



MINUTES

The Holly Springs Town Council held a workshop meeting on Tuesday, January 10, 2023 at the Law Enforcement Center and via livestream. Mayor Mayefskie presided, calling the meeting to order at 6:00 p.m. A quorum was established as the Mayor and four Council members were present as the meeting opened.

Council Members Present in the room: Mayor Sean Mayefskie, Mayor Pro Tem Dan Berry, and Council members Aaron Wolff, Shaun McGrath, and Tim Forrest. There is a vacancy on the Council.

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; Corey Petersohn, Budget, Innovation and Sustainability; Mathew Mutter, IT; John Schifano, Town Attorney; Cassie Hack, Director of Communications and Marketing; Kendra Parrish, Executive Director of Utilities and Infrastructure; Chris Hills, Director, Development Services; Kimberly Keyes, Utilities and Infrastructure; Aaron Levitt, Utilities and Infrastructure; Rachel Ingham, Utilities and Infrastructure; Seann Byrd, Water Quality; LeeAnn Plummer, Director of Parks and Recreation and Interim Finance Director; Kristin Denton, Parks and Recreation; LeRoy Smith, Fire Chief; Irena Krstanovic, Director of Economic Development.

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

2. Operations Center & Fire Station 3 Updates

Kimberly Keyes, Utilities and Infrastructure, said this item was an update on Fire Station #3 and the Operations Campus Phase 1. She showed the area where Fire Station 3 will be located and the coverage areas for all three stations. She then introduced Keith Carlyon from ADW Architects.

Mr. Carlyon showed the basic layout of the property. He talked about features of the construction, specifically sustainability features. He showed the floor plan and building features, and showed elevations from several angles.

Ms. Keyes shared the project budget, breaking it down into its components. She outlined areas of responsibility for Duke and for the Town, and then gave the anticipated construction schedule.

Adam Fouse of Samet Corporation discussed the benefits to the Town of using the Construction Manager at Risk model for the Fire Station, updated Council on what they have done to date, and identified potential challenges. He explained that one of the biggest things they will do for the town is to coordinate with the Duke contractor to make sure everything moves smoothly.

Mayor Mayefskie asked what was the property behind the fire station, and if it was developable. Ms. Keyes said it was owned by Wake County Schools and Duke Energy and that there would be a wooded buffer between the two. Mayor Mayefskie asked if there was a requirement to have four sides in brick. Mr. Fouse said that brick provides a lower maintenance cost for the price and the building will last longer.

MPT Berry asked what the square footage was for the police touch-down space. Mr. Fouse said it was close to 1,500 square feet. MPT Berry asked if the guaranteed maximum price (GMP) was still \$11.2 million. He was told that \$11.2 m was the total project budget and the construction GMP would be \$7.6 m.

Daniel Weeks, Assistant Town Manager, said that, due to activity in the area and problems with the current structure in use as Fire Station 3, that station would need to be temporarily relocated. He outlined the problems with the structure, with access water, and with road construction along Friendship Road. He said Fire Station 3 could be relocated into a temporary modular unit on the Fujifilm Diosynth Biotechnologies site and outlined cost estimate and revenue sources. He said this would come before Council at their January 17th business meeting. He showed where the station is and where the temporary location would be, pointing out all the new development and current construction in the area.

There was discussion about the nearby bridge on Holly Springs New Hill Road and its effect on the temporary location, as well as the call volume and response times. Chief Smith said that the temporary Fire Station 3 would be an engine company with four firefighters to begin with. The proximity to 12 Oaks and Fujifilm Diosynth Biotechnologies was discussed and the fact that FDB was letting the town use this part of their property free of charge. The lack of water at the current site and its availability at the new temporary site were also discussed.

Ms. Keyes said that next was the update on the Operations Campus, and she showed where it was located. Mr. Carlyon from ADW showed a “fly through” animation of the site and a site plan for the full buildout of the campus. He showed elevations of the administration building and the operations building from various angles. He then showed the lower level floor plan for the administration building and the ultimate build-out of the upper level. and a floor plan for the operations building. He showed elevations for the Fleet Service building, and the Customer Convenience Center.

