



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
FRIDAY, NOVEMBER 12, 2021 – 8:00 A.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Friday, November 12, 2021 at 8:00 a.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Gerald Brown; Commissioners Brian Murdock, Mike Sullivan, Pat Kwiatkowski and Rick Smith; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Inspections Director Tim Evans; and Town Attorney Katie Madon.

Mayor Holden called the meeting to order.

PUBLIC COMMENT

Beverly Compton said she personally still does not support the pier purchase. She also provided information on the Holden Beach Property Owners Association.

Jim Bauer is not happy about the notice for the meeting. He said the Town needs to look at the risk/reward of the pier purchase. He said it is time to take a step back, have a moratorium on this and have a meeting when people are notified about it and have a discussion. Mr. Bauer said it is a beautiful beach with or without a pier.

Chad Hock said he and his wife are not for the purchase of the pier due to fiscal responsibility and the need for a plan.

Dean Nelson said the meeting was not well advertised. He said he has no bias one way or another on the pier purchase or on the other properties. He stated the Board should share the financials with the public.

Motion by Commissioner Sullivan that we flip the agenda so item 4 is before 3; second by Commissioner Kwiatkowski; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON THE PURCHASE OF THE PIER PROPERTY

Commissioner Kwiatkowski said at the last meeting we received the last of the due diligence documents. There were also questions on the deliverables in the contract that should be provided from the seller to the buyer. Attorney Madon stated she is working on that with the seller's attorney and will have an update on Tuesday.

Commissioner Kwiatkowski stated several times she and Commissioner Sullivan asked for a business plan from the proponents of the purchase. She provided the Board with financial numbers on what we currently have in funds, what will be needed over the next few years to pay debts and for major capital expenditures in the General and BPART Funds. Having this and knowing yearly costs is how they can put together a business plan. Commissioner Kwiatkowski is ready to try to put a plan together, but only has the financial numbers. She stated until she sees the plan to make it whole in the next 15 years, she cannot support it because she only has part of the equation. Commissioner Sullivan said he also thinks the brief time period between the notification and the meeting was inappropriate. He provided information on why they added the second item to the agenda. He talked about information in the report on the pier. He said he thinks the Town should go back to the seller and request a reduction in price based on the information in the report.

Motion by Commissioner Sullivan that we request a reduction of \$500,000 based on the inspection report from ATM before we go through with the purchase of the property.

Commissioner Sullivan urged people to come to the meeting on Tuesday to give their opinions on the purchase.

Commissioner Sullivan repeated his motion that we to go back to seller and ask for reduction of price of \$500,000 based on the findings of the ATM inspection report; second by Commissioner Kwiatkowski.

Commissioner Murdock stated he doesn't have a problem trying. He does have a problem with the misinformation being spread on the island about the purchase. The pier would be part of the purchase. He said he never expected to get a good inspection on the building. He attended a meeting here when the Corps said you need to have public access to the beach to qualify for them to maintain the sand on the beach. He said the Town has had some missed opportunities to purchase property. He said there is a plan to purchase the property. Commissioner Murdock said he doesn't think anyone intends to raise taxes. The idea was and still is that paid parking would help fund projects like this. If paid parking could be put in place, that would be the revenue stream. He doesn't know where else you will find another property in the middle part of the island to replace the parking opportunity that is there. That is the main reason for the purchase. He added the second reason is to afford an emergency access and a permanent access for the middle of the island, the canal streets. Mr. Bass has been nice to let the Town use the property. He heard people say to use eminent domain to get the property; you would still have to pay for it. He talked about what you could do on that property. He talked about parking conditions and financials. It is a long-term thing. The first thing you need to do is to acquire the property. Commissioner Murdock wants parking to be reasonable and affordable. He added we don't expect it to be a burden on the Town. He welcomed everyone's ideas. He hears the opposition and he is listening, but it is his opinion it would leave a big hole in the island if we lose it. He has laid out the justification for his opinion.

Commissioner Kwiatkowski said the one important thing in the equation is estimates of what it will cost by year for the next few years. If you have year by year estimates, then we can look at our existing revenues and funds. She stated without a cost against the revenue it is extremely hard to justify people shouldn't be concerned. She sees the benefit of keeping it open, but we don't have construction numbers.

Commissioner Sullivan said at the end of the day, it shouldn't be just the five commissioners deciding. That's why they asked for input. He doesn't think either side of the purchase has been explained. There is

nothing definitive. He doesn't like the idea of rushing into it. Commissioner Sullivan said on-street parking funds cannot be used for the pier; we would need to get a change from the state government in order to use that money. He said it is like a house of cards or Jenga; if you pull out one piece the rest collapses. He said the plan in place now for ROW parking is the plan the people of the Town wanted. He stated this goes to the preservation of the character of the Town and to the economics of the Town. He said he is a facts guy and if you could show him it would work, he is all for it, as long as we can afford it, it makes sense and the people of the island want to have it done.

Commissioner Kwiatkowski stated the Parking Committee was started to help make money to defray the costs of having day trippers. Then it became we are going to purchase the pier. Then the public parking that went with the pier became part of the equation. Suddenly it has become we need to have a huge number of parking spaces for revenue. She said it keeps changing and as it changes it keeps growing because you want more revenue. One consideration needs to be, are we changing the nature of the island. She doesn't want to put the burden on any one part of the island. Commissioner Kwiatkowski stated she is not just looking at parking as a revenue stream, it is part of obligation to meet CAMA, Corps' policies and to make money to defray costs.

Commissioner Smith said we can't put a gate on the bridge. People will come. It doesn't matter if we have paid parking. We see a continuous increase in the amount of people who visit the island. They will park anywhere they can and get to the beach any way that they can.

Commissioner Murdock stated all the money that is collected from paid parking can be used. On-street and off-street can be used for different purposes. All of the money can't go to acquire property. There are little to no parking lots on the east end. He is trying to acquire property to put smaller parking lots on. The Corps said it needs to be spread out. Once it reaches a reasonable amount of parking spaces, he would like to look at eliminating ROW parking. It is dangerous and unsightly. Commissioner Murdock doesn't want to see post and rope all over the island. If we had land acquired for off-street parking, then that could afford us the possibility of eliminating ROW parking. He would be glad to meet with anyone and listen.

Motion by Commissioner Sullivan to request the reduction in price of \$500,000 based on the findings in the inspection report and that we require a response by the seller by 4:00 p.m. on Tuesday; second by Commissioner Kwiatkowski. He withdrew his previous motion.

Mayor Holden said he has been withdrawn from discussion or participation about the pier. He does feel like he needs to make everyone aware that all of the property the pier had for sale is under contract, part by the Town and part by another party at a considerably higher price than the Town's.

Commissioner Murdock stated his opinion of the motion is it is a harmless question to ask. Attorney Madon said we are just asking for a reduction; it is still under contract.

The motion passed by unanimous vote.

EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(5), TO INSTRUCT THE STAFF OR AGENT CONCERNING THE NEGOTIATION OF THE PRICE AND TERMS OF CONTRACTS CONCERNING THE ACQUISITION OF REAL PROPERTIES

Motion by Commissioner Murdock to go into Executive Session at 9:01 a.m.; second by Mayor Pro Tem Brown; approved by unanimous vote.

Town Clerk Finnell read the reason for Executive Session.

OPEN SESSION

No action as taken.

ADJOURNMENT

Motion to adjourn by Mayor Pro Tem Brown at 9:38 a.m.; second by Commissioner Murdock; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk