Town of Clayton
Town Council Work Session Agenda
Monday, April 4, 2022 @ 3:00 PM

1. CALL TO ORDER

2. CLOSED SESSION

a. **Closed Session Pursuant to NCGS 143-318.11(a)(3)**
- **Consult with the Town Attorney**

POTENTIAL ACTION: **Motion to Go Into Closed Session**

3. FINALIZING PRIORITIES & WORK SESSION TOPICS

a.
- **KWLS Charts/Questions and Answer Document (*Attachment will be available Friday afternoon; This document was added April 4, 2022.*)**
- **Budget Survey Results**
- **Work Session Draft/Topics**
- **Old Town Hall Discussion**

KWLS Retreat Charts-Question and Answer Document (4.5.2022)

4. ADJOURNMENT

a. **POTENTIAL ACTION:** **Motion to Adjourn**

Town of Clayton –KWLS Retreat Question/Answer Document

Interim Town Manager-Rich Cappola and Executive Team

April 4, 2022-Work Session

Topic	Question	Answer	Responsible Staff
Topic 1: Planning Process	1. What is TRC? 2. How does the process get started? 3. What is the different function and organization of the planning department 4. What about code enforcement? What can we do and not do? 5. Can we raise developer expectations? 6. How do we compare with other towns and what are some of their best practices? 7. How does the development affect emergency services? 8. How can we help the average person understand the process of planning? 9. How do we develop the culture where we try to get to "yes"?	1. TRC is the Technical Review Committee – it is made up of the technical staff that review development projects – generally members of the Planning, Engineering, Public Works (including water/sewer/electric utilities), Fire (Code compliance), Building Inspections, Economic Development. 2. The planning process usually starts with informal discussions with Planning/Economic Development/ Engineering Staff; officially starts with a Pre-Application meeting where members of the TRC attend to provide feedback to developers/applicants on potential development projects. 3. The Planning Department is organized into 2 primary functions – Development Services and Planning. Development Services	Ben Howell

		(supervised by Development Services Manager) oversees day-to-day permitting (building and zoning permitting) and Code/Zoning Enforcement. Planning (supervised by Planning Director) oversees development review. Organization of the Planning Department: Planning Director manages Development Services Manager, 2 Development Services Coordinators, Planner II, Planner I Trainee; Development Services Manager supervises 2 Permit Specialists, Code Enforcement Officer, Land Development Specialist (Vacant) and Part-Time Administrative Assistant. 4. The Code Enforcement Officer ensures the Unified Development Code and other Town Codes are followed. He generally enforces the Nuisance Codes (tall grass, trash/debris) and the Zoning requirements in the Unified Development Code (Signage, Accessory Structures, Temporary Uses, Fences). We can	

		enforce any of the UDC/Zoning requirements in the Town Corporate Limits and ETJ, and enforce the nuisance regulations in the Town corporate limits. 5. Yes, we can raise developer expectations – this is best done through the UDC Update process and through working with developers when they come in with Conditional Zoning Districts or Special Use Permits. Staff is also vital to ensure that developers are aware of Council expectations. 6. It is difficult to compare us to other jurisdictions, but I believe we are behind some of our peers in western Wake County in terms of planning regulation; some of the best practices are process-related, which we are working on, and some are regulatory – having clear regulations that do not require as much interpretation. With the UDC Update, planning staff intends to bring us in line with peer communities and best practices in	

		planning/development regulation. 7. Development can affect emergency services by adding additional people, homes and roads to serve; Planning and development review work to mitigate this through requirements for cross access/connectivity, ensuring our roadway design standards align with needs of the Fire Dept./Fire Code, and ensuring the Fire Department/Fire Code officials are involved with development review. 8. The Planning Department works to help the average citizen understand development by answering questions and providing education – this can be done through our website and providing written brochures/materials and attending public events. One thing that might be considered is to form a Citizens Academy – this can be focused only on Planning/development regulation (Citizen's Planning Academy) or can be focused on Town operations as a whole, with planning/development	

		regulation one section of the Academy. 9. In the Planning Department, we are always working with developers to "get to yes", while still ensuring our regulations and requirements are met. We do this by meeting with developers/applicants regularly and working with them to review proposed development plans to let them know where changes may be needed. Updated regulations and flexibility can also be key in this.	
Topic 2: Water Resources	1. How do we address ageing infrastructure? 2. How do we plan and what are the priorities? 3. How much more capacity do we need?	1. To date, spending on aging infrastructure has been relatively reactive with assets being replaced at point of failure or high risk to the Town. Ideally, we would address aging infrastructure through creating a robust CIP with understanding that all assets have a life span. Assets would be replaced as they near the end of their life span and prior to actual failure. 2. We are developing a system to prioritize our CIP Projects based on a set of weighted criteria. Also, we have been through an Asset and Inventory Assessment using a consultant to try	Byron Poelman, Joshua Baird