Ms. Keyes explained all the other projects and partners the Town would need to coordinate with in building this campus and showed the route for the new southern access road and the utilities. She explained the phasing of the various projects in the area. Mr. Carlyon explained the value engineering and schematic design that have been done so far. He said currently they are working on the road extension and the laydown area. He said that if they do not do the Fleet Maintenance building in this phase, Fleet could expand into the existing public works building.

Mike Carliston, of Edifice Contractors, joined him to explain the value engineering process, and the benefits the Town has received through the Construction Manager At Risk model on the Operations Campus, updated Council on what they have done to date, and identified potential challenges including coordination with NCDOT’s Southern Access Rd and the current construction climate (material cost and material lead times).

Mayor Mayefskie asked if staff was involved with the numbers as the CMR brings trades on. Mr. Carliston said that there was constant communication with staff.

Ms. Keyes gave an overview of the project cost for the project, including some challenges and possible solutions to them. She also outlined some additional funding opportunities that staff is pursuing, including various grants and the Duke Energy Smart Saver Plan. Mr. Carliston then outlined the anticipated project schedule, with Phase 1A completed in October of 2023 and Phase 1B completed in the fall of 2025.

Council member Forrest said he liked how they were looking for ways to save costs, but he preferred not to be skimpy on solar and EV hook ups. He said they cost up front, but they pay for themselves quickly. He also would like them to look at the battery consumption piece of solar. Council member McGrath asked as staff was looking at cutting costs, that they look at long-term costs (i.e. maintenance costs) not just short-term costs.

3. Draft Utility Allocation Ordinance

Kendra Parrish, Executive Director of Utilities and Infrastructure, said the purpose of this item was to update Council on key areas of interest for the working draft of the Utility Allocation Policy. She gave a refresher for the audience of what a Utility Allocation Policy does and why one is needed. She outlined the treatment capacity at the Utley Creek Water Reclamation Facility, the permitted capacity and the current daily flow. She said that recent economic development successes had created a need for more water and water treatment capacity, more quickly than previously planned. She showed the current capacity vs. actual projected flow, including projects that are approved but not yet producing wastewater. She discussed the stakeholder input the Town has received regarding a Utility Allocation Policy. She said that staff has been working on drafting a policy over the past month, and that the purpose would be to readily assess the distribution of capacity; allocate and track capacity; and provide short- and long-range planning assistance for development proposals and land use plans.

Ms. Parrish outlined the proposed process, which would move the allocation earlier in the process, and provided historical flow information from 2015 to 2020. She then proposed three allocation scenarios and asked for Council feedback.

- Scenario A: split 300,000 equally between Operational Reserve, Non-Residential, and Residential (392 dwelling units);
- Scenario B: 100,000 Operational Reserve; 60,000 to non-residential; 140,000 Residential (549 dwelling units); and
- Scenario C: 100,000 Operational Reserve; 80,000 non-residential; and 120,000 residential (470 dwelling units.)

Ms. Parrish outlined some elements that could be included in the allocation policy that would move a project up the tiers. She outlined three proposed tiers of allocation, depending on where the property is located and how many allocation elements are included in the project. She said that a key element of the policy would be expiration. She proposed that the Utility Allocation should be utilized within 12 months of permit approval. If it is not, an extension could be requested if certain conditions are met, otherwise the allocation would be rescinded.

Ms. Parrish said that next steps are to continue working on a draft policy after receiving Council input, with anticipated adoption at the Town's February business meeting, and to continue quarterly reconciliations of "design flow" to "actual flow" to allow reallocation of permitted capacity to new development.

Mayor Mayefskie thanked the team for the hard work put in so far. Council member McGrath asked about Tier 3 in the ETJ, and if this would de-incentivize developers from wanting to come on to public utilities. He said he leans toward the 60/40 split of Scenario C. He said they could even take 20,000 off of the Operational Reserve and add it to another category the next year, rather than banking it in that category. Ms. Parrish said that as is the case in other communities, this would be a living document. Based on the market and timing of projects, they imagine revisiting it once a year and adjusting it to fit the situation. Randy Harrington, Town Manager, said that one thing to keep in mind was an Economic Development project the size of Amgen coming in could put us in need of 200,000, so banking unused allocation could help with that.

