The Mayor and City Council met in regular session on Thursday, August 6, 2026 at 6:30 p.m. in the Council Chambers of City Hall located at 114 West Sycamore Street, Lincolnton North Carolina.

Mayor Ed Hatley opened the meeting with a moment of silence and led the Pledge of Allegiance.

Special Presentation — Order of the Longleaf Pine

Prior to proceeding with the agenda, Mayor Ed Hatley recognized Brent Turner, Manager of the City's Electrical Department, for a special presentation. Mayor Hatley spoke to Mr. Turner's lifelong record of public service, noting his prior career as a firefighter and public servant, his dedication to the community, and his genuine care for people. The Order of the Longleaf Pine — one of the highest honors bestowed by the Governor of North Carolina — was presented to Mr. Turner in recognition of his extraordinary contributions and long record of service to the City of Lincolnton and community.

Agenda Approvals

There was a last-minute addition to the agenda: a change order for work on North Laural Street, was added as Item 4d.

Motion to approve the amended regular agenda was by Council Member Roby Jetton. Members voted 4-0 in favor of the motion.

Motion to approve the consent agenda as presented was made by Council Member Jill Tipton. Members voted 4-0 in favor of the motion.

PUBLIC COMMENT

Two speakers were signed in. One speaker deferred his comments to the September meeting, as the item pertaining to his property (172 Shell Street) was being continued to the following month.

Mr. Alan Hoyle addressed the Mayor and Council. He encouraged the governing body to study the Declaration of Independence and the Constitution and urged grounding local governance in foundational principles. He also raised a concern about the city's ordinances regulating yard sales and flea market activity on private property, questioning whether that level of regulation into personal property was appropriate. He further urged Council members to be well-versed in holy scripture, the Declaration of Independence, and the Constitution when confronting complex issues facing the city and nation.

PUBLIC HEARING

CZ-7-2026
Request from Piedmont Companies

Planning Director Jean Derby advised that this case has been deferred pending the potential relinquishment of the Extraterritorial Jurisdiction (ETJ). The annexation process must be completed before the case can be heard. The matter was referred to the August 18, 2026 Planning Board meeting and the September 3, 2026 City Council meeting. No action was taken.

Consider the adoption of a proposed one (1) year moratorium on the acceptance, processing, and approval of applications for data storage facilities within the City of Lincolnton, North Carolina

Zoning Administrator Ashley Jones presented a staff report recommending that Council adopt an ordinance imposing a one-year moratorium on the acceptance, processing, and approval of applications for data centers, data processing facilities, cryptocurrency mining operations, and other associated uses within the City's jurisdiction.

Staff explained that a moratorium is not a permanent "no" but a temporary pause to allow the City time to research the impacts of data centers, develop appropriate regulatory recommendations, and foster public input. The planning department noted that the City's current ordinance does not expressly permit data centers, meaning a developer could propose their own text amendment to allow the use. Staff emphasized that more than 40 North Carolina jurisdictions have already approved data center moratoria, and that as of July 1st, 15 states are considering statewide moratoria. Key regulatory concerns identified by staff included setbacks, water use and closed-loop cooling systems, sewer discharge and chemical management, noise and lighting impacts, generator use and scale, environmental impacts, and emergency preparedness. Staff also outlined that the planning department has only three employees with limited zoning experience and would need consultant assistance or additional resources to complete the research within a shorter timeframe.

The Mayor expressed support for bringing in an outside consultant familiar with the subject and questioned whether the 12-month timeframe could be shortened to 3 or 6 months. He also voiced concern about data centers that rely on temporary diesel generators for power, stating he would not want to impose that burden on any neighborhood. He noted that much of the publicly available information about data centers contains both fact and "propaganda," and that the city needs expert guidance to separate the two.