	4. What is the relationship with the streets and water infrastructure? 5. What is the process of buying water? 6. What are the metering issues?	and develop an age and condition on all of our existing infrastructure to help with this process. 3. We currently purchase between 0.25 and 0.5 MGD (million gallons per day) of (additional) water capacity from Johnston County Utilities annually to keep up with the demand. Our current projections indicate that we could need as much as 3.0 MGD more than we have now by the year 2030. Staff are currently involved in discussions with County about available supply to meet Claytons growing demands. The Town may need to consider partnering with the County to develop an additional water supply and/or partnering with other suppliers to ensure our needs will be met. 4. A large percentage of the water and sewer lines are under the street which we plan for replacement of both at the same time if possible and feasible. The asphalt does not have as long of a life span as the utilities, so they are not typically on the same schedule.	

	7. Is all water we buy treated? 8. Have we looked at taking water from the Neuse? 9. Is there a way to build a reservoir?	5. We purchase our water from Johnston Co. Utilities, the amount allowed is based on an annual daily average, which is currently 5.25 MGD. The amount purchased is recorded by multiple water meters around the perimeter of our system plus several areas that we add or subtract accordingly based on their location. 6. There are multiple "Interconnect" water meters that measure the water coming into our system and leaving our system. The majority of the meters are not located in the correct place because our service area has grown, and the meters have not been relocated. Almost every new development that comes to Clayton is located outside of the metered connections which requires them to be metered separately or the usage pulled from the individual services and compiled to add to the monthly invoice. Moving the interconnect meters would also require us to absorb some of the county's water customers which (based on current rates)	

		would likely increase their monthly water bill. 7. Yes, by Johnston County Utilities 8. We have discussed it and we do have a potential project proposed for it in our Capital Improvements Plan however, it is not likely that the State will allow another Water System Intake on the Neuse River because of the current number already existing as well as the number of wastewater discharges going into the Neuse River. 9. That would have to be determined by a third-party consultant. they would need to find an acceptable location, secure the necessary property, secure the needed funds, and determine the feasibility.	
Topic 3: Electric	1. What is the why behind do we stay in the electric business? 2. Is it a profit center? 3. If we switched to Duke is there any savings for citizens?	1. To provide superior service to customers, to provide Town facilities with secure electric service, and to help other departments with non-electric needs when necessary. We are also contractually obligated into the 2040's. 2. The Electric Fund is fully self-funded and financially independent. Funds collected for service can only be used to run the utility.	Ethan Poppe, Joshua Baird

	4. Are we willing to give up control of electric services and would we be sacrificing customer service? 5. What is load control and do we have to do it? 6. Why do we contract so much out?	3. Customers would save a small amount on their electric bill but in return have decreased the level of service. This would not be feasible in the near term due to obligations associated with North Carolina Eastern Municipal Power Agency (NCEMPA) agreements. 4. Giving up control of electric service would lead to a significant loss of both customer service and level of secure power at critical Town facilities, such as the wastewater treatment plant and pump stations 5. The Town's wholesale power bill is split between the amount of energy we use, and our demand charge, which is the rate at which we use electricity at the peak hour of the month. 60% of our bill goes to demand fees. Load management is a program to reduce peak demand usage. The Town's program is comprised of two areas 1) Load management at each household and 2) Peak shaving generators at town facilities. The first involves installing a switch on the side of customers' houses which reduces the rate at which they use electricity, lowering our demand bill. There are significant concerns that this part of the program may not be paying for itself, due to the high rate at which load management switches are disconnected. Further assessment of this program is	

