



**Town of Holden Beach
Board of Commissioners
Regular Meeting**

**Tuesday, December 21, 2021
5:00 PM**

**Holden Beach Town Hall
Public Assembly**



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS' REGULAR MEETING
HOLDEN BEACH TOWN HALL – PUBLIC ASSEMBLY
TUESDAY, DECEMBER 21, 2021 - 5:00 P.M.**

1. Invocation
2. Call to Order/ Welcome
3. Pledge of Allegiance
4. Agenda Approval
5. Approval of Minutes
 - a. Minutes of the Special Meeting of November 12, 2021 (Pages 1 – 4)
 - b. Minutes of the Regular Meeting of November 16, 2021 (Pages 5 – 17)
6. Public Comments on Agenda Items
7. Presentation of Plaque to the Outgoing Board of Commissioners by Town Manager Hewett
8. Presentation of Plaque to Commissioner Sullivan of the Outgoing Board of Commissioners by Mayor Holden
9. Board of Commissioners' Comments
10. Judge Gerald Arnold will Present the Oath of Office to the Incoming Board of Commissioners
 - a. Mayor J. Alan Holden
 - b. Commissioners Page Dyer, Rick Smith and Pat Kwiatkowski
11. Election of Mayor Pro Tempore – Town Clerk Finnell (Page 18)
12. Discussion and Possible Approval of 2022 Board of Commissioners' Meeting Schedule – Town Clerk Finnell (Pages 19 – 20)
13. Discussion and Possible Direction on Rules of Procedure for the Board of Commissioners – Town Clerk Finnell (Page 21, Separate Packet)
14. Discussion and Possible Board Endorsement of the Pier Property Plan Document and Action on the Associated Proposed Resolution (Resolution 21-17) - Commissioner Kwiatkowski (Pages 22 – 36)

15. Discussion and Possible Approval of Resolution 21-18, Resolution of the Town, Authorizing the Negotiation of an Installment Financing Contract and Providing for Certain Other Related Matters Thereto – Assistant Town Manager Ferguson (Pages 37 – 42)
16. Police Report – Chief Dixon (Page 43)
17. Parking Tasker (Pages 44 – 57)
 - a. Parking Committee’s Summary in Response to the Board of Commissioners’ Tasker – Commissioners Murdock & Smith
 - b. Discussion & Possible Action on Parking Committee’s Recommendations – Commissioner Murdock
18. Discussion and Possible Approval of Ordinance 21-35, Ordinance Amending Ordinance 21-13, The Revenues and Appropriations Ordinance for Fiscal Year 2021 – 2022 (Amendment No. 9) – Town Manager Hewett (Pages 58 – 59)
19. Discussion and Possible Action on Ward & Smith Engagement Letter – Assistant Town Manager Ferguson (Pages 60 – 63)
20. Discussion and Possible Action on Third Amendment to Solid Waste & Recyclables Collection, Transportation and Disposal Agreement between the Town and GFL Environmental – Public Works Director Clemmons (Pages 64 – 67)
21. Discussion and Possible Action on Resolution 21-19, Resolution Amending the Holden Beach Fee Schedule (Recycling) – Town Clerk Finnell (Pages 68 – 69)
22. Discussion and Possible Action on Audit Committee Recommendation for the Audit Firm to Conduct the Required External Audit for the Year Ending June 30, 2022 – Commissioner Kwiatkowski
23. Public Comments on General Items
24. Town Manager’s Report
25. Mayor’s Comments
26. Board of Commissioners’ Comments
27. 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 - Commissioner Murdock
28. Adjournment

* The remote meeting will be livestreamed on the Town’s Facebook page. Visit <https://www.facebook.com/holdenbeachtownhall/> to watch the livestream. Public comments can be submitted to heather@hbtownhall.com prior to 1:00 p.m. on December 21, 2021.



**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



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, NOVEMBER 16, 2021**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, November 16, 2021 at 5:00 p.m. in the Town Hall Public Assembly. Present were 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; Police Chief Jeremy Dixon; Public Works Director Chris Clemmons; Inspections Director Tim Evans; Fiscal Operations Supervisor Margaret Lancaster; Budget & Fiscal Analyst Daniel McRaney; and Town Attorneys Rick Green and Katie Madon.

Mayor Holden asked for a moment of silence and then called the meeting to order.

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

Motion by Commissioner Murdock to accept the agenda as presented; second by Commissioner Smith; approved by unanimous vote.

APPROVAL OF MINUTES

Motion by Mayor Pro Tem Brown to approve the minutes (Regular Meeting of October 19, 2021); second by Commissioner Murdock; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

Town Clerk Finnell explained comments were received via email. They were supplied to the Board and are available online for the public's review. Mayor Holden asked if the Board would like to waive their Rules of Procedure to allow people to speak without signing up.

Motion by Commissioner Kwiatkowski to allow; second by Commissioner Murdock; approved by unanimous vote.

Tracey Thomas read a letter from the HBPOA (hereby incorporated into the minutes) regarding the pier purchase.

Rick Paarfus said he is a member of the Parking Committee. He encouraged people to look at Otto's parking presentation on the Town's website. He reviewed what it contains. It doesn't address traffic congestion, trash collection and restroom facilities. Mr. Paarfus said the Parking Committee needs to look at that. He talked about revenue streams and available parking. Mr. Paarfus is disappointed the Board hasn't put a plan together for the pier.

Julia Jobber spoke about the proposed change for oceanfront lighting. She agreed we should protect the turtles. She provided information on different types of lighting. She said the photo from the last meeting was her house and talked about her situation. Ms. Jobber said she hopes the Board updates the ordinance to disallow any oceanfront lighting during turtle season. After that it should be the same as any other property.

Phil Caldwell said he and his wife are in favor of the Board voting to purchase the pier.

Tony Jordan talked about limited access to the beach in the past. He said fortunately that problem was solved and there is access. He is for the purchase of the pier and agreed there needs to be a plan. He would like to see public parking. He talked about the pier being a busy place.

PRESENTATION OF FISCAL YEAR 2020 – 2021 AUDIT RESULTS – ELSA WATTS, MARTIN STARNES AND ASSOCIATES

Town Manager Hewett said the audit was submitted on time and approved by the Local Government Commission (LGC). He introduced Ms. Watts. Ms. Watts explained the Town received an unmodified opinion, which is a clean audit opinion. She thanked Town Manager Hewett, Fiscal Operations Supervisor Margaret Lancaster and Budget & Fiscal Analyst Daniel McRaney for their cooperation. She reviewed fund balance. Total fund balance was just over \$4 million for the General Fund. The available fund balance is \$3.5 million. This is an increase in available fund balance of \$435,000. The available fund balance as a percent of expenditures for the General Fund was 114%. The LGC requires you maintain at least 8%. Ms. Watts went over revenues and expenditures. The quick ratio for the Water and Sewer Fund was 3.05. The LGC would be concerned if the number was less than 1. Something new the LGC is looking at this year is performance indicators. There was one indicator for the Water and Sewer Fund that was below the recommended amount. Ms. Watts went over the calculation. Due to this, the LGC requires a letter signed by the finance director and all Board members explaining the reasoning behind this.

DISCUSSION/QUESTION AND ANSWER ON THE AUDIT COMMITTEE MESSAGE ON THE EXTERNAL AUDIT REPORT TO THE BOARD OF COMMISSIONERS

Commissioner Kwiatkowski explained the Audit Committee pulled out some of the information from the report that the public wants to know about. She reviewed the memo in the packet.

ANNUAL MONITORING REPORT – FRAN WAY, ATM

Assistant Town Manager Ferguson provided background and introduced Fran Way. Mr. Way showed where transects are taken from. Generally speaking, sediment transport is from east to west. For the annual monitoring analysis, they look at volume change and shoreline change. Monitoring has occurred annually since 2001 and is used for nourishment planning and FEMA eligibility. Last hurricane season was

very favorable. The previous year we had Isaias, which did a lot of damage for a Category 1. We received some FEMA funding for that. We are still working on Florence, Michael and Dorian. Mr. Way described how they do volume analysis. The results this year were good. Over the last year the beach was stable. The Town actually gained about 60,000 cubic yards. He reviewed the volume calculations and shoreline changes. Mr. Way discussed the central reach volumes. The beach is much healthier than it was in 2000. The nourishment program is working. Mr. Way provided information on the ongoing nourishment activities to include the Corps' 50-Year Study, Florence/Michael Mitigation Project, Dorian Mitigation, Isaias Mitigation, Lockwood Folly Inlet Crossing and Bend Widener and Lockwood Folly Outer Channel Dredging/Navigation.

DISCUSSION AND POSSIBLE ACTION ON AUDIT COMMITTEE PROPOSED REVISED ORDINANCE 30.26, AUDIT COMMITTEE (ORDINANCE 21-32)

Commissioner Kwiatkowski said the Audit Committee reviewed the existing ordinance and is proposing some revisions. She went over the changes in the proposed ordinance. Mayor Pro Tem Brown would like to see the terms stay one year. Commissioner Kwiatkowski stated the committee was unanimous in thinking three-year terms are appropriate.

Motion by Commissioner Kwiatkowski that the revised ordinance as written be approved by the Board so it could be put in place for the next Audit Committee; second by Commissioner Sullivan. The motion passed by a 3-2 vote with Commissioners Murdock, Sullivan and Kwiatkowski voting for the motion and Mayor Pro Tem Brown and Commissioner Smith voting in the negative.

DISCUSSION AND POSSIBLE ACTION ON REQUEST FOR BEER GARDEN AND SIGNAGE FOR RUN HB

Assistant Town Manager Ferguson stated David Hutnik is here if the Board has questions. We have not had any problems in previous years. They are requesting to place a banner, have vendors and a beer garden.

Motion by Commissioner Smith to approve the signage for Run HB, vendors and beer garden; second by Commissioner Murdock; approved by unanimous vote.

POLICE REPORT – CHIEF DIXON

- Hunting season started October 16th and runs through January 1st. We haven't had complaints this year, but always do about people hunting on the west end of the island. Discussed it with NC Wildlife. They will help us monitor it.
- Provided information on current scams.
- Last month we talked about UTVs. We have our first street legal UTV on the island.
- Wished everyone a happy Thanksgiving.

PARKING COMMITTEE'S SUMMARY IN RESPONSE TO THE BOARD OF COMMISSIONERS' TASKER

Commissioner Murdock reviewed the tasker and answers. Town-owned lots that currently exist and how many spaces are available for paid parking - 221. By his count approximately 28 – 32 of these spaces are in the DOT rights-of-way (ROW) so he would take that number down to about 190. Town-owned property

suitable for conversion by next spring – there is one lot across the street and the property in the 800 block. There is a little on the east end. That would be about 50 spots. Properties that are proposed for purchase and how many spaces will be available for paid parking – there are properties for sale that could be purchased. He doesn't think anything has been proposed up to this point, other than identifying what is for sale. There is Block Q, one lot directly across the street in front of Bridgewater, pile hinge behind the old post office on Jordan Boulevard, the big tract adjacent the Pavilion, on the water. The rate proposal for paid parking is \$4 an hour for the first four hours or \$20 a day. If we do it, it would be implemented from March 1st to October 31st. After that it would be free. Season passes would be available to purchase. Commissioner Smith said vehicles pulling a trailer would be \$30 per day. We are looking at permits for golf carts. Commissioner Murdock added the pier property to the proposed for purchase list. That is 82 spaces. He said there are 500 ROW parking spaces available today. He talked about the issues with ROW parking. If people use post and rope, that number will be significantly reduced. The cost to implement paid parking is approximately \$48,000. That is based on the parking we currently have. He went over the estimates from Otto Connect for net profit. Commissioners Murdock and Smith talked about the parking/access needs of the island.

Commissioner Kwiatkowski heard there are some challenges with parking in the marsh area. Commissioner Murdock said it is allowed now. It is included in the ROW numbers. Commissioner Smith added that Development Services Officer Wooten cautioned the committee that it is a wetland area and in the future you might not be able to use it, but right now we use it. The Board talked about the Corps' requirements, making parking available on the west end, ROW parking, reasonable parking and moving forward.

Commissioner Kwiatkowski asked why a vehicle and trailer is only \$30, since it is at least twice as long. She asked if the information will be added to the map. Commissioner Smith said they will look at it at the next committee meeting.

UPDATE ON REVISION OF OCEANFRONT LIGHTING ORDINANCE

Commissioner Smith said Pat Cusack from the Turtle Patrol was going to come to meeting but he had to go out of town. He spoke to him and the president of the Turtle Patrol. Both are in favor of restrictions on oceanfront lighting. Mr. Smith will provide our attorney with his information so they can work with Inspections Director Evan on developing an ordinance that makes sense.

DISCUSSION AND POSSIBLE ACTION ON UPDATED WATER FEE SCHEDULE

Public Works Director Clemmons explained that as of January 1st, the county will increase the Town's wholesale rate by 82%, with the new rate being set at \$5.25 per thousand gallons (proposed rates hereby incorporated into the minutes). This increase by the county is to cover the cost of the plant capacity from 24 MGD to 48 MGD and to add a low pressure reverse osmosis treatment system. Staff is proposing the Town increase our water/sewer rates effective January 1st to reflect the increased amount. The proposed increase reflects the county's increase only, with no additional profit to the Town.