The City Manager affirmed the significant economic potential of data centers, referencing the Apple facility in Maiden, NC, whose tax valuation alone exceeds that of the entire City of Lincolnton. He noted the transformative tax revenue possibilities for smaller municipalities but agreed that getting the regulatory framework right is essential. He referenced a prior visit to the Microsoft data center in Conover, and a conversation with the Mount Pleasant, Wisconsin city planner, whose community is projected to receive approximately $75 million in annual revenue from 13 Microsoft data centers on

1,000 acres. He suggested a future workshop would be valuable to get Council and staff educated by experts rather than relying on media or YouTube.

Council members expressed a shared reluctance to impose a blanket one-year moratorium without more information, while also acknowledging that any future application would still require a Council vote regardless of whether a moratorium was enacted. Several members expressed interest in contacting nearby communities — particularly Kings Mountain and Statesville — that have recently navigated the same issue, and in engaging a consultant to accelerate the development of appropriate regulations. Council members also noted that Staff had already been proactively collecting information and model text amendments from other jurisdictions.

Mayor Hatley opened the floor for members of the public to speak to this item. Mark Frederick, a land use attorney from Parker Poe in Raleigh, appeared on behalf of Arthur Baker and Heathcote Capital. He requested that Council vote against the moratorium, stating that his clients have a specific, non-speculative data center project proposed at 232 Carr Farm Road, with site control, a committed power provider, and a draft text amendment already submitted to staff. He described the project as representing approximately $600 million in private investment and an estimated $2.2 million in annual tax revenue — roughly equivalent to the budget shortfall that nearly forced the elimination of 21 full-time positions in the current budget year. He argued that rejecting the moratorium would not approve the project but would allow the planning process to move forward, providing the City with a real-world case study with enforceable conditions. He cautioned that a one-year — or even six-month — delay would likely cause the developer to seek another site.

Alan Hoyle returned to caution Council about the secrecy often surrounding large development deals and expressed concern about placing excessive trust in developers with significant financial interests. He also raised questions about emergency preparedness, water quality risks from closed-loop chemicals, potential generator noise, and the long-term health and environmental impacts of data centers, drawing comparisons to the Camp Lejeune water contamination situation.

The public hearing was closed. Council deliberated and agreed that a one-month deferral — rather than adoption of the moratorium — was the appropriate course of action, allowing staff and the City Manager time to gather more information, consult with other municipalities, identify potential consultants, and potentially schedule a workshop for Council education. It was noted that even without a moratorium, the Council retains authority to vote on any future application.

Council Member Jill Tipton made a motion to close the Public Hearing. Members voted 4-0 in favor of the motion.

Council Member Kevin Demeny made a motion to defer consideration of the proposed one-year data center moratorium to the September 2026 City Council meeting. The motion carried 3–1 with Council Member Jetton voting against the motion.

Consider a resolution/ordinance to relinquish the Extraterritorial Jurisdiction (ETJ) planning, zoning, and development regulation authority

Planning Director Jean Derby presented the recommendation to relinquish the City's ETJ planning, zoning, and development regulation authority back to Lincoln County. She explained that the ETJ, established in 1990 when the City adopted its zoning ordinance, extends approximately one mile beyond city limits. At the time of its creation, the county had no zoning ordinance of its own, making City oversight necessary. However, Lincoln County adopted a comprehensive zoning ordinance in 2009, rendering the ETJ redundant in most respects.

Staff noted that residents within the ETJ are subject to City zoning regulations without direct representation on City Council — a situation the Mayor characterized as fundamentally unfair. Currently, one ETJ representative sits on the Planning Board, but the ETJ generates only permit fee revenue for the City, not property tax revenue. Returning authority to the county would allow future development interests within that area to pursue annexation into the city if desired, at which point the City would capture property tax revenue as well.

The statement of consistency and reasonableness provided that the relinquishment aligns with the City's long-range growth strategy, recognizes the county's ability to manage its own unified development policies, and simplifies the permitting process for property owners. Lincoln County has been informed and is coordinating a community meeting and notification process for affected property owners.

The Planning Board voted unanimously to recommend approval.

Mayor Hatley opened the floor for members of the public to speak to this item. Alan Hoyle stated he agreed with the relinquishment, noting that the decision should ultimately rest with the citizens in the affected areas.