Council member Wolff said that the low number of residential units approved historically was 519. And it was 595 last year. So if we move to Scenario C, we would be capping residential growth. Water flow is not a one-to-one with our tax base. And we have met the 30/70 tax base. He said he would prefer moving toward more residential allocation so that we at least meet our current rate of residential growth. He leans towards Scenario B. He loves the incentives, because any tools we have to encourage developers to provide things that benefit residents are good.

The opinion of the Home Builders Association (HBA) was brought up and Ms. Parrish said that the HBA was in favor of a policy because it would protect their ability to receive allocation. Council member Wolff said he would like to see our current trends continue because otherwise the people who come to work at the Economic Development projects won't have anywhere to live and housing affordability will get worse.

Council member Forrest said he agreed with Council member Wolff about residential need. He asked Chris Hills, Director of Development Services how many projects were in the pipeline, residential and nonresidential. Mr. Hills said between 700 to 1200 units, but it was important to note that the phasing of development will make the development covered. A large project like Carolina Springs received a large allocation, but won't use it for ten years. When you phase that, it gives us some breathing room. A project spread over 4-6 years allows us to keep pace. Council member Forrest asked about the phasing process. Mr. Hills said that when a project comes in they would need to present a phasing plan, which spreads the need out. Council member Forrest asked the town attorney if there was any legal difficulty with requiring any of these elements. Mr. Schifano said the issue is whether you have the authority to require a developer to do something in order to receive water. There is case law that says utilities operate as a business so we can make business-type decisions. There is also an argument that you have no direct authority to do it. The general rule right now, is that if you have a policy you need to stick to it. There is not guidance on what that policy can contain. What will be important to nail down in this policy, will be the cost-effective ability to serve Tiers 1, 2, and 3. The phasing that Mr. Hills mentions is a solid tool. We will also need to expire people who don't abide by their phasing plan, which would free up allocation for the next project. What is important is that, if discretion is given to Council, there are guiding principles on how to exercise that discretion. Council member Wolff asked how this differed in a court of law from architectural requirements. Mr. Schifano said that N.C.G.S. 160D says that you can regulate land use for the health, safety, and welfare of the community. You don't have the ability to regulate architect standards in some situations. Your ability to regulate architectural standards in non-residential is expressly given to you. The ability to regulate water allocation is given through case law, it is not expressly given through statute. Council member Wolff asked how many other municipalities use elements like this in making allocations. Ms. Parrish said that almost all of them do. They have point systems that allocate more points for the types of elements we use.

Council member Forrest said we have an excellent plan put together by the team, but asked if there was a way the State water resources can review this for feasibility. Ms. Parrish said staff was open to anyone reviewing it. But we are talking about how we, as a town, want to grow and the state is not going to have a lot of input on that. We do reconcile our permit data with the State, so in essence they have reviewed our permitted data. We could have them take a look at this policy and see what they think. We want to become self-delegated. When you move into self-delegation you cannot permit more than 100% of what you have. We currently permit more than that because we know that timing will enter into it. The state is more restrictive when they give you delegation. Council member Forrest said he would like to have an external agency look at this and provide some thoughts. Not all towns do this, so he would like oversight by the State to make comments and recommendations. In general he leans to the 70/30 split with two caveats. He doesn't want to stymie economic development, and we need to move forward with the regional water initiatives.

MPT Berry said his biggest challenge with this is that we need to make tough decisions to throttle things in certain places. Adding more residential units in the area of town with the most developable land will not solve traffic problems. He thinks this ordinance might help Council do that, and preserve capacity for key projects that the town could embark on. He said that trying to cram a lot of strategic objectives into one policy gets confusing. Holly Springs has been successful with Economic Development and will continue to be so. With the limited

capacity we will have in the future, he said he leaned toward lower residential capacity moving forward.

Council member McGrath said that that is why he leans toward the lower residential numbers. Residential developers are not bringing the infrastructure needed to solve our traffic problems. He said Council needs to consider all the problems. He said that he thinks projects in the ETJ that do not contribute any infrastructure do contribute traffic and he thinks this disincentivizes those developers to connect to Town utilities.

