



MINUTES

The Holly Springs Town Council met in a workshop session on Tuesday, December 10, 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 Members 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; Jeff Wilson, Director, IT; Mathew Mutter and Jesse Dixon, IT; MaryBeth Spoehr, Office of Budget and Strategic Planning; Tina Stroupe, Director, Finance; LeeAnn Plumer, Director, Parks and Recreation; Cassie Hack, Director, Communications and Marketing; Chris Hills, Director, Development Services; Tyler Garner and Anna Murphy, Economic Development; Paige Scott, Director, Public Works; Chris Hills, Director, 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. Retreat Preparation

Randy Harrington, Town Manager, said that this item was to get direction from Council on the topics they want to address at their retreat in February. He directed them to the list of potential topics and said that they could not all be handled at the retreat, but these were areas that Council had expressed a desire to discuss further, or areas related to Council's strategic plan. He walked through the list of possible topics.

Council member Deshazor said he would like to talk about affordable housing and the UDO. He thinks it is a way to tackle something that will cost the Town time and energy, but not other resources. He likes the idea of using a facilitator and he likes the idea of sitting with staff, but he wants to rotate which staff they sit with. He wants Jeopardy.

Council member Hewetson said she also wants Jeopardy. She is open to a facilitator this year. She likes the idea of co-mingling with the staff.

Mr. Harrington said that last year having fewer topics helped. He said he would keep that in mind as they continued to set the agenda.

MPT Berry said he is good on the majority of the topics. He said he likes the intro topics. He said he was not interested in discussing the landfill consortium. He would like to add a discussion on how we come up with Strategic Priorities. What are we trying to solve and how do we line up the resources to accomplish it. And he wants to defend his Jeopardy title.

Council member Forrest said he likes the topics, but he doesn't see an update of the Strategic Plan and asked if that would be included. Mr. Harrington said that discussions at the

retreat could guide updating the plan, but he didn't have that as a specific call out. But discussions could shape the plan, and it could be updated after the retreat discussions. Council member Forrest said he liked the idea MPT Berry brought up about strategic planning, because we need to discuss how to take care of our growing population after hearing the 10-year outlook and the debt affordability pieces. He likes future park land targeting. He also likes the workforce housing piece because it's in the water allocation ordinance, but we need to do more. We need to shore that up. He said he was in favor of using a facilitator from the School of Government. He likes the idea of mixing Council with Staff. He liked the charette consultant coming back.

Mr. Harrington said that on the Downtown area plan, we plan to come back at the January workshop for a check-in.

Council member Drees said that micro transit is an important topic to her. She is interested in having a conversation about the South Wake Landfill Consortium and solid waste management in Holly Springs. The leaf trucks are so well done, she wonders if we could take on some goals on trash and recycling. She is in favor of a School of Government facilitator. She recommended a more collaborative game than Jeopardy. She also wants to discuss affordable housing and putting it in the UDO.

Mayor Mayefskie said he is good with all the Intro topics. As far as micro-transit, he doesn't know there's much to talk about. He thinks the Social District and landfill issues could be done at a workshop, not the retreat. He is in favor of discussing the downtown plan. For Affordable Housing he wants to get the current project up and running, but he doesn't think it needs to be a topic on the retreat. He is ok with discussing Strategic Priorities.

Mr. Harrington said heard three people say something about Affordable Housing and the UDO. Is that correct? Council member Forrest said he is only prepared to define it better for developers. It was never fully worked out. Council member Deshazor said he wants to look long-term. He wants certain percentages of housing to be affordable. We need to think about elderly housing too, but let's start with affordable. What developers can and can't do and what we can do to incentivize it. What will we look like 10 or 15 years from now. Council member Drees said she thinks there is opportunity here. We've seen how long the project across from Ting is taking. We should look at what the UDO could offer, because we know how long things take and we need to move forward. Mr. Harrington said he is hearing that they want to talk about the definitions in the UDO and what we can and can't do. Council member Forrest said he wants to hear from legal about that.