Motion to close the public hearing was made by Council Member Mark Johnson. The motion carried, as members voted 4-0 in favor of the motion.

Motion to approve with Planning Board recommendations — encompassing the resolution to relinquish the ETJ, the zoning map amendment to remove the ETJ from the planning jurisdiction, the statement of consistency and reasonableness, and the amendment to the future land use map and land use plan — was made by Council Member Mark Johnson. Members voted 4-0 in favor of the motion.

Following the ETJ relinquishment, Planning Director Derby presented the associated zoning text amendment necessary to remove all ETJ references from the City's ordinance. Key changes included removing ETJ-specific language from several chapters, deleting two chapters pertaining exclusively to ETJ administration, and modifying planning board membership provisions. Staff proposed retaining the existing

seven-member planning board structure, with all seats to be filled by City of Lincolnton residents going forward. Additionally, the text amendment addressed the R-25 zoning district, which contains approximately 41 parcels within city limits. Staff proposed replacing the current agricultural use definition — which permits livestock — with a "limited agricultural uses" designation allowing small-scale keeping of plants, poultry, bees, fruits, and trees consistent with the City's existing fowl-at-large ordinance. The Planning Board voted unanimously to recommend approval.

Motion to approve the zoning text amendment with Planning Board recommendations, including the statement of consistency for approval, was made by Council Member Kevin Demeny. The motion carried as members voted 4-0 in favor of the motion.

TIP-1-2026
An application from Wayne Brooks to utilize the Targeted Incentive Program for a new restaurant at 121 East Main Street

Planning Director Derby presented an application from Wayne Brooks under the City's Targeted Incentive Program (TIP), which is designed to attract restaurants to the downtown area. The subject space at 121 East Main Street — formerly Bloom Market — would be renovated to include a full commercial kitchen, up-to-date electrical and lighting, new HVAC, and updated cabinetry and countertops. The estimated investment ranges from $175,000 to $177,000, with an anticipated completion date of six months.

Under the TIP, a property owner investing at least $150,000 in eligible restaurant improvements is eligible for a $50,000 forgivable loan funded by the City's electric fund. The loan is secured by a lien on the property and is forgiven upon successful operation of the restaurant for five years. Staff confirmed the applicant meets all program requirements.

The applicant, Patricia ("Patty") Neal, owner of Sunshine Kitchen, presented her concept to the Council. Ms. Neal described her mission as a health-conscious food business offering prepared gluten-free meals, fresh juices, herbal beverages, smoothies, and nutritious snacks using whole, natural ingredients without artificial additives or sweeteners. The concept is designed as both a meal-prep and grab-and-go service, as well as a comfortable gathering space where patrons can sit, work, and connect. Ms. Neal noted that she already operates an existing meal prep business and supplies meals to gyms throughout the Piedmont area. Current meal pricing ranges from approximately $10 to $13 per meal. She also cited national trends showing rapid growth in the non-alcoholic beverage market as further support for the business model.

No members of the public signed up to speak.

Motion to approve the Targeted Incentive Program grant application for TIP-1-2026 was made by Council Member Kevin Demeny. Members voted 4-0 in favor of the motion.

ANX-1-2026
Consideration of Annexation of contiguous property owned by Five Fingers LLC and located at East Main Street

Planning Director Derby presented the petition for voluntary annexation of five contiguous parcels (Tax Parcel IDs 28155, 70621, 57013, and 26949) totaling approximately 5.589 acres owned by Five Fingers LLC, located on East Main Street near the intersection of NC-27 and NC-115. The property lies within the former ETJ. Staff confirmed that the statutory requirements for contiguity have been met, the petition has been signed by the property owners, and the annexation is consistent with the City's adopted comprehensive land use plan designation for commercial transition.

