



Town of HOLLY RIDGE

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HOLLY RIDGE TOWN COUNCIL REGULAR MEETING February 13th, 2024 6:30 P.M.

Mayor Jeff Wenzel called the Regular Meeting of the Holly Ridge Town Council to order at 6:31 p.m. at the Holly Ridge Town Hall. Council members present were Councilman Hines, Mayor Pro-Tem Patti, Councilman Misciagno, Councilwoman Stanley, and Councilman Ritter. Also, present were the Town Manager, Heather Reynolds, Deputy Clerk, Tracy Martin, and Chief Sorg.

Invocation and Pledge

Pastor Danny McLamb – with Salem Baptist Church gave the Invocation and Mayor Wenzel led the Pledge of Allegiance.

Adoption of Agenda

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

Persons Wishing to Address the Council

Presentation of the Annual Audit for Fiscal Year Ending June 30th, 2023, by Thompson, Price, Scott, Adams & Co, P.A.

Sam Potts with Thompson, Price, Scott, Adams & Co presented their findings for our Annual Audit for Fiscal Year ending June 30th, 2023. Mr. Potts said there was a finding this year and it was in segregation of duties. Mr. Potts said the two recommendations he recommends are, if possible, board members be more involved in day-to-day operations, such as bank reconciliation by reviewing and signing checks etc. Mr. Potts said another suggestion would be hiring a new employee. Mr. Potts said everything else was fine.

Councilman Hines asked if the Parks and Recreation should be separated out of the expenditures. Mr. Parks said this would be a question for his audit manager.

JOED 101 – Presentation by Mark Sutherland, Executive Director of Jacksonville Onslow Economic Development

Mark Sutherland with JOED said Economic Development is a series of programs that have as their objective the creation of community prosperity and that happens when all three of these corners of the triangle are ticking together. JOED is helping to improve citizens' wealth because they are raising the tax base and the revenue situation of our local governments as well as creating lots of taxable sales.

Mr. Sutherland said Jacksonville Onslow Economic Development was known in its former life as the committee of 100. It was chartered in 1970 so this is its 54th year and Holly Ridge is a member of this committee. Mr. Sutherland said they have a C-3 charitable organization that is only called on when needed.

Mr. Sutherland said the only industries that we want to recruit that we want to spend our resources retaining and expanding are those that bring primary jobs. This is an outfit that takes our local resources, and they create a product or service that we sell outside of the county. We take our local input and sell it outside of the county and other people's money comes back into the county, which is new money into our county and economy.

Mark Sutherland said up to 18 voting members serve staggered 3- year terms from the private sector. Mr. Sutherland said there are also Ex-Officio members who are very active and consist of Mayors of Onslow County towns as well as CEO's, Commanding Officers, and Directors of local businesses.

JOED since 1970 has typically been funded 60% by the private sector and 40% public. The private sector are businesses who directly benefit from our work. This is every sector of the commercial and retail marketplace as well as utilities. The local sector investors are local government and select state-level entities.

Mr. Sutherland said JOED uses project names for confidentiality. Mr. Sutherland said most of the time projects don't ask for incentives but in some cases, we are in fierce competition, and we use incentives as leverage. JOED uses both local and state incentives. State incentives are used if they are dealing with another state and locally if we are competing with another county in North Carolina.

Mr. Sutherland shared an example of Local Government Revenues with Project Gridiron (Holly Ridge) 2023.

- \$12.5M Capital Investment
- 87 New jobs, average \$68,748.00

Onslow County

- Annual Ad Valorem Tax \$81,875.00
- Annual Sales Tax \$159,470.00

Holly Ridge

- Annual Ad Valorem Tax \$49,750.00

Councilman Hines asked if Onslow County has an incentive plan like the Town of Holly Ridge. Mr. Sutherland said they do not have a written policy; they have a standard reaction to Mr. Sutherlands request. The request is based on their standard procedures which have to do with what it impacts in the first five years.

Mr. Sutherland said beyond direct impacts each primary job creates an average of 1.7 secondary (service sector) jobs.

- Health care, education, retail
- Construction, service industries, transportation

Example: Camp Davis Industrial Park, Phase III

- Forecast 2500 Primary Jobs
- $2,500 \times 1.7 = 4,250$ Secondary jobs
- Total Direct/Indirect = 6,750 jobs

Onslow County Return on Investment

- County Investment=\$1,487,500 (Total 2011-2020)
- County invested avg \$149,000.00 per year.
- County now receives \$389,000.00 per year.

Onslow County Businesses Return on Investment

- Completed Projects Direct - \$13,067,671
- Completed Projects Indirect - \$47,043,616
- Total: \$60,111,287
- Working Projects
- Direct – \$46,588,000
- Indirect - \$167,716,800
- Total: \$214,304,800

Camp Davis Industrial Park

Phase I and Phase II helped us with some smaller sites and Phase III is about getting out ahead, so we don't run out of product again. Mr. Sutherland said we assembled 516 acres in an option agreement with Danny Ottaway and with ONWASA and both are 258 acres. Mr. Sutherland said the consultants that forecast the impacts of Phase III Day say:

- 2500 direct, primary jobs
- 4,250 indirect (service sector) jobs
- 2.5 M – 6.3M square feet of industrial buildings
- \$1.5B - \$2.8B in net, new tax base
- Returns 258 acres of Wachovia Tract to the tax base.

Phase III is located on Highway 50 consisting of 73 acres and Weston Lyall divided them up into 11 five – acre lots with an entrance next to what will be the ONWASA plant.

Mr. Sutherland said the reason they are doing that first is it tees up with success with the rest of the project. The entrance that will be on Highway 50 is a lot easier and a lot less complex and we can build it soon. Mr. Sutherland said this will be the entrance to the industrial park.

Mr. Sutherland said we can work on Highway 50, and we have had four site visits already from site selectors.

Fiscal Impacts:

- Holly Ridge Property Tax Base in 2022 = \$640M @ .35 = \$2.24M

Every \$1B in new tax base = \$3.5M in new revenue

- Ad Valorem only

Every \$10M project = \$34,000 in annual revenue

- Typical investment for 10 acres (+/-) projects
- Equals a \$.05 increase in Town's property tax rate.

Mr. Sutherland said a growing tax base ensures a low tax rate.

Mayor Pro-Tem Patti asked Mr. Sutherland if he had ever been approached to build a building and then offer from a client. Mr. Sutherland said there are some clients that come in asking about how to build to suit. We must have a site for that building and they are usually large and then we go out with a team of investors because we cannot ask local government to do that, to raise what is now eight or ten million dollars to build a building.

Mayor Wenzel asked Mr. Sutherland to explain incompatible uses. Mr. Sutherland said Burton Park was originally an industrial zoning, which industrial parks need to be. In this case light industrial because we don't do heavy industry in Onslow County. Cape Fear precast came in along with S&W concrete, ABC distributors so there was a lot of traffic, heavy trucks, lots of noise and a lot of dust. Mr. Sutherland said then the County put a government building in there and the employees said we can't work in there because there is not a day care for five miles. Mr. Sutherland said they built a daycare center park. Mr. Sutherland said the school board needed a place to put the regional skills center and they said here's free land, we will put it here. They made decisions because the county owned this land and no one else was using it. Mr. Sutherland said the most recent sales agreement was a medical center which will be located behind Cape Fear Precast. Mr. Sutherland said he cannot imagine a more incompatible neighborhood.

Mr. Sutherland said he fears in case of incompatibility, you are down zoning the original industrial user, because you are committed to them that they were going into an industrial park that would be free from complaints from noise and other issues. Mr. Sutherland applauded the town for taking proactive action.

Public Hearings

Lot 18 Public Hearing to Receive Public comments and Vote on the proposal for the Town to convey to Skylar and Meri Faria the real property situated at 901 Betty Taylor Wood Drive, Holly Ridge, North Carolina, having an Onslow County Parcel Identification Number of 172026. 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 \$215, 000.00.

Manager Reynolds said we will have to discuss job creation, wages, tax base increase, make sure they meet the requirement for economic development which allows us to negotiate privately and not use the upset bid process.

