



Town of HOLLY RIDGE

PO Box 145 * Holly Ridge, NC 28445 * Phone (910) 329-7081 * Fax (910) 329-1593

HOLLY RIDGE TOWN COUNCIL REGULAR MEETING

July 9th, 2024
6:30 P.M.

Mayor Jeff Wenzel called the Regular Meeting of the Holly Ridge Town Council to order at 6:30 p.m. at the Holly Ridge Town Hall. Council members present were Councilman Hines, Mayor Pro-Tem Patti, and Councilman Misciagno. Also, present were Town Manager, Heather Reynolds, Deputy Clerk, Tracy Martin, Community Development Director, Nate Rhue, and Chief Sorg. Councilman Parnian was absent, and Councilwoman Stanley passed away July 4th, 2024.

Invocation and Pledge

Pastor David Hildebrand – with Victory Baptist Church gave the Invocation and Mayor Wenzel led the Pledge of Allegiance.

Adoption of Agenda

A motion was made by *Councilman Hines* and seconded by *Mayor Pro-Tem Patti* to adopt the agenda as presented. *All Agreed.*

Persons Wishing to Address the Council

Public Hearings

Discussion and Possible Approval of an Ordinance Amending the Holly Ridge Code of Ordinances Section 7-13-14 and 7-3-16 to Increase the Building Height of Structures within the Commercial and Light Industrial Zoning Districts

Nate Rhue said currently within all our zoning districts, the building height is limited to forty feet regarding of the zoning district. There are some exceptions when it comes to steeples and antennas. During the April 9th, 2024, Town Council meeting Town Council wanted the Planning Board to look at possibly amending and increasing the building height.

This was discussed at the Planning Board meeting on May 21st, 2024, and the concern they expressed was related to the emergency response staff, timing, the equipment they may have available for us. The Planning Board requested further conversation with the Holy Ridge Fire

Department. Mr. Rhue said at the June 18th, 2024, Planning Board meeting, Fire Chief Brandon Longo was in attendance to provide additional information to answer a few questions and some of the Planning Boards concerns. Chief Longo explained that there are currently agreements in place that originally were not in place that made him feel more comfortable related to increasing the building heights.

Mr. Rhue reached out to Camp Lejeune, and they provided comments that their main concerns were for buildings over one hundred feet regardless of the size of the building. Mr. Rhue said the Fire Department also provided that additional fire service features that will require above forty feet will make up any delays and will be made up for any delays in receiving assistance. The increase of the building height would not hurt the ISO rating that the town currently has.

Mr. Rhue said the Code Administrator provided comments related to increasing the building height. Mr. Rhue said when you get to a certain height, story, there are additional measures from a building code, whether it be sprinklers, standpipes, which would also serve and provide that protection. Mr. Rhue said there are a lot of other variables that play into this such as fire flow and as far as how much water we have available for us.

Mr. Rhue said Richlands, Topsail Beach, North Topsail and Surf City range from thirty-five to sixty feet. They have some caveats that you need for special use permits for additional heights. Mr. Rhue said with the Town Council discussions it seemed the direction was more towards the commercial element, the industrial structures. Mr. Rhue said the proposed units would only pertain to commercial districts and the light industrial districts. This would raise it from forty-three feet to seventy-five feet.

Mr. Rhue said on June 18th, 2024, the Planning Board recommended a favorable approval for this amendment provided the consistency statement that would provide policies with clear directions to assist local decision making, consistency finding for zoning found in our Land Use Plan and that it would be reasonable in the public interest because it would attract a wide variety of businesses and possible attract additional job creating establishments.

Mayor Pro-Tem Patti asked what kind of buildings we are looking at. Mr. Rhue said hotels or anything over forty feet is consistent with high rise. Mr. Rhue said possible apartments could be that way as well. Mayor Pro-Tem Patti said we are talking double the size of the Evolve apartments that are being built. Mr. Rhue said that is correct.

