



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
MONDAY, APRIL 25, 2022 – 4:30 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Monday, April 25, 2022 at 4:30 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Rick Smith; Commissioners Gerald Brown, Brian Murdock, Page Dyer and Pat Kwiatkowski; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Inspections Director Tim Evans; Budget and Fiscal Analyst Daniel McRainey; and Town Attorney Rick Green.

Mayor Holden called the meeting to order.

PUBLIC COMMENTS

No public was in attendance. Vicki Myers submitted an online comment (hereby incorporated into the minutes).

DISCUSSION AND POSSIBLE ACTION ON PARKS AND RECREATION TRUST FUND (PARTF) PROJECT GRANT APPLICATION SUBMISSION

Assistant Town Manager Ferguson said Brittany Ship, the state PARTF coordinator for the east region is available for a phone call. She said the first question Ms. Ship has been asked to reiterate is if the property were to be sold in the future. Assistant Town Manager Ferguson reviewed the information she provided at the Tuesday meeting. Ms. Shipp said the requirement is the land is replaced with property that is equal or greater value. She said it is recreational value, so in this case it would be other waterfront property. The monetary portion would have to be equal or greater value at the time of the conversion.

Assistant Town Manager Ferguson said the other question is regarding selling items. It is her understanding that other piers in North Carolina that have used grant funding do have concessions. The concessions have to be available to all the public. They also need to have the ability to walk out on the pier, whether they are participating in the concessions or not. If you get into something like a restaurant or real estate office, those things don't count. Ms. Shipp said if the Town does decide to pursue an application for the grant, there is an option, being that is such an overmatch, that you could remove the pier house building or a portion of the building from the park boundary if you think at any time in the future the Town will want to do private, commercial based activities. Concessions, t-shirts,

ice cream and bait are things that are acceptable and can be contracted out with short-term lease agreements.

Mayor Pro Tem Smith asked if we could sell hotdogs, hamburgers, that sort of stuff. Ms. Shipp replied yes, there is nothing in the grant that dictates what needs to be sold. There is nothing that prohibits alcohol from being sold. The Town can continue to use the campground area as long as it is available for all. Everyone needs to have the same opportunity to rent, reserve and access the campsite. Paid parking can be offered. She said when considering fees, if you get into anything resident/non-resident, the non-resident fees cannot be more than twice what the resident fees are.

Commissioner Murdock said the pier plan included revenue from two rental spaces inside of the building. He wanted to make sure those can be rented out. Specifically, ice cream was one of them and a small grill or pizza place. It would be available to all the public, but it would be leased to a private business. He wanted to make sure the Town wouldn't be losing that revenue if we accepted the grant. Ms. Shipp responded those are all items that can be done. She said if the Board is considering now or in the future having a real estate office or things like that, they may want to consider removing a portion of the square footage from the PARTF boundaries. That doesn't have any negative impact to the project or future application.

Mayor Pro Tem Smith asked if it would be possible in the future to increase the size of the building. Ms. Shipp answered that is an option, it would depend on the use of the addition. As long as it stays within the parameters discussed it would be fine. She added you could also apply for a developmental grant in the future for recreational activities.

Assistant Town Manager Ferguson recapped that if the Board decides to move forward, the concessions is one thing. If they decide to remove the building, the site plan would need to be altered to take the building out if there is anything they see would not be for recreational purposes in the future. Ms. Shipp agreed. She said she could send some examples.

Attorney Green read from the application on site control and restriction regulations. He said assuming the worst, the Town comes to a point that the property would need to be sold, he is having a hard time understanding how we could find oceanfront replacement property to purchase. Ms. Shipp said she is not familiar with the property to speak to specific comps in the area. It doesn't necessarily have to be beach, but it would need to provide equal water access value as it does now. Mayor Holden said the oceanfront commercial zone property is limited. As of today, there is no other comparable tract of land available. Ms. Shipp said it sounds like a great opportunity if it is one of the last of its kind. This would allow for the deed restrictions to be a positive thing to be able to maintain that for the future. Attorney Green reread the clause and said he would say that the loss of that property would result in a loss of recreational opportunities. Ms. Shipp explained they highly discourage conversions. Attorney Green asked if there would be an opportunity for repayment of funds instead of conversion. Ms. Shipp responded no, that is not an option available. If it did come down to that, it wouldn't be paying the grant amount. It would be having to pay back the current market value. Commissioner Kwiatkowski asked if it would be current value of the land or land and the improvements. Ms. Shipp responded if the pier house were to stay in the boundaries, it would be the full property, including the improvements if they were funded by PARTF. It is whatever you are under contract with the state for.

