



# Town of HOLLY RIDGE

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## HOLLY RIDGE TOWN COUNCIL ANNUAL BUDGET SPECIAL MEETING May 15th, 2023 2:00 P.M.

Mayor Jeff Wenzel called the Special Meeting of the Holly Ridge Town Council to order at 2:02 p.m. at the Holly Ridge Town Hall. Council members present were Councilman Sholar, Councilman Hines, Councilwoman Stanley, Mayor Pro-Tem Hall, and Councilwoman Bragg. Also present were Town Manager, Heather Reynolds, Deputy Clerk, Tracy Martin, and Attorney Kyle Fountain.

### Invocation and Pledge

Councilman Hines gave the Invocation and Mayor Wenzel led the Pledge of Allegiance.

### Adoption of Agenda

A motion was made by *Councilman Hines* and seconded by *Councilwoman Bragg* to approve the agenda as presented. *All Agreed.*

### Public Hearings

*Lot 13 Public Hearing to Receive Public Comments and Vote on the proposal for the Town to convey to Rui Zhou the Real property situated at 800 Betty Taylor Wood Drive, Holly Ridge, North Carolina, having an Onslow County Parcel Identification Number of 172020. The estimated fair market value of the interest to be conveyed is \$100,000.00 per acre. The proposed price of the property is \$1,169,000.00.*

Manager Reynolds said we will hold the Public Hearings and each individual project will be considered. A summary of each project is going to be presented and the economic impact will be discussed. Economic Development is the creation from wealth which the community benefits or realizes and this sets us apart from being real estate brokers and agents. Manager Reynolds said we are not looking to sell properties; we are looking to create jobs for the community and increase our tax base.

Manager Reynolds said our goals, is job creation's is above paying salaries, capital investment, keep money in Onslow versus going to another county, allow citizens to not only live here but work here, and by growth of the Camp Davis Industrial Park, we are bringing in these industries also brings in organic growth throughout the community.

A motion was made by *Councilman Hines* and seconded by *Councilwoman Stanley* to go into Public Hearing *All Agreed*.

*Bernie Rollins – 772 Lake Dr Melbourne Florida* said he is currently the President of Blue Hill Creek LLC, which is the company that owns 1001 Mable Rollins is the front lot of Phase I of the Camp Davis Industrial Park. Mr. Rollins said he was the former Vice-President/Co-Owner of Gulf Stream Steel for twenty-five plus years. Mr. Rollins was also President for twenty-five plus years for Camp Davis Industrial Park Inc.

Mr. Rollins said anytime the government gets involved it scares him, but Mr. Rollins is one hundred percent in support of giving incentives to these companies coming in. When Mr. Rollins bought the property, he had people from Holly Ridge, Onslow County Chamber of Commerce, Coastal Carolina Community College and ONWASA reaching out to help in any way they could.

Mr. Rollins said it is important for the big businesses like UPS to come in, but Mr. Rollins is looking to put up smaller flex space for the mom-and-pop businesses also. These will not get tax breaks or incentives and we are not asking for that. Mr. Rollins said he is asking for support when they come to the town with things like a stop light to go in front of the Industrial Park for safety.

Mr. Rollins stated Phase III is getting ready to go up and hopefully the Town will be lucky enough to partner with Onslow County Economic Development, which will affect everyone in this Town for the next twenty-five years. Mr. Rollins stated again he hopes the Town will support the small businesses as well because they are just as important.

*Jim Spicuzza – 2020 Scrimshaw Place Wilmington* stated he had a franchise business a year ago and traveled daily from Wilmington to Jacksonville. Mr. Spicuzza said one day Wilmington and Jacksonville would eventually meet up with one another and we are well on our way to seeing that.

Mr. Spicuzza is a local real estate broker with over twenty years' experience, and he represents Mr. Rollins and the sale of his commercial property. At the present time, we have several interested parties that would like to invest millions of dollars in the Holly Ridge Economy. We have several interested parties that include a modern super-size convenience gas station with a possibility of a free-standing fast-food franchise. Mr. Rollins stated we also had a national retail client and all parties have cited the necessity of having a stop light at the intersection.

Mr. Spicuzza said the national retail giant's clientele is mostly an older populous that would be coming to the store and safety is paramount. Neither of these parties will contemplate the location without a stoplight.

Mr. Spicuzza said Mr. Rollins said he has intentions of building flex space and a couple of hundred units on the back of the property. Mr. Spicuzza said Mr. Rollins has secured numerous requests for a stoplight from businesses that already exist in the Camp Davis Industrial Park. This includes Atlantic Seafood, Onslow Bay Boat works and several others.

Mr. Spicuzza stated he hopes the Town of Holly Ridge will help support a stoplight at the intersection of Mable Rollins and Highway 17. Mr. Rollins has engaged a highly respected engineering firm and they are one of the best in North Carolina.

A motion was made by **Councilman Hines** and seconded by **Councilwoman Bragg** to return to Regular Session. *All Agreed.*

Manager Reynolds said she has already discussed the stoplight with Mr. Rollins at Mabel Rollins and right now, as Mr. Spicuzza mentioned, we are in the process of proceeding forward with the traffic study at Dragstrip Road and Highway 17. Manager Reynolds said the town would not be in opposition to the stoplight, but we do not want to do anything at this present moment on our end to jeopardize the stoplight at Dragstrip and Highway 17. Manager Reynolds said we have been in that process for a year and a half.

Mayor Wenzel stated originally there is no stoplight placed at this intersection because the North Carolina Department of Transportation did not require it.

