Mayor and Council Workshop
6 p.m. April 8, 2025
Law Enforcement Center, and livestream

MINUTES

The Holly Springs Town Council met in a workshop session on Tuesday, April 8, 2025 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 five Council members were present in the room as the meeting opened.

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

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; Jay Osborne, Assistant Town Attorney; Jesse Dixon, IT; Corey Petersohn, Director, Office of Budget and Strategic Planning; Cassie Hack, Director, Communications and Marketing; Chris Hills, Director Development Services; Sean Ryan and Chris Ritter-Garcia, Development Services; Kendra Parrish, Executive Director of Utilities and Infrastructure; Rachel Ingham and Kimberly Keys, Utilities and Infrastructure; LeeAnn Plumer, Director, Parks & Recreation; George Brown, Director, Office of Customer Care; Paige Scott, Director, Public Works.

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. Ting Park and Mims Park Charette Follow-Up

Chris Hills, Director of Development Services, said this item was to review the Mims Park and Ting Park Charrette results, provide an overview of the public land Request for Qualifications process, and receive Council's direction. He gave some history of the Town's plans for these parts of town. He said that after the charrette at the retreat staff worked to finalize a Concepts Plan and Market Analysis, and develop concept models. Tonight, staff will ask for feedback on the implementation approach Council prefers.

Sean Ryan, Development Services, said that for Mims Park Council discussed two concepts, Concept A which maximizes land value, provides a parking deck opportunity and library expansion, but has no street visibility; and Concept B with flex space, buffering between adjacent uses, the preferred townhome option, a water feature and parking location. He said that Mims Park may not be "ripe" for immediate action, but staff will continue to seek partnerships and expressed a willingness to leverage land for the right project.

Mr. Ryan said the Ting Park area Sports & Entertainment District idea came about because staff had been approached with unsolicited commercial concepts. He reminded Council of the market analysis they saw at the retreat that showed that Holly Springs had a high demand for residential. We also have a low retail and commercial vacancy rate. Creating this district with residential housing integration could provide a built-in population to serve businesses in the district and would appeal to active lifestyles with a variety of open spaces. He discussed retail and dining expansion in the area as well as boutique hotel development in the area with sports team-friendly amenities.

Mr. Ryan said that the Ting park area is a good place for this as it already has $19 million in Town investment, with 750,000 visitors in 2023, and 450 annual reservations. He discussed the opportunities in the area for retail, restaurants and other commercial. The area is designated as a Place to Transform on the Growth Strategy Map and Mixed-Use Center on the Future Land Use Map. He showed examples of Sports & Entertainment Districts in other municipalities and showed the Council feedback on the two Charrette maps from the retreat, which became Concept A and Concept B. He showed a modeled version of what Concept B could look like and said that taking that, with feedback from Concept A, and attempting to maximize the Town assets to reach those goals, staff had developed what they are calling Concept C. This includes retail and restaurants, a central pedestrian corridor, a hotel, and a sports & entertainment facility, pavilion and a parking deck to replace the current parking.

Mr. Hills asked for Council feedback on what they've heard so far. Council discussed that the parking deck would be a public-private partnership, and would include parking for a hotel or any retail, but some of the existing parking would be retained. The importance of keeping the playground was emphasized, and a location along the festival street was suggested. There was concern about the hotel, how tall it should be, and whether its location was ideal. Questions were raised about street alignment with the loop street of Concept C, and Mr. Ryan said that this alignment kept the road on the perimeter of the existing property, rather than requiring property acquisition, and would attract the uses Council expressed a desire for. Council discussed the development across the street, which Mr. Ryan reminded them would bring in the desired residential component. Randy Harrington, Town Manager, clarified that the festival street in this concept was not like the proposed Festival Street downtown; it would be pedestrian only all the time, rather than a street that gets closed from time to time.

Mr. Hills said this is a lot of information and we may not get a final decision tonight. This would be a guide for the RFP process and that anything we get would be at least this, if not better. We appreciate this feedback and think we will come back for more touchpoints in the future. He would like to discuss the process now. He said similar things had been done in Fuquay-Varina and Morrisville and showed the public and private investment in those projects. He discussed the various conveyance options for public-private partnerships for the catalyst sites and said that staff recommends property contribution for highly desired uses and high property tax return on investment, and Economic Development models to allow for greater flexibility on public-private partnership selection and a high tax return on investment.