Commissioner Kwiatkowski asked for the attorney's feedback on the bank's position. Attorney Green deferred to the town manager. Town Manager Hewett explained it is a classic second lien scenario in that the bank would need to approve any secondary claim to the deed of trust. In communications with Scott Leo, the bond attorney and the Truist attorney, we received a waiver lien request prepared in anticipation of needing to do so for any type of grant receipt that we may acquire. Attorney Green agreed the document met with his approval.

Commissioner Kwiatkowski said they have split the community down the middle about buying the pier. They are now willing to give it a chance. She stated now we are going to give it away in perpetuity. She said the best thing we can do for the community is to show them a good project that they feel confident in. Commissioner Kwiatkowski said we don't have to do this right now. She added we don't have a Capital Improvement Plan (CIP), which is a requirement. She never meant for her plan to be a CIP. She suggested this could be done next year if this is what the people agree to do. Commissioner Kwiatkowski said when you listen to what was said at the Local Government Commission (LGC), there was no discussion of this happening. It would have opened a lot more public comments at the time. She doesn't think the Town should do it this year.

Mayor Pro Tem Smith said maybe saying split community is skewed. Most of the people he talked to are in favor of the pier purchase and using grant money to help pay for it since we told everyone we didn't want to raise taxes. He mentioned it at the LGC that grants were being sought after. He said there is a small group that is trying to find a way to keep things stirred up. They want to have the option one day to sell it. He stated there is not a need to sell it. He thinks we can make money and still offer recreation. We have other property that could be sold if we need money. Mayor Pro Tem Smith said we already spent \$130,000 of our citizens' money because of this group delaying the purchase. That is about \$60 per person. He thinks we need to come together as a Board. This is an application for a grant. There are more grants that are available. He thinks we will go after all we can and give the public a place to go and enjoy the beach.

Commissioner Kwiatkowski read about grants from the paper that the Board endorsed. She said the people have not been given a chance to weigh in on this. She said the best thing that could happen is that we do a good job and nobody wants to sell. She added that we could get development grants that have 25-year stipulations, that are much better than in perpetuity on the land.

Motion by Commissioner Brown that we call the vote.

Commissioner Brown agreed the vote is to approve the process of applying for the grant, \$500,000 from the state of North Carolina.

Commissioner Brown withdrew his call for a vote.

Motion by Commissioner Brown that we move forward with the application for the grant; second by Commissioner Dyer.

Commissioner Murdock said he fought for this pier. He took a lot of heat for supporting the purchase. He had a lot of negativity against him. His intention is to never sell this piece of property. It needs to be maintained for public use until there is no public. It is irreplaceable. He said he is in full support of

maintaining that stretch of oceanfront for everyone to enjoy from now on. His questions were answered. Commissioner Murdock stated the Board has an obligation to make sure whatever they do doesn't cost taxpayers one dime. They agreed they would do it with paid parking, rent out a couple of spaces, have a walkway and emergency access for the Town. We owe that to the public so that the property is revenue neutral. He needs clarification between a pizza place, a grill and a restaurant. An office is not what people want there. As a commissioner, he would like to have more time to make monumental decisions like this. In perpetuity to keep the pier doesn't bother him. If it is okay with Truist and the conditions are intact, he is all for it.

Commissioner Kwiatkowski asked what the Board would like to do with the building. She wouldn't do this. She would put a plan together first. She wouldn't have approved to go forward with the financing if this is how it would play out.

Mayor Pro Tem Smith said concerning Commissioner Murdock's question, it was asked and they said as long as it is not a private club, it is okay.

The motion passed by a 4 – 1 vote with Mayor Pro Tem Smith and Commissioners Brown, Murdock and Dyer voting for the motion and Commissioner Kwiatkowski voting in the negative.

ADJOURNMENT

Motion to adjourn at 5:12 p.m. by Commissioner Brown; second by Commissioner Murdock; approved by unanimous vote.

ATTEST:

J. Alan Holden, Mayor

Heather Finnell, Town Clerk