City Council for consideration and as a result City Council has the authority to make a final decision on the requested rezoning; and

WHEREAS, the request was to rezone property located at 6205 Stirewalt Road and 5032 Trinity Church Road (Cabarrus County Parcel Identification Number 46939615960000 and 46939663830000) owned by Clifton M Jr & La Rue Sims Credle Trustees and John F. McKinley (respectively), from a City of Kannapolis Agricultural (AG) Zoning Designation to a City of Kannapolis Residential 4-Conditional Zoning (R4-CZ) Zoning Designation; and

WHEREAS, the City Council has approved the request for rezoning and found it to be consistent with the City of Kannapolis *Move Kannapolis Forward, 2030 Comprehensive Plan*, reasonable and in the public interest; and

WHEREAS, per Section 2.5.A.(2).c of the Kannapolis Development Ordinance, the City Council makes the following findings in support of and in analysis of the rezoning:

1. **Is the proposed rezoning consistent with the Comprehensive Plan and other applicable adopted City plans?**
   The property is in the "Neighborhood Transition 1" Character Area as designated in the *Move Kannapolis Forward 2030 Comprehensive Plan*. This Character area's primary use is listed as single-family detached residential with a desired density not to exceed 3 units per acre. The proposed use(s) is consistent with the goals and objectives of the Plan.

2. **Is the proposed rezoning in conflict with any provision of this Ordinance or the City Code of Ordinances?**
   No. The property is currently vacant.

3. **Does the proposed rezoning correct an error in the existing zoning present at the time it was adopted?**
   No, the subject property has been zoned AG or equivalent since annexed into the City of Kannapolis in 1999.

4. **Does the proposed rezoning allow uses that are compatible with existing and allowed uses on surrounding land and with the stability and character of any adjacent residential neighborhoods?**
   Yes, the subject property is located approximately one-half mile west of the intersection of Mooresville Road (NC 3) and Kannapolis Parkway which is anticipated to see more development in the future. The proposed

subdivision plan provides for a transition from higher-density development to the east and lower-density development to the west/southwest.

5. **Does the proposed rezoning ensure efficient development within the City, taking into consideration the capacity and safety of the street network, the adequacy of public facilities, the suitability of the land for the uses allowed under the existing zoning, and other relevant considerations?**
   Yes, there are no anticipated traffic concerns. There are two proposed points of ingress/egress onto two NCDOT roads.

6. **Does the proposed rezoning result in a logical and orderly development pattern, taking into consideration the size of the subject lands and the zoning and existing and proposed development on surrounding lands?**
   Yes, the proposed development provides a balance between surrounding low-density single-family residential land uses and the maximum density of 3-units per acre supported in the Comprehensive Plan.

7. **Does the proposed rezoning result in significant adverse impacts on the natural environment, including but not limited to water, air, noise, storm water management, wildlife, vegetation, wetlands, and the natural functioning of the environment?**
   There are no negative environmental impacts, and the development will be required to conform to all applicable local, state, and federal environmental regulations.

   The property is located along the fringe of the Protected Watershed Area for the Coddle Creek Reservoir (WS-II BW) which limits the maximum built-upon area to 12% utilizing the low-density option.

NOW, THEREFORE BE IT RESOLVED by the City Council that the above referenced property, as shown on the site plan submitted to the City, be rezoned from Agricultural (AG) to Residential 4-Conditional Zoning (R4-CZ) subject to the following conditions:

1. The permitted uses allowed by this rezoning shall only include the single-family detached residential densities as shown on the conceptual site plan approved with this rezoning.
2. NCDOT driveway permits shall be obtained for both proposed access points.
3. A Final Site Plan, in compliance with all applicable KDO standards, shall be submitted to and approved by City Staff prior to issuance of a Zoning Clearance Permit.
4. Comply with current Land Development Standards Manual.
5. The alternative individual septic/wastewater system shall only be considered if capacity/allocation are not available at the time of development.

Adopted this the 22nd day of May 2023:

_____
Milton D. Hinnant, Mayor
City of Kannapolis

Attest:

_____
Bridgette Bell, MMC, NCCMC
City Clerk

RESOLUTION TO ADOPT A STATEMENT OF CONSISTENCY WITH REGARD TO CASE #CZ-2022-08

WHEREAS, Sections 160D-604 and 160D-605 of the North Carolina General Statutes specify that when adopting or rejecting any zoning amendment, the governing board shall also approve a statement describing whether its action is consistent with an adopted comprehensive plan and any other officially adopted plan that is applicable and explain why the action taken is reasonable and in the public interest; and

WHEREAS, Section 2.3.B(1).a. of the Kannapolis Development Ordinance delegates final authority to the Planning and Zoning Commission on zoning map amendments subject to an affirmative vote of three-fourths of the Commission members present and not excused from voting, or if there is no appeal of the decision; and

WHEREAS, the Planning and Zoning Commission conducted a Public Hearing on December 13, 2022 and denied the request to rezone; and

WHEREAS, since denial by the Planning and Zoning Commission and subsequent appeal was made de novo, City Council has the authority to make a final decision on the requested rezoning; and

WHEREAS, on February 13, 2023 the City Council conducted a public hearing to consider a request to rezone property located at 6205 Stirewalt Road and 5032 Trinity Church Road (Cabarrus County Parcel Identification Number 46939615960000 and 46939663830000) owned by Clifton M Jr & La Rue Sims Credle Trustees and John F. McKinley (respectively) , from Agricultural (AG) Zoning Designation to Residential 4-Conditional Zoning (R4-CZ) Zoning Designation.

NOW, THEREFORE BE IT RESOLVED *that the City Council finds this rezoning* ***inconsistent*** *with the goals and policies of the Move Kannapolis Forward 2030 Comprehensive Plan (2030 Plan), adopted by City Council, because of the overall project density and is unreasonable and not in the public interest because the project does not provide appropriate transition to existing adjacent developments and homes.*

Adopted this the 22nd day of May 2023:

_____
Milton D. Hinnant, Mayor
City of Kannapolis

Attest:

_____
Bridgette Bell, MMC, NCCMC
City Clerk

Kannapolis City Council

City Council Agenda Staff Report
May 22, 2023

To: Mayor and City Council

From: Brian Roberts, Finance Director

Subject: Presentation Fiscal Year Ending 2022 Audit

Action Requested by City Council

No action is required. This is a presentation for information only.

Required Votes to Pass Required Action

Presentation Only. No Action Required

Background

The Audit results are required to be presented to City Council within 45 days of the audit being submitted to the Local Government Commission (LGC). As in previous years, this audit is "clean" and thoroughly shows the City's strong financial position. Once the audit is approved by the LGC the annual Annual Comprehensive Financial Report (ACFR) for Fiscal Year Ending June 30, 2022 will be made available on the City's website.

An audit of the City's finances is required every year.

Fiscal Implications

None.

Policy Issues

None.

Legal Issues

None.

Recommendations and Alternate Courses of Action

No action requested; for information only.

Attachments

1. FY22 Audit Presentation

City of Kannapolis

2022 Audited Financial Statements

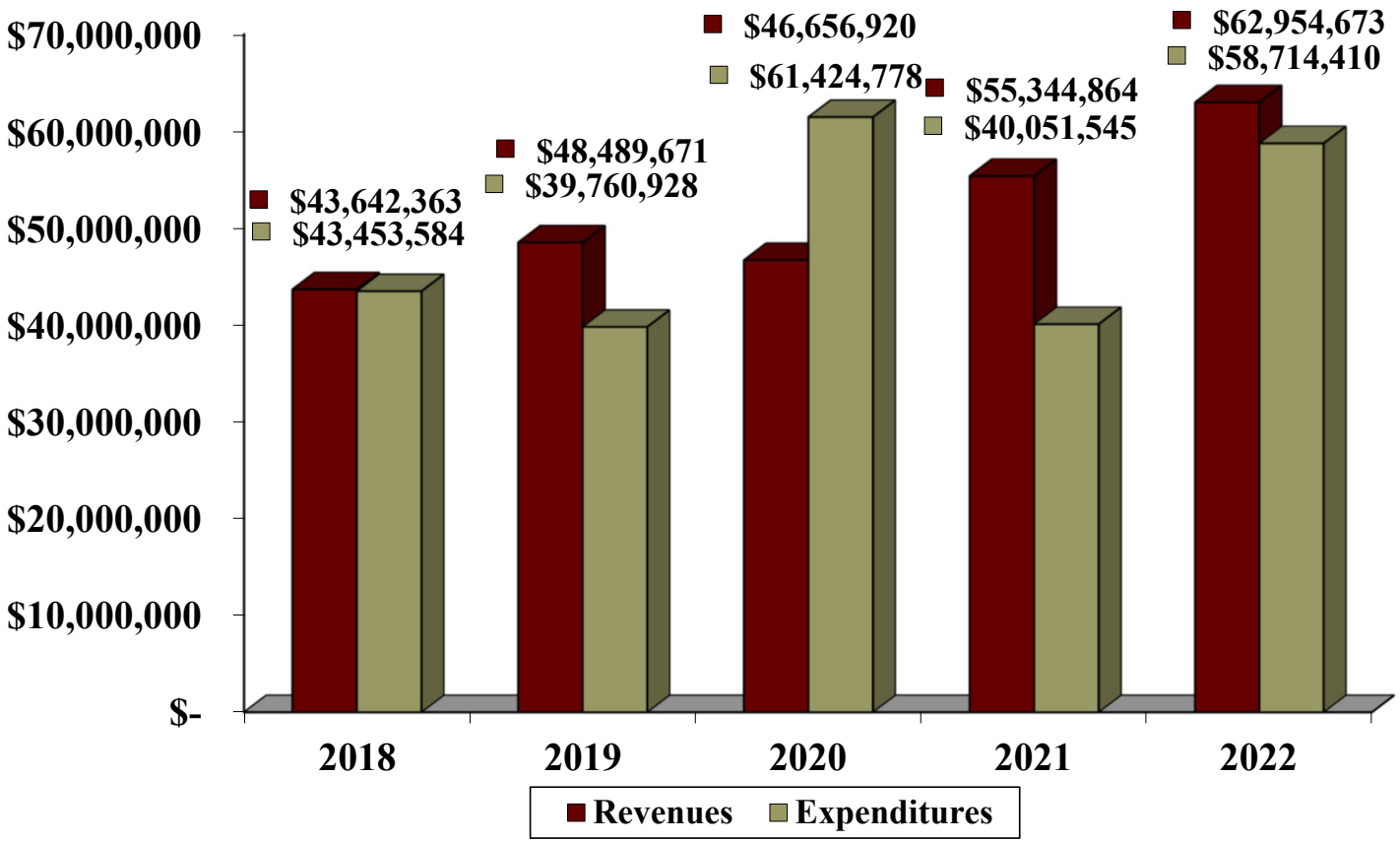
City of KANNAPOLIS

MARTIN ◆ STARNES & ASSOCIATES, CPAs, P.A.

