

Mayor and Council Workshop

6 p.m. July 13, 2021

Holly Springs Law Enforcement Center and Zoom



MINUTES

The Holly Springs Town Council held a budget workshop meeting on Tuesday, July 13, 2021 at the Law Enforcement Center and via video conferencing. Mayor Sears presided, calling the meeting to order at 6:00 p.m. A quorum was established as the Mayor and five Council members were present as the meeting opened.

Council Members Present: Mayor Sears, Mayor Pro Tem Dan Berry, Councilmen Peter Villadsen, Aaron Wolff, and Shaun McGrath and Councilwoman Christine Kelly

Council Members Absent: none.

Staff Members Present: Randy Harrington, Town Manager; Linda McKinney, Town Clerk (recording the minutes); Daniel Weeks, Assistant Town Manager; Scott Chase, Assistant Town Manager; Cassie Hack, Director Communications and Marketing; Jeff Wilson, IT Director; John Schifano, Town Attorney; Chris Hills, Director Development Services; Melissa Sigmund, Development Services; Sean Ryan, Development Services; Elizabeth Goodson, Development Services; Emmily Tiampati, Development Services; Rachel Jones, Development Services; Corey Petersohn, Administration; LeeAnn Plumer, Director Parks and Recreation; Antwan Morrison, Director Finance; Kimberly Keyes, Utilities and Infrastructure; LeRoy Smith, Fire Chief.

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

2. Holiday and Multi-Cultural Event Planning

Cassie Hack, Director of Communications and Marketing, said the purpose of this item was to provide an update to Council on proposed holiday events and strategies to develop more multi-cultural events for Holly Springs. This supports the Strategic Plan areas of Engaged, Healthy, and Active Community and Safe & Friendly. She discussed what staff has learned over the last year regarding the community's openness to new traditions, widespread interest in community events, crowd concerns as events grow in popularity, limits of staff resources and the need for non-profit partners, and the community's desire for more diverse events.

Ms. Hack said that the 2021 Happy Holly Days Parade will be a multi-department coordinated effort, in cooperation with Kiwanis, and will be on the second Saturday of December. Main Street Christmas events, other than the Tree Lighting, could move to Ting to proactively address COVID safety concerns for the children who cannot yet be vaccinated. The Tree Lighting would remain at the Cultural Center. Staff recommends seeking proposals from Holly Springs' nonprofit organizations to partner with the Town on the tree trail decorating and to provide volunteer workers during the event. She shared a calendar of potential events in December, noting that the Tree Trail and parade should be on different weekends, and the Tree Lighting moved to December 1st of each year. The Santa Cares program for children with special needs will continue, on the Saturday of the Tree Trail. The Fire Department Santa visits will continue this year as that was very popular. And the letter to Santa mailbox, with the assistance of the Holly Springs Run Club, will also continue this year.

LeeAnn Plummer, Director of Parks and Recreation, said that the goals for multi-cultural events are to offer a variety of events and activities that celebrate the cultural diversity of the

community and are important to our residents. Staff plans to establish an intentional and strategic schedule and event plan so that resources are available and decisions are made proactively after thoughtful consideration. But there is a need to be sensitive to staff capacity, so exploring partnerships will be important. The plan would be to start small and continue to expand as interest, resources, and partnerships are established and to use census data and/or a community survey question to help determine events, themes, and needs. For 2021, staff is looking to keep the traditional tree lighting, Main St. Christmas, and parade, and possibly add other events that recognize the religious make up of Holly Springs. Staff is also looking to establish an International Food Festival or something similar to showcase local vendors, include cultural music, dance, and entertainment. Staff is looking to expand their activity with the MLK Jr. Committee to expand the MLK Jr. Weekend events (i.e. Day of Service, speakers, etc.) to expand the Black History Walk, and to celebrate Juneteenth with a remake of Findings Patience as a musical at the Cultural Center, and an event at Womble Park with music, food trucks, etc.

Council discussed that, while Parks and Recreation continually evaluates programs, there were no plans at this time to eliminate programs. These would be additions. There was discussion about nonprofits that might be interested in assisting with events. Council agreed that using Census data to guide which events might be added, and bringing in partners to assist staff were good ideas.

3. New Hill Rd. / Old Holly Springs Apex Rd. Transportation Improvements

Elizabeth Goodson, Development Services, said the purpose of this item was to provide an update on development activity and coordination surrounding the realignment of New Hill Holly Springs Rd. and Old Holly Springs Apex Rd. Staff requests feedback on partnership and timing of construction of the road realignment with respect to proposed development. Ms. Goodson showed where the referenced intersection is in relation to surrounding developments, and what stages those various developments are in. There is a rezoning that is currently in review that is next to that intersection, as well as Green Oaks Tech Center which is in review, Thales Academy Addition which is in the pre-submittal phase. Emmily Tiampati, Development Services, showed the intersection on the Comprehensive Transportation Plan (CTP) and explained where the traffic will be coming from with the current and in-coming projects. She said that the intersections of Grand Place with New Hill Holly Springs Rd. and Old Holly Springs Apex Rd. with New Hill Holly Springs Rd. were CTP Hot Spot Special Studies Locations and were being studied to see if either should be converted to a roundabout, or should be a signalized intersection. Preliminary information indicates that a roundabout may not be the best solution for these locations.