Mr. Harrington said he would take what he heard and work on crafting an agenda and bring it back for discussion. Council member Hewetson said she would like to consider what we're going to do about the Annex building as part of the downtown area plan. It is one of her priorities to see what we can do about the downtown area plan to get that going.

Mr. Harrington tested expectation about micro-transit. Is the retreat the right place to talk about it, or do they want to talk about it? Council member Deshazor said it's the right place and he wants to have that discussion. We could be the leader and Apex and Fuquay-Varina could follow us. Mayor Mayefskie said 10-year projections could take half a day by itself. Once we get that, we need to talk about what we are going to do next. Downtown, Ting, these are all parts of the 10-year plan and what we should be talking about.

MPT Berry said he struggles with a micro transit; it is not at the top of the list for him. He doesn't think it is going to solve a driving need. Affordable housing, we have talked about at two retreats, and we came up with a list of topics on what developers could do. He said he is not sure what we would gain from having it on the agenda again without overarching strategic discussion that we can align on as a group.

Council member Forrest said we already got a briefing on micro transit. Mr. Harrington said that presentation was the 50,000-foot view. This would be more detail about what could be done, what Council would want, and how that would be structured. Council has had conversations about this in the past and indicated that they wanted to learn more, but is this what Council wants to discuss at the retreat? Council member Forrest asked about the study.

Mr. Harrington said it would be finished about a week before the retreat. Mayor Mayefskie said he would like to have it at a workshop. Council member Forrest asked about putting it at the end of the retreat. If we don't get to it, then it could be at the next workshop. Council member Drees said looking at the ten-year projection of expenses, micro-transit is a piece of that puzzle. If we have some kind of update in time for the retreat it would be valuable.

Consensus was in favor of using a facilitator.

Council member Forrest said he thinks we need to get into the South Wake Landfill Consortium, but maybe not at the retreat, maybe a workshop. Mr. Harrington said the solid waste world works on a 10- to 15-year timeframe. If we're not at the table, our voice won't be heard. This could be a workshop topic.

Mr. Harrington said from this feedback he would try to shape an agenda and bring it back to the January workshop.

3. Social District

Tyler Garner, Economic Development, said this item was to receive feedback from Council on the possibility of forming a Social District in downtown Holly Springs. He outlined how the statute defines a Social District and gave examples of other municipalities that had enacted them. He outlined the potential area of downtown that could be considered for a social district.

Mr. Garner said that should Council want to pursue this it would involve an amendment to the Code of Ordinances to allow the consumption of alcoholic beverages in outdoor areas within the district and within participating businesses. They would need to create a defined boundary, and hours for consumption. This is typically done by ordinance. Other considerations are creating a maintenance plan to ensure safety, cleanliness, and compliance with state laws. He outlined some of the limitations that could be imposed to address these issues.

Mr. Garner said that there are different ways for businesses to participate, and that no business would be compelled to participate. Those with ABC permits may choose to sell beverages, non-ABC permitted businesses can welcome beverages into their establishments that were purchased elsewhere, or businesses may choose to have a "not permitted here" sticker. Any business with no sticker would be presumed to not allow beverages in their establishment.

Mr. Garner said that businesses were surveyed on their openness to a social district. Staff received about 20 responses, mostly positive, but some negative. He said the areas of support included economic benefits, foot traffic, business exposure, downtown vibrancy, connectedness and walkability. Areas of concern included litter, irresponsible behavior, safety and security, noise and vehicle traffic. He said the majority of businesses who filled out the survey did not sell alcohol themselves but were in support of a social district.

Mr. Garner outlined the potential responsibilities of the Town and of participating businesses should Council decide to go forward. Council member Forrest asked about legal concerns. Mr. Schifano said there were no concerns with liability of the Town, but we need input from the police department on regulating and what level of staff time required to shoulder this new situation of people walking down Main St. consuming alcohol. It's too early to tell what the legal liabilities would be, as it has only been 3 or 4 years that they are legal. But you should get input from the police department on how you want to limit time and geography.