	7. How do we get more people to want to work in this department? 8. Rates? Wonder about it?	underway and should be completed later this year. 6. At this point in time, our crew does not have the manpower or equipment to install facilities for all new developments being built, in addition to the maintenance work being done by the crew. Additionally, contracting this work out shifts the risk associated with install to the contractor. 7. To attract new employees, we need to make the pay scale & benefits package competitive with other municipalities, utilities, and contractors. We need to emphasize the stability of working for the Town, which is attractive to linemen in the private sector.	
Topic 4: Transportation	1. How do we get the message out about what is and is not in our control? 2. What is the status of the state's overall plan to address revenue needs? 3. How do we raise better awareness to the state and move us up the list? 4. What is the reality of rail/RT? 5. Do we have a comprehensive transportation plan? 6. How persistent are we with railroad and DOT? 7. Can developers help with new development-How do other towns do it? 8. How do we deal with large trucks downtown streets?	1. Creating content for our website for the public to educate them about how transportation works in North Carolina – provide education about state vs. Local control/requirements. Explain land use laws and how we can adjust our code requirements to address growth challenges. 2. It is not clear if the state has a plan to address the revenue needs – they are going through the 10-year State Transportation Improvement Program (STIP) now to update cost estimates and move project timelines to account for higher project costs and	Jonathan Jacobs, Joshua Baird, Patrick Pierce, Ben Howell

		lower revenue. The NCDOT has also begun to rely more heavily on bonds to fund some projects. Reps. White and Strickland noted recently that studies are underway exploring how to replace or reinforce the gas tax and create equity between EV and carbon fuel vehicles. 3. Continue to advocate with our state transportation partners – ensure we have a good working relationship with our Division staff; also continue to be active in CAMPO and advocate at the regional level. The other way to help "move us up the list" is to provide local funding for important projects to "put skin in the game". 4. Commuter Rail and Bus Rapid Transit are both still in the planning stages; ultimately, the Town or County will have to provide at least operating funding in order to get service in the County. Bus Rapid Transit is likely more definite to be developed in Wake County, potentially to the County line (and into Johnston/Clayton if local funding can be secured for operating). Commuter rail is less certain, primarily	

		because of cost and control of the railroad corridor by NCRR/Norfolk Southern. The time horizon for BRT Is likely by the end of the decade. Commuter rail, in a perfect world, would not be complete until the early 30s. Probably more likely that it is 15 years away. 5. We do not currently have a Comprehensive Transportation Plan for Clayton; there is a Johnston County Comprehensive Transportation Plan adopted in 2012 that includes recommendations for some Clayton roadways; there is also a Roadway System Map that was adopted as part of the 2045 Growth Plan that provides recommendations for some of the major roadways. In addition, we have a stand-alone Comprehensive Bicycle Plan and are finishing up a Comprehensive Pedestrian Plan; but we need a Comprehensive Transportation Plan to integrate everything and provide more detailed recommendations for Clayton's transportation network. The code could be amended to make the Roadway System Map the	

		comprehensive plan as a stopgap measure while a more comprehensive plan is developed. 6. Our persistence is growing, starting primarily with establishing relationships. Establishing a short, succinct set of priorities will help staff, Council and partners (e.g., the Chamber) be more persistent on our priorities. 7. Yes – developers can help improve transportation infrastructure, and many other Towns require them to do so. This requires having a Transportation Plan and clear regulations that include requirements for providing infrastructure improvements included in a Transportation Plan including both new roadways and widening existing roadways. Clear requirements around Transportation Impact Analyses are also helpful to ensure any impacts from new development are mitigated. 8. Establishing clear ordinances and installing signage to focus on where we do not want trucks to travel. Downtown Clayton lacks surround “major” roadway infrastructure to support traffic from NC 42 and US 70 to get north without being	

