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## **MINUTES**

The Holly Springs Town Council met in a workshop session on Tuesday, May 12, 2020 at the Holly Springs Law Enforcement Center and via video conferencing. Mayor Sears presided, calling the meeting to order at 6:00 p.m. A quorum was established as the mayor and five councilmembers were present as the meeting opened.

**Council Members Present:** Mayor Sears, Councilmen Dan Berry, Peter Villadsen, Shaun McGrath, and Aaron Wolff, and Councilwoman Christine Kelly

**Council Members Absent:** none

**Staff Members Present:** Randy Harrington, Town Manager, Daniel Weeks, Assistant Town Manager; Scott Chase, Assistant Town Manager; Linda McKinney, Town Clerk (recording the minutes); John Schifano, Town Attorney; Kendra Parrish, Director Engineering; Matt Beard, Parks and Recreation; Irena Krstanovic, Director Economic Development; Patty Dressen, Interim Director Finance; Jeff Wilson, Director IT;

**Staff Members Present via videoconferencing:** Anna Murphy, Economic Development; Cassie Hack, Director Communications and Marketing;

### **2. Workshop Overview**

**Staff Resource:** Randy Harrington, Town Manager

Mr. Harrington gave an overview of the items on the agenda.

### **3. Village Gate**

**Staff Resource:** Randy Harrington, Administration; John Schifano, Town Attorney, Kendra Parrish, Engineering

Randy Harrington, Town Manager, said that the Village Gate project was ramping up last fall, but in the winter, there was a stage where both sides were not comfortable with what was on the table, and a pause was put on the project. After a month or two, the Developer began to talk to staff about coming back and resuming discussions. Over the last month and a half, John Schifano, Town Attorney has been in conversation with the Developer's attorney and other staff members have been in the discussion.

Kendra Parrish, Director of Engineering, said that the purpose of this agenda item was to review the proposed Village Gate development and potential key terms of a development agreement. She said that the proposed rezoning was to CB CU: Community Business Conditional Use and the proposed development agreement would include zoning conditions, use the Mixed Use Option and have a maximum of 350 residential units. 160 of those units would be multi-family apartments, and 190 would be active adult apartments. Four areas of discussion were: pedestrian connections; mix of residential and nonresidential; sewer improvements; and transportation improvements.

Ms. Parrish said that the developer has offered 2000 linear feet of sidewalk along Piney Grove Wilbon Road to connect to Grove Park Village. There would be an additional 500 foot section, beyond what the developer would install, needed to bridge the gap to Garrison Greenway stub. If the Town wants this built in the future, it would be a one-to-one fee credit for

the Developer to build it. The developer would pay a fee in lieu of \$105,000 towards a third lane on Highway 55 and would upgrade the existing wood signal to a decorative mast arm signal at S. Main St. at Ralph Stephens Road. The required sewer improvements were covered under other development in the area. Ms. Parrish said that 50 of the residential units would be designated by the Developer as workforce housing with rents at least 25% below market rates. The Town would allow a master meter for the 50 workforce housing units. The pedestrian connection between Tract 1 and the Stephen's property would allow EMS and pedestrian connectivity only, because that tract would be the active adult units.

Councilman McGrath asked about the sewer improvements. Ms. Parrish said the Town has put \$1.2 towards that improvement, consisting of funds paid by other developments and Town funds, and Lowe's is going to build it. Right now the Town is trying to get funds from Mungo Homes toward that improvement, but that is still in negotiations. John Schifano, Town Attorney said that Mungo is in the construction drawing stage so they are negotiating their contribution. The Developer of Village Gate is giving an addition toward the balance of residential to nonresidential, which is the benefit to the Town that would be put against the sewer improvements. Ms. Parrish said if the Town was going to make these improvements themselves, it would cost more than the \$575,000 and it would be upfront rather than over 5 to 7 years. Councilman Berry said that the STIG (Synthetic Tax Increment Grant) amount represents about half of the property tax assessment.

There was discussion about the front loading of the STIG, the cost of the infrastructure improvements, and the amount of the investment this developer would build, and the one-to-one reduction of Parks and Recreation fees to build the final 500 feet of greenway to connect to Garrison.

Councilwoman Kelly asked about the phasing, which parts would be built first and how it would impact traffic. Ms. Parrish said that Tract 1 and 2 would be built and the signal would go in prior to Tract 3. So active living and commercial would go in with the signal which would help with capacity. The through lane and right turn lane will be built with Tract 1 and 2; the third lane on the bypass would come in with Tract 3. From a TIA stance, they will be accommodating that concern and it would usually be frontloaded.