Manager Reynolds said the owners are here from California and they plan to build a 40,000 square foot warehouse for shipping and receiving of products. Manager Reynolds said their product is an abrasive product which is used in nail salons. This product is also used for sanding, so it is also used for furniture.

Scott Faria – said he and his family are excited about the future they have for themselves being in this community. Mr. Faria said he has been in sandpaper since 1987 and everything they manufactured originally was for OEM manufactures. This would be large furniture manufactures that used to be in Hickory, North Carolina before they moved. Mr. Faria said they sell throughout North America, and they are moving to Western Europe with distribution.

Mr. Faria said anything you touch, see, or feel must be repaired, which is one vertical of our business. Another vertical of their business is nail salons. Mr. Faria said they do millions of the orange and purple buffers that women will see when you go to get your nails done.

Mr. Faria said it is all sanding systems and you can follow them on Instagram, Surf Prep Sanding. Mr. Faria said they purchased a shell building in Wallace, North Carolina a few years ago and we are expanding now into Holly Ridge, North Carolina and we are excited to be here.

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

Anna Gaskins – 231 N. Jenkins Street Ext asked where this property is located. Mayor Wenzel said this will be located on Betty Taylor Woods Drive which is in the Camp Davis Industrial Park.

Mr. Sutherland said Manager Reynolds mentioned the North Carolina Statute governing economic development for local government is true, you can avoid the upset bid process, but this town has clear economic development criteria set as reflected in your incentive policy. Mr. Sutherland said and the project that Mr. and Mrs. Faria proposed to switch fits squarely into the Town's criteria. Mr. Sutherland said it is the kind of business that we call primary jobs to take their local resources, bring new money into this county. Mr. Sutherland said we could not have asked for a more suitable project to have been there.

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

Mayor Pro-Tem Patti asked Mr. Faria to describe the teaching of the classes. Mr. Faria said his intentions are to have this as a destination. Mr. Faria said we have makers and builders and if anyone wants to come in and learn how to make a guitar, furniture, etc., they can come in

from around the country and learn how to do so. Mr. Faria said he also hopes to bring in OEM manufacturing teams for their finishing departments.

Manager Reynolds asked him to go over the economic impacts for the record. Manager Reynolds said the Faria's plan on bringing circuit prep sanding to the industrial park. They anticipate approximately 10 new hires expected within the first 24 months. The average wages would be approximately \$38,500.00 which is above the annual median income for the county. Total annual payroll is estimated at \$385,000.00. Taxable sales \$456,225.00. The annual local sales tax revenue is approximately \$10,200.00. Private investment is estimated at 12 million and annual avalor revenue is \$42,000.00.

Manager Reynolds said there is an overall benefit to the community. It fills a business need; it is compatible with the adjacent businesses and there was no incentive required for this project.

A motion was made by **Councilman Hines** and seconded by **Councilwoman Stanley** to approve the conveyance of property and approve gratification of the existing contract or purchase. **All Agreed.**

Discussion and Possible Approval of the Proposed Text Amendment of Section 7-4-11 (B) of the Town's Zoning Ordinance to Allow Travel Trailers or Recreational Vehicles to be stored in all Zoning Districts.

Community Development Director, Nathan Rhue said the first public hearing is related to section 7-4-11 (B). The current existing verbiage is associated with the requirements of where travel trailers or recreational vehicles can be stored. The proposed amendment as it exists is limited to residential lots.

The proposed amendment removes residential and allows recreational vehicles to be stored on any lot regardless of their zoning district. The discussion of this went before the Planning Board on December 19th, 2023, and they unanimously recommended approval basing it on the 2019 Holly Ridge comprehensive land use plan. It is the Town's goal to ensure development, avoid risk to public health and safety. The objective is that our policies are provided with clear direction and consistency.

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

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

A motion was made by **Councilman Ritter** and seconded by **Councilwoman Stanley** to approve the Proposed Text Amendment to Amend Section 7-4-11 (B) of the Town's Zoning Ordinance to allow Travel Trailers or Recreational Vehicles to be stored in all Zoning Districts. **All Agreed.**

Discussion and Possible Approval of the Proposed Text Amendment of Section 7-12-1 & the Temporary Housing Definition in the Town's Zoning code to allow for Temporary Housing in non-emergency/natural disaster situations.

Community Development Nathan Rhue said this pertains to temporary housing as found in 7-12-1 as part of the proposal. It also involved article 13 of our definitions where it takes into consideration related to temporary housing. The existing verbiage as far as a definition is concerned, that temporary accommodations would be provided through natural disasters, emergencies, or events that were no fault of the owner.

Mr. Rhue said this would just add to the definition to remove no fault of the owner and to add during the construction of a primary structure. The ordinance is to allow for these temporary housing while someone is building or reconstructing their residence.

Mr. Rhue said as far as the regulations associated with temporary housing in section 7-12-1 it adds in all the sub sections that were provided to you whereas stated its applied temporary housing permits shall be issued for all temporary housing units at the time of placement or when a building permit is applied for in the case of repair, reconstruction, and construction.

An additional part of the ordinance is that it is tied to the building permit. Currently the temporary housing ordinance allows for a 12-month period for temporary housing and then it can be extended for no more than 12 months, basically 24 months total. Once the emergency ceases to exist it would have to be removed or stored off the property.

Mr. Rhue said the Planning Board discussed this on December 19th, 2023, basing it on the Comprehensive Land Use Plan, like the last, avoiding risk of public health and safety and then providing clear direction and consistency, but then also affording additional accommodations or additional options for accommodations for ones that are primary structures. The Planning Boards recommendation was for approval, and it was supported unanimously as well.

Manager Reynolds said Attorney Fountain is sick and he could not be here in person, however he is on the phone, but he did have one question pertaining to this public hearing. Attorney Fountain would like to know whether the intent it to permit public housing for renovations as opposed to principal construction. There is possible ambiguity that would be interpreted into a less restrictive interpretation.

Mayor Wenzel said this specifically states during the construction of a primary structure, so that does not mean renovation.

Mr. Rhue said that is a great question. It is not in the definition from an interpretation standpoint. It does talk about repair, reconstruction and construction that would be permitted. Mr. Rhue said he would leave it up to the Town Council if you wanted more specific language by adding renovation to that.

Councilman Misciagno said he understands where he's coming from, from the repair piece. Councilman Misciagno said he understands where the attorney is coming from with the word repair because it could be 24 months.

Mayor Wenzel asked if we should change that during construction and then add the same language, construction, reconstruction, or repair of a primary structure. Mayor Wenzel said if we added that to the first slide, it would be specific. Councilman Misciagno said it must be a little stricter.

Councilman Misciagno said repair could be inferred as there is damage. Remodeling is the homeowner's choice. Repair is due to natural disaster or damage. Councilman Misciagno said he would look at it a repair being this is not remodeled. It is a repair of something that was caused by damage.

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

Christina Asbury – 308 Folkstone Road said she can see what the intent is, but she also feels like it leaves it a little ambiguous because of the way it is worded. Ms. Asbury said the language seems vague and it could be taken advantage of. Ms. Asbury said it needs to be cleared up because the way it is worded it is just during construction.

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

Mr. Rhue said looking at the definition it is going to be for homes that have been destroyed or damaged. It does not specifically say it is uninhabitable for that aspect of it but, we are looking at destroyed or significantly damaged. Mr. Rhue said generally from a significantly damaged aspect, you are looking at 50% over the value of that.

Councilman Misciagno said if you eliminate the word repair and focus on reconstruction and construction, then Councilman Misciagno is comfortable with that. Councilman Misciagno said it now takes out the repair piece, where they can go from a front porch to reconstruction would be the greater than 50% rule based on cash damage.

Attorney Fountain said if it is the intent to not allow for renovations, there could be a final sentence added to Section 7-12-1 stating that a permit shall not be issued for an owner's voluntary renovation of an existing habitable structure.

A motion was made by *Councilman Misciagno* and seconded by *Councilman Hines* to approve the proposed text amendment Section 7-12-1 in the temporary housing definition and the town's zoning code to allow for temporary housing and non-emergency, natural disaster situations as presented and that a permit shall not be issued for an owner's voluntary renovation of an existing habitual structure. *All Agreed.*

Discussion and Possible Approval of the Proposed Text Amendment to Potentially establish Regulations for Residing in a Recreational Vehicle on Non-Residential Property.