The applicant's purpose in seeking annexation is to connect to municipal water and sanitary sewer. City services to be extended include police and fire protection (the property is already within Lincoln Fire Department Station 2's service area) and water and sewer. Solid waste would be served by a private provider, and street maintenance would remain with NCDOT. Staff projected that following development — based on comparable Sheets convenience store locations in other jurisdictions, revenues could reach approximately $2.9 million, generating approximately $15,000 annually in property taxes and an additional $10,000 in water and sewer revenue. One-time upfront revenue from permits, system development fees, and connection fees was estimated at approximately $8,500.

No members of the public signed up to speak.

Motion to close the public hearing was made by Council Member Jill Tipton. The motion carried with members voting 4-0 in favor of the motion.

Council Member Jill Tipton made a motion to approve the ordinance extending the corporate limits of the City of Lincolnton to include the Five Fingers LLC parcels, with an effective date of August 6, 2026. The motion carried with members voting 4-0 in favor of the motion.

REGULAR AGENDA

Consideration of Resolution of Directing the Clerk to Investigate an Annexation by Petition Received Under NCGS 160A-31 concerning property located on N. Aspen Street (Parcel ID 21600)

Planning Director Derby presented the petition for voluntary annexation of approximately 6.02 acres located at 2350 North Aspen Street, owned by Judy Jones. Staff confirmed the parcel is contiguous to the city limits and is located within the Lincolnton Fire District, qualifying for a shortened public hearing process. A public hearing date of September 3, 2026 was recommended, with required 10-day advance notice.

Motion to adopt the resolution directing the City Clerk to investigate the petition and schedule a public hearing for September 3, 2026 was made by Council Member Roby Jetton. The motion carried with members voting 4-0 in favor of the motion.

Consideration of Resolution of Directing the Clerk to Investigate an Annexation by Petition Received Under NCGS 160A-31 concerning property located Off Shell Street (Parcel ID 57290)

Planning Director Derby presented the petition for voluntary annexation of a second parcel owned by Judy Jones, located off Shell Street, consisting of approximately 11.405 acres. The parcel is contiguous and located within the Lincolnton Fire District. A public hearing date of September 3, 2026 was recommended.

Motion to adopt the resolution directing the City Clerk to investigate the petition and schedule a public hearing for September 3, 2026 was made by Council Member Kevin Demeny . The motion carried with members voting 4-0 in favor of the motion.

Consideration to Approve Playground and Outdoor Fitness Equipment Purchase and Installation for City Park

Public Services Director Nathan Eurey presented a request for approval to purchase and install playground and outdoor fitness equipment at City Park. He explained that the equipment was intentionally separated from the primary construction contract awarded to JD Goodrum in order to allow the City to select high-quality, specific systems best suited to the needs of residents. The selected equipment reflects a water theme — consistent with the site's history as a former water treatment plant — through the use of color.

The package includes playground equipment, a swing set, outdoor fitness equipment, surfacing for both areas (synthetic turf consistent with what was installed at Highland Drive Park), and installation. Shade structures are incorporated throughout, informed by lessons learned from the splash pad installation. The total cost, including tax and shipping, is $347,777.79. With an approximately 10-week lead time, an order placed by the following Monday would result in a ship date of approximately October 29, aligning with the planned November installation window in JD Goodrum's construction schedule.

Council members inquired about ADA-accessible swing options and were advised that the swing configuration meets ADA guidelines and can include a fully supportive ADA swing consistent with those at other City parks. Council also asked about long-term maintenance costs; staff indicated that the synthetic turf surface eliminates the need for periodic mulch replenishment and that equipment is sourced from PlayWorld, consistent with other City playground installations, simplifying future parts and service. The

purchase falls within the City Park project budget, as the primary construction bid came in below the original estimate.

Council Member Mark Johnson made a motion to approve the purchase and installation of playground and outdoor fitness equipment at City Park in the amount of $347,777.79. Members voted 4-0 in favor of the motion.

Change Order – North Laurel Street Culvert Project

(Added to the agenda at the start of the meeting.)

