



Youngsville ABC Board  
P. O. Box 387  
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(919) 556-3590  
ABCStore@townofyoungsville.org

## MINUTES

**JANUARY 3, 2020**

**9:00 AM**

### REGULAR MEETING

#### YOUNGSVILLE TOWN HALL CONFERENCE ROOM

**134 US 1A SOUTH**

Chairman Samuel Hardwick called the Board Meeting of the Town of Youngsville ABC Board to order at 9:00am. In attendance was Chairman Samuel Hardwick, Members Mary Margaret Norman, Rick Houser, Danny Stutzman, and Todd Casado. Also, in attendance was Finance Officer Jaclyn Patterson, Town Administrator Phillip Cordeiro, ABC Store Manager Laurie Pritchett, and Town Clerk Emily Hurd.

The first item was to approve the Agenda.

**MOTION: TO APPROVE THE AGENDA AS SUBMITTED**

The motion was made by Member Norman and was seconded by Member Casado. The motion passed unanimously.

Chairman Hardwick read the Ethics Statement.

*In accordance with G.S. 18B-201, it is the duty of every Board Member to avoid both conflicts of interest and appearances of conflicts. Does any member have any known conflict of interest or appearance of conflict with respect to any matters coming before the Board today? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.*

There were no conflicts of interest or appearances of conflicts.

The next item on the agenda was Citizens' Comments. There were no comments.



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The next item on the agenda was the Financial Report. Patterson explained the mixed beverage sales did not show up separately on the new reports and she was working on fixing the reports by adjusting them out of sales. She stated everything was looking good. Patterson stated she gave the ABC Board another comparison with the previous year so they can see how the ABC Store was tracking. She noted they were on an upswing.

Member Houser inquired about the increase in salaries for November and Patterson explained there were three payrolls in that month. Member Houser stated the monthly comparisons were great. Patterson noted she would continue to submit those reports to the ABC Board and was glad they were helpful.

Member Casado asked if they were able to get an hourly report, especially since the hours have been extended, and Pritchett stated she would be able to get that done.

The next item on the agenda was the approval of the Consent Agenda. The Consent Agenda included Minutes from the ABC Board Meeting on December 6, 2019.

**MOTION: TO APPROVE THE CONSENT AGENDA AS SUBMITTED**

The motion was made by Member Houser and was seconded by Member Stutzman. The motion passed unanimously.

The next item on the agenda was Old Business. The first item under Old Business was to continue the discussion on the proposed remodel of the ABC Store. Member Houser stated he met with Cordeiro and Member Casado. He stated they needed a clear direction from the ABC Board on how they want to proceed with the options that had been presented. Member Houser noted that time is of the essence and a decision on the location, especially at the Shopping Plaza, needs to be made. Chairman Hardwick agreed but noted the space at the Shopping Plaza had been open for a long time. Member Stutzman expressed concerns as the sign has been taken out of the window. Member Norman spoke with Mayor Flowers about the property the ABC Board purchased. She noted Mayor Flowers would like to see the ABC Store retain the property. He felt it would be advantageous for the ABC Board to build on that location with the possibility of housing above it. Member Norman wasn't sure about how to fund a project like that but noted Mayor Flowers was adamant about the property increasing in value and the ABC Board should hang on to it.



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Chairman Hardwick wondered about the legality of building a plaza that included rental property and Pritchett stated they would not be able to do that. Chairman Hardwick stated that opened the option of selling the property to a developer to build and the ABC Store would rent back from them. Another option was to just sell the whole thing and move on. Chairman Hardwick stated he would like to see the ABC Store stay where it was but wondered if it would be better financially to sell the property and move to the Shopping Plaza. Member Stutzman noted the property is in a prime location but expressed concerns about losing some property, especially parking, when the intersection was updated. He stated the town was growing by leaps and bounds, both inside and outside of town limits, and felt they were losing business to other stores by not having an ABC Store on Capital Boulevard. Member Stutzman felt they should also maintain the current ABC Store as well. He explained the ABC Store at the Shopping Plaza could take over the mixed beverage sales. If NC DOT expands the intersection at Holden Road and takes some of the parking, two stores in town will help the ABC Board figure out which type of building / development will work best on the property. Member Stutzman stated they are still part of the town and it should look visually appealing and just have two separate locations.

