



Town of Beaufort, NC

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**Board of Commissioners
Regular Meeting
6:00 PM Monday, September 08, 2025
Train Depot, 614 Broad Street**

Call to Order/Pledge of Allegiance

Mayor Harker called the meeting to order at 6:00 PM and asked those in attendance to join in the pledge of allegiance.

Roll Call

Elizabeth Lewis, Town Clerk, called the roll:

PRESENT:

Mayor Harker
Mayor Pro Tem Cooper
Commissioner Gillikin
Commissioner LoPiccolo
Commissioner Oliver
Commissioner Spiegler

ABSENT: None

Agenda Approval

Items of Consent

1. Meeting Minutes: August 11 & 25, 2025
2. Rolling on Middle: Skate Event Application
3. Dia De Los Muertos Festival Event Application
4. FY 2026 Budget Amendment #1
5. Resolution: Financing with First Bank (Fuel Farm)
6. ARP Policies: Internal Control and Conflict of Interest

Commissioner Cooper made a motion to approve the Items of Consent as presented.

The motion carried unanimously with a (5-0) vote.

Public Comment

Melissa Oden: 1412 Averys Street, Morehead City, NC 28557

Melissa Oden from Purvis Chapel AME Zion Church thanked the Town of Beaufort for their dedicated support, help, and resources for the Purvis Heritage Picnic in the Park. She acknowledged that the event could not have been successful without the town's partnership and expressed appreciation for staff's assistance. Ms. Oden noted that communities have gotten away from coming together regardless of color, race, or creed, and events like the picnic show children what community is about. She presented a token of appreciation to the Board.

New Business

1. County Comprehensive Transportation Plan (CTP)

Kyle Garner, Planning Director, introduced the agenda item and recognized representatives from the North Carolina Department of Transportation (NCDOT), the Downeast Rural Planning Organization, and Carteret County. He noted the long-term collaborative work that had gone into updating the County's Comprehensive Transportation Plan, including public input sessions and coordination with all municipalities.

Ms. Amanda Killian of NCDOT presented the updated Carteret County Comprehensive Transportation Plan. She explained that the CTP is a high-level, long-range planning document that projects transportation needs over the next 25 to 30 years. She emphasized that it is not a prioritization or funding document, but rather the first step in positioning projects for future consideration. The plan is multimodal, addressing highway, bicycle, and pedestrian needs, and serves as an update to the 2014 Carteret County CTP.

Ms. Killian reviewed the timeline of the project's development, which included initiation and data collection between 2020 and 2023, monthly steering committee meetings and engineering analysis between October 2023 and April 2025, and four public input sessions held in May 2025, one of which took place in Beaufort. She stated that the purpose of the evening's presentation was to seek adoption of the plan by the Town of Beaufort before it proceeds to Carteret County for endorsement and subsequently to the North Carolina Board of Transportation for adoption.

In her presentation, Ms. Killian highlighted several projects of relevance to Beaufort, including Project 321, the Northern Carteret Bypass, which would upgrade portions of US 70 and NC 101 to interstate standards, and Project 330, improvements to NC 101 north of Beaufort, which proposes widening the roadway to four lanes with a multi-use path. She also reviewed the recommendations for expanded bicycle and pedestrian facilities, noting that some of these projects overlap with highway projects.

During discussion, members of the Board raised several concerns.

Commissioner Cooper inquired about the roundabout at Live Oak and Cedar Streets.

NCDOT staff confirmed that construction is anticipated to begin in mid-October 2025 and that final coordination with the contractor is underway to minimize disruptions to local businesses and maintain traffic access. Questions were raised regarding Circle Drive, with NCDOT indicating that access options are still under review. An informational meeting with the community is planned before construction begins.

Mayor Harker expressed concerns about the intersection at US 70 and Turner Street, citing its dangers for both motorists and pedestrians and noting her personal experience with an accident there. She emphasized the need for stronger pedestrian safety measures.

Commissioner Oliver drew attention to the Gallant's Channel and West Beaufort Road area, identifying it as a hazardous intersection that will only become more problematic as development in that area increases.

Commissioner Gillikin and others echoed concerns about the intersection of US 70 and NC 101, specifically noting poor visibility and safety risks.

Commissioner Spiegler suggested exploring the possibility of connecting Turner Street to West Beaufort Road Extension to reduce highway crossings by golf cart users and improve local access to the Maritime Museum Annex.

NCDOT staff acknowledged these concerns and indicated that while the CTP itself is a long-range planning document, some of the issues raised may be eligible for near-term safety projects through spot safety funds or other smaller programs.