City staff presented a change order request related to the North Laurel Street culvert replacement project, which was initiated in July with a projected duration of three to four weeks. Upon removal of the old piping infrastructure, the existing backfill material was found to contain a significant volume of organics — including topsoil, compost-type material, and compacted leaves — that are unsuitable for re-compaction. Using the existing material would create a risk of future road settling.

The change order addresses two items: (1) hauling away approximately 600 cubic yards of unsuitable material and importing approximately 800 cubic yards of select compactable clay fill, and (2) extending the asphalt replacement to encompass approximately 120 square yards of additional pavement adjacent to a manhole where repeated settling and cold-patch repairs have been necessary. A second option explored the use of fill material from the City Park project, but it was determined that material had already been committed to other uses.

The total change order submitted by the contractor is $54,988.00. With a remaining project contingency of $12,308.50, the net additional appropriation required is $42,679.50. The City Manager supported proceeding, noting that the area is planned for full repaving within approximately one year and that resolving the compaction issue now is prudent.

Council Member Mark Johnson made a motion to approve the change order for the North Laurel Street culvert project, Option 1, in the additional amount of $42,679.50 above the existing contingency. Members voted 4-0 in favor of the motion.

Consideration of Request to Approve a Service Contract and Enrollment System Contract with Pierce Group Benefits

Human Resources Director Tanya Osborne presented a request to approve two updated contracts with Pierce Group Benefits, the City's broker for voluntary employee benefits. The City has maintained a relationship with Pierce Group Benefits for several years across 14 voluntary benefit products, including Colonial products, Delta Dental, and Community Eye Care. The enrollment system utilized since approximately 2016 to track employee and dependent elections is also managed through this relationship.

The primary changes in the updated contracts are: (1) the elimination of the $2.00 per-employee per-month enrollment system fee, which will be absorbed by the broker through vendor commissions, resulting in an estimated savings of approximately $4,200 annually; and (2) a reduction in contract term from five years to three years. Both contracts were reviewed by City attorneys. No changes to the voluntary benefit products or providers are proposed.

Motion to approve the Service Contract and Enrollment System Contract with Pierce Group Benefits was made by Council Member Jill Tipton. The motion carried with members voting 4-0 in favor of the motion.

Request to Adopt Administrative Policy #29 - Internal Control Policy: ARP/CSLFRF Award

Finance Director Pamela McBryde presented a request to adopt Administrative Policy #29, an Internal Control Policy required for compliance with ARPA (American Rescue Plan Act) funding oversight requirements. The Finance Director was notified on Tuesday of the need to update the City's internal control documentation to satisfy requirements from the North Carolina Department of Environmental Quality, which administers ARPA funds at the state level.

The policy was modeled on a template recommended by the UNC School of Government and the North Carolina Department of State Treasurer, customized to reflect Lincolnton's existing internal control practices — including communications, segregation of duties, documentation procedures, and bank reconciliations. The policy also formally documents that the Finance Director oversees grants and funding and is accountable to the City Manager and City Council.

Motion to approve Administrative Policy #29 – Internal Control Policy: ARP/CSLFRF Award was made by Council Member RobyJetton. The motion carried with members voting 4-0 in favor of the motion.

NEWS MEDIA

Mr. Mike Powell, a Lincoln Times News representative, asked about the City Park project, specifically regarding youth entertainment amenities. The City Manager described additional planned features including a pump track, two multipurpose athletic fields suitable for soccer and flag football, a shelter designed to function as an amphitheater for concerts and events, and additional shelters throughout the park. The Mayor noted that new outdoor fitness equipment represents a return of amenities not seen since the early days at Betty Ross Park. General discussion touched on the need for more youth entertainment options in the community, with economics cited as the primary limiting factor for private ventures such as skating rinks or skating parks.

ADJOURNMENT

Being no further business, a motion to adjourn was made by Council Member Roby Jetton. No discussion. The motion carried unanimously with members voting 4-0 in favor of the motion.

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DAPHNE INGRAM, CMC
CITY CLERK

ED HATLEY
MAYOR

DRAFT