



**CITY OF SOUTHPORT
BOARD OF ALDERMEN
REGULAR MEETING AGENDA**
223 E. BAY STREET
February 13, 2025
6:00 PM

Agenda

Please turn off all cell phones

Meetings are open to the public. If you are not able to attend the Board of Aldermen meetings in person, the meeting will be available for you to watch via live-stream on the City of Southport website (<https://cityofsouthport.com/board-of-aldermen-meetings/>), Facebook page, and YouTube channel.

ETHICS STATEMENT:

"If any members know of any conflict of interest or the appearance of a conflict of interest concerning matters on the agenda, please so state at this time."

A. Call to Order

B. Invocation

C. Pledge of Allegiance

D. Public Comment

E. Approval of Agenda

F. Approval of the Consent Agenda

1. Sidewalk Repair Contract (Pgs.3-9)
2. Minutes of the December 10, 2024 Special Aldermen Meeting (Pgs. 10-12)
3. Minutes of the December 12, 2024 Regular Aldermen Meeting (Pgs. 13-21)
4. Set a Public Hearing for the Rights-of-Way Unified Development Ordinance Update (Pgs. 22-25)
5. Resolution Requesting the General Assembly adopt a Local Bill allowing the City to hold a Referendum for a Prepared Meals Tax (Pgs. 26-27)
6. Resolution Requesting the General Assembly Adopt House Bill 24, which restores the Authority of Local Governments to Initiate Downzoning (Pg. 28)

G. Special Recognition

1. Southport Rotary Club Check Presentation
2. Southport Winterfest Tea Check Presentation

H. Agenda

1. FY 23-24 Audit Presentation (Jay Sharpe with Sharpe & Patel CPA Pgs. 29-127)

2. Public Hearing for Yacht Basin Overlay UDO Text Amendment (Planning Services Director Maureen Meehan Pgs. 128-133)
3. Comprehensive Plan Update (Planning Services Director Maureen Meehan, Jake Petrosky and Andrea Radford from Stewart Consulting Pgs. 134-321)
4. Shoreline Stabilization Task Order #5 (City Engineer Bob Jarvis Pgs. 322-329)

I. Committee Reports

1. ABC Board (Pgs. 330-331)

J. Manager's Report

1. City Managers Report (Pg. 332)

K. Mayor's Comments

L. Staff Reports

1. Public Works (Pg. 333)
2. Code Enforcement (Pgs. 334-337)
3. Development Services (Pgs. 338-339)

M. Board Comments

N. Closed Session NCGS 143-318.11

1. Motion to go into closed session pursuant to NCGS 143-318.11
 - (5) To establish or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract.
 - (6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee

O. Adjourn



BOARD OF ALDERMEN

AGENDA ITEM SUMMARY

DATE: 1/17/2025 DEPARTMENT: Public Works

PRESENTED BY: Tom Stanley- Public Works Director

ITEM SPONSORED BY: Public Works

ITEM/TOPIC: 2025 Broken Sidewalk Replacement Project

COST: NTE \$100,000.00 BUDGET LINE ITEM: 23-23-7300-5800

JUSTIFICATION: Many of the city sidewalk sections are broken and risk physical injury should a pedestrian fall. Over the years, there have been injuries.

IMPACT IF NOT APPROVED: City sidewalks will not be repaired and will continue to deteriorate creating additional trip hazards for pedestrians.

DEPARTMENT HEAD COMMENTS: This is the beginning of the sidewalk repair plan. This should be approved to ensure safer foot traffic throughout the city. The business district is the first area for this plan to be completed by May 1, 2025. \$100K was approved in the capital project plan for these repairs.

ATTACHMENTS: Project limits map and description, contract.

REQUESTED ACTION: To award the sidewalk repair contract to Rodney Fullwood Concrete Inc.

PROPOSED MOTION: To award sidewalk repair contract to Rodney Fullwood Concrete Inc. to replace damaged sidewalks in the downtown and business district as indicated and marked by Public Works staff.

STATE OF NORTH CAROLINA

COUNTY OF BRUNSWICK

THIS CONTRACT, made and entered into this ____ day of **FEBRUARY** 2025, by and between Rodney Fullwood Concrete, Inc. a North Carolina corporation of the County of Brunswick, State of North Carolina, Party of the First Part (hereinafter sometimes referred to as "Contractor"); and the **CITY OF SOUTHPORT**, a duly chartered municipal corporation and body corporate and politic of the County of Brunswick, State of North Carolina, Party of the Second Part (hereinafter sometimes referred to as "the City");

W I T N E S S E T H:

THAT WHEREAS, the Contractor is engaged in the business of **concrete construction**, as an independent contractor; and

WHEREAS, the City has the need for the services of Contractor to replace/repair broken sections of sidewalk in various areas of the city; and

WHEREAS, it has been determined by the City of Southport that it would be in the best interest of the City and its citizens and residents to enter into this agreement with the Contractor for the purpose of engaging its' services to form sidewalk, pour and finish wall form and pour expansion joint.

NOW, THEREFORE, for and in consideration of the charges, and the terms, covenants, promises and conditions hereinafter set forth, the City engages the services of the Contractor for the purpose Contractor to replace/repair broken sections of sidewalk in various areas of the city as set forth on **Exhibit "A"** attached hereto.

The terms, covenants, promises and conditions of this agreement and contract are as follows:

Contractor agrees to provide all services as set forth and described on Exhibit A attached hereto and incorporated herein by reference.

For these services outlined above, the City of Southport shall compensate Contractor in accordance with the schedule and terms not to exceed one hundred thousand (\$100,000.00).

Contractor agrees that it will furnish all the necessary labor, equipment, materials and apparatuses to provide for these services in a good and workmanlike manner free from defects in workmanship or materials.

It is understood and agreed that the Contractor shall be responsible for all worker's compensation and other types of insurance necessary to protect it and its' employees and the City and its' employees and officials from any liability whatsoever and the Contractor will provide the City with a copy of each Policy. Contractor shall pay all taxes and other expenses required in its/his/her business, and it is clearly understood and agreed that the Contractor is an independent contractor operating strictly on its' own and will not be considered as an employee of the City of Southport.