The Board stressed the importance of maintaining access to businesses and residents during construction and called for proactive communication with the affected community. NCDOT representatives committed to continued coordination with Town staff and property owners.

Following discussion, Commissioner Gillikin made a motion to adopt the Carteret County Comprehensive Transportation Plan as presented, with the inclusion of the supporting resolution and the Town's comments and concerns as reflected in the meeting minutes.

The motion passed unanimously with a (5-0) vote.

2. Sewer Allocation Request: 801 Mulberry

Sam Bell, Town Engineer, presented a sewer allocation request for 801 Mulberry Street on behalf of the applicant, Philip Lewis of Beaufort Lewis Properties. The request was for 7,989 gallons per day of wastewater treatment capacity for development located outside of the project's original footprint.

Mr. Bell explained that the site lies within Town limits and qualifies as a Priority Level 1 request under the Town's allocation policy. He confirmed that all state permitting requirements had been satisfied, including wastewater, erosion and sedimentation, stormwater, and driveway permits, and that engineering plans and specifications had been approved by the Town. He noted that 7,500 gallons per day had previously been allocated to account for the site's historic use as a school and that this new request pertained to the planned townhomes and mixed-use development beyond the original footprint.

By way of background, Mr. Bell reminded the Board that in April 2022 the property was rezoned for a Planned Unit Development (PUD) and a master plan was approved, which included the areas outside of the original footprint. Redevelopment is well underway, with 34 condominium units under construction in the former school building, the gymnasium being converted into an event center, and the flower shop open and operational. In April 2025, utility plans for townhomes and mixed-use development were approved.

Mr. Bell reported that the request represents approximately one-half of one percent of the Town's total wastewater capacity of 1.5 million gallons per day, of which approximately 75.3 percent is currently in use.

Commissioner Cooper asked about the condition of Lift Station 7 and expressed concern about the Town funding infrastructure upgrades that would also benefit a private development.

He addressed concerns regarding Lift Station 7, which serves the site. He explained that the station, originally built in 1969, is the Town's top priority for replacement, but remains operational. In 2023, the pumps were rebuilt, increasing their capacity from 150 gallons per minute to 273 gallons per minute each, and performance since that time has been stable. He shared that plans and specifications for replacement of the lift station are complete, and the Town expects to advertise for bids within the next month.

Matt Zapp, Town Manager, advised that while cost estimates had originally been \$750,000, current projections range from \$1.5 million to \$3 million. He noted that the Town has approximately \$980,000 in capital reserves that could potentially be applied to the project if costs come in on the lower end, and emphasized that the lift station's replacement is a critical priority regardless of this particular development.

Commissioner Gillikin agreed that Lift Station 7 had long been identified as a replacement priority independent of this project and that the timing of the development coincides with that existing need.

Commissioner Oliver observed that while the lift station is aged, the rebuilt pumps are functioning adequately and capable of handling the proposed allocation.

Collectively, the Board commended the applicant for securing all necessary permits prior to seeking allocation, for preserving the historic school and gymnasium buildings, and for scaling down the rear portion of the property from what could have been over 200 townhomes to a less dense development more consistent with the surrounding community. Attention to site design, including preserving a large live oak tree during sidewalk installation, was also noted.

Ron Cullipher, representing the developer, spoke in support of the request. He explained that coordination with the Town regarding lift station capacity had occurred early in the project and that the development will be built in phases. Construction is expected to begin in the first quarter of 2026, meaning that wastewater flows will not be generated until after the Town anticipates completing the lift station replacement. He reiterated that the requested allocation is within the station's current capacity and will be introduced gradually as units are constructed.

Commissioner LoPiccolo made a motion to approve the request to allocate 7,989 gallons per day of wastewater treatment capacity for the development at 801 Mulberry Street.

The motion carried unanimously with a (5-0) vote.

3. Sewer Allocation Request: 265 & 275 Hwy 101

Mr. Bell presented a sewer reservation request for the properties at 265 and 275 Highway 101. He explained that the request falls under Priority Level 4 (speculative requests) in the Town's allocation policy, which allows applicants to request capacity reservations prior to significant investment in design and permitting.

He explained that the applicant sought a reservation of 16,380 gallons per day for a proposed development of 105 townhome units, representing approximately 1.1% of the Town's total wastewater treatment capacity. If approved, the applicant would be required to pay 20% of the calculated sewer development fees at the time of reservation and would have twenty-four months to secure necessary approvals, including rezoning, site plan approval, and state permits.