Councilman Villadsen asked when the 20 year workforce housing timeline kicked in during the development process. Mr. Harrington said that presumably that would be upon Certificate of Occupancy of the apartments. Councilman McGrath asked what the continuing approval process would be and whether Council would see this project again. Mr. Harrington said that if Council expressed a desire to move on, staff proposes to have them come right back into the process at the point where they paused. The next step would be to come back to Council with a more formal development plan, PUD, rezoning, etc. Ms. Parrish said that after that, Council would start to see site specific development plans one at a time.

Consensus of Council was to move forward with this project.

#### **4. Simple Recycling Overview**

**Staff Resource:** Matt Beard, Parks and Recreation

Matt Beard, Parks and Recreation, introduced Dennis Wise, Senior Vice President of Waste Zero who wished to address the Council regarding their Simple Recycling Curbside Textile Recycling Program. Mr. Wise explained that the Simple Recycling program collected and recycled textiles and small household items at no cost to the consumer or the Town. The Town would be paid for every ton of textiles collected. He explained how the collection was coordinated with recycling day, that residents would put out bags of clothing and other textiles to be recycled next to their recycling bins and the Simple Recycling trucks would collect them.

Councilman Wolff asked Mr. Wise since Apex is the Town's closest neighbor, could he give any idea on how that is going, how much money Apex has saved, or any statistics. Mr. Wise said that Apex is performing very well. The amount of money to be generated depends on

what Simple Recycling can do coming out of COVID19, with many of their hubs closed. It's not a lot of money, but it decreases the tipping fees because it reduces the tonnage of waste. Councilman Wolff asked how much training is involved with drivers and waste staff. Mr. Wise said not much at all. It's a Galaxy tablet, not an iPad, and the app simply involves pushing a button. Mr. Harrington said that GFL does the Town's collection. He thinks they also service Apex. He asked if GFL do the tablets. Mr. Wise said Apex is under the old model without the GPS because they have been in the program a long time. But they would work with GFL to get the tablets in place. Mr. Harrington asked if they work with GFL or other private haulers in other municipalities. Mr. Wise said they have not. Their other municipalities are self-collecting. Mr. Wise suggested that they might coordinate with yard waste pickup, which is self-collected.

Councilman Villadsen asked what the collection rate success was. Mr. Wise said the mission is to collect every single bag every day. Some places are more successful than others, but they have had a good success rate in the triangle area. Set out is between one and 2 percent, so there aren't orange bags out all the time. This program is 100% directed to cut down the amount of textiles that are put in the trash. They do not cut down on the number of donations to charities. This is directed at people who do not do that donation. Mr. Harrington asked if there was a customer service number on the bags, and how well that worked. Mr. Wise said there was and it routed directly to the Simple Recycling Company. Mr. Beard said that as a former resident of Raleigh he utilized the program. The first time he put out a bag they missed it, he called them, and they were easy to work with and came and got it. He spoke to people who work for the City of Raleigh who said biggest issue at the roll out of the program was pickups being missed but that has been worked out.

Mayor Sears said the Town will take it under advisement and will get back in touch with him through staff. Councilwoman Kelly expressed her support and said she does not see the down side, especially since our neighboring towns are doing it, we do not want to be the outliers not doing it. Mr. Harrington said if the Council wants to move forward, staff may need to work with GFL to see how moving forward would be. Councilman McGrath worried about GFL cooperating without charging the Town. But if the items could be collected on yard waste day, our people could do it. Mr. Beard said we might be able to work with Simple Recycling to see if there is a customer app that could report that there is a pick up instead of involving GFL.

## **5. Economic Development Incentive Tools & Downtown Development Investment (DDI) Policy Update**

**Staff Resource:** Irena Krstanovic and Anna Murphy, Economic Development

Irena Krstanovic, Director Economic Development, said the purpose for this presentation was to discuss potential economic development incentive tools, the current DDI policy, and to recommend modifications to that policy. She said that this was related to the strategic plan priority Economic Prosperity and Diversity, Initiatives 1.1 and 2.1, regarding the types of businesses Holly Springs would like to attract, and the creation of a vibrant downtown center, and Responsible and Balanced Growth Initiative 2.1, regarding the balance of residential to nonresidential tax base. She outlined the potential framework for new Economic Development Incentives policy, showing which tools were previously used and which would be new, and gave an overview of past public investments.

