MINUTES

Regular Meeting of Shelby City Council **May 4, 2026**
City Hall Council Chambers **Monday, 6:00 p.m.**

Present: Mayor Pro Tem Violet Arth, presiding; Council Members Andrew Hopper, Sr., Emilie Bullock, David White, Lori Waris, and Charles Webber; City Manager Justin S. Merritt, Assistant City Manager Ben Yarboro, Assistant City Manager Kerri Melton, City Attorney Jason Lunsford, City Clerk Carol Williams, Director of Finance Elizabeth (Beth) Beam, CPA, Director of Human Resources Deborah (Deb) Jolly, Chief of Police Brad Fraser, Fire Chief William Hunt, EFO, Director of Planning and Development Services Brian Burgess, Public Works Director Scott Black, Director of Water Resources Brian Wilson, Public Information/Communications Officer Chip Nuhrah, and Paralegal Nicole Hart

Mayor Pro Tem Arth called the meeting to order at 6:00 p.m. and Dr. Webber delivered the invocation.

Mrs. Bullock led the Pledge of Allegiance.

A. Approval of agenda:

Motion to adopt the proposed agenda presented.

ACTION TAKEN: Upon a motion by Mr. White, City Council voted unanimously to approve the agenda as presented.

B. Public Hearing:

1) **Parcel 26964, located on W. Ross Grove Rd.:**

   a) **Adoption of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina for Parcel 26964, located on W. Ross Grove Rd.: Ordinance No. 16-2026**

   b) **Adoption of an ordinance granting permission by the City Council of the City of Shelby, North Carolina to use the 10%/70% development option available in the city's Unified Development Ordinance: Ordinance No. 17-2026**

Mr. Burgess gave the following information regarding the rezoning application:

- **Parcel 26964 is approximately 6.0 acres, currently zoned RO and R10.**
- **The applicant is requesting to amend the zoning to RO-CZ, to allow for the construction of Ross Grove Manor, a 76-unit, 4-story multi-family senior housing development.**
- **The proposed conditions requested by the applicant include:**

- **A parking ratio of 1.25 spaces per unit for both 1-bedroom and 2-bedroom units instead of 1.5 spaces per 1-bedroom and 1.75 spaces per 2-bedroom. There will be a total of 96 parking spaces.**
- **Our Unified Development Ordinance states that a building exceeding 250 feet in length with more than 8 units must have central facilities for dining and recreation. The applicant is asking to be relieved of this requirement due to residents being able to live independently. This is not an assisted living development.**
- **The applicant is requesting encroachment of the stormwater control measures, grading, and retaining wall into the 75 ft. buffer at the south end of the development.**

- **Staff and the Planning and Zoning Board recommend approval**
- **If Ordinance 16-2026 is approved, a vote on a 10%/70% watershed permit is necessary. The site plan proposes a 35% built-upon (impervious) area, which exceeds the standard limit of 24% set by the City's watershed ordinance for multi-family developments with curb and gutter.**

Mayor Pro Tem Arth opened the public hearing at 6:08 p.m. and the following citizens commented:

1) **Wayne Davis, 1249 N. Lafayette Street, Shelby, North Carolina, spoke of his concerns about the sewer capacity in the area and wondered if more sewer lines were going to be installed because of this new proposed development. He mentioned the Clearbrook neighborhood was annexed into the City years ago and still does not have sewer.**

2) **David Major, 149 Ross Grove Road West, Shelby, North Carolina stated he supports affordable senior housing, but he opposes this development. In his opinion, a 250-length, 4-story building looks like barracks. He was also concerned about erosion control with this development. He stated this proposed development violates various sections of the City's Unified Development Ordinance.**

3) **David Teddy, 139 Westfield Road, Shelby, North Carolina thanked City staff for being so responsive to the Mills development. He stated he has known the developer for many years, and they are known for quality construction. He mentioned a study showing that our area is in need of over 7000 affordable senior housing units, and he asks Council to approve this conditional zoning amendment.**

4) **Bobby Funk, 1713 Pathway Dr, Carrboro, North Carolina stated he is the Development Director for Mills Construction and through several meetings in the community, his firm has addressed concerns relating to this development such as increased traffic, stormwater, and property values. He reported that a Traffic Impact Analysis was conducted with no major concerns; buffering, landscaping, curb and gutter will reduce stormwater**

concerns; and studies show no negative impact on property values with these types of developments in the area.