		required to travel through Downtown. This effort also includes extensive education and PIO content to make the public aware. We will not be able to eliminate local traffic that is required to service businesses within the Downtown areas.	
Topic 5: Capital Projects	1. Where is the list of all projects? 2. How do we prioritize? 3. Are our priorities in keeping with the spread of growth and unforeseen opportunities? 4. Are there any other funding opportunities? How to leverage Economic Development? 5. What is the plan for rescue money? 6. Enterprise vs. Gov-how does that work with capital 7. Bonds/Infrastructure and Facilities? 8. What other projects are we doing other than WRF? 9. How do we balance needs vs. Wants and message this to the citizens.	1. The CIP list is currently under review and is expected to be finalized in the coming weeks. There is a copy of the CIP in the FY 2022 Budget Book, which is located on the website here: https://www.townofclaytonnc.org/Archive.aspx?AMID=42. The Town engages Davenport to perform an affordability and debt capacity analysis for the General Fund to determine if a tax increase is needed to fund the CIP. The rate models provide a similar role for Enterprise Funds. 2. The Council was provided with an overview of a prioritization method at the retreat. The prioritization method will be implemented in the near future. 3. The CIP is expected to align with Council priorities in conjunction with the results of the budget survey. 4. The Town will actively pursue funding opportunities (grants/SRF) for qualified projects. 5. The Town intends to utilize $7.9 million of ARPA funds to complete water and sewer infrastructure improvements to lessen the rate impacts proposed to fund the new WRF and other needs. 6. Each is its own fund and is accounted for separately, including capital and debt. Revenues from one should not be used to fund the other.	Joshua Baird Robert McKie

		7. The $18 million bond referendum was for Parks & Recreation projects. The Town expects to sell the $4.5 million remaining balance in FY 2023, which will be utilized to fund improvements at Clayton Community Park. A $75 million revenue bond will be issued to complete the financing package for the SBWRF project. 8. There are various projects in the CIP across all three funds, many of which are related to infrastructure, economic development, and growth. The Engineering director will provide a separate list of current projects in construction or anticipated construction this calendar year. 9. The budget survey results will provide a blueprint to determine how this aligns with Council goals. Balancing what the Town can afford (i.e., what taxpayers are willing to pay) with the needs and wants will require prioritization and financial prudence.	

Topic 7: Water Reclamation Facility	1. What are costs and completion dates? 2. What is the cost versus reward with new development? 3. What are the projections for the future? When will we need to expand again? 4. What happens with the decommissioned plan? 5. How much will rates increase? 6. How do we allocate this new capacity? 7. Does the rating system change when facilities comes online? 8. Staffing/Recruitment/ 24 hr.	1. The latest estimate was $165M with a substantial completion date of Nov. 1, 2024. We will set a Guaranteed Maximum Price this coming May/June. The total Program costs including the two pump station/pipeline projects are projected to be $210M. The Team is actively working to reduce costs through value engineering and procuring materials early to reduce risk and escalation premiums. 2. This new facility is necessary in order to keep up with Clayton's bustling private development and to replace the existing Little Creek WRF. Little Creek WRF has reached the end of its life span and is in need of significant and costly upgrades. The new treatment measures will also allow for expansion in the East Clayton Industrial Area, which could attract another large industry to the Town. 3. Based on flow projections and planned expansions, we will need to have Phase 2 (10MGD) online around 2032. The design does allow for an expansion of 2 MGD to 8 MGD total if the financial burden cannot be carried for the full expansion in phase 2. 4. There have been no concrete plans for the use of the LCWRF once Sam's Branch is online, but there may be possibilities for overflow basins as an emergency measure for the new Little Creek Pump Station. It should be noted that this will not occur until 2025. 5. An update of the Water & Sewer rate model is currently underway. The SBWRF project	Joshua Baird, Louis Duffie	

Topic 8: Economic Development	1. How can we get more Class A office space? 2. What is the right balance between retail and residential?	1. An important driver to Class A office space growth in Clayton will be the success of the Copper District. If the office component of that project succeeds, it will demonstrate that the demand is strong enough to command the rents necessary to get that level of development. Smaller scale medical office buildings built to Class A standards and continued Class A growth in Garner will help as well. The moonshot would be to attract a corporate HQ to a site that is already development ready under single owner control, public or private. 2. Retail is typically looking at the number of vehicles per day (I.e., eyeballs and potential customers), how many people live in a 5-, 10- and 15-minute drive of a potential location and the characteristics of the people in those market areas (income level, education, age, etc.). BUS 70 is the most attractive corridor at the moment because it carries +/- 40k cars per day. This meets most retailers' requirements. Where Clayton can fall short is population density, although our proximity to Raleigh helps tremendously, and median income. Continuing to develop density in growth corridor and high-quality neighborhoods in the appropriate places will help all of these metrics. Lastly, we need to work with landowners to activate parcels in strategic locations because there is a lot of	Patrick Pierce