Nathan Rhue said this came from the workshop conducted by the Town Council. This is one that came into existence residing in the recreational vehicle on nonresidential property. Mr. Rhue said the Planning Board discussed this on December 19th, 2023, and there was not a lot of clarity on what direction they were going to go with this. Mr. Rhue said it seems there was allowance on the residing permanently by amending this portion of the ordinance to allow that. Mr. Rhue said there needs to be more discussion, more specific direction because you are going to get into having to amend other ordinances such as Section 7-4-11, where it talks about residing in a recreational vehicle.

Mr. Rhue said the Planning Board recommended no action be taken.

Mayor Wenzel asked what our ordinance states currently? Mr. Rhue said recreational vehicles cannot be used for sleeping, storage, or office use. Mayor Wenzel asked on a permanent basis or nonresidential. Mr. Rhue said this would be in general for all zoning districts.

Mayor Pro-Tem Patti asked if there is a temporary basis? Mr. Rhue said from a temporary housing aspect.

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

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

Councilman Misciagno asked if the temporary was not to exceed 30 days. Mr. Rhue said we do not have that defined in our ordinance. Mr. Rhue said this is something that was discussed primarily with the next item coming up and the Planning Board did not offer any verbiage on temporary cases. Mr. Rhue said when it comes to temporary housing, it is going to fall in line whenever that building permit is issued, or the temporary housing permit is issued.

Mayor Pro-Tem Patti asked if this covers Victory Baptist Church who occasionally has someone staying in an RV for a week on their grounds. Mr. Rhue said no, this one is for a more permanent basis. It is not a definition for temporary to provide anything of that sort.

Councilman Hines said it is hard to understand between the Department of Insurance and the General Statute code 20, and it did not sound like it was favorable to allow it.

Mr. Rhue said because there is no jurisdiction from those things. Mr. Rhue said he provided information from the Department of Insurance and some of the other information which is considered a form of interpretation from the Department of Insurance.

Mayor Wenzel said no action will be taken on this item.

Discussion and Possible Action to Amend Article XIII of the Town's Zoning Ordinance to define Portable Storage Containers.

Mr. Rhue said the first Public Hearing related to this is just going to be to define portable storage containers. The Town does not have a definition. Based on the workshop related to some of these things, the Planning Board met on January 16th, 2024, to discuss this. During the Special meeting we had on the 16th, before the Planning Board meeting, it was understood from the Town Council that more of an interest related to permanent uses for these types of products was the direction the Town Council wanted to go on, this was expressed to the Planning Board. They wanted to go through because of these products being used for accessory structures within town. Mr. Rhue said they want to go ahead and recommend language to curtail that or to provide regulations so that everyone is clear on those.

Mr. Rhue said Conex box is considered an ISO container which is your International Standard Organization Container. Tricon which is your three containers attached together. Your PODS (Portable on Demand Storage) are used mostly from a moving standpoint.

Mr. Rhue said based on all of those, the primary function form is for storage and transportation for delivery, temporary replacement, remove it and then repeat it again. It is not intended for permanent placement or use. The North Carolina Building Code does not address such containers because they are outside of their purview.

The proposed definition that was recommended by the Planning Board was that any moveable container including but not limited to truck trailers, Conex boxes and any other moveable storage containers regardless of material or construction, they are permitted as temporary storage containers or permanent accessory structures, provided all requirements are met as set forth within the storage.

Mr. Rhue said the Planning Board did recommend approval of the definition based on that it provides policies with clear direction and it is reasonable in the public interest because it provides that clear definition and does define within the intent.

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

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

A motion was made by **Councilman Misciagno** and seconded by **Mayor Pro-Tem Patti** to amend Article XIII of the Town's Zoning Ordinance to define Portable Storage Containers. **All Agreed.**

Discussion and Possible Action to Amend Section 7-9-4 that would permit Portable Storage Containers to be utilized as Accessory Structures

Mr. Rhue said this is primarily dealing with uses of portable containers. This was discussed with the Planning Board also during the January 16th, 2024, meeting as well. Mr. Rhue said related to these as was expressed previously to get the regulations associated with the accessory uses. These portable storage containers, as shown in the examples, are designed for storage and for transportation not to be permanently kept. Mr. Rhue said looking at this in the surrounding jurisdictions most of those only permits these as a temporary use and are limited in size and duration.

Mr. Rhue said what was presented and recommended to the Planning Board and recommended to the Town Council is that language that we found. Some jurisdictions allow for the permanent storage on commercial and industrial zone lots, but there is limitation with the size, location as well as the colors, so that commercial design element was in place.

Mr. Rhue said these could be considered off-site construction storage buildings, like sheds and carports, which require a professional design. As an accessory structure, our definition is that it is a structured detachment from a principal building on the same zoning lot and the use of which is customary incidental to the principal building. The regulation that is associated with it is that in that residential neighborhood business district, they must be five feet from the property line, which is in Section 7-9-4.

Mr. Rhue said temporary storage containers are permitted with the temporary housing aspect. They are limited to sixteen feet long, eight feet wide and nine feet tall. This is the current verbiage we have.

Mr. Rhue said the proposal that is recommended to you is from Section 7-9-4 where it not only adds the size and number of the accessory structures, but with the portable storage containers utilized as accessory structures that we limited to one unit of blocks, one acre or less, and one additional unit for each additional acre. In all residential zoning districts and open area recreational districts, portable storage containers utilized as accessory structures are limited to 16x8x9. Zoning districts they utilize as accessory structures limited to 40x8x10 shall be maintained in good condition for structural damage, rust and deterioration and painted to match the principal structure color.

In looking at the verbiage that was presented to you, it is only going to limit the number when it comes to accessory structures for the portable storage containers. Accessory structures are not limited in size or number, but with the portable storage container, these would be limited to one acre or less, or number of acres. The current ordinance does not dictate the location of accessory buildings within commercial or light industrial, this could be particularly in the commercial district where there's zero set back, so this could be up to the property line depending on the residential if there are buffer requirements.

Mr. Rhue said the change from the intended use of temporary storage of transport would require a design professional whether it be for permanent storage, or a single-family dwelling or commercial structures. Mr. Rhue said this is like with any other element, a design building, design product, engineered for a particular use and to change that use would require engineered verification and design of what meets the code.

Mr. Rhue said this was discussed at the January 16th, 2024, Planning Board meeting and it was recommended for approval and most of the board thought this would provide additional options for accessory structures. The sole vote that was against the recommendation was due to several options that currently exist that offer more compatible status with the surrounding structures. They based this on the 2002 Comprehensive Use Plan as this will provide clearer directions and the decision making and consistent findings for zoning and for all development for the county and development regulations. It would provide other options for accessory structures.

Mayor Wenzel said he knows Conex boxes usually come in 20 or 40 so even the smallest Conex box would not be allowed in residential as an accessory building, right? Mr. Rhue said that is correct. Mayor Wenzel asked if there was a reason 16 was chosen knowing that most Conex boxes are not that size. Mr. Rhue said it matched our temporary housing and the containers would be permitted under temporary housing.

Councilman Hines asked how this affects our existing areas that we have, are they grandfathered in? Mr. Rhue said that would be a discussion to have with the Town attorney because it was not permitted before. It has been viewed as not an unintended use for accessory structure. Mr. Rhue said from the enforcement side, these were not permitted. Mr. Rhue said one could take the stance that they would have to comply. Councilman Hines said we did not have a rule either way, so people would just put them in. Councilman Hines said Gulf Stream has a ton of them, how will this affect them? Mr. Rhue said that would be going back to the permanent structure, from a design standpoint. It would take some visitation over there to see what they are utilizing them for.

Councilman Hines asked how we would ensure they are maintained. Mr. Rhue said it would be like any other code enforcement side of things. Councilman Hines asked about the ones that people rent and bring in like a pod. Mr. Rhue said it goes back to temporary use if we want to put that timeframe on it. Councilman Hines said it needs to be in there and Mr. Rhue said he did not disagree with that from a pod perspective. Those are going to be the ones that come in after for a permit. Councilman Hines asked if we are ready to decide on this.