Mr. Bell reported that the Town's wastewater treatment plant has a permitted capacity of 1.5 million gallons per day, with current utilization at approximately 75.3%. Approval of this request would increase total committed flow to 76.9%. He noted that the site lies within Town limits, adjacent to existing sewer infrastructure, and is situated between the basins served by Lift Stations 9 and 10, with flows ultimately routed through Lift Station 7. At present, Lift Stations 7 and 10 have available capacity, while Lift Station 9 recently reflected a negative capacity due to temporary pump issues that have since been repaired, with updated data expected shortly.

Mr. Kevin Johnston, Chief Operating Officer of TAFT Family Ventures of Greenville, North Carolina, presented the development concept. He stated the project would be a for-rent townhome community featuring two- and three-bedroom units ranging from 1,800 to 2,300 square feet, with one- and two-car garages. He shared some planned amenities include a

pool house and potentially pickleball courts. Mr. Johnston indicated construction could begin in late summer 2026, with the first buildings coming online in summer 2027. The estimated total project cost is \$25 million.

Commissioner Oliver voiced strong interest in securing a workforce housing component, noting that housing for teachers, law enforcement, healthcare workers, and other essential personnel is a critical community need. He advised that incorporating workforce housing would significantly strengthen the proposal and urged the applicant to pursue a binding development agreement with enforceable commitments.

Commissioner Cooper echoed the concern, cautioning that market-rate rents in Beaufort often outpace what many residents can afford. He emphasized the need for attainable housing and encouraged the developer to consider dedicating a meaningful share of units for this purpose.

Commissioner Gillikin underscored the importance of memorializing any commitments through a written development agreement, citing prior experiences where informal assurances were not realized.

Commissioner Oliver asked if the applicant would be willing to undertake the process of drafting a pre-development agreement with the Town prior to any capacity approval.

Mr. Johnston responded that his company is willing to do so and has experience with similar agreements in other jurisdictions.

Commissioner Gillikin expressed concern about reserving sewer capacity for a speculative project without concrete commitments, stressing that capacity is limited and must be carefully managed. She noted that affordable housing aspects within the agreement would be more attractive, given the parcel is already located in the Town limits.

Mayor Harker highlighted that housing demand extends beyond higher-income professionals, noting that growth at Cherry Point and other regional employers will also increase pressure on housing for service-sector and public employees. She suggested exploring mechanisms such as partnerships with local employers or unit set-asides to reduce costs for the workforce.

Mr. Johnston reiterated his company's willingness to consider a binding agreement and noted that dedicating approximately 10% of the proposed units to workforce housing would add \$600,000 to \$700,000 in costs. He stated that TAFT would explore ways to make it feasible, including employer partnerships or preferred lease arrangements.

Following discussion, Commissioner Oliver made a motion to table the sewer reservation request for 265 and 275 Highway 101 pending submission and approval of an acceptable development agreement that included verbiage related to workforce housing.

The motion carried unanimously with a (5-0) vote.

4. Resolution: Petition for Annexation of 143 & 179 Pinnars Point Road

Ms. Lewis presented a resolution regarding a petition for voluntary annexation submitted by the Cullipher Group on behalf of property owner Roberta D. West and client Britt Development Company for property located on Pinnars Point Road totaling approximately 31.83 acres. Ms. Lewis explained that this was the first step in the annexation process, requiring the Board to instruct the Town Clerk to investigate the sufficiency of the petition.

Ron Cullipher, representing the applicant, stated that the property lies within the Town's ETJ, located near Food Lion and behind the State Employees' Credit Union. He emphasized that the request was the first procedural step to allow for future development with municipal services. He further noted that the applicant has been working with the Coastal Federation and Dr. Judd Kenworthy on conservation concepts, including a

proposed upland stormwater wetland and dedication of approximately 10 acres within the Natural Infrastructure Zone (NIZ) as a permanent conservation area.

Dale Britt of Britt Development Company elaborated that the development concept envisions approximately 41 single-level duplex units with two-car garages, along with 3 acres near Live Oak Street set aside for potential commercial use. He reiterated that all development would occur outside the NIZ and that the conservation area would remain undisturbed.

Commissioner Cooper expressed strong concern about any development along Gibbs Creek, noting his longstanding desire to preserve what he described as one of the last pristine creeks in Beaufort. He stated he could not support annexation that might allow for construction impacting water quality.

Commissioner Gillikin voiced opposition based on the Town's limited sewer capacity, referencing the proximity to the 80% wastewater threshold and the Board's commitment to prioritize in-town projects.

