



MINUTES

The Holly Springs Town Council met in a workshop session on Tuesday, December 9, 2025 at the Law Enforcement Center and via livestreaming. Mayor Kondratick presided, calling the meeting to order at 6:00 p.m. A quorum was established as the Mayor and five Council members were present in the room as the meeting opened.

Council Members Present in the room: Mayor Mike Kondratick, Mayor Pro Tem Annie Drees, Council members Danielle Hewetson, Chris Deshazor, Sarah Larson, and Kara Foster.

Council Members Absent: none.

Staff Members Present in the room: Randy Harrington, Town Manager; Linda McKinney, Town Clerk (recording the minutes); Daniel Weeks, Assistant Town Manager; Scott Chase, Assistant Town Manager; John Schifano, Town Attorney; Jesse Dixon, IT; Cassie Hack, Director, Communications and Marketing; Kelly Miller, Communications and Marketing; Corey Petersohn, Director of Budget, Innovation, and Strategy; Tina Stroupe, Director, Finance; Chris Hills, Director, Development Services; Sean Ryan, Development Services; Irena Krstanovic, Director of Economic Development; Neal Duncan, Economic Development; Kendra Parrish, Executive Director of Utilities and Infrastructure; Daniel Colavito, and Sadel Lassiter, Utilities and Infrastructure.

Mayor Kondratick called the meeting to order at 6:00 p.m.

1. Overview: Randy Harrington, Town Manager, gave an overview of the meeting agenda.

2. Small Business and Downtown Activities Update

Irena Krstanovic, Director of Economic Development, said she was here to give an update on small business and downtown initiatives, and receive feedback on any next steps or future discussion areas. She outlined the core functions of Economic Development and the key characteristics that define a small business. She gave statistics on why small businesses are important and outlined strategies the Town has engaged in to support them. She outlined the current Downtown Projects and explained the benefits of focusing on downtown.

Ms. Krstanovic discussed the outreach her department does with local businesses and said that at the latest Downtown Business Roundtable on December 2nd more than 40 businesses and stakeholders participated. She said their main interests were in parking, events, signage, housing, and walkability. She outlined the survey responses from businesses and what the Town has been doing to address those priorities.

Cassie Hack, Director of Communications and Marketing, discussed how downtown shapes community identity and how Operation Holly Jolly works to bring people downtown and to increase foot traffic to downtown businesses. Chris Hills, Director of Development Services, talked about the downtown mural project and downtown Festival Street. He then discussed the Main St. On-Street Parking feasibility study and Mims Park and catalyst sites downtown.

Ms. Krstanovic outlined the Shop the Springs program, which businesses were participating, and where the businesses were located in the Downtown. She talked about

hospitality recruitment, with two potential boutique hotel sites downtown. She then talked about arts initiatives that the department has been engaged in.

Ms. Hack talked about downtown branding and unveiled the new downtown banner that will go up as the holiday decorations come down, and the brand launch event from February 2 - 14.

Ms. Krstanovic outlined the Downtown Investment Grant (DIG) program, outlining its history, purpose, and highlights. She said the program was expanded to be able to assist tenants with construction and upfit costs. She offered some potential updates to the DIG that staff anticipated presenting in the spring of 2026. She outlined next steps over the next three to six months.

Council member Larson asked what was needed from Council from a budgetary standpoint, or otherwise. Randy Harrington, Town Manager, said if Council had a continued desire for downtown investment, they would likely see some additional funding in an upcoming budget. Mayor Kondratich asked if anything came up in the feedback from businesses that gave staff pause, given where resources currently are. Ms. Krstanovic said there are a few businesses on the northern side of Main St. where there is not enough infrastructure to hold the holiday decorations, and they would like to be included in the decorations. So there is the question of how we expand that down the street. Mr. Hills said the downtown plan has short, medium, and long-term plans and the long-term are usually more expensive. Parking is important but that cost is challenging, so leveraging the land we own to bring some infrastructure sooner is a way forward. On the Festival Street, there are design funds, but construction funds will have to come later. Council member Hewetson asked if he saw an opportunity in hotel development to get more parking. Mr. Hills said they were looking at "all of the above." A hotel might be one of those options. Developers are bringing up parking in their discussions with staff. Ms. Krstanovic said one challenge is the lot sizes are small downtown. It may be that a hotel might want help with development costs if we want to attract a boutique hotel.

