MINUTES

The Holly Springs Town Council met in regular session on Tuesday, June 18, 2024. Mayor Mayefskie presided, calling the meeting to order at 7 p.m. A quorum was established as the Mayor and five Council members were present in the Chamber as the meeting opened.

Council Members Present: Mayor Sean Mayefskie, Mayor Pro Tem Dan Berry, Council members Timothy Forrest, Danielle Hewetson, Chris Deshazor, and Annie Drees.

Council Members absent: none.

Staff Members Present in Chambers: Scott Chase, *Assistant Town Manager;* Daniel Weeks, *Assistant Town Manager*; John Schifano, *Town Attorney;* Linda McKinney, *Town Clerk* (recording the minutes); Mathew Mutter and Kameron Womack, *IT;* Kathy White, *Deputy Clerk;* Corey Petersohn and MaryBeth Spoehr, *Budget and Sustainability;* Tamara Ward, *Communications and Marketing*; Chris Hills, *Director, Development Services*; Elizabeth Goodson, Sean Ryan, Catherine Jacobs, Elliot Blonshine, and Grayson Taylor, *Development Services;* Kendra Parrish, *Executive Director of Utilities & Infrastructure*; Irena Krstanovic, *Director, Economic Development*; Tina Stroupe, *Finance Director;* Paul Liquorie, *Police Chief;* Animal Control Officer James Cherry, *Police Department*; LeRoy Smith, *Fire Chief.*

2. and 3. The Pledge of Allegiance was recited followed by an invocation by Pastor Paul Leitzel of Oasis Church.

4. Agenda Adjustment: The June 18, 2024, meeting agenda was adopted with changes, if any, as listed: pull item 10 for discussion.

Motion: Berry
Second: Forrest
Vote: Unanimous

RECOGNITIONS

5. William Ball IV, Powerlifter Champion

Mayor Mayefskie recognized William Ball IV for his championship win and for moving on to Worlds in Malta this fall.

6. Juneteenth Proclamation

Mayor Mayefskie proclaimed June 19, 2024 as Juneteenth in Holly Springs and presented the proclamation to Mr. George Kimell, representing the MLK Committee.

7. July as Parks and Recreation Month

Nicolas Ziccardi, and Taylor Ford, Parks and Recreation, came to talk about Parks and Recreation Month. Mr. Ziccardi said that July is Parks and Recreation Month. This year's theme is *Where You Belong*. He outlined how Parks and Recreation create a sense of belonging and community, then outlined some of the special events coming up to celebrate Parks and Recreation month. He talked about the Bingo cards for the month, where trying new offerings will get you a stamp, and a completed line will win a prize.

Mayor Mayefskie proclaimed July Parks and Recreation Month in Holly Springs.

CONSENT AGENDA

The Council passed a motion to approve all items on the Consent Agenda except item 10 which was pulled for discussion. The motion carried following a motion by MPT Berry, a second by Council member Forrest and a unanimous vote. The following actions were affected:

8. Minutes – Council approved the minutes of the May 28, 2024 Workshop meeting.

9. End of Year Budget Amendments – The Council approved the end of year budget amendments for Fiscal Year 2023-2024.

10. Capital Associates Management, LLC Development Agreement Extension – *pulled from Consent for discussion.*

11. Voluntary Annexation A24-02 – Operations Campus – The Council adopted Resolution 24-16 directing the Town Clerk to investigate the sufficiency of annexation petition A24-02 and setting the public hearing for July 16, 2024.

A copy of Resolution 24-16 is attached to these minutes.

12. Engineering Design & Construction Standards Supplement #10 - The Council approved Supplement #10 to the Engineering Design and Construction Standards.

13. Town Code of Ordinances Chapter 8 Environment, Article V- NPDES Phase II Post-Construction Stormwater Updates - The Council adopted Ordinance 24-29, the Phase II Post-Construction Stormwater Ordinance, to comply with NC Department of Environmental Quality Approved Local Program Requirements.

A copy of Ordinance 24-29 is attached to these minutes.

14. Public Works Asset Surplus over $30,000 – The Council approved the surplus of Public Works Asset #12818, John Deere Motor Grader, valued over $30,000.

10. Capital Associates Management, LLC Development Agreement Extension – *pulled from Consent for discussion.*

Elizabeth Goodson, Development Service, said she could give an overview of the item and answer questions. She said the Development Agreement was adopted in 2020 and this request is for a one-year extension to one aspect of that agreement, locking in the utility rate for an additional year, to June 30th of 2025.

MPT Berry said he asked for this to be pulled from Consent because Council is going to discuss the budget tonight, raising rates on others. He said this project hasn't advanced and he didn't want to lock in the rates. Council member Hewetson said she agreed and does not feel comfortable extending this lock while raising rates on others. Council member Drees said this development has 124 affordable housing units. She asked how many others were in the works in Holly Springs. Ms. Goodson said Solaris has 24 to 25 affordable housing units. Council member Hewetson said this land will still remain designated by Wake County as a space for affordable housing, but it may come in under other terms if we don't extend the rates. Not locking the rates won't make it become something other than affordable housing.