Mr. Hills said that the first question before Council is whether now is the right time to invest in a Sports and Entertainment District. If the answer is no, then staff will continue to study the issue and wait for the right time. If yes, which conveyance method is preferred by Council, what contribution, if any, should the Town make, and will there by property use restrictions or limitations? Then staff can prepare a Request for Qualifications (RFQ) to seek appropriate partners. He then outlined the timeline for Council check-ins, public engagement, RFQ process and selection, Request for Proposals from those identified by the RFQ, followed by Memorandum of Understanding and/or Development Agreements.

Consensus of Council was to move forward on acquiring an RFP for the area around Ting, keeping in mind that keeping the playground was necessary. Council discussed whether to move forward with the Mims plan and consensus was that there was a lot of public interest in this area and staff should proceed. Finding a partnership and building a downtown parking deck were high on Council's priorities. Council discussed using a modular approach to develop Mims. Mr. Harrington suggested that staff could develop a "Concept C" for Mims as a next step on that property, and to be ready for any development interest that comes our way.

3. Utley Creek Water Reclamation Facility Expansion Update

Rachel Ingham, Utilities and Infrastructure, said this item was to review the scope of the Utley Creek Water Reclamation Facility upgrade project and provide updates on the project status. She outlined what had been done to date and said that we are now at the point of considering contracts for the expansion, with construction to occur from 2025 to 2027, while maintaining daily operations. She reminded Council of where the site is relative to the Operations Campus and said that, as close as they are, her staff must work 24/7, so they cannot move to the Ops Campus. She said the Preliminary Engineering Report (PER) recommended Membrane Bioreactors (MBR) which treats both industrial and residential wastewater and works better in a small footprint. She said the MBR requires a Fine Screen Facility. She showed what areas of the facility would be updated and explained that the Ultra Fine Screen Facility must be located at the point on the site where the current admin and lab facility is to work with the MBR, so a new Lab and Operational Building would be built closer to the Ops Campus. She showed the model of the building and how it would tie in aesthetically to other Town buildings.

Council asked Ms. Ingham if MBR was required, and if it was an additional step or a replacement for the biological treatment. Ms. Ingham said MBR gives more flexibility to treat the industrial loads that we have agreed to and could be important as industrial permits come up. It is not required but it produces a cleaner effluent.

Ms. Ingham said Council would see two bid packages, because they are separating the building and the treatment plant expansion. The schedule would have the Lab and Operators building begin in the third quarter of 2025 with anticipated completion in the first quarter of 2027, and the treatment facility upgrades following from first quarter of 2026 through the second quarter of 2028. She showed other treatment plant projects in neighboring areas and their schedules and explained how delaying could affect contractor availability because of these projects. Because of this she said we need to stay on schedule.

Council member Drees asked if we were still on schedule for meeting needs. Ms. Ingham said yes, and we will continue to manage that and provide reports to Council.

Ms. Ingham outlined the cost estimates from the preliminary, to the 30% (which is what was budgeted) to the 60%, which is about $55,000 higher than budgeted. She said that this is a product of market uncertainty, with bidders adding a factor of safety to their bids, and the impact of tariffs. She explained how the estimates were calculated, which explains why the first estimate was so far off. She said that staff is working to value engineer the project to stay at the budgeted amount. She said the next steps include bringing procurement method called Sourcewell to Council in May, bidding for the Lab and Operations Building in July of this year, with a bid package in January of 2026 for the remainder of the upgrades.

Council discussed was to mitigate the costs including not expanding to full buildout and value-engineering the project. They discussed the effects of tariffs and uncertainty on the construction market and the number of available contractors to do this type of work. Kendra Parrish, Executive Director of Utilities and Infrastructure, said they are looking at options, including considering sending some wastewater to Sanford or Cary for treatment. She said that expanding to 8 MGD is estimated to take the Town to 2033, so the further expansion is not far off. Council recognized the importance of moving forward, while exploring value engineering opportunities.

4. Eagles Landing Park Construction Update

Carrie Kennedy, Utilities and Infrastructure, introduced Pat Valley with Blum, the CMAR firm. She said this item was to provide an update on funding sources, bid alternate items, and strategy on preparing the second guaranteed maximum price (GMP) amendment for Eagles Landing Park.

Corey Petersohn, Budget, Innovation, and Strategy, outlined the project budget and revenue sources as of June 2024 and April 2025. He explained how much had been received from the first bond sale, and the conservative prediction for the second. He then outlined other revenue sources as backup, should the bond market change significantly. He said we are still on target for our revenue sources as discussed last June.

