

Holly Springs Town Council Minutes

Regular Meeting
June 17, 2008

MINUTES

The Holly Springs Town Council met in regular session on Tuesday, June 17, 2008, in the Council Chambers of Holly Springs Town Hall, 128 S. Main Street. Mayor Dick Sears presided, calling the meeting to order at 7:00 p.m. A quorum was established as the mayor and three council members were present as the meeting opened.

Council Members Present: Councilmen Vinnie DeBenedetto, Parrish Womble, Tim Sack and Hank Dickson (arrived at 7:18 p.m.) and Mayor Sears.

Council Members Absent: Councilman VanFossen.

Staff Members Present: Carl Dean, town manager; Chuck Simmons, assistant town manager; John Schifano, town attorney; Joni Powell, town clerk (recording the minutes); Gina Bobber, director of planning and zoning; Jeff Jones, senior planner; Mark Zawadski, planner I; Kendra Stephenson, senior engineer; Len Bradley, parks and recreation director; Daniel Weeks, project analyst; Eric Tayler, IT manager; Anthony Revels, police lieutenant; Drew Holland, finance director; Linda Harper, deputy town clerk; Irena Krstanovic, economic development coordinator; Michelle D'Antoni, publications specialist; and Mark Andrews, public information officer.

2 and 3. The Pledge of Allegiance was recited, and the meeting opened with an invocation by Rev. Otis Byrd, pastor of First Baptist Church of Holly Springs.

4. Agenda Adjustment: The June 17, 2008 meeting agenda was adopted with changes, if any, as listed below.

Motion By: Sack

Second By: DeBenedetto

Vote: Unanimous

Items Added to the Agenda: Under New Business, Item 9g., ratification of finance resolutions amended since adoption on May 6; and Item 9h., award of civic organization grants.

Items Removed from the Agenda: None.

Consent Agenda Items Moved to New Business: None.

Other Changes: None.

5. Public Comment: At this time, an opportunity was provided for members of the audience who had registered to speak to address the Council on any variety of topics not listed on the night's agenda. The following input was recorded:

Van Crandall, 4813 Salem Ridge Road – Mr. Crandall addressed the Council to speak on the topic of the FY 2008-09 budget. He said there was no discussion during budget preparation of a new fire station. He questioned why the topic is coming up now. He called the fire station a "surprise infrastructure" and criticized the town for "overlooking" this in the budget.

6a. Flag Presentation – Raymon and Eman Sundquist, who live on Dutch Hill Road, recently returned from Afghanistan where they served with the U.S. Army Corps of Engineers for six months helping the Afghan government rebuild the country. Mr. Sundquist said that while there, the couple had an opportunity to fly an American flag with the U.S. Army Corps of Engineers in Kabul. Thinking of home, they asked that the flag fly in honor of the Town of Holly Springs, North Carolina on April 27, 2008.

Mr. Sundquist presented the flag to the Town Council and the citizens of Holly Springs.

Action: None.

6b. Certified Site Update – Ms. Krstanovic addressed the Council to report that Wake County had approved the town's application for a Certified Site for the 131-acre Friendship Road property. There are only two Certified Sites in Wake County, and both are located in Holly Springs.

She said the Certified Site designation basically raises Holly Springs' odds of being short-listed by industrial interests in North Carolina.

She described the benefits of the Certified Site designation, and she provided an illustration of a proposed site layout and a concept plan for the property.

Ms. Krstanovic introduced Ms. D'Antoni, who produced an in-house brochure featuring the Friendship Road property as a 130-acre, shovel-ready, certified site. The brochure is being distributed by Economic Development Director Jenny Mizelle at the Bio-Tech International

Conference this week in San Diego.

Action: None.

7a. Public Hearing: Annexation Petition A08-05, Adams Tracts A & B, Coley, Lorenzen and Vaughan Properties – Mr. Jones said the Town has received a petition for voluntary annexation of approximately 196.72 acres located along NC Hwy 55 Bypass. The petition meets all the statutory requirements for annexation.

Mr. Jones said that the applicant is requesting that the Council defer action on the annexation petition until the July 15, 2008 Town Council meeting.

That explanation completed, Mayor Sears opened the public hearing. The following comments were recorded: None.

There being no input, the public hearing was closed.

Action: The Council approved a motion to defer action on Annexation Ordinance A08-05, Adams Tracts A & B, Coley, Lorenzen and Vaughan properties until the July 15, 2008 Council meeting.

Motion: Womble

Second: DeBenedetto

Vote: Unanimous

7b. Public Hearing: Zoning Map Change 08-REZ-03 - Mr. Jones said the town has received a petition requesting that the Town rezone approximately 53.365 acres along G.B. Alford Highway from R-30 upon its annexation to Community Business.

He explained the public hearing for this petition originally was opened on April 15, 2008, but was continued to resume on June 17, 2008, pending voluntary annexation of the property.

He said the proposed zone map change is located within the Southern Gateway Plan and is designated as a Regional Center. The “regional center” areas are located along major transportation routes throughout the Town to ensure the best access with minimal impacts to the Town’s residential neighborhoods. Particularly, the Southern Gateway Area is designated as such because this area already has regional-type development occurring. The Wal-Mart Super Center with approximately 250,000 square feet of retail space is located in the area. Adjacent to this center is the Southpark Village with a Harris Teeter grocery store anchor and approximately 200,000 square feet of retail space. Additionally, the Main Street Square project will have a mix of uses from single-family and multi-family residential, office and will have approximately 75,000 square feet of retail space.

Mr. Jones said this area would be defined with a mix of higher-density residential and commercial centers. Uses in this area should provide walkability to adjacent uses and should be of a higher architectural standard than that of a normal commercial use to set the tone of the village-like character that the Town is striving to create.

Mr. Jones said that the applicant is requesting that the Council defer action on the zoning map change until the July 15, 2008 Town Council meeting.

