



MINUTES

The Holly Springs Town Council met in a duly-called special meeting for its annual Winter Retreat in three sessions from Friday, March 4, 2010 through Sunday, March 6, 2010, at River Landing in Wallace, NC. Mayor Dick Sears presided at Friday and Sunday sessions, calling members to order at 5 p.m. Friday, March 4; and at 9 a.m. Sunday, March 6. Mayor Pro Tem Tim Sack presided in the mayor's absence on Saturday, calling the Saturday session to order at 8:50 a.m. A quorum was established for each session.

Friday evening Board Members Present: Councilmen Parrish Womble, Chet VanFossen and Tim Sack and Councilwoman Linda Hunt Williams and Mayor Sears. Councilman Jimmy Cobb was not present

Saturday Board Members Present: Councilmen Jimmy Cobb, Parrish Womble, Chet VanFossen and Tim Sack (mayor pro tem) and Councilwoman Linda Hunt Williams. Mayor Sears was not present.

Sunday Board Members Present: Councilmen Parrish Womble, Chet VanFossen and Tim Sack, Councilwoman Linda Hunt Williams and Mayor Sears. Councilman Jimmy Cobb was not present

Staff Members Present at the Friday Session: Carl Dean, town manager; Charles Simmons, assistant town manager; Joni Powell, town clerk (recording the minutes); John Schifano, town attorney; Stephanie Sudano, director of engineering; Gina Clapp, director of planning and zoning; Drew Holland, finance director; Daniel Weeks, project analyst; Len Bradley, parks and recreation director; John Herring, police chief; Cecil Parker, fire chief; and Jenny Mizelle, economic development director.

Staff Members Present at the Saturday Session: Carl Dean, town manager; Charles Simmons, assistant town manager; Joni Powell, town clerk (recording the minutes); John Schifano, town attorney; Stephanie Sudano, director of engineering; Kendra Parrish, senior engineer; Gina Clapp, director of planning and zoning; Jeff Jones, senior planner; Drew Holland, finance director; Daniel Weeks, project analyst; Len Bradley, parks and recreation director; John Herring, police chief; Cecil Parker, fire chief; and Jenny Mizelle, economic development director.

Staff Members Present at the Sunday Session: Carl Dean, town manager; Charles Simmons, assistant town manager; Joni Powell, town clerk (recording the minutes); John Schifano, town attorney; Daniel Weeks, project analyst; John Herring, police chief; and Len Bradley, director of parks and recreation.

The purpose of the meeting was to hold a winter retreat to focus discussion on several Town projects and issues as described in the summary below. The summary serves as the minutes of the 2011 Holly Springs Town Council Retreat.

2011 Holly Springs Town Council Retreat Summary

Friday Evening – Update on Creative Economy Initiatives; update of non-residential development

Creative Economy Initiatives – Ms. Mizelle shared with the Council an update on the Economic Development Department's program initiative to attract and retain creative economy workers and industries. She said a community workshop was held Feb. 16 and she reviewed the results of that community discussion.

She said citizens were very interested and excited about opportunities to brand Holly Springs and its creative economy. She explained to Council that citizen input was that the Town needed to foster its quality of life programs and facilities and communicate better about those assets. Doing so would attract people who would make up the Town's workforce of creative people to support such workplaces as architecture firms, design houses and companies involved with such things as advertising, publishing, research and development, fashion and film.

Ms. Mizelle then updated the Council on several projects, including recent certificates of need that have been and will be filed; new medical offices; Holly Springs Business Park developments; and New Hill Place.

Mr. Dean said Kite Realty has a \$4 million gap in its New Hill Place project, and the firm is looking for ways to

make it up through tax credit requests, etc. over a period of 30 years. Mr. Dean said he would not recommend any of the credit requests because, among other things, the Town also will have added expenses of police coverage.

Councilman VanFosser said he felt the development would be valuable to the town and provide associated benefits. He said it was so important to the community that the Council should discuss it before ruling out any assistance.

Mr. Schifano explained the special assessment / special assessment bond, which is a new tool authorized under the statutes that may be an option.

The dilemma is: does the town give away the farm in order to convince New Hill Place to stay? Would taxpayers be angry to know the Town agrees to allow Kite Realty a credit of \$275,000 a year for 30 years?

In the end, none of the Council members want to see New Hill Place not locate in Holly Springs. At the same time, the Town can ill afford to provide services but not have New Hill Place as a taxpayer.

