

**TOWN OF DALLAS
MINUTES FOR BOARD OF ALDERMEN MEETING
NOVEMBER 12, 2019
6:00 PM**

The following elected officials were present: Mayor Coleman, Alderwoman Thomas, Alderman Huggins, Alderman Withers, Alderwoman Morrow, and Alderman Cearley.

The following staff members were present: Maria Stroupe, Town Manager; Da'Sha Leach, Town Clerk; Tom Hunn, Town Attorney; Chris Burgess, Police Sgt. Detective; Tiffany Faro, Development Services Director; Jonathan Newton, Finance Director; Earl Withers III, Fire Chief and Bill Trudnak, Public Works Director. Allen Scott, Police Chief; Robert Walls, Police Captain; Garrett Lowery, Recreation Director and Doug Huffman, Electric Director were absent.

Mayor Coleman called the meeting to order at 6:00 pm. He opened with the Invocation and the Pledge of Allegiance to the Flag followed. He welcomed everyone to the meeting and read the meeting rules for the audience. He asked if there were any additions or deletions to amend the agenda. Alderwoman Morrow made a motion to approve the agenda as presented, seconded by Alderman Withers, and carried unanimously.

Alderwoman Thomas made a motion to approve the minutes from October 8th, 2019 Regular Meeting and October 22nd Work Session, seconded by Alderwoman Morrow, and carried unanimously.

Recognition of Citizens:

Carr School's *Student of the Month* per Grade presented by the principal Dr. Duncan:

| | | |
|-------------------------------------|----------------------------|-----------------------------------|
| Kindergarten – Michael Tavigo Pablo | First Grade – Nate Mickle | Second Grade –Brian Melchor-Marin |
| Third Grade – Allie Luckey | Fourth Grade – Karter Long | Fifth Grade – Caitlyn Scrotsky |

All of the students were presented with a certificate. Everyone congratulated them on the accomplishment.

Ms. Debbie Lowery, the Town's Safety Consultant introduced Cherie Berry, NCDOL Commissioner of Labor for the presentation of the Safety and Health Achievement and Recognition Program Awards (SHARP). Ms. Berry presented the OSHA Public Sector SHARP recertification to the Utility and Public Works Departments, Water Plant and Wastewater Plant. The SHARP Award is earned by employers who go above and beyond regarding employee safety. She was accompanied by Nelson Edwards and Mark Luneski of the OSHA Consultative Services Bureau. Kenny Roberts of Electricities also attended the meeting to offer their support and congratulations for receiving the prestigious awards. Ms. Berry announced that she will retire in 2020.

Curtis Wilson, 438 S. Gaston St., He prayed over the Town, Leadership, and Town Staff.

Mike Fields, 1333 Philadelphia Church Rd., He had a question regarding the utility billed and it was answered by Town Staff.

Pearl Burris Floyd, 518 E. Main St., She stated that she would be running for the office of NC Commissioner of Labor when Ms. Berry retires in 2020. Ms. Burris-Floyd has represented Dallas as a Gaston County Commissioner in the past.

Consent Agenda: None

Public Hearings:

Item 6A was a Public Hearing on Text Amendment-Adding an R-5 Zone. Alderman Withers made a motion to enter into a Public Hearing, seconded by Alderwoman Morrow, and carried unanimously. Multiple developers have recently approached the Town with interest in more densely developed communities. The request stemmed from current market demand, development costs, terrain challenges on remaining buildable sites, and projected population growth in our region. The Planning Board requested Staff to draft a text amendment that could allow for some development densities permitted by-right and additional densities to be permitted through a conditional approval process. On Oct. 17th, the Planning Board recommended approval of an R-5 zone by-right, and recommended approval of an R-4 zone through conditional approval only. Per the Board of Aldermen's direction at the Oct. 22nd Work Session, Staff eliminated the recommended R-4 zone, and revised the proposed text amendment language to clarify parking and other considerations within the R-5 development requirements. Additionally, Staff worked with the Town Engineer to propose typical street design standards for adoption that would apply to new developments throughout Town to address concerns with congestion, on-street parking, and emergency access for the next Work Session agenda. Staff read the consistency statement and recommended adoption of the text amendment as proposed with the inclusion of a consistency statement. Mayor Coleman asked if the audience members have any questions, concerns, or comments. There was no response from the audience. The Board asked about parking and Staff stated a Street Standards and Traffic Policy will be presented at a Work Session to address all parking concerns. Alderwoman Thomas made a motion to exit the public hearing, seconded by Alderman Cearley, and carried unanimously. Alderwoman Thomas made a motion to approve the Text Amendment for R-5 zone with the consistency statement, striking section F(e), seconded by Alderman Cearley, and carried unanimously. (Exhibit A)

Item 6B was a Public Hearing the Annexation Request-Ollie Way. This Public Hearing was continued at the October 8th Regular Board Meeting at the request of the annexation petitioner due to anticipation of the Board's consideration of an R-5 zone, which they approved today. NVR, Inc. and Katie Summey, owner PID#170057 (no address assigned), petitioned for annexation into the Town of Dallas for the development of a single family residential subdivision. The parcel is considered contiguous. The parcel is currently located outside of Town of Dallas zoning, but is adjacent to R-10 single family residential. The 2003 Future Land Use Plan highlights this specific parcel for Neighborhood and Community Business, but adjacent parcels are marked for new residential development. The Planning Board recommended the property be annexed into the new R-5 zone. The developer, if successful with this annexation, intends to pursue a phased development plan to extend beyond this parcel – some of which is already located within Town limits. . The developer was present at the meeting for questions from the Board or audience. Mayor Coleman asked if the audience members have any questions, concerns, or comments. The Planning Board met regarding this request and recommended the R-5 zone per the consistency statement. Staff read the consistency statement. There was no response from the audience. Alderman Cearly made a motion to exit the public hearing, seconded by Alderman Withers, and carried unanimously. Alderwoman Thomas made a motion approve per the Planning Board recommendation to annex the property and apply R-5 zoning to the parcel, seconded by Alderman Withers, and carried unanimously. (Exhibit B)

Item 6C was a Public Hearing for a Petition for Text Amendment-EVM Signage. Alderman Huggins made a motion to enter into the public hearing, seconded by Alderwoman Morrow, and carried unanimously. Wade and Wendi McLamb applied for a sign permit for an EVM sign located within Town limits. After review of the application for consistency with our adopted requirements, it was determined that many of the churches in Town would not qualify with the ordinance as written; as it requires that electronic messaging signs be 150' from any residential zone (several churches are contained within these zones).

Continued on the Next Page

Public Hearing Item 6C continued.....

In addition, the calculations currently required for computing minimum slide time is challenging to calculate and verify. The McLamb requested that the EVM sign ordinance be updated to remove a distance from residential areas and to set a flat minimum slide time of 10 seconds (which is the current minimum of the Town electronic sign). The Planning Board is recommended AGAINST this change. Staff would like to request consideration of reduced brightness settings and/or restricted hours for electronic signage located within a certain distance of residential properties (instead of by zone). The Planning Board is recommended FOR this change. The Board did discuss concerns on the distance from residential properties and the brightness of the sign. Mr. McLamb and the church members were present to answer questions and concerns. Mayor Coleman asked if the audience members have any questions, concerns, or comments. Mr. McLamb addressed the Board to consider the distance of the sign allowed Audience members from the church discussed their desire to keep the sign up and how it has improved their visibility to invite people to their church. They have made attempts to dim the brightness of the sign after 6:30 pm. Alderman Withers made a motion to exit the public hearing, seconded by Alderwoman Morrow, and carried unanimously. Staff read the consistency statement. Alderman Withers made a motion to approve as presented including the consistency statement, seconded by Alderwoman Thomas, and carried unanimously. (Exhibit C)

Old Business:

Item 7A was Funding Request-Venture Church for the Boys & Girls Club. Mayor Coleman received a request from Venture Church for funding on behalf of the Boys and Girls Club operating out of the church facility in May. At the June 11th Board of Aldermen meeting, the Board voted to table the request until audited financial statements for the Fiscal Year ending June 30, 2019 for the Club could be completed and supplied to the Town for review. Those statements have been received and are attached for review. Although statements are for the Boys & Girls Clubs of Greater Gaston and not specifically for the Dallas Club, there is a Profit & Loss Statement for FY 2019 showing numbers for the Dallas Club included at the end of the audit. This statement shows Income of \$125,494.02 and Expenses of \$69,570.58 for FY 2019, leaving a Net Income of \$55,923.44. Also attached is a Profit & Loss Statement for July through September of the current fiscal year. Last year, the Board of Aldermen approved \$5,000 toward the startup of the Boys and Girls Club as the Club would provide care for children attending Carr Elementary School, which is in the Town limits of Dallas. Based on NC General Statute §160A-456(a)(2), a municipality is able to expend funds for community development programs *concerned with child care needs of persons of low and moderate income*. After some discussion with staff regarding the financials, the Board decided they would donate to the club. Alderwoman Thomas made a motion to approve a \$5000 donation, seconded by Alderman Cearley, and carried unanimously. (Exhibit D)

New Business:

Item 8A was on the purchase of 208 N. Holland St. The Town made an offer to purchase the property at 208 N. Holland St. for the sum of \$65,000. The property is a small building located beside the current Town of Dallas Town Hall building on N. Holland St. In order to proceed with the purchase, the Board must approve the accompanying budget amendment in order to complete the sale. Upon approval of the budget amendment, a closing date of November 19th has been set. A budget amendment will be made to provide funds for the purchase, as well as Title Insurance. Mayor Coleman stated to the audience that the owner of the property approached the Town to purchase it. If purchased, the current tenant will be allowed to operate on at least one year's notice before vacating. The current owner has notified the tenant per Staff. Alderman Withers made a motion to approve the budget amendment to purchase 208 N. Holland St., seconded by Alderwoman Morrow, and carried unanimously. (Exhibit E)

Item 8B was an Annexation Request- Dallas High Shoals Rd. Wilson Family Rentals LLC, owner of PID#169183 (no address assigned), is petitioning for annexation into the Town of Dallas for the development of an apartment community. This parcel is considered non-contiguous. The parcel is currently located outside of Town of Dallas zoning, but the 2003 Future Land Use Plan highlights this specific parcel for new residential development. In order to move forward with the request, the Board must direct Staff to investigate the sufficiency of the petition to determine if it meets the standards of G.S. §160A-31. Alderman Withers made a motion to direct staff to investigate the sufficiency of the annexation request, seconded by Alderwoman Thomas, and carried unanimously. (Exhibit F)

Item 8C was a Lee Nuclear Cost Budget Amendment. In March 2006, Duke Energy Corporation (DEC) announced it had selected Cherokee, South Carolina as a site for possible nuclear expansion, based on projections of need for significant capacity additions by Summer 2016. In December 2007, DEC submitted an application for a Combined Construction and Operating License to the Nuclear Regulatory Commission. The license was approved and issued to allow DEC to construct and operate at the Cherokee site for 40 years. During the following years, DEC states that a variety of circumstances out of their control led them to determine that it would not be beneficial to construct and operate what would have been Lee Nuclear Plant. On August 23, 2017, DEC filed a request to cancel the Lee Nuclear Project. On June 22, 2018, the North Carolina Utilities Commission found that the North Carolina retail portion of the costs DEC incurred for the development of the project could amortize and recover those costs over a twelve-year period. On May 21, 2019, the Public Service Commission of South Carolina made a similar finding to the NC Utilities Commission. Duke Energy gave the Wholesale Customers (which included Dallas) an option of a one-time payment, or payments over a twelve-year amortization schedule. After much deliberation and consultation, it has been determined that a one-time payment is in the best interest of Dallas long-term. The current contract with DEC for wholesale power will expire in approximately nine years. At that time, Dallas can determine whether to continue with DEC for its wholesale power needs, or pursue other providers. A twelve-year amortization plan exceeds the current purchase contract with DEC by approximately three years. The one-time payment for Dallas is \$175,213.40 and will be included in the DEC invoice to be received in November. Documentation outlining the Lee Nuclear case and a budget amendment to provide for making the one-time payment to DEC was provided. Alderman Withers made a motion to approve the budget amendment to pay the Lee Nuclear cost share for Dallas, seconded by Alderwoman Morrow, and carried unanimously. (Exhibit G)

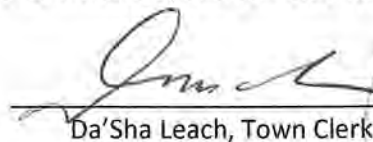
Item 8D was a Planning Board Re-Appointment. Curtis Wilson's current three year term on the Planning Board will be expiring in December of 2019. If Mr. Wilson would like to serve another term, the Board of Aldermen may reappoint him to the Planning board for another 3 year term (December 2019 to December 2022). Curtis Wilson has been, and continues to be, an asset to the Town's Planning Board, and Staff would like to use this opportunity to thank him for his continued commitment and dedication to the Town of Dallas and our residents. Mr. Wilson was present at the meeting and welcomed the opportunity to be re-appointed to the Planning Board by the Board of Aldermen. Alderwoman Thomas made a motion to re-appoint Mr. Wilson to the Planning Board, seconded by Alderman Withers, and carried unanimously.

Manager's Report and General Notices:

- The manager gave a few notices on upcoming events and the lawsuit initiated by Mr. J. Ratchford against the Town. Alderman Huggins made a motion to adjourn, seconded by Alderwoman Morrow, and carried unanimously. (7:57)



Rick Coleman, Mayor


Da'Sha Leach, Town Clerk



153.027 R-5 & R-4 SINGLE FAMILY RESIDENTIAL

(A) *Permitted uses.* Refer to the Permitted Uses Chart ([Appendix C](#)).

(B) *Lot area and width, yards and building height requirements.*

(1) Designation of this zoning classification shall be limited as follows:

- a. R-5: 250 acres contiguous max; 10 acres min
- b. R-4: 50 acres contiguous max; 10 acres min

(2) The requirements set forth in the Appendix A: Yard and Height Requirements for Residential Districts and Appendix B: Yard and Height Requirements for Business Districts shall govern.