	3. Does Clayton need to recruit or is Econ coming our way anyway? 4. DDA/Chamber/Econ? How does this work?	demand and not enough inventory. At the same time, we need to be strategic about land uses to ensure a proper balance between commercial, industrial and residential uses. Once land is converted to residential use, it's unlikely it will ever be converted to another use. 3. If we aren't out recruiting then our competitors will be. The development community needs to know our story and continue to have Clayton top of mind. That said, "you can't sell from an empty cart", so sometime more effort needs to be placed on product/site development. Business retention is also critical so ensuring we are out meeting with our existing businesses is critical and often where a lot of growth comes from in a community. It's a balancing act of priorities, but you can never stop doing any of the activities completely. 4. These are three different complex relationships. Currently the only time all three directly work together is the Chamber Annual Meeting & Community Awards in December. The Chamber and Economic Development work closely together serving on the Board as the Town's liaison and on several committees. Having the business, community and Town's voice aligned on issues makes us stronger as a whole and I think we are making real strides to	

		grow our voice at the county and state levels. Economic Development also directly supports several of the initiatives such as Launch JoCo, Clayton Community Foundation and Harvest Fest (along with a lot of other departments). Economic Development and the DDA work very closely together and sometimes it is difficult to untangle one from another because there are three entities – Economic Development, Downtown Development Advisory Board (appointed by Council and managed by ED staff), and the DDA nonprofit whose mission is to support the Town's downtown development work. Each entity does its best to stay in a lane and support each other. Concerts are a great example. Town staff, including but not limited to ED, organize and pay for the base of the events – artists, A/V, stage. The DDA nonprofit arranges the food trucks, community sponsors, ABC licenses, town permits and serves alcohol (all things Town staff can't do). The Advisory Board serves as a sounding board and creative counsel for both staff and the DDA. Funds generated by sponsorships and alcohol sales are reinvested in to programs and promotions for downtown, often times in partnership with ED staff and budget – Christmas Village, Small Business Saturday, etc.	

	5. Calculations vs. Actual Growth? 6. How do we get major retailers here?	5. The State provides estimated population estimates annually based on their metrics. Until a formal census is done every 10-years this is the best estimate for us to use. If we feel that the total population estimated is less than anticipated and there would be a financial benefit to getting that correct, a special census could be held to correct the 2020 numbers. 6. We assume major retailers mean big box stores. Directly assemble a large parcel that is utilities-ready or work closely with a landowner and developer to create such a site. The Town will likely need to make public infrastructure investments ahead of a deal being landed to make the site attractive to a major retail developer. A good example of this is the White Oak Development in Garner. The Dick's/Chick-Fil-A part of the development is a 75-acre site that the Town made significant transportation investments into to make it practical to potential developers, had a green tape approach to planning and development and it still took a decade or more. Here's a great N&O article: https://www.newsobserver.com/article10043168.html. Opportunities like the Heavner tract are suitable for this kind of development, but the Town would have to take a more intentional role in the	

	7. Is there a timeline or plan for this? 8. Who are our targets?	development of the site, specifically in regards to water, sewer, electric and roadway access. Copper District is a real blessing to the Town as many of the large scale projects I have seen take upfront investment by the town and still may require incentives to get over the finish line. 7. We are limited because of site availability and constraints on the few existing sites. Most of the interest because of traffic volume is limited to BUS 70 with growing interest in NC 42W because of the Copper District, Spring Branch and the designation of I-42. To date, we have been working with the developers that have come to us and continue to do market tours with retailers, tenant reps and developers. The Future I-42/NC 42W subarea plan is a step for that quadrant. Similar intention may need to be paid to other opportunities along the BUS 70 corridor if major retail growth is a priority. Again, this is where density along commercial corridors assists with driving the traffic volumes necessary for this kind of growth. 8. The retail analysis shows market leakage in general merchandise, groceries, restaurants and home & garden. Based on this analysis and observations, I believe our market is lacking a sporting goods store, TJ MAXX or Ross,	

		Lowe's or Home Depot, another upscale grocer, such as Wegman's, Trader Joe's or Publix, and possibly a movie theater. While not retail specifically, we have been directly targeting hoteliers with potential success on the horizon. And Chick-Fil-A is always on the radar.	