It is expected that the principals behind New Hill Place project will get their thoughts together and return with a formal request before the Council. At that time, it is hoped, they will have determined other ways of making up the project shortfall.

Action: None

Capital Improvements Projects Priorities -- Mr. Holland and Mr. Weeks presented the 2011 Capital Improvements Plan (CIP) for fiscal years 2011-2016.

On an annual basis, the CIP is produced for consideration by the Town Council. The CIP is a five-year infrastructure plan that matches the Town's capital needs with a financing schedule. Capital Projects are deemed to be significant expenditures (greater than \$25,000) that create assets expected to have an approximate lifespan of a decade or more. In most cases Capital Projects encompass asset acquisitions, construction, or improvements in land, roads, water, sewer, buildings or renovations.

In addition to Capital Projects the CIP also forecasts five-year departmental Capital Outlay needs. Capital Outlay expenditures (i.e. vehicles and equipment) have a maximum cost less than that of Capital Projects. Capital Outlay requests are made by departments and are then reviewed by the Finance and Administration Departments. After determining financial feasibility and timing, projects are approved, delayed or denied.

The CIP should be used as a flexible plan that will evolve with every budget year.

Staff asked the Council to prioritize the 44 General Fund and 29 Utility Fund projects to receive initial focus.

Chief Herring updated the Council on the programming analysis for a new police department, one of the General Fund CIP projects. He said the company conducting the analysis will provide footprints for a variety of building levels to meet the needs of the police department well into the future.

Right now, this project is in the CIP, but it is not in the list of top five projects at this time.

It is still a viable option to secure space in the New Hill Place development in the interim before a new headquarters can be built, Mr. Dean said.

Ms. Sudano went through the list of general fund priority projects that have been identified by staff, either because full or partial funding is available or because preliminary work is completed and construction is scheduled.

She listed the top General Fund capital improvement projects: Grigsby Avenue sidewalk from downtown to Womble Park; Bass Lake Road sidewalk from Earp Street to Bass Lake Park; Bass Lake sidewalk Phase II from retreat center to picnic shelter; the Main Street extension; and Fire Station No. 3. Also on the priority list, are greenways and design of the Woodcreek bridge.

Chief Parker explained that he has identified a parcel on New Hill-Holleman Road that would be suitable for Fire Station No. 3 and would provide Holly Springs the means of servicing a growing area.

Ms. Sudano then outlined Utility Fund capital improvement priority projects identified by staff: Utley / Harris discharge environmental work; Friendship Road water and sewer; pump station upgrades; and design for replacement of the Bass Lake force main.

Ms. Sudano also noted projects that have been dropped either because they are no longer needed or because staff is going to complete them in-house.

Note: Lists of these projects, including comments, costs and status information are included in these minutes as addenda pages.

Action: None, but Council seemed to be in agreement and expressed no objections with staff priorities.

Water Reclamation Facility -- Ms. Sudano provided the Council with information about the Town's wastewater treatment efforts. She said in summary:

- construction completed and 6 million gallon per day water reclamation facility put online
- town withdrew from the regional partnership
- town continued work on securing environmental approvals for a 6 mgd discharge permit into Harris Lake or Utley Creek

Work still is underway, she said, by a multi-departmental strategic team (engineering, administration, legal,

economic development, public utilities) on securing the environmental approvals (Finding of No Significant Impact [FONSI] and National Pollutant Discharge Elimination System [NPDES] Permit) for the needed 6 mgd discharge mentioned above; the latest schedule is as follows:

- March 2011 -- finish modelling (dependent upon direction from state on scope of work)
- March 2011 -- work to secure Progress Energy commitments required by Division of Water Quality pertaining to Greentree Reservoir

- April 2011 -- gain DWQ approval of modeling and receive speculative limits for Utley Creek
- May 2011 -- resubmit revised environmental assessment with new speculative limits
- August 2011 -- receive FONSI from state
- September 2011 -- apply for State Revolving Loan Fund funding

The schedule is highly dependent upon the state's moving forward in a reasonable timeframe. The staff multi-departmental strategic team will meet regularly to implement other measures as necessary to help the town meet this schedule, Ms. Sudano said.

Action: None, presented for information only.

Saturday Morning

Development Fees

The Winter Retreat of the Council resumed Saturday morning with a quorum and Mayor Pro Tem Sack as presiding officer.