Motion by Commissioner Kwiatkowski to approve the water/sewer rates effective January 1, 2022, direct staff to update the fee schedule to reflect the new rates; second by Commissioner Smith; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON STAFF COMPENSATION (RESOLUTION 21-16, PROVIDING COVID-19 PERFORMANCE BONUSES TO TOWN STAFF)

Commissioner Kwiatkowski said staff has had to work under extremely difficult conditions over the past year and a half because of COVID. We also had some significant inflation this year that was not expected. It makes sense to give them a bonus for their hard work and continued high level of service. She read the resolution.

Motion by Commissioner Kwiatkowski for the Board to approve the resolution; second by Commissioner Murdock.

Commissioner Smith said he thinks this is a gesture of how hard the staff works. Staff was steadfast during COVID.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON A REQUEST FOR PARKS & RECREATION (PRAB) COMMITTEE SUGGESTIONS FOR THE TOWN-OWNED 796 OCEAN BOULEVARD PROPERTY

Commissioner Kwiatkowski would like to request that the PRAB give the Board their priority uses that they would envision for 796 OBW by the February Board meeting so the Board can incorporate planning into the budget. She provided history on the topic for the Board.

Motion by Commissioner Kwiatkowski that the Board request that the PRAB provide this body with its top two or three priorities of how they envision the building being used as a community recreation resource by the February Board meeting; second by Commissioner Sullivan.

The Board discussed what is in the packet and how they would like the PRAB to move forward. Assistant Town Manager Ferguson explained that currently it is discussed in the Parks & Recreation Master Plan, but it is a water/sewer asset.

The motion passed by unanimous vote.

Town Manager Hewett stated the Town would need to make sure to consider the cost for the recreation fund reimbursing the sewer fund in any total expense.

PROPERTY PURCHASE UPDATE AND REQUEST FOR PUBLIC OPINION

Commissioner Sullivan stated at the last meeting, there was a motion passed that we go back to the seller based on the findings of the inspection to ask for a reduction in price of \$500,000 on the pier property. Attorney Madon said she spoke with Mr. Bass; their corporate bylaws procedure would take about 30 days to complete. As of now they can't honor our request to reduce the purchase price without a meeting. The Board can request to extend the due diligence period. Commissioner Kwiatkowski inquired about the deliverables the seller was to give according to the contract. Attorney Madon reviewed the information she received.

Motion by Commissioner Kwiatkowski that we request Mr. Bass to extend due diligence by the appropriate period so they can have a meeting and a vote on our request to reduce the price.

Attorney Madon suggested using a specific timeframe on the due diligence and a timeframe on the response.

Commissioner Kwiatkowski amended her motion to request to the seller to extend the due diligence until Wednesday, December 22nd, response required by Friday, November 19th at 2:00 p.m.

The Board discussed the timing of the request. Commissioner Sullivan asked to revise the motion to if Mr. Bass doesn't respond to the request, come the end of business on Thursday, we will end the contract for purchase of the pier.

Commissioner Kwiatkowski revised her motion to we are requesting a response on the price reduction by Friday, December 17th at 2:00 p.m., to extend due diligence and the Board requests a response for the extension by Friday at 2:00 p.m. or we will withdraw our offer.

Commissioner Murdock said he is not willing to jeopardize the contract for asking for a reduction of \$500,000. He asked Commissioner Kwiatkowski to remove termination from the motion. He said it is a commercial area. The only way to control what is there is to keep the property. We need the parking and we need the access. There is a 4,500 foot gap in accesses in that area of the beach. He would be happy to lay out the details of the purchase to anyone who would like to discuss it with him. 350 feet of oceanfront property is about \$465,000 each for an oceanfront lot. The pier is not the main reason to buy the property. It is to protect that area of the beach. The other properties besides it are now under contract. He talked about options to pay the debt service to include paid parking and the grant the Town received of about \$200,000. Commissioner Murdock said the Town needs to budget the money and fix it as we can. He talked about options for the pier and building. Commissioner Smith added BPART money is for beach preservation, access, recreation and tourism. That is what that facility would be. Commissioner Murdock said he does have a business plan that includes using parking revenue. He said the Board is not planning on a tax increase.

Commissioner Sullivan asked why nobody has seen a plan. He went over his understanding of the motion and of Commissioner Murdock's comments.

Commissioner Sullivan seconded the motion.

Town Clerk Finnell read the motion. Commissioner Kwiatkowski clarified that the due diligence extension is to allow for a vote by his board on the price reduction. It is a due diligence extension, with the expectation that there is an answer on the price reduction. We need a response on the due diligence extension by Friday at 2:00 p.m. or we will withdraw the offer. Commissioner Sullivan agreed.

Commissioner Sullivan said there are three basic questions on any purchase that anybody makes: the cost of the purchase, how we will pay for the purchase and how will we use the purchase. He stated we know the purchase price, but we don't know the repair price. He said we just heard numerous possibilities, but he would like a plan. If there is no plan, he can't support it. He went over the feedback from people in the

minutes from the public hearing on the pier. Commissioner Sullivan said the people who live in the area came to the meeting and talked about needing access. He talked about different areas having private accesses. He suggested the people in the pier area could also purchase a private access. He said he believes that everyone got on the Board to make decisions that are beneficial to the Town. He was elected to represent the will of the people of the Town. He has heard that people want to move forward only if it makes sense and it is fiscally possible. He doesn't see how going forward with this deal is fiscally responsible and makes sense if we don't get an extension of due diligence.

Commissioner Smith stated he doesn't think the difference in the pricing is to where we would have to just drop the contract. He thinks we need to supply reasonable parking and public access. It will have to be at a price. We can't have people come over and use the beach and not get some revenue out of it for the police protection and for us to do the clean-up. We have an opportunity to buy some other parking areas, which are both below the appraised value, as the pier also is. He talked about the recent surveys. It is hard to gauge the results with the limited participation. He went over the response percentage. He talked about his past experience with surveys where questions were written to get the answer they wanted. He was upset with the way the survey was written. Sometimes the way you ask a question is the way you will get an answer. Commissioner Smith talked about funding the project.

Commissioner Kwiatkowski said a business plan for a community is on paper. She stated the Board needs to reduce their thoughts to writing. She said the Board has gotten sloppy about adding things to the packet ahead of time. Ideas, costs and potential revenues should have been put on paper. She talked about the necessity of a deadline for the motion.

Mayor Pro Tem Brown called for the vote.

The motion failed. Commissioners Sullivan and Kwiatkowski voted for the motion and Mayor Pro Tem Brown and Commissioners Murdock and Smith voted in the negative.

Attorney Madon asked if the Board wanted to entertain a due diligence extension without an automatic termination, along with a deadline for him to respond.

Motion by Commissioner Murdock without the termination date; second by Commissioner Smith.

Attorney Madon reviewed the terms. Due diligence would be extended to December 17th at 2:00 p.m., response by Friday at 2:00 p.m. Town Manager Hewett said he does not know what the extension of due diligence does to the application process for the installment financing agreement. He doesn't know what that does to the ability to close. Commissioner Murdock said he thinks the consensus is we want the reduction question answered.

The motion was approved unanimously.

Town Clerk Finnell reviewed the motion: to extend due diligence to December 17th to get a response on the reduction, we want a response on the extension by Friday at 2:00 p.m. Commissioner Kwiatkowski added that the time on December 17th is also 2:00 p.m. The Board all agreed they understood the motion.

PUBLIC COMMENTS ON GENERAL ITEMS

Mr. Rogers said the turtles were here before we were and we need uniformity in policy concerning lighting. He hopes the Town will be diligent about nature. He stated we talked a lot about parking, but didn't talk enough about toilets, litter, traffic congestion and handicap accessibility. Mr. Rogers said he recently saw a sign saying a Dollar General will be opening soon on Ocean Boulevard. It may be a joke, but if not, it calls for an open discussion on zoning, grandfathering provisions and public hearings. He is for having a bike path.

Beverly Compton said it sounds like Commissioner Murdock has a plan and needs to write it down. You then need buy-in. She doesn't think you can do neutral questions for surveys. She said the reason the HBPOA gets calls is when people don't like things. She talked about surveys.

Rick Paarfus requested the Town put the Corps' parking guidelines on the website. He talked about the statistics for tonight's public comments. Would like to see what data there is in support of the pier. He talked about the need for a plan. He said people have said if you don't have a plan, don't buy the pier. He said the Board needs to listen.

Jim Bauer talked about his solution for parking. He stated without a plan, the pier doesn't make sense. He talked about eminent domain for access.

Tony Jordan said Gil Bass is not a villain. He thanked the Board for their diversity. If everyone says yes, it will not be constructive. He does want the Board to buy the pier, but he wants there to be a plan.

Dean Thomas stated he appreciates the vision for the pier. He would like something on paper on the plans to proceed.

TOWN MANAGER'S REPORT

- Reminded the Board that Shane Lippard from Right Angle Engineering is working on finalizing designs and specs for the paving project on Sea Gull. On task to pave sometime between Easter and Memorial Day.
- Sediment sampling, which was a grant to ascertain the composition of our beach strand has been completed. It has been accepted by the Division of Coastal Management. They have advised us to apply for the reimbursement of those funds.
- Fran Way spoke to our beach projects. Central Reach FEMA projects will happen this winter. The Eastern Reach Project which takes the sand from the Lockwood Folly Inlet and places it on the east end will also happen. The objective is to mate the two projects. When that happens, we should have a continuous five-and-a-half-mile project running from Amazing Grace to the 800 block. Doesn't know when the dredge will be in front of your house. We have a placement contract and a timeframe it needs to be completed in. Since the Eastern Reach Project is a Corps' navigation project, we met with the program manager for potential federal contracts to familiarize staff with what process is. More to come later.
- Do have the Turkey Trot on Thanksgiving Day. Canned foods can be dropped off for a local food bank.
- Tree lighting is December 3rd.

Town Manager Hewett responded that we have the permit for the sand project to end at 871 Ocean Boulevard West and it begins at 262 Ocean Boulevard East in response to Mayor Holden's question.

MAYOR'S COMMENTS

- Tonight is an example of people with differing opinions being able to do it in a gentlemanly and lady like way. Thanks for the good discussion.
- This week had an opportunity to talk to Charlie Miller, our NC House of Representative. One of topics that stood out the most is he expected the budget to be finalized tomorrow. You have probably seen a crane working across from Town Hall. That is one of the projects they were talking about. The project is tax funded. The goal is to continue to clean up the waterway and rivers in the area from abandoned boats and other hazards. Talked about the ones in our area. We have a lot of those monies being spent right here, cleaning up our area. We greatly appreciate it.
- Veterans event that was sponsored by the Town was greatly appreciated by the veterans and well attended. Complimented the staff and all involved for putting it together. Had several people call and email about the flags. One of most complimented things was the large flag on our flagpole. Thanks to all who attended and those who helped make it happen.
- Happy Thanksgiving and thanks for being here.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Brown

- As far as the pier and parking situation, the easy thing would be to forget about it and be like an ostrich, stick your head in the sand. We have a beautiful town. The pier can work. We are not going to raise taxes in order to purchase the pier. It was never the goal. Never said anything about raising taxes. If he was a homeowner's association and all he could do is make derisive calls on everything, he thinks it is time for some new faces. He wants to see parking squared away. If we don't do it now there will be some opportunities that will get away from us. Every other town has paid parking and it is already working for them. There is no reason this island shouldn't have the same. It is something we need to do as a group and keep moving forward. Everyone can't agree, but that is part of the job. When he and Commissioner Murdock ran, they went out and told the people the truth. They are trying to do what is best for Holden Beach. There is no better fellow in this community that has done more for this town than Gil Bass. Read one of the comments about 1,000 parking spaces. Nothing has ever been said about 1,000 parking spaces. It was never the intent. Pays his taxes to the county and the Town. Has a lot of friends on the mainland and wants them to come to Holden Beach and enjoy it like he does. Knows he is very fortunate. Wants to see us keep progressing in a good way. Renters come and bring a lot of tourist dollars. Twelve weeks out of the year we are inundated. We accept that as part of the life we get to cherish here. Let's stay together as a community and work for a good common cause. Twenty years from now he wants a little boy with his granddaddy to walk out on the pier. He wants that little boy to have the same experience he had. Those experiences stick with you throughout your lifetime. Working for the best interests of the Town.
- Have a really great Thanksgiving. Enjoy yourself with your family and friends. Be thankful you live at Holden Beach.

Commissioner Smith

- Thanked Mayor Pro Tem Brown for his heartfelt comments.

- Thanked staff, especially the Police Department for the successful Festival by the Sea. They maintained the crowd well and the parking. There were many smiling faces. It was a success. It showed a need for parking. The beach is finally getting back to winter normal where you get home at 7:00 or 8:00 p.m. and there is not a car on the road. You get up with your coffee and walk to the beach and see a fisherman way down the beach. This is the time that makes him love Holden Beach the way he does.
- If you're traveling for the holidays, be safe. Enjoy your family. Give your family a hug and let them know you love them.