Council member Deshazor asked why they were asking for a one-year extension.

Mr. Patrick Nerz, of DHIC and Frank Baird, CEO of Capital Associates came forward. Mr. Nerz said a lot has been happening with a half million dollars of planning to advance this project, it's just not visible on the ground. They are through the first round of site plan approvals. Since 2021 interest rates are well up but they are doing everything they can.

Mr. Baird said that it was intended to be an office building for My Computer Career, but that fell through during COVID, and they are looking for another tenant. They have high interest rates and sitework costs have increased. While the fees may not be much to the Town, every incremental thing makes the project less likely to succeed. All the grading and offsite improvements are locked together. Mr. Barid said widening Main St. was about $1 million, they put a greenway in and it keeps adding up, but rents aren't going up. They have about 2500 sq ft of tenants for a smaller building so they may ask to amend their site plan for a 3-story building instead of a 4-story. They have a commitment from a pediatric medical office to move in. The cost pressures have added up and right now it is unfeasible unless they get this lock. Mr. Nerz said they can't move forward if Capital can't.

Council member Deshzor said he questioned whether a medical office building is in the plan for that area of town. What he is hearing is things are getting more expensive and can the Town help them out, but what happens if they can't get a tenant and the Town is on the hook with Wake County. Mr. Nerz said they are asking to lock the fee amount because all of their other costs are going up. They are still paying close to $1 million in fees. Mr. Baird said he wants the extension to modify their plan. They want to help DHIC. If he wanted to punt on this he would have dropped out years ago. The office market is terrible right now with high vacancy rates. They felt that medical offices still have low vacancy. The sitework costs and off-site costs are too great to swing. They want to make it work for DHIC and a tenant. Mr. Nerz said it is Wake County land and they intend affordable housing for it. He said if they are not able to move forward, there is no telling when another project would come in. He said it takes a long time to go through the tax approval process and the financing process and they have done that. Mr. Baird said one of the changes in costs had to do with engineering and soil studies showing a lot of rock. Whoever builds there, that site is a difficult site to develop with a lot of additional costs.

Council member Drees asked how far ahead they were of a project starting from scratch. Mr. Baird said he is pricing a smaller building right now that would allow them to finance it more quickly and will know in the next few months whether they are viable. Mr. Nerz said in a perfect world it could be as short as two years, but the whole economy would have to change for a new project to work. Mr. Baird said the grading plan, site plan, utility plans, are all done. DHIC is ready with no changes, but they need Captial to be able to move.

Council member Drees asked how much the fees would increase if not locked. Ms. Goodson said it would be about $1 million. Mr. Baird said that My Computer Career had tax abatement as part of the agreement, but Captial doesn't so that is about half a million the Town will get that they wouldn't under the original agreement.

Council member Forrest asked if they had approached Wake County for help. Mr. Nerz said they had, and they are looking for ways to help out also. Mr. Baird said they talk with them every two weeks for an update and to figure out if there is anything else they can do.

Action: Motion to reject a continuation of the Sewer & Water System Development fee rate lock contained in the development agreement for one year to June 30, 2025.

Motion by: Berry
Second by: Forrest
Vote:
Aye: Berry, Forrest, Hewetson
Nay: Deshazor, Drees

The motion passed.

Action: Motion to extend the Sewer & Water System Development fee rate lock for six months.

Motion by: Deshazor
Second: Drees
Vote:
Aye: Deshazor, Drees

Nay: Berry, Forrest, Hewetson

The motion failed.

PUBLIC HEARINGS

15. Aura Wildwood Rezoning 23-REZ-04

Sean Ryan, Development Services, said that this item was to consider a request for a Conditional Zoning District for Aura Wildwood at 7450 GB Alford Highway. He showed the location of the parcel and explained what existing neighborhoods and businesses were nearby. He said the site is currently zoned CB Community Business and is designated as Mixed-use Center on the Land Use and Character Plan.

Mr. Ryan reminded Council and the audience that rezoning is a legislative process. If the rezoning is approved, the Major Subdivision and Development Plans would be quasi-judicial. He explained the requirements and benefits of the RMX district and said that the Conditional District Rezoning allows the applicant to request flexibility in exchange for higher quality, innovative, and sustainable development. It should not be used to relieve hardships, which is what the variances are for, and it should demonstrate that the Conditional District Design Goals are achieved.

Mr. Ryan outlined the five PODs the applicant is proposing. He outlined the ways the project met the goals, but then pointed out how the proposal fell short on several such as Pedestrian oriented communities, Communities that are visually and functionally connected, Creativity and imagination, and Efficient, aesthetic and desirable use of open space.

Mr. Ryan outlined the proposed standards that the applicant was requesting regarding density, minimum building heights, maximum residential building length, setbacks and frontages, and buffers and contrasted them with the UDO Standard.

Catherine Jacobs, Development Services, said the project was required to extend the water and sewer network. She showed the proposed water and sewer line locations. She said the sewer study showed that improvements are necessary to support this development. The applicant was willing to build the next phase of the pump station but only what is needed for their project, not the already approved downstream projects.