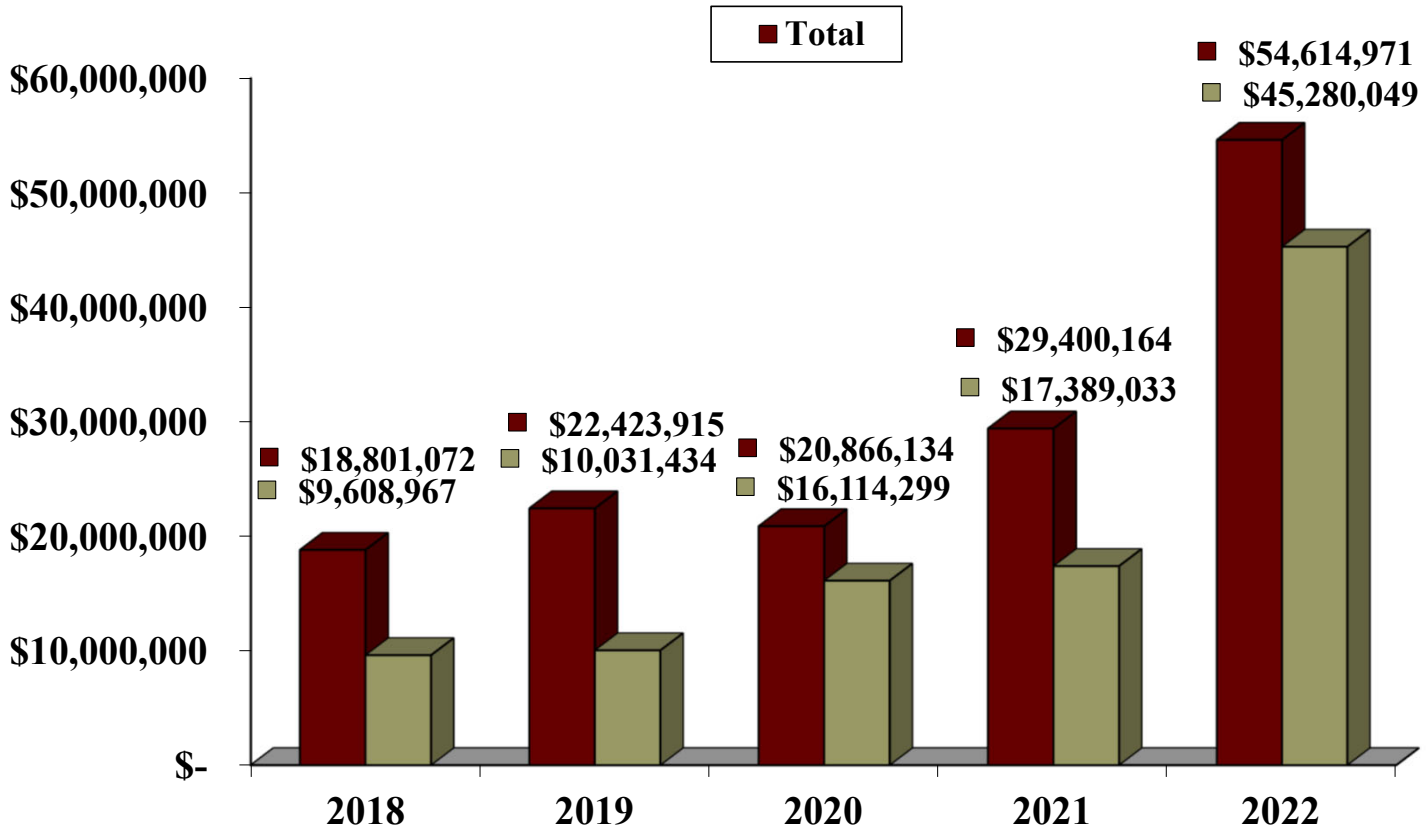
Audit Highlights

- Unmodified opinion
- Cooperative Staff

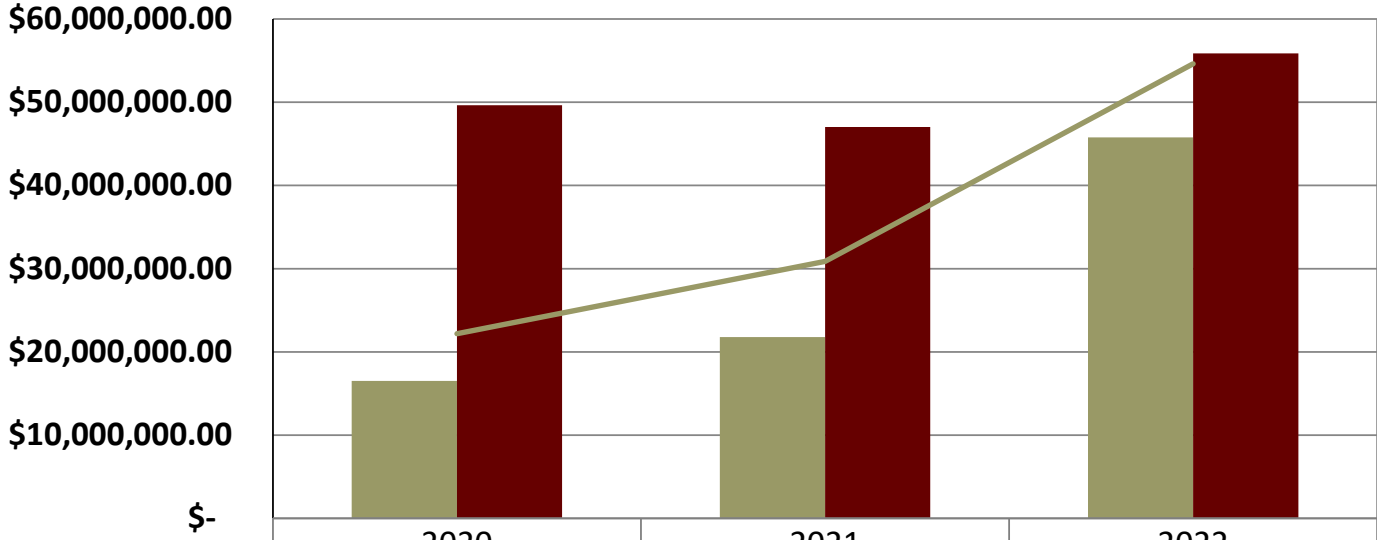
GENERAL FUND SUMMARY



GENERAL FUND: FUND BALANCE SUMMARY



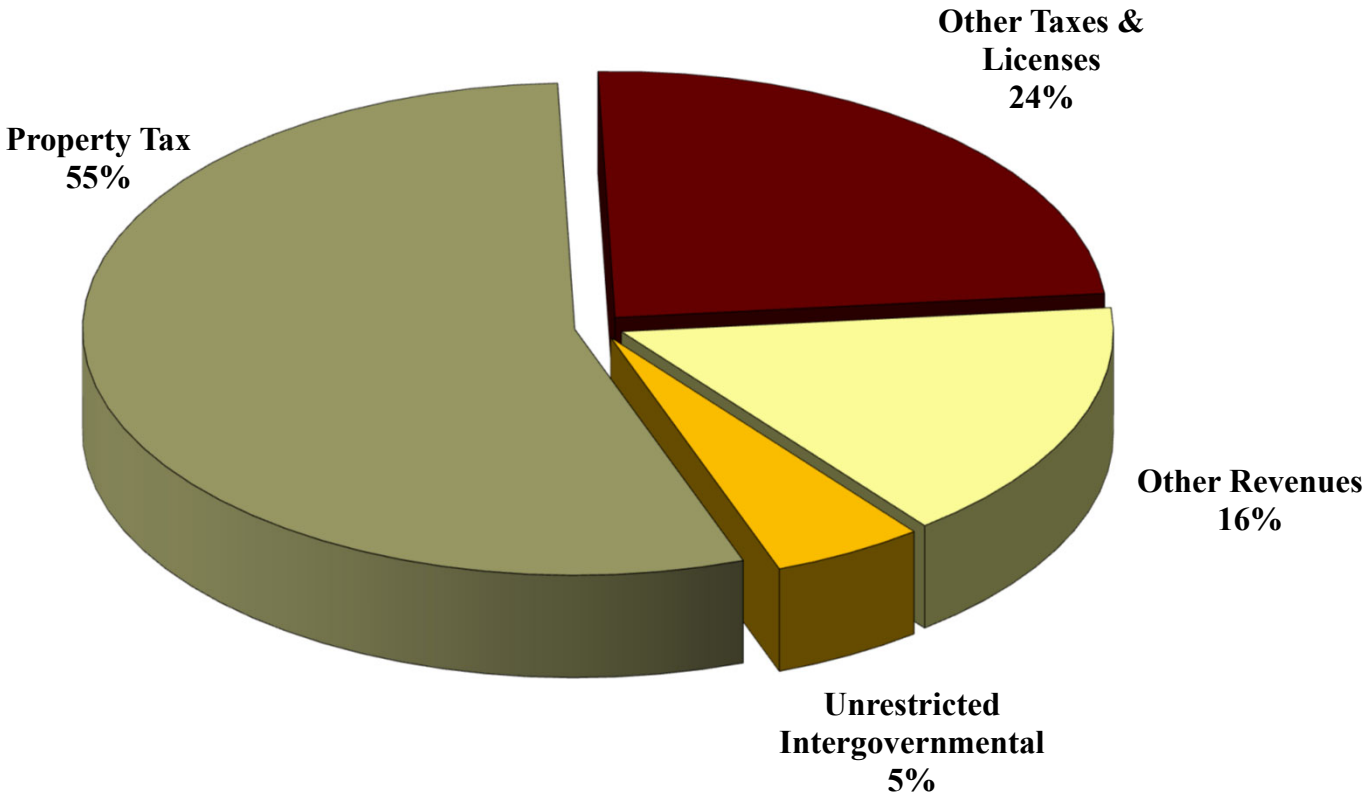
AVAILABLE FUND BALANCE - GENERAL FUND



	2020	2021	2022
Fund Balance Available Excluding Powell Bill	$16,524,937.00	$21,779,714.00	$45,766,412.00
Net Expenditures*	$49,641,404.00	$47,010,834.00	$55,856,120.00
FBA as a % of Net Expenditures	33.3%	46.3%	81.9%

*Net expenditures = Total expenditures + Transfers out – Debt proceeds

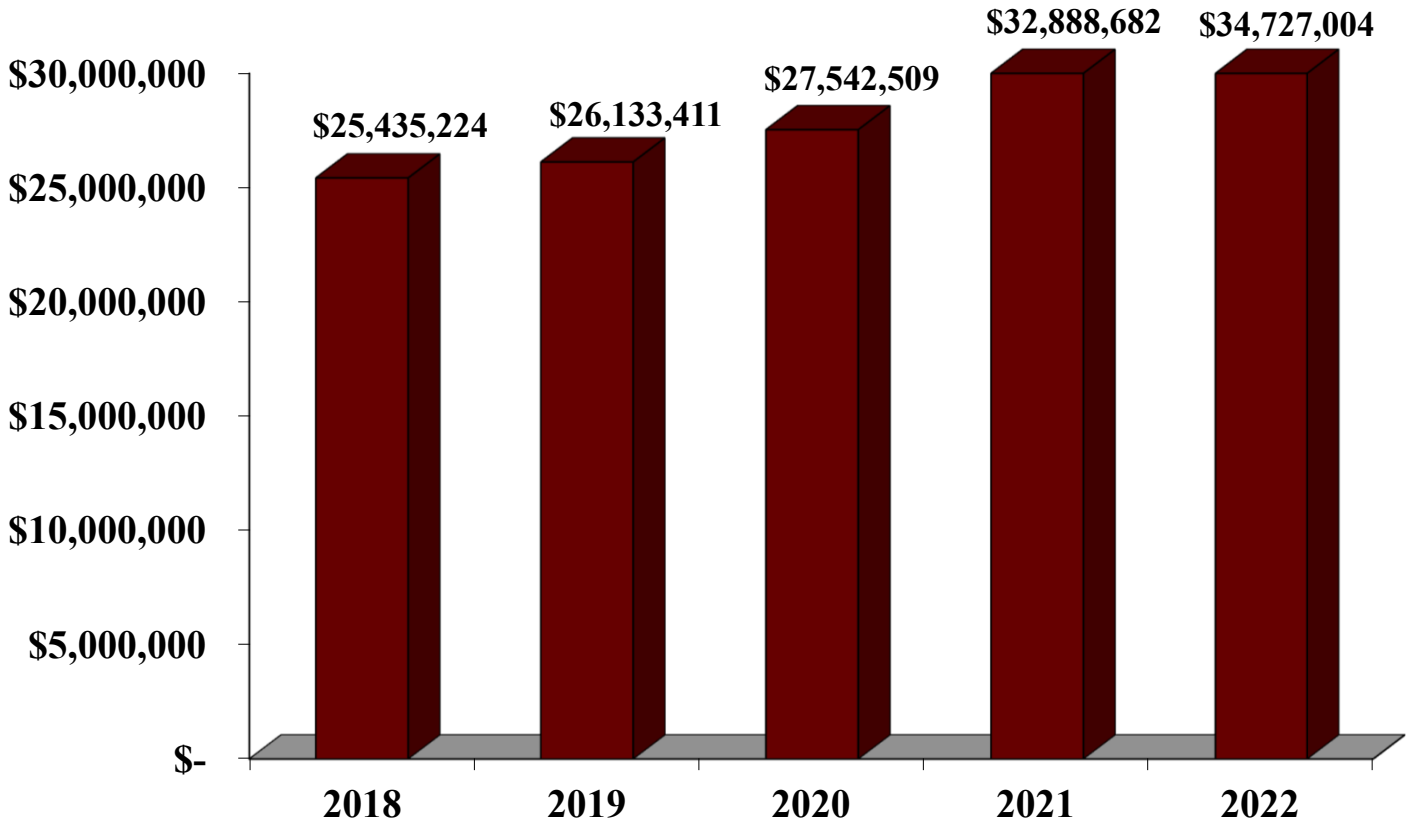
TOP 3 REVENUES: GENERAL FUND



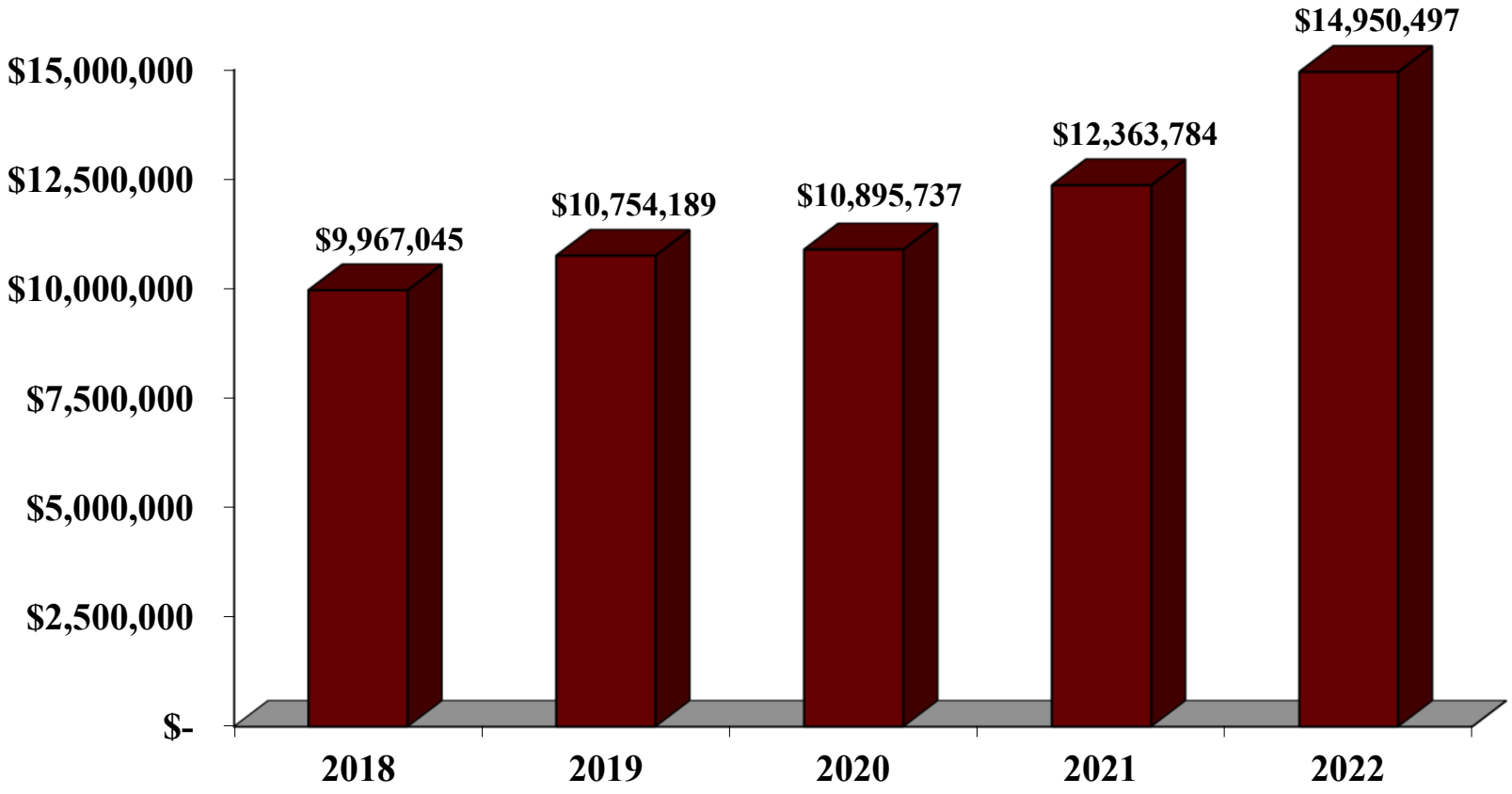
Other Revenues:
Restricted Intergovernmental
Sales and Services
Investment Earnings
Miscellaneous