Mayor Pro Tem Arth closed the public hearing at 6:20 p.m.

Mr. Merritt stated the City has the water and sewer capacity to serve this development.

ACTION TAKEN: Upon a motion from Mr. Hopper, City Council voted unanimously to approve Ordinance No. 16-2026 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA FOR PARCEL 26964, LOCATED ON W. ROSS GROVE RD. Even though it is inconsistent with Shelby's adopted comprehensive plan, this zoning request is reasonable because it is consistent with current development patterns, it is consistent with planned future use and there is similar development nearby."

Due to Ordinance No. 16-2026 passing, a vote regarding the 10%/70% watershed permit was necessary.

ACTION TAKEN: Upon a motion from Mr. White, City Council voted unanimously to approve Ordinance No. 17-2026 entitled, "AN ORDINANCE GRANTING PERMISSION BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA TO USE THE 10%/70% DEVELOPMENT OPTION AVAILABLE IN THE CITY'S UNIFIED DEVELOPMENT ORDINANCE."

2) Adoption of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina for parcel 71231, located on Morton St.: Ordinance No. 18-2026

Mr. Burgess gave the following information regarding the conditional rezoning application:

- Parcel 71231 is approximately 5.35 acres, currently zoned R6.
- The applicant is requesting to amend the zoning to R6-CZ, with a conditional use to allow for the construction of Ramsey Pointe, an 84-unit, 3-story multi-family development.
- The significant conditions proposed by the applicant include:
    - Additional rear setback; setbacks would total 36 feet
    - Additional side setback; setbacks would total 16 feet
    - A 5-foot setback along the Carolina Harmony Trail right-of-way
    - Buffers will range from 8 feet to 30 feet and will include a 6' fence (vinyl or wood) and various landscaping
    - Other conditions refer to building unit counts, building materials, elevations, and engineering

- **Staff and the Planning and Zoning Board recommend approval.**

Mayor Pro Tem Arth opened the public hearing at 6:33 p.m. and the following citizens commented:

1) **Andy Rosen, 812 Berkley Street, Durham, North Carolina, is working with the developer, who has extensive experience building multi-family developments. He clarified that the building will be 50' from the right-of-way at the Carolina Harmony Trail. It will not be right on the trail. If NCDOT doesn't require a second entrance on Patterson Street then the developer is agreeable with that, or another possibility is that the Patterson Street entrance be gated and used as an emergency exit only. The setbacks are met in most places and any fencing will be at least 2-3 feet off the property lines. The placement of the buildings will be closer to the church, away from the existing homes on Morton Street. The 75' buffer near the church on Morton Street is more than adequate.**

2) **Terry Melton, 821 Rhodann Drive, Shelby, North Carolina, stated she was opposed to the rezoning amendment. She inherited her father's house on Patterson Street. Her main reason for opposing the development is the entrance road going to Patterson Street. This entrance will come very close to her driveway and carport. She stated that children play in the area, and she's concerned about their safety. Patterson Street is a very narrow street and it's hard to have two cars passing each other. There have already been 5 new homes built on Patterson Street recently, and this area cannot handle more traffic if this development is built. She would be more in favor of the development if the second road to Patterson Street was not constructed.**

Mayor Pro Tem Arth closed the public hearing at 6:41 p.m.

After much discussion regarding setbacks, buffers, and the secondary road onto Patterson Street, Mr. Burgess addressed Council regarding the conditional rezoning. He reminded Council that they can request minor modifications to the site plan in their motion, if they desire to do so.

The applicant is favorable to the additional condition making the entrance on Patterson Street an emergency access only.