Councilman Ritter said he thinks we need to look at all the scenarios out there and to have a more clearly defined definition of contemporary. Councilman Ritter said we need to make sure it encompasses all the scenarios we may encounter.

Councilman Hines asked if we could put a moratorium on the ones that are there now and no more may be added until we pass this one way or another. Mr. Rhue said that would be a

conversation with Attorney Fountain. Attorney Fountain said he would need to research this before giving an answer.

Manager Reynolds said once the decision is made by the ordinance review committee and the consultant, this may be one of the ordinances that they approach first. Councilman Hines said we are not ready to consider anything.

Mayor Pro-Tem Patti asked if there is a rush on this since we do not have an ordinance to pertain to this.

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

Christina Asbury – 308 Folkstone Road said she would like to express gratitude for us even considering the proposal to permit portable storage containers as accessory structures within our community. Your willingness to explore innovative solutions is commendable and it reflects your dedication to addressing the needs of residents, including the decision not long ago, allowing accessory dwelling units.

Ms. Asbury would like the Town to consider an even more impactful approach, allowing these containers to be refurbished for residential use. This forwarding adjustment not only expands housing options that aligns with nationwide trends where storage container housing has proven to be a practical and cost-effective solution to affordable housing issues.

Across the country citizens and towns are embracing storage container housing as a viable means to provide affordable, sustainable, and innovative living spaces. For repurposed shipping containers transformed into cozy studio apartments in urban areas to modular container homes offering affordable housing solutions in rural communities.

Ms. Asbury said one shipping container can be transformed into a tiny home. Several molded together can form a standard size single family home. Hundreds stacked together can make ways for apartment complexes.

Shipping containers can also be transformed as add-ons to existing homes like garages. Homes constructed to shipping containers are drawing more attention in the building industry as well. These homes are flood and fireproof. They are eco-friendly as well as energy efficient. Worldwide an estimated 24 million are retired just waiting to find a new purpose.

Ms. Asbury said by allowing residential uses of these containers, we harness the potential of a local business in Holly Ridge that manufactures them. This partnership supports our economy as well as fostering collaboration between local government and businesses to address our community needs.

Ms. Asbury said she would like to propose Holly Ridge as a leader in sustainable and affordable housing solutions. Ms. Asbury said by permitting portable affordable storage containers for residential use, we demonstrate a commitment to the innovation and economic development and the wellbeing of our residents.

Maxton Sholar 111 Wilmington Highway said he is confused on the length of the storage containers because most are 20 to 40 feet. Mr. Sholar said the ones he has are portable and he thinks people should be able to get 20- or 40-foot containers for their businesses. Mr. Sholar said he agrees with what Ms. Asbury had to say.

Mayor Pro-Tem Patti asked Mr. Sholar if he thought the painting of the storage containers was a burden. Mr. Sholar said it is just like painting a building. Mayor Wenzel said he would caution the painting for whatever we define as temporary would caution removing the painting.

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

Manager Reynolds said she has clarification from Attorney Fountain and the moratorium could not be put into place.

Mr. Rhue said when it comes to residential or commercial structures, going back to design standards, whether it is one or seven, this is going to be a single-family dwelling and if it meets the criteria of that from the building code aspect those will be permitted. Mr. Rhue said with the sizes the 16-foot long was from the residential side. The proposed verbiage from the commercial standpoint they would be up to 40x 8x10 feet tall.

A motion was made by ***Mayor Pro-Tem Patti*** and seconded by ***Councilwoman Stanley*** to table this item.

Mayor Wenzel asked if we could send this back to the Planning Board, this way it does not put a timeframe on it and the timeframe goes away. Manager Reynolds said if this was sent back to the Planning Board, there would not be a timeframe because an action has been taken.

Councilman Misciagno said there is no cap on commercial use which is one of his concerns. Councilman Misciagno said depending on the size of your business, the scope of storage out of a 40-foot container should be relative to the scale of your business on a scale perspective. Councilman Misciagno said he believes a 40-foot container should be looked at for businesses.

Mayor Wenzel asked Mayor Pro-Tem Patti if he withdraws his motion for tabling this item and he also asked if Councilman Ritter withdraws his second on the motion. Mayor Pro-Tem Patti said he withdraws his motion and Councilman Ritter said he withdraws his second.

A motion was made by *Councilwoman Stanley* and seconded by *Mayor Pro-Tem Patti* to send this item back to the Planning Board. *All Agreed.*

Mayor Wenzel called for a recess at 8:20 p.m.

Mayor Wenzel called the meeting back to order at 8:26 p.m.

Discussion and Possible Approval of a Concept Plan for a Planned Unit Development located at 678 US Highway 17 N that is proposed for Commercial Development and Townhomes.

Mr. Rhue said this is related to a request submitted by Atlantic Coast Capital, LLC. They are also the owners of the property. The address is 678 US Highway 17 North, and the ID number is 016934 consisting of 16.977 acres. It is zoned currently as Neighborhood business with an R-5 overlay. This is a request for a planned use development on this property.

Mr. Rhue said the planning and development was a concept that the Town Council approved previously to protect major corridors to allow that first commercial development, but also afford residential multi-family as well. Mr. Rhue said it used to be just within our commercial districts that multifamily could be utilized and not having these corridors including that commercial element with that was the way the Town Council wanted to go.

Mr. Rhue said 113 townhomes are proposed with approximately 3.11 along US Highway 17. This planned unit development was previously approved by the Town Council when it was proposed as a 240-unit apartment complex with 1.87 acres of commercial development. Mr. Rhue said with this request, it does condense the number of dwelling units. There is an increase in the number of buildings, but it also increases the availability of more commercial frontage along Highway 17.

Mr. Rhue said as far as the concept plan is concerned, the regulations that the Town Council adopted pertained to section 7-4-18. With this there must be a minimum of 10 acres. Mr. Rhue said the density requirements would be 16 per acre, so there would be 14.13 dwellings per acres that is proposed and there are 271 that are permitted.

Mr. Rhue said 15% of the gross residential area should be allotted to open space and there is 2.8 acres that is required on that. The commercial development is 10% of the gross acreage of the community so 1.69 acres is required. They are proposing 3.11 which is approximately 18.3%.

Mr. Rhue said these are multifamily townhomes and section 7-4-6 requires that there be a minimum of 750 square feet for each lot. There are 1800 square feet that is proposed for each individual lot.

Mr. Rhue said there is a requirement for a written statement explaining the character of the proposed Hud, proposed financing, present ownership, and the expected development time period that has not been provided as of yet.

Mr. Rhue said based on previous approval there was a Department of Transportation permit issued as well as a North Carolina Department of Environmental Quality permit issued for storm water. Mr. Rhue said these will have to be modified but they would not be able to present those to authorities without first the concept being approved. Mr. Rhue said there were no issues associated with Camp LeJeune military base either.

Mr. Rhue said there is an existing easement located at the south property line and the buffering would be six feet (tall) of fencing along the property line. The off-street parking and minimum per our ordinance are two spaces for the dwelling.

Mr. Rhue said they do not have street names yet and they are not moving as private or public, but they do propose a 20-foot minimum width on those roads. The easement that does exist is not noted as it is being a utility easement.

Mr. Rhue said the Planning Boards findings were that with the Town's desire to promote more commercial uses along major corridors, the planning and development does illustrate compliance that it proposes 113 single family town homes and 3.11 acres for commercial development within our comprehensive land use plan especially the future land use plan, the parcel is identified as commercial as well as a top five input priority, and it encourages residential development that could support affordable housing units as well.

The proposal for the townhomes will require buffering consistent fencing, installation of stormwater controls measures along with the existing wetlands noted on the site not being impacted.

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

Richard Collier – 243 N. Front Street Wilmington said he works for McKim and Creed and he represents Atlantic Coast Capital, and they will be developing the project and there will be a townhome builder that will come in behind them. The townhomes will be 2 story units and there are no issues with the FAA regarding the base.

