Dunn City Council
Work Session
Tuesday, October 13, 2026
6:30 p.m. Dunn Municipal Building

MINUTES

PRESENT: Mayor William P. Elmore Jr., Mayor Pro Tem April Gaulden, Council Members J. Wesley Sills, Raquel McNeil, Billy N. Tart, Alan Hargis and Dr. David L. Bradham.

ALSO PRESENT: *City Manager Justin Hembree, Assistant City Manager Billy Ray Godwin, Finance Director Cary McNallan, Police Chief Lynn Gay, Senior Planner Stephanie Goodrich, Parks & Recreation Director Brian McNeill, Administrative Support Specialist Christy Sweeney, City Attorney Tilghman Pope and City Clerk Melissa Matti.*

CALL TO ORDER
Mayor William P. Elmore, Jr. called the City Council Work Session to order at 6:30 p.m. on Tuesday, October 13, 2026. The Mayor welcomed all in attendance and proceeded with the business of the meeting.

INVOCATION & PLEDGE OF ALLEGIANCE
Council Member Billy Tart led the invocation followed by the Pledge of Allegiance.

CONSIDERATION & APPROVAL OF THE AGENDA
Mayor Elmore asked whether there were any changes to the agenda. Hearing none, he opened the floor for a motion.

Motion by Council Member Dr. David Bradham, second by Council Member Raquel McNeil to approve the agenda as presented. The vote carried unanimously.

CONSENT AGENDA
Mayor Elmore read the six (6) Consent Agenda Items into the record, which were:

- Minutes of September 22, 2026 Regular Meeting Minutes
- Acceptance of Codrington Park Improvements PARTF Grant – Phase 2
- Capital Project Ordinance Amendment 1 – Facility Improvements
- Consideration of Resolution Declaring Certain Property Surplus & Authorizing Disposition through Gov Deals.
- Approval of Finding of Fact – Decision on Case SUP-26-02 – 804 S. Clinton Avenue
- Approval of AFFF MDL Settlement Resolution

Motion by Mayor Pro Tem April Gaulden, second by Council Member Billy Tart to approve Consent Agenda Items 1 through 6. The motion carried unanimously. *Copies of PARTF Grant Contract and Capital Project Ordinance Amendment II (O2026-18), Capital Project Ordinance Amendment 1 – Facility Improvements (O2026-19), Resolution Declaring Certain Property Surplus & Authorizing Disposition through Gov Deals (R2026-31), Finding of Fact – Decision on Case SUP-26-02, and AFFF MDL Settlement Resolution (R2026-30) are incorporated into these minutes as Attachment 1.*

ITEMS FOR DISCUSSION & CALENDARING FOR OCTOBER 27, 2026

Sale of Residential Structure
400 East Townsend Street
TABLED 9/8/26
Mayor Elmore introduced the item and called on Assistant City Manager Billy Godwin. Mr. Godwin recalled that the matter had been brought before the Council one month earlier and that the Council's consensus at that time was to allow an additional 30 days for public exposure. He stated that a larger sign had been posted at the property and that a photograph of the sign was displayed and included in the agenda packet. He clarified that the City is selling only the residential structure itself, not the underlying real property, and that the structure must be moved off the site.

Mr. Godwin reported that at the time of the earlier meeting, the City had received a pending offer of $10,000 from Mr. James Brewington to acquire and relocate the house. Since that time, staff had received inquiries but no additional offers; therefore, the existing $10,000 offer was the one before the Council.

Mr. Godwin explained that the Council was not voting to sell the house that evening. The action requested was to approve a Resolution initiating the Upset Bid Process and to authorize the City Clerk to publish notice of the sale in the newspaper. He reviewed the upset bid process. Mayor Elmore noted that the Council had discussed the matter several times and that it was time for a decision on whether to open the offer to public bid.

Council Member Alan Hargis asked how long the sign had been posted and was informed that it had been posted for 30 days. He stated that he had "trouble with this," citing the tax value of $88,000 compared to the $10,000 offer. He acknowledged that upset bids might be received but did not believe the house had received sufficient public exposure. He stated that if he owned the property, he would not sell an $88,000 house for $10,000 merely to avoid the work of preparing it for sale, and that "we're basically giving the house away." He suggested that the City could move the house at a cost of approximately $15,000, invest an additional $20,000 to set it up elsewhere, and recoup its investment through a sale well above that amount, possibly with the house relocated to Magnolia Street as previously discussed.