Mayor Wenzel said he brought this before the Town because he thought it would be helpful for the Town. Mayor Wenzel said he remembers when Atlantic Seafood was building, their initial building was forty-three feet and they had to redesign it. Mr. Rhue said they had to apply for a variance because of their operation.

Councilman Misciagno said it also opens us up from a due diligence from a business looking into Holly Ridge. Councilman Misciagno said when they see we don't have a restriction on

the height, it is going to be more inviting for a commercial space to come into our marketplace.

Mayor Pro-Tem Patti said he does not know what the other councilmembers think, a hotel in Holly Ridge becoming a destination for tourists was not in his radar. Mayor Pro-Tem Patti said he does not know if the people of Holly Ridge are looking at this either. Does Holly Ridge want to be a tourist destination, or do we want the tourist to swing through and eat at our restaurants, shop at our shops but we keep that small town feel. Mayor Pro-Tem Patti said seventy-five feet opens it up to another ballgame.

A motion was made by **Mayor Pro-Tem Patti** and seconded by **Councilman Hines** to go into Public Hearing. *All Agreed.*

A motion was made by **Councilman Misciagno** and seconded by **Mayor Pro-Tem Patti** to return to Regular Session. *All Agreed.*

Councilman Misciagno said he did not think this was a bad thing and it will drive tourist to come to our area. Councilman Misciagno said this will increase our tax and sales base. Councilman Misciagno said he keeps thinking of the future growth of workforce housing that is coming into our marketplace. They need places to stay, and he can see contractual agreements to help. Councilman Misciagno said we should not restrict future businesses from coming to Holly Ridge.

Mayor Pro-Tem Patti said he is for sensible development, but he is nervous about this tourist destination that is going to be floating around. Mayor Pro-Tem Patti said if we raise this to seventy-five feet there is not going to be any checks and balances. Mayor Pro-Tem Patti said when he was running and after that, the three new council members received a lot of flak and the rumors he heard was they are going to turn this into Myrtle Beach. Mayor Pro-Tem Patti said that is not what he said. Mayor Pro-Tem Patti said sensible development, slow down, small town Holly Ridge feel.

Mayor Pro-Tem Patti said he is not for raising to seventy-five feet. Mayor Pro-Tem Patti said we should go on a case-by-case basis because he wants Holly Ridge to remain a small town for our kids and families.

Councilman Hines said the only thing that bothers him is it has not been asked for before. Councilman Hines said if Hampstead is getting a hotel, it will not be long before Holly Ridge will have one.

A motion was made by **Councilman Misciagno** and seconded by **Councilman Hines** to approve the ordinance amending the Holly Ridge Code of Ordinance Section 7-13-14 and 7-3-16 to increase the building height of structures within the commercial and light industrial zoning districts and accept the statement of consistency.

Voting was as follows:

Councilman Hines – Yes
Councilman Misciagno – Yes
Mayor Pro-Tem Patti – No
Motion Passes

Lot 17 Public Hearing to Receive Public Comments and Vote on the proposal for the Town to convey to Freedom 15, LLC and/or assigns the real property situated at 1001 Betty Taylor Wood Drive, Holly Ridge, North Carolina, having an Onslow County Parcel Identification Number of 172025. The estimated fair market value of the interest to be conveyed is \$100,000.00 per acre. The proposed purchase price of the property is \$173,000.00.

Manager Reynolds said this is a lot in our Industrial Park. Manager Reynolds said when a municipality is selling property, there are two methods that can be utilized. The upset bid process and private negotiation. When the Industrial Park began, the Town Council voted to sell these lots through private negotiation and because they are being sold that way, they do have an economic development requirement that comes into play. There must be job creation and a capital investment and the wages of the jobs that are created must be above the county average.