ACTION TAKEN: Upon a motion from Mrs. Bullock, City Council voted 4 – 2 (Arth and White, opposed) to approve Ordinance No. 18-2026 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA FOR PARCEL 71231, LOCATED ON MORTON ST. with the adjustments of the main entrance on Morton Street and using Patterson Street as an emergency entrance only and even though the zoning request for the 5.35 acres on

Morton Street is inconsistent with Shelby's adopted comprehensive plan, this zoning request is reasonable because the request is consistent with current development patterns, and there is multi-family nearby."

Mr. Hopper was excused at 6:56 p.m. Mr. Lunsford reminded Council that Mr. Hopper's absence was unexcused for the remainder of the meeting and pursuant to N.C. Gen. Stat. 160A-75, when a member who is physically present but has withdrawn without being excused shall be recorded as an affirmative vote on all remaining matters.

3) **Approval of a resolution granting a Special Use Permit to Hickory Creek LLC at 0 Gidney Street: Resolution No. 29-2026**

Mr. Burgess asked Council members to disclose any communication with the developer or anyone else about this Special Use Permit application, and bias, or conflicts of interests; Council revealed they had none.

Mr. Burgess reminded Council of the procedure for a quasi-judicial hearing and that only expert testimony is allowed as to certain topics, such as traffic impacts or home values; opinions or feelings are not considered evidence on these topics. Mr. Burgess also reminded Council that only individuals with standing were permitted to testify.

Mr. Burgess reviewed the application from Hickory Creek LLC/Zimmerman Properties SE, LLC:

- **The parcel is roughly 16.85 acres with a current zoning of GB2-CU.**
- **The applicant is requesting a Special Use Permit to construct a 60-unit multi-family apartment development located on Gidney Street behind Lowe's Home Improvement.**
- **Staff recommends approval.**

Mr. Burgess, Timothy Bullard, and Mike Philbeck were sworn in before giving their testimony.

Mayor Pro Tem Arth opened the public hearing at 7:00 p.m. and the following citizens commented:

1) **Timothy Bullard, Zimmerman Properties SE, LLC, 1329 E. Lark Street, Springfield, Missouri, described the proposed development as affordable multi-family housing which Zimmerman Properties has specialized in; having built over 10,000 units. Mr. Bullard stated, the family-owned business is very active in the southeast with projects in NC, SC, GA and TN. Mr. Bullard thanked Mike Philbeck and David Royster for their due**

diligence; both men are in attendance and in favor of the proposed development.

Mayor Pro Tem Arth requested the appraisal report provided by Mr. Bullard be entered into the record.

According to Mr. Bullard, this report is an analysis of the proposed development, an evaluation of the value of the land, and a summary of facts that answer several questions from the application. Mr. Bullard clarified that this proposed 60-unit multi-family housing does not use the entire 16 acres. They are under contract to purchase just 7.30 acres. In his opinion, Mr. Bullard believes this project meets all the findings required for the Special Use Permit.

2) **Mike Philbeck, 1805 Arbor Way Drive, Shelby, North Carolina, agreed that the engineer and the appraisal company have answered the four criteria required for a Special Use Permit. Mr. Philbeck stated this area has been a problem for a long time, and in his opinion, this development will help solve that problem.**

Mayor Pro Tem Arth closed the public hearing at 7:09 p.m.

Mr. Lunsford advised Council that the applicant's testimony is deemed sufficient to meet the obligations of our ordinance. If Council agrees that the findings of fact are met, then, Mr. Lunsford stated that the motion needs to include the specific findings of fact. He continued by stating that since there was no opposition from any citizens with standing opposing the evidence, then Council is advised to approve the Special Use Permit.

ACTION TAKEN: Upon a motion from Mr. White, having heard all of the evidence and arguments presented at the hearing, City Council, at its regular meeting, finds and determines that the application is complete, and subject to the conditions imposed, voted unanimously to approve Resolution No. 29-2026 entitled, "A RESOLUTION GRANTING A SPECIAL USE PERMIT TO HICKORY CREEK LLC AT 0 GIDNEY STREET based on the Findings of Fact submitted in Attachment A."