Assistant City Manager Godwin responded that the lowest recent estimate to move the house was $15,000 and that relocating and setting it up elsewhere would add further cost to the City, so the $10,000 offer was "just one piece of the puzzle." He stated that the decision was ultimately the Council's. He added that the Magnolia Street house would return to the Council at the end of the month in a similar status, with additional bids received and offers more in line with Council expectations. Council Member Hargis noted that the Magnolia Street house is listed with a real estate agent and is dilapidated and stated that interest in that property suggested buyers exist if they know a property is available, whereas the Townsend Street house had been newly remodeled.

Mayor Elmore reminded the Council that the house was purchased so that it could be moved and that the City had recently received several grants, to be presented later in the meeting, which would allow work to begin on Codrington Park and provide access to it.

Council Member Raquel McNeil stated for the record that she agreed with Council Member Hargis.

Motion by Council Member J. Wesley Sills, second by Dr. David Bradham to adopt the Resolution Declaring the Residential Structure at 400 East Townsend Street Surplus and Authorizing the Upset Bid Process on the Residential Structure located at 400 E. Townsend Street, PIN# 1516-23-0863.000, and to direct the City Clerk to advertise the Notice of Sale by Upset Bid of the property. Vote: The motion carried **4–2**, with Council Members Alan Hargis and Raquel McNeil opposed. *A copy of the Resolution Declaring the Residential Structure at 400 East Townsend Street Surplus and Authorizing the Upset Bid Process on the Residential Structure located at 400 E. Townsend Street, PIN# 1516-23-0863.000 (R2026-32) is incorporated into these minutes as Attachment #2.*

Rezoning /Map Amendment
RZ-26-03
1210 Chicken Farm Road
TABLED 9/22/26

Mayor Elmore reminded the Council that the item had been tabled on September 22, 2026 for decision at this meeting and that the Public Hearing had already been held. He called on Senior Planner Stephanie Goodrich.

Ms. Goodrich stated that the Staff Report had not changed. She reported that staff had distributed a question-and-answer follow-up addressing questions raised at the previous meeting regarding property taxes and the residential building on the property. She explained

that a nonconforming residential structure could be repaired or replaced after damage or destruction if repairs were completed within one (1) year. In her view, such a structure could also be enlarged on industrial property because of the potential for reuse as office space, provided the enlargement did not exceed what the zoning classification allowed.

Council Member J. Wesley Sills asked whether the Planning Department's communication stated that rezoning solely to lower someone's taxes could create liability and set a bad precedent. Ms. Goodrich clarified that she would not characterize it as a bad precedent Citywide, but that the General Assembly has authorized the Council to decide land-use matters, not tax matters. She stated that taxes may be considered if they benefit the general public, but taxing a single property benefits only one owner, making it "a really slippery slope" as a basis for a zoning decision.

Council Member Sills corrected his earlier estimate of contiguous industrial acreage. He stated that there are several hundred contiguous acres of industrial property west of the railroad track and close to 1,000 acres when the east side is included. He described the area as prime acreage with rail access, water, sewer, natural gas, and broadband, and as a great site for industry. He acknowledged the owner's concern about tornado damage, noting that the property could be rebuilt within one (1) year. He stated that a future Council would face the same "not in my backyard" objections if an industry sought to locate there, and that the City could lose tax revenue if industry did not come. He stated that he would continue to oppose rezoning.

Council Member Billy Tart stated that he understood the owner's situation and did not want to take anyone's home place. He asked whether roughly an acre or slightly more around the house could be carved out and rezoned to remain residential, with the remainder staying industrial, similar to the arrangement across the street where separate residential parcels sit beside a roughly 55-acre industrial tract. He stated that such an approach would address the owner's concern about rebuilding or expanding the house, and she would retain the right to sell the remaining land for industrial use. He suggested that her fee already paid might be applied toward such a request. Council Member Alan Hargis stated that this had been mentioned previously and would be a good solution.