Council member Foster asked if there were plans for bike lanes, or other thoughts about increasing downtown biking. She said bike parking spots in conjunction with the Hopper might reduce traffic. Mr. Hills said that multimodal transportation is part of the plan. He said staff is definitely thinking about all modes of transportation. The on-street parking plan could provide bike lanes. MPT Drees said she had a concern with on-street parking. She thinks Fresh could be impacted by that and wants to be sure that Fresh has an opportunity to provide feedback on it. Mr. Harrington said that on street parking is a great traffic calming measure. With good crosswalks and sidewalk connectivity, it can increase safety. Council member Hewetson asked if this would all fit in the space the street occupies now rather than increasing the road width. Mr. Hills said it is within the current curblane. In some places it might just require restriping, but there would be other places that might include bump-outs or other construction. So it is a low-cost project with the best return on investment for safety, traffic calming and parking. Ms. Krstanovic said businesses requested a designated area for deliveries, and they are working with the businesses to make this work the best for the Town and the businesses. Mr. Hills talked about how, when a lane was blocked off to install the holiday decorations, they saw how well it worked to calm traffic.

Council member Deshazor asked if adding 30 parking spaces would bring more cars to downtown rather than making it more walkable. He asked about making the sidewalks wider instead. He understands what businesses say about parking, but he is not convinced that on street parking on Main St. is the best place. He asked if the development process for a small business is the same as what we do for a large business like Amgen. Mr. Hills said, it depends. If the rezoning is not in place, they have to go through the state-mandated rezoning process. If the zoning is there, staff can do more administrative level approval. If it is a fit-up in an existing space, it is very easy. A new development is a longer process. Development downtown requires Council approval, because of the importance of Downtown and getting what Council wants there. Council member Deshazor

asked what we can do, if it is already zoned, to attract smaller, more diverse businesses. Ms. Krstanovic said the Town's vacancy rate is .4%, which is too low. The optimal rate is 8 – 10% which provides choice and keeps rents reasonable. For the Town, providing the real estate to help businesses come, is the best way to attract small businesses. She said they work with Development Services and the businesses to make sure there are opportunities for smaller businesses. These often become partnerships with developers, who are local. Using second floors for offices, provides support for retail and restaurants below. Mr. Hills said that they hear from small businesses about the difficulties, but the Economic Development website has amazing resources for small business owners. Change of Use for buildings can require building code changes, which can be the most constraining, expensive part. Staff works to help them through the zoning issues to make that part easier. But we cannot vary from building code change of use.

Council member Deshazor said most downtown businesses are closed on Monday, even on federal holidays. We want foot traffic on Monday. What can we do about that? And for a future workshop, he said he would like to see how Sip & Stroll is being used, and whether it is driving more foot traffic. Neal Duncan, Economic Development, said Sip & Stroll is most effective when other things partner with it, like events the Town sponsors or other organizations sponsor. For example, Light the Springs. Staff is trying to continue building on that with more events. Staff also wants to keep getting the feedback from our small businesses to find out what their needs are and to figure out how we can bring that into our initiatives. MPT Drees asked if there were any events or strategies to engage with small businesses that are not in Holly Springs yet. Ms. Krstanovic said they do a lot to recruit them, but our residents play a big role in that too. We hear about residents being in a business somewhere and telling the proprietor that they need to move to Holly Springs. Mr. Duncan said marketing is very important – how we market our downtown and the support for small businesses makes a big difference. Ms. Krstanovic said Oakville Commons was 90% pre-leased before the first Certificate of Occupancy was issued, which speaks to the lack of space in Holly Springs. Council member Hewetson asked if mixed-use projects coming online, like Main St. Vista, will make an impact in the vacancy rate. In other words, how do we get to 8 – 10% vacancy rate? Ms. Krstanovic said that Neal Duncan is working with developers on Vista and Peterson Station, because that is the product we have right now. To increase the vacancy rate, we need to approve more developments. But there are factors outside of our control. The market controls a lot. Randy Harrington said whenever mixed use comes before Council, you see staff pushing commercial. There is pent up need out there, a true market for commercial space. So that is why we push for that. Council member Hewetson said it comes from residents too; people want more places to shop and more places to eat. How do we get the developers interested in this? Mr. Hills said that implementation of the downtown plan will do that: bringing parking, bringing the festival street. The DIG program can help with that. Mr. Harrington said, for our downtown to grow, it needs to be new development. So we need to support that because it is a higher barrier for entry for small businesses. Council member Larson asked if staff held small business roundtables for businesses outside of downtown. Mr. Duncan said downtown is the real focus area, but we do have other avenues where we engage with small businesses: the Chamber; Ribbon Cuttings; and all of our other small business group partnerships. We would be open to expanding those types of events to other areas. Council member Larson said that might bring more businesses to Holly Springs. Ms. Krstanovic talked about business walks and upcoming events that would help support small businesses.