Councilman Dickson asked what types of uses would be allowed in a CB zoning district. Mr. Jones said large retail “big-box” uses, restaurants, businesses with some outdoor sales and businesses that are best located on major transportation routes to facilitate traffic and to have limited curb cuts are allowed in the CB zoning district.

That explanation completed, Mayor Sears reopened the April 15, 2008 public hearing. The following comments were recorded:

David Adams, 2624 N. Broad Street – Mr. Adams addressed the Council. He said he lives across the street from the subject property. He said, speaking as a member of a family whose heritage is closely tied to Holly Springs, he feels the Adams farm and house should be preserved or options be investigated to honor the property’s history. He pointed out that “we have only one chance to get this right.”

Fred Honeycutt, 5313 Shadow Valley Road -- Mr. Honeycutt addressed the Council asking that a 100-foot buffer be maintained between the subject property and his own. (The speaker may have intended to speak in regard to 08-REZ-08.)

There being no further input, the public hearing was closed.

Action : The Council approved a motion to defer action on Zone Map Change Petition #08-REZ-03 until July 15, 2008.

Motion: Sack

Second: Womble

Vote: Unanimous

7c. Public Hearing: Zoning Map Change Petition 08-REZ-05 - Mr. Jones said the applicant proposes to rezone approximately 25.11 acres from R-30: Residential to LB: Local Business at the corner of G.B. Alford Highway and Old Adams Road.

He said the Land Use Plan for the Southern Gateway Plan component of Vision Holly Springs Comprehensive Plan has this property designated as Office Professional designation, which is intended to develop major community employment centers, including major office complexes, corporate headquarters, compatible office-type businesses, limited public and semi-public uses, and research and development facilities that are in keeping in physical appearance and service requirements to general office uses.

Mr. Jones said the zoning designation of R-30 represents a residential zoning that anticipates a more rural type of development as this is the agricultural and larger lot single family development zoning designation.

He said the proposed LB: Local Business designation would allow for office and commercial development that would compliment the current and planned commercial and residential uses in the area.

Mr. Jones said the intent of the LB Districts are established to promote a village-oriented, pedestrian-friendly environment for the provision

of a full range of convenience goods and services, which are necessary to meet the daily needs of nearby residential neighborhoods and to promote dwelling units located in the upper stories of mixed-use buildings. Permitted uses within the LB Districts are regulated in character to assure harmonious development with the nearby residential districts served and are limited in size and scale to promote pedestrian access.

He explained the development within the LB zoning district would have to maintain at least a C-75 opaque perimeter landscape yard between the commercial uses and residential uses.

He said this site also is located within a gateway corridor and would be required to meet a higher architectural standard.

That explanation completed, Mayor Sears opened the public hearing. The following comments were recorded:

Fred Honeycutt, 5313 Shadow Valley Road -- Mr. Honeycutt addressed the Council asking that a 100-foot buffer be maintained between the subject property and his own. (Speaker spoke these words in the public hearing for 08-REZ-03, but most likely meant to speak during this public hearing, since the subject property abuts his property.)

John Classen, 5208 Old Adams Road – Mr. Classen resides in a neighboring subdivision and asked the Council to keep the nature of his subdivision in mind when they consider specific development plans for the site; and he also asked for 100 feet of opaque buffer on the north and east sides.

Don Birt, 5513 Woodley Ct. – Mr. Birt lives adjacent to the property and would like to see it remain residential to protect his neighborhood.

Bonnie Norris, 5509 Woodley Ct. -- Ms. Norris lives adjacent to the property and would like to see it remain residential and feels the non-residential nature of development on the property would be very disruptive. She asked for a 100-foot buffer and some kind of traffic control. She pointed out that a creek runs through the property and expressed concern that development of the land would cause drainage problems.

Douglas Witham, 5005 Parkmore Drive – Mr. Witham lives adjacent to the property and said any development of the property would effect wells in the neighborhood. He said residents probably would not mind residential – even multi-family – over commercial development. He said gas stations or asphalt parking lots would pose a threat to wells, and he asked the Council to keep this in mind.

Lori Witham, 5005 Parkmore Drive – Mrs. Witham spoke against the rezoning because commercial development would ruin the ruralness of the neighborhood.

Brent Lane, 5004 Parkmore Drive – Mr. Lane said Local Business zoning would be appropriate for pedestrian-friendly development. He asked the Council to make sure that LB development be suitable for a village atmosphere and that it would be pedestrian friendly.

There being no further input, the public hearing was closed.

Councilman Dickson asked what improvements would be required with an LB zone.

Mr. Jones said sidewalks along Old Adams Road. He added the LB is a localized type of commercial development for neighborhood convenience. LB tries to address what is needed by neighbors.

Mr. Jones added that there is a minimum buffer yard of 20 feet at the sides and rear with an opaque buffer.

Councilman DeBenedetto asked the petitioner if he wanted to address some of the concerns expressed.

Jay Gilleece of Hugh J. Gilleece, III and Associates, P.A. – Mr. Gilleece said the site has some features that would prohibit some of the more intensive uses that people indicated that they anticipate. He mentioned things like coffee shops, townhomes as examples of development that would fit onto the property. Old Adams Road has a 90-foot right of way, so sidewalks would be provided on one or both sides of the road, he said. Some trees would be removed, but not all because of Neuse River buffers.

Councilman Sack noted that the stream running through the property would be protected by Neuse River buffer regulations.

Councilman Womble asked about sidewalks on Hwy. 55.

Ms. Stephenson said there was sidewalk along Hwy. 55 at Somerset Farm but NCDOT upgraded Hwy. 55 and removed the sidewalk and said it was not safe to have sidewalk alongside a 55 mile per hour roadway.