Mr. Collier said going from 250ish townhomes to 113 townhomes decreased the density onsite as well as the traffic on Highway 17. Mr. Collier said he would like to move this forward as quickly as possible. Mr. Collier said they are proposing sidewalks all along Highway 17 as well.

Mayor Pro-Tem Patti asked if the two commercial plots were under Mr. Colliers purview as well. Mr. Collier said they are under their development purview. Mr. Collier said one of them today received a letter of intent from a Medac facility.

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

Mayor Pro-Tem Patti asked if we are having conversations about the impact of more people. Mayor Pro-Tem Patti said he is looking at 247 units for the Evolve Complex that could potentially bring in 500 people under 13 planned townhomes. Mayor Pro-Tem Patti said he is estimating 250 people and maybe more. Summerhouse has 40% more development left, potentially another 1000 people, so we could potentially get 4000 to 5000 people in a short amount of time. Mayor Pro-Tem Patti said he was all for this, but we also need to have conversations about emergency services, retail for groceries and the impact this is going to have on the public. Mayor Pro-Tem Patti said he wants to make sure we are having these conversations in conjunction with these types of sensible development.

Mr. McIntyre said he would like to speak and recognize the Town's staff for bringing forth the ideas that were brought forth to us to add the additional commercial site on the property to provide retail services and medical services. Mr. McIntyre came to Mr. Rhue and Mayor Wenzel, we tried to find out what it was that the Town wanted. Mr. McIntyre said he went back and adapted their plan to accommodate some of what was wanted.

Mr. McIntyre said they only have a 16.7-acre site and there is only so much you can do with mixed use, residential, and commercial. Mr. McIntyre said they heard loud and clear that the Town wanted a medical service and that is who they reached out to.

Mr. McIntyre said it is their job to develop it and they have someone to build the medical facility which is almost under contract, and they have Dream Finders on the contract to build a home. Mr. McIntyre said he thinks Mr. Rhue and his team did a wonderful job educating them on what was needed.

Councilwoman Stanley asked if anyone had thought about putting a stop sign at this location due to heavy traffic. Mr. Collier said the Department of Transportation did require them to put in a right turn lane and they would not allow a signal at this location.

A motion was made by *Councilman Misciagno* and seconded *Councilman Hines* by to approve concept plan for a planned unit development located at 678 US Highway 17 North as proposed as commercial development in townhomes. *All Agreed.*

Town Manager Report

Manager Reynolds said she has reached out to David Bone with the Eastern Carolina Council of Governments about possibly facilitating the retreat for a goal setting workshop with the Mayor and Town Council. Manager Reynolds said this will go hand in hand with what she has mentioned in her manager's report about the vision setting through Withers Ravenel.

The Parks and Recreation department has been busy with pickle ball as well as lining up a shred event for the community. They have secured a sip and paint event, and the bee festival is coming along. Currently there are 40 vendors with 13 on the wait list.

Manager Reynolds said signs, seals, and decals with the new seal have been ordered and we are looking to have all the updates by March 1st.

Manager Reynolds said she emailed everyone about the overlay district with hopes of the Town Council considering expanding some of those uses.

Councilman Hines asked if Mark Sutherland would be giving that so he can get an idea as far as his planning goes also. Manager Reynolds said Mr. Sutherland and Mr. Spruill reinitiated this. Manager Reynolds said lot 20 that we just entered a contract with a previous contract holder, Serv-Pro and when that amendment failed last year, we were looking to expand the uses, so they were no longer approved to go into the Industrial Park. Manager Reynolds said they had more information about their project and Mr. Sutherland and Mr. Spruill thought it was a good time to revisit that.

Manager Reynolds said the stop light at Drag Strip Road, Mr. Prinz with JUMPO was here a couple of weeks ago and he was looking at some funding from IDF, which is the Industrial Development Fund for the building of the street. Their next grant cycle opens in April 2024. Manager Reynolds said we provided an updated job count for Phase I and Phase II of the Industrial Park to the Department of Transportation. Manager Reynolds said she is trying to prepare for funding of the stop light located at Drag Strip Road and Highway 17.

Mayor Wenzel asked if we are trying to backfill the Grant writer's position. Manager Reynolds said she reached out to Eastern Carolina Council about writing grants and managing the grants that we currently have open. Their response was it is on a case-by-case basis. They look at if a project lines up with a grant use, then they might write it on that specific project, but it is not a management of grant. Manager Reynolds said she thinks we need to look at re-filling that position.

Mayor Pro-Tem Patti asked if this position is budgeted. Manager Reynolds replied it is budgeted and it receives a base salary and then a percentage of the grants written.

Councilman Hines said he thinks that part of the position needs to be re-visited. Councilman Hines said if we are paying them a salary, which is their job and why should they be given an incentive to do their job. Manager Reynolds said the reason behind the incentive is that it incentivizes them to out and get the grants, be proactive about it and make sure they are following that grant through the project management to completion and final reimbursement. Councilman Hines said why don't we give other employees incentives to do a better job. Councilman Hines stated again, he would like to revisit the part about incentives.

Consent Agenda

A. Approval of the Following Minutes

- November 12th, 2023
- December 12th, 2023

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

Discussion Concerning the Creation and Appointment of Members to an Ordinance Review Committee

Manager Reynolds said during the December meeting, Mayor Pro-Tem Patti suggested the Town Council and the Planning Board hold a joint meeting. It was discussed by the Town Council and the staff in the January meeting, and it was decided to possibly form an ordinance review committee. Town Council directed staff to start accepting applications for the committee.

Manager Reynolds said we do not have the direction of the make up of the committee, whether it is going to be business owners, property owners, and no requirement for ownership.

Manager Reynolds said we either need direction on how to move forward or do we wait until we have a consultant in place for the ordinance review. In preparation for the ordinance review Mr. Rhue reached out to the Cape Fear Council of Governments, who have helped with the revisions of our land use ordinances in the past. We have also contracted with Cape Fear Council of Governments for their planner services prior to Mr. Rhue coming on board. Mr. Rhue reached out to the Eastern Carolina Council, and they

provided a brief synopsis but no price and they are advertising to hire a planner so they may not have the staff available.

Councilman Misciagno said the Ordinance Review Committee should be made up of 2 residential, 2 commercial and 2 people from our ETJ. Councilman Misciagno said it is a shared responsibility of all assets between the ETJ, commercial and residential. The consultant shares the board, so you have seven total.

Mayor Pro-Tem Patti asked if the member is a resident as well as a business owner. Councilman Misciagno said that needs to be separated.

Councilman Hines said one thing that was shot down was former members of the Town Council, and he does not think they need to be because that is where history is. That is why some of these ordinances were passed and some were not passed. Councilman Misciagno said that should not stop them from applying meaning the residential, commercial and ETJ in his opinion.

Councilman Hines said there is not a plan set up to even do this right now. Councilman Hines said we do not know the duties and it was mentioned this could be a two-recruiter project. Councilman Hines said not enough planning has been put forth for this project and we are where we need to be to pick people. Mayor Pro-Tem Patti said he thinks we are far enough along to pick the make-up of the committee.

A motion was made by **Councilman Misciagno** and seconded by **Mayor Pro-Tem Patti** to appoint two Residential, two Commercial and 2 ETJ members to the Ordinance Review Committee.

Voting was as follows:

Councilman Ritter – Yes

Councilwoman Stanley – Yes

Mayor Pro-Tem Patti – Yes

Councilman Misciagno - Yes

Councilman Hines - No

Discussion Concerning the Mobile Vendor Ordinance Section 7-4-16.

Manager Reynolds said this has been discussed repeatedly since the December meeting. Ashley with Sandpiper Brewing had addressed the Town Council during the December meeting. Manger Reynolds said the feedback she has received from the Town Council was a possible issue with the application being confusing.

Mr. Rhue and his staff are working on creating a mobile vendor permit application that stands alone. Manager Reynolds said this afternoon, we received communication from Ashley explaining some of her concerns.