Manager Reynolds said Freedom 15, LLC and or assign meets that criterion. This project will include a building for its headquarters as well as a laydown yard. They plan on bringing 12 jobs with them with an average salary of \$47,000.00 per year. They do plan on adding positions as they grow their business. They currently service hundreds of homeowners here in Holly Ridge. Manager Reynolds said since the additional uses were added to the overlay district a few months ago that has opened the availability for additional businesses and industries to come into the Industrial Park.

A motion was made by *Mayor Pro-Tem Patti* and seconded by *Councilman Misciagno* to go into Public Hearing. *All Agreed.*

Dorothy Royal – 127 Sound Road said what she thought was they were just bringing the twelve employees from Hampstead and bringing them to Holly Ridge. Ms. Royal said they are not creating any new jobs.

Manager Reynolds said it is creating new jobs for Onslow County because it is allocated to Onslow County, and they come into play for their economic development purposes.

A motion was made by *Councilman Hines* and seconded by *Mayor Pro-Tem Patti* to return to Regular Session. *All Agreed.*

A motion was made by *Mayor Pro-Tem Patti* and seconded by *Councilman Misciagno* to receive comments and vote on the proposal for the Town to convey to Freedom 15, LLC and/or assign the real property situated at 1001 Betty Taylor Wood Drive, Holly Ridge, North

Carolina, having and Onslow County Parcel Identification Number of 172025. The proposed purchase price of the property is \$173,000.00. *All Agreed.*

Lot 19 Public Hearing to Receive Public comments and Vote on the proposal for the Town to convey to Thompson Restoration Company the real property situated at 801 Betty Taylor Wood Drive, Holly Ridge, North Carolina, having an Onslow County Parcel Identification Number of 172027. The estimated fair market value of the interest to be conveyed is \$100,000.00 per acre. The proposed purchase price of the property is \$148,500.00.

Manager Reynolds said the same requirements as the previous Public Hearing. Thompson Restoration company was our first letter of interest when we first began the Industrial Park idea. They were the original purchaser which the Town Council approved. Manager Reynolds said because of the overlay district, they were forced out originally. Their initial LOI helped justify the grants that were applied for by the Town.

Manager Reynolds said they will bring twelve jobs with them and create the possibility for additional jobs. They plan on building a 10 to 15,000 square foot building and they plan on occupying half of that while the other half of the building will rent out as flex space for small businesses that are within the contractor's trades. Manager Reynolds said the additional jobs that are brought in by the small contractors and trades are not accounted for in these figures. Manager Reynolds said they will pay above averages wages.

Mayor Wenzel asked Spruill Thompson for background information on the pricing for this parcel. Mr. Thompson said when we started Phase II of the Industrial Park, the pricing was set at \$75,000.00 which was elevated from the \$60,000.00 top line of Phase I which was owned by Gulf Stream Steel. Part of the requirement for getting the grants that we needed was we had to demonstrate the need in the area with letters of intent to go under contract.

Mr. Spruill said Pro-Serve was the first one that came to the table at the \$75,000.00 mark. We were not able to deliver that product to them because of the contractor not being allowed in the table of uses. Now that the Town has expanded the uses, which opens the opportunity for more users. As the demands came to the park, the prices were raised. They went from \$75,000 to \$90,000 an acre and currently now at \$100,000.00 is the market value. We thought the right thing to do was to honor the price they came to us in the early days at \$75,000.00 an acre.

A motion was made by *Mayor Pro-Tem Patti* and seconded by *Councilman Hines* to go into Public Hearing. *All Agreed.*

Joe Roberts 105 Homestead Lane asked when Thompson Restoration initially went under contract, did they know that the uses did not allow for their company in the space. Manager Reynolds said they did not. Manager Reynolds said the overlay district had not been adopted or even considered by the Town of Holly Ridge at that time.

Mayor Wenzel said we realized that without having an overlay district we may be violating some of the parameters that we used to get grants. We had to be more restrictive, and we found it too restrictive, and we went back to where we thought still met the needs for the grants to be honored.