Mr. Garner outlined potential areas of cost and shared cost estimates from two neighboring municipalities. Depending on the scope of our district, we could fall within this estimate. He asked Council for feedback on whether staff should move forward to present a recommendation at the Retreat, and any other specific guidance, questions, or follow-up desired by Council.

Council discussed the availability of ride-shares, and what safety efforts would look like. They discussed coordinating this with the downtown area plan and possible partnering with the Chamber of Commerce. There was discussion about how to decide where the boundaries should be and using an established social event to launch the district.

4. Town Hall Annex Building Overview

Randy Harrington, Town Manager introduced the topic of the Annex by saying the most important thing is the safety of our staff. He said that has been first and foremost as we work through this problem.

Paige Scott, Director, Public Works, said this item was to provide Council with an update on the Town Hall Annex and receive feedback on next steps for displaced staff and the building. She said Andrew Smith, Joseph Conigliaro and Daniel Pope were also present to answer questions. Ms. Scott gave a brief history of the building. She said maintenance over the years was left up to the tenants and was mostly reactive in nature. She said that as the Annex it was occupied by 20 to 25 employees in Information Technology and Parks & Recreation, provided two conference rooms, storage for IT and Farmers Market, and the town-wide Mother's Room.

Ms. Scott said that Tropical Storm Debbie dropped 3.45 inches of rain and Hurricane Helene an additional 6.5 inches. This caused water intrusions in the building which were reported on August 6th, September 16th, and September 26th. She outlined the assessments which occurred after these events, with the discovery of black mold, the discovery of the need for roof repairs, and the roofer requiring a structural assessment.

Ms. Scott outlined the scope of the assessment which was done on October 31st.

Tommy Faulkner of Faulkner, EDC outlined the conditions that were found on the roof and with loadbearing walls. He said the 2x4s are spaced at 4 to 5 feet apart, instead of the recommended 18 to 24 inches. He said the building is built of multiple layers of brick with no airspace between them to allow it to dry out. He outlined the condition of the bricks, only two samples of which out of 12 met standards for compressive strength. He said the roof supports show as much as 25 degrees of rotation and exterior walls are out of plum as much as 2" in 10 feet (standard is 1/4"). The walls do not have reinforcing elements in them as current buildings do. He said that the building is not safe to be occupied until remedial repairs have occurred to the roof system, roof framing, and exterior walls. He outlined other concerns found in his report. He said that staff estimates the best-case scenario would be 1 to 2 years before the building is occupiable again. When these repairs are done, the building would be required to be brought up to code.

Ms. Scott said there are three option to consider: lesser renovation, greater renovation, or building replacement. She said that to determine whether or not the building can be partially repaired or must be wholly repaired, an engineer or design professional must evaluate "substantial structural damage" as defined in the 2018 NC Existing Building Code. If the building is considered non-compliant and has substantial structural damage, the Town is required to rehabilitate the entire building to meet the gravity and lateral resistant loads imposed by the current 2018 NC Building Code.

Ms. Scott said that recommended next steps include conducting an analysis based on assessment findings to determine a likely cost associated with renovation, repair, and bringing the building up to code. At a future workshop, staff would present the cost analysis plus other options if renovation is not a viable solution in comparison to the building's value and other factors. She said the Annex is currently insured at a value of \$1 million.

Ms. Scott said that the closure of the Annex has impacted over 50 employees across four departments. She outlined where staff has been relocated to and said that space

challenges will continue until the Operations Campus is completed. Morale and mission impacts will be felt if immediate action is not taken to find space for these employees. This impact will last for approximately one to two years until the Operations Campus comes online.

Ms. Scott presented five short-term staff relocation considerations, comparing the price per square foot, the term of the possible lease, and the amount of renovation needed to make each option usable:

1. Town Hall Commons
2. Village Office Condos
3. Village Gate
4. Warehouse near Public Works
5. Modular Unit on Holly Springs New Hill

Ms. Scott said that staff recommends authorizing staff to analyze and negotiate a temporary office space rental option for the displaced employees short-term. Long-term is to determine a plan for rehab, replacement, or removal of the current Town Hall Annex building.

