Mayor and Council Workshop
6 p.m. November 12, 2024
Law Enforcement Center, and livestream

MINUTES

The Holly Springs Town Council met in a workshop session on Tuesday, November 12, 2024 at the Law Enforcement Center and via livestreaming. 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 in the room as the meeting opened.

Council Members Present in the room: Mayor Sean Mayefskie, Council members Tim Forrest, Danielle Hewetson, Annie Drees, and Chris Deshazor.

Council Member Present Electronically: Mayor Pro Tem Dan Berry

Council Members Absent: none.

Staff Members Present in the room: Randy Harrington, Town Manager; Linda McKinney, Town Clerk (recording the minutes); Daniel Weeks, Assistant Town Manager; Scott Chase, Assistant Town Manager; John Schifano, Town Attorney; Mathew Mutter, IT; Jesse Dixon, IT; Corey Petersohn, Director, Budget and Strategic Planning; Tina Stroupe, Director, Finance; Cassie Hack, Director, Communications and Marketing; Chris Hills, Director, Development Services; Sean Ryan, Development Services.

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

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

2. Wake County Housing Affordability Efforts

Chris Hills, Director of Development Services, said this item was to give Council an overview of current housing affordability initiatives in Wake County as well as opportunities for continued partnership in Holly Springs. He said this is in line with Strategic Priority Growth Management & Economic Vitality, Goal 4: Initiatives 4.2: Evaluate and identify potential modifications to Vision Holly Springs Comprehensive Plan Section 1: Land Use & Character to support greater housing diversity, specifically along transportation corridors and targeted economic development areas; and 4.3: Establish criteria for Area Median Income (AMI) and percentage of workforce housing units within a development in order for a development project to be considered for fee or improvement credits. He introduced Mark Perlman from Wake County's Housing Affordability and Community Revitalization Department and said that Morgan Mansa was stuck in traffic but on her way.

Mr. Perlman discussed the definitions of Affordable Housing and Housing Affordability. Ms. Mansa arrived and said she was excited to partner with Holly Springs.

Mr. Perlman gave some examples of who affordable housing serves.

Ms. Mansa arrived and outlined the structure of the Wake County Housing Department and the various services they offer. Mr. Perlman said the Affordable Homeownership Program (AHP) provides purchase assistance loans up to $50,000 for first time homebuyers earning up to 80% of the Adjusted Minimum Income (AMI) in Wake County purchasing a home outside of Raleigh or Cary. The Homeowner Rehabilitation Programs provide grants to the Elderly and Disabled, who meet certain criteria, for fixing roofs, HVACs, making structural repairs, or improving accessibility. This is especially useful for allowing seniors to "age in place." He said the Emergency Grants are available to any household 50% or more below AMI outside of Raleigh and Cary to address emergency health and safety concerns, and the Major Repair Program provides a forgivable loan up to $90,000 for any household 50% or more below AMI outside of Raleigh and Cary for major system and structural repairs. Council Member Drees asked if these programs were first come first served. Mr. Perlman said they were, but they have not had trouble funding most needs. He said that Wake County also provides Gap Financing to support Affordable Housing to fill gaps and achieve deeper affordability where possible.

Mr. Perlman said the Wake Affordable Housing Preservation Fund provides Bridge Builder short-term acquisition loans for legally-binding and naturally occurring affordable housing; as well as Place Saver long-term mezzanine debt financing for acquisition and rehabilitation of legally-binding and naturally occurring affordable housing. Ms. Mansa said that this was also a revitalization tool, to allow renovations at naturally occurring affordable housing.

Mr. Perlman said that county-owned parcels are evaluated for affordable housing before disposition and qualifying sites are dispositioned through a competitive RFP process. The Community Investment Partnership Program (CIPP) is a county-funded program to assist municipalities with investments in low-income neighborhoods with a focus on affordable housing. Municipalities may use funds for investments that will improve quality of life for low- and moderate- income residents. This includes housing and shelter, public facilities, and infrastructure. He said a core part of their mission is to provide municipal outreach and technical assistance on affordable housing.