(C) *Parking.*

(1) A minimum of 4 parking spaces of off-street parking per dwelling unit is required, to include enclosed and exposed spaces. In no case shall off-street parking space(s), whether enclosed or not, extend into the public right of way, or into an easement or a public sidewalk on private property.

(2) Attached and detached single family homes may be permitted to have front or side entry parking access if the following conditions are met:

- a. For attached single family homes, the minimum required off street parking space(s) whether enclosed or not, may not abut one another unless connected to an alley, privately maintained public access, and utility easement.
- b. Single or double bay side-loading off street parking spaces, whether enclosed or not, shall be permitted for the end unit of an attached house provided the minimum required off street parking spaces(s), whether enclosed or not, is recessed at least 1.5 feet behind the primary plane of the conditioned space of a residential structure.

(3) On-street parking where required and/or desired shall not be located within five (5) feet of a driveway apron, within fifteen (15) linear feet of a fire hydrant, or any area specifically signed for no parking- including but not limited to designated bike lanes, fire access areas, and access easements. These areas shall be clearly marked with signage and/or striping.

(D) *Signs.*

The requirements set forth in the sign regulations, §§ [153.080](#) through [153.087](#), shall apply.

(E) *Site plan.*

(1) New construction within this zone shall only be permitted per an approved subdivision site plan.

- a. Developer shall hold at least one (1) public information meeting prior to subdivision plan consideration for approval.
- (2) 15% of the overall area to be developed shall be placed as open space, and each lot shall have direct access by right-of-way or easement to such open space. Such open spaces shall be held in nonprofit, corporate ownership by the owners of the lots within the development. The title to such open space shall be preserved to the perpetual benefit of the private properties in the development and shall be restricted against private ownership for any other purposes. Twenty percent of the open space must have improvements. As an option, where the Board of Aldermen agrees, such open space may be dedicated to the town for public benefit.
 - a. Where the property lies along an adopted corridor on the Town's Bike and Pedestrian Plan, the developer shall be required to construct that portion of the corridor as part of the overall site development. This area shall contribute to the open space requirements outlined above. The trailway may be dedicated for private use by properties within a development only until such time as the trail is extended – either by the Town or as a result of adjacent development.
 - b. Cul-de-sacs shall have a minimum ten (10) foot wide paved pedestrian access path connecting to the nearest public space, street right-of-way, or common open space, and have paved pedestrian connections, where practicable to provide pedestrian access connectivity. This path shall be considered part of the required common open space within the development.
 - (3) Traffic control plans showing signage and pavement markings shall be prepared in accordance with the guidance of the Manual on Uniform Traffic Control Devices. The developer is responsible for the initial installation of the devices or markings and the maintenance thereof until a public agency (Town or NCDOT) accepts the street for maintenance.
 - (4) If the project contains multiple phases, the Town may request a development agreement to be in place prior to approval of any subdivisions within this zone.

(F) Design Standards.

- (1) Development within this zone must comply with the requirements below, in addition to all other design and development standards outlined within the Zoning and Subdivision Codes as applicable.
 - a. Balconies, stoops, stairs, open porches, bay windows, and awnings are permitted to encroach into the front setback area up to 8'.
 - b. Mechanical equipment exceeding 16 square feet shall not encroach into any required setback.
 - c. Elevated Decks shall be constructed only in an established rear yard and are not permitted to encroach into the rear setback.

- d. Rear awnings, pergolas, etc. that are not enclosed may encroach the rear setback area up to 8'. Enclosed additions are not permitted to encroach the rear setback.
- e. Walls adjacent to a side setback of less than 6' shall be clad using a fire-resistant building material such as masonry or fiber-cement siding, or constructed with an extra layer of 1/2" min. interior gypsum board. Alternate materials or construction may also be permitted upon approval of the Fire Chief.

Appendix A: Yard and Height Requirements for Residential Districts

| Zone | Minimum Lot Area (Sq. Ft.) | Minimum Lot Area Per Dwelling Unit (Sq. Ft.) | Minimum Lot Width (In feet) | Minimum Front and Rear* Yard Depth (In feet) | Individual Minimum Side Yard Depth (In feet) | Minimum Side Yard Depth (In feet)* | Maximum Building Height |
|------|----------------------------|--|-----------------------------|--|--|------------------------------------|-------------------------|
| R-15 | 15,000 | 15,000 | 100 | 45 | 15 | 15 | 35 feet |
| R-12 | 12,000 | 12,000 | 90 | 40 | 12 | 12 | 35 feet |
| R-10 | 10,000 | 10,000 | 80 | 35 | 10 | 10 | 35 feet |
| R-8 | 8,000 | 8,000 single 6,000 1st unit 3,000 additional unit each | 70 | 30 | 8 | 8 | 35 feet |
| R-6 | 6,000 | 6,000 single 5,000 1st unit 2,500 additional unit each | 60 | 25 | 6 | 6 | 35 feet |
| R-5 | 5,500* | 5,500 *-500 SF per attached side | 50 | 25** | 5 | 5 | 35 feet |
| RMF | | 15,000 1st unit 3,500 additional unit each | | 45 | 45 | 45 | 35 feet |

An additional ten feet shall be required to the requirements listed above on all side yards which abut a public or private street (corner lots)

Attached housing shall be exempt from side yard setback requirements, and may reduce lot width by 5' for each attached side. Further reduction may be permitted through conditional zoning. Attached buildings to include 3 or more units are only allowed with conditional approval regardless of zoning designation.

**Rear setback may be reduced by 5' at the discretion of Town Staff if requested to accommodate a larger front setback for parking purposes only. Further reduction may be permitted through conditional zoning.

APPENDIX C

| | Residential | | | | | | | Office | Business | | | | | Industrial | |
|---|-------------|------|------|-----|-----|-----|-----|--------|----------|------|-----|-----|-----|------------|-----|
| | R-15 | R-12 | R-10 | R-8 | R-6 | R-5 | RMF | RMF-H | O&I-1 | BC-1 | B-1 | B-2 | B-3 | B-3P | I-2 |
| PERMITTED USES (any use not specified below is eligible to apply for conditional zoning approval) | | | | | | | | | | | | | | | |
| RESIDENTIAL | | | | | | | | | | | | | | | |
| Single-family dwellings. (Attached) | | | | | | X | | | | | | | | | |
| Single-family dwellings. (Detached) | X | X | X | X | X | X | | | | | | | | | |
| Manufactured/ Mobile Homes | | | | | X | | | | | | | | | | |
| Trailer Camps/ Mobile Home Parks | | | | | X | | | | | | | | | | |
| Multi-family Residential | | | | X | X | | X | X | | | C | C | C | C | |
| Fraternities | | C | C | C | C | | | | | | C | | | | |
| Homes for the aged and infirm | X | X | X | | | | | | | | | | | | |
| Mixed Use Residential | | | | | | | X | X | | | C | C | | C | |
| Nursing homes for chronic or convalescent patients | X | X | X | | | | | | | | | | | | |
| TRAVEL AND TOURISM | | | | | | | | | | | | | | | |
| Boarding and rooming houses | | | | | | | | | | | | X | | | |
| Motel / Hotel | | | | | | | | | | | | X | | X | |
| Bed and Breakfast Inn | | | | C | C | | | | | | | | X | | |
| Tourist Homes | C | C | C | C | C | | | | | | | X | | | |
| MUNICIPAL/PUBLIC | | | | | | | | | | | | | | | |
| Assembly Hall | | | | | | | | | | | C | C | C | | C |
| Cemeteries | X | X | X | X | X | | | | X | | X | X | | | X |
| Municipal, county, state and federal uses not involving the outdoor storage of equipment or materials | X | X | X | X | X | | | | X | | X | X | X | X | X |
| Public libraries, public museums and art galleries. | X | X | X | X | X | | | | X | | X | X | X | X | X |
| Public or private utilities buildings and appurtenances, not to include the outdoor storage of equipment or materials | X | X | X | X | X | | | | X | | X | X | | X | X |
| Public utility storage or service yards | | | | | | | | | | | | | | X | X |
| PROFESSIONAL SERVICES | | | | | | | | | | | | | | | |
| Offices rendering professional services | | | | | | | | | X | X | X | | X | X | X |
| Agencies offering specialized Services not involving retail trade or inventory | | | | | | | | | X | X | X | | X | X | X |
| business offices | | | | | | | | | | | X | | X | X | X |
| Data processing and computer centers | | | | | | | | | | | | C | | C | X |
| BUSINESS AND RETAIL | | | | | | | | | | | | | | | |
| Automotive | | | | | | | | | | | | | | | |
| Auto parts and supplies (new) | | | | | | | | | | X | | X | | X | X |
| Auto parts and supplies (used) | | | | | | | | | | | | | | | X |
| Auto sales | | | | | | | | | | | X | | | X | X |
| Auto Service/Repair stations | | | | | | | | | | X | X | X | | X | X |
| Automobile Garages | | | | | | | | | | | | | | X | X |
| Car Wash | | | | | | | | | | | X | | | X | X |
| Gas Stations | | | | | | | | | | | X | X | | C | |
| Parking lots not for public use (principal use) | | | | | | | | | | | | | C | C | C |
| Trailer Sales and Service | | | | | | | | | | | | | | | X |
| Services | | | | | | | | | | | | | | | |
| Banks and financial institutions | | | | | | | | | X | X | X | X | X | X | X |
| Barber shops or beauty shops | | | | | | | | | | X | X | X | X | X | X |
| Dry cleaning establishments (drop-off only) | | | | | | | | | | X | X | X | X | X | X |
| Exterminator Office | | | | | | | | | | X | X | X | | X | X |
| Funeral Homes | | | | | | | | | | X | | | C | X | X |
| Laundry pickup stations, laundrettes and laundromats | | | | | | | | | | X | X | X | | | X |
| Radio and television repair shops. | | | | | | | | | | X | X | X | | | X |
| Shoe repair shops | | | | | | | | | | X | X | X | X | X | X |
| Tailor shops | | | | | | | | | | X | X | X | | X | X |
| Upholstery shops | | | | | | | | | | X | X | X | | X | X |
| Food & Drink | | | | | | | | | | | | | | | |
| Alcoholic beverage package stores | | | | | | | | | | X | X | X | | | X |
| Bake shops and dairy bars | | | | | | | | | | X | X | X | X | X | |
| confectioneries | | | | | | | | | | X | X | X | X | X | |
| delicatessens | | | | | | | | | | X | X | X | X | X | |
| Eating and drinking establishments | | | | | | | | | | X | X | X | X | X | X |
| Grocery stores | | | | | | | | | | X | X | X | | X | X |
| Microbreweries | | | | | | | | | | | | X | | X | X |

X: Permitted by Right*

C: Conditional*

*SUPPLEMENTAL REGULATIONS MAY APPLY- CHECK TOWN ORDINANCES

EXHIBIT A

| | Residential | | | | | | | Office | Business | | | | | Industrial | |
|--|-------------|------|------|-----|-----|-----|-----|--------|----------|------|-----|-----|-----|------------|-----|
| | R-15 | R-12 | R-10 | R-8 | R-6 | R-5 | RMF | RMF-H | O&I-1 | BC-1 | B-1 | B-2 | B-3 | B-3P | I-2 |
| PERMITTED USES (any use not specified below is eligible to apply for conditional zoning approval) | | | | | | | | | | | | | | | |
| Retail | | | | | | | | | | | | | | | |
| Adult Use/ Sexually Explicit Retail | | | | | | | | | | X | X | X | | | |
| Antique shops | | | | | | | | | | X | | | X | | |
| Apparel Shops | | | | | | | | | | X | | | X | | |
| Art/Music Supply and Retail | | | | | | | | | | X | X | X | X | X | |
| Auction house (indoor) | | | | | | | | | | X | X | X | X | X | X |
| Auction house (outdoor) | | | | | | | | | | | C | | | | C |
| Bookstores | | | | | | | | | | X | X | X | X | X | |
| camera shops | | | | | | | | | | X | | | | | |
| Convenience Stores | | | | | | | | | | X | X | X | | C | |
| Department stores | | | | | | | | | | X | | | | | |
| Drugstores | | | | | | | | | | X | X | X | | X | X |
| Dry goods stores | | | | | | | | | | X | X | X | X | X | |
| Florist shop | | | | | | | | | | X | X | X | | X | X |
| Furniture stores | | | | | | | | | | X | X | X | C | X | X |
| Hardware stores | | | | | | | | | | X | X | X | | X | X |
| Household appliance stores | | | | | | | | | | X | X | X | | X | |
| Jewelry stores | | | | | | | | | | X | X | X | X | X | X |
| Newsstands | | | | | | | | | | X | X | X | X | X | X |
| Pet shops | | | | | | | | | | X | | | | | |
| Retail Stores within Mixed Use | | | | | | | | X | X | | | C | C | | C |
| Retail Stores- other | | | | | | | | | | X | X | X | C | C | X |
| Second Hand Precious Metal Business | | | | | | | | | | X | X | X | X | X | |
| Shoe Stores | | | | | | | | | | X | X | X | X | X | |
| Sporting goods stores | | | | | | | | | | X | X | X | X | X | |
| Tobacco/ Smoke Shops | | | | | | | | | | X | | | | | |
| Toy stores | | | | | | | | | | X | X | X | X | X | |
| Variety stores | | | | | | | | | | X | X | X | | | |
| Wholesale Departments | | | | | | | | | | X | X | | | | X |
| ANIMAL/AGRICULTURAL (Must comply with Chapter 90:Animals) | | | | | | | | | | | | | | | |
| Abattoirs and slaughterhouses | | | | | | | | | | | | | | | C |
| Animal feeds- Manufacturing, servicing, processing, assembling, and fabricating . | | | | | | | | | | | | | | | X |
| Beekeeping | X | X | X | X | X | | X | X | X | X | X | X | X | X | X |
| Farming (crops) | C | C | C | | | | | | | | | | | | X |
| Greenhouses | C | C | C | | | | | | | | | | | | X |
| Hatcheries | | | | | | | | | | | | | | | C |
| Plant Nurseries | C | C | C | | | | | | | | | | | | |
| Veterinary hospitals and commercial kennels | | | | | | | | | | | | | | | X |
| EDUCATIONAL | | | | | | | | | | | | | | | |
| Classroom trailers designed to be utilized by a public school | X | X | X | X | X | | | | X | | X | X | X | X | X |
| Schools and colleges kindergartens and day nurseries | X | X | X | X | X | | | | X | | X | X | X | X | X |
| RELIGIOUS AND CHARITABLE ORGANIZATIONS | | | | | | | | | | | | | | | |
| Churches and other places of worship. | X | X | X | X | X | | | | X | | X | X | X | X | X |
| Philanthropic and eleemosynary institutions. | X | X | X | X | X | | | | X | | X | X | X | X | X |
| Promo for Trade Associations or Civic, Religious groups | | | | | | | | | | X | X | X | | X | X |
| RECREATIONAL | | | | | | | | | | | | | | | |
| Electronic gaming operation(s) | | | | | | | | | | X | | X | | | |
| Adult Entertainment | | | | | | | | | | X | | X | | | |
| Fairs, carnivals and similar transient amusement enterprises | | | | | | | | | | | | | | | C |
| Fitness Center / Gymnasium | | | | | | | | | | X | X | X | | X | |
| indoor recreation | | | | | | | | | | X | X | X | X | X | X |
| Movie theaters | | | | | | | | | | X | | X | | X | |
| outdoor recreation (not racetracks) | | | | | | | | | | | | X | | | |
| Public or private golf courses, non-commercial swimming or tennis clubs, and country clubs | X | X | X | X | X | | | | | | X | X | | | X |
| MEDICAL | | | | | | | | | | | | | | | |
| dental offices and clinics | | | | | | | | | X | X | X | X | | | X |
| Medical offices and clinics | | | | | | | | | X | X | X | X | | | X |
| Clinical laboratories | | | | | | | | | | X | X | X | | | X |
| Hospitals for human care | | | | | | | | | | | | X | | X | |