Top 3 Comprise $52,818,803 (84%) of Revenues

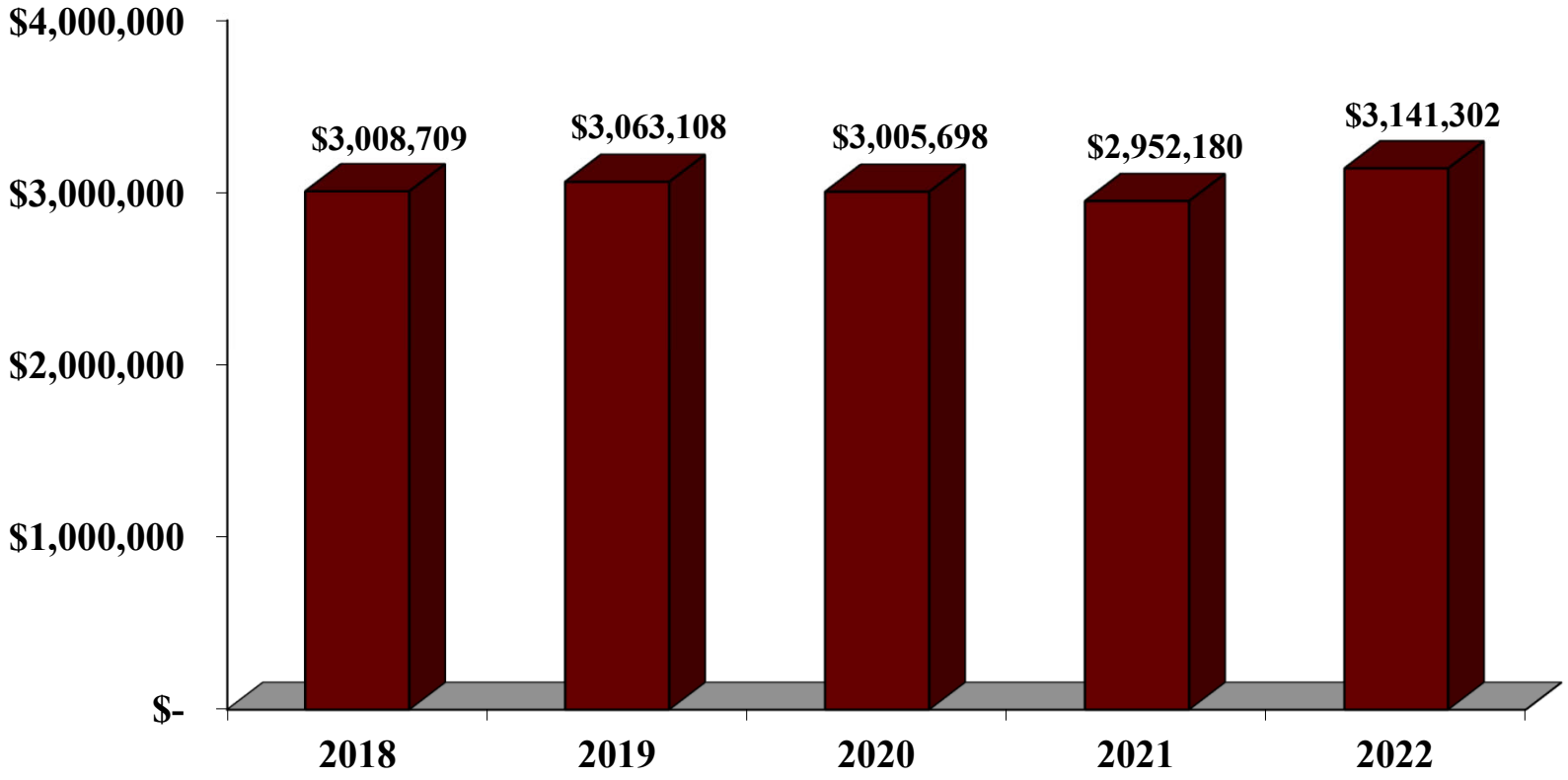
PROPERTY TAX



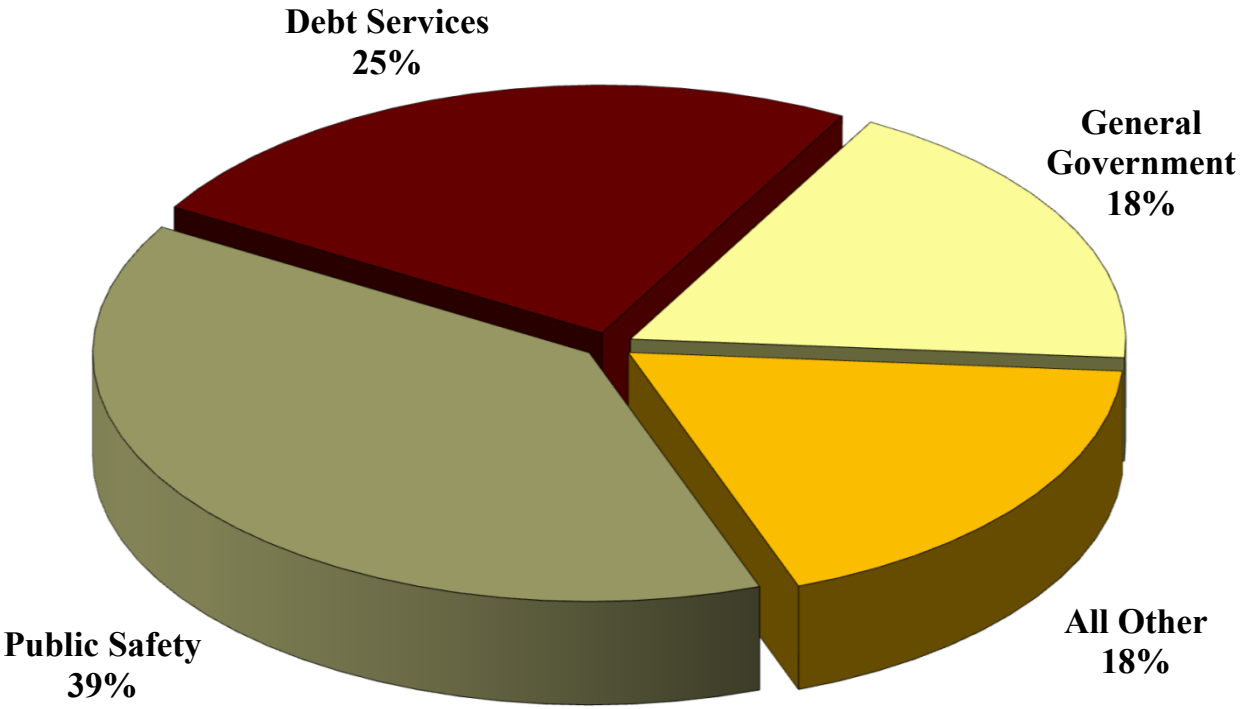
OTHER TAXES & LICENSES



UNRESTRICTED INTERGOVERNMENTAL



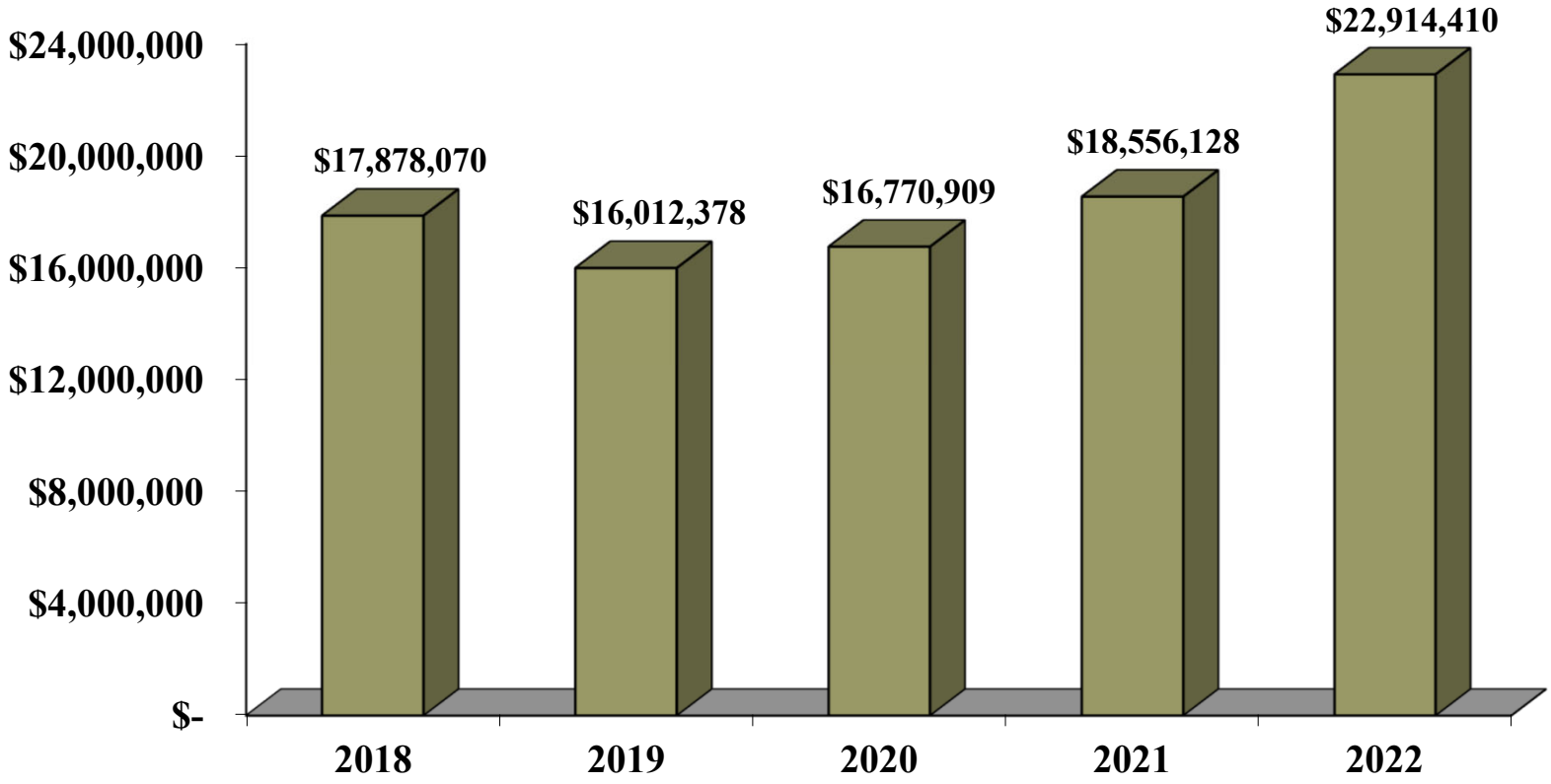
TOP 3 EXPENDITURES: GENERAL FUND



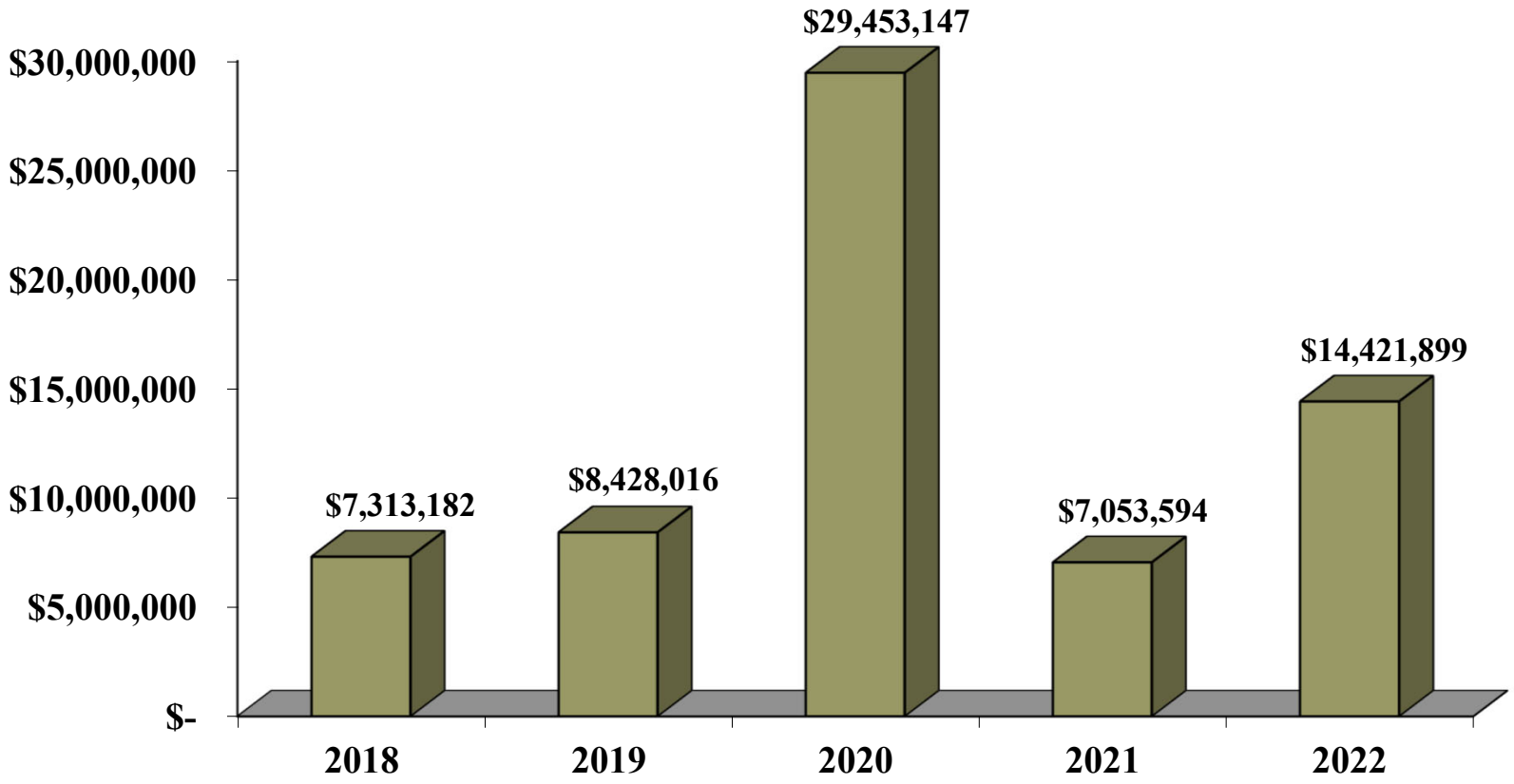
Other Expenditures:
Public Works
Community Development
Parks and Recreation