Ms. Kennedy said that prices are not going down, so staff is trying to provide some flexibility by making some items bid alternates, which would be designed and could be constructed if there are funds. She listed the bid alternate items in staff's priority order, explaining which would need to be decided earlier or later to fit with construction timing. She referred Council to a map of the park showing where each of these items were on the plan and asked for direction from Council on their priorities.

Council discussed the chance of getting grants to cover some of the bid alternates. Staff said they would of course pursue any that were available, but that federal cuts have impacted those. LeeAnn Plumer, Director of Parks and Recreation, emphasized that staff looking for broad direction, and that as funds became available to add bid alternates back in, staff would bring those to Council for specific recommendations. Council discussed potential disruption of building in phases and the importance of the Maintenance Barn onsite for maintaining a park of this many acres. A majority of Council wanted the greenway included in the base bid, not as a bid alternate. Council asked for an update on the possibility of moving bond funds allocated to smaller projects in other parks to the Eagles Landing project to accomplish this.

Mr. Valley offered some actions the Town could take to mitigate the risks, such as establishing a reasonable "tariff allowance" in bids to assist with procurement; utilization of the large site space for onsite storage to allow early material shipment and storage; and reviewing specific product choices when an alternate product was more economical.

Ms. Kennedy said next steps would be the Design Plan Review, the Groundbreaking on May 1st, and the GMP- Bidding and approval from mid-April through June. She said there would be updates at future workshops and a request for approval in July or August.

Council member Drees suggested updating the website with the groundbreaking information, and also messaging the funding challenges to the public so that they understand the challenges.

5. FY26 Budget Development Update

Randy Harrington, Town Manager, said this item was to provide a preliminary outlook on the FY26 Budget, and to solicit feedback on Micro-transit and other considerations for that budget. He said the budget is not balanced yet, but they are getting closer. From a general standpoint, it is going to be a tighter budget, which is no surprise. It will be more of a "keep the lights on" budget. He said this budget would focus on core needs that are expanding due to population growth, and the priorities that Council identified at the retreat. He said the Town is committed to maintaining high service levels for our residents. He said the budget would include investments in water and sewer, and on our current employees. On the benefit side, a health savings option will be added to give employees an option for a more affordable health care plan. He said Council's decision to move to the NCHIP health plan has been a good one, as we are looking at a below 5% increase, which is really good news. There may be a small number of additional employees, those essential for maintaining our service. But he had one question around microtransit. Council discussed a base service level of Monday through Friday from 7:00 am to 8:00 pm, and no service on weekends. He reminded Council of the service model "add-ons" discussed at the last workshop. Mr. Harrington said that from a staff perspective, there are two reasons for staying with a base level. The first is cost, and the second is that if we get strong demand we can expand the program rather than starting too large and having to scale it back. But he wanted Council feedback.

Council discussed the service hours in relation to how they thought the service would be most used and the requirements of the CAMPO grant. Consensus was to start with the proposed schedule but evaluate whether to expand or otherwise change the service hours as the program gains ridership.

Mr. Harrington reminded Council and the public that the recommended budget would be presented on May 13th in the Council Chambers at 6 pm. The following business meeting, May 20th in the Council Chamber at 7 pm, would have the Budget Public Hearing, followed by the budget workshop on May 22nd at 6 pm at the Law Enforcement Center. The budget is anticipated to be adopted at the June 3rd business meeting in the Council Chamber at 7 pm, with final end-of-year budget amendments brought to Council at their June 17th meeting.

6. Open Discussion

Council member Drees asked when they would get the ethics forms and the Clerk told her they would get them at their next meeting.

Council member Forrest asked for a report on January through March sales tax revenue this year. He asked if we were losing money on Sugg Farm rentals by not subdividing rentals to let more than one group rent sections of the Park on the same day. LeeAnn Plumber, Director of Parks and Recreation, said that staff is looking at that for the next fee schedule, and proposing some alternatives. She outlined some of the difficulties involved, given the specifics of that park.

MPT Berry said traffic is a mess. He said he found out that NCDOT's contractor messed up the signal timing at Main and 55. He thinks the same thing may have happened on Avent Ferry. He asked how last year's tax increase for transportation would be used and suggested funding a study on the correct synchronization for lights on 55 from Fuquay-Varina to 540. He said he would be willing to sacrifice some other things to get traffic right.

7. Closed Session: none.

8. Adjournment:

Motion to adjourn was made by MPT Berry seconded by Council member Forrest and passed with a unanimous vote. The April 8, 2025 workshop meeting of the Holly Springs Town Council was adjourned at 8:53 pm.

Respectfully submitted on Tuesday, May 20, 2025.

Linda C. McKinney

Linda McKinney
Town Clerk