X: Permitted by Right*

C: Conditional*

* SUPPLEMENTAL REGULATIONS MAY APPLY- CHECK TOWN ORDINANCES

| | Residential | | | | | | | Office | Business | | | | | Industrial | |
|---|-------------|------|------|-----|-----|-----|-----|--------|----------|------|-----|-----|-----|------------|-----|
| | R-15 | R-12 | R-10 | R-8 | R-6 | R-5 | RMF | RMF-H | O&I-1 | BC-1 | B-1 | B-2 | B-3 | B-3P | I-2 |
| PERMITTED USES (any use not specified below is eligible to apply for conditional zoning approval) | | | | | | | | | | | | | | | |
| INDUSTRIAL/MANUFACTURING | | | | | | | | | | | | | | | |
| Auto wrecking or junk yards | | | | | | | | | | | | | | | C |
| Automobile accessories- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Bedding Fabrication | | | | | | | | | | | | | | | X |
| Bedding, pillows and carpets- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Bottling Plants | | | | | | | | | | | | | | | X |
| Building materials- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Chemicals- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Clothing and cloths Fabrication | | | | | | | | | | | | | | | X |
| Clothing including hosiery- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Cold Storage Plants | | | | | | | | | | | | | | | X |
| Dry cleaning and pressing plants | | | | | | | | | | | C | | | C | X |
| Electric and electronic products- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Food and food products, not to include slaughterhouses and abattoirs- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Freezer lockers | | | | | | | | | | | | | | | X |
| Gasoline, oil, or alcohol storage above ground | | | | | | | | | | | | | | | C |
| Glass- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Household appliances- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Ice- Manufacturing, servicing, processing, assembling, and fabricating. | | | | | | | | | | | | | | | X |
| Leather goods Fabrication, not to include processing or storage or raw hides | | | | | | | | | | | | | | | X |
| Leather goods- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Machine tools.- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Metal products fabrication | | | | | | | | | | | | | | | X |
| Metals and metal products- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Mixing plants for concrete or paving materials | | | | | | | | | | | | | | | |
| Newspaper offices or printing plants | | | | | | | | | | | | | | | X |
| Paints- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Paper products fabrication, not to include the manufacturing of paper | | | | | | | | | | | | | | | X |
| Paper products- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | C |
| Plastic containers and similar plastic product fabrication | | | | | | | | | | | | | | | X |
| Pottery, porcelain, and vitreous china- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Rubber products- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | C |
| Soaps, detergents and washing compounds- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Solid Waste/ Septage Management Facilities | | | | | | | | | | | | | | | C |
| Stone crushing, cutting and polishing | | | | | | | | | | | | | | | C |
| Storage of materials and equipment outdoors | | | | | | | | | | | | | | | C |
| Storage warehouses and yards, except storage of salvage | | | | | | | | | | | | | | | X |
| Textiles- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |
| Transportation Terminals | | | | | | | | | | | | | | | X |
| Welding shops | | | | | | | | | | | | | | | X |
| Wholesale and Jobbing Plants | | | | | | | | | | | | | | | X |
| Wholesale Distribution Centers | | | | | | | | | | | | | | | C |
| Wood and wood products, including furniture- Manufacturing, servicing, processing, assembling, and fabricating | | | | | | | | | | | | | | | X |

X: Permitted by Right*

C: Conditional*

*SUPPLEMENTAL REGULATIONS MAY APPLY- CHECK TOWN ORDINANCES

TEXT AMENDMENT CONSISTENCY STATEMENT

The proposed text amendments to add R-5 and R-4 Single Family Residential are consistent with the 2003 Land Use Plan's recommendations for new residential to be clustered so as to preserve open space and heighten pedestrian accessibility, to provide for alternative smaller lot sizes to promote the preservation of open space in the community, and to provide for future connectivity within the town. This text amendment is therefore deemed reasonable and in the public's best interest as supports an increased demand for housing in light of Dallas' current and anticipated growth, while ensuring the above goals are met.

Includes: 153.027 (NEW), Appendix A- Yard and Height Requirements for Residential Districts, and Appendix C- Permitted Uses Chart

Curtis Wilson

10/17/19

Curtis Wilson, Planning Board Chairman

Date



Welcoming families home
for over 65 years.

June 26, 2019

Tiffany Faro
Town of Dallas
210 N Holland St.
Dallas, NC 28034

RE: Summey Property – Dallas, NC

Dear Tiffany,

Please find attached the Annexation Application signed by the Sellers of parcel 170057, a copy of the \$100 check for the application fee, a preliminary master plan, preliminary phasing and an estimation of renderings based on our current product assumptions for the community.

Based on current yield calculations by Bohler Engineering, we are estimating that Phase 1 will entail roughly 100 lots. We estimate that upon delivery of our model lot, this should take approximately two years to sell through at 50 lots per year. Upon the completion of Phase 1, we would anticipate already having Phase 2 developed and ready for construction to continue seamlessly from one Phase to the next and continue as such as we move into the additional phases per the attached plan with a rough estimation of 2 years between the site development of each phase.

To achieve the yield and absorption that we estimate for this community, we anticipate building our Simply Ryan single family detached product on Phase 1 and bringing in our Lifestyle age targeted single family detached product into Phase 2. As we develop these two product lines, internally our objective is to do so in a way in which these two products generally act as their own separate communities while coming together to share the benefits of any amenity and any fire access requirements. To achieve this, we will continue to work closely with all interested departments from the Town of Dallas and Gaston County where applicable to determine the community needs during the site planning process.

If approved, we see this community as a basis for growth in tandem with the Apple Creek Business Park to allow for safe and affordable housing in close proximity for this growing employment base. With the forthcoming growth over those planned 318 acres, companies will find comfort in knowing that their investment in this Town is not the only one. This community will allow a coming together across age ranges to allow families with differing needs to be in the same area. This community will allow workers to come home to the Town of Dallas and reinvest in the economic growth of the area.

It is our plan to focus on these first 30 acres and 100 units with the intention of obtaining consent and creating a development plan for an additional 180 acres that will eventually be annexed and rezoned to become additional phasing of this community. As I obtain those approvals, I will be able to share more

information on the exact parcels, phasing and timing as it relates to this Phase 1 opportunity. In the meantime, I seek your consideration for the annexation and rezoning of parcel 170057 for the construction of single family detached residential units.

I appreciate your time for review and consideration of this request and am glad to share what I have available in regard to more information on this proposed development.

Thank you,

A handwritten signature in black ink, consisting of a series of connected loops and peaks, characteristic of a cursive or semi-cursive style.

Nicole Frambach
Land Manger, NVR, Inc.

TOWN OF DALLAS, NORTH CAROLINA

PETITION FOR ANNEXATION

PETITION NUMBER: _____ Contiguous Non-Contiguous

DATE: 6/24/19 FEE: \$100.00 *

* Petitioner understands there will be additional costs associated with this petition such as advertising, postage, etc. and agrees to pay these fees upon receipt of invoice(s).

Current Property Use: R-1 Planned Property Use: Single Family

Requested Zoning: Single Family R-6 CDO (Cluster Development Overlay)

To the Board of Aldermen of the Town of Dallas:

We, the undersigned owners of real property, respectfully request that the area described as

| Legal Description | Subdivision Name | Block | Lot | Deed Book | Deed Page |
|-----------------------|------------------|-------|-----|-----------|-----------|
| - 13 060 015 00 050 - | | | | | |

], DALLAS, NC 28034, further identified as

parcel ID # 170057, be annexed to the Town of Dallas.

Name of petitioner/property owner: Petitioner: Nicole Frambach, NVR, INC.
Frances Summey Kirby and Samuel Thomas Summey

Mailing Address of property owner: Frances: 212 Whiteoaks Circle, Bluffton, SC 29910
Samuel: 103 Gordon Drive, Flat Rock, NC 28731

Email Address: Nframbac@nvrinc.com Phone Number: 704-887-3075

Attachments included with Petition:

1. Legal description (as noted in property deed)
2. Letter outlining reasons for annexation request
3. \$100 Fee

Applicant Signature: _____ **Date:** _____

Received By: _____ **Date:** _____

TOWN OF DALLAS, NORTH CAROLINA

PETITION FOR ANNEXATION

PETITION NUMBER: _____ Contiguous Non-Contiguous

DATE: 6/24/19 FEE: \$100.00 *

* Petitioner understands there will be additional costs associated with this petition such as advertising, postage, etc. and agrees to pay these fees upon receipt of invoice(s).

Current Property Use: R-1 Planned Property Use: Single Family

Requested Zoning: Single Family

To the Board of Aldermen of the Town of Dallas:

We, the undersigned owners of real property, respectfully request that the area described as

| Legal Description | Subdivision Name | Block | Lot | Deed Book | Deed Page |
|---------------------|------------------|-------|-----|-----------|-----------|
| . 15 D40 015 00 000 | | | | | |

DALLAS, NC 28034, further identified as

parcel ID # 170057, be annexed to the Town of Dallas.

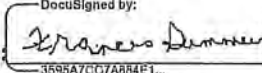
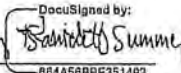
Name of petitioner/property owner: Petitioner: Nicole Frambach, NVR, INC.
Frances Summey Kirby and Samuel Thomas Summey

Mailing Address of property owner: Frances: 212 Whiteoaks Circle, Bluffton, SC 29910
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Email Address: Nframbac@nvrinc.com Phone Number: 704-887-3075

Attachments included with Petition:

1. Legal description (as noted in property deed)
2. Letter outlining reasons for annexation request
3. \$100 Fee

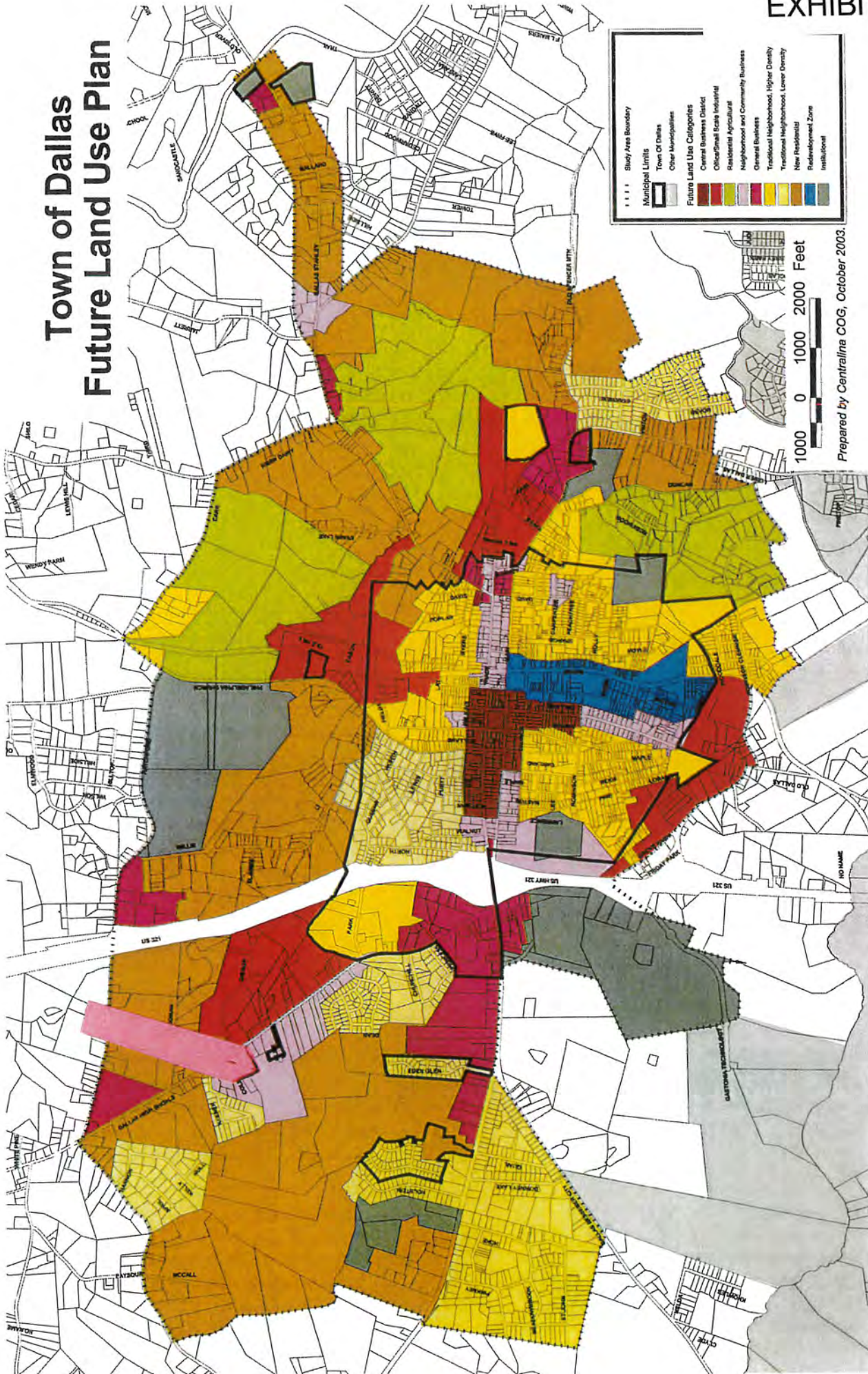
Applicant Signature:   Date: 6/24/2019 6/24/2019

Received By: _____ Date: _____





Town of Dallas Future Land Use Plan



Prepared by Centralline COG, October 2003.