Top 3 Comprise $48,000,765 (82%) of Expenditures

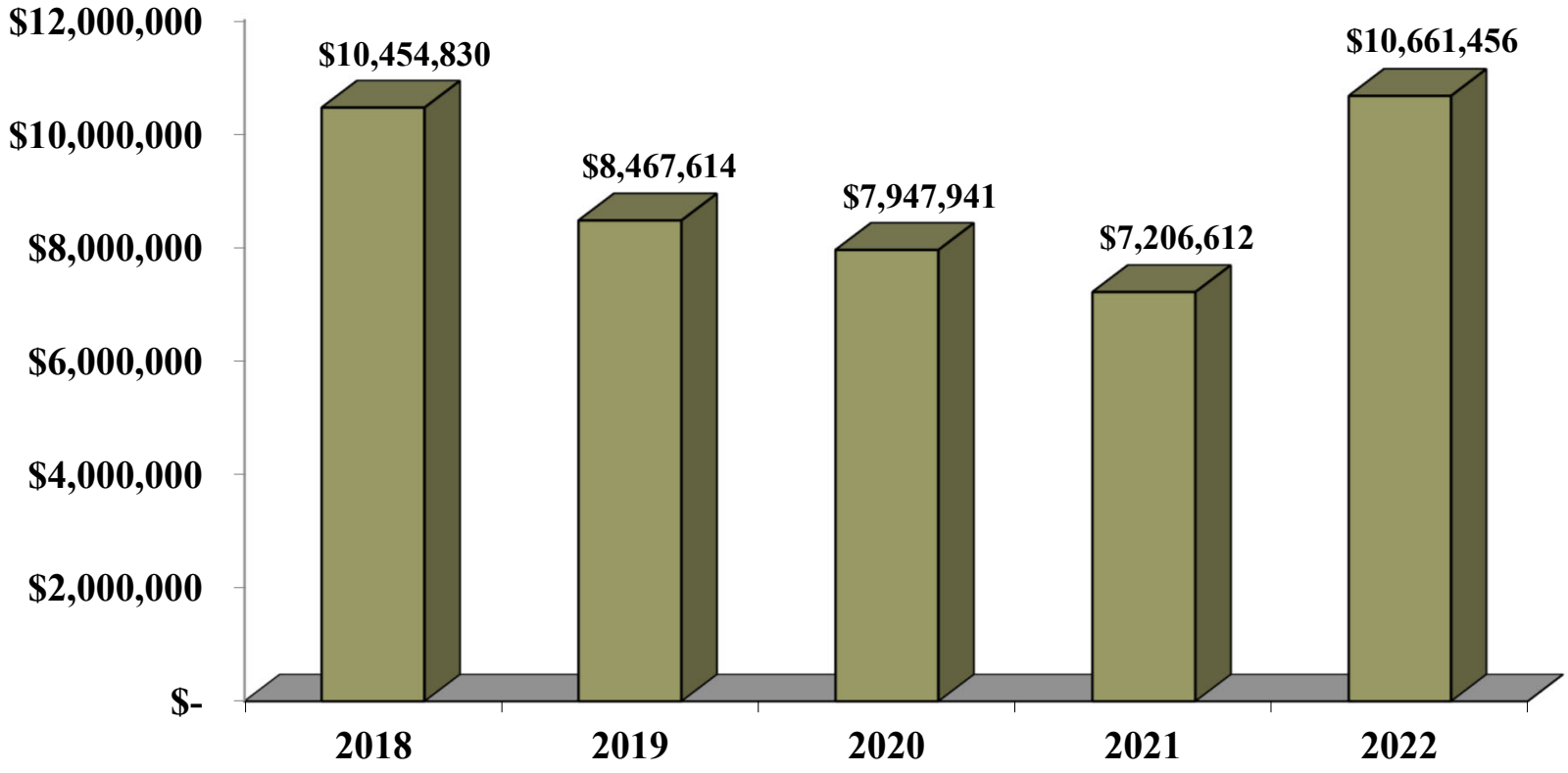
PUBLIC SAFETY



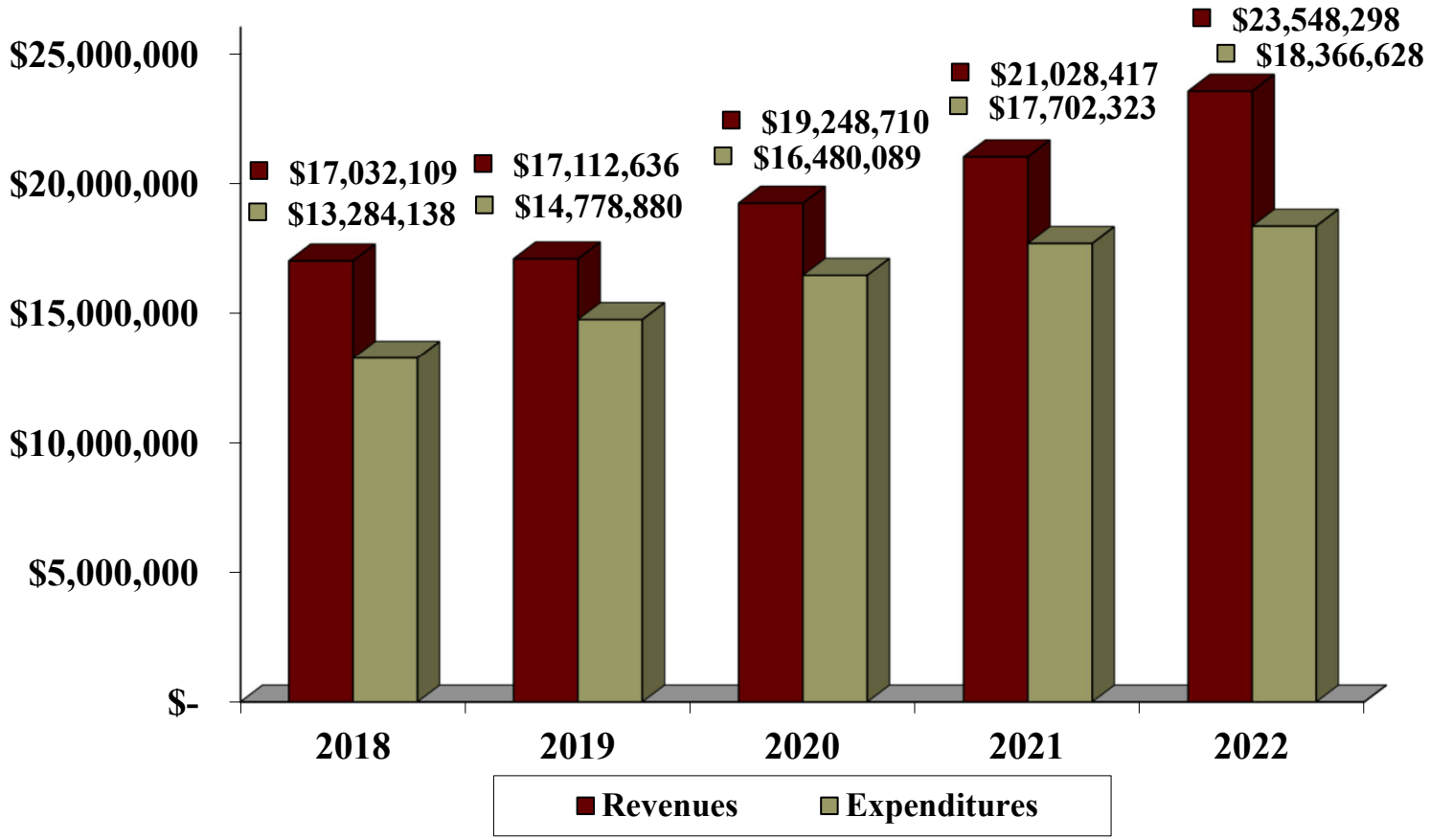
DEBT SERVICE



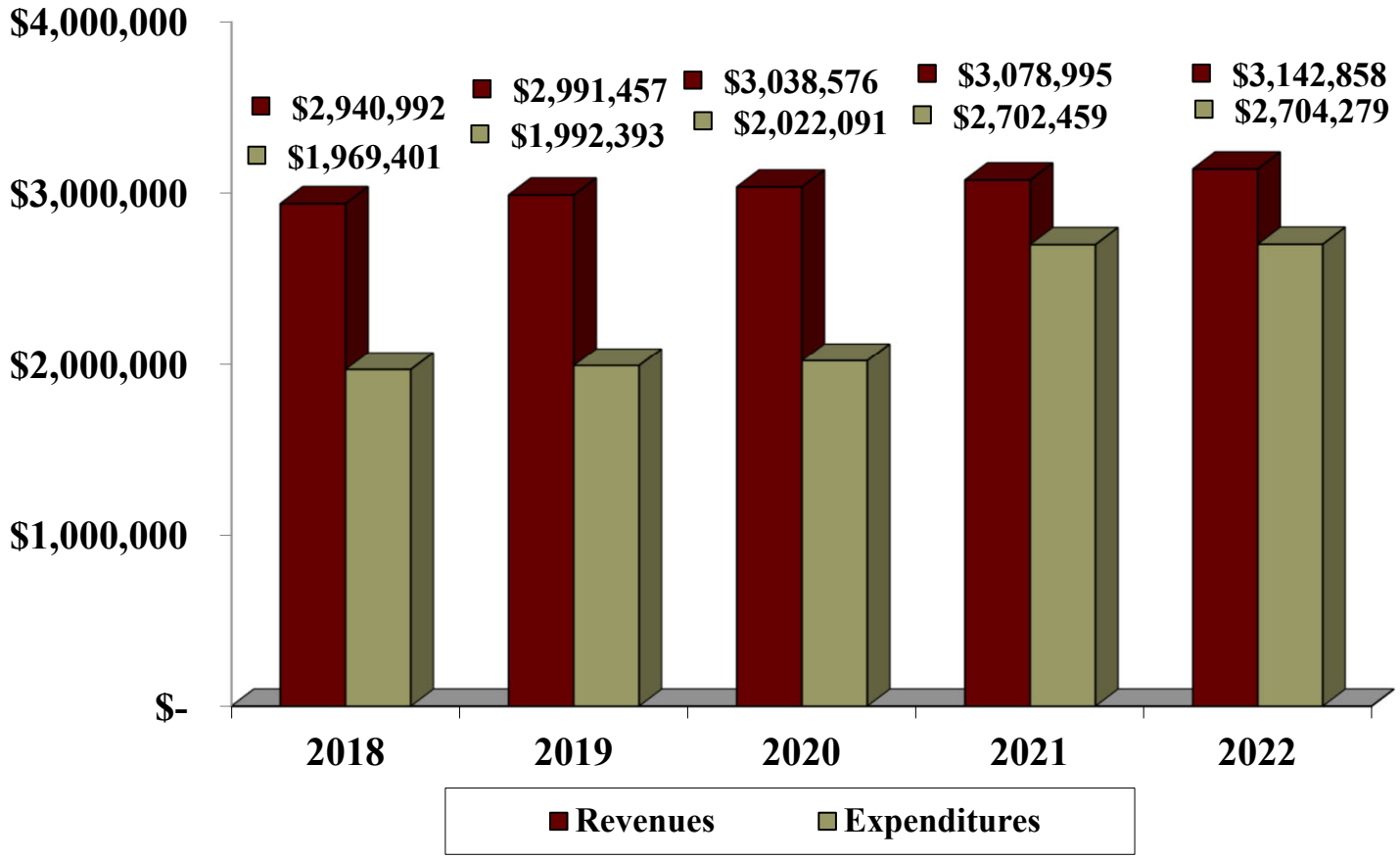
GENERAL GOVERNMENT



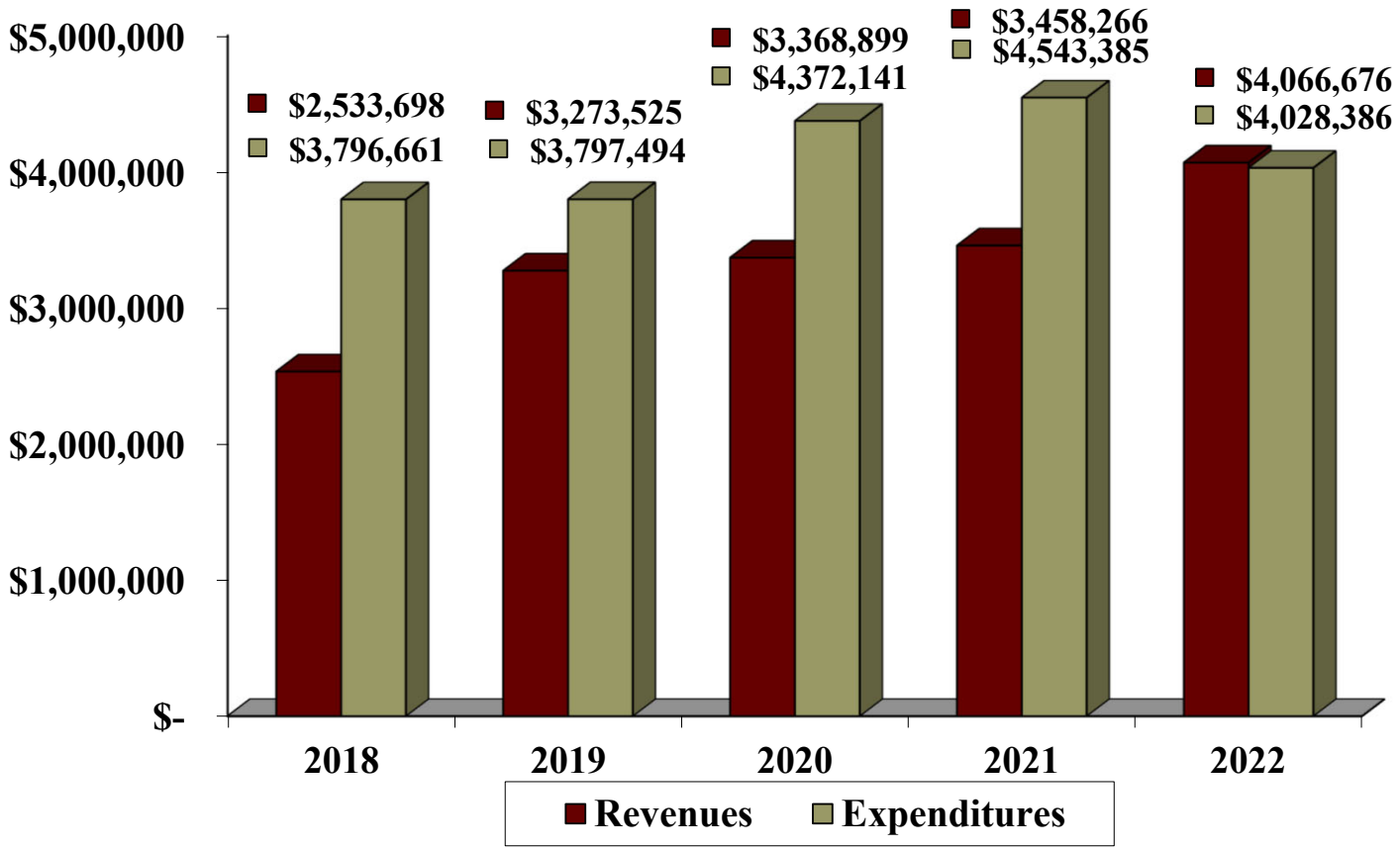
WATER & SEWER FUND SUMMARY



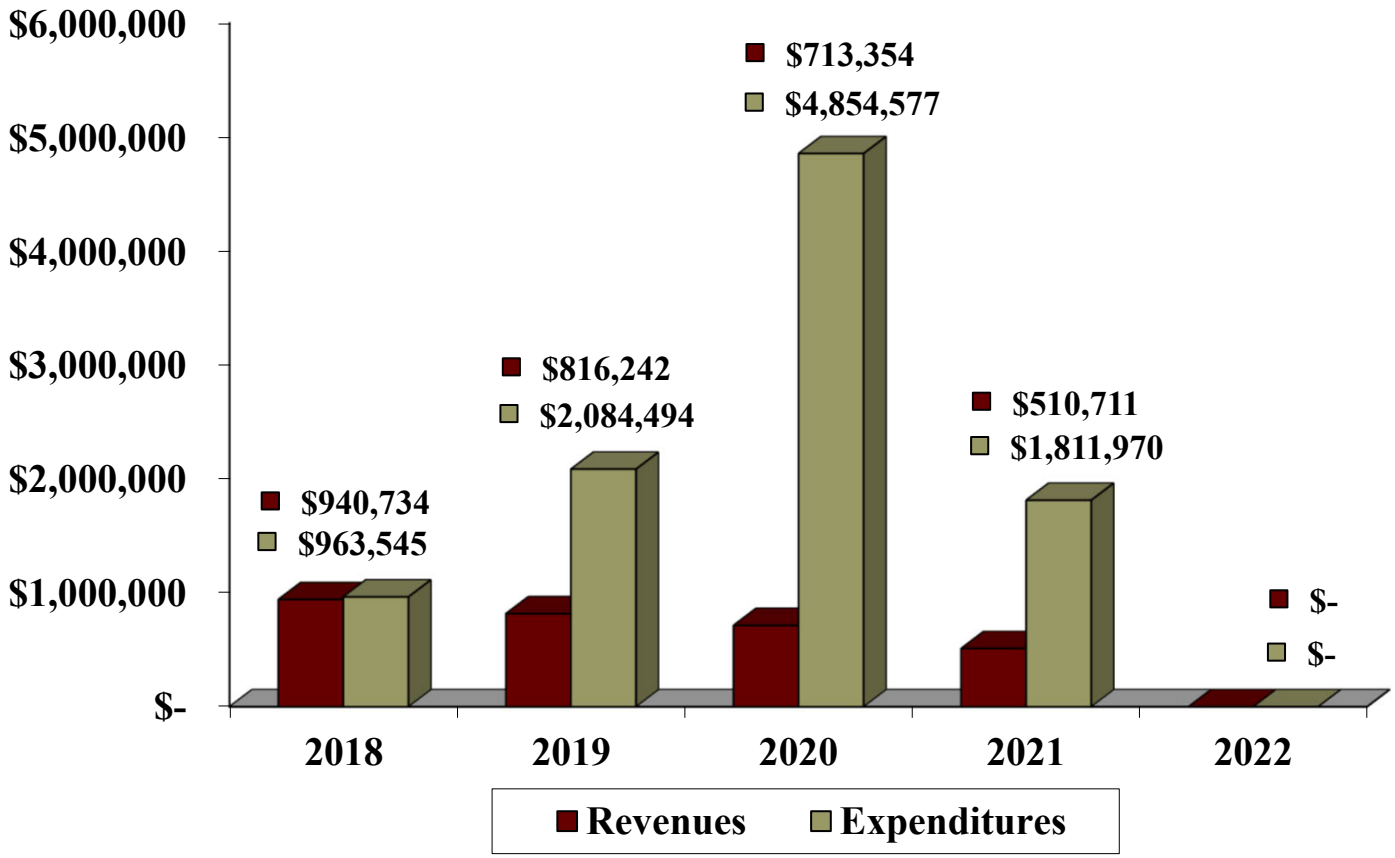
STORMWATER FUND SUMMARY



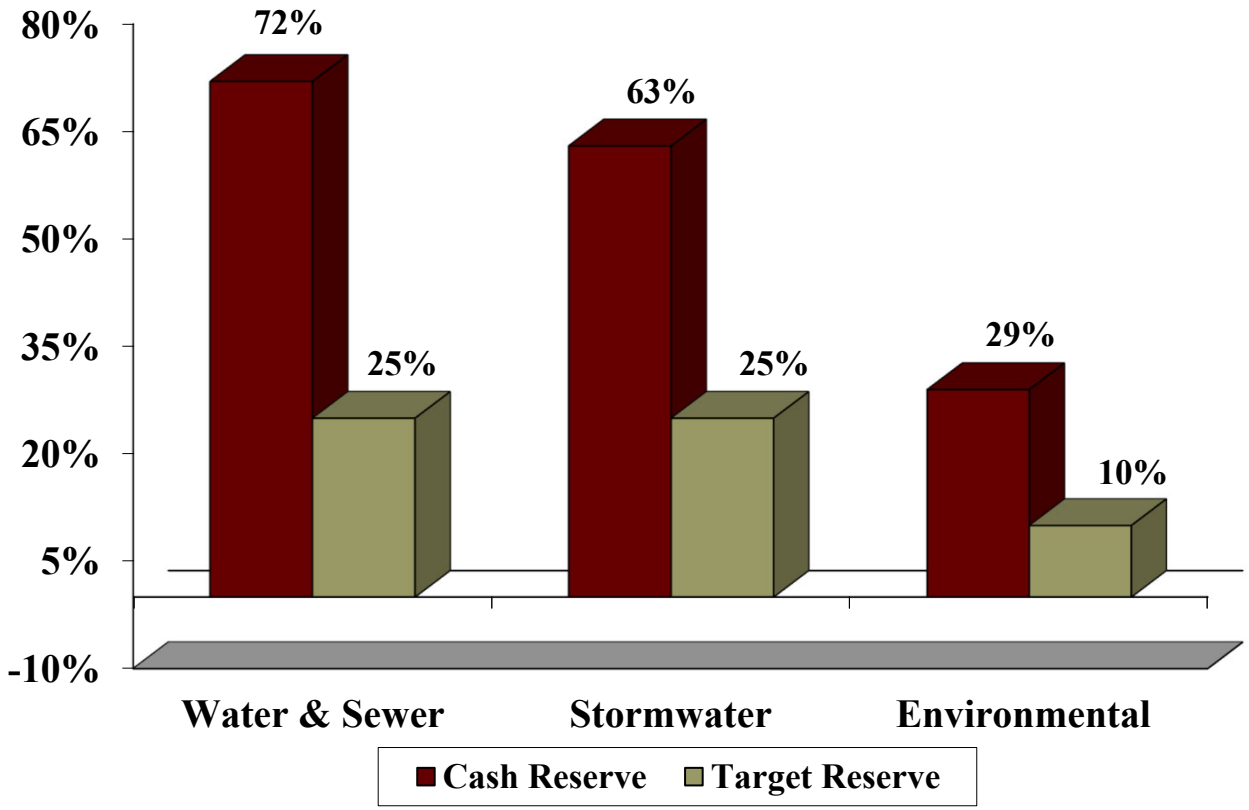
ENVIRONMENTAL SERVICES FUND SUMMARY



DOWNTOWN FUND SUMMARY

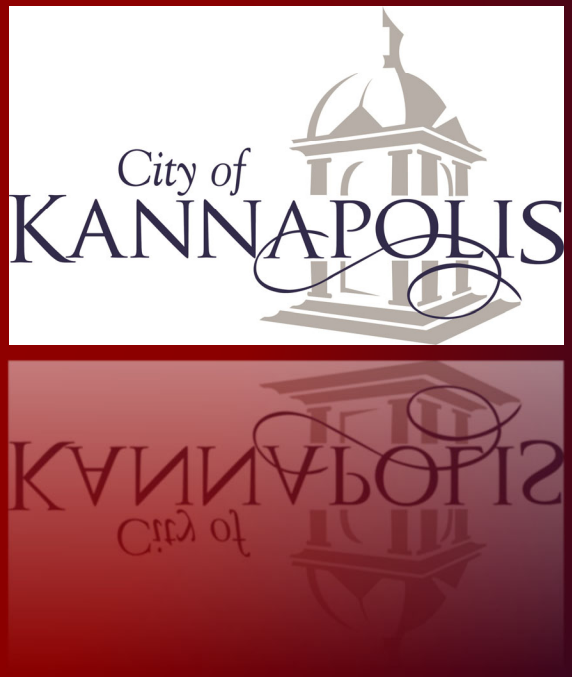


ENTERPRISE FUND – UNRESTRICTED CASH AS A PERCENTAGE OF TOTAL EXPENSES (EXCLUDING DEPRECIATION, INCLUDING DEBT SERVICE)



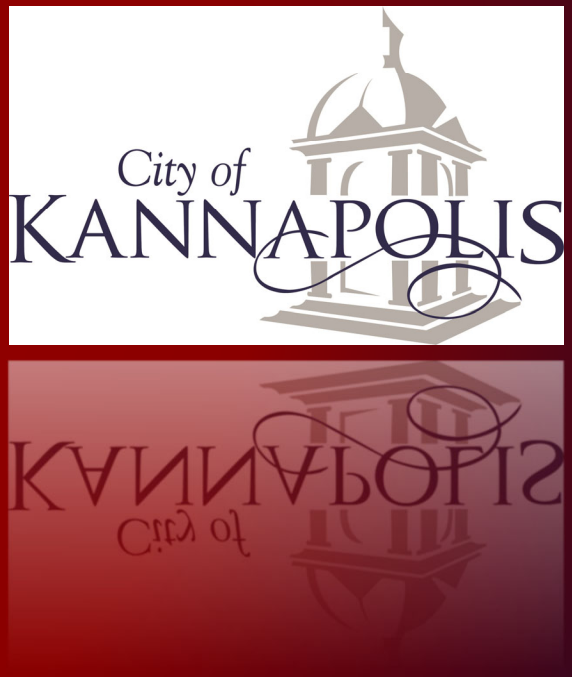
General Performance Indicators

- Positive performance indicators
  - GF available fund balance %
  - Enterprise Fund quick ratios
  - Stable property tax valuation & collection %



General Performance Indicators

- Audit Findings
  - 2022-001: Material Weakness – Prior period adjustments
  - 2022-002: Material Weakness, Non-Compliance – Late audit



Questions?

Kari Dunlap
828-327-2727
KDunlap@msa.cpa)
www.msa.cpa

MARTIN ◆ STARNES
& ASSOCIATES, CPAs, P.A.

Kannapolis City Council

City Council Agenda Staff Report
May 22, 2023

To: Mayor and City Council

From: Richard Smith, Planning Director

Subject: Public Hearing Voluntary Annexation of approximately 176.034 +/- combined non-contiguous property located at Kannapolis Crossing

Action Requested by City Council

1. Hold a Public Hearing for Case #A-2023-04 to consider the voluntary annexation of approximately 176.034 +/- combined acres of property located south of Old Beatty Ford Road and further identified as Rowan County Parcel Identification Numbers 139 047, 139 021, 139 072, 139 052, 139 060, 138 009, 139 022, 139 028, 139 020, 139 057, 139 054, 139 026, 139 005,139 004, 139 078, 139 048, 139 070, 139 036, 139 073, 139 01201, 139 083, 139 044, 139 059, 138 068, 139 050, 139 069 and 138 007
2. Consider adopting Annexation Ordinance.

Required Votes to Pass Required Action

Majority Present at Meeting

Background

On May 8, 2023, City Council adopted a Resolution of Intent to Annex approximately 176.034 +/- combined acres of property located south of Old Beatty Ford Road, authorized the Clerk to Investigate the Sufficiency of the Petition and established a public hearing date for May 22, 2023.

The property is currently located in an unincorporated area of Rowan County within an area designated as "Future Kannapolis Growth Area" in an "Annexation Agreement" between the City of Kannapolis and Town of Landis.

Fiscal Implications

None

Policy Issues

The property is located in an unincorporated area of Rowan County that is currently zoned RA (Rural Agricultural). While this property is located outside the City's corporate limits, it is within an area designated as a future growth area for the City of Kannapolis in an Annexation Agreement between the City of Kannapolis and the Town of Landis. City of Kannapolis zoning will be applied to the property subsequent to the annexation.

Legal Issues

Prior to considering the Annexation Ordinance, pursuant to NCGS Chapter 160A-58 *et seq.*, City Council must first direct the City Clerk to investigate an intent to annex and to certify the sufficiency of the petition. City Council must also fix a public hearing date for consideration of the petition. At its May 8, 2023 meeting, City Council took action on both of the aforementioned items. Council set the public hearing date for May 22, 2023.

Recommendations and Alternate Courses of Action

1. **Motion to adopt an Ordinance extending the Corporate Limits of the City of Kannapolis (Recommended)**
2. Take no action.
3. Defer action to a future meeting.

Attachments

1. A-2023-04 Annexation Ordinance
2. HCP Executed Annexation Application-4-27-23
3. 021.905.007 Kannapolis Crossing Annexation 5-12-23
4. Kannapolis Crossing Additional Parcels revised 4-14-23
5. Kannapolis Crossing Legal Description
6. a-2023-04-bwRevised
7. a-2023-04Revised

AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF KANNAPOLIS, NORTH CAROLINA

Annexation 2023-04

WHEREAS, pursuant to Chapter 160A-58 *et seq*, the City Council has stated its intent to annex property as described below; and

WHEREAS, the City Council has by resolution set and held a public hearing on the question of this annexation at Kannapolis City Hall, located at 401 Laureate Way at 6:00 PM on the 22nd day of May 2023, after due notice by the Independent Tribune newspaper on the 12th and 19th days of May; and

WHEREAS, the City Council finds that the public health, safety and welfare of the City of Kannapolis, North Carolina and of the area proposed for annexation will be best served by annexing the area described.

NOW, THEREFORE BE IT ORDAINED by the City Council of the City of Kannapolis, North Carolina that:

Section 1. By virtue of the authority granted pursuant to N.C.G.S. Chapter 160A-58 *et seq*, the following described territory is hereby annexed and made part of the City of Kannapolis, North Carolina as of the 22nd day of May 2023, and being more particularly described as Rowan County Parcel Identification Numbers 139 047, 139 021, 139 072, 139 052, 139 060, 138 009, 139 022, 139 028, 139 020, 139 057, 139 054, 139 026, 139 005,139 004, 139 078, 139 048, 139 070, 139 036, 139 073, 139 01201, 139 083, 139 044, 139 059, 138 068, 139 050, 139 069 and 138 007..

SEE METES & BOUNDS DESCRIPTION AND SURVEY

Section 2. Upon and after the 22nd day of May 2023, the above-described territory and its citizens and property shall be subject to all debts, laws, ordinances, and regulations in force in the City of Kannapolis, North Carolina and shall be entitled to the same privileges and benefits as other parts of the City of Kannapolis, North Carolina. Said territory shall be subject to municipal taxes according to G.S. 160A-58.3.

Section 3. The Mayor of the City of Kannapolis, North Carolina shall cause to be recorded in the office of the Register of Deeds of Rowan County, and in the office of the Secretary of State at Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1 above, together with a duly certified copy of this ordinance. Such a map shall also be delivered to the Board of Elections, as required by G.S. 163-288.1.