Councilman Hines asked what our process is for changing ordinances meaning don't we have a process in place if a citizen comes in and wants to change an ordinance. Mr. Rhue said we do, and anyone can make the application for what the amendment they are looking for, section and then what verbiage they are looking for is submitted to the Planning Board for recommendation and then it goes to the Town Council. Councilman Hines said this was not done it was circled around back to the Town Council, so no recommendation went to the Planning Board. Mr. Rhue said he has not received any applications. Councilman Hines said we are not doing what has been established and it leaves it open for any citizen to come up to any one of the Town Council members and say they would like to change an ordinance and we skip around the procedure.

Mayor Pro-Tem Patti said text amendment through the citizens is the only way Town Council can bring up issues and questions and send it to the Planning Board if they deem it appropriate. Mayor Pro-Tem Patti said it is not opening a slippery slope to do this every time for every single ordinance, it's just an option. Mayor Pro-Tem Patti said there are two ways. Text amendment, Town Council brings it up because they feel it's an issue that needs to be addressed.

Councilman Hines said he disagrees, if he had a friend of his that wanted to get around doing this, he would just bring it up. Councilman Hines said we would not have a set up for this if there was not a reason for it. Councilman Hines said if one person has a problem with an ordinance, instead of doing the procedure and going through the Planning Board, they decided to go around it.

Councilman Hines said the biggest thing he has seen with this ordinance is the permitting part. Councilman Hines said there are issues with the mobile vendors because how do you determine point of sale. If they are registered in Wilmington, you don't determine the point of sale. Councilman Hines said we do not receive any sales tax. Councilman Hines said there is no way to regulate it. Councilman Hines said the people coming into town are not having to pay any sales tax or anything.

Mayor Pro-Tem Patti said our businesses are making money as well. Mayor Pro-Tem Patti said they are a supplemental business that is helping a Holly Ridge business almost like a craft coming to the community center to set something up that is helping the town. Mayor Pro-Tem Patti said it is not stand alone, it is not on the side of the road.

Mayor Pro-Tem Patti said the Planning Board should revisit this because it is very popular, and Surf City is using this very well to their advantage and many businesses are doing this. We want to encourage small businesses to use every possible avenue to expand and grow and make it more pleasing to the public.

Councilman Hines said there is nothing in our ordinance that doesn't allow for them to come in. Councilman Hines said you must pay to go to Surf City. Mayor Pro-Tem Patti

said he does not have an issue with any of that. Mayor Pro-Tem Patti said he has an issue with the fee being too high and of the process of what we said earlier.

Councilman Misciagno said he agrees with Mayor Pro-Tem Patti on the fee being too high and he agrees with Councilman Hines about the process. Councilman Misciagno said the Community Development Department is working towards a solution for the streamlining the permitting process. Councilman Misciagno said Ashley's complaint was complicated and it is deterring food trucks from coming to the local market. Holly Ridge has tons of growth, and we want to be vendor friendly.

Mayor Pro-Tem Patti asked if the Planning Board is putting the ordinance more on the businesses. Mr. Rhue said that is correct and that is what your direction was in the January 16th, meeting. Mr. Rhue said we are trying to find it because by looking in the material, there have not been too many that put in on the property owner versus the mobile vendor.

Manager Reynolds said the question is what the Town Council wants to see changed so Mr. Rhue can take that directive back to the Planning Board so they can decide. Manager Reynolds said pertaining to Ashley's letter, it sounds like there is some misunderstanding about the location because once a mobile vendor pays that fee, they can go anywhere in town where it is permitted. Manager Reynolds said maybe an education piece and fixing the application will help clarify the issue.

Councilman Misciagno asked if it was okay for the business to pay the fee. Mayor Pro-Tem Patti asked if the fee was for one food truck or for all possible food trucks at a business. Mr. Rhue said for every mobile vendor. Every food truck would have to. Mayor Pro-Tem Patti asked if this is something that could be changed or is this why the fee is \$240.00 for one food truck.

Manager Reynolds said last month we touched on adding a provision to the ordinance to where a business owner can have a blanket annual fee. The responsibility would still be there for them to make sure that the health department certificates are submitted, which puts it back on the business owner, but they can have an unlimited number of food trucks coming to their establishment.

Councilman Hines said a couple of these items that were discussed tonight was because one person brought it up, but that one person did not go through the proper process. Councilman Hines said we need to stay away from that because people will take advantage of you.

Update and Possible Vote on Drag Strip Road Condemnation

Manager Reynolds said we have been discussing this for over a year. Town Council had directed staff to meet with the individual property owners along Drag Strip Road prior to

moving forward with any condemnation process. Manager Reynolds said we received the appraisals back from Mr. Cal Morgan and Manager Reynolds has met with all the property owners.

Manager Reynolds said the only parcel that has ownership issue is the Drag Strip Road parcel. This one regardless of negotiation would need to go through the condemnation process. The owners had asked for \$75,000.00 an acre. Another appraisal came back to approximately \$35,000.00. Manager Reynolds said for municipal purposes the market value of the property is taken prior to that portion of land being removed from the parcel. Mr. Morgan hypothetically imposes a market value as far as what it is after that section is removed and then the Town is responsible for the difference. Manager Reynolds said if you were to take the value before and subtract the value after, you would have the appraisal price. Manager Reynolds said it is also broken down per acre on the appraisal side and price per acre that was offered by the owner.

The amount for condemnation to move forward would be \$283,000.00 and based on the conversations with the partial owners to privately negotiate we would be more in the range of \$800,000.00 for the same acquisition.

Mayor Wenzel asked how the judicial process works. Manager Reynolds said the first step was to have the survey done to outline the acreage that would need to be condemned for the public purpose. An appraisal is ordered and once the appraisal is done typically there is not a private negotiation. A notice is filed with the attorneys and then it is sent out to the property owners, and it says our intent is to move forward with the condemnation, this is the price we are going to pay to acquire the land. After 30 days from that notice going out the attorney takes the condemnation order with that appraisal amount, a check for that amount, and it is deposited with the Clerk of Court in that county and the order is filed. The property, condemnation, then becomes effective and the only thing that can be litigated is the fair market value.

Mayor Wenzel asked if the property owner does not agree with that value, can they change that in court? Manager Reynolds said that is correct.

Mayor Pro-Tem Patti asked if Drag Strip Road is essential to UPS. Manager Reynolds said it is essential to UPS and the possible Phase III or any other development on that side of town. Manager Reynolds said the plan is to eventually connect on Highway 50. It will provide highway access in two locations for any industrial traffic.

Councilman Hines said he thinks those figures are high for the property. Councilman Hines said he would like to see more negotiation to try and bring pleasure because he is not a fan of condemnation, eminent domain of a piece of property.

Mayor Pro-Tem Patti asked how many times you have tried to negotiate this. Manager Reynolds said Spruill Thompson contacted the property owners. Manager Reynolds said she

was not sure about contacting the Ottaway's and Sholars, but the three postage stamp lot owners were contacted, and they did not provide any context from those discussions. Manager Reynolds said she has met with them once.

Manager Reynolds said at this time the Shepard parcel, they are not interested in selling the whole portion of the property. They wanted the \$320,000.00 for the .15 of an acre which comes out to price per acre \$2.1 million.

Councilman Misciagno said this has been in the works for the last six months. You have done your due diligence to the attorney, and you have done your presentation of the appraised value and your negotiation. The 30-day clock starts, if they choose not to agree, it gets held up in the Clerk of Courts and they still negotiate. Councilman Misciagno said we do not need to stop the condemnation process.

Maxton Sholar – 111 Wilmington Highway said he agrees with Councilman Hines that some of the prices for the parcels are outrages. Mr. Sholar said he does not think what he and Mr. Ottaway have presented is outrage, and it is high but there was a piece of property near his property that sold for \$85,000.00 an acre. The property joining that property sold for \$100,000.00 an acre. Mr. Sholar said the Town just sold some land close to this for \$100,000.00 an acre. Mr. Sholar said he does not think it's price of \$75,000.00 is unreasonable due to the fact of how it's going to go through, turn on our property and it is going to cause our setbacks to be damaging our other land. Mr. Sholar said they are going to lose property on that for building or whatever they may do on the property.

Councilman Misciagno said this enhances the property to. Councilman Misciagno said he does not know the full scope of the other tract but if you think about the development of Phase III, Phase II and all the apartments and everything that is going on, your land value that you still have is going to go up. Councilman Hines said putting a road in there will make the value go up.