Mayor Mayefskie asked if the Town's insurance would pay for any of this. John Schifano, Town Attorney, said it would not for the situation we are in with a rotting building. We can't make a claim for an old building – it needs to be a catastrophic loss for insurance to pay out. Mayor Mayefskie asked how we would fund a move into the Town Hall Commons, which seems like the best option of the five. Mr. Harrington said we have looked at funding and have a couple of options. First, there is a reserve for emergencies that would cover the remainder of this year and then we would budget for it for future years. Second, if any revenues are higher than we expected we could use those funds. There might be a scenario of getting out of the Village Office Condos lease early and move those people to the new location and use those funds to assist it. Mayor Mayefskie said if we can fund it, moving them into Town Hall Commons is a no-brainer. Ms. Scott said they have another party interested and if we are interested we need to submit a letter of intent. Mr. Harrington said we are looking for authority to negotiate, not necessarily to pick a place. We are trying to find a balance and get your "blessing" to try to land one that most closely fits. Mayor Mayefskie asked which Ms. Scott thinks fits the need. Council member Forrest said they are currently leaving a horrible location. What is the best place to move them that fits the need. Ms. Scott said she recommends pursuing Town Hall Commons and beginning to negotiate with them. If we value our employees, that would be our best option. Council member Deshazor asked about the mother's room. Ms. Scott said we relocated the Mothers Room into the Economic Development suite. Council member Deshazor asked about the equipment from the annex. Ms. Scott said we have removed things and tested them for mold so we are not moving mold into a new location. Council member Deshazor brought up using hybrid work to help with space needs. Mr. Harrington explained the current hybrid work policy and said that people in that building had that option. However, that did not solve the entire problem.

MPT Berry asked how much money had been spent on the assessments so far, how much repairs would cost, and how soon do we need to make a decision. Ms. Scott said the current assessment was about \$14,000. the mold testing was \$1,700. So roughly \$16,000 in assessments. To get the actual cost estimate for repairs, we would have to negotiate with the firm after getting guidance to move forward. Mr. Harrington said if Council wants us to do further evaluation to see what renovation would entail, he has guided staff not to do a large study, but enough to get confidence in the ballpark range we are looking at. It would not be tens of thousands of dollars. MPT Berry said he interested in what the options are and what all of them cost. He asked how quickly Council needed to decide on the rental space. Ms. Scott said staff

would like guidance tonight. Council member Drees said we value our employees and want to show that by providing them proper space to work.

Council member Forrest said for the short-term we need to take care of employees. He is fine with moving forward with negotiations for Town Hall Commons. Council member Hewetson said let's get our employees comfortable as soon as we can. The rest we will view the options when we can. Council member Deshazor said to make sure something happens and keep Council aware of what is going on.

Mr. Harrington said we know which two or three are the top choices, but giving us latitude we will bring back the best option to you, and will bring back the funding piece also. But with your guidance we will move forward. We will come back with the long-term options and that will be a bigger discussion. The Ops Campus coming online could be an opportunity. We are currently shelling out the second floor but finishing that floor could be an option. We will have that discussion with you in the future.

5. Open Discussion

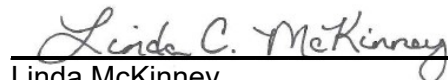
Council discussed having various nonprofits present to Council, and the number of spring festivals that are scheduled for 2025.

6. Closed Session: none.

7. Adjournment:

Motion to adjourn was made by Council member Forrest seconded by Council member Deshazor and passed with a unanimous vote. The December 10, 2024 workshop meeting of the Holly Springs Town Council was adjourned at 7:49 pm.

Respectfully Submitted on Tuesday, January 21, 2025.



Linda McKinney
Town Clerk