Chairman Hardwick noted there are other Shopping Centers coming to Youngsville and Cordeiro stated they were about two to five years out. Chairman Hardwick noted this also gave another option, but Member Stutzman expressed concerns about waiting that long. Based on his conversation with Members Houser and Casado, regardless of the decision, the current ABC Store does need to be renovated. Concerns were expressed about having to move out during those renovations. Moving the ABC Store to the Shopping Plaza for the renovations would allow for a trial period, if the leasing agents approved a short-term lease. If, at the end of the construction period, they find the ABC Store does well at the Shopping Plaza, then the ABC Board can decide to stay there and lease the current building, amongst other options. Chairman Hardwick stated that everyone agreed the current building needed to be demolished and a new building constructed. He agreed they can put the ABC Store at the Shopping Plaza while they decided what to do with the land they owned, especially if they can get a short-term lease they can get out of. Member Houser explained the Shopping Plaza wanted a 10-year lease. Chairman Hardwick stated that wouldn't work on an interim basis and Cordeiro stated unless the ABC Board decides they want to use the Shopping Plaza as a secondary location. Chairman Hardwick wondered if the two stores would be too close and Pritchett stated they would attract customers from two different traffic patterns. Hurd noted that having a Subway in town across from the current ABC Store and one at the Shopping Plaza was working for their franchise.



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Member Norman inquired about financing to build a new ABC Store at the current location. Member Houser explained a new ABC Store would cost approximately \$800,000 to \$1,000,000. He stated they currently owned 2.8 acres that was enough to build on but there was already the debt from the purchase of the property. Member Houser suggested an appraisal, getting a value for the land itself and one for the land and the building combined. He stated this appraisal was good information to have and they would need to have it anyway if they chose to sell the property. Member Houser explained banks generally want a 20% down payment, approximately \$200,000. He stated he has been depending on getting the land paid off quickly so they could use it as equity. If the appraisal comes in over the debt, then the equity from the overage could help. Member Houser felt the appraisal would help the ABC Board determine how they wanted to move forward. Member Norman stated she understood the ABC Board would have to go in debt to do this but she did not want them to get into too much debt that would take a long time to get out of. However, they need to continue in such a way as to make money. Chairman Hardwick agreed and noted the sales are there. He stated the ABC Board just needs to decide which direction they want to go.

**MOTION: TO ORDER AN APPRAISAL THAT SHOWS THE VALUE OF THE LAND ONLY AND THE VALUE OF THE LAND / BUILDING COMBINED**

The motion was made by Member Houser and was seconded by Member Casado. The motion passed unanimously. Chairman Hardwick stated this will give them good information to move forward with.

Member Houser requested the ABC Board schedule a meeting date to tour the facilities at the Shopping Plaza. He stated they could call a Special Called Meeting so that everyone could tour the facility at the same time, or they could schedule it to tour individually. Member Casado asked this be done before the February ABC Board Meeting so they could discuss it. Member Houser noted the end of the Feasibility Study showed the store layout, noting that Rick Turner had done that layout in Johnston County. He recommended a similar design, with 60% for retail and 40% for the warehouse, office space, and bathrooms. Member Houser stated he felt the numbers would support two ABC Stores and Member Stutzman agreed. Member Houser stated if they could get the income at the Shopping Plaza store, then they could do what Mr. Turner suggested to renovate the current store, or even build the new one. Member Stutzman noted people tell him they go to the Wake Forest ABC Store because it's easier to get in and out of



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than fighting traffic in Youngsville. He stated some of those people live in Youngsville on the other side of Capital Boulevard, noting how many subdivisions were on the other side of Capital Boulevard. Chairman Hardwick stated they had investigated going into an outparcel when the Shopping Plaza was first built but it was too expensive. He explained they had wanted to get the traffic that was coming from Raleigh every day. Chairman Hardwick noted there were still some vacant outparcels in the area they may want to investigate but concerns were expressed about the cost of the land. Hurd explained that one owner had three outparcels. Member Stutzman expressed concerns about losing business from town if they moved solely out to the Shopping Plaza. When asked, Chairman Hardwick stated the ABC Store in town would be more convenient for him. He stated that if they could enter into an agreement with a developer to build a shopping center that is pleasing to the town and they can be a part of it or build another ABC Store. Pritchett stated that if the ABC Store at the Shopping Plaza handled the mixed beverage sales, then the in-town store could be smaller.