Commissioner Murdock

- Thanked everyone for coming out. Likes to see a room full of people. Would rather talk to people face to face, than in any executive session. Thinks that has led to where we are at now. We are very limited in some cases on what we can say. Apologizes for not writing it down. Has his feelings in front of him on how we can substantiate purchasing the pier. Will put it on paper to the best of his ability. Just received the parking report. That should be available to everybody. It totally lists everywhere you could possibly put a car and the options you could choose from to implement or not implement. Would like input on how many spaces you think as townspeople would be appropriate on the island. Has lots of reservations on putting them in one spot because it creates a deluge of people on the beach in one spot. According to our guidelines with the Corps' study, we will need to spread it out. Asked where you would want them to put spaces, if we didn't purchase the pier and didn't have the 82 spaces. ROW parking is not the best for everyone. You can put up post and rope, but that is not what he envisions for the island. Instead of being derisive, it would be nice to be able to come together as a community. Seems to be a consensus that 500 – 600 is the number we are going to need. Wants to provide a safe, functional pier, aesthetically pleasing in the long-term, knows it can't happen overnight. Wants emergency vehicle access for that stretch of the island. Wants to be able to get people out there. Providing parking is also one of his goals. Parking is already there. Could be a wedding venue, sunrise service. Feels we can pay for it and not have to raise taxes. Hopes we can come together and decide as a community to answer these questions.
- Thanked staff and attorneys and everyone that works hard to keep the Town going. They are very responsive.
- Hopes everyone has a good holiday.

Commissioner Sullivan

- Thanked everyone who showed up tonight and everyone who sent emails. We have asked for them. Sometimes we like what we read and sometimes we don't. Appreciates it.
- This is the last meeting where he will be a voting member. Didn't run for reelection so there will be a new commissioner next month. Thanked the staff. Not only do they work hard, but they are more than competent, conscientious and dedicated. We are fortunate to have them and he to work with them for four years. Thanked colleagues on the Board and those prior to this group. Had a lot of heated discussions, passion and disagreements, but at the end of the day, it is what democracy looks like and what we are supposed to be doing. Respects everybody as much as he disagrees with some of them because they stepped forward and decided there were things that need to get done that they could do better than the people who were here before them. They give their time. Particularly pointed out Commissioner Kwiatkowski because she consistently takes on the tasks nobody else would want to take on. She has done a lot of things to keep the Board running in the right direction. Appreciates it. Thanked the residents for giving him the privilege for being able to sit on the Board.

Commissioner Kwiatkowski

- Thinks if the Board could get better about getting our things in writing, not just this plan, but other things too, into the packet so people can see it before the meeting it will go a long way to getting a little better about the public feeling that they understand what is happening.
- It has been great having Commissioner Sullivan. Still will go to his house and ask questions.
- On Thursday, 4:00 – 7:00 p.m., the county will be having an open house that will presenting information on the progress of their new Land Use Plan and Parks & Rec Plan they have been working on. They did put out surveys to the public. Information will be available from what she understands. Encouraged people to go and take a look on how the county is planning to use their money and what they see their future to be. How they see their future impacts ours as well.
- Have a happy Thanksgiving. Hopes to see a lot of you back here in December.

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 Smith to go into Executive Session at 8:06 p.m.; second by Commissioner Murdock.

Town Clerk Finnell read the reason for Executive Session.

The motion passed by unanimous vote.

OPEN SESSION

The Board went back into Open Session at 9:02 a.m.

Motion by Commissioner Kwiatkowski to add Budget Ordinance 21-33, An Ordinance Amending 21-13, the Revenues and Appropriations Ordinance for Fiscal Year to the agenda; second by Commissioner Sullivan; approved by unanimous vote.

ORDINANCE 21-33, AN ORDINANCE AMENDING ORDINANCE 21-13, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2021 – 2022 (AMENDMENT NO. 7)

Motion by Commissioner Kwiatkowski to approve Budget Ordinance 21-33, An Ordinance Amending 21-13, the Revenues and Appropriations Ordinance for Fiscal Year, fund balance appropriated up to \$850,000, expense property/access acquisition; second by Commissioner Smith; approved by unanimous vote.

RECESS

Motion by Commissioner Smith at 9:04 p.m. to recess until Friday at 2:00 p.m. Mayor Holden added in Town Hall. The motion was seconded by Mayor Pro Tem Brown; approved by unanimous vote.

RECONVENE

The Board of Commissioners reconvened their meeting on Friday, November 19, 2021 at 2:00 p.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; Police Chief Jeremy Dixon; and Attorneys Rick Green and Katie Madon.

Mayor Holden called the reconvened meeting to order.

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 Smith to go into Executive Session at 2:04 p.m.; second by Mayor Pro Tem Brown; approved by unanimous vote.

Town Clerk Finnell read the reason for Executive Session.

OPEN SESSION

The Board went back into Open Session at 2:35 p.m.

Attorney Madon explained we received a response from Mr. Bass through his attorney. She read the response. The shareholders decided not to reduce the price so they do not see a need to extend the due diligence period.

Motion by Commissioner Sullivan that we terminate the contract based on the fact that they won't extend the due diligence nor make any adjustment to the price based on the needed repairs.

Commissioner Sullivan amended his motion to that we terminate the contract; second by Commissioner Kwiatkowski. The motion failed by a 2 – 3 vote with Commissioners Sullivan and Kwiatkowski voting for the motion and Mayor Pro Tem Brown and Commissioners Murdock and Smith voting in the negative.

RECESS

Motion by Commissioner Smith at 2:41 p.m. to recess to Monday at 12:00 p.m.; second by Mayor Pro Tem Brown; approved by unanimous vote.

RECONVENE

The Board of Commissioners reconvened their meeting on Monday, November 22, 2021 at 12:00 p.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; Police Chief Jeremy Dixon; and Attorneys Rick Green and Katie Madon.

Mayor Holden called the reconvened meeting to order.

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 Mayor Pro Tem Brown to go into Executive Session at 12:03 p.m.; second by Commissioner Murdock; approved by unanimous vote.

Town Clerk Finnell read the reason for Executive Session.

OPEN SESSION

The Board went back into Open Session at 12:28 p.m.

Motion by Commissioner Kwiatkowski that we add to the agenda Discussion and Possible Action on an Ordinance Amending Ordinance 21-13, that being Ordinance 21-34; second by Commissioner Smith; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 21-34, AN ORDINANCE AMENDING ORDINANCE 21-13, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2021 – 2022 (AMENDMENT NO. 8)

Motion by Commissioner Kwiatkowski that the Board approve Ordinance, 21-34, An Ordinance Amending Ordinance 21-13, the Revenues and Appropriations Ordinance for Fiscal Year 2021 – 2022 (Amendment No. 8).

Commissioner Kwiatkowski explained this will adjust the fund balance, \$850,000 decrease, the expense related to property/access acquisition.

The motion was seconded by Commissioner Smith and approved by unanimous vote.

The Board discussed the closing date of February 28th. Town Manager Hewett reviewed the financing process. The Board talked about the funding process, the closing date and how to move forward.

ADJOURNMENT

Motion by Mayor Pro Tem Brown to adjourn at 12:35 p.m.; second by Commissioner Murdock; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk



Date: December 8, 2021

To: Commissioners and Mayor Holden

From: Heather Finnell HF

Re: Mayor Pro Tem

Per Section 30.05, Mayor Pro Tempore of the Holden Beach Code of Ordinances, the Board shall elect from one of its members a mayor pro tem. The normal term of office is one year, commencing with the December meeting.

The Board can vote by ballot or verbally, whichever is the Board's preference. If the Board votes by ballot, please make sure to sign your ballot.



Date: December 8, 2021

To: Commissioners and Mayor Holden

From: Heather Finnell HF

Re: Meeting Schedule

Enclosed is the proposed 2022 Board of Commissioners' Regular Meeting Schedule. All dates, except for the March date, reflect the third Tuesday of the month. The proposed March date is for the second Tuesday of the month, due to scheduling conflicts.

Staff recommends approval.



**TOWN OF HOLDEN BEACH
2022 BOARD OF COMMISSIONERS' MEETING SCHEDULE
5:00 P.M.
LOCATION –TOWN HALL PUBLIC ASSEMBLY**

January 18th

February 15th

March 8th

April 19th

May 17th

June 21st

July 19th

August 16th

September 20th

October 18th

November 15th

December 20th



Date: December 9, 2021

To: Commissioners and Mayor Holden

From: Heather Finnell, Town Clerk HF

Re: Suggested Rules of Procedure

The Board is required to adopt rules of procedure. The current version the Board is using is included for your review. The Board may adopt these rules as written or make amendments to them.

Staff recommends adoption of the Suggested Rules of Procedure for the Town of Holden Beach Board.

12 December 2021

Pier Property Plan

Commissioner Kwiatkowski, with input from Commissioner Murdock and Town Manager Hewett

Introduction

This document has been created in response to the request from many Holden Beach property owners for development plans and financial forecasts for the Town's ownership of the pier property. The below provides estimates for eventual revenues and expenditures associated with repair and operation of the pier and building in the context of their continuing to provide restaurant and retail establishments and a fishing pier. The facilities will not be run as a business by the Town; they will be leased out following necessary repairs. The Town is expecting there will be sufficient revenue from the pier property and parking revenue to cover finance and operating expenses reasonably soon, with some profit in later years, but a full return on investment for repairs is not assumed. It is projected that the pier property can be repaired and maintained without having to increase property taxes or add any special assessments.

This document covers only the pier and building property; plans and costs for the parcel that will provide beach access for emergency vehicles and beachgoers are not included. Assumptions are made based on current knowledge and understanding of property condition and construction costs. Some possible pier property improvements are mentioned in the report; however, any additional improvements, either noted or identified in future, should be brought before the Board of Commissioners for specific discussion and approval of additional funding.

Background

The Town of Holden Beach is in the process of purchasing Parcels 246DB001 and 246DB002. These two parcels are adjacent to each other and collectively total 350 feet of oceanfront. Parcel 246DB001, hereafter referred to as the "Pier Property", encompasses 300 ft of oceanfront real estate and contains the Holden Beach Ocean Pier, a building estimated to encompass 4000 sqft (as measured by Commissioner Murdock) with a grill and shop, a small general-purpose outbuilding and a paved parking lot. Parcel 246DB002, hereafter referred to as the beach access lot, encompasses 50 ft of oceanfront.

The desired outcome for Parcel 246DB001 is for the pier, building and land they are situated on to continue being used much as they currently are after necessary improvements/repairs and to also include public restroom facilities, all in accordance with current building and public safety standards. The Board's stated objective has been that the pier property purchase/debt service and repair costs are to be financed by revenues generated by the property, being a combination of paid parking revenue and leasing the pier and cafe building, coupled with available grant money, resulting in no property tax or assessment implications for owners. While there are grant money

opportunities, such as matching fund reimbursement grants from PARTF and Land and Water Conservation Fund, it must be considered that all grants have conditions and requirements that have the potential to restrict the Town's flexibility. It may be that accepting certain grants would not be in the best interests of the Town.

In case grant money is not available sufficient to cover repairs, and if realized revenues cannot fully cover debt service and operating expenses, funds could be assigned from the BPART fund for the purpose of providing and maintaining tourism related facilities and amenities. The financial state of the BPART fund is presented later in this document.

Parcel 246 DB002 will allow the Town to maintain a mid-island emergency and municipal services vehicle access, an additional improved public beach access and an as needed vehicle and/or equipment mobilization point for beach nourishment. Since December 2014 the Town has been granted a license by the current owners to use the western most twenty (20) feet of the adjacent campground property as an emergency vehicle access point to the beach strand, but with the RV park properties also on the market, the license will in all likelihood terminate. The need for an emergency, sanitation, public and beach nourishment mobilization access is important for the health and safety of everyone who uses the beach plus provides a separate access for beachgoers in an area that lacks a public access within ½ mile. A reimbursement CAMA access grant of approximately \$186K has been approved by the NC Division of Coastal Management to offset part of the costs associated with the beach access lot.

Pier and Building Condition Considerations

Building

There are two inspection reports for the building on the pier property: the MacPherson engineering services due diligence report of September 20, 2021 and the Town Inspector's Systems Evaluation report of September 17, 2021.

Summary of Findings

The building is a combination of three sections constructed at different times. The original building was constructed in 1960 (currently the center section) on a low crawl space with a cmu (cinder block) foundation wall, wood framed floor, exterior load bearing wood walls and a wood roof system. The west end of the building, constructed later, has a concrete slab floor on grade, a wood roof system supported on beams and round pilings and wood framed walls that appear to be non-load bearing curtain walls. The east end of the building, also constructed later, also has a concrete slab on grade floor, low cmu wall and a load bearing wood framed wall and roof system.

The middle section of the structure has been built to accommodate A2 occupancy (assembly uses intended for food and/or drink consumption) or business occupancy (use for office, professional or service transactions). The east end of the structure is an office.

The McPherson engineering services report states the building is overall in poor condition and concludes that the wood framed floor system in the center section of the building cannot be repaired and should be demolished and the east side addition could also be demolished. The west side addition, which is supported by beams and pilings, may be salvageable depending on a pile study and further assessment of the beams and roof system.

The Town Inspector's report states that overall, the building itself is in disrepair but has potential for improvements.

Proposed Plan and Estimated Costs

While some portions of the structure may appear derelict, there is the potential for repairs and improvements. Information provided by Commissioner Murdock, following a walk-through of the building with Town Staff and additional visits, indicates that the wood floor can be removed and replaced with concrete, poured in sections with the existing structure in place (estimated cost \$10K). Internal demolition including removal of all electrical (estimate \$10K) and site cleanup including trash removal (estimated cost \$5K) would bring the building to a leasable state for a tenant willing to be responsible for renovating to meet his or her requirements. Flood vents can be added if necessary (no estimate at this time). This estimate also does not include permit fees.

There are additional site improvements that could be made. There is ample space to add a large oceanfront deck between the building and the dune should the Town choose to add this amenity. The access to the pier can be rerouted and made accessible from the public walkway so that customers do not have to go through the middle of the building. There are also options for locating public restroom facilities on the pier property that need to be précised.