Councilman McGrath said that for projects that are moving the needle towards the 70/30 ratio of residential/nonresidential, he supports using STIG and BIG (Business Investment Grant). Councilman Wolff asked if we are using taxpayer money, what are the best ways to meet these goals? When we lose a project, are we losing it because other municipalities offer BIG or STIG, or would it be better to use our money towards improving infrastructure or other things that would bring businesses to us? Ms. Krstanovic said the flexibility to use all of these tools can make the difference to help us close the deal with a particular project. Mr. Harrington said the nuances of the BIG and STIG, they are powerful tools, but there is no money unless the

project brings the improvement, because it is not Town money, unless they bring the tax value. Councilman McGrath said he agrees with Councilman Wolff, but feels that these are “setting the hook,” whereas site readiness is the “bait“. Ms. Krstanovic said we have a competitive advantage in that we are in Wake County, but other municipalities in Wake County do not have the land that we have and the zoning options. It comes down to some things we control and some that we do not, but these are things that we can control to bring a project to that point. Councilwoman Kelly asked if we were looking to have more structure so that there is more predictability. Mr. Harrington said yes, for staff in negotiating and conveying to developers what our policy is, two, for developers to know what to expect, but also to give some flexibility to bring in a project. And that there is transparency.

Councilwoman Kelly suggested that there be a more frequent review and Council sign-off on this policy. Councilman Wolff said that this would be a great time to get creative with what we incentivize. Wake County has a plan that bases incentives on whether benefits are offered to employees, or if a company pays a living wage. We want to incentivize employers that we want. Ms. Krstanovic said we do use incentives like this that based on average salary of the jobs brought, etc.

Ms. Krstanovic outlined public investment that has already been made, the current Village District boundary and the current policy goals for the Downtown. She stated that some of these goals have been met (specifically catalyst projects) and others are ongoing. She outlined the reasons for the proposed policy changes, including a lack of available funds, the application timeline, conversions versus new construction, the need for the level of investment to match performance criteria, and the adjustment of goals to match the current situation. Proposed new policy goals would be to attract tech-focused businesses, entrepreneurship, healthcare, arts & culture, innovation, and hospitality. The proposed changes would include making conversions eligible for fee waiver and infrastructure reimbursement; new construction eligible for fee waivers only, and to define fee waiver amount based on project performance. She contrasted this with the current policy, and explained how the proposed policy would be less subjective. She said that, if Council desired to develop a comprehensive Economic Development Incentive Policy, it could be ready for adoption in July or August.

Councilman Wolff asked why there was a challenge of conversions vs new construction. Ms. Krstanovic said that usually conversions are small businesses that are taking over an existing building, but they are being assessed the same road improvements etc. that a larger development would be asked to do, and often before they are able to open. Councilwoman Kelly said she was excited to see this work. A perspective she would like to bring, is the policy goals, making sure that the mixture is right so that the downtown doesn't die at night. She would like to see this balanced to keep the “inner downtown” vibrant and not closed at five o'clock. Ms. Krstanovic said she agrees that the balance is important and staff has put that in agreements for Town Hall Commons or The Block, keeping the ground floor 80% “active” businesses.

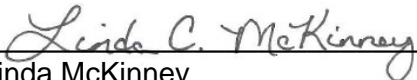
Councilman Wolff asked if this something staff is looking to fund in the 2021 budget. Mr. Harrington said that assuming Council wants to move forward with this policy, he would include at least \$25,000 in the budget to use for this purpose.

Councilman McGrath asked for context on the boundaries of the Village District – does it still make sense? Or do we need to look at redrawing them? And since we are not going to get the historic district designation, what emphasis should be put on historic preservation. Ms. Krstanovic said staff has been discussing this, and if we rework the policy, if we needed to redraw the boundaries they would be included in the policy. And we have considered the historic preservation, and managing those on a case by case basis to avoid putting small businesses at a disadvantage. Mr. Harrington said there could be times when a business or development wants to locate downtown and its scope doesn't meet this, and in that case we would have a separate development agreement to meet those criteria.

**6. Open Discussion:** Mayor gave a COVID-19 update on the number of deaths in Wake County and the number of cases in Holly Springs. Councilman McGrath wanted to say that most of the deaths were people over 65 and he would like to see statistics on co-morbidity. Councilman Wolff said he went to the farmers market for the first time since the restrictions were put into place, and wanted to congratulate the Farmers Market staff. It was an awesome experience, and he felt safe the whole time. He received questions from residents about implementing taking SNAP or other food assistance payments at the Farmers Market. Daniel Weeks, Assistant Town Manager, said accepting EBT payments is being discussed.

**7. Adjournment:** Motion to adjourn was made by Councilman McGrath, second by Councilwoman Kelly, and passed with a unanimous vote. The May 12, 2020 workshop meeting of the Holly Springs Town Council was adjourned at 7:42 pm.

Respectfully Submitted on Tuesday, May 19, 2020.

  
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Linda McKinney  
Town Clerk