City Attorney Tilghman Pope advised that the property would have to be subdivided, because there is one (1) tax parcel and a legal description is needed to identify the area being rezoned. Mayor Elmore clarified that the Council's action that evening was to approve or deny the request as submitted. Should the owner choose to proceed, she would file a new application, with the acreage determined by survey, and it would go to the Planning Board and return to the Council. Mayor Pro Tem April Gaulden asked for confirmation that the owner could return to Planning after the decision, and City Attorney Pope confirmed she could seek rezoning of only the portion including the house.

Council Member Billy Tart observed that the property's taxes are high because the house is included, and that if the house were separated the remaining land would return to the farmland deferral program, as with the 55-acre industrial tract across the street. Council Member Alan Hargis asked whether the process could be streamlined. Ms. Goodrich explained that a subdivision of this size would be an exempt subdivision approved administratively by the Planning Department without Planning Board review, but the rezoning itself would still need to go to the Planning Board. She added that an applicant may now reapply immediately after a denial rather than wait a year.

Council Member Raquel McNeil asked whether the carved-out parcel would be R-20 or R-40. Ms. Goodrich replied that this would be the applicant's choice. City Manager Justin Hembree stated that staff would likely recommend R-20 to match the adjacent properties across the street, and that the Planning Board recommendation requirement derives from the Unified Development Ordinance and General Statute. Council Member J. Wesley Sills confirmed that a stamped plat from a surveyor would be required and cautioned that survey costs could be in the thousands of dollars. He stated that the Council should not offer tax advice and that the applicant should understand there could be tax implications. He stated

he had no problem with one (1) or two (2) acres. Council Member Alan Hargis stated that he believed the survey would not be that costly given the small tract.

Mayor Elmore asked whether it was the consensus of the Board that, should the owner pursue it, the Board would look favorably on rezoning a small tract around the existing house. The Council Members indicated agreement. The Mayor outlined the Council's options: approve, approve with modifications, or deny.

Motion by Council Member J. Wesley Sills, second by Council Member Billy Tart to deny the map amendment request, based on competent material and substantial evidence in the record, finding that the request is inconsistent with the Future Land Use Plan and is not in the public interest, and that rezoning would not be appropriate because the property is adjacent to other industrial properties, one already in industrial use. At the request of Attorney Pope, **Council Member Sills amended the motion to include the remaining Reasonableness and Consistency Statements:** that the proposed amendment would not promote a location and intensity of development that mitigates impacts on transportation infrastructure, and that it would not be in the public interest due to its inconsistency with the Future Land Use Plan. **Second:** Council Member Billy Tart agreed to the amendment and seconded the motion. **Vote:** The amended motion to deny carried unanimously. *Copies of the October 6th correspondence from Ms. June Green (Applicant) and the Question-and-Answer distributed by staff are incorporated into these minutes as Attachment #3.*

Mayor Elmore thanked the applicant, expressed regret that the outcome was not what she had hoped, and noted that the Council's discussion offered her an option should she choose to pursue it.

Voluntary Annexation Petition
ANX-01-26
Stoney Run Campground
(Step #2)
City Manager Justin Hembree explained that this item represented Step Two (2) of the Voluntary Annexation Petition for Stoney Run Campground. He noted that the property was the subject of a Conditional Rezoning approved at a prior meeting. Step One (1), directing the City Clerk to investigate the sufficiency of the petition, had been completed, and the Clerk's Certification was included in the agenda packet.

Mr. Hembree stated that Step Two (2) was consideration of a Resolution Fixing a Date for a Public Hearing on the Voluntary Contiguous Annexation. The proposed date was October 27, 2026, at 6:30 p.m. Staff recommended approval. There were no questions from Council.

Motion by Mayor Pro Tem April Gaulden, second by Council Member J. Wesley Sills to adopt the Resolution Fixing Date of Public Hearing as October 27, 2026, at 6:30 p.m. for Voluntary Contiguous Annexation Petition ANX-01-26, Stoney Run Campground. Vote: The motion carried unanimously. *Copies of the Resolution Fixing the Date of Public Hearing as October 27, 2026 for Voluntary Contiguous Annexation Petition ANX-01-26 (R2026-33) are incorporated into these minutes as Attachment #4.*

Consideration of
Codrington Park
LWCF Grant Application
Phase 2
Mayor Elmore introduced the item as good news and called on Parks & Recreation Director Brian McNeill.