Commissioner Spiegler acknowledged the applicant's collaborative work with the Coastal Federation and the potential for positive conservation measures, but echoed concerns about limited sewer capacity.

Commissioner Oliver noted that only a small portion of the Town's wastewater flow represents actual effluent, with the remainder attributable to inflow and infiltration. He encouraged the applicant to lend professional expertise toward long-term stormwater and sewer solutions, suggesting that the project could be a model if paired with exemplary environmental protection measures.

Commissioner LoPiccolo encouraged consideration of potential community benefits, including the possibility of coordinating with the Tiller School, which has long sought additional property for playground space.

Commissioner Gillikin emphasized that while annexation could not be supported under current capacity limitations, the applicant's proposals for conservation and collaboration might serve as an example of desirable development if sewer capacity improves in the future. He underscored the importance of innovative approaches to protect water quality along the North River.

Mr. Grady clarified that annexation is a legislative act of the Board and cannot be made conditional on specific commitments by the applicant. He explained that a voluntary annexation petition must be voted on directly, either accepted or denied, without binding conditions. While the applicant may share intentions or conceptual plans, these have no legal force at the annexation stage. Development commitments can only be secured later through rezoning approvals, site plans, or a separate pre-development agreement. He noted that pre-development agreements may be used as a tool, but annexation itself cannot be contingent upon them.

Commissioner Gillikin further stated that she would not support annexation unless the Town could work with the developer to address sewer capacity issues, suggesting that the developer might contribute financially toward needed improvements. She added that any annexation should also demonstrate exemplary environmental protection and conservation practices, noting those two factors as essential if the Board were to consider moving forward.

Commissioner Oliver made a motion to table any action associated with instructing the Town Clerk to investigate the sufficiency of the annexation petition.

The motion carried with a (4–1) vote.

Voting Yea: Commissioner Oliver, Commissioner Spiegler, Commissioner Gillikin, Commissioner LoPiccolo. Voting Nay: Commissioner Cooper

Manager Report

1. Recognition of Public Beach and Coastal Waterfront Access Grant Award

Mr. Zapp reported that the Town has been awarded a \$120,000 grant for improvements at Ann Street Park. He informed the Board that NCDOT will hold a public engagement session on the proposed Live Oak roundabout later in September.

Mr. Zapp stated that the transition of the Beaufort Town Docks is proceeding smoothly, with insurance measures in place to ensure protection when the transfer takes effect on January 1, 2026. He noted that more than 80 applications were received for the Community Engagement Director position, with interviews in progress and an anticipated hire by late October.

Mr. Zapp shared the Beaufort Garden Club received permission to place small signs, approximately 9x9 inches, within flower bed areas to highlight their beautification work. He concluded his report by sharing that the Town's newsletter has been distributed with utility bills as well as electronically.

Mayor/Commissioner Comments

Commissioner Cooper: No comments.

Commissioner Gillikin: No comments.

Commissioner LoPiccolo: No comments.

Commissioner Spiegler: Thanked everyone who participated in the meeting.

Commissioner Oliver: No comments.

Mayor Harker reported that she attended the kickoff meeting for the Beaufort Garden Club on September 4, where she presented a proclamation declaring September 4 as Beaufort Garden Club Appreciation Day. She announced that a 9/11 remembrance ceremony will be held on Thursday at 10:20 a.m.

Mayor Harker noted that Hispanic Heritage Month runs from September 15 through October 15 and that she will present a proclamation at the Nuestra Fiesta Latina event on September 27 at the Crystal Coast Civic Center. She stated that she will serve as the guest speaker at the NAACP Women of Excellence program on September 27 at the Leon Mann Center. She also reported that she toured the NOAA facility, which received \$2 million in funding for demolition of Building #2, but emphasized the continued need for advocacy to secure funding for rebuilding.

Mayor Harker expressed condolences to the Knox family on the passing of Tommy Knox, recognized as "the face of the hospital" and remembered for his compassion.

Closed Session

1. Pursuant to NCGS 143-318.11 (a) (3)

Commissioner Cooper made a motion to enter closed session pursuant to NCGS 143-318.11 (a) (3) and to discuss the case Laura Holland/Southgate Management vs. Town of Beaufort.

The motion carried unanimously with a (5-0) vote.

Adjourn

Commissioner Cooper made a motion to adjourn the meeting at 8:58 PM.

The motion carried unanimously with a (5-0) vote.

Sharon E. Harker, Mayor

Elizabeth Lewis, Town Clerk