TEXT AMENDMENT CONSISTENCY STATEMENT

The proposed annexation of Parcel ID# 170057 into Town limits as R-5 Single Family Residential is technically inconsistent with the 2003 Future Land Use Plan's map designation as neighborhood and community business, however, this petition is deemed reasonable and in the public's best interest as this lot abuts land designated for new residential development, supports an increased demand for housing in light of Dallas' current and anticipated growth, and aligns with the 2003 Land Use Plan's recommendation for new residential to be clustered so as to preserve open space and heighten pedestrian accessibility.

Curtis Wilson

10/17/19

Curtis Wilson, Planning Board Chairman

Date

CERTIFICATE OF SUFFICIENCY

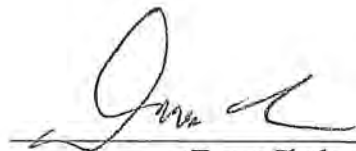
To the Board of Aldermen of the Town of Dallas, North Carolina:

I, Da'Sha Leach, Town Clerk do hereby certify that I have investigated the petition attached hereto and have found as a fact that said petition is signed by all owners of real property lying in the area described therein, in accordance with G.S. 160A-31.

In witness whereof, I have hereunto set my hand and affixed the seal of the Town of Dallas, this 13th Day of August 2019.

SEAL





Town Clerk

Re: Summey Annexation- PID 170057

Town of Dallas
210 N. Holland Street
Dallas, NC 28034
704-922-3176

Case# _____

Petition for Text Amendment

Name of Applicant Wendi McLamb

Address of Applicant _____

Contract Information: Telephone 910-549-8752 Email wmclamb@icloud.com

Requested Change(s) to Zoning or Subdivision Ordinance Text 153.082

clarify location (residential), and timing minimum

Specific Section(s) # Requested Change 153.082

We/I certify that all information provided in this application is accurate to the best of our/my knowledge, information, and belief. Furthermore, by signing this request, we/I agree to pay for advertising costs associated with this petition. We/I understand that this petition must be completed in full and the required fee paid for acceptance.

Wendi McLamb
Signature of Applicant

10/9/19
Date

Fee: \$ 500 ~~plus advertising costs.~~

| | |
|--|--|
| OFFICE USE ONLY | |
| Accepted as complete: <input checked="" type="checkbox"/> | Date <u>10/9/2019</u> |
| Action: | |
| On <u>10/17/19</u> the Planning Board recommended that this petition be: | Approved <input checked="" type="checkbox"/> Partial Denied <input checked="" type="checkbox"/> Partial |
| On <u>11/12/2019</u> the Board of Aldermen held a Public Hearing concerning this request. By vote of the Board they: | Approved <input type="checkbox"/> Denied <input type="checkbox"/> |

AN ORDINANCE AMENDING SECTION 153.082, Flashing, Moving, and Electronic Variable Messaging (EVM) Signs

ADOPTED BY THE DALLAS BOARD OF ALDERMEN 7/9/19)

Whereas, this amendment is in accordance with Application within Municipalities, pursuant to Article 8 of Chapter 160A, and

Whereas, the Town of Dallas recognizes the need to clarify and expand the regulations related to electronic variable messaging signage within Town limits; and

Whereas, the Town of Dallas agrees with the Planning Board's recommendation that the proposed updates to the EVM signage ordinance are consistent with the 2003 Future Land Use Plan's goal to plan for aesthetically pleasing and pedestrian friendly commercial corridors outside of the downtown area, while ensuring that land uses abutting residential development are compatible with the scale, intensity and overall character of existing and planned neighborhoods. This text amendment is therefore deemed reasonable and in the public's best interest in order to update our ordinances to match current technological advancements and accommodate the needs of our business community, while protecting the overall character and appearance of the Town.

Now, therefore be it ordained, by the Board of Aldermen of the Town of Dallas, North Carolina, that Section 153.082 of the Compiled Code of Town Ordinances be amended to replace the existing section's text to read as follows:

§ 153.082 FLASHING, MOVING AND ELECTRONIC VARIABLE MESSAGE (EVM) SIGNS

1. Installation of a new electronic variable messaging sign, or the conversion of a permitted non-digital sign to a digital sign, requires the issuance of a zoning permit. The addition of any digital display to a nonconforming sign is prohibited. Zoning permits may be revoked for any illuminated signage installed without first obtaining all required building and electrical permits and inspections from Gaston County.

2. Location

- a. Electronic Variable Messaging signage must be located a minimum distance of 25 feet from any street or highway intersection ~~and a minimum distance of 150 feet from any residential zoned area.~~
- b. EVM signage located within the B-3 zone requires approval by the Board of Alderman in addition to the requirements outlined in this section.
- c. EVM signage shall not be located within a sight distance triangle as defined by NCDOT on properties abutting a state road, or as defined by 153.012 on properties located along local roads.

3. Appearance

- a. *Height:* Message center signs and digital displays shall have the same height limits as other permitted signs of the same type and location.
- b. *Size:* Detached Electronic Variable Messaging signage shall not exceed 50 SF in size. Attached EVM signs are restricted to a maximum size of 20% of building facade width x 10', or 60 SF, whichever is less.

Note: This change not recommended by Planning Board. If eliminated, staff recommends provisions for an off time and/or overall brightness reduction within 150' of residential properties.

c. **Brightness:** Message center signs and digital displays are subject to the following brightness limits:

- i. During daylight hours between sunrise and sunset, luminance shall be no greater than five thousand (5,000) nits.
- ii. At all other times, luminance shall be no greater than two hundred fifty (250) nits.
- iii. Each sign must have a light sensing device that will automatically adjust the brightness of the display as the natural ambient light conditions change. To comply with the limits set here within.

4. **Message Duration:** The length of time each message may be displayed on a message center sign, digital display, or Tri-Vision Board sign ~~is based upon the visibility and speed limit unique to individual signs and adjacent road conditions. The following method should be used to calculate message duration for message center signs, digital displays, or Tri-Vision Board signs.~~ **shall be 10 seconds minimum.**

- ~~a. Determine the greatest distance from which the sign becomes visible on the road the sign is primarily intended to serve. If a sign is intended to be seen by more than one roadway, the road with the lower posted speed limit shall be used for determining message duration.~~
- ~~b. Multiply the road's posted speed limit (MPH) by 5,280, and then divide by 3,600 to obtain the speed limit in feet/second.~~
- ~~c. Divide the visibility distance by the speed limit (feet/second).~~
- ~~d. Add an additional ten (10) percent of this number to the total. v. The resulting amount of time is the minimum permitted message duration, except where this value is less than eight (8) seconds in which the minimum message duration shall be no less than eight (8) seconds.~~

5. **Public Service Announcements:** The owner of every message center sign and digital display shall coordinate with the local authorities to display, when appropriate, emergency information important to the traveling public including, but not limited to Amber Alerts or alerts concerning terrorist attacks or natural disasters. Emergency information messages shall remain in the advertising rotation according to the protocols of the agency that issues the information.

6. Type-Specific Regulations

a. **Digital display signs** are subject to the following regulations in addition to all other requirements established in the Town's sign ordinance.

- i. **Area:** When used as an on-premises sign, digital displays shall not exceed more than 30% of the total sign area permitted on the site.
- ii. **Maximum Number per Property:** Where permitted, one (1) digital display sign is permitted per property

iii. Message Display:

1. Any Digital Display containing animation, streaming video, or text or images which flash, pulsate, move, or scroll is prohibited. Each complete message must fit on one screen.
2. One message/display may be brighter than another, but each individual message/display must be static in intensity.
3. The content of a digital display must transition by changing with no transition graphics (e.g., no fade-out or fade-in).
4. **Default Design:** The sign shall contain a default design which shall freeze the sign message in one position if a malfunction should occur.

b. **Message center signs** are subject to the following regulations, in addition to all other illumination requirements established in the Town's sign ordinance.

- i. *Area*: When used as an on-premises sign, message center signs shall not exceed 50% of the sign area for any one sign, and shall not exceed more than 30% of the total area for all signs permitted on a property.
- ii. *Maximum Number*: Where permitted, one (1) message center sign is permitted per street frontage, up to a maximum of two (2) message center signs per property.
- iii. *Message Display*:
 1. No message center sign may contain text which flashes, pulsates, moves, or scrolls. Each complete message must fit on one screen.
 2. The content of a message center sign must transition by changing with no transition graphics (e.g., no fade-out or fade-in).
 3. *Default Design*: The sign shall contain a default design which shall freeze the sign message in one position if a malfunction should occur.

7. Electrical Standards.

- a. The electrical supply to all exterior signs, whether to the sign itself or to lighting fixtures positioned to illuminate the sign, shall be provided by means of concealed electrical cables. Electrical supply to freestanding signs shall be provided by means of underground cables.
- b. The owner of any illuminated sign shall arrange for a certification showing compliance with the brightness standards set forth herein by an independent contractor and provide the certification documentation to the Town of Dallas as a condition precedent to the issuance of a sign permit.

Adopted, this 9th day of July, 2019.

ATTEST:

Rick Coleman

Rick Coleman, Mayor

Da'Sha Leach

Da'Sha Leach, Town Clerk



EVM SIGNAGE- CONSISTENCY STATEMENT

✓ The proposed updates to the EVM signage ordinance are consistent with the 2003 Future Land Use Plan's goal to plan for aesthetically pleasing and pedestrian friendly commercial corridors outside of the downtown area, while ensuring that land uses abutting residential development are compatible with the scale, intensity and overall character of existing and planned neighborhoods. This text amendment is therefore deemed reasonable and in the public's best interest in order to update our ordinances to match current technological advancements and accommodate the needs of our business community, while protecting the overall character and appearance of the Town.

Note: regarding message duration changes

Curtis Wilson 10/17/19
Curtis Wilson, Planning Board Chairman Date

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

FINANCIAL REPORT

June 30, 2019

CONTENTS

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McCANNON • ROGERS • DRISCOLL
& ASSOCIATES, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS:

BENJAMIN P. ALBRIGHT, III, CPA
RANDY G. BOYD, CPA

PARTNERS:

STEPHEN B. DRISCOLL, CPA

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Boys and Girls Clubs of Greater Gaston, Inc.
Gastonia, North Carolina

We have audited the accompanying financial statements of Boys and Girls Clubs of Greater Gaston, Inc. (a nonprofit organization) (collectively the Club), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys and Girls Clubs of Greater Gaston, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Effect of Adopting New Accounting Standard

As discussed in Note A, the Club adopted the Financial Accounting Standards Board's Accounting Standards update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958-205) – Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended June 30, 2019. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Boys and Girls Clubs of Greater Gaston, Inc.'s financial statements as of and for the year ended June 30, 2018, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 18, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

McLannan, Rogers, Driscoll & Associates, L.L.P.

Gastonia, North Carolina
October 16, 2019

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 763,465 | \$ 781,908 |
| Unconditional promises to give | 222,188 | 225,201 |
| Grants receivable | 106,101 | 38,255 |
| Other receivables | 9,628 | 4,602 |
| Prepaid expenses | 8,165 | 7,383 |
| Beneficial interest in assets held by others: | | |
| Endowment fund | 381,492 | 224,511 |
| Property and equipment, net | <u>1,316,287</u> | <u>1,331,454</u> |
| Total assets | <u>\$ 2,807,326</u> | <u>\$ 2,613,314</u> |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts payable | \$ 3,441 | \$ 6,025 |
| Accrued expenses | 8,022 | 8,043 |
| Deferred revenue | 3,000 | 5,000 |
| Capital leases | <u>1,243</u> | <u>3,095</u> |
| Total liabilities | <u>15,706</u> | <u>22,163</u> |
| NET ASSETS | | |
| Without donor restrictions | 2,375,455 | 2,272,269 |
| With donor restrictions | <u>416,165</u> | <u>318,882</u> |
| Total net assets | <u>2,791,620</u> | <u>2,591,151</u> |
| Total liabilities and net assets | <u>\$ 2,807,326</u> | <u>\$ 2,613,314</u> |

See notes to financial statements.