Manager Reynolds said the fair market value for the lot is \$100,000.00 per acre and this is what the buyer had offered in their purchase agreement. They would be purchasing 11.69 acres and they plan to bring in forty total jobs. Twenty jobs within the first twenty-four months and forty within sixty months. The minimum salary will be \$36,400.00 per year but they did state in the economic development packet that the average wage would be around fifty thousand dollars per year. They plan to build two separate buildings over two to three years, and this facility will serve as the headquarters customer support and training center. They plan to continue with their online sales success, and they plan to take several higher volume products with stable quality and produce them at this location to earn the 'Made in America Label'. They plan on ordering building one within three months of closing on the property and completed within eighteen to twenty-four months of closing. Building two, they are hoping to start within two to three years from the time of closing. They are offering full fair market value, so there is no incentive and they have not applied for the Town's incentive package.

A motion was made by **Councilman Hines** and seconded by **Councilman Sholar** to approve the conveyance of property and approve ratification of the existing contract to purchase and to include incorporation of the statement as the average wage and the fair market value of the property. *All Agreed.*

**Lot 14 Public Hearing to Receive Public Comments and Vote on the proposal for the Town to convey to BT-OH.LLC the real property situated at 1000 Betty Taylor Wood Drive, Holly Ridge, North Carolina, having an Onslow County Parcel Identification Number of 172022. 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 \$1,129,500.00.**

Manager Reynolds said this is project Grid Iron and the announcement from the Governor's office was in March. They have requested incentives through the Town, the cash grant from the Town and the NC matching grant from the State are also collaborating with Coastal Community College for customized training program, NC Job Fairs through NC Works, and employee Vetting. This particular use is for the UPS distribution center, and it is compatible with the additional Industrial Park users. It is an added benefit to the other users that are currently there or the ones that are planning to come there. Manager Reynolds said it is the first time that overnight delivery will be available in Onslow County.

Manager Reynolds said they will create approximately ninety-eight jobs with an average wage of \$67,000.00. Manager Reynolds said it is also a 12.3-million-dollar private investment into the tax base. Manager Reynolds stated most of all the jobs have benefits whether they are full-time or part-time.

A motion was made by ***Councilwoman Bragg*** and seconded by ***Councilwoman Stanley*** to go into Public Hearing. ***All Agreed.***

Manager Reynolds asked when it is time to close the Public Hearing, can we continue the Public Hearing until the June 13th Regular meeting because we do not have the final contract for Project Grid Iron.

Councilman Hines asked why we did not have the final contract from Project Grid Iron. Attorney Fountain stated there were items in the contract that were not compatible with a land sale, and we requested changes to be made.

Attorney Fountain said we received a contract from the buyer that there were items in the contract that would be typical for a private land sale but not for public land sale. Attorney Fountain has not received a response back on the requested revisions and we cannot have the definitive version for Town Council's approval. Attorney Fountain's proposal is to have the Public Comment and other economic development information presented. Once we receive the information back, we will be able to open this back-up at the June meeting without re-advertising.

A motion was made by ***Councilman Sholar*** and seconded by ***Councilman Hines*** to continue the Public Hearing until the June 13<sup>th</sup> meeting. ***All Agreed.***

Manager Reynolds said part of the economic incentive is the fair market value is \$100,000.00 per acre and they are paying \$90,000.00 per acre so that is the \$1,129,500.00 that Mayor Wenzel previously stated. Manager Reynolds said we have a portion of open space because most of the

lot is considered wetlands and is located between lots thirteen and fourteen. Manager Reynolds said in our negotiations with UPS, we agreed to carve out an additional .80 acres to lengthen the entry way into their lot so that their trucks can easily maneuver. This would be added to the deed but no additional cost to UPS.

Manager Reynolds said by policy, we have an economic incentive policy which would spread the cash grant over five years which amounts to 2.25 percent of the total value of the capital investment they made to the town. Therefore, it is estimated that the twelve million two hundred ninety-five thousand one hundred nineteen-dollar investment will qualify for two hundred seventy-eight thousand eight hundred ninety dollars in town incentives. This is approximately fifty-five thousand seven hundred and seventy-eight dollars per year for five years making our local proposal three hundred fifty-eight thousand eight hundred ninety dollars in addition to the discounted per acreage sale price. Manager Reynolds said because of the job creation and the capital investment by the company, it satisfies the economic development requirements through the General Statute.

Councilman Hines asked for an explanation for the public why the difference between the hundred thousand and the eighty thousand prices.

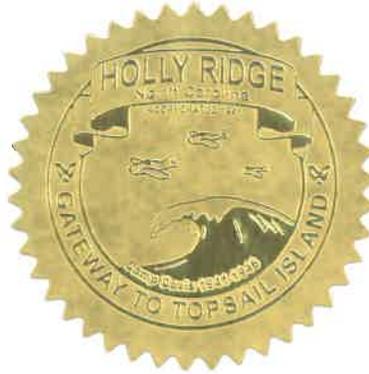
Spruill Thompson with Cape Fear Commercial said they were at the table working with economic development when we were publishing ninety thousand an acre at fair market rate. We stated once we got to a certain level of subscription in the Camp Davis Industrial Park, we would go to one hundred thousand an acre. This is why they were at ninety-two thousand.

A motion was made by ***Councilman Hines*** and seconded by ***Councilwoman Bragg*** to table the action item. ***All Agreed.***

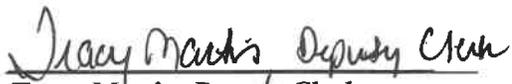
#### **Adjournment**

A motion was made by ***Mayor Pro-Tem Hall*** and seconded by ***Councilman Sholar*** to adjourn at 2:34 p.m. ***All Agreed.***

*Attest:*



  
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*Jeff Wenzel, Mayor*

  
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*Tracy Martin, Deputy Clerk*

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