On Saturday morning discussion focused on development fees.

Mr. Simmons said that with the sustained economic recession that the region still is experiencing, Town staff and elected officials have received feedback from developers and builders trying to look for ways to reduce costs of development. This most commonly takes place in the form of a request for fee reductions.

The Town sometimes enters into developer agreements to exchange fees for oversized infrastructure, or some other similar arrangement. These agreements are employed only when there is a win-win for the Town and the developer, not to subsidize or reduce fees for development.

Mr. Simmons said staff explored the topic of development fees in the following manner:

- where are development fees collected by the Town deposited?
- what are development fees used for?
- what is the impact of reducing development fees (over and above the decline in collections over the past couple of years due to the economy)
- do we need to reduce our development fees?
- what are staff/administration recommendations?

In discussion, the following key points emerged:

- during the past five years, the Town raised \$12.4 million through the collection of developer fees;
- the fees provided funds for infrastructure that the Town did not have to borrow;

Mr. Simmons said town staff is requesting the Council's action to endorse staff and management recommendations regarding development fees.

After discussion, the Council consensus was the endorsement of the following staff recommendations:

- No change in development fees for FY 2011-12
- No changes, but be creative in how they are collected
- Payment deferral, which would assist developers with cash flow, needs to be tweaked
- Continue to allow smaller phases to be platted

Municipal Incorporation Study – Ms. Clapp said based upon the direction of the Town Council at the October Growth and Development Workshop, the Department of Planning & Zoning has been working on a comprehensive analysis and identification of all of the potential areas ("donut holes") that might be considered for municipal incorporation (annexation) by the Town of Holly Springs based upon the tests and specific regulations of the North Carolina General Statutes (NCGS.)

There was discussion regarding the areas identified as eligible. It was then reported that legislation has just been adopted that makes the question of involuntary annexation moot, however.

Toward 2013: A Growth Study – Ms. Clapp said over the next two years, the development climate in Holly Springs will be changing with challenges and opportunities regarding our future growth. Now is the time for the Town to make a determination on its future growth corridors, how to plan for the growth, and prepare for the funding of necessary plans and infrastructure.

In October 2010, the Department of Planning & Zoning conducted a Growth and Development Workshop with the Town Council to provide an overview of the many components of the Town's "planning areas" and how these designations and municipal agreements affect the Town's ability to regulate and control the future growth of the Town.

Since this meeting, the staff of the Town's "development" departments (Planning, Engineering, and Economic Development) along with Administration, have been continuing discussions about the long-term future of growth in Holly Springs, what are the primary growth corridors and how to prepare for the growth in these corridors.

As a result of these conversations, it has become apparent that the primary growth corridor that the Town of Holly Springs needs to focus on over the next few years is the Friendship/US 1 Corridor. It is within this corridor, that the Town will have the most challenges and opportunities for development as well as the greatest opportunity to lose a valuable growth corridor.

The Friendship / U.S. 1 Corridor

The Friendship/US 1 Corridor is the Town's future economic engine. It is along US 1 that the Town has planned for extensive office and technology parks that would augment its growing residential tax base. Without such a growth corridor, the Town will be burdened over the long run with a growing demand for municipal services and it will have to rely ever more heavily on its residential tax base to cover such expenses.

In discussion, the Council determined a need to protect the U.S. 1 Corridor and to extend utilities in that direction. The Council committed to the following strategies for growth in the next five years:

Action: The Council approved a motion to approve to fund water line extension to Friendship certified site in 2011-12 budget (or sooner).

Motion By: VanFossen

Second By: Sack

Vote: Unanimous

Action: The Council approved a motion to approve to broaden the Town's long-range planning area north of US1 to study long-range future land use and utility impacts.

Motion By: VanFossen

Second By: Cobb

Vote: Unanimous

Action: The Council approved a motion to authorize staff to fund and hire a consultant to prepare a Friendship/US1 Corridor Plan.

Motion By: Cobb

Second By: Williams

Vote: Unanimous

Action: The Council approved a motion to allow the Holly Springs/Apex annexation agreement line to expire.

Motion By: Womble

Second By: VanFossen

Vote: Unanimous

Additionally, there was Council consensus that the Town talk to landowners in the U.S. 1 corridor regarding voluntary annexation of property; that incentives be created for water connections; and that the Town itself should acquire property. All of these steps would ensure the Town can take advantage of the potential promised by the U.S. 1 corridor.