C. Special Presentation:

1) **Fiscal Year 2026-2027 Budget Message, City Manager Justin Merritt presenting:**

Mr. Merritt stated the agenda packet includes his budget message, the budget ordinance, the supplemental budget ordinance and the fee schedule for FY 2026-2027.

Highlights of the proposed $105.2 million balanced budget:

- **Maintains current property tax rate of $0.45 cents per $100 of valuation.**
- **Uptown Shelby Municipal Service District property tax rate stays the same at $0.22 cents per $100 of valuation.**
- **Personnel and operations - these two categories account for 91% of General Fund expenditures.**
- **Slight adjustments in some fees as shown in the proposed fee schedule.**
- **Capital expenditures are mainly to replace ageing vehicles or worn-out equipment. These replacements are necessary to continue providing reliable services. System improvements, maintenance and repairs of lines are also included in the proposed budget.**
- **Proposed utility rate adjustments: Water – 2.87%, Sewer – 4.6%, Electric - 1.2%, and Natural Gas – .63%.**
- **The impact on customer bills from the proposed rate adjustments is less than $6.00/month based on the cost-of-service study prepared by Utility Financial Solutions.**

Mr. Merritt stated that the Budget calendar reflects the public hearing regarding the proposed budget to be held on May 18th, and if Council is amenable to that date, then the City Clerk will advertise the public hearing for May 18th. Council agreed to advertise the public hearing for May 18th.

D. Consent Agenda:

Mayor Pro Tem Arth presented the consent agenda. Dr. Webber moved to approve the consent agenda, and the following items were unanimously adopted:

1) **Approval of the Minutes of the Regular Meeting of April 20, 2026**

2) **Adoption of FY 2025-2026 Budget Ordinance Amendment: Ordinance No. 19-2026**

3) **Management Report:**

   a) **Monthly Financial Summary, March 2026**

END OF CONSENT AGENDA

E. Unfinished Business:

None

F. New Business

None

G. City Manager's Report:

- **Regarding the drought conditions – As of April 28th, the City is at D3 which means extreme drought. This is a level 4 out of 5; however, water supply is not restricted at this time. The City Manager can implement restrictions when certain conditions are met. The City is not restricting use of water yet but it's always good to conserve water and to make a plan for how to reduce water usage in case the City gets to that point. City staff monitor the drought conditions every day and will keep everyone updated. With the recent rain, the City hopes to see the water levels increase, but the levels are down significantly from the usual levels. The City is budgeting for the testing of our secondary water resource, the Broad River.**
- **Regarding the burn ban – The statewide Burn Ban no longer includes Cleveland County. The city has also lifted the municipal burn ban which addressed burning 100 feet from an occupied dwelling. Mr. Merritt urges citizens to still use caution with the continued dry conditions.**
- **Mr. Merritt and Mr. Lunsford plan to attend CityVision this week and hope to speak to legislators and learn more about their short session.**
- **Welcomed Assistant City Manager Kerri Melton, as it is her first day. Staff is happy to have her and the experience that she brings to this position.**

H. Council Announcements and Remarks:

Dr. Webber recognized that it was National Firefighter's Day and saluted Chief Hunt and all firefighters. It's a dangerous job and Council appreciates the great work the firefighters do every day. Mr. Webber stated his classmate, Nathan Hall, was one of the firefighters that was killed in the Uptown Shelby fire many years ago.

Ms. Arth continued that sentiment and thanked Chief Hunt and his department for being forward thinking, and for keeping the city safer. She also mentioned that the insurance rates are lower because of the work of the Shelby Fire and Rescue Department.

Mrs. Bullock congratulated Ms. Arth on doing a great job presiding over the meeting tonight and wished her a Happy Birthday.

Mr. White encouraged everyone to sing Happy Birthday to Ms. Arth.

H. Adjournment:

1) **Motion to adjourn**

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to adjourn the meeting at 7:44 p.m.

Respectfully submitted,

Carol Williams
City Clerk

Violet Arth
Mayor Pro Tem

Minutes of May 4, 2026