

# Town of HOLLY RIDGE

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

**Holly Ridge Town Council  
Special Meeting  
January 28<sup>th</sup>, 2016  
5:30 P.M.**

Mayor Dingler called the Special Meeting of the Holly Ridge Town Council to order at 5:40 p.m. at the Town Hall. Council members present were Councilman Lang, Councilwoman Stanley, Councilwoman Hall, and Councilman Hines. Mayor Pro-Tem Bragg was absent.

**Invocation and Pledge**

The Invocation was given by Councilman Hines and Mayor Dingler led the Pledge of Allegiance.

A motion was made by **Councilman Hines** and seconded by **Councilwoman Stanley** to adopt the Agenda as presented. **All Agreed.**

Manager Pierce stated prior to January 2015, the property located at 325 Sound Road in Holly Ridge, also known as Tract II, operated as an overnight care facility. The facility failed numerous fire inspections and was subsequently closed by the Town's Inspections Department. All residents were relocated to other facilities and the building sat empty. The managing owner of the property, Charles Watson, attempted to make repairs to the building to bring it within compliance, but made the decision to donate the building and land to the Town of Holly Ridge. On September 8<sup>th</sup>, 2015, the Town Council accepted the property from Mr. Watson.

Manager Pierce gave the following property description:

- 11,600 Square Feet
- 2.50 Acres
- Land Value-\$125,000.00
- Building Value-\$1,139,690.00
- Total Taxable Value-\$1,264,690.00

- Funding not available for remodel.
- Staff resources are strained.
- Building needs extensive interior maintenance and cleaning.

### **Opportunities**

- Sale of the property could fund other capital projects better suited for the Town of Holly Ridge.
- Many of the items inside could be sold as surplus property, providing additional revenues.
- Potential uses that could benefit the community.
- Project may improve local economy.

### **Threats**

- The longer the building continues to sit vacant, the more it will deteriorate; routine maintenance is not enough to sustain it.
- Property value may drop over time.

Councilwoman Stanley asked if there was a grant the Town could obtain to make the necessary repairs to the building. Manager Pierce stated not that he was aware of, but he would look into this and get back to Councilwoman Stanley. Councilwoman Stanley stated there may be a group of people we could rent the building to. Councilman Lang and Councilman Hines stated they did not think the Town needed to be a landlord, and they did not think the taxpayers needed to be landlord's either.

Ken Watkins said he did not think the Town needed to be a landlord either. He said he had multi-level interest in the building. He lives across the street from the property and he would like to see something positive done with the building. He said he did not want any kind of a half-way house to come into the neighborhood. He said he did not have the perfect answer for the building but perhaps an office park for businesses might work. He said the building needs a lot of work and needs to be cleaned before anything can be done with the building.

Councilwoman Hall said she did not see any ideas as a Town that we could do with the building. She also did not think the Town needed to be a landlord.

Mayor Pro-Tem Bragg arrived at 6:07p.m.

Councilman Hines stated we needed to give Mr. Watson a time frame to come and remove every item he might want. Manager Pierce stated Mr. Watson gave him a four week time frame and that would be next week. He said Mr. Watson does not want any of the kitchen equipment.

Manager Pierce stated the Georgetown Renaissance Committee; a 501-C3 nonprofit presented for use a facility for Veteran's and their families who suffer life, health, and hardships.

- 21 Patient Rooms
- 13 Shared Half Baths
- 3 Shower Rooms
- Full Commercial Kitchen
- 1 Dining Room
- Large Capacity Laundry Center
- 1 Activity Room
- 1 Beauty/Barber Area
- 2015 Property Tax bill total is \$13,785.12 of which Holly Ridge's responsibility is \$8,536.66. The difference of \$5,248.46 will be redistributed to the Town of Holly Ridge.

Manager Pierce stated the reason the Town is getting the money back is because the status of the building cannot change in the middle of the year. As of January of this year the building is now in a tax exempt status. He stated a line item has been created so there is money to spend on the building for general maintenance and other incidentals that may come up as well as the taxes. He said general exterior maintenance has been taken care of by our Public Works Department. Manager Pierce stated the total cost for the fire suppression system is \$15,465.00.

Councilman Hines stated the fire suppression is a split system. It has a wet and dry system and that complicates everything. It has sprinklers in the attic and a system outside.

Councilwoman Hall asked if the building was not used as a care facility would it need to have the same requirements. Larry Willaford, Planning and Zoning Administrator said it would depend on the usage. He said if it is less than 12,000 square feet and as long as there are not more than 300 people the requirements would not be the same. He said it would also depend on the occupancy of what the individual business might be.

Manager Pierce asked if the kitchen is operational would the sprinkler system have to be there. Mr. Willaford said the kitchen was on a separate system all together. Mr. Willaford said the kitchen would need to be inspected. He said the inspection was out of date.

Ken Watkins-550 Sound Road stated he was interested in the building and wanted to know what the use of the building was going to be.

Manager Pierce stated the following are strengths, weaknesses, opportunities, and threats.

#### **Strengths**

- Building and land are owned by the Town with no financial encumbrances attached.
- Building is intact and appears to be structurally sound.

#### **Weaknesses**

- Fire suppression system is inoperable.
- Total cost repair of fire suppression system is \$15,465.00.

One of the things that was presented was a possibility of leasing the building for Veteran's transition to those who have been displaced.

A motion was made by **Councilman Hines** and seconded by **Councilman Lang** to give the Town Manager the authority to explore avenues to dispose of the building either through lease purchase or sale and present back to the Town Council within two months. **All Agreed.**

Councilwoman Hall asked for explanation of the lease purchase part of the motion. Councilman Hines said if someone wanted to buy the building they would lease it to buy.

The lease may be over a period of twenty years and the Town would be the bank more or less for the person buying the building. Manager Pierce asked if the maintenance portion would be included in the lease. Councilman Hines said yes.

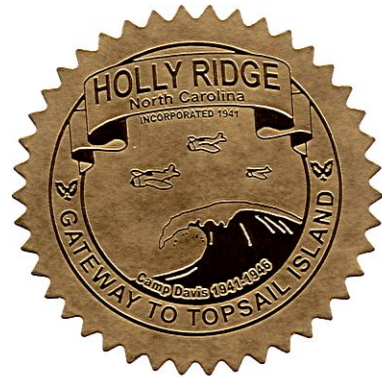
**Councilman Hines** revised his motion to include if the building was a lease purchase the buyer is responsible for the maintenance of the building. Seconded by **Councilman Lang**. **All Agreed.**

Cynthia Watson-203 Conover Street Jacksonville stated she thought it was a great idea to lease to buy and she would entertain that idea.

#### Adjournment

A motion was made by **Councilman Hines** and seconded by **Councilman Lang** to adjourn. **All Agreed.**

Attest:



Anita Dingler  
Anita Dingler, Mayor

Heather Reynolds  
Heather Reynolds, CMC, Town Clerk

*These Minutes were prepared by Tracy Martin, Deputy Clerk*