The Contractor shall indemnify and hold the City, its agents, officials and employees, harmless against any and all claims, demands, causes of action, or other liability, including attorney fees, on account of personal injuries or death or on account of property damages arising out of or relating to the work to be performed by Contractor hereunder, resulting from the negligence of or the willful act or omission of Contractor or his employees

It is necessary and required by the City that this contract is performed by the contractor in a timely, efficient and effective manner; and in the event the Contractor should fail to so perform said contract or fail to make progress satisfactory to City, then, and in such event, the Contractor agrees that the City of Southport shall have full and complete authority to terminate this contract, summarily, and to engage another contractor to carry out the performance of these functions. *In addition, the City reserves the right to terminate this contract upon ten (10) days written notice to contractor, solely at the election of the City.*

The contractor will perform all work in compliance with state and local law, including OSHA Safety and other governmental guidelines.

The contractor will provide all safety equipment to perform duties such as traffic control and personal protective equipment.

Contractor certifies that, as of the date listed below, it is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 143-6A-4. In compliance with the requirements of the Iran Divestment Act and N.C.G.S. § 143C-6A-5(b), Contractor shall not utilize in the performance of the contract any subcontractor that is identified on the Final Divestment List.

This contract is subject to the additional terms and provisions set forth on **Exhibit "B"** attached hereto which Contractor and City acknowledge and confirm are part of this Contract and are incorporated herein.

IN WITNESS WHEREOF, the City of Southport has caused this contract to be executed by the Mayor of the City of Southport and has caused its municipal seal to be here on impressed, all by authority of the Board of Aldermen duly given; and Rodney Fullwood Concrete, Inc. has hereunto executed this contract, all on the day and year first above written.

Rodney Fullwood Concrete, Inc.

_____ Date: _____

Title: _____

_____ County, North Carolina

I, _____, a Notary Public in and for the state and county aforesaid, do hereby certify that _____, as president of Rodney Fullwood Concrete, Inc, personally appeared before me this day and acknowledged the due execution of the foregoing document in the capacity indicated.

Witness my hand and official seal this the _____ day of _____, 2024.____

Notary Public

My commission expires: _____

CITY OF SOUTHPORT

Date: _____

City Manager, City of Southport

Brunswick County, North Carolina

I, _____, a Notary Public in and for the state and county aforesaid, do hereby certify that Stuart Turille, Jr, as the City Manager of the City of Southport, personally appeared before me this day and acknowledged the due execution of the foregoing document in the capacity indicated.

Witness my hand and official seal this the _____ day of _____, 2024.

Notary Public

My commission expires: February 21, 2029 _____

Certification:

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

Lance Flint, Finance Officer

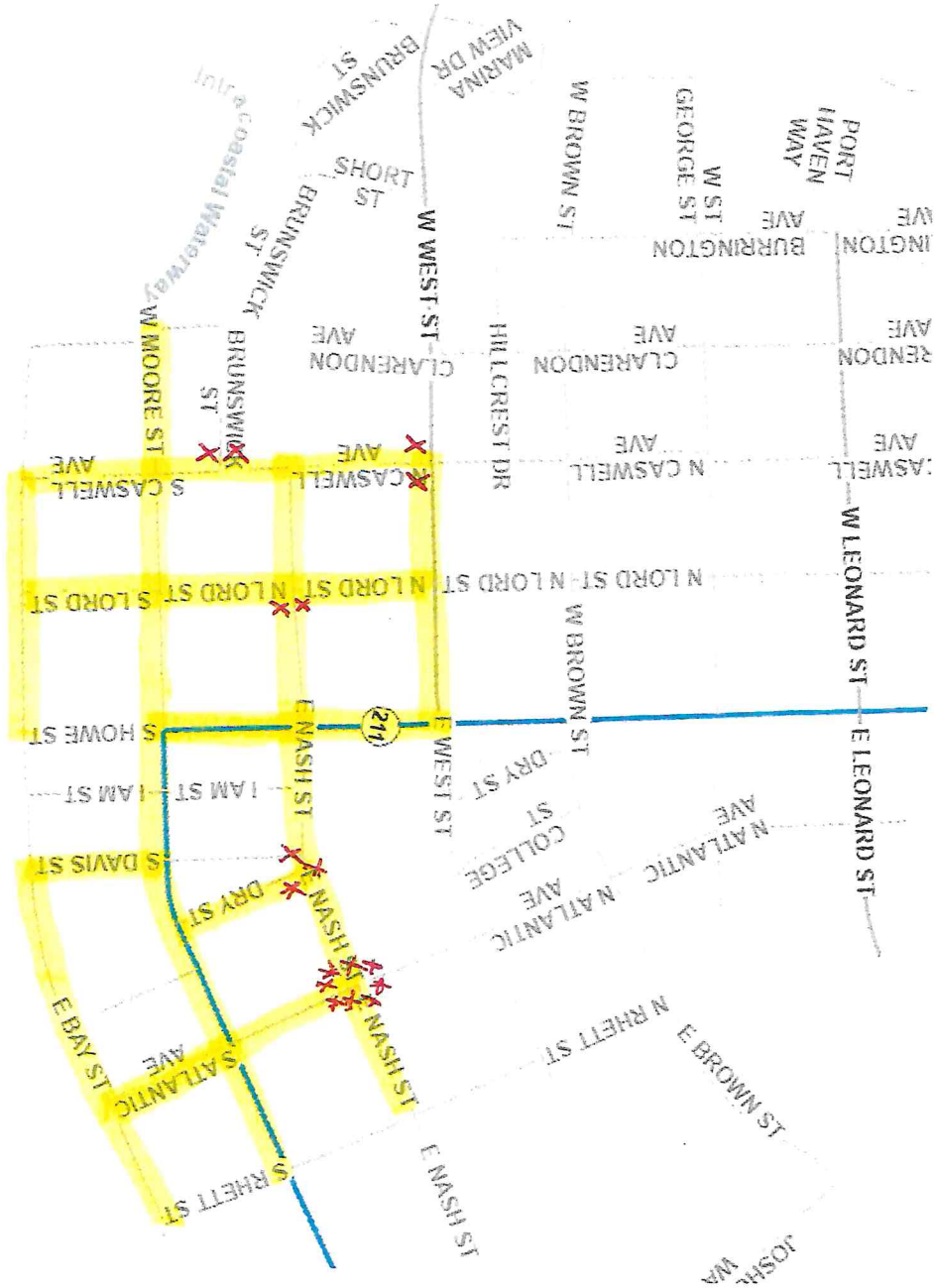


EXHIBIT "B"