Mr. McNeill recalled that, following the City's receipt of the Accessible Parks Grant, staff presented the Codrington Park Master Plan to the Council in April and obtained approval to apply for a PARTF grant for Phase 2 improvements. In August, the City learned that the PARTF grant had been fully funded. He noted that, at the April meeting, staff also mentioned the possibility of applying for a Land and Water Conservation Fund (LWCF) grant—a Federal

program similar to PARTF, which is State-funded—so that each grant could serve as the match for the other and reduce the City's overall contribution.

Mr. McNeill explained that the updated Site Plan included in the packet adds the parking lot across Burke Street and improvements at the basketball court, which had previously been listed as future improvements. These items would be incorporated into Phase 2 if the City applied for the $750,000 LWCF grant. With the LWCF request, the total project cost would be approximately $2.2 million. The $500,000 PARTF award would serve as the match for $500,000 of the LWCF request, and $500,000 of LWCF would serve as the full match for PARTF. The remaining $250,000 was identified as part of the City's contribution. If LWCF were fully funded, the City's total contribution would be approximately $350,000, compared to $500,000 without LWCF. Staff requested approval of the updated Master Plan, the Capital Improvement Plan, and authorization to submit the LWCF application.

In response to a question regarding timing, Mr. McNeill stated that the LWCF application is due November 2. LWCF decisions typically take about one (1) year, with an award announcement expected in fall 2027. Because LWCF would serve as the match for PARTF, Phase 2 work could not begin until the LWCF decision. However, Phase 1 items funded by the Accessible Parks Grant could begin sooner.

Motion by Council Member Raquel McNeil, second by Council Member Alan Hargis to approve the Master Plan, the Capital Improvement Plan, and authorize staff to submit an LWCF grant application in the amount of $750,000. Vote: The motion carried unanimously. *Copies of the Conceptual Site Plan and Capital Improvement Plan are incorporated into these minutes as Attachment #5.*

Mayor Elmore thanked Mr. McNeill for his work and stated that he looked forward to Phase 1 beginning soon.

Data Center
Land Use Standards

Mayor Elmore introduced the item and City Manager Justin Hembree noted that the Council had discussed the matter several times. He stated that no formal action was requested. Staff sought consensus on whether the Council was comfortable with the general regulatory concepts included in the packet so that the proposal could proceed to the Planning Board as a formal text amendment, with a recommendation returning to the Council.

Mr. Hembree directed the Council to the table titled *Proposed Data Center Supplemental Standards*, which contains thirteen (13) factors. He recommended allowing data centers in the I-100 Heavy Industrial District as a permitted use by right with supplemental standards. The standards would define data centers, which the Unified Development Ordinance does not currently do; establish minimum separation distances from schools, residential districts, and certain other zoning districts; set a maximum noise level of 60 dBA measured at the property line; establish a maximum height of 35 feet and setbacks of 50 feet; and address placement, orientation, and building façade improvements. He noted that many standards were drawn from other North Carolina and out-of-state ordinances, and that items related to visual impact were intended to avoid data centers that resemble "big boxes."

Mr. Hembree explained that a closed-loop cooling requirement was not included because water use is regulated through building construction and the City's utilities policies rather than land-use standards. The City would not permit a use for which it lacked water capacity. He stated that he was comfortable with the proposal as comprehensive, though not the most detailed available.

In response to Mayor Elmore, Mr. Hembree reported that staff had consulted Catawba and Caldwell Counties, which had positive experiences with data centers. Their primary lesson was that they wished they had adopted more standards related to visual impact, buffering, and landscaping at the outset. He noted that the General Assembly may act on statewide regulation of data centers, focused on electricity use, generation, and closed-loop cooling.

He added that, based on conversations at a conference, technology is advancing quickly and reducing utility impacts.