Ms. Jacobs said that the applicant agreed to widen GB Alford along the property frontage. She showed the access points to the property and the planned internal roadways. She showed the ten intersections studied in the traffic study and said the extension of Wildwood Farm Way would be extended across the property. She said that at the time the staff report was written they were proposing an internal street network that differed from the CTP cross sections. Since that time the applicant has proposed committing to using CTP cross sections except for a few exceptions but has not sent a commitment in writing. Ms. Jacobs outlined the traffic improvements the developer was offering to make on S. Main and NC 55, and that they would commit to monitoring Wildwood Way and Ralph Stephens.

Ms. Jacobs said that the project included greenways that would connect to Wildwood subdivision and sidepaths along the thoroughfares to bring together Fuquay-Varina's planned sidepath along 55, which is not yet constructed.

Mr. Ryan said that while the applicant demonstrated willingness to work with town staff and neighboring Wildwood residents and proposes creative adaptive reuse of the Adams Farmhouse (if feasible) the overall site design and Pod layout separates uses, limiting the potential for mixed-use as envisioned by the Comprehensive Plan, and Pod C has significant surface parking in the middle of the site, limiting walkability. He said the proposed CD standards are less restrictive than the UDO and do not meet the intent of a Mixed-Use Center. The commitment to 11,000 square feet of commercial space concurrent with residential units does not fulfill the vision of a Mixed-Use Center, and the project does not meet the intent of the Regional Mixed-Use zoning district or the Town goals and objectives of the Vision holly Springs Comprehensive Plan. Staff does not recommend approval.

Thomas Urquhart, Planning Board, said that Planning Board recommended approval with a vote of 4 – 1. He said that even though the application is inconsistent with the Comprehensive Plan, it is reasonable, and the Planning Board voted for approval. He spoke of the neighbors who spoke in favor, said that no one spoke in opposition. He said they liked the creative reuse of the Adams Farmhouse.

Council member Deshazor asked if anything was discussed around the fitness center. Mr. Urquhart said no. MPT Berry asked about the date of the Planning Board meeting. Mr. Urquhart said it was May 28th. MPT Berry pointed out that that was the day after Memorial Day, and why many members of the Planning Board were absent. He said the staff report states clearly that the plan was not consistent with the Comprehensive Plan. Mr. Urquhart said the Planning Board agreed that it was not consistent with the Comprehensive Plan but they felt it was reasonable and wanted to support it.

Mayor Mayefskie opened the public hearing and the following input was received:

Collier Marsh of Parker Poe said a lot of people on their team were present if needed to answer questions. He said staff did a good presentation. It is a tough project with a lot of competing interests. He said they pushed to get as close to the Comprehensive Plan as possible but will fight for this because they think it is important. He said he thinks current zoning is incompatible with the adjacent neighborhood and CD would be better than the current zoning which could bring a strip mall. He said the project is unique and the scale of RMX is too much for this parcel. But he said this project was between RMX and MMX and they wanted to take RMX and scale it down. He said the five PODs are separate but interconnected. He said they had a detailed master plan and proceeded to show it. POD A – multifamily area. He said it would be multifamily and mixed-use with secured and conditioned corridors, 4 story, elevator served. He said the architecture would honor the Adams farmhouse. He said there would be live-work buildings, giving residents a chance to live above their business. He said they worked to frame the streets with their buildings to make it walkable. He showed elevations of the proposed residential buildings.

Mr. Marsh said the Townhomes were important because they were not allowed in the CB district. He said it was important to the residents of Wildwood to transition the land. He said they are 100% rear loaded. He showed the greenway and how front doors will open out to greenways, rather than streets. He said it creates a unique setting. He said the street narrowing is a traffic calming measure. He said that for POD C – health and fitness - they have been working with Lifetime Fitness. It is not what you are used to seeing. It is vertical and horizontal mixed uses in one building. Basketball courts, indoor and outdoor pools, dining, childcare (not drop-in) and a sport medicine component. He said that with meaningful commercial square footage comes a lot of required parking. He said they don't have pickleball courts right on 55 – there is enhanced screening. He said that for POD D – dining and shopping - that this has received overall support from everyone. It is a unique space. There are large pedestrian spaces and gathering areas, walkable to existing and proposed residential, with a greenway connection to Wildwood. He said that for POD E – office and retail – that this is designed for one or two users. A smaller grocery store, medical office, or hotel. He said the Adams House was a big topic of discussion. The house is so close to 55 that the required widening forces the relocation of the home. They put it on an internal street parallel to 55 so cars are not going so fast and it will be close to a greenway. They will move the barn with it. He asked Carly Jones to talk about the vision for the reuse.

Ms. Jones said she is the President and CEO of Artspace in the City Market District. She said they serve the market with artist studios at below market rates. They propose the use of this house to bring in artists. The first floor would have art studios, gallery, pub and lounge; the second floor would be an apartment for an artist in residence. The artist in residence would be required to engage with the community and with schools.