Council member Wolff said that we all agree that traffic is bad and we need to address it. But he doesn't think that not building the homes will make traffic better. Only 80% of traffic on 55 is from in-town residents. So not building the homes will make the people who work here have to live elsewhere and travel farther, and congest Holly Springs' streets. He doesn't think throttling residential development is the way to manage infrastructure and traffic. We are not completing the job to make sure that those people can "live, work, play" in Holly Springs, which is another strategic goal that we have. We need to look at it holistically. He said that 33% of housing cost is the policies the Town makes. A lot of little decisions make big problems. He said that while this would not lower the housing costs dramatically, it would help.

Council discussed the frequency with which the policy would be reviewed and Council member Forrest asked for a quarterly update after each reconciliation. Council member McGrath said he thought a bi-annual update was frequent enough and Council member Wolff and Mayor Pro Tem Berry said they did not have a preference. Ms. Parrish and Mr. Harrington said that they would get together and come up with a plan for how best to update Council.

4. Sign Regulation

John Schifano, Town Attorney, said the purpose of this item was to discuss the town's current sign regulations in light of recent US Supreme Court rulings and receive guidance of future ordinance changes. He said the three issues to be resolved are aligning Town codes with the Supreme Court rulings, the proliferation of temporary signs, particularly in election season, and the location of sign regulations in two places – the UDO and Town Code.

Mr. Schifano explained *Reed v. Town of Gilbert* and what it said that applied to municipal sign regulations based on content (i.e. political signs vs. advertising signs) and *City of Austin v. Reagan Nat'l Adv.*, and what it said about an ordinance banning off-premise advertising signs. He outlined where the State authorizes municipalities to regulate signs and said that currently on-premise business signs are regulated through the UDO, while other types of signs are regulated through Town Code. He outlined the current ordinance around temporary signs in both residential and commercial locations, and the issue of property owner consent and the difficulties arising from that requirement. Mr. Schifano said that state statute NCGS 136-32 gives specific rules for political signs which, on the basis of the Reed decision is squarely unconstitutional because it is not content neutral. He said that some neighboring municipalities have complete bans on signs in the right-of-way, including for political signs. They allow six or eight on your property, where we only allow one. He said that Council might look at altering that requirement so that, for example, a resident could advertise a garage sale and support for a candidate at the same time.

Mr. Schifano proposed three possible actions Council could take: eliminating the distinctions in Town Code between off-premise and temporary signs and eliminating content distinctions; prohibiting temporary signs in the right-of-way; and/or eliminating one of the places that town sign regulations exist and housing them all in either the UDO or the Town Code.

Council member Wolff said that he would like to be as restrictive as possible in the right-of-way and as lenient as possible on residential lots. He said the signs have become an "arms race" and has gotten to the point where they are a nuisance and a traffic hazard. Everyone would be better off if we limit the number of signs. Town staff spends far too much time dealing with this during election season. We also get these complaints about signs. If we make it

uniform, so that the only signs are in front of the residents who support a candidate, they can still be used strategically. Everyone would benefit from this. He agrees that the NCDOT statute is unconstitutional and we should ignore it. He said that he was in northern Virginia during election season and they only had signs on residential properties and it was much more pleasing. The more we can do to decrease signs, the better. It has become a problem for staff. The more we can do to keep signs off town property, the better. Mr. Schifano said that staff has tried to be proactive about signs on town property, but because the Hunt Center was a voting site, there were different rules. We do not grant anyone the right to put signs on Town property. Council member Wolff said he thought requiring getting property owners' permission is also a good idea.

Council member Forrest said that every candidate has different levels of needs. Some are trying to do a grass roots campaign and need the signs. So as we write the policy, he would like to make it so that it offers the least burden possible to grassroots campaigns.

MPT Berry said he struggles to see the value of this conversation to our constituents. Regardless of whether we change our ordinance, staff is still going to get phone calls and emails. If we regulate it more, it will be more complaints to staff. He doesn't think a change to the ordinance will make a change in behavior.