See Appendix 1 for specifics on deficiencies noted in the inspection reports.

Pier

Summary of Findings

The pier due diligence report duly notes that the pier, at 64 years old, is beyond the typical 50-year life span for a fixed timber pier that receives regular maintenance. Although there are no maintenance or construction records available for the Holden Beach Ocean Pier, it is noted that it does appear some maintenance and repairs have occurred, including installation of new piles and some pile caps and cross bracing (age and maintenance since installation unknown). Timber decking appears to be maintained.

With no as built information available, the construction condition evaluation of the pier was based on observations made during the due diligence site visit. The pier consists of a two-pile system spaced at approximately 12 feet with vertical and horizontal cross members. The pier is approximately 750 ft long with 58 piles. Most of the seaward piles

were recently replaced with newer vintage greenheart timber. The inshore section of the pier appears to be older vintage timber pilings.

NOTE:

1. Greenheart timber is one of the best woods to be used in coastal environments, especially for dock pilings, due to its resistance to insect and marine borer attack-greenheart timber pilings typically have a 30-year life expectancy in marine environments.
2. Regardless of its reported condition assessment, it should be noted that the ocean pier structure has weathered numerous strong hurricanes and tropical storms since Hurricane Floyd damaged the pier and destroyed the seaward section (which was not rebuilt).
3. It is possible newer pilings are post Hurricane Floyd repairs.

Proposed Plan and Estimated Costs

The due diligence report recommends a number of repairs, immediate and within 3 to 5 years, to extend the life of the pier to a reasonable period of time (10-15 years). It is estimated in the report repairs will total between \$500 and \$750K for the following:

1. Immediately replace the 3 cracked/broken piles and repair the 2 piles that have reduced load bearing and correct loose and/or structurally deficient handrails (presumably also exposed electrical)
2. Address cross-bracing inadequacies
3. Replace all fasteners and bolt connections of structural elements with marine grade stainless steel (a cost estimate of \$30K for hardware replacement has been provided by Commissioner Murdock)

The due diligence report recommends that before beginning repairs, a complete assessment should be performed by an engineer firm. Assuming no additional issues are identified, and given that maintaining a pier seems important to many island residents and property owners, repairs at the estimated cost in the due diligence report could be justified if repairs can be made without an increase in property tax or added assessments. As detailed later in the report, all of these repairs do not have to be accomplished in one year; the pier can be repaired in sections, with BPART fund balance available for appropriation in the absence of grant money.

See Appendix 2 for specifics on deficiencies noted in the pier inspection report.

Observations on Certain Town Finance Data

Total Debt

As of June 30, 2021, the Town of Holden Beach had total debt of \$10,100,771, excluding compensated absences. Since the amount reported in the external audit, the Town has borrowed an additional \$2.5 million for reimbursement of the cost of the upgrade to sewer lift station 3; therefore, total debt is currently approximately \$12.6 million (as a point of reference, the Town's legal debt limit is over \$100 million).

Recent History for 3 Town Funds

Year-end totals for the last 3 fiscal years are presented below for the General Fund, BPART fund and Beach Renourishment and Inlet Management Capital Reserve Fund. The health of these three funds is important when considering additional costs for parks and recreation purchases/projects. Transfer of general fund balance in excess of 70% occurs to the Beach and Inlet Management Capital Reserve Fund, providing an additional source for costs related to beach nourishment and inlet dredging. All three funds show stability and for the most part upward trajectories.

Last 3 Audit Report Fund Balances in Million \$, Start and End of Fiscal Year

Fiscal Year Ending Date	General Fund		BPART Fund		Beach and Inlet Mgmt Cap Reserve Fund	
	July 1	June 30	July 1	June 30	July 1	June 30
June 30, 2019	2.17	2.61	6.87	3.56	Did not exist	3.25
June 30, 2020	2.61	3.23	3.56	3.79	3.25	3.49
June 30, 2021	3.23	4.01	3.79	5.22*	3.49	2.13

*Increase in 2021 BPART partly due to transfer from Sand Fund to pay Central Reach debt service and part of LWI dredge

BPART NOTES:

1. In 2021/2022FY 1.2 million is already appropriated from BPART reserve for bike paths (\$700K) and the US Army Corps of Engineers Coastal Storm Damage Reduction Study (\$500K) and \$383K is transferred from Beach and Inlet Management Capital Reserve Fund to BPART for Lockwood Folly Inlet navigation maintenance dredging.
2. Due Diligence costs paid from BPART related to the purchase of the pier property and the beach access lot are predicted to total in the range of \$75 - 100K.
3. There will be an additional appropriation to prepare for paid parking: estimate \$150K which includes the cost of converting several town owned lots in the 800 block to an off-street parking lot.
4. On the added revenue side, there is a revised occupancy tax budget estimate for the remainder of the fiscal year ending 30 June 2022; the Town's net increase is projected at \$700K. This will be partially offset by additional costs for LWI dredging (expanded Army Corps of Engineers bend widener project) and an unanticipated bulkhead repair at a Town Park.
5. Payment of the \$186K reimbursement grant for Parcel 246DB002 (the beach access lot) should be received in FY 22/23.

Recent History for BPART Revenues from Occupancy Tax

For a decade the revenues from occupancy tax generally showed annual increases, some as high as 13% but mainly single digit, with the occasional year showing a slight decrease. Gains were considered to be mainly driven by an increase in rental units, in large part fueled by new construction. However, in the fiscal year ending June 30, 2021, the revenue stream exhibited over 40% growth, surpassing property ad valorem tax revenues for the first time. Projections for the fiscal year ending 30 June 2022 indicate another large year to year increase based on occupancy tax revenues collected through October 2021. Increased occupancy tax revenue is likely due to increased rental activity in the shoulder seasons as well as an increase in high rent properties, many coming from new construction. While 2 years do not define a trend, it is likely annual occupancy tax revenues in excess of 3 million dollars can be expected in future.

Property and Occupancy Tax Revenues on 30 June 2010 to 2022

Year	Tax Rate	Collected	Occ Tax/YTY Increase/Decrease
2010	6.9	1,465,512	1,345,386
2011	6.9	1,470,965	1,520,605 (+0.130)
2012	12.7	1,504,448	1,679,856 (+0.105)
2013	12.7	1,519,610	1,634,933 (-0.027)
2014	12.7	1,527,376	1,654,637 (+0.012)
2015	12.7	1,538,824	1,794,076 (+0.084)
2016	15	1,775,215	1,783,709 (-0.006)
2017	22	2,629,563	1,887,106 (+0.058)
2018	22	2,719,163	2,138,047 (+0.133)
2019	22	2,753,276	2,104,926 (-0.015)
2020	20	2,760,053	2,211,132 (+0.050)
2021	20	2,785,122	3,121,144 (+0.412)
2022 budget	20	2,727,167	3,615,537*

*reflects December 2021 budget amendment projecting an estimated \$800K increase in occupancy tax revenue for FY 21/22

Projected Future Spending

Below are compilations of debt service and existing foreseen capital expenditures for the General and BPART funds.

General Fund

The General Fund benefits from a \$7k reduction in debt service each year thru FY26/27, when the last programmed payment of \$199k retires the Town Hall debt. Annual projected capital project costs are moderate.

Transfers from the General Fund to the Beach and Inlet Maintenance Capital Reserve Fund will continue to be made based on the Board's consideration of the General Fund balance in combination with funding needs of priority projects.

General Fund Debt Service and Existing Capital Projects Current Year and FY 22/23-26/27 in Thousands

FY/Expenditure	21/22	22/23	23/24	24/25	25/26	26/27
Town Hall Debt Service	245	238	230	223	215	199*
Road Capital Projects	145	100	112	105	102	128
Police Vehicles	145	145	73	0	145	145
Sanitation/Streets Trucks	100	36	0	38	0	38

*last payment

BPART Fund

The BPART Fund projected capital project expenses from FY 24/25 and out are modest, but this assessment does not incorporate any projects that are proposed in the recent update of the Parks and Rec Master Plan. Projects in the updated plan will of necessity compete with pier property projects if grants and revenues from the pier property are not sufficient to cover projected expenditures. However, as presented earlier, occupancy tax revenues have increased steadily over the years and can be expected to continue to provide an increasing revenue stream. In case there is not sufficient grant money and operating revenue to cover pier property repairs, debt service and routine expenses, funds could be assigned from the BPART fund for the purpose of providing and maintaining facilities and amenities for tourism purposes.

BPART Debt Service and Existing Capital Projects Current Year and FY22/23-26/27 in Thousands

FY/Expenditure	21/22	22/23	23/24	24/25	25/26	26/27
Central Reach Debt Service	1344	1317	1291	1265	1239	1213*
Parks&Rec Facilities	0	55	25	25	25	25
Walkways	65	55	55	55	55	55
Bike Paths	700	0	0	0	0	0
ACE Study	500	800	200	0	0	0
Jordan Blvd Public Restroom	0	250	0	0	0	0
Sand Search	0	325	0	0	0	0
LWI Dredging**	383	83	383	83	383	
Parking Related***	150	?	?			

*Last payment

**Typically paid from Beach and Inlet Management Capital Reserve

*** Added to existing Capital Projects list. For 800 block clearing, bulkhead, all lot parking space designations, curb stops, signage. Unknown costs in out years for property purchase and new lot preparation

Pier Plan Estimated Financials and Timelines

Expenditures

It is assumed that both the Pier and Building can be repaired rather than torn down.

The majority if not entirety of the building could be built back. Because the inspection reports define engineering and safety issues, these repair costs fall outside the 50% of appraised value limitation on remodeling a pre-FIRM structure. This may make it possible to manage repairs and remodeling of the building in one budget cycle so that the building would be out of commission only for the 2022 season. A preliminary estimate for overall cost to bring the building to a standard that is leasable of under \$30K (not including permit fees and adding flood vents) was provided by Commissioner Murdock. To allow ample room for uncertainties due to lack of construction information and previous improvement/repair details, a total of \$50K will be assumed at this time.

While the pier has passed the "normal" timber pier lifespan of 50 years, the majority of the piles have been recently replaced with greenheart timber pilings, which have a projected lifespan of 30 years. The due diligence report estimates at least \$500-\$750K in repairs would be needed to extend the pier's life by 10 to 15 years assuming the stringers and decking are salvageable and repair work can be performed by land-based equipment. Before beginning repairs, a complete assessment should be performed by an engineer firm as recommended in the due diligence report Based on the proposed

cost for an above and below water due diligence inspection, an estimate of \$50K is proposed for FY21/22 (post-closing).

On the assumption an engineer assessment does not find significant issues beyond those specified in the due diligence report and no issues emerge unexpectedly at a later date, there are 5 pilings in critical condition that must be dealt with immediately along with a pile cap and stringer; the estimated cost given is \$37,000, assuming repairs can be made from the pier platform (will be known after the engineer assessment of load bearing capacity of the structure). Loose and damaged handrails and significant cross-bracing and hardware deficiencies must also be dealt with. However, these repairs do not have to all be accomplished in one year; the pier can be repaired in sections, with initial repairs made to the landward section and critical pilings in FY22/23. A preliminary estimate of \$150K in FY22/23 followed by \$250K in each of the following 3 years was provided by Commissioner Murdock (\$150K more than the upper end estimate given in the due diligence report to allow for construction cost uncertainties).

Annual insurance costs are estimated at \$5000 (including flood insurance on the building, which is mandatory since the Town is borrowing for the purchase, with fire and vandalism coverage for the pier). Annual maintenance over the next 5 years should be minimal, since both the building and pier will be repaired. It is assumed \$5000 will be adequate for other site maintenance. In future, a routine inspection of the entire structure should be performed every 5 years as routine maintenance (due diligence report estimated cost \$20K).

One cost that is not addressed here is that of public restroom facilities (which could be treated as a tourism rather than pier property related item). One possible solution for the near term is to provide waterless restroom facilities as described in the updated Parks and Rec master plan (estimated at less than \$5K per year, not reflected below).

ESTIMATED Proposed Purchase Debt Service, Repair and Annual Costs in Thousands

FY	21/22	22/23	23/24	24/25	25/26	26/27
Expenditures						
Debt Service total	0	270	260	250	240	230
Debt Service w/o access parcel*	0	231	223	214	206	197
Building Repair	0	50	0	0	0	0
Pier Repair	50	150	250	250	250	0
Insurance & Maintenance	5	10	10	10	10	30

*6/7 of the total is attributed to purchasing and maintaining the pier and building parcel based on the relative widths of the pier and access properties (300 & 50 ft, respectively)

Revenues

Generally speaking, off road parking revenue can be used by the Town as it chooses. In addition to the estimated 80 off road spaces at the pier property site, off road parking exists near lift station 3, and it is assumed additional spaces will be in place at the 800-block town owned properties by April 2022 (for a total of 120 spaces for the pier parking lot and the 2 parking lots near the 800-block beach access). Based on the Otto parking RfP, it is assumed 70% of the total spaces are utilized at \$20/day. Assuming April thru September paid parking (183 days) and factoring in the 70/30% revenue split between the Town and Otto, annual revenue for the Town from just the pier property is estimated to be as much as \$143K and for all 3 off road lots \$215K (183 days X #of spaces X70%utilized X\$20/day X70% town revenue share). It must be acknowledged that particularly in the first season of paid parking revenues may be less as tourists adjust to the added expense of a beach visit plus the lack of a pier property "destination" while repairs are being made. However, even at 50% utilization of the off road lots, revenue in FY22/23 would be \$154K. If it would be possible to allow food trucks at the pier property (and possibly 800 block area) next season as an added amenity this could help maintain visitor parking activity at the beach near the pier property and bring in additional revenue in FY22/23.