Adopted this 22nd day of May 2023

_____
Milton D. Hinnant, Mayor
City of Kannapolis

ATTEST:

_____
Bridgette Bell, MMC, NCCMC
City Clerk

APPROVED AS TO FORM:

_____
Walter M. Safrit, II, City Attorney

Planning Department
401 Laureate Way
Kannapolis, NC 28081
704.920.4350

KANNAPOLIS

Petition for Non-Contiguous Annexation

So that we may efficiently review your request in a timely manner, it is important that all required documents are submitted with your application. Submit digitals and 1 hard copy of applications and accompanying documents to the Planning Department at the address above.

ANNEXATION REQUEST

Approval authority – City Council.

Property Address: See attachment A.

Applicant: HCP Kannapolis Crossing Land Ventures, LLC

Address: 4350 Lassiter at North Hills Ave. Suite 280 City: Raleigh State: NC Zip: 27609

Contact number: 919-260-6310 Email: mlinden@hudsoncp.com

SUBMITTAL CHECKLIST

- ✔ **Pre-Application Meeting – send an email to planreviewappointment@kannapolisnc.gov**
- ✔ **Annexation Checklist and Application – Complete with all required property owner signatures**
- ✔ **Stamped, signed black and white 18 x 24" survey of subject property prepared by a registered engineer or surveyor (not preliminary)**
- ✔ **Metes and Bounds description of subject property**

PROCESS INFORMATION

Annexation involves two (2) separate City Council meetings:

First meeting: The City Clerk will certify the sufficiency of the annexation and City Council will set a date for the public meeting.

Second meeting: City Council will review the petition and either or approve or decline the annexation request:

1. Newspaper notification at least ten (10) days prior to the second Council meeting
2. Notification to the County or municipality from which the subject property is being annexed
3. Public Hearing
4. State recordation of the Resolution to Extend the Corporate City Limits, the signed/stamped 18X24" survey (can not be stamped as preliminary) and the Metes and Bounds Description.

By signing below, I acknowledge that I have reviewed the Submittal Checklist and have included the required submittal items and reviewed them for completeness and accuracy. I also acknowledge that my application will be rejected if incomplete.

Applicant's Signature: _____ *Date:* 4/27/23

Revised: 09/2022

Planning Department
401 Laureate Way
Kannapolis, NC 28081
704.920.4350

PETITION REQUESTING A NON-CONTIGUOUS ANNEXATION

Approval authority – City of Kannapolis City Council

DATE: April 27, 2023

To the City Council of the City of Kannapolis, North Carolina:

1. We, the undersigned owners of real property respectfully request that the area described in paragraph 2 below be annexed to the City of Kannapolis.

2. The area to be annexed, located at See attachment A., further identified as See attachment A.. County Parcel Identification Number See attachment A., is non-contiguous to the primary limits of the City of Kannapolis, is approximately 176 acres, and the boundaries of such territory are as follows:

See Attached Signed, Stamped Survey Map and **Metes and Bounds Description**

3. This petition is signed by all property owners of the area to be annexed.

4. ☑ The undersigned owners acknowledge that the following City service(s) is (are) not presently available for immediate taps upon annexation: water ☐ sewer ☐; and, subsequently agree that the City shall not provide water and sewer service to the area to be annexed except in accordance with the City's standard water and sewer policy. SEE ATTACHMENT A.

5. Please check ONE box below: SEE ATTACHMENT A.

   ☐ The undersigned owners declare that zoning vested rights have been established on the area to be annexed under G.S. 160D-108 or G.S. 160D-108.1 and provide proof of such rights by attachment hereto.

   ☑ The undersigned owners hereby declare that no such vested rights have been established and that any vested rights previously acquired are hereby terminated.

Name (print or type)	**Address**	**Signature***
1. Mathias G. Linden	4350 Lassiter at North Hills Ave. Suite 280 Raleigh, NC 27609	
2. Authorized Signatory		
3. for HCP Kannapolis Crossing Land Ventures, LLC		
4.		

**Family members (e.g., husbands and wives) need to sign separately. Signatures for corporations, institutions, etc., are by those with the authority to sign legal documents.*

Attachment A

HCP Kannapolis Crossing Land Ventures, LLC
Petition for Annexation

1. Address and Parcel ID for Property to be Annexed.

PIN	PARCEL ID	ADDRESS	ACRES
5635-03-20-3371	139 047	120 IVORY LANE	1.028
5635-03-21-6072	139 021	0 OLD BEATTY FORD ROAD	18.559
5635-03-20-2777	139 072	160 IVORY LANE	1.852
5635-03-30-6004	139 052	0 SERENITY RIDGE ROAD	0.471
5635-03-21-2131	139 060	230 IVORY LANE	0.840
5634-01-49-1675	138 009	1550 CHALK MAPLE ROAD	26.997
5635-03-30-8880	139 022	323 SERENITY RIDGE ROAD	3.070
5635-03-41-0371	139 028	347 SERENITY RIDGE ROAD	10.046
5635-03-21-2598	139 020	0 IVORY LANE	7.397
5635-03-20-4359	139 057	O IVORY LANE	0.026
5635-03-30-4163	139 054	1640 CHALK MAPLE ROAD	0.512
5635-03-30-7486	139 026	217 SERENITY RIDGE ROAD	1.996
5635-03-30-5328	139 005	150 KENWORTH LANE	2.133
5635-03-30-0771	139 004	260 KENWORTH LANE	33.345
5635-03-31-0251	139 078	280 KENWORTH LANE	4.001
5635-03-20-3448	139 048	130 IVORY LANE	1.005
5635-03-41-6418	139 070	342 SERENITY RIDGE ROAD	2.566
5635-03-41-5136	139 036	336 SERENITY RIDGE ROAD	5.885
5635-03-20-4801	139 073	165 IVORY LANE	0.998
5634-01-39-9172	139 01201	0 OLD BEATTY FORD ROAD	3.461
5635-03-40-8775	139 083	0 CHERISH LANE	21.218
5635-03-40-2119	139 044	174 SERENITY RIDGE ROAD	4.007
5635-03-40-0335	139 059	192 SERENITY RIDGE ROAD	1.357
5634-02-59-4088	138 068	0 OLD BEATTY FORD ROAD	6.864
5635-03-40-3516	139 050	0 SERENITY RIDGE ROAD	1.861
5635-03-40-1634	139 069	260 SERENITY RIDGE ROAD	1.733
5634-02-59-4700	138 007	1020 CHALK MAPLE ROAD	12.806
		TOTAL ACRES	176.034

See next page.