A motion was made by ***Councilman Misciagno*** and seconded by ***Mayor Pro-Tem Patti*** to move forward with the adoption of a resolution of the Holly Ridge Town Council authorizing Condemnation to acquire certain interest in real property for the Drag Strip Road parcel, acquiring 3.74 acres at the appraisal price of \$35,000.00 per acre for a total of \$130,900.00.

Voting was as follows:

Councilman Hines – No

Councilman Misciagno – Yes

Mayor Pro-Tem Patti – Yes

Councilwoman Stanley – Yes

Councilman Ritter – Yes

Motion Passes.

A motion was made by **Councilman Misciagno** and seconded by **Mayor Pro-Tem Patti** to adopt a Resolution of the Holly Ridge Town Council authorizing condemnation to acquire certain interest in real property pertaining to the Sholar two tracts for a combined acreage of .18 in the amount of \$9,900.00.

Voting was as follows:

Councilman Hines – No
Councilman Misciagno – Yes
Mayor Pro-Tem Patti – Yes
Councilwoman Stanley – No
Councilman Ritter – Yes

Motion Passes.

A motion was made by **Councilman Misciagno** and seconded by **Mayor Pro-Tem Patti** to adopt the Resolution of the Holly Ridge Town Council authorizing condemnation to acquire certain interest in real property of the Shepard property which is .15 acre in the amount of \$126,700.00.

Voting was as follows:

Councilman Hines – No
Councilman Misciagno – Yes
Mayor Pro-Tem Patti – Yes
Councilwoman Stanley – No
Councilman Ritter – Yes

Motion Passes.

A motion was made by **Councilman Misciagno** and seconded by **Mayor Pro-Tem Patti** to adopt a Resolution of the Holly Ridge Town Council authorizing condemnation to acquire certain interest in real property for the Holly Neal property .31-acre parcel in the amount of \$15,500.00.

Voting was as follows:

Councilman Hines – No
Councilman Misciagno – Yes
Mayor Pro-Tem Patti – Yes
Councilwoman Stanley – No
Councilman Ritter – Yes

Motion Passes.

New Business

Discussion and Possible Approval of a new Bucket Truck for the Public Works Department

Manager Reynolds said we have a 1999 bucket truck, and it was purchased used. The truck was taken out of service right after the Christmas season due to safety concerns. Over the Christmas season when Public Works was trying to install the Christmas decorations the Town had to spend approximately \$4200.00 to get the truck up and running to finish getting the Christmas decorations up.

Manager Reynolds said originally, they thought about adding a bucket truck to the lease where our fleet vehicles are through. We received a quote which was approximately \$3,000.00 a month. After running the numbers, it would be more beneficial for the Town to move forward with a purchase of a new budget truck and include that into a type of capital improvement plan and make sure it is surplus and sold while it can recoup a portion of the money.

Public Works Director, Mike McFann said one of the biggest cons of the bucket truck is it is not used every day. Mr. McFann said the truck is used for Christmas decorations, flagpole maintenance, tree trimming, and maintenance at the gun range. These are functions of the Town that we must continue to do and at this time we do not have a bucket truck if any issues should arise.

Mr. McFann said when he got the quote for the rentals, the equipment was available but has since been sold. The company told Mr. McFann he would have to wait for a 2026 model which is not acceptable. Mr. McFann said the company then said they would upgrade the model that they originally quoted us and keep the price the same. Mr. McFann said we would be going from an AT35 to an AT40. Mr. McFann said one of the biggest differences is the boom that they use on the trucks are not insulated which means we normally are not high up in the tower and we have no need for an insulated boom. Mr. McFann said this truck, however, comes insulated and we can get it right now. Mr. McFann said this is the best fit and we went through Sourcewell, which guarantees local government the best deal.

Councilman Hines asked if Mr. McFann had spoken with anyone about renting a truck. Mr. McFann said he has spoken with United Rentals, and he could rent a bucket truck through them for a year's term, but the price you are paying for it to just sit there is pointless. Mr. McFann said there was an option with Enterprise Lease to own but it was not comparable to the other company.

Councilman Hines said the only problem he has is we do not know what our budget is going to be for the rest of the year. Mr. McFann said he understands but he has a job to do, and he is just trying to make sure he has the right tools to do his job.

Manager Reynolds said we have considered financing, and we are certain we can secure a low interest rate and it could be paid for in ten years or hopefully earlier.

Councilman Ritter asked if we had considered buying a used truck. Mr. McFann said we would have to make sure it is a safe truck because again, these trucks are not used every day. Mr. McFann said if we do go this route, we need to make sure we keep it in a five-year range.

Councilman Hines asked when will the first payment be due. Mr. Strickland said the month after the loan was issued which would be in this budget year. Councilman Hines said we are still spending money that we have not budgeted for. Councilman Hines asked where we would be pulling the money from. Mr. Strickland said contingencies. Mr. Strickland said there are pools that we can allocate within the existing budget that we set aside for other things like matching grants. If we don't feel like we are going to hit those grants in the next four months, then we can use that money.

Manager Reynolds said this would not require a fund balance appropriation and we could possibly defer.

A motion was made by **Councilman Misciagno** and seconded by **Mayor Pro-Tem Patti** to approve the financing option for a new bucket truck for the Public Works Department.

Councilman Ritter said if we were saying there could possibly be matching grants for the Parks and Recreation. Manager Reynolds said Mr. Strickland was saying there is money already budgeted for Park and Recreation.

Mr. Strickland said we are not going to end up with that money this fiscal year so the next budget season we will need to allocate budgeted funds for this payment.

Mayor Wenzel said we had budgeted money hoping we would get a matching grant, but we are not going to receive this, therefore we have budgeted money that will not be spent because we are not getting the matching grant.

Manager Reynolds said we also budgeted this year in anticipation for the street project that is on pause for the moment. We budgeted \$150,000.00 for a potential loan on debt service. This would be considered a debt service, and we have the funds there.

Councilman Hines said even though we did not receive the million dollars or whatever, we had \$500,000.00 for parks and now we are going to take money away from that just like we took money from the street fund to pay for something else. Mr. Strickland said we held off on the streets because we were worried about what was happening next door. Mr. Strickland said we held off on those projects because of what is next door.

Voting was as follows:

Councilman Ritter – Yes

Councilwoman Stanley – Yes

Mayor Pro-Tem Patti – Yes

Councilman Misciagno – Yes

Councilman Hines – No

Motion Passes.

Request by Fire Chief Brandon Longo of Funds in the Amount of \$167,121.13 to Pay Off the Municipal Lease.

Manager Reynolds said she received this request last week and during budget season, the Town Council voted to put \$220,000.00 which was the anticipated three cents of the Onslow County tax that would be coming back to the Town this fiscal year.

Manager Reynolds said Chief Longo has requested \$167,000.00 of that \$220,000.00. Manager Reynolds understood in speaking with Chief Longo, the fire department has hired a financial advisor who has indicated they could save money by paying off debt. They would save \$34,000.00 if they were to pay off this note early.

Manager Reynolds said Chief Longo is not in attendance tonight, but Heather Szymanik with Holly Ridge Fire Department is.

Mayor Pro-Tem Patti asked what can we use for that? Manager Reynolds said last year we met and discussed goals and plans for moving forward. There was a five-year plan presented and the Town Council agreed to move forward with the five-year plan. Manager Reynolds said her thought was the capital outlay that was set aside for the Fire Department would go towards those goals. Manager Reynolds said it is earmarked and it must be used for fire protection.

Manager Reynolds said the five-year plan is for us to transition to a paid municipal Fire Department rather to receive services from the county.

Mayor Pro-Tem Patti asked if the fund could continue to grow year over year. Manager Reynolds said correct. Mayor Pro-Tem Patti said if we take the \$167,000.00 from the \$220,000.00 that greatly diminishes that five-year plan and puts us backwards.

Councilman Hines said the idea that the county had when they gave us that money was to pay off debt, but we are paying \$54,000.00 for the truck payment. Mr. Strickland said that is correct. The contract that we have with the Fire Department is \$69,000.00 for personnel and \$31,000.00 for firefighting apparatus. Mr. Strickland said in the last budget, Chief Longo requested an additional \$15,000.00 on top of the \$100,000.00 that the Town Council gave. That was also to be used for firefighting apparatus as well.