3. Stormwater Management

Daniel Colavito, Utilities and Infrastructure, said he was here to discuss the Stormwater Management Program, introducing key challenges and potential service enhancements. He said this was preliminary information to prepare Council for discussion at the retreat. He explained

what stormwater management consists of (giving examples) and explained why it was important. He explained the difference between sewer and stormwater systems and the delegation of stormwater control to municipalities as they reach a certain side. He said that Holly Springs implements and enforces most program elements. He expressed that there are infrastructure elements to the system and programmatic elements. New and aging infrastructure increases inspection, maintenance, and repair requirements, and regulatory requirements exist in perpetuity and are driven by population, not development.

Mr. Colavito outlined the history of stormwater fees in Holly Springs from 2015 to the present. He said the current level of service is at C, with a goal of improving up to level B. He said that C is not average for this area – it is above average. But we want to increase our level of service. He gave examples of successes of the program, and delineated some challenges they are facing. He said that next steps will be to review potential program enhancements at the Council retreat in February.

Randy Harrington, Town manager, recognized Mr. Colavito and Sadel Lassiter for their experience in the Stormwater area and said they have been instrumental in chartering the program. He said we operate the stormwater as if it were a separate utility. Utilities are enterprise funds, with their own income and expenditures, so we can manage the overall financial program and ensure we have an appropriate amount of revenue coming in to manage the program. The thought was to orient you tonight and come back at the retreat or in March for a more in-depth conversation. Mayor Kondratich asked if the next discussion could have a fee menu and what we could accomplish if we charge a certain fee. MPT Drees asked if the stormwater system was mapped out with the asset management. Mr. Colavito said it is about 80% and they are working with the Business Asset Management and integrating it into CityView for maintenance requests. MPT Drees asked if they were able to calibrate inspections based on that. Mr. Colavito said the goal is to look at criticality, so we are trying to assess assets by age, vulnerability etc. He expects to be able to do that by 2026. Council member Deshazor said we have hammered our residents with rate increases over the last three years. What would be beneficial, is to show us what different scenarios look like with various rate increases, and what would happen if we stay status quo – particularly what the risks would be. Mr. Colavito said they would see this. Stormwater is not something people think about until it fails. But with a little adjustment we can get a lot done. Council member Larson said because of the potential rate increase, she would like to see it at the retreat and dive into how it would affect the budget.

4. Public Hearing Process Recommendation

Chris Hills, Director of Development Services, said Council had requested that staff bring information about how the new public hearing process with land use cases has been working. He reminded the public what the development process looks like for legislative decisions and outlined some issues with the old process and what the goals of the new process were to address those issues. He pointed out the differences between the legacy process and the new process. He said that the two processes overlap because of the timing of some projects. But five rezoning cases have gone through using the new process. Of those, three were approved, one was paused and one is pending. There were no delayed decisions using the new process. Staff has observed that resident attendance at Planning Board meetings has slightly increased and the Planning Board is still learning how to use resident and Town Council feedback in their deliberations, but the process appears to be working as intended.

Mr. Hills said that staff recommends continuing to monitor the effectiveness of the process and proposes no changes. But they will look at some best practices such as: actively sharing perspectives at the public hearing; summarizing resident comments that are supported; share positive and critical feedback; and if the project is not on the right track, provide this feedback to help the applicant understand.

Council member Hewetson said she thinks we should stay on track. She thinks she could share more feedback in the new process, as she gets used to it. Council member Foster said it gives us the opportunity to listen more, and for people to know we have had time to think about it. Decisions are better when you have time to think. Council member Deshazor said that he asked for this because a Planning Board member gave him feedback about their role in the decision making process. He likened it to the Land Use Advisory committee where they ask questions. That makes it more beneficial to the developer. But is there a way to get these comments to the Planning Board? Mr. Hills and Sean Ryan, Development Services, outlined the various ways that they share the Public Hearing comments in the Planning Board staff report, and how Council's staff report at the final stage is not the same as what they received at the opening – it is revised at each step. Council member Deshazor asked how the public can be better informed about the process, because they do not know how it works. Mr. Hills said we do have a process slide that shows where we are in the process, but we can tweak that. Mr. Ryan said staff can look at the public hearing notice letter that goes out and the public hearing webpage to enhance the information that goes out.