Mr. Perlman said the Our State, Our Homes program is being run by the UNC School of Government to help collaborative groups across the state address affordable housing needs in their communities. Wake County is applying in partnership with municipal governments to build an affordable housing community practice with a common understanding of local government authority to engage in housing work; assemble a toolbox of locally demonstrated and best practice options; and to facilitate partnerships among municipalities and stakeholders. Mr. Hills said that this is a terrific program and is an opportunity to build partnerships and grow the "toolbox." He said that there is no cost to the Town, the County is bearing the cost of the application, but it would provide great benefit to the Town.

Council member Drees said it was great that it is open to the whole state, but sometimes the problems we are facing are very different from those in areas that are losing population. What is being done to make sure there are enough that are having growth problems compared to those having the opposite problem? Mr. Perlman said that each collaboration would have their own curriculum. This one would be Wake County specific.

Ms. Mansa informed Council about the South Wilmington Street Center, the largest men's homeless shelter in North Carolina, targeting clients with the longest lengths of homelessness and providing diversion services to rapidly end homelessness. She also outlined the work of the Veterans Services Division to support veterans and their families in Quality of Life, Employment, Economic Impact, and Family Support.

Council member Hewetson asked about naturally occurring affordable housing, and how it remains that way. Mr. Perlman said that for existing affordable housing, something without public investment, the preservation fund or gap funding has requirements that it remain affordable. Deed restrictions associated with these programs provide lasting affordability.

Council member Deshazor asked if they had many applications for the Affordable Home Ownership Program. Mr. Perlman said there was a large demand and all funds were promised. Council member Deshazor asked if they partnered with Western Wake Crisis Ministry or other nonprofits. Mr. Perlman said they have many partnerships; it is a cornerstone of their work. Council member Deshazor asked if they ever worked with developers to reserve a percentage of homes to be affordable, rather than the whole development. Mr. Perlman said they work with developers to negotiate for voluntary dedication for that. There are several municipalities in the county who have policies that facilitate that. There are a number of different ways – you can negotiate and/or buy in. And that is what we are seeing happen increasingly.

Council member Forrest asked if they had an update on the DHIC project. Mr. Perlman said DHIC is reapplying for tax credits and should know in the next year. He said Wake County's commitment still stands. The site work issues are the problem. They have every intention of moving forward and we intend to move forward with them. He said he was 100% confident that it would be built. Council member Forrest asked what their office space component was for having a regional Veterans Service Office. Ms. Mansa said that we look at what areas have the need, and we look for funding for a new service officer to serve that office. Council member Forrest said he would like to have a conversation later about potential sites in Holly Springs.

Council member Forrest said he and some of his colleagues took the UNC SOG affordable housing course, and he supports our staff participating in the Our State program. He asked if our website pointed our residents to the programs Wake County offers. Chris Hills said that our website links to their website. But we could have a more robust information there and staff will look into it.

Council member Forrest said Holly Springs' growth has been exponential. But thanks to Economic Development the landscape will change. He would like to hear more and plan more, but he doesn't think we would be able to do much yet. He would like an update every year, even if just an email not a personal report. He said we have too many other needs to be able to do anything yet, but staff should participate in the collaboration.

Council member Drees asked if they tracked the applications to programs to different municipalities – who is applying from where. And could Holly Springs do a better job at informing people about our programs. Mr. Perlman said they are always looking for ways to advertise their programs. The Rehabilitation Program especially could use more advertising here. Council member Drees asked if they map affordable housing in the County. Mr. Perlman said they did. They would love to see more affordable housing in the west and southwest of the County. Council member Drees asked Mr. Harrington if the Town had a similar policy of evaluating land for affordable housing before disposing of it. Mr. Harrington said we do not but could if it were a policy Council would like to consider. About 5 years ago we had a question about town-owned property and we didn't really have suitable sites – they were in flood plains, etc. But there are municipalities that have policies like that. Ms. Mansa said that with partners they are developing a county-wide dashboard to show existing housing, new housing, and housing in the pipeline.

Chris Hills introduced Sarah Sularz, Senior Planner, who will be working in this area for Development Services.

Council member Deshazor said we are getting a lot of information, and he disagrees with Council member Forrest about waiting, because land is not going to get cheaper and there is not going to be any more of it. So, he thinks we need to act on this now.

Council member Forrest asked if the Wake County plan was layered by priority areas that need affordable housing, and if the plan correlated with the transit plan. Mr. Pearlman said it is more by census tract, giving each an opportunity score. We want to target higher economic opportunity areas. He said that transit corridors are a priority, also with Wake County's Land Use Plan.