Mr. Marsh said this is a unique site and they balanced multiple factors. He outlined the integration of uses and said the Adams Farmhouse theme throughout would unify the various PODs. He talked about the environmentally friendly commitments of requiring the buildings to be built to energy efficiency standards. He said they are creating excess sewer capacity. He talked about the project timeline and how they listened, engaged the community, and evolved the plan to react to those engagements.

Council member Deshazor said that only people who pay fees to Lifetime Fitness can use the amenities Mr. Marsh described. Mr. Marsh said that is correct. Council member Deshazor asked about drive-throughs. Mr. Marsh said there would be a maximum of two in the outparcels. Some of the tenants would restrict through deed covenants some of the less desirable drive-throughs. Council member Deshazor asked if, since we're hearing office space is hard to rent, were there thoughts of having more retail. Mr. Marsh said they have looked at the northernmost section as possible office, and there is interest from medical offices, but also interest from hotels and others. They are trying to time this to attract the best commercial. Council member Deshazor asked if they could exceed the 10% tree preservation. Mr. Marsh said that with the footprint they are proposing he does not think they can increase the tree preservation. The creek on the northwest corner is extensive preserved open space. Then the west also preserves. He doesn't know what that percentage is, but it is meaningful.

MPT Berry asked if their client does commercial development. Mr. Marsh said Trinsic is residential, but they have partners. MPT Berry asked about a commitment with a developer agreement for commercial. Mr. Marsh said the commitment is to the 11,000 sq ft area. There is not a signed lease. There are financing reasons to not have that, but all three partners are connected and they all have to work. MPT Berry pointed out that Lifetime Fitness has said that they want to come to Holly Springs for 7 years, always on different sites, but they never come. Why is this site the right one?

Mr. Scott Ferguson of Lifetime Fitness said he stepped into this project 6 months ago. With this site and this opportunity, with the surroundings and location, it is a sweet spot. He said they looked at a Green Oaks site around 2019, then COVID hit and there was no revenue for two years. Part of the reason this site is able to work is the commitment TRINSIC has to the site. Construction costs are up, sitework costs are up. What makes this work is the developer managing the site work and bringing the costs down.

Council member Drees said she appreciates their engagement with Wildwood and their ties to Holly Springs. She asked about the Carlyle Adams Foundation and asked if the Adams House can be moved, do they have a commitment to this. Dave Dahl, Trustee of the Carlyle Adams Trust, said that Carlyle owned a number of properties when he died. They have repurposed one of his properties in Beaufort, used mostly by nonprofits and government organizations. They have experience operating these types of properties and think this may be the last opportunity to preserve the farmhouse.

Council member Drees asked what the distance between the greenway and the houses that face it was. Mr. Marsh said it was a minimum of 20 feet. Council member Drees asked if it was the expectation that the greenway would be available to the public. Mr. Marsh said it would be part of the town's greenway system and open to the public. Council member Drees asked about a fence around the swimming pool. Mr. Marsh said it would be secured. Council member Drees asked about parking on Wildwood Farm Way. Mr. Marsh said parking would be behind the units. Council member Drees said the area by the vertical use building looks like a parking lot, but it's designated a road. Mr. Marsh said the north-south street, as it goes in front of the vertical mixed-use building, has parallel parking for the commercial uses. Council member Drees asked him to speak to the pump station. Mr. Marsh said that several phases of improvement were needed. The one they chose does provide more capacity than they need, but they cannot afford the choice above that.

Stephanie Embry, 304 Mistwood, said she spoke on behalf of the Wildwood neighborhood and had those in the audience stand. She said that their neighborhood is tucked behind Lowes, next to the Adams property. They understand that it will be developed and that whatever is built there will connect to Wildwood. She said TRINSIC has addressed lots of their concerns and the HOA board has voted to support this. They don't want commercial traffic on Wildwood Farm Way or backing up to their property. They like the transitional housing between them. They like the connection to Wildwood Farm Way. One of the things not talked about was the connection to Lowes. When it was built there was an agreement that a connection would be built when the Adams property was developed to keep people from cutting through their neighborhood.

David Adams, 2624 Broad St. Holly Springs, said he had a 26-year career in commercial banking, financing projects like this. He served on Wake County Planning Board, and is the trustee of the property behind this property. He said he was in favor of this development. Since Carlyle Adams death in 2014 he has had many conversations with Trinsic and other developers. Because it was once the homestead of his great grandparents, he has sentimental attachment, but no financial interest. He said he knew that development was necessary to the growth of Holly Springs. He said he thinks this is the right project in the right location, and the time is now. He said that Council needs to make the best decisions for the whole town while upholding the property rights of property owners.

There being no further input, Mayor Mayefskie closed the public hearing.

Mr. Ryan said that the Wake County Pub Schools assessment was included in the packet.
He walked through the three versions of the rezoning ordinance with Council. A inconsistent and not reasonable; B inconsistent but reasonable; C consistent and in the public interest.