There has been interest expressed in leasing the building to the Town Manager and some commissioners. Until the Town owns the property there can be no action on arranging lessees, but it appears reasonable to assume the building will bring in at **minimum** \$50K/year once it has been brought up to a leasable standard (some interested parties have expressed willingness to remodel the facility at their own expense to meet their needs). No revenue is anticipated in FY 22/23, although it is possible that the building could be ready to lease for some of FY22/23 (a possible upside).

It is more difficult to estimate lease potential for the pier given the proposed repair schedule for repair of all 750 feet. At this point it is assumed no portion of the pier will be open before the 2024 season when it is assumed at least 50% will have been repaired. It is premature to estimate a possible lease price.

ESTIMATED Proposed Purchase Annual Revenues in Thousands

FY	21/22	22/23	23/24	24/25	25/26	26/27
Revenues						
Off Road Parking (est 120 spaces)	38K*	154**	215	215	215	215
Building Leases	0	0	50	50	50	50
Pier Lease	0	0	0	?	?	?
Food trucks?	?	?				

*assume only 25% utilization of the off road spaces in April, May and June (91 days)

**assume only 50% utilization of off-road spaces in FY22/23

Timeline to Begin Work

Once the town owns the pier property both the building and pier should be closed to the public until all safety issues are addressed.

The earliest an engineering firm assessment of the pier can be attempted is probably late March/early April, assuming the BOC directs the Town Manager to publish a Request for Qualifications for a full pier assessment as soon as LGC approval for funding is received (currently projected for February). If results could be available in May, the BOC could make a more fully informed decision on proceeding with pier repair before the end of FY21/22 (NOTE: if the full assessment indicates significantly higher repair costs than estimated in the due diligence report, the BOC will need to reassess whether tearing down the pier and planning for reconstruction or another use of the pier property is more cost effective than repairing the existing structure).

While this timing will not result in more specifics on pier repair costs before for the FY 22/23 budget cycle, budget amendments can be made as needed. Work on the pier following the 2022 summer season could be feasible, dependent on the availability of firms experienced in marine structure repair.

In parallel, seeking a firm to precise the repair plan for the building could be actioned by the BOC for February.

Conclusion

Based on the above given assumptions, while revenues will fall short of combined debt service and insurance expenditures in FY22/23 by an estimated \$90K, from FY23/24 onward estimated off road paid parking plus building lease revenues are projected to be sufficient to cover debt service along with insurance and routine maintenance costs for the pier property. The FY22/23 shortfall could be made up from BPART revenues or fund balance.

While securing revenue for building and pier repair expenses will remain a challenge thru FY25/26, one possibility is for the Town to seek and be granted permission to use on street parking revenue for expanded town use as an additional revenue source for pier repairs. However, even in the worst case, where no grant money or additional parking revenue becomes available, the BPART fund is forecast to have sufficient savings to cover the currently estimated cost of the pier project without unacceptable risk to the Town's finances and future plans. Using BPART funds is appropriate and justified to provide facilities and amenities that both tourists and our property owners will benefit from.

APPENDIX 1: Building Deficiencies

Between the two building inspection reports the following are noted:

Foundation

1. Cmu foundation wall damage in multiple locations
2. Cracks in mortar, misaligned blocks and cracks in concrete floor slab
3. Sand filled crawlspace (center section) preventing footing inspection

Floor

1. Center section wood floor is not level, bowing in places
2. Soft spots in wood indicating deterioration
3. Cracks and other damage in multiple places in concrete floors

Walls

1. There are no flood vents in the building
2. Wood framing and foundation tie down inspection not possible due to finish materials on inside and outside of framing

Roof

1. Further observation is needed to assess the structural integrity of the roof.

Electrical

1. obvious electrical disrepair and code violations with modified sections of the electrical system
2. several non-maintained electrical junction boxes
3. unpermitted newly added wiring

Plumbing

1. 11 items have fallen into disrepair, including the interior restroom (non-functional and appears to have a broken building drain

Mechanical

1. there are signs of deterioration in the 6-year-old HVAC outdoor unit.
2. the exhaust fan for the kitchen hood system appears intact but has been out of service for 2 years
3. the ventilation fan between the east end office and center A2 occupancy section is missing

Fire Safety

There are numerous egress issues that must be addressed for fire safety.

APPENDIX 2: Pier Deficiencies

The pier due diligence report specifically notes the following for various elements:

Pilings

Due to weather conditions at the time of inspection, underwater investigations were limited, however, it was found that subsurface pile conditions were similar to intertidal and above water pile conditions. The majority of piles appear to be in satisfactory condition; file piles in total were cracked, broken and/or overstressed and are in critical condition. Also, there are several locations where piles are non-plumb and are leaning or tilted. There are two critical areas where piles have a severely reduced load bearing capacity

Cross Bracing

A majority of the horizontal and vertical cross braces are either missing, detached or broken, which is a critical condition for the structure. Hardware throughout the entire structure is heavily corroded with greater than 50% section loss. Cross bracing along the pier is inconsistent.

Pile Bents

Most of the pile bents are in good condition, although some are exhibiting wood rot at the ends and are classified as poor condition.

Stringers

The stringers appear to be in fair condition, however, in several locations there was no apparent connection between the stringers and pile bents. The connection hardware was inconsistent and, in many cases, exhibited moderate to extreme corrosion.

Timber Decking

The timber decking is overall in fair condition. There is degradation consistent with age and exposure including rusting hardware and wood splitting. Areas where deflection and rotation of the walkway are apparent coincides with locations where piles are leaning significantly or are broken.

Handrails

Overall, the timber handrails are in poor condition which are a safety risk. The conduit for electricity is enclosed in timber along the railings; there are several locations where the connections were compromised and are a recognized safety hazard.

Utilities

Plumbing and electrical may be out of compliance and would likely need replacing.

Fish Cleaning Station

The fish cleaning station will require replacement.

RESOLUTION 21-17

PLK 12 December 2021

LET IT BE KNOWN THAT:

WHEREAS, the Town of Holden Beach (the Town) is a municipality located in Brunswick County, North Carolina; and

WHEREAS, the Town is in the process of purchasing two privately owned parcels, 246DB001 and 246DB002, within its municipal limits for a total of 3.25 million dollars; and

WHEREAS, Parcel 246DB001, hereafter referred to as the Pier Property, encompasses 300 feet of oceanfront real estate and contains the Holden Beach Ocean Pier (the Pier) a building that includes a grill, shop and general purpose out-building (the Building) and a parking lot containing approximately 80 off road parking spaces; and

WHEREAS, the desired outcome for the Pier Property is for the Pier, Building and land they are situated on to continue to be used much as they currently are after necessary repairs and improvements; and

WHEREAS, the desired outcome for the Pier Property is for the Pier and the Building to be leased to interested business providers once repairs and improvements are completed; and

WHEREAS, according to reports of independent inspections made, which were arranged and conducted as part of the real estate purchase due diligence process, both the Building and the Pier require substantial investment in order to bring them to a usable and leasable standard; and

WHEREAS, the decisions taken by a majority of the Board of Commissioners to move forward on the purchase was predicated on the ability of revenue from the Pier Property leases, paid parking, grant money and occupancy tax to pay for the purchase and improvements, funding not to include revenue obtained from the ad valorem tax or special assessments; and

WHEREAS, in response to property owners' requests for development plans and financial forecasts for the Town's ownership of the Pier Property, a document entitled "Pier Property Plan" dated 12 December 2021 has been created; and

PLK 12 December 2021

WHEREAS, said document has been endorsed by the Town of Holden Beach Board of Commissioners;

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Town of Holden Beach that the costs associated with the purchase and improvements of the Pier Property are intended to be paid as described in the Pier Property Plan document dated 12 December 2021, which does not foretell requiring funding by the Town's ad valorem tax revenue or a special property assessment.

J. Alan Holden, Mayor


ATTEST:

Heather Finnell, Town Clerk



Date: December 10, 2021

To: Mayor Holden and Board of Commissioners
Town Manager-IN TURN

From: Christy Ferguson, Assistant Town Manager 

Re: Resolution to Authorize the Negotiation of an Installment Financing Contract

The attached resolution (Attachment 1), prepared by our bond attorney firm, Parker Poe Adams & Bernstein, LLP, is a necessary component for the application to the Local Government Commission (LGC) and to negotiate an installment financing contract to pay the cost of purchasing property located at 441 Ocean Boulevard W., including the pier, and calling the required public hearing. The resolution also contains Exhibit A which is the form of the notice to be published for the necessary public hearing on the installment financing contract scheduled for January 18, 2022 at 5:00 p.m.

Attachment 1: Resolution # 21-18

Suggested Motion: Approval of Resolution # 21-18 and setting the public hearing for January 18, 2022 at 5:00 p.m.

RESOLUTION 21-18
RESOLUTION OF THE TOWN OF HOLDEN BEACH, NORTH CAROLINA, AUTHORIZING
THE NEGOTIATION OF AN INSTALLMENT FINANCING CONTRACT AND PROVIDING FOR
CERTAIN OTHER RELATED MATTERS THERETO

WHEREAS, the Town of Holden Beach, North Carolina (the "*Town*") is a municipal corporation duly created and validly existing under the Constitution, statutes and laws of the State (the "*State*");

WHEREAS, the Town has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price;

WHEREAS, the Board of Commissioners (the "*Board*") of the Town hereby determines that it is in the best interest of the Town to (1) enter into an installment financing contract (the "*Contract*") with a financial institution to be determined in order to pay the costs of purchasing property in the Town located at 441 Ocean Boulevard W., including the pier (the "*Property*"), and (2) in order to provide security for the Town's obligations under the Contract, grant to such financial institution a security interest under a deed of trust on all or a portion of the real property comprising the Property, and the improvements thereon, as the financial institution providing the funds to the Town under the Contract may require;

WHEREAS, the Town staff has retained (1) Parker Poe Adams & Bernstein LLP, as special counsel ("*Special Counsel*") and (2) DEC Associates Inc., as financial advisor, in connection with the proposed installment financing;

WHEREAS, the Board hereby determines that the acquisition of the Property is important to the general health and welfare of the Town's inhabitants; that acquiring the Property will permit the Town to carry out public functions that it is authorized by law to perform, including, without limitation, providing regional public beach access, public parking, recreation and access for beach nourishment and emergency operations; and that entering into the Contract is necessary and expedient for the Town by virtue of the findings presented herein;

WHEREAS, the Board hereby determines that such cost of acquiring the Property exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that could be issued by the Town in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State;

WHEREAS, although the cost of financing the acquisition of the Property pursuant to the Contract is expected to exceed the cost of financing the acquisition of the Property pursuant to a bond financing for the same undertaking, the Town hereby determines that the cost of financing the acquisition of the Property pursuant to the Contract and the obligations of the Town thereunder are preferable to a general obligation bond financing or revenue bond financing for several reasons, including but not limited to the following: (1) the cost of a special election necessary to approve a general obligation bond financing, as required by the laws of the State, would result in the expenditure of significant funds; (2) the time required for a general obligation bond election would cause an unnecessary delay in the ability to acquire the Property; and (3) insufficient revenues are produced by the Property so as to permit a revenue bond financing;

WHEREAS, the Board hereby determines that the estimated cost of financing the acquisition of the Property pursuant to the Contract allows the Town to finance the acquisition of the Property at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the

Town and reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles;

WHEREAS, the Town does not anticipate an increase in taxes to pay the installment payments under the Contract, but the increase in taxes, if any, necessary to service the installment payments falling due under the Contract will not be excessive;

WHEREAS, no deficiency judgment may be rendered against the Town in any action for its breach of the Contract, and the taxing power of the Town is not and may not be pledged in any way directly or indirectly or contingently to secure any money due under the Contract;

WHEREAS, the Town is not in default under any of its debt service obligations;

WHEREAS, the Town's budget process and Annual Budget Ordinance are in compliance with the Local Government Budget and Fiscal Control Act, and external auditors have determined that the Town has conformed with generally accepted accounting principles as applied to governmental units in preparing its Annual Budget Ordinance;

WHEREAS, past audit reports of the Town indicate that its debt management and contract obligation payment policies have been carried out in compliance with the law, and the Town has not been censured by the Local Government Commission of North Carolina (the "LGC"), external auditors or any other regulatory agencies in connection with such debt management and contract obligation payment policies;

WHEREAS, a public hearing on the Contract, after publication of a notice with respect to such public hearing, must be held and approval of the LGC with respect to entering the Contract must be received; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF HOLDEN BEACH, NORTH CAROLINA, AS FOLLOWS:

Section 1. That the Mayor and the Town Manager, and their designees, with advice from the Town Attorney and the Town's financial advisor, are hereby authorized and directed to negotiate on behalf of the Town (1) the financing of the acquisition of the Property for a principal amount not to exceed \$3,300,000 under the Contract, to be entered into in accordance with the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended, and (2) the provision of a security interest under a deed of trust in the Town's fee simple interest in all or a portion of the real property comprising the Property, together with all improvements thereon, as may be required by the financial institution providing the funds to the Town under the Contract to secure the Town's obligations thereunder.

Section 2. That the Board finds and determines:

- (1) That the proposed Contract is necessary and expedient;
- (2) That the Contract, under the circumstances, is preferable to a bond issue for the same purpose;
- (3) That the sums to fall due under the Contract are adequate and not excessive for its proposed purpose;
- (4) That the Town's debt management procedures and policies are good;
- (5) That the increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive; and
- (6) That the Town is not in default in any of its debt service obligations.