Member Stutzman inquired on the timeframe for the upgrades to the intersection and Cordeiro stated, reasonably, it should take place within two to five years. Both Chairman Hardwick and Pritchett stated previous plans had NC DOT taking property up to the loading dock. Chairman Hardwick stated this was why he felt the current building should be torn down and new one built further back. Member Stutzman stated they would have to build farther back anyway because of the intersection. He expressed concerns about having enough land to allow for a small shopping plaza to be built there that would include enough parking after NC DOT takes their part. Member Stutzman stated that if they built far enough back there is still enough room for the ABC Store but wasn't sure if it was enough for an ABC Store and a small plaza together. Another concern was building something now then having NC DOT come in after the ABC Board has spent the money. This could create a similar problem that will affect parking if they take too much land. Chairman Hardwick stated that was why he wanted information from the developers on what they would want to do and how quickly they could start operating if they did put an ABC Store in a plaza there. Cordeiro stated the renovations could be coordinated with NC DOT, especially concerning the right of way. Chairman Hardwick stated they needed to find out ideas from developers and Cordeiro stated they needed to offer the developers something that would get their interest. In addition to the appraisal, the ABC Board needs to approach developers that they are willing to sell, as well as informing them of Jim Moss' proposal from the December 6, 2019 ABC Board Meeting. Cordeiro stated that it made the most sense to have a plaza with condos on the top floors and retail on the bottom, including the second ABC Store. He noted the ABC Store would have to move somewhere else during construction. Once the construction was



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finished, the ABC Board can then decide if they want to only operate the one ABC Store or reopen the second one downtown. Cordeiro suggested making this, or a similar, proposal to developers to see if they were interested. Member Casado inquired if NC DOT would pay for any land that they took to expand the intersection and Cordeiro stated yes. Chairman Hardwick noted NC DOT would not pay much though. Chairman Hardwick stated Member Houser was right about getting an appraisal, as it would give the ABC Board some leverage in any discussions they had.

Member Norman stated she felt like they were talking in circles but agreed they needed the appraisal. Member Houser stated the ABC Board needed to choose which direction they wished to move, and these discussions were helping to make that decision. Member Norman stated they needed a better plan. She stated they needed to get the appraisal first, then speak with developers to see what they have to propose. Member Norman stated they needed checkpoints to get moving. She expressed her concerns about all the discussions they have had and still they haven't gone anywhere. Member Stutzman agreed they have been discussing this for months with no action. Chairman Hardwick stated Pritchett was getting more in sales and was doing a great job. Once the ABC Board received the appraisal and visited the facilities at the Shopping Plaza, they will have more to discuss at the next ABC Board Meeting. Member Houser stated they should have enough information to develop a plan and Chairman Hardwick agreed, noting they can limit scenarios next month to what they can live with as a Board. Member Norman inquired about the best way to let developers know the ABC Store was interested in developing the property and Cordeiro stated he knows some of the developers and would reach out for the ABC Board. Member Houser stated there was a short list of people that have the capacity to do something like this quickly and noted he would want it to happen on a fairly quick timeline, possibly closing in ninety days if the ABC Board decided to sell. He explained the process of opening an ABC Store at the Shopping Plaza, noting it included a thirty-day comment period, then get approval of the new location by the ABC Commission. He noted it would be summertime before the process was complete. Member Stutzman inquired about the estimated rental fees at the Shopping Plaza and Member Houser stated they would negotiate with him. Member Houser noted they were previously told \$15 per square foot with the ABC Board paying for the upfit, which is estimated at \$120,000 to \$150,000. Member Norman inquired if the proposed rent was average and Member Houser explained the market was \$24 to \$32 per square foot. Member Houser explained the Shopping Plaza Manager sees the ABC Store as a valuable tenant that will draw customers. Member Stutzman agreed that it would be a big draw for the residents on the other side of Capital Boulevard, though not quite as big of a draw for people that lived on the other side of town. When asked,



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Member Houser stated the facility was approximately 3,600 square feet, about an average store size. Member Stutzman noted the sign had been taken down and chairs were stacked in there. Chairman Hardwick stated he thought the storage was from a neighboring business and Member Houser stated the Shopping Plaza Manager did not give him any indication the area had been taken by someone else.

Chairman Hardwick stated that once the ABC Board had all the information, they could have a better discussion next month. After a brief discussion, it was decided late afternoon near the end of the month would work best for everyone. Member Houser stated he would verify the date and time and let everyone know. He stated he hoped to have the appraisal by then as well. When asked, Member Houser stated he would order the appraisal. Cordeiro reminded the ABC Board they would need to preaudit the agreement. Member Houser stated he would get bids to Patterson. Patterson stated that she would look it over and approve it. Cordeiro explained the vendor signed the agreement first, then Chairman Hardwick, with Patterson signing last. This way Patterson will know the agreement had not been altered after she signed it. Patterson would then keep one original and have another original sent to the appraiser. Member Stutzman wanted to clarify the ABC Board was going to hold off on speaking with developers and Chairman Hardwick explained they wanted to have more information before contacting them. Member Stutzman expressed concerns about another delay and felt they should move forward. Cordeiro stated he would work on exploring all the options.