Mr. Harrington said he did not hear any objection to working with the collaboration at UNC School of Government, so staff would continue to pursue that.

3. Parks and Recreation Revenues/Fees Follow Up

LeeAnn Plumer, Director of Parks and Recreation, said this item was to provide Council with a follow up and analysis of the Parks and Recreation fees and cost recovery results from five major program/service areas, and to share the outcomes of the proposed land dedication/fee in lieu formulas using real project examples.

Ms. Plumer said the major cost centers were athletics, the before, after, and trackout program C.A.R.E., the fitness center, special events and Cultural Center performances, and summer camps. She reviewed the cost recovery tiers with specialized services having a higher cost recovery target core offerings in the middle, and community services the lowest.

Ms. Plumer went through each tier with examples from each showing the FY24 cost recovery, and what it would take to bring programs up to the stated policy percentages. She shared challenges to meeting the cost recovery target for some programs, and places that staff felt additional revenue could be realized, if that were Council's desire.

Ms. Plumer shared that overall cost recovery is at 42%. Comparing benchmarking data form the UNC School of Government, Holly Springs has higher revenue generation in dollars than Hickory, Wake Forest, Apex, or Chapel Hill, with Raleigh begin the only one having a higher dollar amount. When expressed as a percentage, Holly Springs has the highest percentage of cost recovery for Parks and Recreation of the compared communities. This was for Fiscal Year 2022-23, for which our cost recovery was at 30%. She asked Council if the current fee structure was in alignment with Council expectations.

MPT Berry said he is ok overall with where we are. If we raise the cost of summer camps we might push people out.

Council member Drees said that her understanding is that the Tiers are defined by the program and the percentages are an average of all programs in that Tier. She said with that in mind, it seems balanced to her.

Mayor Mayefskie asked about business sponsors on uniforms. Ms. Plumer said we are still doing that with some teams. The revenue calculation includes the sponsorship on particular teams, but the sponsorship signs were not assigned to a program, but to the athletics in general.

Council member Deshazor asked if for the theater programs, we could rent out the high school auditorium to get larger audiences. Ms. Plumer said we can look into that, but the rent would increase the costs, so it would be a calculation.

Council member Drees said the community band, being a nonprofit, is a little bit different. They wouldn't sell tickets if they didn't have to rent the theater. Ms. Plumer said they also receive a grant which helps. The ticket sales help with audience commitment and brings in larger audiences than if there was no investment in it.

Council member Forrest said that he thinks we are on track and staff should continue what they are doing.

Ms. Plumer said the Parkland Dedication and Fee-in-lieu report had the goals of using the authority of NCGS 160D-804(d) to assist with meeting the needs for parks and parkland; to establish a basis for parkland and development values; and when dedicated land is not warranted, to establish a fee formula that is in line with the statute. She compared the proposed method of calculating fee-in-lieu with the current process for five methodology areas. She then compared the two processes with two recent developments, Elliot Farms and Ragan. She explained that the variable in this calculation are land values, type of housing units, and improvement costs.

Council member Drees asked if this applied to fee-in-lieu, or would it reduce our parkland available. Ms. Plumer said that the land dedication is going to be less if they are actually providing land. But when it is not suitable land, they pay a fee-in-lieu. The study provided us with a legal basis for creating the formula for fee-in-lieu.

Ms. Plummer said that staff recommends accepting the TischlerBise Parkland Dedication Report and methodology as proposed, and updating the report after Eagles Landing

Park is completed. At that point we will have a different level of service to be plugged in to the formula.

Next steps will be to incorporate this with other UDO updates and take it to the Planning Board, hold a public hearing, and present to Council for approval. After this, the Development Procedures Manual would be updated to reflect these amendments.

Council member Forrest asked about the zones. Ms. Plumer said that any fees paid for the west side of 55 would be held in an account that could only be spent for parkland on that side of 55. Larger municipalities have multiple zones but at this point we do not need that. Most of our growth is on the west side, so getting the fees paid into that zone, makes sense for where the parkland is needed.

Mayor Mayefskie asked Council for concurrence with staff's recommendation. Consensus was to move forward with the TishlerBise proposal.