Council member McGrath said there are occasional problems during campaign season. But he thinks this is seeking a solution that doesn't need to be solved, so why are we talking about it. Council member Wolff responded that there is a constitutional problem with the ordinance as it stands. Mr. Schifano said that the 1st and 3rd issues can be solved easily by rewriting the ordinance, but he needs to know what Council wants to do about temporary signs before he drafts a new ordinance. Right now, all signs should be out of the right-of-way except for 30 days before an election and 10 days after. There shouldn't be other temporary signs in the right-of-way because those are not allowed under the current code, although it is subject to constitutional challenge. He said his question to Council is whether they want no temporary signs at all, or no temporary signs except during election season. MPT Berry asked what the difference was between the UDO and Town Code regulations. Mr. Schifano said the UDO regulates permanent signs, and does not regulate signs in the right-of-way. Temporary signs are regulated under the Town Code, and that has to be changed to not discriminate based on content. His recommendation would be a complete ban in the right-of-way as the most likely to meet constitutional challenges.

Council member Forrest said he would like to clean up the ordinance by being hands off. Council member McGrath said he doesn't want to change the temporary sign ordinance unless the NCDOT ordinance is changed. Council member Wolff said that if we take care of items one and three but ignore two, we would be in compliance with state statute, but not the US Supreme Court decision. Mr. Schifano said we are not taking a position on the constitutionality of the state statute. One concern we have is that, if we maintain that the NCGS is unconstitutional and direct staff to pick up those signs, in theory it is a Class 1 misdemeanor. In theory, no one would enforce that, but we do not want to put the staff in that position. Chris Hills, Director of Development Services, said that the campaigns usually follow the DOT law, which does not exactly mirror our statute. The 40 days that this is an issue, it is a big issue. There are sight triangle issues and other safety-related issues. But outside of that the campaigns generally follow the state statute.

5. Draft Annual Retreat Agenda

Randy Harrington, Town Manager, presented a draft agenda for the Mayor and Council Annual Retreat that included a talk by Wilmington Mayor William Saffo; a design charrette on the Village District Area Plan; a discussion on the outlook of construction inflation and supply disruptions on the delivery of Town projects; the Debt Affordability outlook, Utility System needs; housing affordability; Strategic Plan updates, Trash/Recycling and Yard Waste updates; and

Stormwater user Rate structure. He asked if Council had any concerns or desires to do something different.

Council member Forrest asked if there was any appetite on moving up the ITS system earlier to help with congestion due to Fujifilm Diosynth Biotechnologies expecting 2000 more workers per day. MPT Berry suggested adding it to the Parking Lot. Council member Forrest asked about having a preliminary discussion at the retreat on the feasibility of funding school crossing guards until our roads get built out. Council member Wolff suggested a workshop prior to the budget discussion for this discussion. Council member Forrest asked if there was any appetite for spending funds for early voting during the municipal elections next year. MPT Berry said the cost/benefit has not been feasible over the past several municipal election cycles. Council member Forrest said we have grown significantly. Council member Wolff asked if we get better turn out if we have early voting in town. And he doesn't think we have a facility for it, compared to the Apex Community Center. The Town Clerk said she would reach out to the Board of Elections about deadlines and cost.

6. Open Discussion

Mayor Mayefskie said that we discussed pushing the closed session to Feb 7th for the evaluation of the Town Clerk and Town Attorney.

Action: Motion to amend the calendar of meetings to add a meeting on February 7, 2023 for the purpose of performing the annual evaluations of the Town Clerk and Town Attorney.

Moved by: Forrest

Second by: Berry

Vote: unanimous.

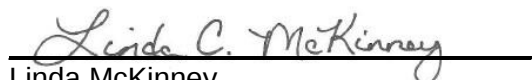
Mayor Mayefskie outlined some upcoming activities for ML King Day weekend.

Council member Forrest asked that Council have a quick discussion at the retreat or a workshop about a policy for public speaking. Part of it would be a process for someone in the audience who is having trouble hearing letting us know. We need to look at that. What is the best way to facilitate that.

7. Closed Session: none.

8. Adjournment: There being no further business for the evening, motion to adjourn was made by MPT Berry second by Council member McGrath and passed with a unanimous vote. The January 10, 2023 meeting of the Holly Springs Town Council was adjourned at 8:46 pm.

Respectfully Submitted on Tuesday, February 21, 2023.


Linda McKinney
Town Clerk