CITY OF SOUTHPORT 2025 SIDEWALK REPAIRS

STREET	SIDE	FROM	TO	LOCATIONS	SF
E. Moore	South	Atlantic	Rhett	2	108
S. Atlantic	East	Bay	Moore	1	1,350
Bay	North	Atlantic	Rhett	1	2,130
E. Moore	South	Davis	Atlantic	14	738
S. Atlantic	West	Moore	Bay	2	936
Bay	North	Atlantic	Davis	5	746
E Moore	South	Iam	Davis	2	240
S Davis	West	Moore	Bay	1	48
W. Moore	South	Howe	Lord	5	216
Bay	North	Howe	Lord	1	48
S Lord	East	Bay	Moore	3	80
S. Lord Island	South			1	102
W. Moore	South	Caswell	Lord	1	30
Bay	North	Caswell	Lord	2	108
N Caswell	East	Bay	Moore	4	420
E. Moore	North	Howe	Iam	2	191
Howe	East	Moore	Nash	4	972
E. Nash	South	Howe	Iam	1	36
E. Nash	South	Iam	Davis	2	76
Dry	East	Nash	Moore	3	474
E. Nash	North	Howe	Dry	2	156
E. Nash	South	Dry	Atlantic	1	678
N. Atlantic	East	Nash	Moore	2	366
E. Moore	North	Atlantic	Dry	1	168
E. Nash	North	Dry	Atlantic	1	156
E. Nash	South	Atlantic	Rhett	1	270
N. Atlantic	West	Nash	Moore	6	546
E. Nash	North	Atlantic	Rhett	2	180
W. Nash	South	Howe	Lord	6	252
Howe	East	Nash	Moore	3	108
W. Moore	North	Howe	Lord	5	320
N. Lord	West	Moore	Nash	6	246
W. Nash	South	Caswell	Lord	2	50
N. Lord	East	Nash	Moore	3	379
W. Moore	North	Caswell	Lord	1	48
N. Caswell	East	Moore	Nash	7	200
N. Caswell	West	Moore	Brunswick	3	240
W. Moore	North	Caswell	Yacht Basin	3	120

Howe	West	West	Nash	1	36
W. Nash	North	Howe	Lord	5	180
N. Lord	East	West	Nash	2	120
W. Nash	North	Caswell	Lord	1	30
W. West	North	Caswell	Lord	3	100
W. West	North	Howe	Lord	4	175
ADA Ramps	Various Locations			22	550
TOTALS				150	14,723

Notes:

1. All ADA areas to receive blue truncated domes
2. Remove and dispose of existing sidewalks to be replaced
3. All work to be completed by May 1, 2025



**CITY OF SOUTHPORT
BOARD OF ALDERMEN
SPECIAL MEETING MINUTES
223 E. BAY STREET
December 10, 2024
8:30 AM**

Present: Mayor Rich Alt, Mayor Pro-Tem Rebecca Kelley, Aldermen Karen Mosteller, Lowe Davis, Robert Carroll, Frank Lai, and Marc Spencer.

Staff: City Manager Stuart Turille, City Clerk Noah Saldo, Public Information Officer ChyAnn Ketchum, Deputy Finance Director Joey Kronenwetter, City Engineer Tom Zilinek, Police Chief Todd Coring, Community Relations Director Allayna Dail.

- A.** Mayor Alt called the meeting to order at 9:00 AM.
- B.** Aldermen Rev. Davis gave the invocation.
- C.** Mayor Alt led the Pledge of Allegiance.
- D. Agenda**

1. Discussion on City Facilities and City Departments Space Needs.
City Manager Turille presented the following:



City Manager Overview

- Issues:**
1. What is the City of Southport's administrative space need, for governmental use?
 2. What is the best governmental use of the 8,500 Square feet (SF) Old City Hall, given our *most urgent* space needs for a permanent government meeting room and permanent Police Department location?

The City's current permanent administrative space needs are:

1. A permanent government Board meeting space and conference room. This is about 3,000 Square Feet (SF). Old City hall already has a large courtroom meeting space suitable for government use, with an adjoining conference room, about 3,000 SF of the 4,250 on the second floor.
2. The Police Department: The recent Moseley Space Needs Study says that PD has current space needs of 7,191 SF, projecting 7,594 SF by 2028. PD needs a permanent location, close to City core, saving us the current \$6,000/month rent.
3. The Moseley report says that the Administrative staff need is 7,769 SF. All departments, except for Public Works, Parks & Recreation and Community Relations are situated in New City Hall, which is 9,200 SF, with 3 conference rooms, so no additional administrative space is needed.
4. Public Works, Parks & Recreation, and Community Relations have sufficient administrative space



City Engineer Review of Options

Option 1

- Police Department moves into Old City Hall
- Building is 8,500 SF. Moseley needs study suggests 7,196 SF is required for Police.
- Courtroom & upstairs conference room to be used for Board of Alderman, Planning Board and Board of Adjustment meetings. Courtroom will also be used by PD for training room which was part of the 7196 SF needs.
- There appears to be sufficient space for this especially due to the PD use of the courtroom for training purposes. This also appears to be for the Moseley projected future space need of 8,428 SF by 2033.
- Regardless of use an elevator will need to be installed.
- Estimated Cost: \$4,250,000



City Engineer Review of Options

Option 2

- Administrative staff moves into Old City Hall and Police move into current City Hall.
- Current City Hall will need to be totally reorganized for Police use.
- Current City Hall staff does not appear to have sufficient space needs in Old City Hall.
- Estimated Cost: \$4,750,000



City Engineer Review of Options

Option 3

- Administrative staff moves into Old City Hall and some either stay in current City Hall or move into Indian Trail. Police move into current City Hall.
- Current City Hall where PD moves to will need to be totally reorganized.
- Move Planning & Building Inspections to Indian Trail. Indian Trail will need to be reorganized for staff that moves there.
- Estimated Cost: \$4,850,000



City Engineer Review of Options

Option 4

- Purchase Land and Build New Police Department Building
- Option does not address the need for permanent government Board meeting space and conference room
- Estimated Cost: \$8,498,000



Option 1 – Police Department Use

Location Site Rationale

1. Centrally located for easier pedestrian access for citizens
2. At the Center of the busiest corridor location of city: downtown corridor, business district, visitors, walk in traffic, more presence in core of downtown.
3. Downtown businesses and citizens have expressed desire for Police Department to be more centrally located downtown, more present and visible rather than on outskirts of a busy highway, apart from our core constituency.
4. Historically was considered the best place for the City, the underlying reasons are the same.