A motion was made by *Mayor Pro-Tem Patti* and seconded by *Councilman Hines* to return to Regular Session. *All Agreed.*

A motion was made by *Mayor Pro-Tem Patti* and seconded by *Councilman Misciagno* to approve the conveyance of property and approve ratification of the existing contact to purchase. *All Agreed.*

Town Manager Report

Manager Reynolds said the Police Department had their first Coffee with a Cop event at Coastal Blends and it was a success. Manager Reynolds stopped by and there was a huge turnout. Chief Sorg and Detective Thompson were on hand talking with the citizens.

Summer camp is underway, and it is going well.

Manager Reynolds and Mark Sutherland had a meeting with UPS representatives to touch base to make sure everything is moving along as planned and it is. Manager Reynolds said UPS does not yet have a groundbreaking date.

Staff have wrapped up the technology review with Muse consultants. We will be moving to Gov Pilot Technologies for permitting and they will be working on updating the website and adding additional features.

Councilman Hines asked for an update for the repairs on the electronic sign. Manager Reynolds said that sign is a software issue, and we are not sure what the problem is. We are working with the manufacturer as well. Manager Reynolds said by the time we installed that sign it was obsolete. The sign at the community center on one side of it has an issue again. We just had that replaced six months ago and we have requested that side of the sign and we are waiting for it to come in.

Consent Agenda

- A. Approval of the Following Minutes
 - May 23rd, 2024, Budget Workshop # 1
 - May 28th, 2024, Budget Workshop # 2
 - June 11th, 2024, Regular Meeting
 - June 11th, 2024, Closed Session
- B. Department Head Reports
 - Finance Department

- Fire Department
- Police Department
- Planning & Zoning Inspections Report
- Parks and Recreation
- Grants Report

C. Committee Reports

- Planning Board
- Board of Adjustment
- ONWASA
- Busy Bee Committee

A motion was made by **Councilman Hines** and seconded by **Mayor Pro-Tem Patti** to approve the Consent Agenda. *All Agreed.*

Old Business

New Business

Discussion and Possible Approval to Authorize the Town Manager to issue an RFP for On-Call Professional Engineering Services

Manager Reynolds said several months ago Manager Reynolds and Finance Director, Chuck Strickland met with Withers and Ravenal to discuss upcoming projects in Town, specifically centered around RCCP grants where we were looking at a municipal complex for an EOC as well as the ongoing upgrades to the park. Our representative recommended putting out an RFP for On-Call engineering services. This allows for a more efficient process because we do not have to go out to bid for every project. Manager Reynolds said we put out an RFP and we can choose multiple engineering firms or one engineering firm and they would be essentially on a retainer, so when we have a project, we can call, and they would be able to execute a contract for services to design and engineer the project.

Manager Reynolds said there is no cost associated with this RFP until we get to the design and engineering of the projects.

A motion was made by **Councilman Misciagno** and seconded by **Mayor Pro-Tem Patti** to authorize the Town Manager to issue an RFP for On-Call Professional Engineering Services. *All Agreed.*

Discussion and Possible Approval for Budget Amendment # 1 and Budget Ordinance for \$35,000.00 for Economic Develop Strategic Plan

Manager Reynolds said in meeting with Jacksonville Onslow Economic Development it came to Manager Reynolds attention that Onslow County and the City of Jacksonville

were forming a steering committee to work with a consultant to create Onslow Counties economic development plan which would be done through Jacksonville Onslow Economic Development which we are a member of.

Manager Reynolds said Mark Sutherland mentioned Onslow County and the City of Jacksonville both in their current budgets that were just adopted budgeted \$30,000.00 to go towards the cost of a consultant. This buys them a seat at the table.

Manager Reynolds is requesting \$35,000.00 and the reason for this amount is Mr. Sutherland said the total price of the consultant could change, which could change what the city and the county have budgeted.

Manager Reynolds said the Town of Holly Ridge needs to retain a prominent seat at the table for a couple of reasons. Manager Reynolds said we currently have initiatives going on, where we are ahead of others in the county. Swansboro and Jacksonville are already trying to get their projects, we have already had projects underway. Manager Reynolds said we do not want to be pushed out for consideration.