Council member Larson asked if the timeline is too short from the applicant standpoint, and whether anyone had asked for more time to digest the feedback. Mr. Ryan said we did have one case where they decided not to move forward until they reassessed the project. Staff also heard from one applicant that was able to talk about changes but that they weren't in the plan set. It didn't really keep Planning Board from making their recommendation because they heard about it. He said what staff hears more from applicants is that our timeline is too long. We were trying to balance the need for greater public input with the goal of not lengthening the process. The direction Council gave us was to keep the delay as little as possible. Council member Larson would love to see more public engagement and public involvement in the process sooner. She has heard issues with the yard signs not directing people to the right phone number / website. Council member Deshazor and Council member Larson said they thought that the 500 feet from the proposed property is small and they want to increase it. Council member Deshazor asked if staff could notify the HOA of neighborhoods that are close to these projects. Mr. Hills said staff expanded the notification distance to 500 feet. State statute only requires notifying adjacent properties. Mr. Ryan said the Town was at the top regarding how far out notifications were mailed when we adopted the 500 feet distance, but staff can look at what other municipalities do. The neighborhood meeting notice is required to notify all property owners, residents, tenants, suite owners, and HOAs within that distance. He said the intent is that the HOA sends it out to their networks. The neighborhood meeting is much broader than the statute. MPT Drees said the Public Hearing signs need to be updated. She suggested not sending the calls to 311; maybe a pre-recorded message would be more useful. She requested a sub-bookmark for the part of the public hearing where people are actually giving feedback. She asked if Council has undue influence on the Planning Board. Mr. Hills said as part of their training Planning Board members are told they are an independent body and should give their recommendations based on their own thoughts. He said that staff can increase the emphasis on that in training. Mr. Ryan mentioned the joint workshop with Planning Board last year about Council's expectations. Part of this change in process is related to that discussion of

whether alignment is always what Council wants. We can continue those conversations in the future.

Mayor Kondratick asked if the Town keeps any statistics of what public engagement was like in the old process versus the 5 cases that went through the new process. Mr. Hills said we don't have a lot of quantitative data, but we have qualitative data in that Council has time. Mr. Ryan said a lot of residents didn't know that they had the opportunity to attend Planning Board meetings prior to this change. Part of the new process is to allow them to come engage at Planning Board meetings. That has helped the public understand what their opportunities are. We have seen a slight, but significant increase in the public attending Planning Board meetings. Mayor Kondratick asked how those dates are disseminated to the residents. Mr. Ryan said those dates are shared at the Public Hearing, and are included in the staff report so residents who look at the agenda packet see them as well. We might be able to use our website to get those dates out, too.

5. Annual Retreat Planning

Randy Harrington, Town Manager, said this was a chance for Council to discuss potential topics for the Annual Retreat. He provided a preliminary list of topics as a starting point, emphasizing that there is not enough time at the retreat to discuss them all, so staff wants to select topics that the majority have interest in exploring/discussing. Topics not selected can be incorporated into future workshops. These should be policy and priority interest areas, with the more specific discussion to occur at the retreat in February. He outlined the flow of past retreats as an example of how this one could go and said that a facilitator from the School of Government, Dr. Peg Carlson, is available to assist with the retreat.

Council discussed their priorities for the deep dive discussions of the retreat. Council consensus was that the top topics for the retreat are on governance, satisfaction survey, housing affordability, transportation, including sidewalks and streetlights, wastewater expansion and water quality, financial management and budgeting, stormwater management, and maybe solid waste.

Mr. Harrington asked Chris Hills, Development Services, at what point we should engage with council on the Festival Street. Mr. Hills said it would be challenging to do it in January. The consultant will not have come up with designs for us to work through. We can give them some direction to work with, but they won't have much to present because they wouldn't have had time. A spring workshop would be more productive because they will have some concepts ready for Council to react to.

Mr. Harrington said he would take those topics identified by Council and work on them and bring a draft back in January.

6. Open Discussion: Mayor Kondratick asked if it were possible to invite Wake County to the January workshop to discuss Nondiscrimination Ordinance implementation, particularly any supporting statistics they have regarding the impact to small businesses. Consensus was yes. Mr. Harrington said staff would reach out to the County.

MPT Drees said she heard interest about a police advisory committee expanding to work with the Fire Department as well. She asked that staff check in with the Chiefs to see if that kind of collaboration makes sense. Mr. Harrington said he could check, but Police is very different than Fire. But he will report back.

Council member Larson said there was feedback on social media about short term rentals being restricted to no less than thirty days for Air B & Bs. She would like report from staff. She said other

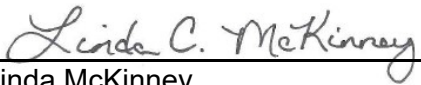
municipalities have ways of engaging more HOAs – neighborhood portals or other ways to engage. She asked what options there were in this area. Mr. Harrington asked if there was interest from the whole group, and there was. He said we can get an idea of what some options are and then have a conversation with the Council. He said there are opportunities to build on neighborhood engagement that might be worth some exploration.

7. Closed Session: none.

8. Adjournment:

Motion to adjourn was made by Council member Deshazor seconded by Council member Hewetson and passed with a unanimous vote. The December 9, 2025 workshop meeting of the Holly Springs Town Council was adjourned at 8:45 pm.

Respectfully submitted on Tuesday, January 20, 2025.



Linda McKinney
Town Clerk