Rachel Jones, Development Services, said that in 2019 staff received feedback from Town Council to evaluate the realignment need and the Town started evaluating the percent impact and determining fees-in-lieu. She said the fee-in-lieu was assigned assuming an approximately \$1,500,000 cost to realign the intersection. The fees-in-lieu are generally collected with Construction Drawing approval and no funds have been collected to date. She said that Regency Subdivision has been assessed \$157,500 which is expected in 2021. Oakview Innovation Park Phase 1 has been assessed \$225,000 and payment is expected in late 2021 or early 2022. Oakview Innovation Park future phases, Old Holly Springs Apex Rd. rezoning, and Green Oaks Tech Center PUD have not been determined yet.

Council member Kelly asked if this was just the fee-in-lieu for this intersection, not other impacted intersections. Ms. Jones and Ms. Goodson said that yes, these amounts are only for this intersection. These projects may have other impacts, but those are not included in this estimate.

Ms. Goodson said there was a gap in the amount of fees-in-lieu, collected and anticipated, and the cost of the project. This gap could be between \$400,000 to \$1,120,000, depending on the timing of the projects coming in. She said there were options on funding including a STIG, General Fund fund balance, and the 2018 Transportation Bond funding. She said the first two would probably be the preferred source of funding. She discussed the timing and the impact of the surrounding developments in the area.

She said that next steps could include developer agreements for the Old Holly Springs Apex Rd. Rezoning project with them paying a fee-in-lieu for realignment to be done by others. They are concerned about whether the realignment would delay their project or if they could continue moving forward. Another next step could be entering into a developer agreement for the Green Oaks Tech Center to construct the realignment, with them receiving funds for a portion above the project impact. There was discussion of how much it would take for the Town to front the expense and be reimbursed by current and future projects.

Council member McGrath asked what the actual cost of the realignment would be. Ms. Jones said staff has been working with the petitioner for the rezoning and Timmons provided an estimate closer to \$1.8 million, but as we get closer to a detailed design those costs could go up. The current fees-in-lieu are based on the \$1.5 million estimate, but future fees-in-lieu could be based on the higher cost. Council member McGrath asked if a roundabout was included in this cost. Ms. Goodson said a roundabout would probably cost more, but it was not cost, but functionality that made the roundabout a less desirable solution in this area. Council member Kelly said that it was hard to focus on fixing this one intersection when the Grand Hill Place intersection is such a problem. She thinks we need to look at all the intersections in this area as a whole. Ms. Goodson said that all the intersections in that area are being looked at as part of the CTP update, but these were identified as hot spots and were looked at sooner. MPT Berry said he was concerned about not having a plan for the whole corridor before fixing this intersection, and about waiting for the "last developer" to fix the problem. He said the quickest way would be to use tax payer money to fix it now and be reimbursed by developers. But he prefers an agreement, through a Synthetic Tax Increment Grant (STIG) to fix the corridor.

Council member Villadsen asked if Carolina Springs had any contribution towards this intersection. Ms. Jones said that Carolina Springs' TIA did not include this intersection and was approved prior to this assessment. These are the first projects that have a direct impact on this intersection. Randy Harrington, Town Manager, said that if it was Council's desire to go ahead and realign this intersection, there were options to fund it through the Town, but it might require using some of the bond funds. Council member McGrath asked how quickly the work could be done if the money was available today. Ms. Goodson said there would be design time and then construction, but it would be two to three years. Council member McGrath said that would put it right at the peak traffic time for the construction of the FUJIFilm project. Council member Wolff said that a project on this side of town, with this much development, makes sense for the use of bond funds. Council member Villadsen asked if there would be full knowledge of the CTP before moving forward on this intersection. Ms. Goodson said that in order to move things along, staff might need to make decisions on who is responsible before the full CTP is ready. Council member Villadsen said he was concerned that there might be unintended side effects with other areas getting more traffic if this was done before the CTP is completed. Council member Kelly asked for the top ten hot spot intersections. Elizabeth Tiampati said there were only four; GB Alford at New Hill Rd. / W. Holly Springs Rd. (NE quadrant); Avent Ferry Rd. at Cass Holt Rd./ Capeside Ave.; New Hill and Grand Hill Place and Old Holly Springs Apex Rd.; and Main Street at Third St. There are three Safety Analysis locations: Cass Holt Rd. and Rex Rd.; Main St. and Earp St.; and GB Alford Highway from Bennet Knoll Parkway to Ralph Stephens Rd./Teal Lake

Drive. She said the hot spot reports will be received from Kimley Horne later this month or in August, and the complete CTP in the fall.

Mr. Harrington said his understanding of what Council wanted was that the realignment and rezoning approval be delayed until there was a plan for the entire corridor, and they said that was their consensus.