Attachment A Cont'd

HCP Kannapolis Crossing Land Ventures, LLC
Petition for Annexation

4. Response to Paragraph 4 of the Annexation Petition. *See* answer to paragraph 5 below. If the annexed Property is added to the Development Agreement, HCP anticipates that provisions of city services would be addressed in an amendment to the Development Agreement.

5. Response to Paragraph 5 of the Annexation Petition. HCP Kannapolis Crossing Land Ventures, LLC ("HCP") owns property that is subject to the development agreement between the City of Kannapolis (the "City") and Kannapolis Crossing, LP dated May 24, 2021, recorded in the Rowan County Register of Deeds in book 1381, page 533 (the "Development Agreement"). This property is contiguous to the land described in this Annexation Petition. This Development Agreement vests a right in HCP seek to add the land described in the Annexation Petition to the Development Agreement. See, N.C. Gen. Stat. §160D-108(c)(5) ("a vested right established by the terms of a development agreement.").

Out of caution, HCP respectfully describes this vested right in its Annexation Petition.

PIN	PARCEL ID	ADDRESS	ACRES
5635-03-20-3371	139 047	120 IVORY LANE	1.028
P/O 5635-03-21-6072	P/O 139 021	0 OLD BEATTY FORD ROAD	18.559
5635-03-20-2777	139 072	160 IVORY LANE	1.852
5635-03-30-6004	139 052	0 SERENITY RIDGE ROAD	0.471
5635-03-21-2131	139 060	230 IVORY LANE	0.840
5634-01-49-1675	138 009	1550 CHALK MAPLE ROAD	26.997
5635-03-30-8880	139 022	323 SERENITY RIDGE ROAD	3.070
5635-03-41-0371	139 028	347 SERENITY RIDGE ROAD	10.046
5635-03-21-2598	139 020	0 IVORY LANE	7.397
5635-03-20-4359	139 057	O IVORY LANE	0.026
5635-03-30-4163	139 054	1640 CHALK MAPLE ROAD	0.512
5635-03-30-7486	139 026	217 SERENITY RIDGE ROAD	1.996
5635-03-30-5328	139 005	150 KENWORTH LANE	2.133
5635-03-30-0771	139 004	260 KENWORTH LANE	33.345
5635-03-31-0251	139 078	280 KENWORTH LANE	4.001
5635-03-20-3448	139 048	130 IVORY LANE	1.005
5635-03-41-6418	139 070	342 SERENITY RIDGE ROAD	2.566
5635-03-41-5136	139 036	336 SERENITY RIDGE ROAD	5.885
5635-03-20-4801	139 073	165 IVORY LANE	0.998
5634-01-39-9172	139 01201	0 OLD BEATTY FORD ROAD	3.461
5635-03-40-8775	139 083	0 CHERISH LANE	21.218
5635-03-40-2119	139 044	174 SERENITY RIDGE ROAD	4.007
5635-03-40-0335	139 059	192 SERENITY RIDGE ROAD	1.357
5634-02-59-4088	138 068	0 OLD BEATTY FORD ROAD	6.864
5635-03-40-3516	139 050	0 SERENITY RIDGE ROAD	1.861
5635-03-40-1634	139 069	260 SERENITY RIDGE ROAD	1.733
5634-02-59-4700	138 007	1020 CHALK MAPLE ROAD	12.806
		TOTAL ACRES	176.034

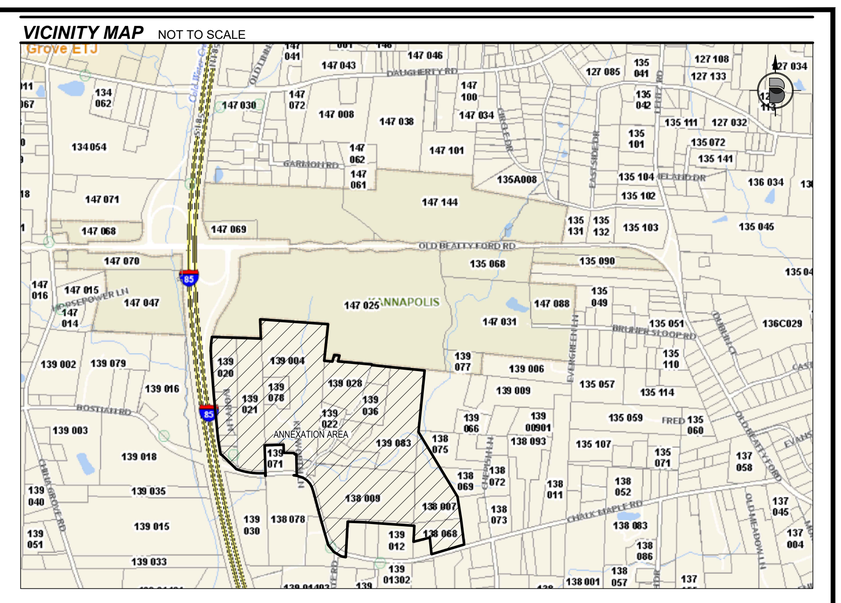
LEGAL DESCRIPTION
HCP KANNAPOLIS CROSSING LAND VENTURES LLC
CITY OF KANNAPOLIS, ROWAN COUNTY, NORTH CAROLINA

A CERTAIN TRACT OR PARCEL OF LAND IN CITY OF KANNAPOLIS, ROWAN COUNTY, NORTH CAROLINA, FRONTING ON THE EASTERN R/W OF INTERSTATE 85 AND THE NORTHERN R/W OF CHALK MAPLE ROAD, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN SET IN THE NORTHEAST R/W OF INTERSTATE 85, SAID MONUMENT HAVING NC GRID COORDINATES N = 652,051.99 FEET AND E = 1,532,107.36 FEET;

THENCE WITH THE LANDS OF HCP KANNAPOLIS CROSSING LAND VENTURES LLC (DB 1382 PG 416) THE FOLLOWING COURSES, S 88° 04' 29" E FOR A DISTANCE OF 324.40 FEET TO PIPE.
THENCE, S 87° 58' 49" E FOR A DISTANCE OF 400.25 FEET TO A FLAT BAR
THENCE, N 02° 02' 05" W FOR A DISTANCE OF 286.80 FEET TO AN IRON.
THENCE, S 85° 54' 04" E FOR A DISTANCE OF 1010.30 FEET TO A PIPE.
THENCE, S 06° 02' 54" W FOR A DISTANCE OF 546.76 FEET TO A STONE.
THENCE, S 84° 53' 11" E FOR A DISTANCE OF 122.41 FEET TO AN IRON.
THENCE, N 14° 38' 18" E FOR A DISTANCE OF 99.96 FEET TO AN IRON.
THENCE, S 84° 56' 14" E FOR A DISTANCE OF 80.18 FEET TO AN IRON.
THENCE, S 14° 41' 40" W FOR A DISTANCE OF 89.75 FEET TO AN IRON.
THENCE, S 84° 51' 29" E FOR A DISTANCE OF 505.27 FEET TO AN IRON.
THENCE, S 05° 08' 31" W FOR A DISTANCE OF 10.15 FEET TO AN IRON.
THENCE, S 83° 54' 31" E FOR A DISTANCE OF 285.75 FEET TO AN IRON.
THENCE, S 84° 17' 27" E FOR A DISTANCE OF 501.09 FEET TO AN IRON.
THENCE WITH THE LANDS OF EARLENE H WALLACE (DB 661 PG 190), S 05° 42' 33" W FOR A DISTANCE OF 915.62 FEET TO A STONE.
THENCE WITH THE LANDS OF JASON & KATIE SEITZINGER (DB 1278 PG 893), S 30° 26' 22" E FOR A DISTANCE OF 635.09 FEET TO A PIPE.
THENCE WITH THE LANDS OF TERESA MORGAN (DB 1379 PG 816), S 30° 21' 58" E FOR A DISTANCE OF 526.70 FEET TO AN IRON ROD.
THENCE WITH THE LANDS OF KENNETH & KATHI GREEN (DB 1166 PG 876) THE FOLLOWING COURSES, S 08° 46' 55" E FOR A DISTANCE OF 321.00 FEET TO A REBAR.
THENCE, S 08° 55' 21" E FOR A TOTAL DISTANCE OF 428.14 FEET (PASSING THROUGH AN IRON AT 393.04 FEET IN THE NORTHERN R/W OF CHALK MAPLE ROAD) TO A POINT IN THE CENTER OF SAID ROAD.
THENCE FOLLOWING THE CENTER OF CHALK MAPLE ROAD THE FOLLOWING COURSES, S 74° 35' 51" W FOR A DISTANCE OF 497.58 FEET TO A NAIL.
THENCE, S 74° 41' 05" W FOR A DISTANCE OF 20.42 FEET TO A POINT.
THENCE WITH THE LANDS OF STEVEN & DONNA DUFFELL (DB 1366 PG 85) THE FOLLOWING COURSES, N 07° 35' 47" W FOR TOTAL A DISTANCE OF 257.79 FEET (PASSING THROUGH AN IRON AT 27.52 FEET IN THE NORTHERN R/W OF CHALK MAPLE ROAD) TO A PIPE.
THENCE, S 77° 45' 57" W FOR A DISTANCE OF 89.18 FEET TO AN IRON.
THENCE, S 77° 54' 23" W FOR A DISTANCE OF 159.93 FEET TO A PIPE.
THENCE WITH THE LANDS OF JANET CALLOWAY & MAGGIE MUSSELWHITE (DB 5E PG 813) THE FOLLOWING COURSES, N 02° 28' 51" E A DISTANCE OF 285.13 FEET TO AN IRON.
THENCE, N 85° 57' 51" W FOR A DISTANCE OF 539.27 FEET TO A PIPE.
THENCE WITH THE LANDS OF LILLIAN LIGGINS (DC ROW PG 96/936) THE FOLLOWING COURSES, N 85° 46' 42" W FOR A DISTANCE OF 200.06 FEET TO A PIPE.
THENCE, N 87° 59' 30" W FOR A DISTANCE OF 251.92 FEET TO A ROD.
THENCE HCP KANNAPOLIS CROSSING LAND VENTURES LLC (DB 1414 PG 792), S 03° 04' 41" W FOR A TOTAL DISTANCE OF 528.00 FEET (PASSING THROUGH AN IRON AT 491.18 FEET IN THE NORTHERN R/W OF CHALK MAPLE ROAD) TO A POINT IN CENTER OF SAID ROAD.
THENCE WITH CHALK MAPLE ROAD THE FOLLOWING COURSES, N 79° 55' 19" W FOR A DISTANCE OF 66.00 FEET TO A POINT.
THENCE, N 58° 55' 19" W FOR A DISTANCE OF 132.00 FEET TO A POINT.
THENCE, N 38° 57' 54" W FOR A DISTANCE OF 132.09 FEET TO A POINT.
THENCE, N 15° 49' 05" W FOR A DISTANCE OF 387.70 FEET TO A POINT.
THENCE, N 15° 36' 56" W FOR A DISTANCE OF 88.53 FEET TO A POINT.
THENCE, N 14° 58' 01" W FOR A DISTANCE OF 106.15 FEET TO A POINT.
THENCE, N 14° 48' 57" W FOR A DISTANCE OF 127.27 FEET TO A POINT.
THENCE, N 15° 34' 12" W FOR A DISTANCE OF 110.60 FEET TO A POINT.
THENCE, N 18° 12' 12" W FOR A DISTANCE OF 67.89 FEET TO A POINT.
THENCE, N 27° 47' 06" W FOR A DISTANCE OF 59.10 FEET TO A POINT.
THENCE, N 41° 46' 35" W FOR A DISTANCE OF 67.53 FEET TO A POINT.
THENCE, N 56° 40' 07" W FOR A DISTANCE OF 67.49 FEET TO A POINT.
THENCE, N 71° 26' 41" W FOR A DISTANCE OF 90.31 FEET TO A POINT.
THENCE, N 81° 07' 12" W FOR A DISTANCE OF 57.26 FEET TO AN IRON.
THENCE, N 88° 56' 17" E FOR A DISTANCE OF 46.23 FEET TO AN IRON.
THENCE WITH THE LANDS OF CHRISTOPHER & CRYSTAL O'GUIN (DB 1249 PG 425) THE FOLLOWING COURSES, N 01° 12' 45" W FOR A TOTAL DISTANCE OF 310.04 FEET (PASSING THROUGH AN IRON AT 22.27 FEET IN THE NORTHERN R/W OF CHALK MAPLE ROAD) TO AN IRON.
THENCE, S 87° 57' 28" W FOR A DISTANCE OF 22.09 FEET TO A PIPE.
THENCE, N 35° 11' 48" W FOR A DISTANCE OF 24.84 FEET TO A PIPE.
THENCE, N 88° 47' 15" W FOR A DISTANCE OF 125.17 FEET TO AN IRON.
THENCE, N 89° 15' 18" W FOR A DISTANCE OF 24.90 FEET TO A PIPE.
THENCE, N 01° 11' 03" W FOR A DISTANCE OF 120.88 FEET TO A PIPE.
THENCE, S 87° 56' 33" W FOR A DISTANCE OF 281.95 FEET TO AN IRON.
THENCE, S 02° 02' 19" E FOR A DISTANCE OF 452.02 FEET TO AN IRON.
THENCE WITH CHALK MAPLE ROAD THE FOLLOWING COURSES, S 88° 56' 17" W FOR A DISTANCE OF 6.23 FEET TO AN IRON.
THENCE, N 02° 52' 32" W FOR A DISTANCE OF 39.99 FEET TO A CONCRETE MONUMENT.
THENCE WITH A CURVE TURNING TO THE RIGHT THROUGH AN ANGLE OF 23° 19' 26", HAVING A RADIUS OF 1018.00 FEET, AND A CHORD N 82° 33' 30" W FOR A DISTANCE OF 411.55 FEET TO AN IRON.
THENCE WITH A CURVE TURNING TO THE RIGHT THROUGH AN ANGLE OF 01° 09' 57", HAVING A RADIUS OF 1018.00 FEET, AND A CHORD N 70° 18' 48" W FOR A DISTANCE OF 20.71 FEET TO AN IRON.
THENCE, N 45° 31' 34" W FOR A DISTANCE OF 292.90 FEET TO AN IRON.
THENCE, N 58° 40' 52" W FOR A DISTANCE OF 27.79 FEET TO AN IRON.
THENCE WITH THE EASTERN R/W OF INTERSTATE 85 THE FOLLOWING COURSES, N 09° 43' 57" W FOR A DISTANCE OF 66.19 FEET TO AN IRON.
THENCE, N 09° 24' 01" W FOR A DISTANCE OF 169.14 FEET TO AN IRON.
THENCE, N 05° 31' 34" W FOR A DISTANCE OF 434.34 FEET TO AN IRON.
THENCE, N 05° 31' 34" W FOR A DISTANCE OF 208.05 FEET TO A CONCRETE MONUMENT.
THENCE, N 04° 21' 34" W FOR A DISTANCE OF 493.12 FEET TO A CONCRETE MONUMENT.
THENCE, N 03° 04' 54" W FOR A DISTANCE OF 170.85 FEET TO CONCRETE MONUMENT.
THENCE WITH A CURVE TURNING TO THE RIGHT THROUGH 09° 53' 46", HAVING A RADIUS OF 1200.00 FEET, AND A CHORD N 05° 30' 35" E FOR A DISTANCE OF 207.00 FEET TO THE POINT OF BEGINNING, CONTAINING 176.033 ACRES. BEING THE FOLLOWING PARCELS AND DEEDS RECORDED IN THE ROWAN COUNTY REGISTRY.
PARCEL 139 047 DEED BOOK 1414 PAGE 793
PORTION OF PARCEL 139 021 DEED BOOK 1414 PAGE 806
PARCEL 139 072 DEED BOOK 1414 PAGE 797
PARCEL 139 052 DEED BOOK 1414 PAGE 812
PARCEL 139 060 DEED BOOK 1414 PAGE 803
PARCEL 138 009 DEED BOOK 1414 PAGE 796
PARCEL 139 022 DEED BOOK 1414 PAGE 807
PARCEL 139 028 DEED BOOK 1414 PAGE 810
PARCEL 139 020 DEED BOOK 1414 PAGE 813
PARCEL 139 057 DEED BOOK 1414 PAGE 813
PARCEL 139 054 DEED BOOK 1414 PAGE 798
PARCEL 139 026 DEED BOOK 1414 PAGE 802
PARCEL 139 005 DEED BOOK 1414 PAGE 795
PARCEL 139 004 DEED BOOK 1414 PAGE 804
PARCEL 139 078 DEED BOOK 1414 PAGE 804
PARCEL 139 048 DEED BOOK 1414 PAGE 794
PARCEL 139 070 DEED BOOK 1414 PAGE 809
PARCEL 139 036 DEED BOOK 1414 PAGE 808
PARCEL 139 073 DEED BOOK 1414 PAGE 799
PARCEL 139 01201 DEED BOOK 1414 PAGE 792
PARCEL 139 083 DEED BOOK 1414 PAGE 791
PARCEL 139 044 DEED BOOK 1414 PAGE 800
PARCEL 139 059 DEED BOOK 1414 PAGE 801
PARCEL 138 068 DEED BOOK 1414 PAGE 811
PARCEL 139 050 DEED BOOK 1414 PAGE 805
PARCEL 139 069 DEED BOOK 1414 PAGE 805
PARCEL 138 007 DEED BOOK 1282 PAGE 439