Manager Reynolds said it is important that we have representatives at those meetings and at that table. Councilman Hines asked if this would guarantee us a seat. Manager Reynolds said it would.

Manager Reynolds said the budget amendment says fund balance appropriation, but Manager Reynolds would like to point out it is considered fund balance appropriation, but we do have lot sales that are in the fund balance. There are proceeds from the Camp Davis Industrial Park and Manager Reynolds feels like this would be a great investment. It would cover the next ten years at least and we need to be at that table.

Mayor Pro-Tem Patti asked what type of tangible benefit meaning taxpayers, because of seating at this table and paying \$35,000.00. Manager Reynolds said the tangible benefit would be we do not duplicate services. Manager Reynolds said an example would be when perspective buyers of land development come in and start talking with towns, they want to see a strategic economic development plan.

Manager Reynolds said she was recently added to a steering committee for Onslow County United Transit. Manager Reynolds said they are discussing micro transit to expand their services out into the municipalities, and they are considering allocating additional resources to our area. The strategic economic development plan can help guide those decisions at the county level that will then turn into services for our citizens.

Mayor Pro-Tem Patti asked why this was not included in the budget. Manager Reynolds said she was not aware of this at that time.

Councilman Misciagno said it makes sense to him and we must have a seat at the table. It is called collaboration.

Councilman Hines said he is in favor of doing this, but we are nine days into the budget and now we are going to take money out of the fund balance. Councilman Hines suggested Manager Reynolds find a way in the original budget to take the money out of, Councilman Hines would be in favor.

Mayor Pro-Tem Patti said he agrees with Councilman Hines and at the last meeting, Mayor Pro-Tem Patti wanted to make a splash pad a priority and he did not ask for money and that was a whole to do.

Councilman Misciagno said he has attended a few of these meetings being in the real estate world and it is a collaborating event of success between towns. Councilman Misciagno said he understands where Manager Reynolds is coming from and her passion for making sure this does get approved. Councilman Misciagno said this will affect the next ten years of our lives.

Manager Reynolds said historically the Town of Holly Ridge has always been the red headed stepchild and the only way we can play in the big leagues is to put the money up and play with them.

Councilman Hines said there are things that we don't need to spend the money on right now and you can use that money.

A motion was made by *Mayor Pro-Tem Patti* and seconded by *Councilman Misciagno* for the \$35,000.00 to be reallocated from the technology line item in the current budget to pay for the economic development strategic plan. *All Agreed.*

Possible Adoption of a Resolution Granting the Town Manager the Authority to Accept Donations on Behalf of the Town of Holly Ridge

Manager Reynolds said Attorney Corrie Lee recommended the adoption of a resolution authorizing the Town Manager the authority to accept donations. The resolution states any donation of monetary value under a hundred thousand dollars would be deposited into the general fund. Manager Reynolds said with the Holly Plaza incident, there were times when people wanted to donate money to the Town Hall. Manager Reynolds said it is better to have a blanket policy so that we stay within the adopted policy.

Attorney Lee said any donations that are made to the Town would have to be approved and allocated to the expended by the Town Council. This gives the administration some flexibility to ensure that you do not have to pass five hundred resolutions and you get five hundred checks for a dollar. It gives that flexibility for Manager Reynolds to say we received a five-hundred-dollar donation, and we are going to put that into our general

fund for things such as the strategic plan to have a contingency fund. If there was some kind of contract that would have to be approved by the Town Council.

A motion was made by *Councilman Misciagno* and seconded by *Councilman Hines* to approve a resolution granting the Town Manager the authority to accept donations on behalf of the Town of Holly Ridge. *All Agreed.*

Town Council Comments

Councilman Hines said Councilwoman Stanley will be missed and please keep her family in your thoughts and prayers.