Action #1: The Council approved a motion to accept the following statement as true: *“The requested zone map change from R-30 to LB is consistent with Vision Holly Springs Comprehensive Plan since the Southern Gateway Plan’s Future Land Use Plan Map indicates this property as Office/Professional.”*

Motion: Dickson

Second: Sack

Vote: Unanimous

Action #2: The Council approved a motion to adopt rezoning ordinance R08-07 to approve Zone Map Change Petition #08-REZ-05 to change the zoning of 25.11 acres of Wake County PIN #0658-24-6285 from R-30: Residential to LB: Local Business as submitted by Jay Gilleece of Hugh J. Gilleece, III and Associates, P.A.

Motion: Dickson

Second: Womble

Vote: Unanimous

A copy of Rezoning Ordinance R08-07 is incorporated into these minutes as addendum pages.

7d. Public Hearing: Zoning Map Change Petition 08-REZ-06 – Mr. Jones said the Town has received a request for rezoning, and that the applicant is requesting to rezone approximately 38.37 acres of land located at the corners of Avent Ferry, South Main Street and G. B. Alford Highway from R-20 and R-MF-8 to OR: Office Research Development Conditional zoning. The subject property of the proposed zone map change is located within the Southern Gateway Plan and is designated as an Office/Professional use.

He said the Office/Professional designation is intended to develop major community employment centers, including major office complexes, corporate headquarters, compatible office-type businesses, limited public and semi-public uses, and research and development facilities which are in keeping in physical appearance and service requirements to general office uses.

Developer Commitments:

The applicant is proposing to place certain conditions on the zone map change. The applicant is proposing the following condition:

1. The following uses, otherwise permitted in the OR zoning district (pursuant to Section 3.04 of the Town of Holly Springs Unified Development Ordinance), shall be prohibited upon the property:

- a. construction companies;
- b. mortuary;
- c. neighborhood recycling collection point;
- d. mail order distribution;
- e. crematory;
- f. funeral home; and
- g. sanitarium.

Mr. Jones said the Land Use Plan for the Southern Gateway Plan component has this property designated as Office/Professional designation, which is intended to develop major community employment centers, including major office complexes, corporate headquarters, compatible office-type businesses, limited public and semi-public uses, and research and development facilities which are in keeping in physical appearance and service requirements to general office uses.

He said according to the Southern Gateway Plan and the Parks and Recreation Master Plan, a greenway is located on this property and follows along the old railroad bed location.

Mr. Jones said the Community Character section of the Vision Holly Springs Comprehensive Plan also specifies certain elements of "village character" for developments along major thoroughfares that will be assessed at time of development. The Community Character section also addresses the preservation of Town history. This site contains two historic properties that are significant to the Town's history: The Cad Norris House located at 704 Avent Ferry Road, and the Colonel David Adams House located at 709 Avent Ferry Road.

Mr. Jones reported that the Planning Board had reviewed the petition and recommends approval, following a 6-1-1 vote. The dissenting vote, Mr. Jones said, came from a Planning Board member who questioned the notification process for the rezoning and wanted to have the public involved sooner at the planning board stage. The Planning Board discussion included questions about the historic homes on the property.

Councilman DeBenedetto asked why the public was not notified of the Planning Board meeting.

Councilman Dickson explained that notification of the public at the planning board stage is not a part of the process because the role of the Planning Board is to look at plans from a technical and ordinal aspect and to make recommendations to the Council from that perspective and not a political one.

Councilman Sack agreed. He said it was not tenable to subject volunteer citizens serving on a advisory board to the pressures of politics and public opinion. He added, "That's the role of the Town Council."

Notification to property owners is provided prior to Town Council meetings.

Jason Baron, 4300 Lassister at North Hills in Raleigh – Mr. Baron, representing the applicant, addressed the Council. He said Rex Healthcare is excited about developing the property.

Mr. Baron said the applicant was not aware that the homes on the property held historical significance. One of the homes, he said, was taken down because it was being looted, stripped of just about every fixture. What was left was an empty shell that was a liability concern, so the applicant had no choice but to take down the remaining structure. The other house is still intact, and now the applicant is aware of the historic significance of it.

Councilman DeBenedetto asked what affect the state's denial of a Certificate of Need would have on the project.

A spokesman for Rex Healthcare addressed the question, saying that Rex was denied the CON and has appealed the decision. Rex Healthcare, he said, continues to move forward.

That explanation completed, Mayor Sears opened the public hearing. The following comments were recorded:

Claudia Bradley, 609 Country Lane – Ms. Bradley addressed the Council, saying she is concerned about traffic going into the project. She said she wants more information about the entrance. The Council explained that the specific site plan could not be addressed during the public hearing stage for rezoning. The Council must determine whether or not the requested zoning is appropriate. Traffic concerns and entrance configurations would be considered at the development plan stage.

Sarah Engram, 101 W. Maple -- Ms. Engram wants to keep her house and asked if the rezoning would affect her property. The Council assured Ms. Engram that the rezoning of neighboring property would have no impact on the ownership of her own property.

There being no further input, the public hearing was closed.

Action #1: The Council approved a motion to accept the following statement as true: *"The requested zone map change from R-20 & R-MF-8 to OR-CU Conditional Use is consistent with Vision Holly Springs and the Southern Gateway Plan since the Future Land Use Plan Map indicates this property as Office/Professional that encourages office type uses."*

Motion: Sack

Second: Dickson

Vote: Unanimous

Action #2: The Council approved a motion to adopt rezoning ordinance R08-08 to approve Zone Map Change Petition #08-REZ-06 to change the zoning of 38.37 acres of Wake County PIN(s) # 0648-89-4105; 0648-88-6754; 0648-89-7369; 0648-88-2823; and 0648-98-2510 from R-20 and R-MF-8: Residential/Multi-Family Residential to OR-CU: Office Research Conditional Use as submitted by Jason Barron of Kennedy Covington Lobdell & Hickman, L.L.P. with the proposed developer commitment as follows:

1. The following uses, otherwise permitted in the OR zoning district (pursuant to Section 3.04 of the Town of Holly Springs Unified Development Ordinance), shall be prohibited upon the property:

- a. construction companies;
- b. mortuary;
- c. neighborhood recycling collection point;
- d. mail order distribution;
- e. crematory;
- f. funeral home; and
- g. sanitarium.