Section 3. That the Town Manager or his designee is hereby directed to file with the LGC an application for its approval of the Contract and all relevant transactions contemplated thereby on a form prescribed by the LGC and to state in such application such facts and to attach thereto such exhibits regarding the Town and its financial condition as may be required by the LGC.

Section 4. That Parker Poe Adams & Bernstein LLP has been retained by the Town to serve as special counsel for the installment financing and DEC Associates Inc. been retained to serve as financial advisor for the installment financing. The Town Manager, with advice from the Town Attorney, is hereby authorized to retain the assistance of other professionals as they deem necessary and desirable to carry out the intention of this Resolution.

Section 5. That a public hearing shall be conducted by the Board on January 18, 2022 (the "*Public Hearing*") concerning the approval of the execution and delivery of the Contract for the financing of the acquisition of the Property. The Town Clerk is hereby directed to cause a notice of the Public Hearing, a form of which is attached hereto as Exhibit A, to be published at least once in a qualified newspaper of general circulation within the Town no fewer than 10 days prior to the Public Hearing.

Section 6. That all actions of the Town and its officials, whether previously or hereafter taken in effectuating the proposed installment financing as described herein, are hereby ratified, authorized and approved.

Section 7. That all motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

Section 8. That this Resolution is effective on the date of its adoption.

STATE OF NORTH CAROLINA)
)
 COUNTY OF BRUNSWICK) SS:

I, *Heather Finnell*, Town Clerk of the Town of Holden Beach, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled “**RESOLUTION OF THE TOWN OF HOLDEN BEACH, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT FINANCING CONTRACT AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS THERETO**” adopted by the Board of Commissioners of the Town of Holden Beach, North Carolina, at a meeting held on the 21st day of December, 2021.

WITNESS my hand and the corporate seal of the Town of Holden Beach, North Carolina, this the ____ day of December, 2021.

[Seal]

 Heather Finnell
 Town Clerk
 Town of Holden Beach, North Carolina

EXHIBIT A

NOTICE OF PUBLIC HEARING

The Board of Commissioners (the "*Board*") of the Town of Holden Beach, North Carolina (the "*Town*") is considering entering into an installment financing contract (the "*Contract*"), in a principal amount not to exceed \$3,300,000, under which the Town will make certain installment payments, in order to (a) pay the costs of purchasing property in the Town located at 441 Ocean Boulevard W., including the pier (the "*Property*"), and (b) pay the costs associated with entering into the Contract. The Town expects that acquiring the Property will permit the Town to carry out public functions that it is authorized by law to perform, including, without limitation, providing regional public beach access, public parking, recreation and access for beach nourishment and emergency operations. In connection with the Contract, the Town will grant a security interest in all or a portion of the real property comprising the Property, and improvements thereon, for the benefit of the financial institution providing the funds to the Town under the Contract.

NOTICE IS HEREBY GIVEN, pursuant to Sections 160A-20 of the General Statutes of North Carolina, that on January 18, 2022 at 5:00 p.m., or as soon thereafter as practicable, at the Town Hall Public Assembly, 110 Rothschild Street, Holden Beach, NC 28462, the Board will conduct a public hearing concerning the approval of the execution and delivery of the Contract as described above. All interested parties are invited to present comments at the public hearing on the Contract. Any person wishing to comment in writing should do so by submitting comments to Town Hall, 110 Rothschild Street, Holden Beach, NC 28462, Attention: Town Clerk, or heather@hbtownhall.com. Written comments must be submitted between the date of publication of this notice and 24 hours before the public hearing.

/s/ Heather Finnell

Town Clerk

Town of Holden Beach, North Carolina

Activity Log Event Summary (Totals)

HOLDEN BEACH POLICE DEPT.

(11/01/2021 - 11/30/2021)

911 Hang Up/Open Line	1	Alarm Activation	16
Animal Carcass	1	Animal Control	6
Attempt to Locate-ATL	8	Business Check	379
Disabled Motorist	2	Disturbance/Fight	3
EMS/Medical Call	7	Fire Call	2
Keep Check	22	Lockout Request	2
Lost/Found Property	8	Meet Complainant	22
Message Delivery	1	Missing Person	2
Motor Vehicle Crash	2	Open Door	1
Parking	15	Phone Call Request	6
Public Works/Water Leak	8	Special Assignment	8
Suspicious Activity	3	Traffic Stop	19

Total Number Of Events: 544

To: David Hewett
Town Manager – Holden Beach
110 Rothschild St.
Holden Beach, NC. 20217

Date: December 7th, 2021

Subject: The Town of Holden Beach – Report for Paid Parking

Mr. Hewett,

Attached is a summary of the Otto Connect, Inc. (Otto) team's analysis of the paid parking proposal in Holden Beach as requested/approved by the Board of Commissioners on Oct 19th, 2021 – with feedback at the Parking Committee Meeting Friday, Nov. 5th, 2021, and final review and approval of the Parking Committee on Dec. 3rd, 2021.

This report is intended to provide a comprehensive summary for review and approval by the Board of Commissioners to allow for implementation of paid parking in Holden Beach for the 2022 season.

Note: outside the scope of Paid Parking, the Parking Committee also recommended removal of the "post and rope" provision in the current ordinances.

We are pleased to provide this service and look forward to continuing our support for Holden Beach.

Best regards,

A handwritten signature in black ink, appearing to read "J. Varner".

James R. Varner
President and CEO
Otto Connect, Inc.

Topics Addressed:

Introduction – Holden Beach Requirements per June 15th, 2021, Tasker

Executive Summary:

Step 1 – Ordinance Required to eliminate parking except in designated parking spaces

Step 2 – Establish designated parking in Lots, on-street, and Right-of-Way (RoW)

Step 3 – Update other ordinances related to parking to comply with paid parking

Step 4 – Establish Parking Rates

Step 5 – Establish Enforcement Policies – aligned with Town Ordinances

Step 6 – Move forward with communication plans

Step 7 – Draft Press Release for consideration

Introduction – Holden Beach Requirements

- Status noted in *Blue Italic*

Assess the requirements as identified in the Board of Commissioners' Tasker to the Parking Committee:

1. Parking Lots
 - a. What town owned lots currently exist and how many spaces are available for paid parking?
 - *Assessment completed at the Nov. 5th Parking Committee*
 - b. What town owned property is suitable for conversion to paid parking before next spring and what is the estimated cost for conversion?
 - *Assessment completed at the Nov. 5th Parking Committee*
 - c. What properties (if any) are proposed for purchase and how many spaces will be available for paid parking? What is the estimated cost to purchase, assumed timeframe for establishing the parking lot and cost for conversion?
 - *Assessment completed at the Nov. 5th Parking Committee*
2. Financials
 - a. Rate proposal and date range for paid parking
 - *Updated in this summary per Parking Committee Dec. 3rd, 2021*
 - b. Estimated gross profit associated with A for 2022, 2023, and 2024
 - *Updated in this summary per Parking Committee Dec. 3rd, 2021*
 - c. Estimated initial costs for signage and equipment
 - *Assessment completed at the Nov. 5th Parking Committee*
 - d. Estimated expense associated with A for 2022, 2023, and 2024 (including personnel)
 - *Assessment completed at the Nov. 5th Parking Committee*
 - e. Estimated net profit for A for 2022, 2023, and 2024
 - *Updated in this summary per Parking Committee Dec. 3rd, 2021*
3. Public Communication and Engagement Plan
 - a. Who, when, where?
 - *Included in Nov. 5th Parking Committee. Proposed Press release Attached to this Summary*

Per Exhibit A of the Consultation Agreement dated October 19th, 2021 – assess the following:

- Enforcement policies
- Dates and hours of operation
- On-street and Off-street parking options
- Parking rate structure, competitive to the coastal environment or for different parking areas
- Golf cart rules and regulations for parking
- Business Parking
- Ordinance Assessment to support paid parking and parking in general
- Audit-ability requirements
- Projected Revenue – based on fees, weather assumptions, and visitor trends
- Signs and Communication plans for paid parking awareness
 - *All activities have been completed pending Town and Parking Committee review. Additional services are available if needed.*

Executive Summary

This summary is the result of the Otto Connect, Inc. assessment of:

- potential parking locations in the Town of Holden Beach,
- recommended options for ordinance updates,
- parking rates, and
- enforcement plans;

followed by two meetings with the Parking Committee on Nov. 5th, and Dec. 3rd, 2021. This Executive Summary is the combined recommendation and approved paid parking plans per the Parking Committee meeting on Dec. 3rd, 2021.

Step 1: To establish a clear parking management solution – an ordinance update is required related to parking on public streets and Rights-of-Way (RoW). This requires an update to ordinances 72.02 and 72.03 as follows: *(Note: the final approval of all ordinance language requires legal review and updates as required to meet the intent of the ordinance as defined by the Parking Committee and as recommended by Otto).*

Added Term (or update to A and/or B): It shall be unlawful for any person to park or leave standing any portion of any vehicle, whether attended or unattended, in any street or public right-of-way except in designated parking spaces.

Update to E: Add - Parking in designated parking spaces must not face opposing traffic.

Update to 72.03 Parking Prohibited at all times: This ordinance as stated should be removed and replaced with a simple statement – “There is no parking permitted at any time on public streets or public rights-of-way except in designated parking spaces.”

Step 2: To establish clearly identified, designated parking spaces within the Town to meet the needs of the community and to facilitate adequate visitor access to the town and public beach access points.

To achieve this, Otto has identified several options to maximize parking potential and the Parking Committee has approved those options that can be easily implemented within the bounds of existing property owned by the Town, and selected RoW areas for both public and private beach access. The following spreadsheet identifies parking lots, RoW, and on-street vs. off-street as approved by the Parking Committee.

Note: The inclusion of RoW parking in areas that are not easily assessable to a public beach access is intended to allow residents/owners access to parking close to their private beach access for Low-Speed-Vehicles (LSV) (such vehicles as defined by North Carolina statutes – for clarity - including, but not exclusive of, street legal golf carts).

Parking Part 1

Holden Beach - Parking Opportunity Assessment by Otto Connect, Inc.		Approved by the Parking Committee			
<u>Street</u>	<u>Type: Car/GC/UTV/ Veh+Trailers</u>	<u>On-Street - LSV</u> <small>(RoW within 125' setback off OBW and OBE)</small>	<u>On-Street - Std Parking</u>	<u>Off-Street Parking Lot</u>	<u>Beach Access</u>
Shell	LSV	5			Private
Schooner	LSV	10			Private
Windhammer - Dirt Road	LSV	10			Private @ 1167
Sunshine	LSV	10			Private
Clippership	LSV	4			Private
Marshwalk	LSV	5			Private
ByTheSea	LSV	5			Private
Frigate	LSV	5			Private
Seagull - Dirt Road	LSV	5			No Access
Deal - Dirt Road	LSV	8			Public @ 1089 (PW500)
Seaside	LSV	5			
Sailfish	LSV + Std	5	10		Public @ Marlin - 917
Tarpon	LSV	8			Public @ Marlin - 917
Marlin	LSV	10			Public @ 917 (PW440)
Tuna	LSV	10			
Dolphin	LSV	5			Public @ 885 (PW420)
Swordfish	Std		10		Public @ 885
OBW - Marsh Area @ 801	Std			22	Public @ 801 (PW400)
Pump Station Lot	Std			15	Public @ 801 (PW400)
Sanddollar	Std		10		Public @ 801 (PW400)
Starfish	LSV	5			Public @ 567
Lions Paw	LSV	4			
Scotch Bonnet	Std		10		Public @ 567
OBW - Marsh Area at 746	Std			9	
Greensboro	LSV + Std	10	10		Potential License @ 467
Charlotte	LSV	10			Public by Trailer Park
Durham	LSV	5			Private Business
Fishing Peir	Std			80	
Burlington	LSV	10			

Parking Part 2

Holden Beach - Parking Opportunity Assessment by Otto Connect, Inc.		Approved by the Parking Committee			
Street	Type: Car/GC/UTV/ Veh+Trailers	On-Street - LSV (Row within 125' setback off OBW and OBE)	On-Street - Std Parking	Off-Street Parking Lot	Beach Access
Salisbury	LSV	10			
Sanford	LSV	10			
Raleigh					Public @ 389 (PW320)
Fayetteville	LSV	5			
Lumberton	LSV	10			Public @ 357
High Point	LSV + Std	10	7		
Neptune	LSV + Std	5	7		Public @ 301 (PW240)
Boyd	LSV + Std	10	7		Public/Private? @ 231
Rogers	LSV	10			Private at 207
Delaney - Dirt	LSV	5			Private at 173
Davis	Std		10		Public
Brunswick/Davis Corner	Std			16	
Under Bridge	Std/Trailer			48	At Jordan
Trailer - Under Bridge	Vehicle + Trailer			10	
Jordan	Std		12		Public @ 101
Quintin + Handicap	LSV + Std	10	10	10	Public @ 112
Halstead	LSV	7			
Ferry	LSV + Std	10		16	Public Access (PW140)
Holden St (Beach side)	Std			15	At Ferry
Ranger - Golf Cart	LSV	10		12	Public Access (PW120)
Elizabeth - Golf Cart	LSV			8	
Mullett (220 lot)	LSV + Std	10		18	Public Access (PW100)
Bendigo St	Std			16	At Mullett
Blockade Runner	LSV	5			At Bendigo St
McCray - Ease end	Std			62	At East End
McCray - West end	Std		50		At McCray
OBE (deadend lot)	Std			20	At Ave A
Ave A & Corner Zone	LSV + Std	5		22	
Ave B	LSV	10			
Ave D	LSV	8			
		304	153	399	856
		304	552		

Note: We currently expect a much lower usage of the LSV parking areas in 2022 ... and have used ½ of the space available = 152 to calculate the financials associated with paid parking.