Council member Deshazor said he met with residents and talked to staff. He loves the transitional residential. He said he is not a fan of Lifetime Fitness because that is the entry into Holly Springs from the south and would like that to be a “Wow” as you enter the town. He would like to see something different there.
Council member Hewetson said she appreciates the effort. There are a lot of elements that are cool and would be beneficial. At the same time those are a small portion of the project, and the inconsistency with the Comprehensive Plan bothers her. She said the Town only has a few areas for this type of development. She said she appreciates the plans for the Adams house, but the balance is off for it to be consistent with the town’s Comprehensive Plan.
MPT Berry said looking at the Comprehensive Plan, this one does not meet Mixed-use center goals. The vertical integration seems like a “check the box” effort. He said it lacks compact walkable goals. The lack of commitment on completion for the commercial gives it uncertainty, so he feels unsupportive. He said that the timing of the Planning Board meeting, with 4 people absent, may have affected their vote. The impact letter from Wake County Public School System indicates a lack of elementary schools for this development. He said there was not enough benefit for him to be able to support it.
Council member Forrest said that this area is identified as a potential economic development area. The plan does not meet the Comprehensive Plan. He believes the applicant has done a great job of meeting with local residents and he appreciates the historic structure preservation and other minor plan modifications. But we are missing the opportunity for more commercial space so he cannot get behind it. He hopes it will morph into something that is more consistent, but he can’t get behind it now.
Council member Drees said walkability is not just about short walks, but having the blocks have things you want to see, not just asphalt. These walkways do not meet that. She does not support it.

Action: Motion to adopt Ordinance RZ24-05 A to adopt the statement of non-compatibility and deny the rezoning.

Motion by: Hewetson
Second by: Berry
Vote: unanimous

16. Ragan Mixed-Use Rezoning and Development Agreement 23-REZ-03
Grayson Taylor, Development Services, said this item was a request for a Conditional Zoning District (CD) and Development Agreement for Ragan Mixed-Use at 3313 Avent Ferry Road. He said the request was to open the public hearing and continue it to July 16th. Mayor Mayefskie

said that this would be continued to July 16th and those who signed up were welcome to come speak but it might be more valuable to come back in July.

Mayor Mayefskie opened the public hearing.

William Mitchell, 3309 Avent Ferry Road, said he would be back next month but he wanted to ask for more detail in the plans that were presented. There is a lot you can't tell from what is presented on the website. He said he will also reach out to the Planning Board to ask for more detail. He said a utility easement was stubbed out on his property on one plan, but not the latest version and he would like to see that back. He has well and septic on his land and according to the EPA there are setbacks you can do around your well and this development would affect his water quality. He said his septic area will probably be impacted since the setbacks are so small. He said that Holly Springs has plans to widen Avent Ferry Rd. which will also take part of his septic. Briefly there is a long history of low-density development around Avent Ferry Rd. and one reason is because of the nuclear plant. This was stated in the last land use plan by Wake County for this area. He does not consider this plan low density.

TJ Parker said she was flabbergasted. She said she had no communication from the town or the developer. She was out of town for one meeting, and the other one her internet was not working. She is shocked that this is going forward. She owns 30 acres across the street from this. This will negatively impact her. She bought a farm. She has raised chickens for years. This will be detrimental. She knows this is not her land. But the developer then talked about widening the road. She is concerned with traffic, and the road widening will affect her barn. The developer said widening the road was the town's issue not the developer's. She has not gotten a straight answer about whether her barn will be affected. She said it will be a detrimental impact on her livelihood. The traffic situation is already bad at peak traffic times. Right now she is backed up 30 minutes over the lake.

Allen Jones, 3128 Avent Ferry Road, said he has lived there since 1984. They own a 50-acre farm and grow pine trees. They were there before the lake was there. They have seen the growth. He applauds the town for the work they have done. He said we are seeing changes happen here in Holly Springs. His request is now that Holly Springs is coming towards his property, to do things in a consistent and proper manner. We have farmland and are doing things for forestry and agriculture. He said the plan does not show the sewage routes and he would like the town to plan for how the sewer will come through there so that additional developments in the future will have access to water and sewer. He is not against the development, he knows it's coming, but he asked the town to do their job. He would prefer development didn't come but if it does, he wants to do it right.

Jeremy Hudson, 5524 Rex Road, said he was directly across from the proposed pumping station. He has lived there for 20 years. He knows we live in a representative republic, but those of us affected by this did not have the chance to vote for any of you, but are being imposed upon. The plans given to us show significant incursions onto our property rights. He understands that the road needs to be widened, but he thinks they are asking for more than is needed. He said traffic was backed up at Holleman Crossroads, and the traffic is backed up at the intersection of Friendship Rd. which is impacting his property rights and the enjoyment of the fruits of his labor. He wants to enjoy the peace and tranquility he is used to. He doesn't want that many residential units. The zoning change is out of whack with the historical aspect of the area and not in line with the community who lives there.

Action: Motion to continue the public hearing to July 16, 2024.