Motion: Sack

Second: DeBenedetto

Vote: Unanimous

A copy of Rezoning Ordinance R08-08 is incorporated into these minutes as addendum pages.

7e. Public Hearing: Zoning Map Change Petition 08-REZ-07 - Mr. Zawadski said the Town has received a request for a minor change to condition #2 on the Conditional Use Permit for the Woodcreek Subdivision that was approved with a zone map change in 2005.

He said the original development incentive development plan was approved with two sections that proposed lots less than 10,000 square feet in 2005. In 2007, an amendment was submitted and approved to reduce the number of lots in these sections, which resulted in some lots to exceed 10,000 square feet.

The current wording of Conditional Use Permit condition #2 does not allow slab-on-grade construction on these larger lots. The proposed revision to condition #2 would allow the lots within the two sections that were designated for smaller lots to construct with slabs on grade as the original approval and meets the intent of the original zoning condition.

Mr. Zawadski said the following are the current Conditional Use Permit restrictions:

1. The maximum density shall be no greater than 2.9 dwelling units per acre.
2. No detached single-family homes on lots greater than 10,000 sq. ft. shall have slab-on-grade construction.
3. All townhomes will have brick and/or stone accents as part of the front elevation.

He said the following are the proposed Conditional Use Permit restrictions requested:

1. The maximum density shall be no greater than 2.9 dwelling units per acre.
2. Tracts that have a 10,000 SF or greater minimum lot size requirement as defined by the Tract Development Standards Table contained in the Woodcreek Development Plan shall not have slab on grade construction.
3. All townhomes will have brick and/or stone accents as part of the front elevation.

That explanation completed, Mayor Sears opened the public hearing. The following comments were recorded: None.

There being no input, the public hearing was closed.

Action #1: The Council approved a motion to accept the following statement as true: *"The requested zone map change from R-10CU to R-10CU is consistent with the Vision Holly Springs Comprehensive Growth Plan since the Future Land Use Plan Map indicates this property as Residential and the R-10 Residential District allows for development at a density up to 3.25 units/acre."*

Motion: DeBenedetto

Second: Womble

Vote: Unanimous

Action #2: The Council approved a motion to adopt rezoning ordinance R08-09 to approve Zone Map Change Petition #08-REZ-07 to change the zoning commitment #2 as specified on the Conditional Use Permit of 430 acres of the following Wake County Pin(s) 0750417612, 750600589, 0750508275, 0659796073, 0659684343, 0659764945, 0659572495, 0659474367, 0659387309, 0659691666, 0750410180, 0750407615, 0659594810, 0659494392, 0659491842, 0659695461, 0659572994, 0659886813, 0659884797, 0659885648, 0659886623, 0659887620, 0659888504, 0659888411, 0659888300, 0659887199, 0659887091, 0659877992, 0659877883, 0659877785, 0659877686, 0659875699, 0659875700, 0659874720, 0659873740, 0659883291, 0659884281, 0659885290, 0659885352, 0659885460, 0659884497, 0659884522, 0659883578, 0659883616, 0659883043, 0659884022, 0659885012, 0659886001, 0659875899, 0659875809, 0659874819 as requested by Josh Stone of Withers & Ravelen as authorized by the property owners with the following commitments:

1. The maximum density shall be no greater than 2.9 dwelling units per acre.
2. Tracts that have a 10,000 SF or greater minimum lot size requirement as defined by the Tract Development Standards Table contained in the Woodcreek Development Plan shall not have slab on grade construction.
3. All townhomes will have brick and/or stone accents as part of the front elevation.

Motion: DeBenedetto

Second: Womble

Vote: Unanimous

A copy of Rezoning Ordinance R08-09 is incorporated into these minutes as addendum pages.

7f. Public Hearing: Fuquay-Varina Annexation Agreement - The towns of Holly Springs and Fuquay Varina have an existing annexation line which prohibits each municipality from annexing, voluntarily or involuntarily, on either side of the line. The line is illustrated in a 20-year annexation agreement originally signed in 1999; however, there is a provision that the line could expire after 10 years, which would be July of 2009.

The town managers and attorneys of both Fuquay-Varina and Holly Springs have been meeting to discuss an alternate line, which features mostly slight revisions to the old line to be in keeping with each town's respective ability to provide utility services to properties an in keeping with updated development plans respective to each town. Both town managers have recommended to their respective governing bodies adoption of this new line, together with a renewed 20-year annexation agreement that also provides for water sales from Holly Springs to Fuquay-Varina.

That explanation completed, Mayor Sears opened the public hearing. The following comments were recorded:

Kristine Padalino, 4205 Barkton Way – Mrs. Padalino addressed the Council to express appreciation to the Town of Holly Springs for taking a lead and voicing its policy of not conducting involuntary annexations. She credits the Town for keeping a dialogue going with Fuquay-Varina. In the end, an involuntary annexation move by the Town of Fuquay-Varina, which affected her property, will be discontinued because the new annexation line was forged.

There being no further input, the public hearing was closed.

Action: The Council approved a motion to adopt Ordinance 08-10 to enact and establish a new annexation agreement line between Holly Springs and Fuquay-Varina.

Motion: Sack

Second: DeBenedetto

Vote: Unanimous

A copy of Ordinance 08-10 is incorporated into these minutes as addendum pages.

8. Consent Agenda: The Council approved all items on the Consent Agenda following a motion by Councilman Dickson, a second by Councilman Sack and a unanimous vote. The following actions were affected:

8a. Minutes - The Council approved minutes of the Council's regular meeting held on April 15, 2008.