OLD CITY HALL FIRST AND SECOND FLOORS



OLD CITY HALL FIRST FLOOR





Space Needs & Old City Hall Options – Financing Projections

	Option 1	Option 2	Option 3	Option 4
Renovate Old City Hall	\$4,250,000	\$3,500,000	\$3,500,000	
Renovate New City Hall		\$1,250,000	\$1,250,000	
Renovate ITMH			\$100,000	
Acquire Land				\$1,200,000
Build New Police Station				\$7,298,000
Amount Financed	\$4,250,000	\$4,750,000	\$4,850,000	\$8,498,000
Interest Paid	\$2,041,689	\$2,281,887	\$2,329,927	\$4,082,417
Amount Paid with Interest	\$6,291,689	\$7,031,887	\$7,179,927	\$12,580,417
Annual Payment	\$314,584	\$351,594	\$358,996	\$629,021
Ad Valorem Rate Impact	\$0.020	\$0.022	\$0.022	\$0.039

Option 1: Renovate Old City Hall for Board Meeting Room and Police.

Option 2: Renovate Old City Hall for Administrative Offices & New City Hall for Police HQ.

Option 3: Renovate Old City Hall and ITMH for Administrative Offices & New City Hall for Police HQ.

Option 4: Acquire land and build new Police HQ.

Assumptions

Loan Term	20 Years
Interest Rate	4.58%

CONSTRUCTION ESTIMATES PER CITY ENGINEERS. INTEREST RATE ESTIMATE SAME AS RATE OBTAINED FOR NEW FIRETRUCK AND AMBULANCE FINANCING JUNE 2024. AD VALOREM IMPACT BASED ON CURRENT ASSESSED VALUES.

City Engineer Zilinek presented on the city's space needs and the capacity and options of the old city hall/ courthouse building.

Police Chief Coring presented the needs of the police department and the capability of the police department back into the old city hall building.

Deputy Finance Director presented on the financing part of the project.

The Board asked questions regarding the option for the building and what the financial cost of the options would be.

Aldermen Lai asked about a potential project timeline.

Aldermen Davis stated this action can be used for some of our governmental needs. It might not solve all needs for all times but can help with some of our needs.

Mayor Pro-Tem asked about grant option. She stated that she had to lean on the expertise of Mayor Alt and Chief Coring experts in policing.

Aldermen Mosteller stated her opposition to this action. She noted the police department would not fit in the old city hall building with allowable square feet. She also stated her support for holding planning meetings with the arts group to here their side.

Aldermen Carroll stated he wished the motion was different that named the use of the building and then he might could support it.

Aldermen Spencer stated he could not name right now what would go in the building but agreed we need to use building's the city owns and not rent private space.

Mayor Alt stated this motion is needed to say the building will be used for government use, and staff can go forward with options.

Aldermen Davis made a motion to retain the old city hall/courthouse building for city government use, seconded by Aldermen Spencer. **Motion Carried 4-2 with Aldermen Mosteller and Carroll voting No.**

E. Adjourn

Aldermen Carroll made a motion to adjourn, seconded by Aldermen Carroll. **Unanimous vote; Motion carried** at 9:59 AM.



**CITY OF SOUTHPORT
BOARD OF ALDERMEN
REGULAR MEETING MINUTES
223 E. BAY STREET
December 12, 2024
6:00 PM**

Present: Mayor Rich Alt, Mayor Pro-Tem Rebecca Kelley, Aldermen Karen Mosteller, Lowe Davis, Robert Carroll, and Frank Lai.

Absent: Marc Spencer

Staff: City Manager Stuart Turille, City Clerk Noah Saldo, Public Information Officer ChyAnn Ketchum, City Engineer Tom Zilinek, Police Chief Todd Coring, Community Relations Director Allayna Dail, Police Major Tony Burke, Fire Chief Charles Drew, City Attorney Brady Herman, and Deputy City Clerk Tori Deviney.

- A.** Mayor Alt called the meeting to order at 6:00 PM.
- B.** Rev. Sally Learned, Executive Director of Brunswick County Partnership for Housing, gave the invocation.
- C.** Mayor Alt led the Pledge of Allegiance.
- D. Special Recognition**

- 1. Recognition of Police Major Tony Burke on the occasion of his retirement
Mayor Alt and Police Chief Coring presented Major Burke with a resolution and other items on the occasion of his retirement.
- 2. Recognition of Chris Schnell for his extraordinary volunteer service as Chair of the Southport Wooden Boat Show

Mayor Alt presented Mr. Schnell with a resolution in recognition of his dedication to volunteering at the wooden boat show.

E. Public Comment

Mayor Alt read the ethics statement

Kay Ross of 5205 White Ibis Ct spoke about the action of the Aldermen related to the old city hall building at the special Aldermen December 12th meeting. She stated she was disappointed the arts group was not able to have a meeting with the Aldermen regarding their vision for the building.

Brad Sevaldson of 226 Sand Dollar Ln spoke about his dissatisfaction with the Aldermen's decision on the old city hall building.

City Clerk Saldo read an emailed public comment from Bonnie Bray of 515 Quarter Master Drive regarding her disappointment with the Aldermen's decision on the old city hall building.

Aldermen Carroll made a motion to close public comment, seconded by Mayor Pro-Tem Kelley.

Unanimous Vote; Motion Carried.

F. Approval of Agenda

Aldermen Carroll made a motion to approve the agenda with the removal of item H4 Franklin Square Park, seconded by Mayor Pro-Tem Kelley.

Unanimous Vote; Motion Carried.