VICINITY MAP NOT TO SCALE



NORTH ORIENTED TO
NC GRID NAD 83/2011

Curve Table					
Curve #	Length	Radius	Delta	Chord Direction	Chord Length
C1	207.26	1200.00	9.90	N05° 30' 35"E	207.00
C2	414.41	1018.00	23.32	S82° 33' 30"E	411.55
C3	20.71	1018.00	1.17	S70° 18' 48"E	20.71
C4	236.58	1080.00	12.55	S16° 51' 25"W	236.11

Line Table		
Line #	Direction	Length
L1	N79°55'19"W	66.00'
L2	N58°55'19"W	132.00'
L3	N38°57'54"W	132.09'
L4	N15°36'56"W	88.53'
L5	N14°58'01"W	106.15'
L6	N14°48'57"W	127.27'
L7	N15°34'12"W	110.60'
L8	N18°12'12"W	67.89'
L9	N27°47'06"W	59.10'
L10	N41°46'35"W	67.53'
L11	N56°40'07"W	67.49'
L12	N71°26'41"W	90.31'
L13	N81°07'12"W	57.26'
L14	N88°56'17"E	46.23'
L15	S87°57'28"W	22.09'
L16	N35°11'48"W	24.84'
L17	N88°56'17"E	6.23'
L18	N02°52'32"W	39.99'
L19	S58°40'52"E	27.79'
L20	N89°23'35"E	58.48'
L21	S00°38'04"E	18.92'
L22	N88°20'11"E	57.95'
L23	N02°10'14"W	19.99'
L24	S34°51'41"E	89.26'
L25	S88°58'05"W	30.01'
L26	N49°00'12"E	44.71'
L27	S05°45'15"W	25.15'
L28	S05°45'15"W	30.04'
L29	N35°16'37"E	89.64'
L30	N53°15'37"E	81.30'
L31	N62°44'37"E	73.20'
L32	N45°40'08"E	17.51'
L33	N45°40'08"E	93.03'
L34	N28°42'34"E	104.25'
L35	N21°09'02"E	18.28'
L36	N21°10'02"E	72.61'
L37	S15°56'13"W	89.34'
L38	S15°43'48"W	59.79'
L39	N74°16'12"W	59.33'
L40	S45°42'43"W	65.63'
L41	S46°29'37"W	14.41'
L42	S36°28'53"W	156.87'
L43	N00°13'44"W	70.00'

NOTES

SET #4 REBAR AT ALL CORNERS UNLESS OTHERWISE NOTED.

AREAS COMPUTED BY COORDINATE METHOD.

SUBJECT TRACT ADDRESS: SEE CHART BELOW

SUBJECT TRACT DEED REFERENCE: SEE CHART BELOW

SUBJECT TAX PARCEL: SEE CHART BELOW

SUBJECT TRACT ZONED: RA

THE NCGS COORDINATES WERE ESTABLISHED BY USING A LEICA MODEL GS14 (GNSS) AND THE NORTH CAROLINA GLOBAL NAVIGATION SATELLITE SYSTEM (GNSS) REAL TIME NETWORK (RTN) UTILIZING THE NORTH CAROLINA CONTINUOUSLY OPERATING REFERENCE STATION (CORS)

200 0 100 200 400 800
(IN FEET)
1 inch = 200 ft.

NORTH CAROLINA PROFESSIONAL SEAL L-3346 LAND SURVEYOR MARK A. SMITH

I, MARK A SMITH, CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION (DEED DESCRIPTION RECORDED IN BOOK SEE CHART, PAGE ----, ETC.) (OTHER); THAT THE BOUNDARIES NOT SURVEYED ARE CLEARLY INDICATED AS DRAWN FROM INFORMATION FOUND IN BOOK ----, PAGE ----; THAT THE RATIO OF PRECISION OR POSITIONAL ACCURACY AS CALCULATED IS 1:10,000; THAT THIS PLAT WAS PREPARED IN ACCORDANCE WITH G.S. 47-30 AS AMENDED. WITNESS MY ORIGINAL SIGNATURE, LICENSE NUMBER AND SEAL THIS 27th DAY OF APRIL, A.D., 2023.

MARK A SMITH, PLS (L-3346)

Sheet 1 of 3

PROJECT NUMBER
021.905.007

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REVISIONS

JCB
DRAWN BY
MAS
CHECK BY
1/17/2023
DATE
12/21/2021-8/31/2022
SURVEY DATE

NON-CONTIGUOUS ANNEXATION SURVEY FOR

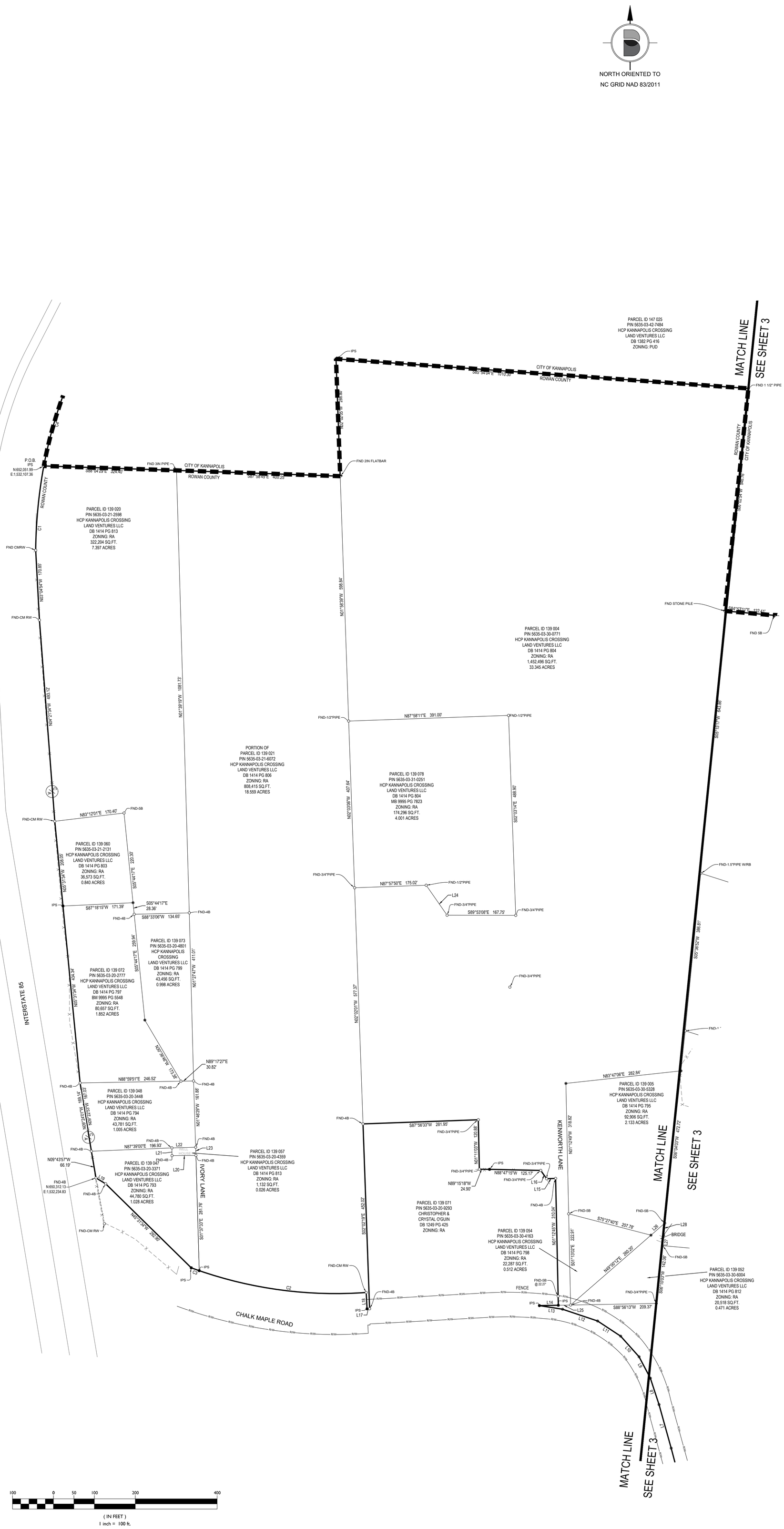
OWNER: HCP KANNAPOLIS CROSSING LAND VENTURES LLC
CITY OF KANNAPOLIS, ROWAN COUNTY, NORTH CAROLINA

HCP KANNAPOLIS CROSSING LAND VENTURES LLC

400 FRANK BURR BLVD, STE 8
TEANECK, NJ 07665

BURTON ENGINEERING ASSOCIATES, P.C. ENGINEERS AND LAND SURVEYORS C-1157

BURTON ENGINEERING
5950 FAIRVIEW RD STE 100
CHARLOTTE NC 28210
(T) 704.553.8881
burtonengineering.com



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Sheet 3 of 3

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JCB
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NON-CONTIGUOUS ANNEXATION SURVEY FOR

OWNER: HCP KANNAPOLIS CROSSING LAND VENTURES LLC
CITY OF KANNAPOLIS, ROWAN COUNTY, NORTH CAROLINA

HCP KANNAPOLIS CROSSING LAND VENTURES LLC

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5950 FAIRVIEW RD STE 100
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Legal Description
HCP Kannapolis Crossing Land Ventures LLC
City of Kannapolis, Rowan County, North Carolina

A certain tract or parcel of land in City of Kannapolis, Rowan County, North Carolina, fronting on the eastern R/W of Interstate 85 and the northern R/W of Chalk Maple Road, being described as follows:

Beginning at an iron pin set in the northeast R/W of Interstate 85, said monument having NC Grid Coordinates N = 652,051.99 feet and E = 1,532,107.36 feet;

Thence with the lands of HCP Kannapolis Crossing Land Ventures LLC (Db 1382 Pg 416) the following courses, S 88° 04' 29" E for a distance of 324.40 feet to pipe.
Thence, S 87° 58' 49" E for a distance of 400.25 feet to a flat bar
Thence, N 02° 02' 05" W for a distance of 286.80 feet to an iron.
Thence, S 85° 54' 04" E for a distance of 1010.30 feet to a pipe.
Thence, S 06° 02' 54" W for a distance of 546.76 feet to a stone.
Thence, S 84° 53' 11" E for a distance of 122.41 feet to an iron.
Thence, N 14° 38' 18" E for a distance of 99.96 feet to an iron.
Thence, S 84° 56' 14" E for a distance of 80.18 feet to an iron.
Thence, S 14° 41' 40" W for a distance of 89.75 feet to an iron.
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Thence, S 05° 08' 31" W for a distance of 10.15 feet to an iron.
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Thence with the lands of Earlene H Wallace (Db 661 Pg 190), S 05° 42' 33" W for a distance of 915.62 feet to a stone.
Thence with the lands of Jason & Katie Seitzinger (Db 1278 Pg 893), S 30° 26’ 22” E for a distance of 635.09 feet to a pipe.
Thence with the lands of Teresa Morgan (Db 1379 Pg 816), S 30° 21’ 58” E for a distance of 526.70 feet to an iron rod.
Thence with the lands of Kenneth & Kathi Green (Db 1166 Pg 876) the following courses, S 08° 46’ 55” E for a distance of 321.00 feet to a rebar.
Thence, S 08° 55' 21" E for a total distance of 428.14 feet (passing through an iron at 393.04 feet in the northern R/W of Chalk Maple Road) to a point in the center of said road.
Thence following the center of Chalk Maple Road the following courses, S 74° 35' 51" W for a distance of 497.58 feet to a nail.
Thence, S 74° 41' 05" W for a distance of 20.42 feet to a point.
Thence with the lands of Steven & Donna Duffell (Db 1366 Pg 85) the following courses, N 07° 35' 47" W for total a distance of 257.79 feet (passing through an iron at 27.52 feet in the northern R/W of Chalk Maple Road) to a pipe.
Thence, S 77° 45' 57" W for a distance of 89.18 feet to an iron.
Thence, S 77° 54' 23" W for a distance of 159.93 feet to a pipe.
Thence with the lands of Janet Calloway & Maggie Musselwhite (Db 5E Pg 813) the following courses, N 02° 28' 51" E a distance of 285.13 feet to an iron.
Thence, N 85° 57' 51" W for a distance of 539.27 feet to a pipe.
Thence with the lands of Lillian Liggins (DC ROW Pg 96/936) the following courses, N 85° 46' 42" W for a distance of 200.06 feet to a pipe.
Thence, N 87° 59' 30" W for a distance of 251.92 feet to a rod.
Thence HCP Kannapolis Crossing Land Ventures LLC (DB 1414 PG 792), S 03° 04' 41" W for a total distance of 528.00 feet (passing through an iron at 491.18 feet in the northern R/W of Chalk Maple Road) to a point in center of said road.