Motion by: Forrest
Second by: Hewetson
Vote: unanimous

17. Semiannual UDO Text Amendments 24-UDO-01

Sean Ryan, Development Services, said this item was for Council to consider the Spring 2024 staff-initiated UDO text amendments. He said there were 20 parts considered for amendment including plan recommendations (NE Gateway, etc.), lot frontage, clarify Amusement & Entertainment uses, the timing of active recreation improvements, and other technical corrections and clarifications.

Mr. Ryan said the change on residential lot sizes was to provide a clear option for 10,000 square foot residential lots. The proposal adjusts the base standards and broadens the tiers of lot sizes and adjusts the Conditional District mix requirement. He said permitted uses would be expanded to include uses not in the UDO previously, such as quadruplexes. This would allow conversations about what types of housing uses are appropriate in certain areas. A third area, Mr. Ryan said, was removing the Downtown Area exemption for providing parking. He said there were still things an applicant could do if providing parking was not feasible, but this would get them to the table.

Thomas Urquhart, Planning Board representative, said that the Planning Board voted to recommend approval 5 – 0, with 4 members absent.

Mayor Mayefskie opened the public hearing and the following input was received: none.

There being no input, Mayor Mayefskie closed the public hearing.

Action: Motion to adopt Ordinance 24-27 to adopt the statement of compatibility and approve UDO Text Amendments.

Motion by: Hewetson
Second by: Deshazor
Vote: unanimous

18. Conditional Zoning Districts UDO Text Amendment 24-UDO-02

Sean Ryan, Development Services, said this item was to consider UDO text amendments to the Conditional Zoning District process that Council discussed at a previous workshop. Mr. Ryan outlined the current process, which takes 18 – 24 months and involves at least two neighborhood meetings and two public hearings. He said that staff proposes an optional 2-step process which would involve one neighborhood meeting and one public hearing and shorten the process to 12-18 months. Mr. Ryan emphasized how this process would allow residents to have information and input sooner in the process.

Thomas Urquhart, Planning Board representative, said the Planning Board voted to recommend approval with a vote of 5-0 (with 4 absent.)

Mayor Mayefskie opened the public hearing and the following input was received: none.

There being no input, Mayor Mayefskie closed the public hearing.

MPT Berry asked about the two processes. Mr. Ryan said an applicant would choose which process they would prefer.

Action: Motion to adopt Ordinance 24-28 to adopt the statement of compatibility and approve UDO Text Amendments.

Motion by: Deshazor
Second by: Hewetson
Vote: unanimous

19. Economic Development Agreement (EDA) with Fujifilm Diosynth Biotechnologies

Daniel Weeks, Assistant Town Manager, said this item was to consider the Economic Development Agreement (EDA) between Fujifilm Diosynth Biotechnologies (FDB) and the Town. He gave background on the company and reminded the audience that FDB selected Holly Springs as the site for Project Galaxy in 2021 and the expansion, Project Aura, in 2024. He showed where the expansion would be on the campus and outlined the benefits to the Town of this expansion.

Mr. Weeks outlined the key terms of the EDA including industrial utility rates, fee waivers, where permissible, town property conveyance, expedited staff level review, transportation improvements by FDB and in partnership with NCDOT, and an indemnity agreement placing any financial burden associated with budgetary overages on the southern access road on FDB.

Mayor Mayefskie reopened the public hearing and the following input was received:

Jordan Ulrich of Fujifilm Diosynth Biotechnologies spoke in favor of the Economic Development Agreement. He said he was the head of project delivery and the interim site head for FDB. He thanked Council and staff for their support for the project. They have just crossed 80% complete on the first phase with a strong safety record. He said FDB is people-focused and committed to a healthier society. He praised staff. He said once Phase 1 and 2 are complete FDB would have invested $3.2 billion in Holly Springs. He said they were committed to Holly Springs and thanked them for their support.

There being no further input, Mayor Mayefskie closed the public hearing.

Action 1: Motion to approve Economic Development Agreement between Town of Holly Springs and Fujifilm Diosynth Biotechnologies.

Motion by: Forrest
Second by: Hewetson
Vote: unanimous

Action 2: Motion to authorize the Town Manager to execute necessary transactions consistent with prior Council approvals and terms of the EDA.

Motion by: Forrest
Second by: Hewetson
Vote: unanimous

Action 3: Motion to enter into an indemnity agreement with Fujifilm Diosynth Biotechnologies related to the construction of a new Southern Access Road.

Motion by: Forrest
Second by: Hewetson
Vote: unanimous

NEW BUSINESS

20. Adoption of Fiscal Year 2024-2025 Operating Budget and Community Investment Plan

Corey Petersohn, Office of Budget, Innovation, and Strategy, said this item was to adopt the Fiscal Year 2024-25 budget and Community Investment Plan. He outlined the four strategic priorities on which the budget was built. He said that at the budget workshop Council adjusted the Manger's Proposed Budget by maintaining the property tax rate of 34.35 cents per $100 valuation; dedicating an additional 0.25 cents of the tax rate for transportation improvements (in addition to the

0.50 cents in the manager's recommendations); and balancing that by appropriating $209,218 in additional Wake County cost-share revenue for Fire Services, eliminating $100,000 in yard waste operating contingency, reducing the Street Tree Program increase from $10,000 to $5,000, and eliminating the $1,638 pay adjustment for the Mayor and Town Council.