4. Ting Park Development Concept

Lee Ann Plumer, said the Town has received several unsolicited proposals for public/private partnerships to develop the fallow land adjacent to the stadium facility at Ting Park. Staff is requesting feedback from the Mayor and Council on the level of interest, if any, in pursuing this concept. She said there had been interest from The Holly Springs Padel Club, Capitol Broadcasting Co., and Pro5 Baseball Academy. She said these groups are interested in Ting Park because of the investment the Town has made, the 750,000 visitors that use the park and the 450 annual reservations.

Chris Hills, Director of Development said there are 2.5 acres being considered and showed where they are on the park property. He said that Visit Raleigh's 2022-23 Annual Report had Holly Springs as the fourth most visited area in Wake County with 52% being day trips and 48% being overnight stays.

Mr. Hills said that the area where Ting Park is located is marked as one of the Places to Transform on the Growth Strategy Map, and as Mixed-Use Center on the Future Land Use Map. He explained how Placemaking creates jobs, brings people in to spend money, but cars to not. Placemaking ensures the local decision provide a return on investment for public and private development projects in ways financial, social, cultural, and environmental. He said that the planning, design and management of public spaces capitalizes on the community's assets, inspiration, and potential to create connected public spaces that promote people's health, happiness, and well-being. He showed some examples of placemaking with sports and entertainment districts in other municipalities and talked about various approaches Council could take and the Pros and Cons of each approach. He said that staff's recommendation, given that the Town has already made the investment, was a Sports and Entertainment Center model. He gave examples of successful public-private partnerships from Fuquay-Varina, Garner, and Morrisville and talked about how that process would work.

Mr. Hills said that next steps include determining the preferred development type, visioning and ideation for the area, and further discussion at the Council's retreat in February.

Council member Deshazor asked what would happen with the playground if that parcel were used. Mr. Hills said it was an important component of the park, so it would be relocated within the park. Ms. Plumer said its location is not ideal, given its proximity to the stadium, so it would be moved within the park area to a safer location onsite. Council member Deshzor said he is more of a fan of something that causes "stickiness" and the three groups that came forward don't benefit the entire town. He is in favor of the sports and entertainment center, but he is not sure we have enough people to create enough buzz to bring people there. But retail – coffeeshops, restaurants – could be a use that would bring people and keep people there.

MPT Berry said he is willing to discuss this further. The Sports & Entertainment would be the gold standard. He has concerns about how we would pay for this. The last public-private partnership we had cost the taxpayers. He wants to know how we are going to pay for it as we advance the conversation.

Council member Forrest asked about the house on the corner of the Ting Property and if we owned it. Mr. Hills said we do not. Council member Forrest said a sports and entertainment district would be his priority.

Council member Drees said she was having trouble envisioning a sports and entertainment district on two acres. Mr. Hills said this would be a catalyst for how it would grow over time. Whether that is on day one or after several years, this would be a catalyzing investment. There is a financial component, but we can set the RFP to the requirements that we want. With water and sewer and roads already there, we can set the requirements. Council member Drees said she wanted to know what it would look like and would want a traffic analysis too. We don't want a situation where people struggle to park and kids are in danger.

Mr. Hills said he was hearing a desire for the Sports and Entertainment District and asked if Council was open to exploring that at the Retreat.

Mayor Mayefskie said the short view on the 2.5 acres and whatever happens to the park – the mechanic shop won't be there forever, that house won't be there forever, so it is a destination point and how we can expand that. There is work to do but he thinks this has possibilities.

5. Fund Balance Follow Up

Randy Harrington, Town Manager, said that his recommended budget for FY24-25 included eleven one-time small capital expenditures earmarked for fund balance, pending the financial close-out of Fiscal Year 23-24. This item is to review the Manager's recommendations and receive direction from Council for a budget amendment to be on the November business meeting. Mr. Harrington said that the Fund Balance is the Town's primary "savings account" for emergencies, unforeseen opportunities, and one-time uses for strategic or other capital needs. It also serves as a credit rating agency measure of financial strength and health. He outlined the Town's fund balance policy of maintaining 20-25% of general fund expenditures in fund balance. In the FY25 recommended budget, the Town manager proposed $1.935 million in one-time expenditures that could not be funded in the regular budget, and dependent upon the results of the FY24 financial close-our and fund balance position. Staff projections at the time indicated a strong future fund balance position.