Saturday Afternoon

Parks and Recreation Presentation -- Mr. Bradley updated the Town Council on the status of Parks and Recreation.

His presentation covered information regarding town population, growth and the demand on Parks and Recreation facilities and programs.

Council Consensus: There was Council consensus that the Town has serious facility needs for flat athletic fields; there is a need to continue connectivity and complete segments of greenway; completion of Womble and Jones Parks is a priority; the Town needs to acquire property for parks; and funding by bond referendum is the most likely option for the Town to pursue.

After much discussion of the various scenarios of bond referenda, the Council concluded that the Town should plan to pursue a \$20 million to \$30 million bond referendum next May. Staff needs to return to Council in the meantime with a finalized list of what funding would be used for and the timing and cost of a bond referendum.

Comprehensive Transportation Plan – Ms. Parrish said over the past eight months or so, the Town has been revising its transportation plan to a new and updated Comprehensive Thoroughfare Plan (CTP.)

The CTP will be in a format that complies with Capital Area Metropolitan Planning Organization and with NCDOT, and it will allow the Town to compete more effectively and successfully for transportation funds.

The CTP will include plans for multiple modes to serve the community: bike, pedestrian, transit, and a special NC55 Corridor module - in addition to roadways. The CTP will replace a transportation plan last updated almost a decade ago.

Mike Rutkowski of Kimley-Horne and Associates addressed the Council to:

- provide an overview of the project, including the public input and advisory committee oversight on the project;
- explain methodology and recommendations;
- present draft plans for all modes plus the corridor study for review and comment; and
- provide a schedule for completion of the project.

(Note: The Town also is concurrently undertaking the preparation of a bike plan with grant funds secured by NCDOT. The development of that plan is running slightly behind this one. Since the bike plan must be incorporated into the CTP, final approval and publication of the CTP has been delayed to accommodate same.)

Consensus: There was Council consensus that it endorsed the CTP thus far.

Ms. Parrish then spoke to the Council regarding an expansion in KHA's scope of work on this project to study the proposed Kildaire Farm Road / Holly Springs Road / I540 interchange.

The Turnpike Authority has completed 25% design plans for this interchange and shared them with the Town very recently. The plans reflect two alternatives and much discussion about where Kildaire Farm Road will tie in to Holly Springs Road (north or south of the interchange). Staff recommends that we retain KHA to evaluate the options and help the Town select its preferred alternative as expeditiously as possible in order to influence the final design of this key and critical intersection.

Ms. Parrish said the cost of this work is estimated at \$15,000, and the Town already has secured a proposal.

Action: The Council approved a motion to approve an amendment in the amount of \$15,000 to the Town's professional services agreement with Kimley-Horne and Associates in the Comprehensive Transportation Plan project to evaluate I-540 interchange options at Kildaire Farm Road and Holly Springs Road.

Motion By: Sack

Second By: Williams

Vote: Unanimous

Sunday Morning

Clothes Closet – Mr. Schifano explained the history of how the clothes closet came to be. It has served the Town through various incarnations as a town hall, police station, and chamber of commerce. Today, it is used by the Holly Springs Baptist Church as a clothing closet but is still owned by the Town.

The building is not leased or rented, and there is no hold harmless agreement protecting the town from liability.

The volunteers who operate the closet do not have posted regular hours, and the building is in need of extensive repairs.

The Council discussed how two projects of the Good Will Foundation will soon meet the affordable clothing needs of the community and that the clothing closet would no longer be needed. The Council also discussed its options for what to do with the property.

Action: The Council approved a motion to allow Holly Springs Baptist Church to continue using the clothes closet building until Dec. 31, 2011.

Motion By: Sack

Second By: VanFossen

Vote: Unanimous

Action: The Council approved a motion to remove the building after it is vacated and the Goodwill Foundation stores are open in Holly springs.

Motion By: Womble

Second By: VanFossen

Vote: Unanimous

Chamber of Commerce Relations – Mayor Sears said he was concerned with recent attitudes between the Chamber and the Town, and he noted the Citizen of the Year Award decision that was made this year as an example. He, a former Citizen of the Year, said he was disappointed that the Chamber decided at the last minute to not sponsor the award any longer.

Councilman Sack and Councilwoman Williams said the nature of this year's Chamber of Commerce membership

directory that was printed as an insert to Cary Magazine and not heavily distributed locally was not what they had in mind to serve the residents of Holly Springs. Since the Town funds the project, they said, the Town representative on the Chamber board should have known and had input.