G. Approval of the Consent Agenda

Mayor Pro-Tem Kelley made a motion to approve the following consent agenda items, seconded by Aldermen Lai.

Unanimous Vote; Motion Carried.

1. Minutes of the November 4th Regular Aldermen Meeting
2. Minutes of the November 14th Regular Aldermen Meeting
3. 2025 Aldermen Meeting Schedule

H. Agenda

1. Public hearing on Rezoning and PUD Modification for Cades Cove Subdivision

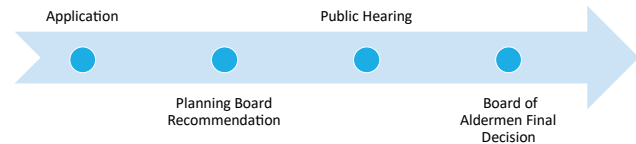
Aldermen Mosteller made a motion to open the public hearing, seconded by Aldermen Carroll.

Unanimous Vote; Motion Carried at 7:32 PM

Planning Services Director Maureen Meehan presented the following:

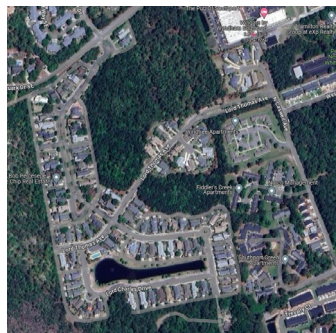


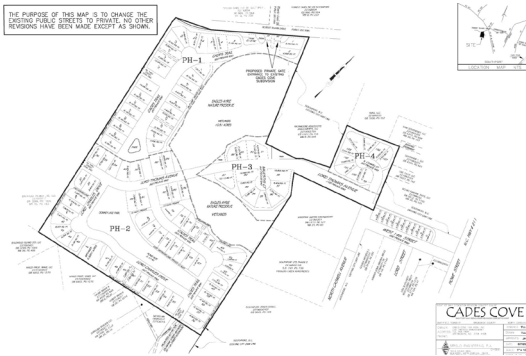
Process



Request

- Create Gated Access to the Subdivision at the Robert Ruark Drive Entrance and Exit
- Change the Street Dedication from Public to Private





EXIT ON TO RUARK FROM CADES TRAIL



GATE POSITIONING RUARK ENTRANCE
View from Ruark, center island at left



Gate Examples



Recommendation

- Planning Board recommends DENIAL of the request to modify the Planned Unit Development and Rezoning.

Rick Jones of 828 Cades Trail and President of the Cades Cove Homeowners Association presented the following:



REZONING AMENDMENT

December 12, 2024

Our Ask

Cades Cove seeks to privatize our neighborhood with the intention of placing a gate at our Robert Ruark and possibly our Lord Thomas entrances. We would like to better control the wear and tear on our streets and to improve safety for our residents, their children, grandchildren and guests.

In turn, the Cades Cove Homeowners' Association will assume the cost of maintaining quality roads. This will save the City of Southport nearly a quarter of a million dollars upfront based on an estimate provided to a resident by Dorrie Dutton (estimate developed by Tom Zilinek).

There will also be substantial savings in ongoing maintenance for Southport.

Cades cove HISTORY

Blake Family Builders, 2004 approved as a Planned Residential Development Public R/W.

First houses built in 2006. Twelve total 2006-2007. None built 2008-2010, Cardinal acquired assets.

Streets were dedicated to the City in nine specific sections, each with a 15-year expiration.

By May 2023, four of those nine expired without Southport taking any action to accept the streets.

In 2013, Southport returned \$190,000 bond. Occurred without a stormwater inspection as seemingly suggested in Southport's UDO and without streets completed or fully paved.

Cardinal Builders abandoned Cades Cove not long. Efforts to sue the developer were not successful (bankrupt, left country).

Cades Cove was left with a \$175,000 bond.

Residents take over HOA

In 2016, residents took over management of the HOA. The remaining bond was used for stormwater / sinkhole repair, plus related expenses.

Additionally, Cardinal had delinquent back taxes with Brunswick County of \$9,579.45 that the residents wound up paying.

June 2018: residents of Cades Cove approved \$400,000 loan to finish our streets and the myriad of other infrastructure projects that Cardinal did not complete.

Hurricane Florence September 2018, caused the collapse of inferior stormwater pipes that were the outflow of our storm water system from our retention pond to Cottage Creek. The repair costs absorbed more than half of the loan fund.

Only could pave from Ruark entrance to the four-way stop at Lord Thomas. Cades Cove will be paying on this loan until June 2026 without the remaining streets being repaired or paved.

The move to privatize

With the threat of Indigo Ph II looming, our Board established a Steering Committee in Fall 2021; recommended privatization, began exploring gating options in 2022

Commissioned Harmony Taylor, Law Firm Carolinas

- To review literature, find comparables (none were found),
- To provide counsel on strategic direction, Street dedication expiration dates

Articles of Incorporation amendment-- "streets as common area"-- approved 83-7

Fall 2022: conversations with City Attorney Norwood Blanchard

Harmony remains our counsel, spoke to Brady Herman w/o 11/18/24

Moved on to city staff

Board reached out to Development Services Director Travis Henley

- Reviewed CC history, city demands for DOT-standard paving, return of \$190k to Cardinal, Scott Cook abandonment, cut-through traffic, safety concern, wear and tear on roads, street dedication expirations, no stormwater inspection by City or State, over half of loan used for stormwater and alley repair post-Florence
 - Travis found our story compelling
- June, we received letter denying gate request but with opportunity to file a PUD Amendment to change our status
- PUD Amendment – Oct 2023, Rezoning Amendment – Feb 2024

Cades Cove Contributions to Southport (2016-2023)

Since 2016 when residents took responsibility for the HOA:

- We paid \$2,368,886 in Brunswick County taxes total
- Paid \$1,135,991 to City of Southport (about 47%)
 - This includes property tax, Doshier, police and fire

Benefits received:

- Police, fire, EMS
- City staff services, Stormwater survey by Dickson

No paving or sewer testing assistance (that we are aware of) to date

Staff “asks” to take over streets

CCTV Stormwater System to ensure no defects / at HOA expense

Repair stormwater defects if found

Street inspection for defects and top course paving

Visual inspection all streets except of partial on Cades Trail

Core samples inspect for minimum Southport (new) standards

Remove speed bumps and mid -block stop signs

Bring stop signs to MUCTD standards

Street name signs brought up to City and MUCTD standards

Let's review ...Planning board major issues

- Connectivity
- Precedent
- Travis Henley 2023 Letter to Cades Cove

In reverse order ...