Council Member Alan Hargis stated that he had read of jurisdictions where property tax reductions outweighed increases in electric costs, and Council Member J. Wesley Sills identified Northern Virginia as an example. Council Member Hargis stated that he believed the proposal was a good idea. He asked why data centers would be required to look better than the large warehouse buildings under construction at U.S. 301 and Arrowhead Road. Mr. Hembree agreed this could be considered in a text amendment and stated that a data center functions more like an office building in an industrial setting, with few employees and little freight activity.

Council Member Sills noted that warehouses have bay doors and color variations that break up their appearance, whereas early-generation data centers were essentially concrete bunkers. He stated he had no objection to beautification requirements, as companies would absorb the cost. He then asked whether standards would be needed if a data center developer proposed an on-site small nuclear reactor, noting a federal 35-acre buffer requirement, and whether federal regulation would preempt local standards. Mr. Hembree stated that it would depend on whether a reactor was considered part of the data center use and that staff would research how other jurisdictions address generation facilities. Council Member Billy Tart stated that he did not know the answer. Council Member Sills characterized such developments as a future generational concern. Council Member Hargis stated that the City should not be viewed as anti-data center and should address the issue properly, mentioning underground facilities as an option for reducing noise.

Council Member Raquel McNeil raised concern about minimum separation distances, asking how they would hold up as development grows over the next twenty (20) years. Council Member Tart asked whether the 50-foot setback could be increased to 100 feet, observing that 50 feet is roughly the width of the meeting room. Council Member Hargis stated that noise was a significant concern. Council Member Sills responded that newer technology has mitigated noise and that developers would be motivated to add insulation to reduce decibel levels.

City Attorney Tilghman Pope asked when the moratorium expires. Mr. Hembree stated that it was enacted May 26, 2026, for 180 days and expires November 22, 2026. Because the Planning Board may need two (2) meetings and adoption before that date was unlikely, he recommended placing a moratorium extension on the November 10 agenda. Hearing notices would need to be published October 30 and November 3. He noted that the Council could end the moratorium at any time once standards were adopted. He stated that staff would take the Council's questions on reactors, generators, minimum distances, and setbacks to the Planning Board, which meets November 3, and that a recommendation might come to the Council in December or January.

Council Member Sills stated that he did not want a 180-day extension, citing the need to be "pro-business, pro fast," and stated he could agree to February, noting that budget season would consume staff and Council time. Assistant City Manager Billy Godwin asked the Council not to place the Planning Board against a hard stop and to give it sufficient time to vet the proposal so the Council would not need to "reinvent the wheel," observing that a 180-day extension need not be fully used. Mr. Hembree noted that no Work Sessions are scheduled until January.

Mayor Elmore summarized two (2) points of consensus: first, to send the proposed standards to the Planning Board to begin work on a text amendment; and second, to advertise a moratorium extension, with the length to be determined at that time. Council Members indicated agreement.

No Council action was taken.

ANNOUNCEMENTS

Mayor Elmore announced the following:

- Road work from October 11 through 19 is underway from the railroad track to North General Lee Avenue, including milling, paving, and water and sewer line repairs, and is expected to be completed by October 19.
- The next regular session is October 27.
- The Dunn Police Department and Parks and Recreation will host Trunk or Treat on October 30 at Tart Park from 5:30 to 7:30 PM.
- Trick-or-treating will be Saturday, October 31, beginning at 5:00 PM and ending at 8:30 PM.
- The 26th Annual Cotton Festival will be held in downtown Dunn on November 7 from 10:00 AM to 4:00 PM.
- The next City Council work session, unless one is otherwise scheduled or a special meeting is called by the City Manager, is January 12.

CLOSED SESSION

Motion by Council Member J. Wesley Sills, second by Mayor Pro Tem April Gaulden to go into Closed Session pursuant to N.C.G.S. 143-318.11(a)(6) to discuss a personnel matter. All in favor. Motion carried unanimously.

Mayor Elmore thanked those in attendance.

Member of the public were dismissed prior to the Closed Session at 7:36 p.m.

At 7:50 p.m., Council ended Closed Session and returned to Open Session.

ADJOURNMENT

A motion was properly made and seconded to adjourn the meeting. Motion carried unanimously.

William P. Elmore, Jr.
Mayor

Attest:

Melissa R. Matti
City Clerk

THE CITY OF DUNN CORPORATE SEAL NORTH CAROLINA