Mr. Strickland said the money that we used for the firefighting apparatus, we paid towards the down payment for this exact same truck that we are talking about. Mr. Strickland said we have allocated money in the annual budget every year to cover this expense of the truck.

Mr. Strickland said what this is asking is can we go ahead and pay off the truck and then every year we will still get the allocation with the additional \$15,000.00. Heather Szymanik said this is the loan that is for the building.

Manager Reynolds said the email she received said municipal payoff, municipal lease. Heather Szymanik said it was a loan that they passed in 2007.

Councilman Misciagno said it says the commencement date of this loan is March 23rd, 2007. Total investment \$506,000.00. This payoff amount is good through March 31st, 2024, and will save up to \$34,000.00 interest if paid in full.

Manager Reynolds said this is not a loan that the Town is on. Manager Reynolds said this is in addition to the truck payment.

Councilman Hines said this is the money that the county gave to pay off the debt. Councilman Hines said he was thinking this was to pay off the fire truck.

Mayor Pro-Tem Patti asked how many more years are left on the term to pay off the building. Councilman Hines said he did not know but it is probably 30 or 40 years.

Mayor Wenzel asked if we transition to our own fire department, do we get the assets such as the building, fire truck etc.? Councilman Hines said that would be up to the Fire Department.

Finance Director, Chuck Strickland said we gave \$15,000 to both Holly Ridge Fire Department and Turkey Creek Fire Department because we had the money coming in. The goal that the Town Council set at that time was to allocate these funds set aside for future development of municipal fire services for the whole town under the umbrella of the municipality.

Mayor Pro-Tem Patti said if we use this \$167,000.00 to pay off this loan, there is no guarantee that once we transition to municipal fire department, they may not be a part of it. We will have to start from scratch.

Mayor Pro-Tem Patti said we could start from scratch if they do not agree to be part of Holly Ridge. Mr. Strickland said that is correct. Councilman Hines said this came out of the what the taxpayers paid the county and the county for some reason decided to give us the money.

Councilman Misciagno said the note is good through March 31st, 2024, is there anyway Chief Longo could attend the next meeting in case there is something that needs to be discussed or cleared up. Chief Longo said we could revisit, and he said there is four or five years left on the loan. The building was put up for collateral along with some of the trucks in 2007.

Mayor Wenzel said you keep saying pay off debt, but what he has heard is this is to be used for fire use. Mr. Strickland said it is his recollection, it is used to help municipalities with their

fire coverage. If there were coverage issues in the county, this money was to be used to help fill in those gaps in coverage.

Heather Szymanik said when she was at one of the meetings, they were allocating some of the funds to the other county, departments they were paying off some of the truck loans and some of the debt that the county had.

Mayor Pro-Tem Patti asked why the county does not give the money directly to the Fire Department if they want to pay off the debt. Councilman Hines said because it was taken three cents of our taxpayer's money that went to the county and grant that three cents back to the town.

Mayor Wenzel said he spoke with Onslow County Manager Sharon as well as other commissioners and they did not put any restrictions on how we get the money other than it must be used for this. Mayor Wenzel said the county did not want us to collect and save it without a plan.

Councilman Hines said it was not to reduce the amount we are giving the Fire Department; it was to supplement that amount.

Councilman Ritter asked how many years we have been receiving this. Mr. Strickland said we have not received the first one yet. Councilman Hines asked what we do to receive the money. Mr. Strickland said he would have to research this to find out.

A motion was made by **Councilman Ritter** and seconded by **Mayor Pro-Tem Patti** to table this item. **All Agreed.**

Town Council Comments

Councilman Hines said we have certain people in this town that think it is fair game to attack our employees personally. Councilman Hines said he does not think that our employees signed up to be personally attacked. Councilman Hines said we are elected officials, attack us but not our employees. The employees are only doing what they have been directed to do. Councilman Hines said he was at a Planning Board meeting when this happened, and it was horrible. Councilman Hines said we have great employees, and he does not want them mistreated.

Councilman Misciagno thanked the staff for getting 40 vendors and he appreciates the hard work. Councilman Misciagno thanked everyone for coming to the meeting.

Mayor Pro-Tem Patti thanked everyone for coming to the meeting. Mayor Pro-Tem Patti said we must make sure Holly Ridge does not turn into Hampstead and we must approach development with a plan. Developments are popping up and there are no services. Mayor Pro-

Tem Patti said he encourages everyone to get involved. Demographics are changing and we could be at 6000 people in two years or more. Mayor Pro-Tem Patti said collectively support your community. Mayor Pro-Tem Patti said he is doing this for all seven of his children and he is trying his best to create a community that is happy, peaceful, and growing in the right direction.

Councilwoman Stanley thanked everyone for coming to the meeting and she thanked all the departments for their hard work they do every day.

Councilman Ritter thanked all the department heads especially Nate for all his work tonight with the 7 Public Hearings. Councilman Ritter announced effective this month, he will be resigning from the Town Council. Councilman Ritter said he was approached for a job promotion, and it will require him and his family to move to Europe. Councilman Ritter said it has been a pleasure serving everyone even though it has been short lived.

Announcements

- Tuesday, February 20th, 2024, Planning Board Meeting – beginning at 6:30 p.m. in the Council Chambers
- Thursday, February 22nd, 2024, Bee Committee Meeting – beginning at 4:00 p.m. in the Council Chambers
- Tuesday, January 27th, 2024, Board of Adjustment Meeting – beginning at 6:30 p.m. in the Council Chambers
- Thursday, March 7th, 2024, Bee Committee Meeting – beginning at 4:00 in the Community Center
- Saturday, March 9th, 2024, Shred Event – from 10:00 a.m. until 12:00 p.m. at the Town Hall
- Saturday, March 23rd, 2024, Annual Easter Egg Hunt – beginning at 10:00 a.m. in the Municipal Park
- Friday, March 29th, and Monday, April 1st, 2024, Town Hall Closed in Observance of Good Friday, and Easter Monday

Mayor Wenzel asked Manager Reynolds to get an update on when UPS might be opening their facility. Manager Reynolds said as of now the scheduled opening date they are shooting for is October 26th.

Mayor Wenzel said about people talking disrespectful, he agrees with Councilman Hines, and he thinks the Town Council should be wise when making committee appointments, to remember the actions of people who have treated us or specifically our staff disrespectful and he sees no reason to allow them to fill any positions on committees. Mayor Wenzel said he would like to challenge the Town Council with this.

Mayor Wenzel said with the vacancy of Councilman Ritter, the last time the Town Council faced this was the Mayor and Town Council member resigned. Per North Carolina General

Statute when there is a vacancy on the Council or the Mayor, the Town Council appoints someone to fill out the rest of that term. The Town Council has the flexibility to determine how they want to appoint that person. Four years ago, the process that was used was the request of anyone that was interested in the position to submit a letter. The Town Council received and reviewed them and then a Special meeting was held, and they interviewed each person that submitted their name. At the end of the meeting the Town Council voted until they had a majority of the Town Council selecting a single person.

Mayor Wenzel said he has spoken with all the Town Council members privately over the phone and this is the process the Town Council wants to adopt. Mayor Wenzel asked Mayor Pro-Tem Patti to explain why he does not want to move fast on filling the vacant Town Council seat.

Mayor Pro-Tem Patti said if we have a special meeting, it will be held in about three weeks which may not give enough time for people to apply, and it may not be enough time for us also. Mayor Pro-Tem Patti said going to one regular meeting with four instead of five Town Council members is not going to hurt anything. If we wait until the April meeting, this gives us and everyone else over a month to do our due diligence in terms of vetting.

Mayor Wenzel said the one thing that he sees as a negative is if we are having this retreat, they may not be included.

Closed Session

Adjournment

A motion was made by **Councilman Misciagno** and seconded by **Councilman Hines** to adjourn at 10:25 p.m. **All Agreed.**

Attest:

Jeff Wenzel, Mayor

Tracy Martin, Deputy Clerk

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

DRAFT