Councilman Misciagno said he agrees with Councilman Hines regarding Councilwoman Stanley, and he stopped by the funeral home and watched the video. Councilman Misciagno said it is nice to get a glimpse into someone's life that has been a part of the community for such a long time. Councilman Misciagno thanked everyone for coming to the meeting and Councilman Misciagno welcomed the Town's new attorney Corrie Lee.

Mayor Pro-Tem Patti echoed Councilman Hines and Councilman Misciagno's sentiments regarding Councilwoman Stanley. Mayor Pro-Tem Patti thanked everyone for coming to the meeting and everyone is working hard for you.

Mayor Wenzel said Councilwoman Stanley was always very kind and welcoming to him. Mayor Wenzel said Councilwoman Stanley always brought ideas to the Town Council and at times would bring humor too. Mayor Wenzel said Councilwoman Stanley will be missed.

Town Attorney Comments

Attorney Lee thanked everyone for the opportunity to make some comments this evening. Attorney Lee said she is going to take this opportunity to do what she calls Council training. Attorney Lee and Manager Reynolds discussed the changing of the guard which means it may be a good opportunity to go through some hypotheticals for public meetings, loss training, and ethics training.

Attorney Lee said she is going to start off with two that Attorney Lee's previous Councils have dealt with before.

Example # 1 – Four members of a council attend a social gathering. During the evening a citizen comes up to a member of the council and begins to discuss town business, including a citizen's thoughts on the new park project that the town is considering undertaking. What should the councilmember do?

Councilman Misciagno answered anything more than three is considered a meeting and we are not allowed to have any official capacity and conversation at that time.

Attorney Lee said we have a quorum of the council and that would not be a problem if you were not discussing Town business.

Mayor Wenzel asked since he does not vote, he does not count as one of the three, correct? Attorney Lee said Mayor Wenzel would count, but Attorney Lee will check on that to make sure.

Example # 2 – While reviewing the budget for the upcoming fiscal year, a member of council has a question about a specific client item that's requested by a department. What should the councilmember do?

Mayor Pro-Tem Patti said reach out to the Town Manager. Attorney Lee said one member of the council cannot act without the council as a body. This example could possibly be an ethics violation.

Announcements

- Thursday, July 11th, 2024, Eastern Carolina Council Executive Committee Meeting – beginning at 6:30 p.m. ECC Offices
- Tuesday, July 16th, 2024, Planning Board Meeting – beginning at 6:30 p.m. in the Council Chambers
- Thursday, July 18th, 2024, Jacksonville Onslow Economic Development Meeting – beginning at 3:30 p.m. at Biagio's – 622 Court Street, Jacksonville
- Thursday, August 8th, 2024, Jacksonville Urban Metropolitan Planning Organization Meeting – 1300 N. Marine Blvd, Jacksonville
- Thursday, September 19th, 2024, ONWASA Board Meeting – beginning at 6:00 p.m. in the Jacksonville City Hall

A motion was made by ***Councilman Hines*** and seconded by ***Councilman Misciagno*** to go into Closed Session. ***All Agreed.***

Closed Session

Consider the Performance of a Public Official per North Carolina General Statute 143-318.11 (a) (6)

Pursuant to N.C.G.S. § 143-318.11 (a) (3) for the Purposes of consulting with an Attorney employed or retained by the Town to preserve the Attorney-Client Privilege between the Attorney and Town

A motion was made by ***Councilman Misciagno*** and seconded by ***Mayor Pro-Tem Patti*** to return to Regular Session. ***All Agreed.***

Mayor Wenzel said there was no action taken during Closed Session so there is nothing to report.

Adjournment

A motion was made by ***Councilman Hines*** and seconded by ***Mayor Pro-Tem Patti*** to adjourn at 8:45 p.m. ***All Agreed.***

Attest:

Jeff Wenzel, Mayor

Tracy Martin, Deputy Clerk

These minutes were recorded and prepared by Deputy Town Clerk, Tracy Martin.