- Net: total spaces estimated for available parking revenue = 704

Step 3: Assess and update other ordinances as needed for completeness associated with the implementation of Paid Parking: **Changes highlighted in Blue. Notes highlighted in Yellow for clarity.**

72.02 – Parking Regulated on Public Streets and Rights-of-Way

Ordinance: There is no parking permitted at any time on public streets or Rights-of-Way except in designated parking spaces.

All designated parking spaces require a paid parking permit as follows:

- From March 1st through October 31st of each year
- From 9:00AM to 5:00PM every day
- No overnight parking

Parking Rates are:

- \$4.00 per hour for up to 4 hours
- \$20 per day
- \$80 per week
- \$280 per calendar season for any two licensed vehicles including Low-Speed Vehicles (LSV) and trailers
- \$40 per day for combination vehicle plus trailer – allowed only in designated parking areas specifically for a vehicle plus trailer

Paid Parking applies to any vehicle as defined by North Carolina G.S. 20-404 as restated in 72.02 of the Town of Holden Beach Ordinances and shall include, but not limited to, cars, trucks, and low speed vehicles (e.g., golf carts).

Free Parking is available at the following Town Parks and is intended solely for the use of said Parks:

- Holden Beach Park
- Sullish Park
- Sanddollar Park

Vehicles greater than 35 feet in length or towing a trailer must use the designated Trailer Parking located at the Park area under the bridge.

- (A) **Street Intersections:** It shall be unlawful for any person to park or leave standing any portion of any vehicle, whether attended or unattended, in any street right-of-way intersection or upon any public street right-of-way within 25 feet of any street intersection.

No change – but this should be the general statement without exceptions and changes the current 125' setback from OBW/OBE to facilitate RoW parking in that area.

- (B) **Streets.** It shall be unlawful for any person to park or leave standing any portion of any vehicle, whether attended or unattended, on any portion of the designated travel lane of any street.

No Change

- (C) Crosswalks, sidewalks, or access ways. It shall be unlawful for any person to park or leave standing any portion of any vehicle, whether attended or unattended, upon any public right-of-way so as to block any crosswalk, sidewalk or access way designated and set apart for use by pedestrians.

No Change

- (D) Driveways and mailboxes. It shall be unlawful for any person to park or leave standing any portion of any vehicle, whether attended or unattended, upon any public street right-of-way so as to block any driveway or mailbox.

No Change

- (E) Opposing Traffic. It shall be unlawful for any person to park or leave standing any portion of any vehicle, whether attended or unattended, upon any public street right-of-way facing opposing traffic ~~including designated parking areas.~~

Should be amended to include the parallel parking areas within the Right-of-Way as designated for parking.

- (F) Fire Hydrants, Fire Lane. It shall be unlawful for any person to park or leave standing any part of any vehicle, whether attended or unattended, upon any public street right-of-way nearer than 15 feet to any fire hydrant, or in a fire lane or emergency vehicle access.

No Change

- (G) No parking zones or areas. It shall be unlawful for any person to park or leave standing any portion of any vehicle, whether attended or unattended, in any area ~~not specifically designated for parking or as~~ described in 72.03 of this chapter.

This should be amended to state: It shall be unlawful for any person to park or leave standing any portion of any vehicle, whether attended or unattended, in any area not specifically designated for parking.

- (H) Handicapped.

No Change

- (I) Signs and Markers.

No Change

- (J) Exception.

No Change

- (K) Additional Violation.

No Change

72.03 Parking Prohibited at all Times

- (A) No person shall park a vehicle at any time upon any of the streets or parts thereof described in this chapter.
- (B) This section should be updated with a statement to reflect the common approach and statement dealing with no parking areas.

No parking except in a designated space indicating general, trailer, or low-speed vehicle, or handicap parking.

No parking within 25 feet of the intersection for any street.

- (C) Update for Trailers

No person shall park a boat trailer at any time in any area not designated for boat trailer parking.

72.04 Tow Away Zones

No Change

72.05 Parking for Customers Only

Should be updated to state: *Parking shall be permitted in private lots directly attached to the business. If parking for business in a town parking lot, then parking rules will be enforced.*

72.06 Handicapped Parking

No Change.

Step 4: Parking Rates/Financial Estimates

The following table represents the parking rates reviewed and approved by the Parking Committee:

Duration	Rate
1 hour	\$4 (\$4 per hour for up to 4 hours)
2 hours	\$8
3 hours	\$12
4 hours	\$16
Day (anything greater than 4 hours)	\$20
Week (7 consecutive days)	\$80
Season (supports any 2 licensed vehicles – including LSVs and Trailers)	\$250
Vehicle + Trailer Parking – Day	\$40 (limited designated spaces at boat launch)

- Note: Rates apply to all vehicles without exception.

With approximately 704 parking spaces as outlined in Step 3: The parking revenue estimate for 2022 is:

Gross Parking Revenue: \$652,729

Net to Holden Beach for 2022: \$456,910

Estimated uplift for 2023 + 15% = Net: \$525,446

Estimated uplift for 2024 + 10% = Net: \$577,991

Step 5: Enforcement Policies – aligned with Town Ordinances

Note: Enforcement to be carried out by Otto Personnel with Holden Beach Police department enabled for use of the “SurfCAST by Otto” system.

- All designated parking areas
- All public side-streets for RoW violations
- March 1st through October 31st of each year
- 9:00AM until 5:00PM (*Note: parking is free before 9:00AM and after 5:00PM*)
- Enforcement personnel will rotate through the Town 2-4 times per day
 - Reduced cycles early/late in the season, higher cycles from Memorial Day through Labor Day and on weekends

Citation Fines

- \$25** – Same Day Violation Payment (via the app or phone) – set to promote use of the mobile app and drive closure of violations at a faster rate.
 - Note:** this rate does not apply to Vehicle + Trailer combination parking violations
- \$50** – Standard Fine if paid within 2 to 30 days
- \$75** – Standard fine plus \$25 additional penalty if not paid within 30 days
- \$250** – Handicap parking violation (civil citation per Town ordinances)
- Referred to a collection agency if not paid within 60 days.

Additional Enforcement Policies as defined by the Town ordinances will be defined by mutual agreement and documented as part of the contract agreement between the Town and Otto.

Step 6 – Public Communication Plan:

Otto will support the Town with various communication approaches pending approval of paid parking by the Board of Commissioners as follows:

- General – Press Release drafted for the Town to release
 - Note: draft for Town review is attached to this Executive Summary
- Residents (we propose a flyer in utility bill, or separate mailings, or email)
 - Town to send, Otto to provide flyer template
- Business (Restaurants, Shops, etc.)
 - Otto: flyer for patrons with questions, process, Q&A
- Realtors
 - Otto: flyer for renters – delivered to realtors (same as Businesses)
- Outreach – for local day trippers = method is TBD (news, sign coming across bridge, etc.)
 - Town – Otto to assist with messaging
- Town Website update ... notice, FAQs, Directions on SurfCAST use, Details of parking (rates, spaces, designated spaces, No Parking, etc.):
 - Town: Otto to assist with Information, Town to update website.
- Town Office
 - Otto to provide flyers

Draft Press Release for Consideration

The Town of Holden Beach will implement Paid Parking effective March 1st, 2022. The purpose is to provide a high level of parking management, fund the acquisition and development of parking areas, preserve public access to the beaches, and to improve amenities at public beach accesses.

“As visitors come to our beaches, paid parking will provide their contribution to the maintenance and upkeep of the public beach access.” – David Hewett, Town Manager

The Town of Holden Beach, after a competitive RFQ review, has selected Otto Connect, Inc. to provide the parking management services using their “SurfCAST by Otto Connect” mobile application. Their solution is a mobile app (smart phone required), on-line (website), and local phone support to provide an end-to-end parking solution including parking enforcement in all areas of the town and appeals.

“We are proud to be part of the community and look forward to providing the service and support expected by the Owners, Residents, and Visitors of Holden Beach” – Jim Varner, President and CEO, Otto Connect, Inc.

How will it work?

Pay-to-Park will be implemented from March 1st, through October 31st, annually and will be enforced from 9:00AM to 5:00PM daily with free parking before and after that time. All parking permits will use license plates for verification and enforcement personnel will scan them multiple times a day to confirm a valid parking permit, and issue parking citations to those who have not paid for their parking.

A pay-to-park environment has also motivated the designation of dedicated parking areas that includes parking lots, on-street parking areas, and selected Right-of-Way parking – to facilitate compliance with our Army Corp of Engineers beach nourishment project. These areas will be identified on the Town website.

“SurfCAST by Otto Connect” is a mobile app downloadable for Apple (“App Store”) and Android (“Google Play”) mobile devices. Users will setup their account, enter their license plate details, and pay for parking directly on the app. Alternatively, users can scan the QRcode located on the parking signs for access to the secure website: <https://surfcaster.ottoconnect.us/pay>.

The Otto Connect customer service team will be available to help via:

Email: customerservice@ottoconnect.us

Phone: 910-200-1497

Parking Rates and Enforcement:

- Paid Parking will be enforced March 1st through October 31st.
- Paid Parking will be effective from 9:00AM until 5:00PM
 - Parking will be free prior to 9:00AM and after 5:00PM
- Parking Rates for a single vehicle in all designated parking areas will be:
 - \$4 per hour for up to 4 hours
 - \$20 per day and for any duration greater than 4 hours
 - \$40 per day for vehicle plus trailer combination
 - \$80 per week for 7 consecutive days
- An Annual Permit for the calendar year will be available and allow any 2 licensed vehicles access to designated parking (this includes Low-Speed-Vehicles such as golf carts and trailers).
 - \$250 per calendar year
- Handicap Parking is free only in designated Handicap spaces and only by vehicles displaying a valid Handicap license plate or hang tag.
- Violations will be assessed for parking without a paid permit in designated areas or for parking in any area designated as No Parking per Town Ordinances.

Payment Methods:

Parking Rates can be paid via credit/debit card, or via PayPal. This can be done via the mobile app, website, or via phone. Exceptions for cash or check payments can be made by contacting Otto Connect.

The easiest way to pay is via the mobile app with a one-time setup and easy pay with selection of your parking zone and confirmation of your license plate each time you visit the beach. The SurfCAST app will also notify you 15 minutes before your permit expires and allow you to add more time to your permit without having to visit the parking lot.

Where to Park:

Per ordinance of the Town of Holden Beach, there is no parking on the streets or right-of-way except in designated parking spaces identified by Pay-to-Park signs. Please be aware that some parking areas have unique parking limitations such as:

- *Low-Speed-Vehicle only (i.e., Golf Carts, UTV's, or other as defined by the State of North Carolina and registered/licensed by the State and have been inspected/approved by the Town of Holden Beach).*
- *Vehicle plus Trailer*
- *General parking – for single space parking*

Parking Rules, Regulations, and Violations:

Listed are the common violations that will result in a parking citation:

- *Parking without a valid paid permit (Section 72.02)*
- *Parking within 25 feet of a Stop Sign (Section 72.02)*
- *Parking within 15 feet of a Fire Hydrant, Fire Lane, or Emergency Access (Section 72.02)*
- *Parking in a Crosswalk, Sidewalk, or Access ways (Section 72.02)*
- *Parking blocking a driveway or mailbox (Section 72.02)*
- *Parking opposing traffic (Section 72.02)*
- *Parking in a designated Handicap space without proper license plate or hangtag (Section 72.02)*
- *Parking in a No Parking Zone, on Street, or within Right-of Way (Section 72.02 and 72.03)*
- *No Parking allowed from 2:00AM to 5:00AM (Section 72.02)*

Citation Fees:

- *\$25 – Same Day Violation Payment - if paid by midnight of the day of the violation via the app or website (single vehicle only)*
- *\$50 – standard citation fee if paid within 30 days.*
- *\$50 – applies to vehicles plus trailer citations*
- *\$250 – Handicap space violation*
- *+\$25 if citation is not paid within 30 days (total \$75)*
- *If not paid within 60 days, citations will be forwarded to a collection agency for payment which will include additional fees as required by the collection agency.*

Citation Payments:

- *Can be made directly on the SurfCAST mobile app*
- *Can be made directly on the website noted above*
- *Can be made via phone to Otto Connect customer service @ 910-200-1497*
- *Can be mailed in with check, payable to:*
 - *Otto Connect, Inc. – parking services*
 - *PO Box 2448*
 - *Surf City, NC 28445*

Citation Appeals will be provided by Otto Connect, Inc. via:

- *Email: customerservice@ottoconnect.us*
- *Phone: 910-200-1497*

Example of Typical Sign used for Parking Area Identification



Date: December 14, 2021

To: Mayor Holden and Board of Commissioners

From: ^{DH} David Hewett-Town Manger

Re: Occupancy Tax Budget Amendment December

The attached budget amendment (Attachment 1) forecasts a \$830,000 increase in accommodations tax for the remainder of this fiscal year. We continue to see a steady number of rentals that are extending outside the typical season and an influx of visitors to the coast. It recognizes the required transfer of Brunswick County Tourism Development Authority (TDA) funding in addition to the following expenses:

- Lockwood Folly Dredging- Inlet Crossing (volumes TBD)
- Ward and Smith Contract through 30 June 2022
- Sailfish Bulkhead Repair
- Increase of Cans for Waste Industries

It also decreases fund balance appropriated by \$353,742 on the revenue side.