8b. Budget Report – The Council received a report of monthly amendments to the FY 2007-08 budget approved by the town manager. A copy of the budget amendment report is incorporated into these minutes as addendum pages.

8c. Main Street Square Entrance Monument Sign – The Council approved to deem acceptable a Maintenance, Indemnity and Hold Harmless Agreement for sign installation petition 08-SP-41 for the Main Street Square entrance monument sign. A copy of the agreement is incorporated into these minutes as addendum pages.

8d. Flood Damage Prevention Ordinance Variance – The Council received a report of a resolved Flood Damage Prevention Ordinance variance request.

8e. CDBG Resolution 08-30 – The Council adopted Resolution 08-30 to close out the Community Development Block Grant housing rehabilitation grant. A copy of Resolution 08-30 is incorporated into these minutes as an addendum page.

8f. Methodist Church Sidewalk Repairs – The Council authorized the public works department to replace damaged sidewalk on the Methodist Church property.

8g. Budget Amendment, \$1,890 – The Council adopted an amendment to the FY 2007-08 budget in the amount of \$1,890 to receive insurance proceeds for repair of fire/rescue vehicles. A copy of the Budget Amendment is incorporated into these minutes as an addendum page.

8h. Budget Amendment, \$250 – The Council adopted an amendment to the FY 2007-08 budget in the amount of \$250 to receive a donation from the Holly Springs General Federation of Women's Clubs for Bass Lake Park. A copy of the Budget Amendment is incorporated into these minutes as an addendum page.

8i. Budget Amendment, \$41,500 – The Council adopted an amendment to the FY 2007-08 budget in the amount of \$41,500 to move funds between departments to cover end-of-year police department line items. A copy of the Budget Amendment is incorporated into these minutes as an addendum page.

8j. Budget Amendment, \$12,000 - The Council adopted an amendment to the FY 2007-08 budget in the amount of \$12,000 to allocate funds to cover fuel costs for the water distribution department. A copy of the Budget Amendment is incorporated into these minutes as an addendum page.

8k. Budget Amendment, \$75,000 – The Council adopted amendment to the FY 2007-08 budget in the amount of \$75,000 to move funds between departments to cover end-of-year solid waste disposal expenditures. A copy of the Budget Amendment is incorporated into these minutes as an addendum page.

8l. Budget Amendment, \$2,560 The Council adopted amendment to the FY 2007-08 budget in the amount of \$2,560 to receive insurance proceeds for repair of WWTP vehicle. A copy of the Budget Amendment is incorporated into these minutes as an addendum page.

9a. Fire Station No. 3 – Chief Parker said that due to expansion of the Holly Springs town limits, the North Carolina Department of Insurance is requiring that Holly Springs add a third fire station to service the Blalock property, Progress Energy land (in our jurisdiction) and an as yet

undeveloped portion of the 12 Oaks subdivision in order to maintain the town's current ISO rating of 6.

Chief Parker said the lease of an existing building in the subject area would provide a temporary facility in newly-annexed undeveloped area.

Chief Parker explained that on May 6, the Dept. of Insurance began an inspection of the town's fire protection capabilities. The inspection results determine a town's fire insurance rating, and lower ratings mean lower homeowner insurance costs for residents.

One problem the inspector identified, Chief Parker reported, is that two parcels recently annexed into the town do not lie within five road miles of a fire station. The inspector also noted that a portion of undeveloped land that is included in the 12 Oaks subdivision – a section at the farthest property line – also is not within five road miles of a fire station.

Chief Parker said the DOI inspector agreed to not change the town's insurance rating at this time, particularly since the property is undeveloped; however, the inspector advised the Town that while it will give the Town some time to address the issue, it will return soon to continue with the rating process. If the issue is not addressed by that time, the rating process would be based on the absence of a fire station that is deemed necessary.

The result, Chief Parker, anticipated, would be detrimental to homeowners, who may see their premiums as much as quadruple.

Chief Parker said that once a new fire station is established, even at minimum staffing and equipment levels, he is confident that the town's rating will be maintained or even reduced.

Mr. Dean said the town has three options that would address the issue: the town could de-annex by act of the General Assembly the properties that pose the problem; the town could contract with another fire department to provide fire protection to these properties; or the town could provide a new fire station.

Mr. Dean said that de-annexation of the subject properties is not a real option for the Town. In the first place, an act of the General Assembly to do so would not occur fast enough to protect the town's fire insurance rating; and in the second place, both of the undeveloped sites are valuable to town as annexed properties. One is a Certified Site for the recruitment of industry to provide jobs and tax base. The other site is owned by Progress Energy and provides the town with future access on US Hwy. 1. This piece also is prime for development.

Option 2, Mr. Dean said, was considered, but it appears that the Town would have to have three separate contracts with a neighboring department, one for each piece of property. Judging from similar existing fire protection service contracts that exist in Wake County between other municipalities, the cost of each contract could be as much as \$50,000 per year. The undeveloped nature of the property, he said, would not justify such an expense, especially if the Town could choose another option that would be cheaper.

Option 3, Mr. Dean concluded, seems to be the best option for the town, particularly if the town provides a temporary facility at as minimal a cost as possible until a permanent station is built. Mr. Dean went on to explain that the Town's Capital Improvements Plan calls for funding of and construction of a new fire station to serve this area in 2011. He said a leased building with enough equipment and staff to satisfy the DOI until then would be appropriate because the subject property is all woodland.

Councilman DeBenedetto expressed concern as to why this major project was coming up now when it was known about before the budget was adopted. He said he did not think it was good management to have such a major, unplanned expense just as the new budget year was about to start.

Mr. Dean stressed that the town has planned for a new fire station in this area for three years from now. He said he felt the town could make it through until 2011 and provide a new station as properties out that way developed. Now, he said, the town must accelerate its efforts, and he feels a temporary station would satisfy DOI rules without an excessive financial burden on the town. He said he accepts the responsibility that he should have brought this issue to the Council's attention earlier in the process, but that other issues – such as the Fuquay-Varina annexation agreement – demanded most of his time and attention, and he neglected to do so. He apologized, but added that his failure to communicate in a more timely manner did not change the fact that the town needs to protect the insurance rating for property owners.