Corey Petersohn, Director of Budget, Innovation, and Strategic Initiatives, said that the Finance Department and the Auditor would present at the December business meeting, but that fund balance is currently at about 39%. He outlined what that meant in terms of availability of funds to spend on these projects while still maintaining a fund balance at various levels.

Mr. Petersohn outlined the projects in the Manager's Recommendation, including the Police Records Management System, which was already funded due to the cyber attack in Apex. He called out some specific items on the list including land acquisition for Fire Station 4, Updates of Sections 4, 5, and 6 of the Comprehensive Plan, Ting Park repairs and enhancements; Implementation of incremental enhancements of the Downtown Area Plan; Holiday / Town Celebration Decorations; Fire Station 2 kitchen renovation and repairs; and gateway signage. He shared the updated recommendation, which defers the Ting Park Offices and Restrooms Replacement until the retreat, and shows the Police Records Management System as already in progress, with a total budget amendment of $1,485,000. A budget amendment will be presented at the November 19th meeting to address all of these recommendations with which Council concurs.

Council discussed how far the netting would be extended.

MPT Berry asked what the current fund balance amount is and what is available. Mr. Petersohn said we are at about 39%. If you want to keep it at 30%, 25%, or 20%, that would give you the different amounts available shown on the slide. MPT Berry asked if the $1.5 million was in the discussions they have been having. Mr. Harrington said that this was included in those discussions, as a piece of it. MPT Berry said these are worthy projects, but as a Council we haven't decided where we want to spend our money. If we want to get behind a new priority, then if we whittle away our fund balance, we won't have the leverage. We need a vision for what our priority is and put our money there. He thinks we need a broader strategic conversation before we decide to spend money now.

Mayor Mayefskie asked if Council was good with this. Council member Deshazor asked if we could have the conversation about the plan at the retreat. Could these wait until next year's budget, and budget them in at that time? Mr. Petersohn said the risk is supply chain. You need a number of months lead time for some of those things. Council member Hewetson said while "holiday decorations" doesn't sound like a priority, it is a downtown experience and so it's good for the environment of downtown, it's good for business, and will put focus on the downtown as a point of interest.

Council member Drees said we have a transportation study coming up, we expect feedback at the retreat. Microtransit has been talked about. What are our priorities? Are any of these items urgent? Mr. Harrington said there is a timeliness component on the Comp Plan; Fire Station 4 land; fire station 2 repairs; and Ting Park repairs. The Downtown Area Plan is optional, but it is important; The Ting Park netting is a safety issue. From our standpoint we felt that most of these were timely. To MPT Berry's point, he said that he has the things that we foresee in the coming years in his head. At the retreat we will talk about the next ten years. The fund balance is a source of funding for these things. He said that staff thinks these are important.

Council member Forrest said he agrees with MPT Berry and Council member Drees, but land is not getting cheaper, so Fire Station 4 is important. If we continue with the Comp Plan, then all of our major plans are updated. The lot repairs at Ting are important. It's wobbly when you walk. He said he thinks we ought to move forward. The last thing we need is for the safety net to fail.

There was discussion about whether these items could be delayed until the retreat or not. Following discussion, consensus was to bring the Land Acquisition for Fire Station 4, Comprehensive Plan Updates, Ting Parking Lot Repairs, Ting Stadium Safety Net and Fire Station 2 Kitchen Renovations and Repairs to Council at the next meeting for a vote, and discuss the other items at the retreat.

6. Open Discussion

Council member Forrest congratulated Parks & Recreation for the Veterans Day event.

Council member Drees asked if they could include affordable housing in the discussion about what to do with the Ting Property. Council member Forrest said they could include an affordable housing policy of analyzing any property for its affordable housing potential before using it for other items. But that might be part of an affordable housing strategy conversation. Council member Drees said she envisioned "auditioning" that type of policy on that parcel.

MPT Berry asked about the December 3rd agenda. Mr. Harrington said the audit report is on that night and maybe an Economic Development public hearing, so he thinks there is enough there to hold that meeting.

7. Closed Session: none.

8. Adjournment:

Motion to adjourn was made by Council member Deshazor seconded by Council member Forrest and passed with a unanimous vote. The November 12, 2024 workshop meeting of the Holly Springs Town Council was adjourned at 8:25 pm.

Respectfully Submitted on Tuesday, December 17, 2024.

Linda C. McKinney

Linda McKinney
Town Clerk