4. American Recovery Plan

Corey Petersohn, Finance, said the purpose of this item was to give Council an update on the American Rescue Plan (ARP) Act funding and to request feedback on preliminary allocation recommendations. A resolution to accept the funds will be brought before Council at the July 20th meeting. Mr. Petersohn said the Town anticipates receiving \$12 million in funding from the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) and the Department of the Treasury has issued an interim final rule on implementation of this funding. Staff are closely monitoring guidance from the NC Pandemic Recovery Office (NCPRO) as well as professional organizations like the NC League of Municipalities.

He outlined the five types of eligible expenses that these funds could be used for. Randy Harrington, Town Manager, said that the eligible expenses that apply to Holly Springs would be to address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector; and to invest in water, sewer, and broadband infrastructure, including making necessary investments to improve access to clean drinking water, support vial wastewater and stormwater infrastructure, and to expand access to broadband internet.

Mr. Petersohn said that a preliminary recommendation for APR allocation would be \$5 million, approved in the Community Investment Plan (CIP), for Holly Springs Rd. Phase 2 Force Main and 12 Oaks Pump Station projects; \$6.5 million to reserve for water and sewer projects; \$400,000 to reserve for stormwater infrastructure projects; leaving \$100,000 unallocated. The funds must be obligated by December 31, 2024 and expensed by December 31, 2026.

Council member McGrath asked if these projects were “audit proof.” Antwan Morrison, Finance Director, said that staff would not treat this any differently from other grants as far as audits. Mr. Petersohn said that from the guidance staff has received, these would be acceptable expenses. He said that next steps would be passing a Resolution on July 20th to accept the funds, and future appropriation of additional funds.

Council member Kelly asked if we could invest the funds and get interest while we wait. John Schifano, Town Attorney, said there is a requirement that the funds be segregated and any interest accounted for, and the interest must be used for the same types of purposes.

Council member McGrath said he attended a webinar on affordable housing and additional funds are available for that. He would like to include that in any discussion going forward.

5. Fire Station Three

Daniel Weeks, Assistant Town Manager, said the purpose of this item was to provide an overview of site evaluation developments since Council's retreat, and to update them on the current status of activities, and anticipated next steps in the planning and design. He said we were not as far along as we hoped to be due to some curve balls thrown at them lately. He showed the location for the fire station, both the originally proposed "triangle site" and the Town Center site.

He reminded Council that at the retreat, they had discussed moving the fire station from the triangle site to the Town Center. He outlined the process of the discussions with Shenandoah Homes who had first said the Town Center site was acceptable, then indicated that it was no longer viable. Staff further investigated what would be required to build on the triangle site, and found it deficient in terms of site distance (NCDOT has safety concerns about the placement of a driveway) the requirements for large retaining walls and stormwater control device; the timing of sewer access, and the need to cross a natural gas line. Staff went back to Shenandoah Homes with these significant concerns and they are now willing to consider locating Fire Station Three in the Town Center. Shenandoah Homes is working on a new Town Center site layout, perhaps including the fire station. Staff would need to develop a Letter of Intent outlining expectations of Shenandoah Homes and the Town going forward. Shenandoah Homes may not have the ability to provide all the details, because sewer is being brought in by Lennar. Staff could also work with other partners to evaluate other potential parcels as a backup plan. This could be done simultaneously with working with Shenandoah Homes.

Council discussed the terms under which the land for the fire station was to be acquired from Carolina Springs, and the value of that land. John Schifano, Town Attorney, said that the land would be appraised and the value of the appraisal would be offset by fee credits, so it was a net-zero. The Town will either spend money on land, or on fee credits. The developer has to provide a suitable site before he can submit his development. But the goal should be to get the best parcel for a fire station, not the best free parcel. It was discussed that a flatter parcel could be less expensive to build on, and thus could offset the price of the land. Council discussed whether moving the fire station from this area would affect the ISO rating, and Chief Smith said it would not, as that was town-wide. Mr. Harrington said that if we were not able to lock down a path forward with Shenandoah in the next few months, staff would need to look at alternatives. Council agreed that there was some urgency behind figuring this out with the development and growth in the area and that working with Shenandoah and looking for alternatives at the same time would be the best way forward.

OPEN DISCUSSION

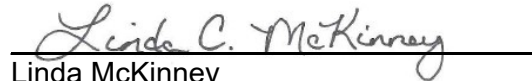
Mr. Harrington said that Council had been working on amending the Economic Development Policy and then Fuji and other large projects came in and work on the policy was delayed. The draft is ready and will be brought back to Council now that those projects are completed.

Closed Session: Motion to enter closed session pursuant to NCGS 143-318.11(a)(3) to discuss a litigation matter related to Green Oaks Crossing was made by Council member McGrath with a second by Council member Villadsen and passed with a unanimous vote.

Motion to leave closed session was made by Council member McGrath, seconded by Council member Villadsen, and passed with a unanimous vote.

5. Adjournment: There being no further business for the evening, Motion to adjourn was made by Council member Kelly second by Mayor Pro Tem Berry and passed with a unanimous vote. The July 13, 2021 meeting of the Holly Springs Town Council was adjourned at 8:32 pm.

Respectfully Submitted on Tuesday, August 17, 2021.


Linda McKinney
Town Clerk