Councilman DeBenedetto questioned why the town did not recognize the need for a new fire station before the subject properties were annexed.

Mr. Dean said the town was aware of the possibility, but felt that because the properties are undeveloped woods, that it would not affect the town's insurance rating. Mr. Dean said from a logic standpoint, it should not affect the town's rating because there are no significant values of insured improvements on the properties; however, the DOI rules do, in fact, apply to undeveloped lands.

Councilman DeBenedetto was very critical of the town for not handling the situation better.

Councilman Womble said he was not happy that he learned about the fire station project after a resident asked him about a sign that had been erected on the proposed leased site designating it as "Holly Springs Fire Station No. 3."

There ensued lengthy discussion about the proposed 3-year lease of an existing residential structure in the area, why the project had progressed to this point without Council knowledge and how the project seems to be a major one that is coming up suddenly.

In the end, Mayor Sears called for a vote on the question.

Action: The Council approved a motion to approve to enter a three-year lease of residential property at 4112 Friendship Road for Fire Station #3 with terms acceptable by the town manager and town attorney.

Motion By: Sack

Second By: Dickson

In discussion, Councilman DeBenedetto expressed discomfort at taking action while he still had questions about other options. He asked if the motion could be amended to postpone the decision until the next Council meeting. He said he wanted a more firm estimate of costs. He offered an amended motion.

Amended Motion: The Council considered a motion to postpone action on the question until July 1. Councilman Sack asked if the motion could be amended to postpone until July 15 since he would be absent at the July 1 meeting. Councilman DeBenedetto changed his

motion to July 15.

Motion By: DeBenedetto

Second By: Womble

In discussion of the amended motion, Mr. Dean and Chief Parker explained that the Town was faced with somewhat of an urgent deadline. The DOI, Chief Parker said, could return on any day to continue with the town's insurance rating, and if the town was not at least pursuing a solution, the town was at risk of being rated poorly.

Mr. Dean agreed. He said the inspector indicated he would give the town "some time," but he did not say how much time. Mr. Dean said he would not recommend that the Council delay action at the risk of increasing homeowner insurance premiums.

Vote: The motion failed following a 2-3 vote. Councilmen DeBenedetto and Womble voted for the motion. Councilmen Sack and Dickson voted against the motion. Mayor Sears voted against the motion to break the 2-2 tie.

Councilman DeBenedetto said he did not feel he could take action on something that he did not know the cost of it and without a funding plan in place.

Mr. Dean explained that conservative cost estimates for the three-year solution was about \$70,000 for the building lease, some site improvements to make it functional as a fire station; and equipment. Mr. Dean said funds in the new budget year could be identified and a budget amendment prepared in July.

Mayor Sears asked if it was allowable to take action prior to preparation of a budget amendment.

Mr. Schifano said it was allowable.

Mr. Holland said he would prepare a budget amendment to be adopted at the July 15 meeting. He said there was no need to bring a budget amendment forward at this time because it would impact not the current budget year, but the new one beginning July 1.

Mr. Holland explained that he would be out of the office prior to the July 1 meeting, so he would not have a budget amendment until the July 15 meeting, but that spending could be conducted with remaining FY 2007-08 funds and with budgeted funds in the FY 2008-09 budget. The budget amendment would simply replenish line items used in the meantime.

At this time, Mayor Sears called for a vote on the original motion, repeated for the record:

Action: The Council approved a motion to approve to enter a three-year lease of residential property at 4112 Friendship Road for Fire Station #3 with terms acceptable by the town manager and town attorney.

Motion By: Sack

Second By: Dickson

Vote: Unanimous.

A copy of the lease agreement is incorporated into these minutes as addendum pages.

Additional Action: The Council approved a motion to authorize continued preparation work at the facility with spending after the FY 2008-09 budget begins on July 1, 2008.

Motion By: Dickson

Second By: Sack

Vote: Unanimous

9b. Holly Grove Middle Athletic Facility Improvements - Mr. Bradley explained that several months ago, Town Council approved the participation in athletic facility enhancements for the new Holly Grove Middle School, totaling just over \$300,000, and including financial participation by Wake County in the project.

He said Wake County later approved approximately \$135,000. The enhancements were to include lights, sound and a scoreboard for the football/track field, lights, irrigation, dugouts, sound, a scorer's booth and scoreboard for the softball field and concessions, restrooms and ticket booth.

The Wake County Public School System recently bid the project which included alternate bids for the items listed. The results from the bid were \$433,631 for the football/track improvements and \$279,591 for the restroom/concessions/ticket booth and totaled \$713,222.

Mr. Bradley said the bid for the restroom building appears to be very high and could be constructed later by the Town for much less. It is not recommended that the Town accept this bid.

He said although the bid of \$433,631 is higher than expected, it is recommended that the Town accept this bid. Using the \$135,000 from Wake County, the Town's participation would be approximately \$300,000, and it is requested that Council approve of this expenditure to be funded from Parks and Recreation Reserves.

He said the date of the expected payment to WCPSS is not known, but is estimated sometime after Jan 1. This payment would be made contingent on the Town Council's and Wake County School Board's approval of the Level IV Joint Use Agreement for the facility. The Wake County funds will be contingent on the JUA and Town's approval of the Inter-local Agreement.

He said this facility would be open in the fall of 2010 and could be used by the local youth football program, Hershey Track and Field, soccer, and softball programs as well as general use of the track by the public.

Since the restrooms will be of significant value for the high school softball program, Mr. Bradley said he would contact the high school boosters to solicit their participation in construction of this facility, similar to the restrooms the Town will be a partner in building for the baseball

and multi-purpose fields. He said he would keep the Council updated on the status of these projects.