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended June 30, 2019 and 2018

| | Without Donor Restrictions | With Donor Restrictions | 2019 Total | 2018 Total |
|---------------------------------------|----------------------------------|-------------------------------|---------------|---------------|
| Revenues and other support | | | | |
| United Way | \$ - | \$ 167,201 | \$ 167,201 | \$ 173,992 |
| Grants, public | 71,003 | 325,368 | 396,371 | 374,385 |
| Program and membership fees | 118,060 | - | 118,060 | 154,264 |
| Donations | 148,936 | 111,786 | 260,722 | 305,491 |
| Special events, net | 475,891 | - | 475,891 | 397,759 |
| Board dues | 4,410 | - | 4,410 | 280 |
| Net investment income | 15,772 | - | 15,772 | 7,226 |
| In-kind donations | 24,311 | - | 24,311 | 32,017 |
| Athletics income | 640 | - | 640 | 275 |
| Gain on sale of fixed Assets | 260 | - | 260 | - |
| Net assets released from restrictions | 507,072 | (507,072) | - | - |
| Total revenues and other support | 1,366,355 | 97,283 | 1,463,638 | 1,445,689 |
| Expenses | | | | |
| Bessemer City Club | 148,163 | - | 148,163 | 151,225 |
| West Gastonia Club | 588,634 | - | 588,634 | 566,752 |
| Dallas Club | 69,572 | - | 69,572 | - |
| Athletics | - | - | - | 2,420 |
| Teen Center | 241,149 | - | 241,149 | 194,068 |
| Administration | 101,759 | - | 101,759 | 114,212 |
| Fundraising | 113,892 | - | 113,892 | 73,130 |
| Total expenses | 1,263,169 | - | 1,263,169 | 1,101,807 |
| Change in net assets | 103,186 | 97,283 | 200,469 | 343,882 |
| Net assets at beginning of year | 2,272,269 | 318,882 | 2,591,151 | 2,247,269 |
| Net assets at end of year | \$ 2,375,455 | \$ 416,165 | \$ 2,791,620 | \$ 2,591,151 |

See notes to financial statements.

EXHIBIT D

| Program Services | | Supporting services | | 2019 | 2018 |
|-------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| Teen Center | Programs | Administration | Fundraising | Total | Total |
| \$ 116,324 | \$ 541,021 | \$ 69,959 | \$ 70,951 | \$ 681,931 | \$ 582,707 |
| 1,593 | 7,501 | 2,334 | 5,044 | 14,879 | 18,137 |
| 9,017 | 41,976 | 5,387 | 5,479 | 52,842 | 45,312 |
| 12,031 | 55,495 | 9,917 | 13,202 | 78,614 | 57,076 |
| 12,778 | 36,102 | 2,298 | 2,645 | 41,045 | 34,945 |
| 1,950 | 26,723 | 1,520 | 162 | 28,405 | 31,480 |
| 31,693 | 38,869 | - | - | 38,869 | 19,272 |
| - | - | - | - | - | 1,000 |
| 694 | 3,902 | 3,606 | 3,531 | 11,039 | 14,359 |
| 10,784 | 30,927 | 1,486 | 9,661 | 42,074 | 31,107 |
| 2,578 | 11,254 | 300 | - | 11,554 | 10,763 |
| 2,918 | 34,133 | - | - | 34,133 | 18,693 |
| 11,817 | 41,724 | - | - | 41,724 | 39,062 |
| 20,459 | 57,913 | 576 | - | 58,289 | 58,467 |
| 4,785 | 23,376 | 221 | - | 23,597 | 35,737 |
| 1,710 | 9,610 | 2,644 | 550 | 12,804 | 11,722 |
| - | 128 | 1,080 | 2,667 | 3,875 | 4,525 |
| - | - | 631 | - | 631 | 2,855 |
| - | 86,736 | - | - | 86,736 | 84,349 |
| 18 | 128 | - | - | 128 | 239 |
| <u>\$ 241,149</u> | <u>\$ 1,047,518</u> | <u>\$ 101,759</u> | <u>\$ 113,892</u> | <u>\$ 1,263,169</u> | |
| <u>\$ 194,068</u> | <u>\$ 914,465</u> | <u>\$ 114,212</u> | <u>\$ 73,130</u> | | <u>\$ 1,101,807</u> |

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 200,469 | \$ 343,882 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Depreciation | 86,736 | 84,349 |
| Unrealized and realized gains | (1,270) | (4,309) |
| Changes in assets and liabilities: | | |
| (Increase) decrease in unconditional promises to give | 3,013 | (58,000) |
| (Increase) decrease in grants receivable | (67,846) | 21,774 |
| (Increase) decrease in other receivables | (5,026) | 15,232 |
| (Increase) decrease in prepaid expenses | (782) | 8,432 |
| Decrease in accounts payable | (2,584) | (12,815) |
| Increase (decrease) in accrued expenses | (21) | 4,957 |
| Decrease in deferred revenue | (2,000) | (1,000) |
| | <u>210,689</u> | <u>402,502</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of beneficial interest in assets held by others | (155,711) | (122,515) |
| Purchases of property and equipment | (71,569) | (52,160) |
| | <u>(227,280)</u> | <u>(174,675)</u> |
| CASH FLOWS USED IN FINANCING ACTIVITIES | | |
| Principal payments on capital leases | (1,852) | (1,939) |
| | <u>(18,443)</u> | <u>225,888</u> |
| Cash and cash equivalents: | | |
| Beginning | <u>781,908</u> | <u>556,020</u> |
| Ending | <u>\$ 763,465</u> | <u>\$ 781,908</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash payments for interest | <u>\$ 128</u> | <u>\$ 239</u> |

See notes to financial statements.

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note A - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Boys and Girls Clubs of Greater Gaston, Inc. (collectively the Club) is a nonprofit agency which provides various educational and recreational activities and counseling to boys and girls in the Gaston County community.

A summary of the Club's significant accounting policies follows:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

New Accounting Pronouncement

On August 18, 2016, Financial Accounting Standards Board (FASB) issued (ASU) 2016-14, Not-for-Profit Entities Accounting Standards Codification (ASC) (Topic 958-205) – *Presentation of Financial Statements of Not-for-Profit Entities* effective January 1, 2018. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Club has adjusted the presentation of these statements accordingly. ASC 985-205 has been applied retrospectively to all periods presented and had no effect on the changes in net assets of the Club.

Comparative Data

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Club's financial statements as of and for the year ended June 30, 2018, from which the summarized information was derived.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The organization considers all highly liquid investments to be cash equivalents. This includes a certificate of deposit amounting to \$152,065 at June 30, 2019.

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

Note A - Nature of Activities and Summary of Significant Accounting Policies - Continued

Unconditional Promises to Give and Receivables

Contributions are recognized when the donor makes a promise to give to the Club that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increase in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The allowance for doubtful accounts has been evaluated and determined to be immaterial to the financial statements.

Beneficial Interest in Assets Held by Others

In accordance with GAAP, the Club recognizes certain assets held by a recipient organization for the sole benefit of the Club. These amounts are valued at fair value as reported by the holder of the assets.

Property and Equipment

Property and equipment are carried at cost. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|---|-------------|
| Building and improvements | 10-39 years |
| Vehicles | 5-10 years |
| Equipment | 10 years |
| Computers | 5 years |
| Office furniture, fixtures, and equipment | 5-10 years |

Additions are charged to the property accounts while maintenance and repairs which do not improve or extend the life of the respective assets are expensed currently. When properties are disposed of, the related costs and accumulated depreciation are removed from the respective accounts, and any profit or loss on disposition is credited or charged to earnings.

Donations of property and equipment are recorded as support at their estimated fair value.

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

Note A - Nature of Activities and Summary of Significant Accounting Policies - Continued

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

| <u>Expense</u> | <u>Method of Allocation</u> |
|------------------------|-----------------------------|
| Salaries | Time and effort |
| Retirement plan | Time and effort |
| Payroll taxes | Time and effort |
| Employee insurance | Time and effort |
| Supplies and materials | Direct allocation |
| Food provisions | Direct allocation |
| Student activities | Direct allocation |
| Staff development | Direct allocation |
| Communications | Space usage |
| Organization dues | Direct allocation |
| Transportation | Direct allocation |
| Utilities | Space usage |
| Occupancy | Space usage |
| Insurance | Space usage |
| Professional fees | Direct allocation |
| Fees and licenses | Direct allocation |
| Interest | Direct allocation |

Income Tax Status

The Club is organized under Section 501(c)(3) of the Internal Revenue Code as a nonprofit, tax-exempt organization. In addition, the State of North Carolina has granted the Club tax-exempt status.

The Club has determined that they do not have any material unrecognized tax benefits or obligations as of June 30, 2019. The Club has tax years ending June 30, 2016, 2017 and 2018 subject to examination by the Internal Revenue Service.

Investment Valuation and Income Recognition

The Club's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note E for discussion of fair value measurements.

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

Note B - Concentrations of Cash and Credit Risk

Financial reporting standards require the disclosure of concentrations of cash and credit risk regardless of the degree of such risk. Financial instruments which potentially subject the Club to concentrations of risk consist of cash.

The Club maintains their operating cash accounts in one commercial bank. Accounts at the bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

The Club's revenues and other support is received primarily from donor and grantors in Gaston County and surrounding areas. As such, the economy of these areas could affect the operations of the Club.

Note C - Unconditional Promises to Give

Unconditional promises to give at June 30, 2019 consist of \$167,201 from United Way of Gaston County, Inc. and \$54,987 from donors for the Dallas club.

Future maturities of unconditional promises to give are as follows:

| | |
|----------------------|------------------|
| Year ending June 30, | |
| 2020 | \$199,688 |
| 2021 | <u>22,500</u> |
| | <u>\$222,188</u> |

Unconditional promises to give due in more than one year are not discounted as any discount was determined to be immaterial to the financial statements as a whole.

The allowance for uncollectible promises to give has been evaluated and determined to be immaterial to the financial statements.

Note D - Grants Receivable

Grants receivable at June 30, 2019 consists of the following:

| | |
|---------------------------------------|-------------------|
| Boys and Girls Clubs of America | \$ 47,551 |
| Sisters of Mercy of North Carolina | 39,000 |
| Planet Fitness | 10,000 |
| Community Foundation of Gaston County | 7,500 |
| Other | <u>2,050</u> |
| | <u>\$ 106,101</u> |

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

Note E - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodologies used at June 30, 2019 and 2018.

Endowment Fund: The Endowment Fund is valued based on the underlying investments held by the Endowment. It consist of investments valued at quoted market prices, valued based on fund management's estimates based on certain valuation methods such as cash flow analysis and other valuing methods based on income or other relevant information.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Club's believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Endowment Fund was established in 2010 and is with the Community Foundation of Gaston County, Inc. It had a value of \$381,492 at June 30, 2019. The Endowment Fund is maintained for the purpose of generating and distributing earnings. The entire Fund is available to the Club upon request by its Board of Directors and approval by the Foundation's Board of Directors.

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

Note E - Fair Value Measurements - Continued

The following table sets forth by level within the fair value hierarchy the Club's fair value measurements as of June 30, 2019.

| | June 30, 2019 | | | Fair Value |
|----------------|---------------|---------|------------|------------|
| | Level 1 | Level 2 | Level 3 | |
| Endowment Fund | \$ - | \$ - | \$ 381,492 | \$ |

The following table sets forth a summary of changes in the fair value of the Club's level 3 assets for the year ended June 30, 2019.

| | Fair Value Measurement Using Significant Unobservable Inputs (Level 3) | |
|-------------------------------|--|---------|
| Beginning balance | \$ | 224,511 |
| Unrealized and realized gains | | 1,270 |
| Interest and dividend income | | 13,806 |
| Contributions | | 100 |
| Transfers in | | 145,000 |
| Investment fees paid | | (3,195) |
| Ending balance | \$ | 381,492 |

Note F - Property and Equipment, Net

Property and equipment at June 30, 2019 consist of the following:

| | Cost | Accumulated Depreciation | Net Book Value |
|---|---------------------|--------------------------|---------------------|
| Land | \$ 46,000 | \$ - | \$ 46,000 |
| Building and improvements | 1,963,797 | 830,589 | 1,133,208 |
| Vehicles | 157,085 | 100,592 | 56,493 |
| Equipment | 93,360 | 26,294 | 67,066 |
| Computers | 20,858 | 18,323 | 2,535 |
| Office furniture, fixtures, and equipment | 70,029 | 59,044 | 10,985 |
| | <u>\$ 2,351,129</u> | <u>\$ 1,034,842</u> | <u>\$ 1,316,287</u> |

Depreciation expense was \$86,736 for the year ended June 30, 2019.

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

Note G - Capital Leases

The Club has entered into a non-cancelable leases a copier.

The amount capitalized under these lease arrangements are included in the following balance sheet categorizes:

| | |
|-------------------------------|-----------------|
| Equipment | \$ 3,244 |
| Less accumulated depreciation | <u>676</u> |
| | <u>\$ 2,568</u> |

The present values of future minimum capital lease payments as of June 30, 2019 are as follows:

| | |
|-----------------------------------|--------------|
| Year Ending June 30, | |
| 2020 | \$ 1,188 |
| 2021 | <u>99</u> |
| Total future payments | 1,287 |
| Less amount representing interest | <u>45</u> |
| Present value of future payments | 1,243 |
| Less current portion | <u>1,145</u> |
| Non-current portion | <u>\$ 98</u> |

Note H - Net Assets with Donor Restrictions

Net assets with donor restrictions are comprised of cash amounting to \$98,477 and unconditional promises to give amounting to \$222,188, and grants receivable of \$95,500 for the following purposes at June 30, 2019:

| | |
|--------------------|-------------------|
| Administration | \$ 83,609 |
| West Gastonia Club | 79,380 |
| Teen Center | 91,979 |
| Bessemer City Club | 37,964 |
| Dallas Club | <u>123,233</u> |
| | <u>\$ 416,165</u> |

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

Note I - Release of Net Assets with Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Program or time restrictions accomplished during the year ending June 30, 2019 were as follows:

| | |
|-----------------------------|-------------------|
| Administration | \$ 83,609 |
| West Gastonia Club | 205,625 |
| Teen Center | 66,775 |
| Bessemer City Club | 81,492 |
| Fixed Assets Dallas Club | <u>69,571</u> |
| Total restrictions released | <u>\$ 507,072</u> |

Note J - Funding

The United Way of Gaston County, Inc. provided \$167,201 or 11.42% of total revenues and other support for the year ended June 30, 2019.