Topic: Travis letter June, 2023

mentioned AT 10/17/24 PLANNING BOARD ...

“The placement of a gate or other impediment to the public's ability to use the rights-of-way within the community would be considered a violation of Cades Cove's original development approval for the following reasons:

- The introduction of a structure not shown on any approved map or plat of the community without zoning approval; and
- The introduction of a gate that would result in the prohibition of the public's ability to travel the roadways, when the approval granted to the community* included the provision that all roadways would be dedicated for public use.” (* 2006)

NOT READ at planning board ...

"The Cades Cove community may request a revision to its original approval to include the addition of a gate(s) and to revise the street dedication from public to private. Doing so would be considered a major modification per Section 2.6.J of the City of Southport Unified Development Ordinance, and the process shall follow the provisions laid out for original approval of Planned Unit Developments.

Such process shall include an application to amend the Planned Unit Development and a rezoning request to modify the PUD zoning district, and the Board of Aldermen shall be the final decision maker in a legislative process following a public hearing."

THAT IS WHAT WE HAVE DONE



Topic: CONNECTIVITY

CAMA is over 10-years-old; a lot has changed since then.

ETJ departure should change Southport's view of connectivity ...

Place focus on Rob Gandy, Jabbertown and of course, Howe Street

Why should a neighborhood like Cades Cove pay for their own street maintenance and repairs when much of the damage is and will be inflicted by neighborhoods that don't pay full taxes to Southport? Nor does Southport pay to maintain our streets.



Topic: "Precedent"

(We reviewed 20+ neighborhoods in Southport & "etj")

"NO WAY OUT": Indigo Plantation Phase I, Jacob's Creek, Olde Southport, The Preserve at Fisher Landing, The Villages at Southport, Bonnet's Landing, The Landing, Rivermist, Home Place, and coming soon - Turtle Bay,

UNLIKELY: The Villas at Fisher Landing (streets marked as private, not a real pass - through off Caswell), Harbor Oaks (Yaupon Dr. more likely), Prices Creek (runs parallel to Jabbertown), Oakton (to be developed)

REMOTE POSSIBILITY: The Hammocks (Softwind Way to Stuart), Turtlewood (ADM to Leonard to Rob Gandy; Ferry to Park or Stuart Avenues)



"Precedent"

(from downtown ... "the howe street bypass" to 211)

USES CADES COVE to Downtown:

- Southport Way
- Forest Oaks
- Osprey Landing
- Smithville Woods

AND SOON ...

- Indigo Plantation Phase II
- Harper Acres sub-division



Initial PUD amendment (submitted 10/23)

CCHOA requests to amend the PUD for our 99-home community, changing our streets' status from **publicR/W** to **semi-private**

Goal: **place a gate at the Robert Ruark entrance only** with the Caswell entrance at Lord Thomas to remain open. Emergency vehicles will have total access through both entrances.

We are seeking this modification to ensure **pedestrian safety** of our community, to **reduce the wear and tear** of our streets and the associated costs from cut through traffic.



PUD Rationale

CCHOA would like to remain an active part of the Southport Community.

Cut-through traffic poses a pedestrian safety concern for our citizens, many of whom are seniors, and visitors (particularly grandchildren).

Funded many steps to mitigate speed and cut through (speed bumps and added stop signs) to no avail. Consulted with Chief Coring.



What does FUTURE hold?

Osprey Landing (200 homes) build out has begun. The Main egress is onto Robert Ruark. More cut-through traffic is likely.

Indigo Phase II is directly adjacent to Cades Cove. With nearly 1200 homes planned, it significantly exacerbates our concerns of still more cut through traffic, safety risks, plus the resulting additive wear and tear of our streets.

The expansion of 211 continues. With the four lanes becoming two where 211 meets Robert Ruark, additional cut-through traffic would appear likely. More Howe St. Bypass.

Harper Acres approved by County. Fifteen additional homes on Ruark.



Pictures of Ruark Entrance

From Smithville woods & forest oaks



Smithville Woods View



Forest Oaks View



Rezoning amendment (submitted 2/24)

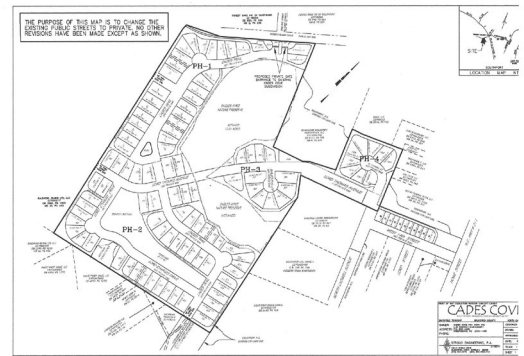
Paid \$6,700 application fee, Over \$3,200 for new plat plans.

Showed possible Gate designs

- Planning Board requested we place gates at Lord Thomas entrance.
- Showed signage examples similar to those at Fisher Landing and Prices Cree.

Provided our Reserve Planning strategy to pay for street maintenance

Also compared Condition of Streets to Southport norms, not future goals.



Gating Option– Home Place



GATE POSITIONING Entrance from Ruark & Cades Cove



Summarizing our situation

Cades Cove residents overwhelming voted to privatize ... 83 to 7

We no longer want to be the "Howe Street Bypass"

Minimize wear and tear, be safer

4 of 9 dedications expired

City returned \$190k to builder ...

... without stormwater inspection, streets not paved

No guarantees City will pave

CCHOA can and will maintain the streets saving Southport money ... but only if we can control volume

We will secure necessary gate permits and involve emergency and civil services

We ask that the Aldermen ...

Approve our Rezoning Amendment

Launch a review of the decade -old CAMA Land Use Plan in light of the rapid development in Southport and all of Brunswick County

Set new protocols for developers: complete independent reviews of stormwater systems and taking streets to final paving BEFORE ANY BOND MONEY IS RETURNED

NO OTHER NEIGHBORHOOD SHOULD ENDURE WHAT CADES COVE HAS

Thank you!