The second item under Old Business was to adopt the Resolution to enter into agreement with the North Carolina Local Government Employees' Retirement System to provide death benefits. Hurd stated that she still did not have the information and requested the Resolution be tabled for another month.

**MOTION: TABLE THE RESOLUTION TO ENTER INTO AGREEMENT WITH THE NORTH CAROLINA LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM TO PROVIDE DEATH BENEFITS AND DIRECT STAFF TO GATHER INFORMATION ON THE COSTS**

The motion was made by Member Norman and was seconded by Member Stutzman. The motion passed unanimously.

The next item on the agenda was New Business. There was no New Business.



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The next item on the agenda was Reports and Other Business. Chairman Hardwick noted the gravel had been placed at the ABC Store and inquired about the delivery truck. Pritchett stated the driver was hesitant at first but was good with it. The recycling truck did not seem to have any problems either. Pritchett stated that she has parked in that area and it will take some time for the gravel to settle. Cordeiro stated smaller gravel could be placed to help fill in but Pritchett noted the larger gravel would not get buried by the mud. She reiterated the delivery truck driver was happy with the gravel.

Member Houser wanted to clarify that Patterson was paying the profits to the Town every month and Patterson stated that was correct. Member Houser then inquired about the plan to reduce the loan and Patterson stated that she was already making extra payments quarterly, noting she would make the second one soon. Patterson stated those payments were approximately \$7,000, split between principal and interest. She explained there was no loan payment due, so she took what was budgeted and divided it quarterly.

Member Houser noted that sales were increasing and asked if they could have more inventory on hand. Pritchett explained she was still adding more items to the retail area, including special-order items. She stated that she still had room to add more shelves as needed. Now that the Christmas items are out, she is rearranging some of the shelves. Member Houser stated he liked the way things have been moved. Pritchett stated she has been trying to get more types of the rarer bourbons, but it takes months for the special-order items. Member Houser noted the financial statements looked like they could get more inventory, and Pritchett explained she was trying. She stated that was why she was working on the special-order items. Pritchett explained their orders are still getting shorted. She noted this was a common occurrence for local ABC Stores and explained one of them claimed items from the delivery truck that was meant for Youngsville. Several Members expressed concerns about this, especially when it comes to being properly invoiced. Pritchett stated she was waiting on the credit and Patterson stated she would hold off on paying the invoices until the credits came in. Pritchett explained some of the problems lie with the distilleries not sending enough product to the warehouse, especially high demand items that are on sale. Member Houser stated this needed to be addressed with the ABC Commission. Pritchett stated she heard this matter has already been addressed with the warehouse and hoped it has been taken care of.

Member Houser inquired about the security light on the Main Street side of the building by the trash cans that wasn't working. Pritchett stated she would investigate.



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Member Stutzman stated he likes the logo the ABC Board chose last month but expressed concerns that it did not blend with the Town's logo and color scheme. He noted that when looking at other Towns and ABC Boards, the ABC Board still maintains the Town's color schemes. Member Stutzman stated he was fine where they were, but he also sees how it could make the ABC Store look apart from the Town. Pritchett stated they stayed away from the blue as it reminded everyone of the old, ugly ABC Store. Cordeiro stated the consultants could prepare more options. Member Stutzman mentioned it because he felt it would be more cohesive. Member Houser stated the current logo would look good on the windows.

Pritchett asked how the ABC Board felt about the new building on SW Railroad Street. Chairman Hardwick stated the farm-like style looked interesting.

The next item on the agenda was Closed Session. Chairman Hardwick stated the ABC Board needed to go into Closed Session to discuss personnel, N.C.G.S. 143-318.11 (6). Member Stutzman left the ABC Board Meeting at this time.

**MOTION: TO GO INTO CLOSED SESSION TO DISCUSS PERSONNEL, NCGS 143-318.11 (6)**

The motion was made by Member Norman and was seconded by Member Casado. The ABC Board decided it would be the members of the ABC Board and Hurd in the Closed Session. The motion passed unanimously. The ABC Board entered Closed Session at 9:50am. The Board exited Closed Session at 10:16am. Action take was to approve the Minutes of the Closed Session on December 6, 2019

The meeting adjourned at 10:17am upon a motion made by Member Houser, seconded by Member Casado, and passed unanimously.