Note K - Retirement Plan

The Club has a qualified 401(k) plan for all eligible staff. The Club's contribution to the plan, as determined by the Board, may not exceed limits established by the Internal Revenue Service. Contributions charged to expense were \$14,879 for the year ended June 30, 2019.

Note L - Special Events

Several special events were held as fundraisers during the year ended June 30, 2019. Revenues and expenses were as follows:

| | |
|----------|------------|
| Revenues | \$ 542,701 |
| Expenses | \$ 66,810 |

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

Note M - Lease Commitments and Rent Expense

Teen Center space used by the Club is rented under a lease with a 30 day termination clause. The lease calls for monthly payments of \$1,000 plus 85% of the utilities of the facility except during June, July and August when the monthly payment is \$2,000 plus 85% of the utilities of the facility. Rent expense was \$15,000 for the year ended June 30, 2019.

The Club entered into a lease in June 2018 for a copier which will expire June 2022 with monthly payments of \$194. Copier expense was \$2,325 for the year ended June 30, 2019.

Remaining minimum rental payments as of June 30, 2019 are as follows:

| | | |
|-------|----|--------------|
| 2020 | \$ | 2,325 |
| 2021 | | 2,325 |
| 2022 | | <u>2,325</u> |
| Total | \$ | <u>6,975</u> |

Note N - Donated Property and Materials

The Club entered into an agreement with an unrelated organization in March 2000 for the use of the land and building for its West Gastonia location. The agreement expires February 28, 2099, with annual renewals thereafter. The agreement does not require payment for the use of the location but does require the Club to pay all real and personal taxes, ordinary repairs and maintain insurance based on the fair market value of the property. There have been no adjustments in these financial statements to reflect this agreement.

The Club entered into an agreement with an unrelated organization in May 2017 for the use of the land and building for its Bessemer City location. The agreement expires May 19, 2027. The agreement does not require payment for the use of the location but does require the Club to pay all real and personal taxes, ordinary repairs and maintain insurance based on the fair market value of the property. There have been no adjustments in these financial statements to reflect this agreement.

Contributions of donated noncash items are recorded at their fair value in the period received. In-kind contributions for food provisions amounted to \$24,311 for the year ended June 30, 2019.

BOYS AND GIRLS CLUBS OF GREATER GASTON, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

Note O - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position sheet date, compromise the following at June 30, 2019:

| | |
|--|---------------------|
| Cash and cash equivalents | \$ 664,988 |
| Grant receivables | 10,601 |
| Other receivables | 9,628 |
| Beneficial interest in assets held by others | <u>381,492</u> |
| | <u>\$ 1,066,709</u> |

The Organization generally uses these assets for programs and day-to-day operations.

Note P - Subsequent Events

The Club has evaluated subsequent events through October 16, 2019, the date on which the financial statements were available to be issued.

**Boys & Girls Clubs of Greater Gaston
 Profit & Loss - Dallas Club
 July 2018 through June 2019**

EXHIBIT D

| | <u>Jul '18 - Jun 19</u> |
|---------------------------------------|-------------------------|
| Ordinary Income/Expense | |
| Income | |
| 4100 · BGCA Grants | |
| 4103 · OJP | 2,763.02 |
| Total 4100 · BGCA Grants | <u>2,763.02</u> |
| 4400 · Contributions | |
| 4430 · Individual | 71,805.00 |
| 4440 · Corporate | 37,871.00 |
| Total 4400 · Contributions | <u>109,676.00</u> |
| 4550 · Program & Membership Fees | <u>13,055.00</u> |
| Total Income | 125,494.02 |
| Expense | |
| 6000 · Payroll Expenses | |
| 6005 · Salaries & Wages | 52,665.43 |
| 6010 · Social Security Tax Expense | 3,265.23 |
| 6015 · Medicare Tax Expense | 763.64 |
| 6020 · SUTA Tax Expense | 72.20 |
| Total 6000 · Payroll Expenses | <u>56,766.50</u> |
| 6100 · Benefits | |
| 6102 · Health Insurance | 2,474.88 |
| 6103 · LTD/Life Ins. | 317.68 |
| 6104 · 401(k) | 1,086.23 |
| 6105 · Worker's Comp Insurance | 757.51 |
| Total 6100 · Benefits | <u>4,636.30</u> |
| 6200 · Professional Services | 590.00 |
| 6250 · Supplies & Materials | |
| 6251 · Office Supplies | 78.38 |
| 6252 · Program Supplies | 1,295.92 |
| 6253 · Staff/Board/Vol. Recognition | 40.00 |
| 6254 · Food & Provisions | 635.65 |
| Total 6250 · Supplies & Materials | <u>2,049.95</u> |
| 6300 · Communications | |
| 6301 · Telephone/Internet/Support | 1,386.25 |
| Total 6300 · Communications | <u>1,386.25</u> |
| 6550 · Insurance | |
| 6551 · Directors & Officers Liability | 121.80 |
| 6552 · Non-Profit Pkg | 2,218.70 |
| Total 6550 · Insurance | <u>2,340.50</u> |
| 6610 · Organization Dues | 807.64 |
| 6620 · Student Activities | |
| 6621 · Program Activities | 184.98 |
| 6622 · Field Trips | 381.52 |
| Total 6620 · Student Activities | <u>566.50</u> |
| 6630 · Staff Development | |
| 6631 · Travel Expenses | 66.94 |
| 6632 · Registration | 360.00 |
| Total 6630 · Staff Development | <u>426.94</u> |
| Total Expense | <u>69,570.58</u> |
| Net Ordinary Income | <u>55,923.44</u> |
| Net Income | <u><u>55,923.44</u></u> |

Boys & Girls Clubs of Greater Gaston
Profit & Loss - Dallas Club
 July through September 2019

| | <u>Jul - Sep 19</u> |
|------------------------------------|--------------------------|
| Ordinary Income/Expense | |
| Income | |
| 4360 · Annual Campaign | |
| 4361 · Annual Campaign Income | 2,000.00 |
| Total 4360 · Annual Campaign | <u>2,000.00</u> |
| 4400 · Contributions | |
| 4430 · Individual | 1,200.00 |
| 4440 · Corporate | 1,250.00 |
| Total 4400 · Contributions | <u>2,450.00</u> |
| 4550 · Program & Membership Fees | 3,445.00 |
| Total Income | <u><u>7,895.00</u></u> |
| Expense | |
| 6000 · Payroll Expenses | |
| 6005 · Salaries & Wages | 20,064.15 |
| 6010 · Social Security Tax Expense | 1,243.98 |
| 6015 · Medicare Tax Expense | 290.93 |
| 6020 · SUTA Tax Expense | 31.02 |
| Total 6000 · Payroll Expenses | <u>21,630.08</u> |
| 6100 · Benefits | |
| 6102 · Health Insurance | 819.63 |
| 6103 · LTD/Life Ins. | 96.48 |
| 6104 · 401(k) | -420.00 |
| 6105 · Worker's Comp Insurance | 175.35 |
| Total 6100 · Benefits | <u>671.46</u> |
| 6250 · Supplies & Materials | |
| 6251 · Office Supplies | 194.18 |
| 6252 · Program Supplies | 327.22 |
| Total 6250 · Supplies & Materials | <u>521.40</u> |
| 6300 · Communications | |
| 6306 · Software/Website | 150.00 |
| Total 6300 · Communications | <u>150.00</u> |
| 6550 · Insurance | |
| 6552 · Non-Profit Pkg | 606.89 |
| Total 6550 · Insurance | <u>606.89</u> |
| 6610 · Organization Dues | 75.00 |
| 6620 · Student Activities | |
| 6621 · Program Activities | 10.73 |
| 6622 · Field Trips | 200.00 |
| Total 6620 · Student Activities | <u>210.73</u> |
| Total Expense | <u><u>23,865.56</u></u> |
| Net Ordinary Income | <u>-15,970.56</u> |
| Net Income | <u><u>-15,970.56</u></u> |

Town of Dallas
Budget Amendment

Date: November 12, 2019

Action: Economic Development

Purpose: To Appropriate Funds for Purchase of 208 N. Holland St.

Number: ED-002

| Fund | Dept | Line Item | Item Description | Original Amount | Amended Amount | Difference |
|------|------|--------------|-----------------------------|--------------------|-------------------|------------|
| 33 | 3999 | 0000 | Fund Balance Appropriated | \$22,396 | \$89,396 | \$67,000 |
| 33 | 8500 | 7500 | Cap. Outlay: Land, Building | \$22,396 | \$89,396 | \$67,000 |

Approval Signature
(Town Manager)

TOWN OF DALLAS, NORTH CAROLINA

PETITION FOR ANNEXATION

PETITION NUMBER: _____ Contiguous Non-Contiguous

DATE: _____ FEE: \$100.00 *

* Petitioner understands there will be additional costs associated with this petition such as advertising, postage, etc. and agrees to pay these fees upon receipt of invoice(s).

Current Property Use: vacant land Planned Property Use: Multi Family

Requested Zoning: Multi Family

To the Board of Aldermen of the Town of Dallas:

We, the undersigned owners of real property, respectfully request that the area described as

None assign, DALLAS, NC 28034, further identified as

parcel ID # 169183, be annexed to the Town of Dallas.

Name of petitioner/property owner: WF Rentals LLC

Mailing Address of property owner: PO Box 1422

Email Address: wilsonfamilybuilders@gmail.com Phone Number: 704-747-5031

Attachments included with Petition:

1. Legal description (as noted in property deed)
2. Letter outlining reasons for annexation request
3. \$100 Fee

Applicant Signature:  Date: 10/23/19

Received By: _____ Date: _____

ADJACENT PROPERTY OWNERS TO NOTIFY
(This Section is for Staff Use)

| Parcel ID# | Owner Name | Mailing Address |
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OFFICE USE ONLY

Date of Planning Board Hearing: _____ Approved? _____

Date of Board of Aldermen Meeting: _____ Approved? _____

EXHIBIT "A"

BEGINNING at a point in the paved portion of old U.S. Highway No. 321, said point being located at the northernmost corner of that certain tract of land which was conveyed to Henry F. Rhyne and wife, Gertrude F. Rhyne, by E. Fritz Blankenship and wife, Evelyn Blankenship, by deed dated November, 1942 and recorded in the Office of the Register of Deeds for Gaston County in Deed Book 434 at Page 560 and runs thence South 28 degrees 17 minutes 28 seconds East 291.13 feet to a railroad spike located in the paved portion of old U.S. Highway No. 321; thence with a new line, South 13 degrees 01 minutes 33 seconds West 666.72 feet to an iron pin set; thence with another new line, South 60 degrees 37 minutes 23 seconds West 1,101.88 feet to an iron pin set; thence with the easterly boundary line of Lots Nos. 26, 13, 10, and 9 in Block "A" of Thornbird Meadows as shown on Map No. 2 thereof recorded in the above-mentioned registry in Plat Book 40 at Page 41, North 07 degrees 47 minutes 15 seconds East 727.38 feet to an existing iron pin located in the easterly boundary line of Lot No. 9 in Block "A" of said Thornbird Acres; thence with the southerly boundary line of the property of James E. Lindsay, Jr. and wife, Wadeliza C. Lindsay, as described in deed recorded in the above-mentioned registry in Deed Book 1022 at Page 443, North 86 degrees 00 minutes 22 seconds East 736.42 feet to an existing iron pin at a stone; thence with Lindsay's easterly boundary line, North 05 degrees 33 minutes 02 seconds West 338.02 feet to an existing iron pin; thence continuing with Lindsay's easterly boundary line, North 27 degrees 26 minutes 00 seconds East 371 feet to the point of beginning and containing 13.1183 acres.

The above description by courses and distances is taken from a plat entitled "Survey Made at the Request of Gertrude F. Rhyne Est." made by John W. Lineberger, Registered Surveyor, dated July 30, 1986, on which subject property is identified as Tract No. 1. A copy of said plat may be found of record in Book 1831 at Page 534, Gaston County Registry.

This conveyance is made subject to the rights-of-way of old U.S. Highway No. 321 and an overheard telephone line as shown on the abovementioned plat.

BEING the identical property conveyed to Bobby H. Rhyne and wife, Frances S. Rhyne by that Deed dated January 20, 1987 and duly recorded in Book 1831 at Page 534 of the Gaston County Registry.

W.F. Rentals LLC

PO Box 1422

Gastonia, NC 20853

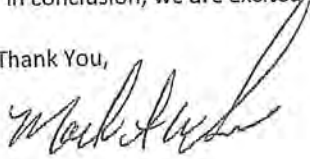
704-864-1442

To whom it may concern,

WF Rentals is looking to build an apartment complex on High Schoals Rd (PID 169183). Our goal is to build luxury apartments, and have Dallas supply all utilities. We would also like to have the support of Dallas Police and Fire department, as we have in the past. We have experienced the services with Dallas, and been very pleased. We also look forward to having property in a town we admire. I also have had the privilege of having many friends here as well.

In conclusion, we are excited to be building in Dallas again, and look forward to working with all your officials.