WE APPRECIATE YOUR CONSIDERATION

PREPARED TO ANSWER ANY AND ALL QUESTIONS

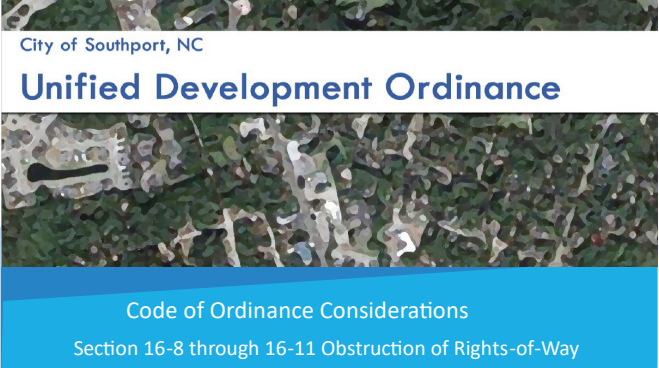
Tommy Younts of 285 Lord Thomas Ave spoke in favor of the Cades Cove request.
Marty Younts of 285 Lord Thomas Ave spoke in Favor of the Cades Cove request.
Jack Housenger of 284 lord Thomas Ave spoke in Favor of the Cades Cove request.
Pat Freeman of 915 Roscoe Freeman Ave asked to work with the neighborhood to reach an agreement with all parties involved without closing a gate.
G Fields of 1019 S 7th Wilmington spoke about working together to find a resolution acceptable to all involved.
Virginia Jordan of 509 Cades Trail spoke in Favor of the Cades Cove request.
City Clerk Saldo read a letter from Dirk Mroczek of 305 Lord Thomas Ave in Favor of the Cades Cove request.
Bill Veno of 272 Lord Thomas Ave spoke in Favor of the Cades Cove request.
City Clerk Saldo read an email received from Kevin Wall of 816 Cades Trail in Favor of the Cades Cove request.
Bill Howell of 832 Cades Trail spoke in Favor of the Cades Cove request.
City Clerk Saldo read an email received from Kevin Shea in Favor of the Cades Cove request.
Lora Sharkey of 432 Cades Trail spoke in opposition to the Cades Cove request.
City Clerk Saldo read an email received from Tom Hale of 426 lord Charles in Favor of the Cades Cove request.
Warren Whitley of 432 Cades Trail spoke in opposition to the Cades Cove request.
Brian Stevens of 503 Cades Trail spoke in Favor of the Cades Cove request.

The Board asked questions of the HOA members and Director Meehan.
Mayor Pro-Tem made a motion to close the public hearing, seconded by Aldermen Lai.
Unanimous Vote; Motion Carried at 8:29 PM.

Mayor Alt declared a recess at 8:30 PM.
Mayor Alt called the meeting back to order at 8:38 PM.

2. Right of Way Ordinance Update

Planning Services Director Maureen Meehan presented the following:



**Updated Text for City Code of Ordinances
Sections 16-8 through 16-11**

- Clarify parking pad standards including size and surfacing.
- Provide a provision for existing parking surfaces to remain so long that they are not a safety hazard.
- Clarify how vegetation and protective measures can be placed around trees in the ROW.
- Increase compliance timing for permanent installation of encroachments.
- Add a provision for private installation of native trees in the right -of-way when a tree must be removed for construction or if the tree is diseased or dead.
- Provide clarification that private fences and vegetation may be installed up to the edge of a sidewalk where on street parking with curb and sidewalk exist.
- Allow the continuance of walls and fences that were erected on or before December 31, 1980, if they are deemed contributing to the historic character of the National Historic Register or local historic district(s).

The Board discussed the proposed ordinance and asked the question of Director Meehan.
Mayor Alt stated “I am categorically against this action, I see no reason to incur the wrath of an Untold number of citizens for no immediate need. We have the right to go in, we have the right to rip the right away up if we want to. I see no reason to go through this because we're going to do nothing except have a hoot nanny going on for months to come and we have so many issues in front of us that are more pending and more important than to get bogged down in this action I am categorically against it.
Aldermen Mosteller made a motion to adopt the proposed ordinance with a six-month grace from enforcement, and any active code enforcement cases started prior to the adoption of this ordinance shall remain in place, seconded by Aldermen Carroll. **Motion carried 4-1 with Mayor Pro-Tem Kelley Voting No.**

3. Specialty Southport License Plate (ChyAnn Ketchum, Public Information Officer)

Public Information Officer ChyAnn Ketchum presented the following options for a specialty Southport license plate:



The Board provided feedback on the options that they liked. Ms. Ketchum will revise the options and bring them back in January.

4. Aldermen Rules of Procedure (Mayor Alt)

Mayor Alt presented a new amendment to the Board of Aldermen Rules of Procedure. The new rule states all documents should be received before the Aldermen's Meeting and limits most presentations to fifteen minutes.

Aldermen Carroll made a motion to adopt the proposed rule amendment, seconded by Aldermen Lai.

Unanimous Vote; Motion Carried.

I. Committee Reports

Aldermen Lai provided an update from the ABC Board.

J. Manager's Report

City Manager Turille presented the following report:

1. Sidewalk construction between East Owens Street and Doshier Hospital: NC Board of Transportation approved the project and funding (\$225,000); Design plans 90% complete and construction anticipated September 2025.

2. 2024 Winterfest: is going well with the Tree lighting, multiple events, the well-planned and received Winter Tea and the upcoming Christmas parade this Friday. Good job Allayna and team (Allayna to give a short update).

3. Weather Tower Capital Project:

With the passage of the Budget Amendment for this project, and sufficient funds for the Weather tower now in hand, the project is a Capital Project under staff supervision. We are developing a Capital Project Schedule for the construction of the Tower, which will include consultation with the State Historic Preservation Office for the Design, including any historical markers, commemorations and plaques. I will be the Project Lead, working with staff, as we move forward.

4. Indigo/Waterway: the County Planning Board recommended approval to the County Board of Commissioners at their 12/9 meeting. The development consists of 1,100 units and 100,000 SF of nonresidential uses. The staff team is studying fiscal impacts on our service levels of this and other projects.