Suggested Motion: Approval of Amendment # 21-35

Attachment 1: Budget Amendment # 21-35

TOWN OF HOLDEN BEACH

ORDINANCE NO. 21-35

AN ORDINANCE AMENDING ORDINANCE 21-13, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2021-2022 (AMENDMENT NO. 9)

Be it ordained by the Mayor and Board of Commissioners of the Town of Holden Beach, North Carolina, that Ordinance No. 21-13 appropriating funds for fiscal year 2021-2022 be amended as follows:

<u>REVENUE</u>		
ACCOM TAX	50.0302.0000	830,000.00 INCREASE
FUND BALANCE APPROPRIATED	50.0399.0000	353,742.00 DECREASE
<u>TOTAL</u>		<u>476,258.00</u>
<u>EXPENSE</u>		
TRANSFER COUNTY ACCOM TAX	50.0401.0000	136,258.00 INCREASE
LOCKWOOD FOLLY DREDGING	50.0710.7200	230,000.00 INCREASE
PROFESSIONAL SERVICES	50.0710.0400	70,000.00 INCREASE
ACCESS AND RECREATION	50.0710.4300	20,000.00 INCREASE
WASTE INDUSTRIES 2ND PICKUP	50.0710.4500	20,000.00 INCREASE
<u>TOTAL</u>		<u>476,258.00</u>

The Town Manager acting in his capacity as Budget Officer or Finance Officer as may be appropriate is hereby authorized to effect such administrative actions as necessary to ensure compliance with the Local Government Fiscal Control Act and Governmental Accounting Standards Board .

This is the 21st day of December, 2021.

ATTEST:

J. Alan Holden, Mayor

Heather Finnell, Town Clerk



Date: December 15, 2021

To: Mayor Holden and Board of Commissioners
Town Manager-IN TURN

From: Christy Ferguson, Assistant Town Manager (24)

Re: Ward and Smith, P.A. Contract

Ward and Smith, P.A. in conjunction with the Ferguson Group represents the town in advocacy matters at the federal level as related to beach renourishment, Lockwood Folly Inlet maintenance, and dredge material disposal sites as well as three additional areas to be determined based on town needs. We received their contract for 2022 (attachment 1) and the monthly retainer will be \$9225.00 per month, plus out-of-pocket expenses. The cost of the contract for the remainder of this fiscal year is included as part of the occupancy tax budget amendment before you this evening.

Suggested Motion: Approval of Ward and Smith contract for 2022 and direct the manager to execute the contract.

Attachment 1: Ward and Smith Contract



MIKE MCINTYRE, Attorney at Law

751 Corporate Center Drive, Suite 300 (27607)
Post Office Box 33009
Raleigh, NC 27636-3009

P: 919.277.9191
F: 919.277.9177
mmcintyre@wardandsmith.com

December 14, 2021

VIA EMAIL (david.hewett@hbtownhall.com)

David W. Hewett, Manager
Town of Holden Beach
110 Rothschild Street
Holden Beach, NC 28462

RE: Town of Holden Beach

Dear David:

Reference is made to our telephone conferences of December 13 and 14. We are certainly pleased that you have been satisfied with our services, and we have enjoyed working with you, Mayor Holden, the Town Commission, the Town staff, and your wonderful community. During our phone conversation, you indicated that you would like for us to continue to represent the Town of Holden Beach for the next year with regard to its government relations work and expand our services.

Nature and Scope of Representation

We have agreed to advise and assist you with governmental matters and legal services issues that arise, and the Town of Holden Beach hereby engages Ward and Smith, P.A. to perform the following services in accordance with the terms and condition set forth in this agreement including working with the Town of Holden Beach to secure federal assistance in project management regarding: (1) federal issues related to any beach renourishment opportunities at Holden Beach, North Carolina, (2) federal issues related to Lockwood Folly Inlet maintenance along with beach renourishment efforts for placement of beach-quality sand on the east end of Holden Beach, (3) federal issues related to a potential change in Army Corps of Engineers policy on federally-designated dredge material disposal sites, and (4) up to three additional federal advocacy priorities as mutually agreed upon, such as and by way of example, water-related environmental infrastructure improvements, pre-disaster mitigation/resiliency, public safety and/or community facilities, where and when appropriate. In addition, we may undertake to represent you on such other matters as we mutually agree. The Town of Holden Beach acknowledges and agrees that Ward and Smith, P.A. does not have control over third-party decision makers, and that Ward and Smith, P.A. makes no representations, warranties or guarantees that it can achieve any particular results. Ward and Smith, P.A. shall act in good faith and with the necessary due diligence in connection with its performance of the services

ASHEVILLE

GREENVILLE

NEW BERN

RALEIGH

WILMINGTON

www.wardandsmith.com

WARD AND SMITH, P.A.

David W. Hewett, Manager

December 14, 2021

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described herein. Two local meetings or events, virtually or in person, with the Town of Holden Beach and up to two trips to Washington, DC, as necessary, virtually or in person, per 12-month period (based upon certain contingencies otherwise allowed or prohibited by law, or as otherwise mutually agreed upon by the parties), as well as a monthly status report, are included in the services to be provided. Our work for this engagement will be on the federal level. It is understood that The Ferguson Group will be assisting our firm on your behalf. As the need arises for specialized assistance, such as grant writing or for legal monitoring/research, then fees and costs incurred for such services will be billed separately to the client.

We have not identified any conflicts of interest with our other clients. However, it is possible that conflicts will occur, especially because of the unpredictability of legislative policy and politics. In such cases, we will disclose the conflict, or potential conflict, and Town of Holden Beach will need to retain its own independent legal counsel for that matter as well as make a good faith effort to waive any conflict that is waivable under the North Carolina State Bar's Rules of Professional Conduct.

Retainer and Fees

The retainer for services will be \$9,225 per month. Unless either of us terminates this engagement, this retainer will remain in place from January 1, 2022 through December 31, 2022. Out-of-pocket expenses and costs relating to our representation are not included in the monthly fee, but will be billed separately as incurred. Our work under this new contract will commence after we receive authorization from you. The monthly retainer in any event will be the minimal fee for our services rendered during any portion of the month for which is paid.

Ward and Smith, P.A. will carry out its duties in compliance with all of the applicable federal, state and local laws and regulations, particularly those laws applicable to lobbying.

File Retention

At or before the conclusion of this matter, we will return to you any original documents you have given to us. Upon conclusion of this matter, we will close our active file for this matter, but keep an inactive file containing a copy of all pertinent documents for a minimum of six (6) years, as required by the professional rules of practice for attorneys. At the end of that period, we will dispose of the contents of the inactive file unless you request possession of the file contents.

WARD AND SMITH, P.A.

David W. Hewett, Manager
December 14, 2021
Page 3

Electronic Signature

The parties hereto consent to the use of electronic signatures and electronic transmittal of this Engagement Letter. As such, the parties hereto acknowledge and agree as follows: (1) facsimile or electronic signatures to this Engagement Letter shall be considered original signatures, (2) this Engagement Letter may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto, whether exchanged physically or via electronic means, and (3) the exchange of a fully executed Engagement Letter (in counterparts or otherwise) by facsimile or electronic delivery in .pdf format shall be sufficient to bind the parties hereto to the terms and conditions of this Engagement Letter.

Acceptance

If the terms of this Engagement Letter are satisfactory, please execute the Engagement Letter via DocuSign. By these actions, and in consideration of our agreeing to undertake this representation, we will understand that the terms and conditions in this Engagement Letter are accepted.

If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



Mike McIntyre
Attorney | Member of Congress, 1997-2015

cc: Mayor Alan Holden (via email: holden@atthebeachnc.com)

Read and agreed.

Town of Holden Beach

By: _____
David W. Hewett, Manager

Date



Date: December 9, 2021

To: Commissioners and Mayor Holden

From: Chris Clemmons, Public Works Director
C.C.

Re: Amendment to Solid Waste and Recyclables Collection, Transportation and Disposal Agreement

Waste Industries has provided the Town with a proposed amendment to the Solid Waste and Recyclables Collection, Transportation and Disposal Agreement.

The current agreement's term is through December 31, 2021. The amendment would extend the initial term by two years, with the end date being December 31, 2023. The charge for residential curbside trash (second pickup) will be \$10.50 per month per cart. We are currently being charged \$7.78 per cart per month. This charge is for the Saturday pickups that occur June – September and the Saturdays before Memorial Day and after Easter. Waste Industries has explained the change is due to their increased cost of doing business over the past couple of years.

In order to accommodate the increase, the Board would need to do a budget amendment in the amount of \$20,000. This amount is reflected in Ordinance 21-35, An Ordinance Amending Ordinance 21-13, The Revenues and Appropriations Ordinance for Fiscal Year 2021 – 2022 (Amendment No. 8).

Staff recommends the Board approve the Third Amendment to Solid Waste and Recyclables Collection, Transportation and Disposal Agreement and the associated budget amendment.

THIRD AMENDMENT TO SOLID WASTE AND RECYCABLES COLLECTION, TRANSPORTATION AND DISPOSAL AGREEMENT

THIS THIRD AMENDMENT TO SOLID WASTE AND RECYCABLES COLLECTION, TRANSPORTATION AND DISPOSAL AGREEMENT (this "Third Amendment") made and entered into this ____ day of _____, 2021 by and between WASTE INDUSTRIES, LLC, doing business as GFL Environmental, a North Carolina limited liability company ("WI"), and the TOWN OF HOLDEN BEACH ("Customer").

RECITALS

A. WI and Customer are parties to a Solid Waste and Recyclables Collection, Transportation and Disposal Agreement dated February 21, 2017, as previously amended and extended (the "Agreement").

B. WI and Customer desire to extend the term of the Agreement and make certain other changes as set forth herein.

AGREEMENTS

NOW, THEREFORE, in consideration of the Recitals, the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Agreement as follows:

1. As contemplated by Section 1 of the Agreement, the parties confirm their mutual desire to extend the Term by two (2) years, such that it runs through December 31, 2023.
2. Exhibit A to the Agreement regarding rates is hereto deleted in its entirety and replaced with Exhibit A attached hereto.
3. Except as specifically modified herein, the Agreement shall remain in full force and effect as written (and as previously amended). Capitalized terms used and not otherwise defined herein will have the meanings as set forth in the Agreement.

IN WITNESS WHEREOF, this Third Amendment to Solid Waste and Recyclables Collection, Transportation and Disposal Agreement is executed and delivered on behalf of the undersigned by their duly authorized representatives as of the date first set forth above.

TOWN OF HOLDEN BEACH

ATTEST:

By: _____
 Name: _____
 Title: _____

By: _____
 Name: _____
 Title: _____

ATTEST:

WASTE INDUSTRIES, LLC

By: _____
 Name: _____
 Title: _____

By: _____
 Name: _____
 Title: _____

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

 City Finance Officer

Exhibit A

Residential Curbside Trash (second pickup) - The charge for once per week secondary residential curbside trash to CUSTOMER from CONTRACTOR shall be \$10.50 per month per cart. CONTRACTOR will provide one 95 (ninety-five) gallon cart for MSW to each address using the Services. CUSTOMER may request additional carts for residents. Additional carts will be billed directly to property owner. This pickup service will be provided on Saturdays for the months of June, July, August & September.

Curbside Recycle - CONTRACTOR will provide a 95 gallon recycle container for the voluntary program for a price of \$6.01 per month per property owner. Processing fees/payment will be tied to the best negotiated agreements with local processors. These fees/payments will be mutually agreed upon but not reasonably withheld. Waste Industries will supply documentation as a part of the process of negotiations.

Rolloff Service - 30 cubic yard container at Laydown Yard on Scotch Bonnet for \$55.00 delivery, \$97.00 per month rent, \$178.86 per haul & \$72.00 per ton for MSW tonnage.



Date: December 8, 2021
To: Commissioners and Mayor Holden
From: Heather Finnell, Town Clerk HF
Re: Recycling Fees

We have received the updated fees assessed by Waste Industries for people who utilize the voluntary curbside recycling program.

The annual 2022 cost for people participating in the program will be \$86.37 per bin. This is a decrease from the current rate of \$93.29. The fee schedule needs to be amended to reflect the new amount.

Staff recommends the Board approve Resolution 21-19, Resolution Amending the Holden Beach Fee Schedule, if you wish to continue the curbside recycling program.

RESOLUTION 21-19
RESOLUTION AMENDING THE HOLDEN BEACH FEE SCHEDULE

WHEREAS, As reflected in the Solid Waste and Recyclables Collection, Transportation and Disposal Agreement between the Town and Waste Industries, Waste Industries will provide a 95-gallon container for the voluntary curbside recycling program for a fee that includes the base charge and a processing fee; and

WHEREAS, the annual total assessed per bin for 2022 is \$86.37; and

WHEREAS, the Holden Beach Fee Schedule needs to be updated to reflect the current fee.

NOW THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Town of Holden Beach, North Carolina does hereby amend the fee schedule to reflect the new recycling fee of \$86.37per bin.

BE IT FURTHER RESOLVED, that this fee should be effective for recycling services beginning on January 1, 2022.

This the 21st day of December, 2021.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk