

Pete Parnian
Mayor

Joshua Patti
Mayor Pro-Tem

Greg Hines
Councilmember

Phil Misciagno
Councilmember

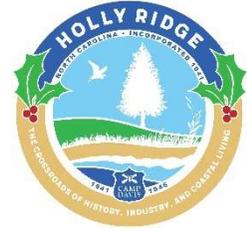
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The Town's Response to the comments and questions raised during the council meeting on Tuesday by Mayor Pete Parnian.

First, I want to thank everyone who attended the council meeting. There were many passionate comments, strong opinions, and questions. It was a democracy at work. Some of the comments and questions cannot be discussed via a document. We will do our best to be responsible and be available to discuss. We appreciate your time. During the Regular Town Council Meeting on Tuesday, we committed to sharing the comments and questions that were presented during the public comment periods and submitted on the question cards. Most of the citizen comments were related to the proposed Annexation. There were many passionate comments and discussions. At a high level, below are the comments and opinions expressed by the citizens, with the answers/responses recorded in blue:

- What are the costs/benefits to the Town:
 - Response: There is no immediate cost or benefit to the Town. There are no payments planned to the developer due to the results of the purchase and annexation. The next benefit is the land tax that we will realize in year 2 after purchase at the same .34 cents rate of assessed value. The land assessed value is about \$70K per acre, so the tax for the undeveloped land is roughly \$300k in year two. The first building is scheduled to begin in late 2027 at a rate of 200 homes per year, and it will take 8-10 years to complete. A year after, in 2028, we start getting some tax benefits. As far as cost is concerned, there are no immediate costs. The first cost comes in for police and fire in 2027-28, and each year based on the number of homes. The roads will be developed based on DOT standards and will be town-owned, allowing the town to collect Powell Bill Funds for any added roads. About 10 years after the roads are completed, they will need maintenance, such as slurry seal, which will preserve the life of the road for an additional 10 years. Therefore, the cost will be recovered based on taxes similar to those for the town roads. ONWASA is responsible for the water and sewer infrastructure and is coordinating with the developer. Schools are aware of the growth plans, and they are planning to build an elementary school in the Dixon area starting in mid-2026 with a 24-month build schedule. DOT, as you have seen in Hampstead, is always a phase or two behind any development. The developer is responsible for all roads and turn lanes construction from Highway 50. The benefit to the Town is additional revenue that we need because, as in this year, we cannot continue to use our reserves to balance the budget.
- We are tired of paying increased taxes year after year.
 - Our tax rates have remained steady this year, marking the first time in seven years that we have neither increased nor reduced them. Over the past seven years, we have consistently lowered our tax rates. In contrast to neighboring towns, we have chosen to maintain our

current rate this year without any changes. The assessed value has gone up (which we do not have any control over), so have the insurance rates, and homeowners are under pressure. Costs have also gone up, so we are fortunate that we have balanced the budget. This year, we reached into our reserves to add additional personnel to the Fire Department and to balance the budget. There are only three ways to increase revenue. One is to raise taxes, which we don't want to do; two is to increase the base, and three is to reduce costs. At this point, we have streamlined staff and costs. The public budget shows our expenses, and the public is welcome to attend budget planning and question any aspect of our budget. So the alternative to having funds to do more for the citizens is to increase the base, which is achieved through annexation.

- How long has this been under review by the Council? What is the cost Impact of Annexation? What is the time frame? What is the economic benefit? What is the impact? We need to control the growth.
 - This project has been a topic of public discussion since November 2024, when JOED presented to the public and Town Council the Phase III of Camp Davis Industrial Park, as well as Project AJAX, which is the residential/commercial portion of this project.
- Not listening to us is not in the best interest of the Town. The current high taxes have serious consequences. What is the impact on infrastructure, schools, traffic, EMS, and fire? This is our Town. We chose to live here, and what is the rush? We are tired of high taxes.
 - Response: The Town of Holly Ridge has the lowest tax rate in Onslow County. For at least the last seven years, the Town Council has lowered the tax rate by at least a penny. This current year, the Town Council held the tax rate at 0.34 per \$100 in value. From listening to all the issues expressed by you, we are happy to meet and discuss at a time most convenient for you. I responded to the infrastructure issue, schools, and DOT. ONWASA is planning to spend \$100M in the County, including nearly \$30M to upgrade and reroute some of their facilities. They are also planning to build a water tower in the Camp Davis area, but all of this is still in the planning stages. Of course, down the line, we need to increase police and fire support as we grow, and the increased tax base will support that starting in 2027-2028.
- Citizens are the ones left to deal with it because the developers do not care about the Town.
 - Response: It is our job to ensure that any development benefits the Town. Of course, we are realistic enough to say that any development is a for-profit initiative. But we want to benefit from that as well for our community.
- Announcement of the Voter Registration Drive on September 16th, 2025, at the Community Center.
 - Hope you register if you're not already registered. Please tell friends and neighbors to do so as well. The citizens' voices need to be heard.
- The annexation area is larger than the current town land.
 - Response: The Town of Holly Ridge has special legislation that allows us to be exempt from the percentage of land size constraints for Annexation. Yes, the statement is correct, and the contiguous area of Holly Ridge will expand. The population and area of our Town will change, which will change the category of our Town, creating more opportunities for grants and government direct funding.
- Why is the owner of the land not the applicant?
 - Response: It is a common practice for developers to submit applications for Annexation and rezoning, with the sale of property being contingent on Annexation and rezoning.
- Holly Ridge does not provide any service other than police.
 - This is not accurate. The Town of Holly Ridge provides the following services in addition to full-time Police Protection. Garbage and recycling services, debris pick-up, bulk pick-up, inspections, permitting, street maintenance, Parks and Recreation services, and Fire Services.
- Poor planning, planning board involvement, and proposed home equals the number of current homes.
 - Response: The Planning Board does not consider annexations; only the Town Council does. The Planning Board will consider a rezoning.

- What is Holly Ridge willing to approve that the County is not?
 - It has not gone before the county planning board. If we reject the Annexation, then it will go to the planning board at the County. The County is currently supporting our effort, and if the proposal is denied, they will take on their planning for the development. We have a certain degree of first rights of refusal to bring this development into the town in an effort to have oversight and input through the process.
- Who is benefiting from this Annexation?
 - Response: The taxpayer's benefit, the Town benefits, the local businesses and economy benefits, the County benefits, and the State benefits. The benefits are in different categories, including real estate tax, primary and secondary income tax, and various other taxes like vehicle and sales taxes.
- There are so many red flags.
 - Response: What are the red flags? We would like to hear from you during the public information meeting.
- Many unanswered questions, how are the statutory requirements handled
 - Response: We would like to hear and respond to any questions at any time
- Who reviews the application, how is that information disseminated, and how do citizens get involved in voting for or against?
 - Response: Annexation rules and state content can be found at ncleg.gov/Laws/GeneralStatutesTOC.com
- Who is the developer?
 - Response: Holly Ridge Development Group, LLC.
- Are the parcel numbers correct?
 - Response: The parcel numbers are: Onslow County Parcels: 027857, 001971, & 011593. Pender County Parcel: 4227-56-5933-0000. In the presentation, parcel number 001971 included an additional "1" for 0011971. The Agenda Packet has since been updated.
- Neglect what citizens say, there needs to be a public vote
 - Response: The Council will vote on this issue during the September council meeting
- Taxes matter. What do we do with the tax revenue?
 - Response: This current year, like any other year, the proposed budget, budget summary, and budget message were made public when the Council received the documents, and were updated throughout the three drafts. This information can be found on the Town's website at: hollyridgenc.org/245/Finance.com
- Who are the real estate professionals in the leadership team?
 - Response: Phil Misciagno – just retired as broker in charge, and Pete Parnian – not practicing
- Need the citizen voices heard. Accusation of improper business relationship
 - Response: We will be happy to have a meeting to discuss your concerns
- Need to table the annexation issue.
 - Response: The request is time sensitive due to the need for revenue for the upcoming years, as explained earlier in this document

In general, the attendees expressed concern about a lack of detailed and complete information about the project and the people involved, the cause and impacts of this issue, and the opportunity to be heard and be involved. In general, the conversations revolved around the effects on infrastructure and services, the size of the development, people involved, the details, timing, and the lack of proper communication by the Town.

Questions cards

- What are we doing with the abandoned apartments?
 - Response: Apologies, due to the ongoing litigation, on the advice of the attorney, we cannot discuss it.
- What is going on with the snack factory

- Response: We have had little communication with J&J corporation, with no response regarding employees or the status of their facilities. The Town has provided a facility for NCWorks to come and offer resources for the 48 displaced employees.
- What is going on with the Wilmington Health vacant building
 - Response: We will have the deed transferred to us shortly, and it will be our facility. They claimed there are some mold issues, and we will evaluate once we can enter the building.
- Can we develop an area for a grocery store or YMCA?
 - Response: Developers are trying to build a shopping center in front of the Evolve complex. We are waiting for the DOT to issue a written approval for a traffic light at that intersection. We have escalated the delays since the commercial entities are waiting for that. There are comments regarding the population. But one step at a time. About YMCA, Mayor Pro Tem Patti has been working with the regional leaders for various programs, but there is no current news.
- The entrance to Summerhouse is ugly and depressing
 - Response: That is the Department of Transportation's right-of-way, and not under our control. Currently, ONWASA is planning to bury some sewer lines.
- Why are we focusing on affordable housing
 - Response: We are not focusing on anything like that. There are restrictions on the property deed that indicate "workforce housing" for the 2,500-3,000 employees who will work in the industrial park and other service jobs in the area. Workforce housing is substantially different from affordable housing and low-income housing. Affordable housing generally refers to housing that is subsidized and available to low-income individuals and families. Workforce housing, on the other hand, is housing that is affordable to essential workers and middle-income households who may earn too much to qualify for traditional affordable housing programs but still struggle to afford market-rate housing. The organization focuses on providing housing for essential workers and middle-income households, such as teachers, nurses, retail workers, and service employees. May not be directly subsidized by the government but instead relies on market-rate development with features that keep costs lower, such as smaller unit sizes or locations further from city centers
- Is there a master plan for the Town and County
 - Response: Here are the resources and plans available to the citizens
 - Holly Ridge Strategic Plan
 - Onslow County Strategic Plan
 - Land Use Plan
 - Camp Davis Phase III draft plan
- Who are the people who make up the Holly Ridge Development
 - Response: Holly Ridge Development Group, LLC. Michael J. Rokoski – Manager/Organizer
- What is going on with the Summerhouse wastewater plant
 - Response: ONWASA is in the process of upgrading the filtering system in the summerhouse treatment plan. That should increase capacity and waste processing. For more questions, please get in touch with Councilman Hines.
- Why the Hurry for the Annexation of the Industrial Park?
 - Response: This has been discussed at town hall meetings, council meetings, and county meetings for a couple of years, and recently a detailed presentation was given during the Business Leader's Luncheon, Community Town Hall, Neighborhoods of Holly Ridge Town Hall, and the Summerhouse Town Hall, which were held in February 2025. It is time for us to decide whether to annex the property and assume jurisdiction and revenue, or to allow the developer to proceed through the County, with Holly Ridge receiving no revenue or oversight. Mark Sutherland with JOED presented this project formally to the public during the November 2024 Regular Town Council Meeting. By moving forward with the Annexation, the Town will be

able to better control the growth through our ordinances and zoning, as well as receive the revenue benefit.

- Can we make a long-range plan for the future development of Summerhouse in phases, instead of making decisions without a long-term vision
 - That is not under town control. The development plan was submitted many years ago by the declarant. The pace of building is under the control of the HOA and the declarant. The Town is responsible for inspections and approvals during the build. The HOA documents specify building requirements. The construction company has to go through many steps before the build can start. Of course, the town issues permits, but we do not control the pace of building.

To Move Forward: After coordination among the Town Council members, we have scheduled a Public Information Session on September 2nd. The developer will be there as well to answer any questions before the Public Hearing, which is scheduled for September 9th, 2025, beginning at 6:30 p.m.