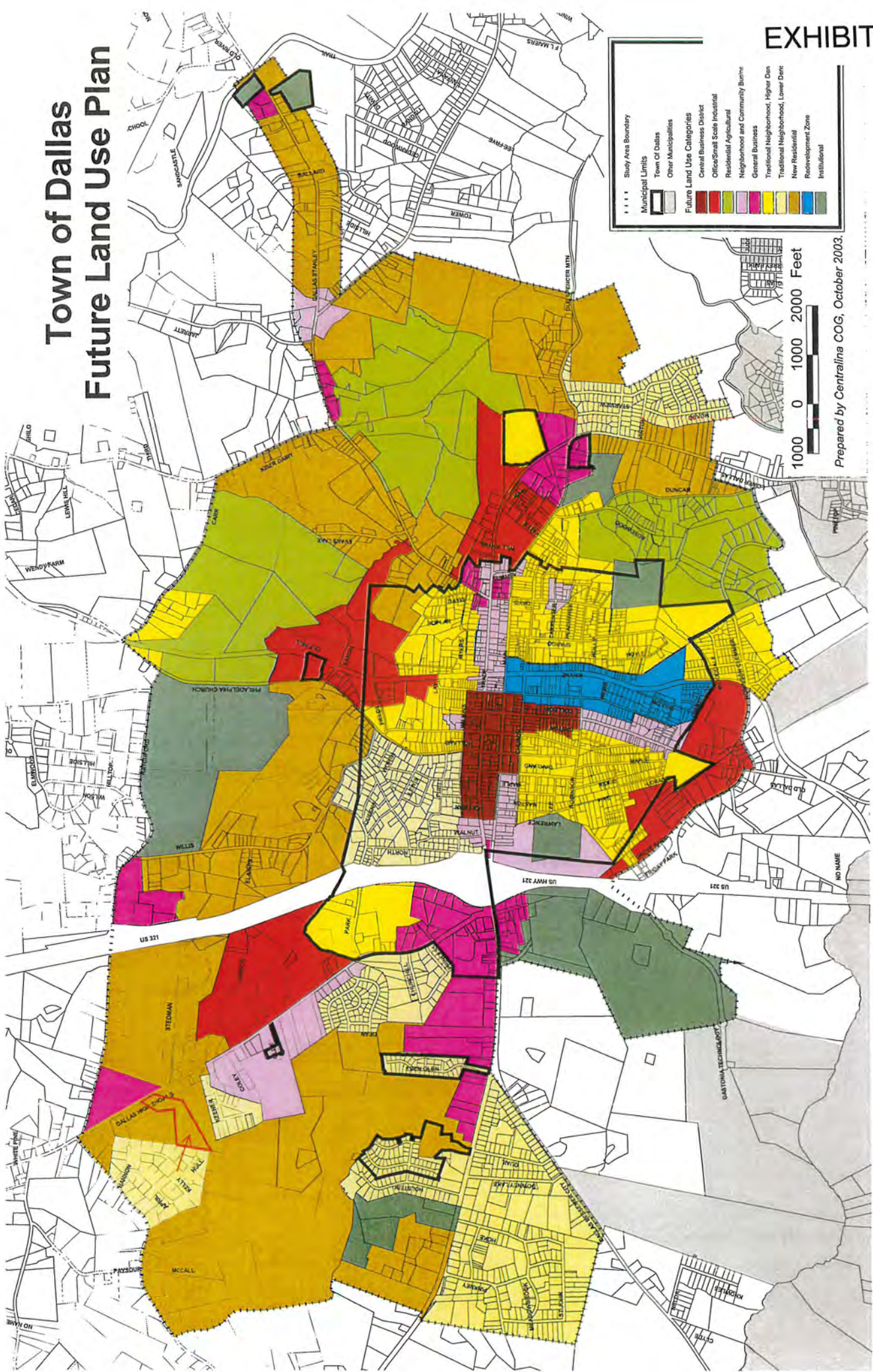
Thank You,

A handwritten signature in black ink, appearing to read "Mark A. Wilson". The signature is written in a cursive style with a large, sweeping flourish at the end.

Mark A Wilson

Town of Dallas Future Land Use Plan

EXHIBIT F



168 FERC ¶ 61,194
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;
Richard Glick and Bernard L. McNamee.

Duke Energy Carolinas, LLC

Docket No. ER19-2468-000

ORDER ACCEPTING REQUEST FOR RECOVERY OF CANCELLED NUCLEAR
PLANT COSTS

(Issued September 25, 2019)

1. On July 26, 2019, Duke Energy Carolinas, LLC (DEC) submitted a filing (Filing) pursuant to section 205 of the Federal Power Act¹ and Part 35 of the Commission's regulations² to recover the wholesale portion of the 50 percent of the total costs incurred for the development of the cancelled Lee Nuclear Station Units 1 & 2 in Cherokee, South Carolina (Lee Nuclear Project). DEC proposes to include the costs associated with the Lee Nuclear Project cancellation in the wholesale formula rates contained in 14 power purchase agreements (PPAs) between DEC and applicable wholesale customers (Wholesale Customers).³ For the reasons discussed below, we accept DEC's Filing to recover 50 percent of the wholesale portion of the costs of the cancelled Lee Nuclear Project.

I. Background

2. DEC is a wholly-owned subsidiary of Duke Energy Corporation, and serves both retail and wholesale customers in North Carolina and South Carolina.⁴ DEC's service area covers approximately 24,000 square miles and supplies electric service to 2.5 million

¹ 16 U.S.C. § 824d (2018).

² 18 C.F.R. § 35.13(a)(2)(iii) (2019).

³ Transmittal at 1. DEC notes in the Filing that it is authorized to state that the Wholesale Customers support the proposed recovery of their applicable share of the costs for the cancelled Lee Nuclear Project.

⁴ Transmittal at 4.

Docket No. ER19-2468-000

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residential, commercial, and industrial customers.⁵ DEC is a vertically integrated utility with generation, transmission and distribution facilities, which it uses to serve its retail customers and Wholesale Customers.

3. The relevant Wholesale Customers' PPAs are all long-term requirements service demand-based formula rate power purchase agreements under which DEC provides firm native load service.⁶ The Wholesale Customers under the PPAs are electrical cooperatives and municipal utilities whose service territories are located within DEC's balancing authority area.⁷

4. Before submitting this Filing, DEC states that it engaged in settlement negotiations with its Wholesale Customers regarding the recovery of the cancelled Lee Nuclear Project costs under the PPAs. As a result, DEC and the Wholesale Customers agreed either to a twelve-year amortization period or a one-time payment to DEC for their full load ratio share of the cancelled Lee Nuclear Project costs.⁸

5. DEC requests that the Commission approve the Filing as of September 25, 2019, so that the twelve-year amortization may commence beginning October 1, 2019, and so the one-time payment may be included on the first invoice following October 1, 2019, as agreed upon by DEC and the Wholesale Customers.

6. The Commission's existing policy for recovering the costs of abandoned plants was established in Opinion No. 295.⁹ The proceeding involved utility investment in a nuclear unit which was cancelled prior to completion and entry into commercial service. In Opinion No. 295, the Commission found that prudently incurred abandoned plant costs should be equitably allocated between ratepayers and shareholders, and specified how to determine amortization periods. Specifically, the Commission found that companies with investments in cancelled plants were entitled to a 50/50 sharing of the abandonment loss with rate base treatment of the unamortized portion of 50 percent of such investments (i.e., a return on investment).¹⁰

⁵ *Id.*

⁶ *Id.* at 4-5.

⁷ *Id.* at 5.

⁸ *Id.* at 1-2; see *infra* Appendix.

⁹ *New England Power Company*, Opinion No. 295, 42 FERC ¶ 61,016, *order on reh'g*, Opinion No. 295-A, 43 FERC ¶ 61,285 (1988) (Opinion No. 295).

¹⁰ *Id.*, Opinion No. 295, 42 FERC at 61,081-82.

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II. DEC Filing

A. Lee Nuclear Project Timeline

7. The Lee Nuclear Project was a planned, two-unit nuclear power plant to be built in Cherokee County, South Carolina. The Lee Nuclear Project was included in DEC's state-mandated Integrated Resource Plan (IRP). In an effort to determine, over a fifteen-year planning horizon, a reliable and economic mix of planned nuclear, fossil, and renewable generation, as well as demand-side and energy efficiency resources, DEC's 2005 and 2006 Annual Plans identified nuclear generation as the least-cost supply-side alternative to meet its need for significant capacity additions by summer 2016.¹¹

8. In March 2006, DEC announced that it selected the Cherokee, South Carolina site for evaluation for possible nuclear expansion.¹² In December 2007, DEC submitted a Combined Construction and Operating License Application (COLA) to the Nuclear Regulatory Commission (NRC) for two Westinghouse AP1000 Pressurized Water Reactors (AP1000). In December 2016, the NRC issued DEC's Combined Construction and Operating Licenses for the Lee Nuclear Project (COL),¹³ allowing DEC to construct and operate the units at the Cherokee, South Carolina site for 40 years.¹⁴

9. DEC explains that, during the years after the COL's issuance, a variety of circumstances outside of DEC's control negatively impacted DEC's ability to initiate construction and resulted in DEC's conclusion that it would no longer be beneficial to its customers to construct and commence operation of the Lee Nuclear Project.¹⁵

¹¹ Transmittal at 6.

¹² *Id.*

¹³ *Id.* In each annual plan or IRP between 2006 and 2017, the Lee Nuclear Project was identified as a cost-effective option to meet base load energy needs for customers.

¹⁴ *Id.*

¹⁵ *Id.* at 7. DEC cites to the Westinghouse Electric Company (Westinghouse) filing for bankruptcy on March 29, 2017, and Westinghouse being unable to proceed with the Engineering, Procurement and Construction of the AP1000 units under construction in South Carolina and Georgia. Additionally, DEC cites to the decision of the project owners for the South Carolina Westinghouse project to cease construction on July 31, 2017, of the South Carolina AP1000 units.

Docket No. ER19-2468-000

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10. DEC states that it filed a request with the North Carolina Utilities Commission (North Carolina Commission) on August 23, 2017, to cancel the Lee Nuclear Project, which was approved on June 22, 2018, finding that the costs DEC incurred for the development of the project were reasonable and prudent and that DEC could amortize and recover the North Carolina retail portion of those costs over a twelve-year period.¹⁶

11. On May 21, 2019, the Public Service Commission of South Carolina (South Carolina Commission) issued an order finding that the costs DEC incurred for the development of the project to be reasonable and prudent and allowing DEC to amortize and recover the South Carolina retail portion of cancelled Lee Nuclear Project development costs over a twelve-year period.¹⁷

12. DEC states that it submitted the instant Filing after it reached agreement with its Wholesale Customers in late June 2019, following months of discussions, to recover the applicable portion of the cancelled Lee Nuclear Project, based on a load-ratio share, from the Wholesale Customers through the formula rates in their PPAs.¹⁸ DEC seeks waiver of Opinion No. 295's requirement that DEC seek recovery of the cancelled Lee Nuclear Project costs within one year of the decision to cancel the project.¹⁹

13. DEC also requests waiver of section 35.13 of the Commission's regulations, including waiver of the full Period I-Period II data requirements, and waiver of the requirements in section 35.13(a)(2)(iv) to determine if and the extent to which a proposed change constitutes a rate increase based on Period I-Period II rates and billing determinants. DEC states that the testimony and other exhibits submitted as attachments to this Filing provide more than ample support for the reasonableness of the proposed recovery of the cancelled Lee Nuclear Project costs.

¹⁶ *Id.* The North Carolina Commission's approval of DEC's costs does not include the amount spent on a visitor's center at the plant site or the purchase price of the Cherokee, South Carolina site.

¹⁷ *Id.* The South Carolina Commission's approval of DEC's costs does not include the amount spent on a visitor's center at the plant site or the purchase price of the plant site.

¹⁸ *Id.* at 8.

¹⁹ *Id.* at 16; Opinion No. 295, 42 FERC at 61,081.

Docket No. ER19-2468-000

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B. Lee Nuclear Project Costs

14. DEC states that the costs to develop the Lee Nuclear Project were prudently incurred and were undertaken to ensure a diverse, cost-effective, and reliable supply of energy for DEC's wholesale customers.²⁰

15. To support its argument, DEC presents written testimony from Christopher M. Fallon, DEC's Vice President of Nuclear Development during the relevant time period. Mr. Fallon's testimony claims that DEC continued to identify the Lee Nuclear Project as a cost-effective option to meet base load energy needs for customers in IRPs from 2006-2017. Moreover, Fallon states, DEC's decision to proceed with the project was encouraged by an environment of high and volatile natural gas prices, the expected impacts of the 2005 Clean Air Interstate Rule, and other possible carbon limiting environmental regulations, as well as the positive support for nuclear generation afforded by the Energy Policy Act of 2005.²¹ According to Fallon, any decision to suspend the COLA prior to the COL's issuance would have substantially delayed the COLA's review and negated the requirements for new nuclear plant construction DEC had completed up to that point.²²

16. Additionally, DEC notes that both the North Carolina Commission and the South Carolina Commission deemed the Lee Nuclear Project costs to be just and reasonable, permitting DEC to amortize the allocated North Carolina Commission and South Carolina Commission retail portions of the overall costs incurred over a twelve-year period.²³ Specifically, DEC incurred actual costs for the development of the Lee Nuclear Project of \$558 million.²⁴

²⁰ Transmittal at 9.

²¹ DEC Ex. DEC-001 at 3 (citing 42 U.S.C. §§ 16011-16042 (2012)).

²² *Id.* at 9.

²³ Transmittal at 7.

²⁴ DEC is not seeking to recover \$500,000 spent on the visitor's center at the Cherokee, South Carolina site, which was disallowed by the North Carolina Commission and South Carolina Commission, and the cost to purchase the land of approximately \$40.9 million for the Lee Nuclear Project. DEC states that the costs to purchase the land have been transferred to FERC Account No. 105, Electric Plant Held for Future Use.

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17. DEC is seeking the Commission's approval to recover from the Wholesale Customers their load ratio share of the cancelled Lee Nuclear Project through the formula rates in the Wholesale Customers PPAs.

C. Proposed Methods of Cost Recovery

18. DEC seeks approval to recover the wholesale portion of the cancelled Lee Nuclear Project costs based on a twelve-year amortization period or through a one-time payment based on the payment method selected by the individual wholesale customer.²⁵ DEC is not seeking recovery of costs associated with a visitor's center and certain costs of land purchased for the Lee Nuclear Project. Subtracting these amounts from the total costs incurred, the total portion DEC seeks in this proceeding is the wholesale portion of 50 percent of approximately \$516.5 million,²⁶ or about \$258.2 million.