Mayor Sears asked Mr. Bradley about Wake County's contribution to the project.

Mr. Bradley said that Wake County had approximately \$53,000 left over from a previous project and also requested additional funds for this project. Mr. Bradley said that the Town will be spending \$100,000 more than originally budgeted for the project.

Councilman Womble and DeBenedetto asked if funding will be coming from park reserves and how much was in the park reserves account.

Mr. Holland gave a brief history of how the park reserve fund balance increases as development occurs. He said currently there is \$300,000 in park reserves and that amount would continue to replenish and build over a period of time as development fees are paid into it.

Councilman Sack said he had no reservations with using park reserve funds. He said previous projects, like the Bass Lake Park project, were completed by using park reserve funds, and then the fund replenished itself over time.

Action #1: The Council approved a motion to reject the bid in the amount of \$279,591 for construction of the restroom building at Holly Grove Middle School.

Motion By: Womble

Second By: Sack

Vote: Unanimous.

Action #2: The Council approved a motion to accept the bid in the amount of \$433,631 for construction of football/track improvements at Holly Grove Middle School.

Motion By: Womble

Second By: Dickson

Vote: Unanimous.

9c. Bass Lake Interceptor Project - Mr. Schifano said that staff has met with property owners for the Bass Lake sanitary sewer interceptor and has been unable to resolve one of the easement acquisitions for this project. Staff recommends that the Town Council approve a Resolution of Condemnation to secure this easement interest and enable the project to move forward.

Action: The Council approved a motion to adopt Resolution 08-31 authorizing the condemnation of easement for the Bass Lake Interceptor project.

Motion By: Dickson

Second By: Womble

Vote: Unanimous.

A copy of Resolution 08-31 is incorporated into these minutes as addendum pages.

9d. Purchasing Department - Mr. Dean explained that staff has completed some initial research into creating a purchasing department. He said time was limited, and this should be considered when reviewing the information.

He said after reviewing the information and speaking with colleagues around the state, he remains unconvinced that centralized purchasing or creating an additional agent or department for purchasing is needed nor justifiable for the organization at this time.

More research would be needed, but at this point, he said, it would not be beneficial. He assured Council that current checks and balances are in place to ensure that the Town is spending as prudently as possible.

Councilman DeBenedetto said he feels more research is needed and that the proposal be scheduled for a winter retreat discussion topic. He suggested that the research include a look at the goods and services the town is buying and seeing if there are any options for cost-savings.

Direction: Council agreed to the direction to place the town's purchasing options on the 2009 winter retreat as a discussion topic.

9e. Holly Springs Business Park Pump Station - Ms. Stephenson said that Kimley Horn completed the design of the Holly Springs Business Park pump station project, and it has been bid and awarded. The firm has presented a contract that provides for a scope of work that includes: review and approval of shop drawings; inspection of work with daily log reports; review, approval and forwarding of change orders to the Town; review and approval of pay applications; address of all field questions; certification of pump installation and pump curve data; preparation of final punch list; preparation and submittal of Engineer's Certifications; facilitation of final operational test; and collection, review and approval of required close out documentation, including final record drawings.

She said construction of this pump station is a rather specialized contract, which is why construction administration and inspections needs to be contracted out.

She said there also likely will be a request for contingency funding for this project at a later date.

Action: The Council approved a motion to award professional services contract to Kimley Horn and Associates for construction administration of the Holly Springs Business Park pump station project in the amount of \$211,000, which is within project budget.

Motion By: Dickson

Second By: Sack

Vote: Unanimous.

A copy of the Kimley-Horn contract is incorporated into these minutes as addendum pages.

9f. Holly Springs Reclaimed Water Project - Ms. Sudano said staff is considering a professional services contract for construction administration and inspection for the Town's Reclaimed Water Project including an elevated storage tank, distribution lines, and plant modifications. Davis-Martin-Powell has completed the design and permitting portion of this project. The contract covers a scope of services inclusive of: the review and approval of shop drawings for the elevated tank and pump equipment; field inspection of work; providing inspection reports; address of all field questions; assisting in preparation of final punch list; insuring compliance with the federal funding agency that issued grant monies on the project (STAG-\$750,000); and coordination with STAG funding agency for payments/reimbursements.

She said the DMP contract also includes materials and testing work, subcontracted to S&ME.

Action: The Council approved a motion to award a professional services contract to Davis-Martin-Powell in the amount of \$132,253, inclusive of contingency, for construction administration of the town's reclaimed water project.

Motion By: Sack

Second By: Womble

Vote: Unanimous.

A copy of the Davis-Martin-Powell contract is incorporated into these minutes as addendum pages.

9g. Green Oaks Parkway and Bass Lake Outfall Financing Terms- Mr. Schifano explained that previously-adopted resolutions approving financing terms for two major projects were in need of amendment. He said on May 6, the Town Council passed two resolutions approving financing terms: one for a \$6,366,000 loan at 3.79% for 18 years, and one for a \$3,634,000 loan at 3.65% for 15 years.

He said the Internal Revenue Code allows banks to charge a special rate so long as a municipality does not borrow more than \$10 million in a calendar year. At the time of the resolutions, it was likely that the town would not exceed this limitation. However, with the additional funding needed for the Harnett County water treatment plant capacity purchase, the town may exceed this limitation; therefore, the interest rates for these loans are higher ("Non-Bank Qualified.")

The new rate for the \$3.6 Million loan is 4.34% and for the second loan, it is 4.18%. Further, the second loan was reduced from \$3,634,000 to \$2,581,000 because of a favorable construction bidding market and cost sharing on the Bass Lake Interceptor line.

The amendments authorize the new loan interest rate amounts. The loans closed today; however, they have not been funded, awaiting the Council's decision on the resolution.