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Thence, N 02° 52' 32" W for a distance of 39.99 feet to a concrete monument.
Thence with a curve turning to the right through an angle of 23° 19' 26", having a radius of 1018.00 feet, and a chord N 82° 33' 30" W for a distance of 411.55 feet to an iron.
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Parcel 138 009 Deed Book 1414 Page 796
Parcel 139 022 Deed Book 1414 Page 807
Parcel 139 028 Deed Book 1414 Page 810
Parcel 139 020 Deed Book 1414 Page 813
Parcel 139 057 Deed Book 1414 Page 813
Parcel 139 054 Deed Book 1414 Page 798
Parcel 139 026 Deed Book 1414 Page 802
Parcel 139 005 Deed Book 1414 Page 795
Parcel 139 004 Deed Book 1414 Page 804
Parcel 139 078 Deed Book 1414 Page 804
Parcel 139 048 Deed Book 1414 Page 794
Parcel 139 070 Deed Book 1414 Page 809
Parcel 139 036 Deed Book 1414 Page 808
Parcel 139 073 Deed Book 1414 Page 799
Parcel 139 01201 Deed Book 1414 Page 792
Parcel 139 083 Deed Book 1414 Page 791
Parcel 139 044 Deed Book 1414 Page 800
Parcel 139 059 Deed Book 1414 Page 801
Parcel 138 068 Deed Book 1414 Page 811
Parcel 139 050 Deed Book 1414 Page 805
Parcel 139 069 Deed Book 1414 Page 805
Parcel 138 007 Deed Book 1282 Page 439

BURTON
ENGINEERING

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HCP Kannapolis Crossing Land Ventures LLC
City of Kannapolis, Rowan County, North Carolina

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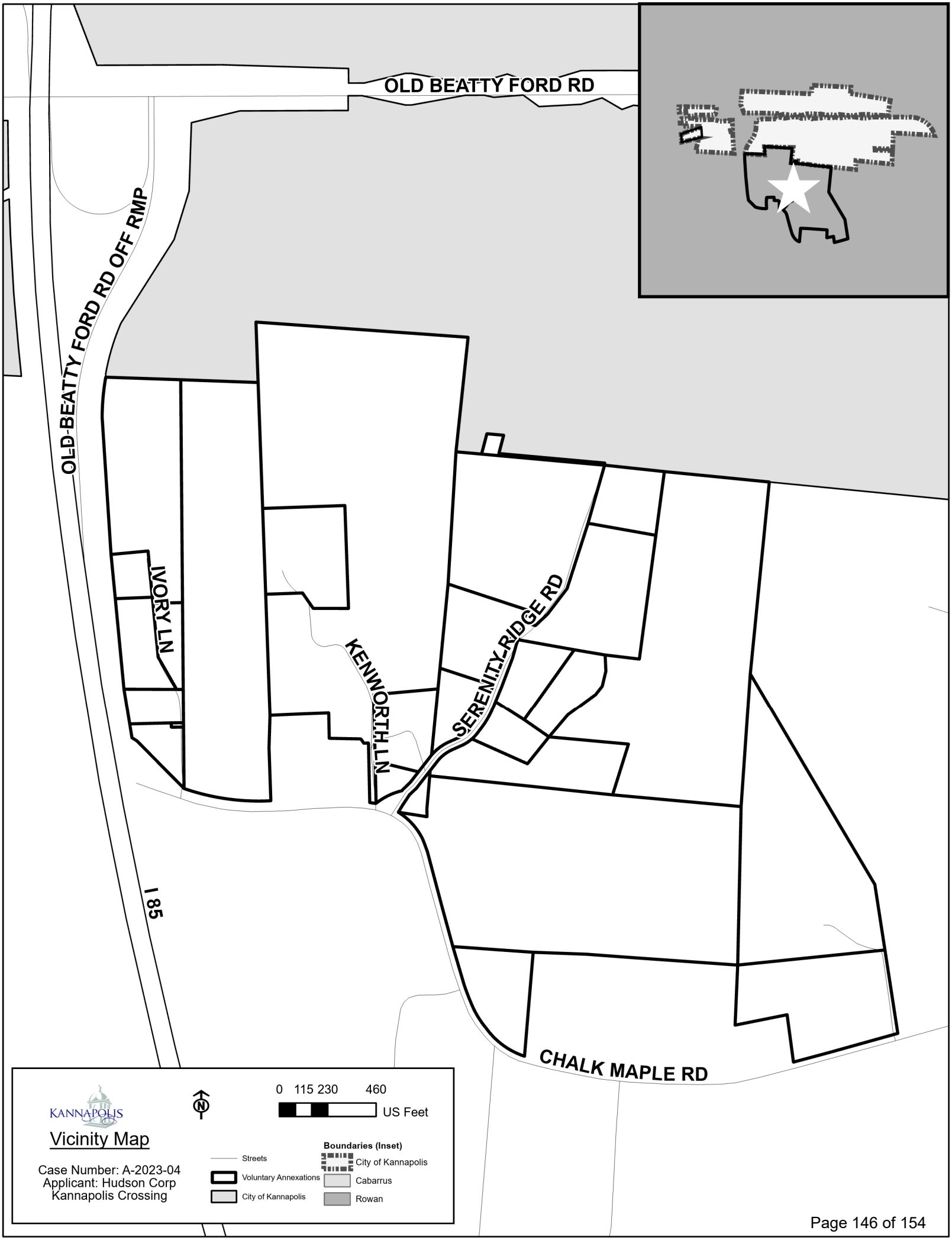
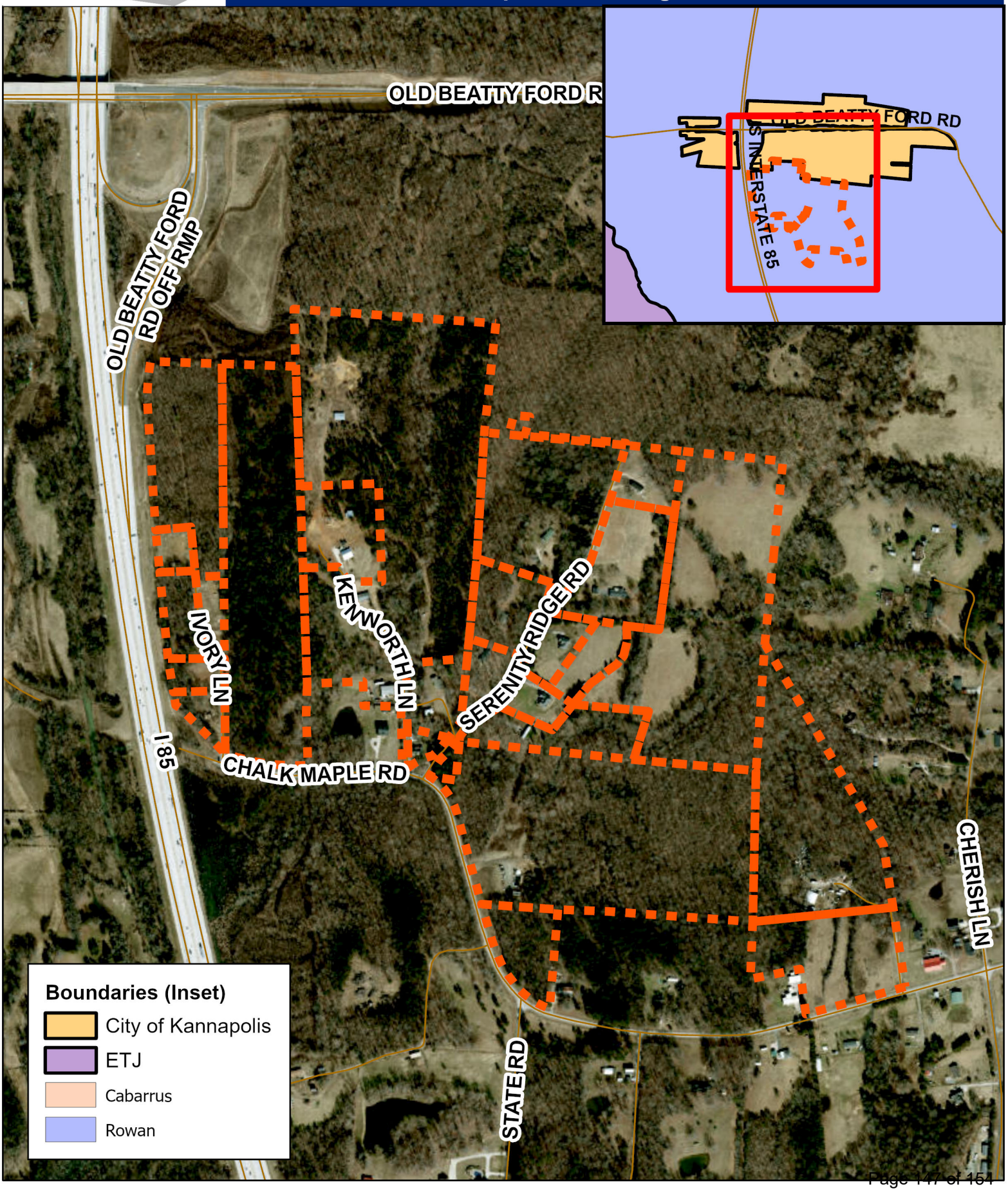

OLD BEATTY FORD RD
OLD BEATTY FORD RD OFF RMP
IVORY LN
KENWORTH LN
SERENITY RIDGE RD
I 85
CHALK MAPLE RD
KANNAPOLIS
Vicinity Map
Case Number: A-2023-04
Applicant: Hudson Corp
Kannapolis Crossing
N
0 115 230 460
US Feet
Streets
Voluntary Annexations
City of Kannapolis
Boundaries (Inset)
City of Kannapolis
Cabarrus
Rowan

Vicinity Map

Case Number: A-2023-04
Applicant: Hudson Corp
Kannapolis Crossing



Kannapolis City Council

City Council Agenda Staff Report
May 22, 2023

To: Mayor and City Council

From: Kristin Jones, Assistant to the City Manager

Subject: Presentation of Recommended Budget for FY2023-2024

Action Requested by City Council

Presentation Only. No Action Required.

Required Votes to Pass Required Action

Presentation Only. No Action Required

Background

A copy of the recommended budget for the fiscal year beginning July 1, 2023 and ending June 30, 2024, will be presented to City Council at Monday night's meeting. The City Manager will lead the discussion and answer any questions. City Council may also consider setting additional budget workshop meetings at this time.

Fiscal Implications

None.

Policy Issues

None

Legal Issues

None

Recommendations and Alternate Courses of Action

Presentation Only. No Action Required.

Attachments

None

Kannapolis City Council

City Council Agenda Staff Report
May 22, 2023

To: Mayor and City Council

From: Mike Legg, City Manager

Subject: WSACC Appointment to the Board of Directors

Action Requested by City Council

Motion to make re-appointment or new appointment to the WSACC Board of Directors.

Required Votes to Pass Required Action

Majority Present at Meeting

Background

The Water and Sewer Authority of Cabarrus County (WSACC) was established April 8, 1992, by agreement and organized by the governing bodies of the Cities of Concord and Kannapolis, the Towns of Harrisburg and Mt. Pleasant, and the County of Cabarrus, in order to operate and maintain a regional interceptor sewer system and a regional wastewater treatment plant. The Bylaws of WSACC require a nine (9) member Board of Directors comprised of representatives from the governing bodies of each organizing jurisdiction within Cabarrus County. The Board of Directors is made up of two (2) members from Cabarrus County, two (2) members from the City of Concord, two (2) members from the City of Kannapolis, one (1) member from the Town of Harrisburg, one (1) member from the Town of Mt. Pleasant, and one (1) at-large seat which is appointed by Cabarrus County upon advisement from the other political jurisdictions.

City Manager Legg and Mayor Hinnant currently serve on the Board of Directors as the City's representatives. The appointment of Mayor Hinnant will expire at WSACC's annual meeting on June 15, 2023. Council will need to re-appoint Mayor Hinnant or make a new appointment.

Fiscal Implications

N/A

Policy Issues

N/A

Legal Issues

N/A

Recommendations and Alternate Courses of Action

1. **Motion to reappoint Mayor Hinnant to the WSACC Board of Directors (Recommended).**
2. Appoint someone else to serve on the WSACC Board of Directors.

Attachments

1. MHinnant - Expiring Term Letter

WSACC
ISO 14001:2015 ♦ NC Star Public Sector ♦ ISO 45001:2018

WATER & SEWER AUTHORITY
OF CABARRUS COUNTY
232 Davidson Hwy.
Concord, NC 28027
704.786.1783 ♦ 704.795.1564 Fax
www.wsacc.org

April 19, 2023

Mayor Darrell Hinnant
City of Kannapolis
401 Laureate Way
Kannapolis, N.C. 28081

Dear Mayor Hinnant:

Your appointment to the Board of Directors of the Water and Sewer Authority of Cabarrus County (WSACC) will expire at WSACC's Annual Meeting on June 15, 2023. The City of Kannapolis will need to make a new appointment or may re-appoint you to WSACC's Board of Directors. Please notify us of your appointment or re-appointment as soon as possible.

If you have any questions regarding this matter, please contact Michael Wilson at 704-786-1783.

Sincerely,

Tammy Deinlo, Executive Secretary
on behalf of Mike Legg

Mike Legg
Chairman

cc: Michael Wilson
Central Files

Kannapolis City Council

City Council Agenda Staff Report
May 22, 2023

To: Mayor and City Council

From: Mike Legg, City Manager, Walter Safrit, City Attorney

Subject: 9th Amendment to Lease Agreement between City of Kannapolis Apparel Unlimited a.k.a. Lee Clothing Warehouse

Action Requested by City Council

Motion to authorize the City Manager to execute the 9th Lease Amendment with Apparel Unlimited, Inc.

Required Votes to Pass Required Action

Majority Present at Meeting

Background

The current lease for Apparel Unlimited Inc. (Lee Clothing Warehouse) at 248/250 West Avenue expires on December 31, 2023. Owner Darrell Jackson has requested a six-month extension through June 30, 2024. Leases (or extensions) for one year or less do not require a public hearing. The proposed lease extension is attached.

Regarding the Block 6 redevelopment, it does not appear that this lease will negatively impact any project on this site. The timeframe for negotiations of any development agreement, purchase and sale agreement, necessary due diligence, closing, then full design of the site would take at least one year – so the timing of this lease duration would be reasonable and appropriate for the current apartment/mixed use project proposed for this block. Representatives for the likely development group are aware of the extension request and have confirmed that the timing does not conflict with their plans. It is possible that some demolition of the site could begin prior to June 2024, but it would not significantly impact the retail business operations.

Fiscal Implications

The current lease terms are proposed to be extended in the same manner as the previous lease (including a lease rate of $1,875 per month).

Policy Issues

None.

Legal Issues

None.

Recommendations and Alternate Courses of Action

1. **Motion to authorize the City Manager to execute the 9th Lease Amendment with Apparel Unlimited, Inc. (Recommended)**
2. Take no action (the current lease terminates December 31, 2023)
3. Table the action to a future meeting.

Attachments

1. Ninth Amendment to Lease Agreement (City-Apparel Unlimited) 5-22-23

CABARRUS COUNTY **NINTH AMENDMENT TO LEASE AGREEMENT**

NORTH CAROLINA

THIS NINTH AMENDMENT TO LEASE AGREEMENT (the "Ninth Amendment") is entered into as of this ____ day of May, 2023, by and between the City of Kannapolis, a North Carolina municipal corporation at 401 Laureate Way, Kannapolis, North Carolina, 28081, and successor in interest to Atlantic American Properties, (hereinafter referred to as "Landlord") and Apparel Unlimited, Inc. having an office at Post Office Box 460, Kannapolis, North Carolina 28082 (hereinafter referred to as "Tenant").

IN CONSIDERATION of Ten Dollars ($10.00) and other good and valuable consideration and the mutual covenants contained herein and intending to be legally bound hereby, Landlord and Tenant hereby agree with each other for the amendment of certain provisions of the Lease Agreement (the "Lease Agreement") for the premises located at 248//250 West Avenue, Kannapolis, North Carolina (the "Premises") entered into by and between the parties dated February 18, 2010 (which Lease Agreement is a restatement of a prior lease dated June 25, 2001 as amended on September 17, 2004) subsequently amended on September 13, 2011, November 20, 2017, January 1, 2019, January 1, 2020, December 13, 2021, June 14, 2022 and November 28, 2022 which Lease Agreement is now amended as follows:

1. TERM. The amended Lease term shall be thirteen months beginning June 1, 2023 and terminating June 30, 2024.

2. RENT. The monthly rent shall be $1,875.00 per month.

3. LEASE CONDITIONS. It is understood and agreed by the parties hereto that all other terms, conditions, provisions and obligations of the Lease Agreement will remain unchanged and in full force and effect. The parties acknowledge Tenant's responsibility for maintenance, repair and replacement of heating and air conditioning equipment for the Premises.

4. NO CLAIMS. Tenant has no claim of offset or defense against the enforcement of any of the agreements, terms, covenants, or conditions of the Lease Agreement to be performed or complied with by Landlord.

5. MISCELLANEOUS. The provisions of this Ninth Amendment shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, successors and assigns and the legal representatives of their estates, as may be applicable. Each party hereto represents and warrants to the other parties that the execution of this Ninth Amendment and any other documents required or necessary to be executed pursuant to the provisions hereof are valid, binding obligations and enforceable in accordance with their terms.

IN WITNESS WHEREOF, Tenant and Landlord have caused this Ninth Amendment to be signed in their respective corporate names by their duly authorized officers and their seals to be hereunto affixed by due authority, the day and year first above written.

LANDLORD:

City of Kannapolis

By: _____
Michael B. Legg, City Manager

TENANT:

Apparel Unlimited, Inc.

By: _____
Darrell Jackson, President