Mr. Petersohn reminded the public that they could get more information on the budget by visiting the town website or contacting the Town Clerk.

Mayor Mayefskie asked Town Attorney, John Schifano to say what would happen if they don't pass the budget tonight. Mr. Schifano said state law requires the budget be passed by July 1st. If it doesn't happen it puts at risk the town's borrowing ability. If it doesn't pass tonight, we will ask that you continue this meeting to a time in the near future to discuss it again.

Action 1: Motion to adopt the Fiscal Year 2024-2025 Operating Budget and Community Investment Plan and associated ordinances and policies included in the agenda packet.

Motion by: Forrest
Second by: Hewetson
Vote:
Aye: Deshazor, Hewetson, Forrest, Drees
Nay: Berry
The motion passed.

Action 2: Motion to adopt Council Order 24-01 directing Wake County to levy and collect property taxes for the Town of Holly Springs.

Motion by: Forrest
Second by: Hewetson
Vote: unanimous

MPT Berry said that since he dissented, he wanted to give his rational as a matter of public record. Inflation is impacting all our wallets at a time when we are raising water and sewer rates and Wake County is raising taxes. He said the amount dedicated to transportation is insufficient. He said projects are above their estimates and he doesn't think we have done our part to reduce the impact to residents. He thinks we should tighten our belt and that is why he voted against the budget.

Council member Drees said she shared his frustration with the lack of belt tightening assistance that Council got at the workshop and she thinks residents will suffer.

Council member Hewetson said this was not an easy decision. Council has been back and forth and discussed it many times. No one took it lightly and everyone fought for the right thing for residents. In agreeing to this budget, she said she understands there is an increase, but residents will suffer if we do not invest in some of the things in this budget, like public safety. To not do that is to expect staff to continue to give the level of service without the resources, and eventually those things cannot continue. She believes this is the right level of service. This allows us at least some options to put towards traffic. She said she believes Council landed in the right place.

Council member Forrest said we have not raised taxes in this town for over 10 years. The town has tried to manage the growth and development with no tax increase. He said that it is important to note that 3 cents of the tax rate is the Parks and Recreation Bond that the voters approved. The majority of the remainder goes to public safety, Police and Fire, and council had multiple discussions on why the need was there. We need to continue to provide services to grow the town. If we are not prepared for the growth to come we will create more problems. He said he hopes this is the only time he will vote for a tax increase. He said the budget was needed to keep services up where they belong.

Council member Deshazor said it was his first time going through the budget process and he is happy that Council delayed the vote and took time to look at it more closely. Raising taxes is not something we want to do. But he challenged staff to tighten their belts. We need to be more prudent with funds.

21. Oakview Development Agreement Amendment

Elizabeth Goodson, Development Services, said the purpose of this item was to consider an update to the Development Agreement for Oakview Innovation Park between Helix Ventures, LLC and the Town. She said with the economic development incentive package for Project Galaxy the Town was required to provide utilities for the parcel. Oakview Innovation Park's developer extended the sewer in the area. The original development agreement approved in February of 2020 anticipated the Town's portion to be $500,000. However, there were some scope changes, and the actual cost to construct the required line size to provide sewer to the basin was greater, resulting in a request for an additional reimbursement of $247,308.91.

Action: Motion to approve Development Agreement between Town of Holly Springs and Helix Ventures, LLC.

Motion by: Berry
Second by: Forrest
Vote: unanimous

22. Amendment to Ordinance Section 12-65(c)(8) – Cruelty to Animals

John Schifano, Town Attorney, said that Council directed him to amend the code of ordinances. He introduced Animal Control Officer James Cherry, Holly Springs Police Department. Officer Cherry said the purpose of this item was to consider revisions to the Town's Code of Ordinances to prohibit unsupervised tethering of animals to objects. He said the current ordinance prohibits tethering an animal under conditions that the animal control officer deems dangerous. He outlined some of the problems with tethered animals. The proposed amendment would prohibit all tethering outside the presence of the owner, but would allow ariel and pulley dog runs, so long as the animal has adequate supervision, and access to food, water, and shelter.

Mr. Schifano compared the current ordinance and the proposed amendment.

MPT Berry said he wanted to be sure we weren't overreacting. He asked how "supervision" was defined in this ordinance. Officer Cherry said that the key of the ordinance was to make sure an animal wasn't living on a tether. This ordinance is in line with our neighboring municipalities. Mr. Schifano said you would prove the animal wasn't supervised if it had endangered itself or gotten entangled. If an officer went and saw that the pulley wasn't working and the animal was tangled up, that would prove it was unsupervised. As long as you are using an approved system, you are going to be good and the animal won't be tangled.

Council member Deshazor said he had the same fear because he knows houses where the dog is tethered on the front porch and the front door is usually open, the dog is in no danger, so as long as the officer has that discretion, he is ok.