Action #1: The Council approved a motion to adopt Resolution 08-32 approving amended financing terms for the Green Oaks Parkway and Holly Springs Business Park Development Project.

Motion By: Womble

Second By: Sack

Vote: Unanimous.

A copy of Resolution 08-32 is incorporated into these minutes as addendum pages.

Action #2: The Council approved a motion to adopt Resolution 08-33 approving amended financing terms for the Bass Lake Outfall / Holly Springs Business Park Pump Station project.

Motion By: Womble

Second By: Dickson

Vote: Unanimous.

A copy of Resolution 08-33 is incorporated into these minutes as addendum pages.

9h. Town's Civic Organization Grant Program - Councilman Dickson reminded the Council that at its Winter Retreat, he was appointed to chair an application review committee to screen Town of Holly Springs civic organization grant hopefuls. The committee, selected by Councilman Dickson, received and reviewed the grant applications and has recommendations for award by the Council. He said in most cases, the committee recommends award of some or all of the requested funding. In some cases, the committee recommends award of an increased amount over the amount requested.

Councilman Womble asked why the Fuquay-Varina Food Pantry request was reduced in the recommendation.

Councilman Dickson said that the review committee felt the Food Pantry was a deserving charity, but that it is not based in Holly Springs and that there are no real statistics that show how many people in the Holly Springs corporate limits benefit from it.

Action: The Council approved a motion to award the grants as recommended by the committee: Women's Club, \$1,000; Kiwanis Club, \$2,500; Fuquay-Varina Emergency Food Pantry, \$500; HSHS Golden Hawks Club, \$2,500; and HSHS Band Boosters, \$2,500.

Motion By: Sack

Second By: Dickson

Vote: The motion carried following a 3-1 vote. Councilmen DeBenedetto, Sack and Dickson voted for the motion. Councilman Womble voted against, saying he was holding out for a larger contribution for the Food Pantry.

Councilman DeBenedetto offered an additional motion.

Action: The Council approved a motion to increase the amount to be awarded to the Fuquay-Varina Emergency Food Pantry to \$1,500 as

it had requested.

Motion By: DeBenedetto

Second By: Womble

Vote: The vote carried following a 3-2 vote. Councilmen DeBenedetto and Womble voted for the motion. Councilmen Sack and Dickson voted against. Mayor Sears voted for the motion to break the 2-2 tie.

10. Other Business: Councilman Sack said he just went through his third water crisis with the Town, and he was very proud of the town organization. He said it was great to see the cooperation, hard work and dedication of the staff in response to the storm damage in Harnett County that crippled the town's water delivery system. He said he spoke to a City of Raleigh representative who was onsite to assist and who also mentioned that he was very impressed with the Town's efforts. Councilman Sack also expressed appreciation to the City of Raleigh, which was very helpful and responsive.

Mayor Sears echoed those sentiments.

Councilman Dickson agreed and noted how effective communications were. He was impressed and grateful that the town had such capabilities in place.

Councilman Womble asked about the intersection of Avent Ferry Road and G.B. Alford with its dual left turn lanes.

Ms. Stephenson said the North Carolina Department of Transportation required that design based on traffic counts. She said as property develops, there will be a full cross section and conditions will improve.

Councilmen Sack and Womble asked about the topographic dip in Main Street at the G.B. Alford Hwy. intersection and if NCDOT could check the timing of both lights as the dip causes traffic to slow to prevent vehicle damage, but the lights don't allow very many cars to cross under those conditions.

Ms. Stephenson said she has been in contact with NDCOT about this problem and was advised that to fix it, the intersection would have to be reconfigured at the town's expense. She said she would ask NCDOT about the timing of the traffic lights.

11. Manager's Report: Mr. Dean reported on a good job by staff, the City of Raleigh and the Town of Apex in response to the water emergency on June 15. He said the town would maintain Stage 2 water restrictions for a while until the Harnett water plant was at 100% capacity. Currently, he said, Harnett County had two 2 mgd pumps working as a temporary measure and that Harnett County has asked that the town use Harnett County water exclusively since those pumps cannot cut on and off.

Mr. Dean said the water emergency occurred when lightning struck the Harnett County water plant and fried the electronic controls. The valve feeding Holly Springs was stuck in a position and building water pressure finally blew out the valve and the 32-inch water line. He added that four feet of water accumulated in the water plant, so there was extensive damage. A temporary measure is in place until the water plant is completely repaired.

He said staff also would conduct a post mortem on processes to identify improvements that can be made, particularly to the reverse 911 phone tree. The phone system proved invaluable, but there were a number of residents who did not receive or cannot receive the phone message service.

Mr. Dean then noted for the Council that the police department had a successful weekend, making arrests within hours of two separate incidents. He said officers acted exceptionally in both cases.

12. Closed Session: The Council approved a motion to enter into Closed Session, pursuant to G.S. 143-318.11(a)(3) to discuss with the Town Attorney a contract relating to surplus real property.

Motion By: Dickson

Second By: Sack

Vote: Unanimous

General Account of Closed Session – June 17, 2008

In Closed Session, the Town Council provided direction to the Town Attorney as to how to proceed, regarding the sale of surplus real property located on Main Street. Mr. Schifano advised the Council that lone bid received for the starting bid amount was from Police Chief John Herring and his wife, Katherine. Mr. Schifano told the Council that the Town received no upset bids, and he wanted the Council to know that the apparent successful bidder was the police chief. He asked the Council if it had any reservations or concerns.

Council members indicated they had no problems with the chief's purchasing the property. They were just happy that someone was interested in buying and/or developing it.

The Council returned to Open Session.

-- End General Account

13. Adjournment: There being no further business for the evening, the June 17, 2008, meeting of the Holly Springs Town Council was adjourned following a motion by Councilman Sack, a second by Councilman Dickson and a unanimous vote.

Respectfully Submitted on Tuesday, Sept. 2, 2008.

Joni Powell, CMC, Town Clerk

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