Councilman Sack also noted that Councilman Cobb and had asked him convey his equal disappointment in the Chamber.

In the end, a consensus of council members said they wanted to maintain Town support of the Chamber, but they want to make sure they are spending public dollars appropriately, and a membership directory needs to be in a certain format for a public purpose to be served.

Action: The Council approved a motion to continue enlisting the Town as a platinum member of the Chamber of Commerce with the \$10,000 annual membership.

Mayor Sears made a motion that the Town not include in its FY 2011-12 budget any funds for paying for a directory project. Councilwoman Williams seconded the motion, but the motion failed following a 2-3 vote.

Action: Councilman VanFossen made a motion that the Town representative on the Chamber of Commerce board should negotiate with Chamber board members regarding the type of directory that is published and its cost, and whether the Town provides financial support will be considered as a separate issue. Councilman Sack seconded the motion, and it carried following a 3-1 vote. Councilwoman Williams voted against.

Community Grant Program – Ms. Powell said this is a topic that was mentioned by a citizen earlier this year, and Council members suggested it as a retreat topic.

Ms. Powell said the citizen had suggested a number of text changes to the grant program policy, including a suggestion that the ad hoc application review committee include three citizens who are not members of any applicant organization.

Council agreed with a number of the suggested text changes, but they said they felt it was a Council responsibility to act on the applications. Council members also agreed that it would allow public review and comment on the committee's recommendations by accepting recommendations at one meeting and then waiting until the next before taking action on the recommendations.

Action: The Council approved a motion to make no changes in the grant review committee membership, but to change the policy to state that a recommendation will be given to the Council at one meeting and action would be taken at the next so there can be public input in between and to change the policy to incorporate all other suggestions by the citizen.

Motion By: Sack

Second By: VanFossen

Vote: Unanimous

A copy of Policy Statement PS 26.2 as amended is incorporated into these minutes as addenda pages.

Holly Glen Park Area -- Mr. Dean explained that the Town had received a request regarding some property that had been dedicated as open space / park in the development of Holly Glen. A resident was asking if the property could be reverted to the Holly Glen homeowners association.

Consensus: The Council said it would keep the Holly Glen property in the town's park inventory.

Development Fees – Councilman VanFossen asked that the Council revisit the question of development fees from the previous day. He said he does not want to reduce fees, and he understands how and why they are set. Councilman VanFossen said he also sees value in the idea of setting development fees for certain projects that benefit the community at a different level.

In example, he said, senior housing could be given a break because the impact of senior residents on town infrastructure is probably not as great as that of a single-family home. He suggested a developer agreement avenue be devised to give selected projects as break so that they remain viable.

Mr. Schifano explained that usually developer agreements result in benefits for the public (upsized lines, pump stations, etc.) Developer agreement to make a project work for a developer would be problematic from a legal standpoint, he said.

Mr. Dean said the Town applied for Community Development Block Grant funds in the amount of \$250,000 to pay for infrastructure for the Avent Ferry Road senior housing project, but it apparently was not enough since developers are asking for more assistance.

Councilman VanFossen said he felt senior housing would benefit the community so maybe the Town should bring more into the project in the spirit of benefitting the public.

Mr. Schifano said if senior housing is a goal, then take the Town should take the developer out of equation, and

the Town should develop its own senior housing.

Councilman VanFossen said he felt that there are certain projects that would improve the quality of life in Holly Springs, and he asked what ability does the Council have to help bring those projects.

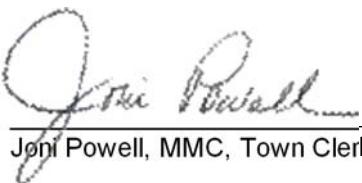
Mr. Schifano said any policy would have to be uniform and equitable to all development, and Councilman Sack added that it would be difficult for the Town to legislate what is a qualified project because what is important to the town is always changing.

Consensus: Councilman VanFossen strongly objected, but it remained a consensus of the Council that development fees should not be changed for any certain type of project over another.

Adjournment: There being no further business for the weekend, the 2011 Winter Retreat of the Holly Springs Town Council was adjourned following a motion by Councilman Sack, a second by Councilman Womble and a unanimous vote.



Respectfully Submitted on Tuesday, April 19, 2011.



Joni Powell, MMC, Town Clerk