Officer Cherry said our main concern is that the animal has access to food, water, and shelter and is not living outside.

Action: Motion to adopt Ordinance 24-30, amending the Animal Cruelty section of the Code of Ordinances.

Motion by: Hewetson
Second by: Forrest
Vote: unanimous

23. 2024 Limited Obligation Bonds Initial Resolution

Tina Stroupe, Finance Director, said this item was to review the process for issuance of Limited Obligation Bonds (LOB) for the Operations Campus Phase 1 and to discuss next steps. She outlined the major components of the LOB process, including Council Approvals, public involvement, rating agencies, and the Local Government Commission (LGC).

Ms. Stroupe said that the Operations Campus Phase 1B LOB is requested to be a "not to exceed" \$44.5 million, to include the \$41 million for Ops Campus. Bids are not in and it is easier to issue a not to exceed number and then issue less than to not have enough and have to restart the process. The refunding component of 2024 LOBs is not to exceed \$8,500,000 to refinance 2014 LOBS for the Law Enforcement Center, North Main Athletics Complex (Ting Park) and Transportation Projects. The rates are undetermined at this time, but a savings threshold of 2-3% is necessary to make it worthwhile. If the interest rates do not provide that, they will not refinance. She outlined the timeline, including a public hearing in July and Council adopting an approving resolution. LGC approval and closing of the bond sale would be set for August, as would the bond closing.

Action: Motion to adopt the Initial Resolution authorizing the negotiation of an installment financing contract, calling for a public hearing and directing publication of the Notice of Public Hearing, directing application to the Local Government Commission, and direction to retain the necessary professionals essential for the debt issuance process.

Motion by: Deshazor
Second by: Hewetson
Vote: unanimous

UNFINISHED BUSINESS

24. Water Sewer Revenue Bonds, Series 2024 Bond Order

Tina Stroupe, Finance Director, said the purpose of this item is to review the process for issuance of 2024 Water and Sewer Revenue Bonds and discuss next steps. She reminded the public of what a revenue bond is, and the differences between it and a general obligation bond. She said the bond is required to be paid out of the revenue fund, not the general fund. She then said that these bonds were to pay for Holly Springs' share of the expansion of the Water Filtration Facility in Sanford in order to add 4 mgd to our water supply. The revenue bonds would be a not to exceed \$75,000,000.

Ms. Stroupe said that next steps would be the adoption of the Bond Order tonight, with LGC approval expected on July 7th and the bond sale on July 16th.

Action: Motion to adopt Final Resolution authorizing the issuance of the Town's 2024 Enterprise System Revenue Bonds.

Motion by: Hewetson
Second by: Berry
Vote: unanimous

Public Comment: At this time, an opportunity was provided for members of the audience who had registered to speak to address the Council, and the Clerk was asked for any written comments received prior to the meeting.

The following public comments were received in writing: one anonymous comment regarding parking in the Remington Subdivision, one comment from Kirk Weber regarding yard waste collection and one from Anthony Fulgieri in opposition to Aura Wildwood.

The following public comments were received in person: none.

OTHER BUSINESS

Council member Drees said she wanted to point out that it took three hours to get to public comment and it is hard for residents to give up that much time. She would like to move the public comment to earlier in the meeting. She thanked the Holly Springs Chamber of Commerce for the Women's Empowerment event. She thanked the Parks & Recreation team for the website on the bond projects. She asked people to fill out the Wake County transportation survey by Friday, and invited people to celebrate Juneteenth. She said July may be Parks & Recreation month, but June is Pride month and she is excited to announce the Pride of Holly Springs event on September 7th to support the LGBTQ community.

MPT Berry asked if there was a way to inform the public that a hearing is being continued. Scott Chase, Assistant Town Manager, said we could work on some public engagement.

Council member Hewetson said happy Father's Day to everyone in the room and since we won't have a meeting until after the July 5th celebration she recommended the fireworks at Sugg Farm as a wonderful community event.

Council member Deshazor said people say they want to keep the small-town feel. Events like this make us feel like a small town. Juneteenth is tomorrow and he said it is a great historic thing. The Smithsonian and the History Channel all have good information on Juneteenth. On the Operations side he would like to communicate to the residents about leaf pickup time and how leaves don't have to go in the yard waste carts. Finally, it's hot outside, so check on your neighbors, especially the elderly and make sure they're ok.

MANAGER'S REPORT

Scott Chase, Assistant Town Manager, said congratulations on the adoption of the budget and thanked staff for their work.
He announced events coming up – Juneteenth celebration on Saturday with food trucks, music and more. And the Holly Springs Independence Day event on July 5th at Sugg Farm with fireworks starting around 9 pm.

CLOSED SESSION: None.

Adjournment: MPT Berry made a motion to adjourn at 10:10 It was seconded by Council member Forrest and passed with a unanimous vote.

Respectfully Submitted on Tuesday, August 20, 2024.

Linda C. McKinney

Linda C. McKinney, Town Clerk

Addenda pages as referenced in these minutes follow and are a part of the official record.