19. DEC states that those Wholesale Customers selecting the twelve-year amortization period have PPAs which contain a Schedule 1, which has a specific provision for the inclusion of "Other Regulatory Assets/Liabilities Recorded On or After January 1, 2018." According to DEC, given that it proposes to record the cancelled Lee Nuclear Project costs in FERC Account 182.2, with such amounts to be amortized to FERC Account 407, Schedule 1 expressly allows for the inclusion of the Lee Wholesale Costs upon Commission approval.²⁷ Recovery of the wholesale portion of the cancelled Lee Nuclear Project costs will be on a straight-line basis, will include a return on the unamortized balance based on DEC's weighted average cost of capital, and will include a return on a deferred tax asset that DEC will accrue in rate base ratably during the twelve-year

²⁵ See *infra* Appendix for the payment method selected by each Wholesale Customer.

²⁶ Transmittal at 8. The \$516.5 million is comprised of \$247.6 million in carrying costs for the Allowance for Funds used During Construction, \$189.4 million in Labor and related Overheads, \$119.7 million in other direct costs, and \$1.3 million in engineering and licensing support from the AP1000 Group LLC.

²⁷ *Id.* at 10; in Docket No. AC19-178, DEC concurrently filed an accounting letter requesting approval to use Account 182.2, Unrecovered Plant and Regulatory Study Costs, for the Total Lee Development Costs, and is requesting authorization to amortize the balance in Account 182.2 to Account 407, Amortization of Property losses, Unrecovered Plant and Regulatory Study Costs or to FERC Account No. 426.5, Other Deductions, if recovery of any of the costs is disallowed by the Commission. This filing is still pending before the Commission.

Docket No. ER19-2468-000

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amortization period.²⁸ DEC will accrue one-twelfth of approximately \$40 million of the deferred tax asset into rate base each year during the twelve-year amortization period.

20. The second method DEC proposes is a one-time payment of the wholesale portion of the cancelled Lee Nuclear Project costs.²⁹ The one-time payment, selected by certain Wholesale Customers, is derived from each customer's load ratio share of the wholesale portion of the cancelled Lee Nuclear Project costs. Wholesale customers electing this payment method will not be responsible for any return or other costs related to the unamortized balances of the cancelled Lee Nuclear Project costs or the deferred tax asset.³⁰ The accounting treatment for the one-time payment under the PPAs is the same as that used for the twelve-year amortization method. DEC states that upon Commission approval, the billing for the one-time payment will occur in the first invoice following October 1, 2019, and receipt of the payment will complete the paying customer's obligation for the cancelled Lee Nuclear Project costs.

21. DEC states that the one-time payment has also been selected by North Carolina Electric Membership Corporation (NCEMC) for its Catawba Interconnection Agreement (Catawba IA). The Catawba IA does not contain Schedule 1, but instead has a production fixed costs formula rate, with a line item in its formula rate for "Amortization of Losses/Gains" (with the associated note specifying that this line is only for Amortization of Losses/Gains in Account 407).³¹ DEC seeks the Commission's approval to allow for the one-time payment associated with the cancelled Lee Nuclear Project costs under the Catawba IA to be recognized by a debit to FERC Account No. 407, and to allow for the use of FERC Account 182.2 on a one-time basis until the one-time payment is made by NCEMC.³²

²⁸ *Id.* The deferred tax asset relates to the accounting entries booked during the write-off and subsequent deferral of the Lee Nuclear Project costs, which in conjunction with applicable Internal Revenue Service regulations, resulted in a deferred tax asset of approximately \$80 million within DEC's books and records.

²⁹ See *infra* Appendix.

³⁰ Transmittal at 11.

³¹ *Id.* at 11-12.

³² *Id.* at 3 n.4.

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III. Notice and Interventions

22. Notice of DEC's filing was published in the Federal Register, 84 Fed. Reg. 37,861 (2019), with interventions or comments due by August 16, 2019. NCEMC filed a timely motion to intervene. No protests or comments were filed.

IV. Discussion

A. Procedural Matters

23. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2019), NCEMC's timely unopposed motion to intervene serves to make it a party to this proceeding.

B. Substantive Matters

24. As discussed below, we accept DEC's filing to recover the wholesale portion of 50 percent of the \$516.5 million of cancelled Lee Nuclear Project costs from the Wholesale Customers.

25. Commission policy, pursuant to Opinion No. 295, dictates that DEC should recover these costs over the "life of the plant" which for the Lee Nuclear Plant would be for 40 years, the length of the COL. In *Maine Public Service Commission*, the Commission recognized that, under "unusual circumstances," agreements that do not conform to Opinion No. 295's "life of the plant" amortization period requirement can be proper so long as the result is "a reasonable sharing of costs."³³

26. Under the circumstances presented in this case, we find that DEC's proposed methods for amortization are a reasonable compromise that provide savings to the Wholesale Customers in reducing the carrying costs by shortening the amortization period and result in a reasonable sharing of the cancelled Lee Nuclear Project costs among its Wholesale Customers. The amount of costs to be recovered and the amortization methods have been agreed to by DEC's Wholesale Customers. The twelve-year amortization method parallels the retail treatment of the cancelled Lee Nuclear Project costs approved by both the North Carolina Commission and the South Carolina Commission as described above. There are no protests to the proposed costs or amortization methods under review.

³³ *Maine Pub. Serv. Comm'n*, 47 FERC ¶ 61,183, at 61,612 (1989). The transmission provider in *Maine Pub. Serv. Co.* had also reached a settlement agreement with its affected customer base regarding proposed costs and amortization methods for the cancelled nuclear project.

Docket No. ER19-2468-000

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The Commission orders:

(A) DEC's request to recover the wholesale portion of 50 percent of the \$516.5 million of cancelled Lee Nuclear Project costs from the Wholesale Customers is accepted, as discussed in the body of this order.

(B) DEC's proposed recovery methods of using either a twelve-year amortization or a one-time payment as negotiated with its Wholesale Customers are hereby accepted, effective September 25, 2019, as requested.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Docket No. ER19-2468-000

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Appendix³⁴

| Wholesale Customer | PPA | 12-year amortization/ One-time payment |
|---|--|---|
| Central Electric Power Cooperative, Inc. ("Central EMC") | DEC Rate Schedule FERC No. 336 – Power Purchase Agreement Between DEC and Central | 12-year amortization |
| Town of Forest City, North Carolina ("Forest City") | DEC Rate Schedule FERC No. 330 – Power Purchase and REPS Compliance Service Agreement Between DEC and Forest City | 12-year amortization |
| Town of Highlands, North Carolina ("Highlands") | DEC Rate Schedule FERC No. 337 – Power Purchase and REPS Compliance Service Agreement Between DEC and Highlands | 12-year amortization |
| Town of Prosperity, South Carolina ("Prosperity") | DEC Rate Schedule FERC No. 333 – Power Purchase Agreement Between DEC and Town of Prosperity | 12-year amortization |
| Western Carolina University ("Western Carolina") | DEC Rate Schedule FERC No. 338 – Power Purchase Agreement Between DEC and Western Carolina | 12-year amortization |
| Blue Ridge Electric Membership Corporation ("Blue Ridge EMC") | DEC Rate Schedule FERC No. 315 – Full Requirements Power Purchase and REPS Compliance Service Agreement Between DEC and Blue Ridge EMC | One-time payment |
| Town of Dallas, North Carolina ("Dallas") | DEC Rate Schedule FERC No. 328 – Power Purchase and REPS Compliance Service Agreement Between DEC and Dallas | One-time payment |
| Town of Due West, South Carolina ("Due West") | DEC Rate Schedule FERC No. 329 – Power Purchase Agreement Between DEC and Due West | One-time payment |
| Haywood Electric Membership Corporation ("Haywood EMC") | DEC Rate Schedule FERC No. 335 – Requirements Power Purchase Agreement Between DEC and Haywood | One-time payment |

³⁴ See Transmittal at 2 – 3.

Docket No. ER19-2468-000

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Appendix (continued)

| | | |
|--|--|------------------|
| Lockhart Power Co. ("Lockhart") | DEC Rate Schedule FERC No. 332 – Power Purchase Agreement Between Duke Energy Carolinas, LLC and Lockhart Power Company | One-time payment |
| North Carolina Electric Membership Corporation ("NCEMC") | DEC Rate Schedule FERC No. 326 – Power Purchase Agreement Between DEC and NCEMC | One-time payment |
| NCEMC | DEC Rate Schedule FERC No. 273 – NCEMC Catawba Interconnection Agreement ("NCEMC Catawba IA") | One-time payment |
| Piedmont Electric Membership Corporation ("Piedmont EMC") | DEC Rate Schedule FERC No. 316 – Full Requirements Power Purchase Agreement Between DEC and Piedmont EMC | One-time payment |
| Rutherford Electric Membership Corporation ("Rutherford EMC") | DEC Rate Schedule FERC No. 317 – Partial Requirements and REPS Compliance Service Agreement Between DEC and Rutherford EMC | One-time payment |

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

In Reply Refer To:
Office of Enforcement
Docket No. AC19-178-000
October 22, 2019

Duke Energy Corporation
Attn: Cynthia S. Lee
Director, Investor Relations
550 South Tryon Street
Charlotte, NC 28202

Dear Ms. Lee:

This is in response to your letter dated July 26, 2019, as supplemented on September 27, 2019. You filed the letter on behalf of Duke Energy Carolinas, LLC (Duke Carolinas) requesting approval to use Account 182.2, Unrecovered Plant and Regulatory Study Costs, to account for the cancellation of Lee Nuclear Station Units 1 & 2 in Cherokee County, South Carolina (Lee Nuclear Project) for \$390,442,638, and to amortize the balance of the unrecovered costs in Account 182.2 to Account 407, Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs.

Based on Duke Carolinas' representations, its proposed accounting entries are approved. This accounting approval is not intended to influence the outcome of any rate treatment that may be established for the cancellation of the project.

Duke Carolinas proposes to record the wholesale share of the cancelled Lee Nuclear Project costs in the amount of \$24,035,534 to Account 182.2, and to amortize various balances that make up the \$24,035,534 to Account 407 either over a 12-year period or at once, depending on the period of rate recovery for each customer. The Commission authorized the recovery of the wholesale share of cancelled Lee Nuclear Project costs from wholesale customers in Docket No. ER19-2468-000.¹

Duke Carolinas states that the remaining amount of the \$390,442,638 is attributable to its retail rates, and proposes to amortize that amount over a 12-year period.

¹ *Duke Energy Carolinas, LLC*, 168 FERC ¶ 61,194 (2019).

Duke Energy Carolinas, LLC

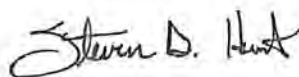
Docket No. AC19-178-000

This amortization is consistent with the approvals for retail rate recovery from the North Carolina Utilities Commission and the Public Service Commission of South Carolina.²

Duke Carolinas is authorized to record in Account 182.2 the cancelled Lee Nuclear Project costs approved for rate recovery by the Commission and its retail rate regulators. Amounts deferred in Account 182.2 are to be amortized to Account 407 over the period of rate recovery as determined in the wholesale and retail rate orders. This approach is consistent with the instructions to Account 407.³

The Commission delegated authority to act on this matter to the Director of the Office of Enforcement or his designee under 18 C.F.R. § 375.311 (2019). The Director has designated this authority to the Chief Accountant. This letter order constitutes final agency action. Your company may file a request for rehearing with the Commission within 30 days of the date of this order under 18 C.F.R. § 385.713 (2019).

Sincerely,



Steven D. Hunt
Chief Accountant and Director
Division of Audits and Accounting
Office of Enforcement

² See Docket No. E-7 Sub 1146 *State of North Carolina Utilities Commission*, and Docket No. 2018-319-E, *Public Service Commission of South Carolina*.

³ See 18 C.F.R. Part 101 (2019), Account 407.

Maria Stroupe

From: Knight, Richard Adam <Richard.Knight@duke-energy.com>
Sent: Monday, October 28, 2019 10:06 AM
To: Doug Huffman (dhuffman@dallasnc.net); 'Maria Stroupe'
Cc: Carolan, Todd M
Subject: Lee Nuclear Cost- Town of Dallas
Attachments: Lee Nuclear Order ER19-2468 20190925-3083(33811971).pdf; Lee Nuclear Accounting Order 20191022-3045(33840657).pdf

Maria and Doug,

On September 25th, FERC issued the attached order accepting DEC's Lee Nuclear filing to recover 50% of the wholesale portion of the Lee Nuclear costs. On October 22nd, FERC issued the attached order accepting DEC's accounting request regarding Lee Nuclear costs.

Pursuant to your choice to make a one-time payment on the agreed upon amount of \$175,213.40, and pursuant to the requirements of the filing, we plan to bill this amount on the invoice for October business that you receive in early November.

If you have any questions or concerns, please let me know.

Thanks for your cooperation and support on this matter.

Richard A Knight

Work: 803-988-7126
Mobile: 803-917-6376
Richard.Knight@duke-energy.com



Duke Energy
Regulated Utilities
Wholesale Business Development
1201 Main Street
Suite 1180
Columbia, SC 29201

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Town of Dallas
Budget Amendment

Date: November 12, 2019

Action: Electric

Purpose: To Appropriate Funds for Duke Energy Charges for Lee Nuclear Project

Number: EL-001

| Fund | Dept | Line Item | Item Description | Original Amount | Amended Amount | Difference |
|------|------|-----------|---------------------------|-----------------|----------------|------------|
| 30 | 3999 | 0000 | Fund Balance Appropriated | \$243,677 | \$418,891 | \$175,214 |
| 30 | 8500 | 4820 | Electrical Charge | \$5,078,981 | \$5,254,195 | \$175,214 |

Approval Signature
(Town Manager)