5. Maritime Museum: staff met with Friends of the Maritime Museum at Southport to coordinate implementation of a new fire suppression system, at State expense.

6. Old City Hall Upgrade: receiving proposals for the HVAC system on December 19; awarding a contract at the January Board meeting.

7. Free Downtown WIFA:

free WiFi is available in downtown Southport for guests in the four-block radius of N. Caswell & W. Nash.

W. Nash & Howe, Howe and W. Bay, W. Bay & S. Caswell. To join the network, from the settings on your smartphone, select "City of Southport Guest" or "Park Guest," and you will be connected."

K. Mayor's Comments

Mayor Alt commented on the great work with the Winter Fest and the Light Up Night Christmas parade tomorrow.

L. Staff Reports

Public Works report included in the agenda packet.

M. Board Comments

Aldermen Davis stated several opportunities had been given to the arts group to present to the Board regarding the old city hall building.

Mayor Pro-Tem Kelley stated that the motion regarding the old city hall building was to use it for government purposes, not as a guarantee for the police department. She also stated that she and her children were looking forward to the Christmas parade.

Aldermen Lai echoed the Board's comments and stated that there were many events this time of year.

N. Closed Session NCGS 143-318.11

Mayor Pro-Tem Kelley made a motion to go into closed session pursuant to NCGS 143-318.11 (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged.

(5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract. Seconded by Aldermen Lai. **Unanimous Vote; Motion Carried at 9:45 PM.**

Mayor Pro-tem Kelley made a motion to come out of closed session, seconded by Aldermen Carrol, **Unanimous Vote; Motion Carried at 10:12:02 PM**

O. Adjourn

Aldermen Carroll made a motion to adjourn, seconded by Mayor Pro-Tem Kelley.

Unanimous Vote; Motion Carried at 10:12:11 PM.



BOARD OF ALDERMEN CONSENT AGENDA ITEM

DATE: 2/13/2025

DEPARTMENT: Development Services

PRESENTED BY: Maureen Meehan, Planning Services Director

ITEM SPONSORED BY: Development Services

ITEM/TOPIC: Call for a Public Hearing for a Zoning Text Amendment to the Unified Development Ordinance

COST: N/A

BUDGET LINE ITEM: N/A

JUSTIFICATION: At their January 16, 2025, meeting the Planning Board voted to send the Board of Aldermen a recommendation of approval for the Zoning Text Amendment to Section 3.14.C Minimum Parking Requirements and 3.17.D Landscaping on Public Property of the Unified Development Ordinance. A duly advertised public hearing must be held prior to the Board of Aldermen deciding on the proposed amendment.

IMPACT IF NOT APPROVED: This is a legislative decision defined by the NC General Statutes. The Board is not obligated to approve the amendment, although this language mirrors text updates to the City Code of Ordinances adopted in December 2024. A statement of consistency must be adopted in conjunction with a motion to approve or deny the proposal.

DEPARTMENT HEAD COMMENTS: The attached proposed Zoning Text Amendment updates the UDO to mirror the rights-of-way city code of ordinance updates adopted by the Board of Aldermen on December 12, 2024.

CITY MANAGER COMMENTS:

ATTACHMENTS: Staff Report, Zoning Text Amendment Language

REQUESTED ACTION: Set a public hearing for a Zoning Text Amendments to Section 3.14.C Minimum Parking Requirements and 3.17.D Landscaping on Public Property of the Unified Development Ordinance.

PROPOSED MOTION: Motion to call a public hearing at the March 13, 2025, regular Board meeting, for the Zoning Text Amendments to Section 3.14.C Minimum Parking Requirements and 3.17.D Landscaping on Public Property of the Unified Development Ordinance.



MEMORANDUM

To: Mayor Rich Alt and Board of Aldermen

From: Maureen Meehan, Planning Services Director

Re: Right of Way Text Amendments – Unified Development Ordinance Sections 3.14
Parking and Section 3.17 Landscaping and Buffers

Date: February 13, 2025

At your December 12, 2024, regular meeting, amendments to Section 16, Obstruction of Public Rights of Way of the Code of Ordinances, were adopted. The amendments to the Code of Ordinances provide clarification and guidance on allowable encroachments to public rights-of-ways, including parking and landscaping. The Unified Development Ordinance (UDO) has standards for rights-of-way landscaping and parking, which mirrors the Code of Ordinances; therefore, the text must be amended to reflect the changes.

Staff presented the proposed amendments to the Planning Board at their January 16, 2025, regular meeting. Planning Board recommends of APPROVAL of the text amendments to the Board of Aldermen.

The proposed text amendments to the UDO are attached to this memo.

3.14 Parking

C. Minimum Off-Street Parking Requirements

1. The number of exclusive off-street residential parking spaces required by this section shall be provided on the same lot with the principal use, unless otherwise permitted by this ordinance, and the required number of off-street parking spaces specified for each use shall be considered as the absolute minimum.
2. In residentially zoned areas without off-street parking requirements, property owners shall be permitted to improve up to two (2) parking spaces no more than twenty (20) feet in width within the right-of-way in front of their property. These parking spaces shall follow the provisions for driveways as described in the Unified Development Ordinance (Section 3.12.B.1).
 - a. Surfacing materials for these parking spaces shall be limited to one of the following: turf grass, pervious pavers, pervious number 57 driveway slate gravel with wood borders no more than 2 inches above grade. Parking spaces constructed by a property owner within right-of-way shall remain open for public parking and shall not be reserved for the property whose owner constructed the spaces.
 - b. Such parking shall require the review and written approval of the UDO Administrator, Public Services Director, and Fire Marshal. The City reserves the right to remove these parking areas for any reason in accordance with Section 16-10. Parking surfaces existing prior to the adoption date of this ordinance shall be permitted to remain so long as the encroachments do not create a hazardous condition or safety hazard to the public.
3. In the case of mixed uses (an establishment comprised of more than one (1) use; e.g. restaurant and hotel), which may include a principal and accessory use, the total requirements for off-street parking shall be the sum of the requirements of the various uses computed separately and the off-street parking space for one (1) use shall not be considered as providing the required off-street parking for any other use, except as provided for in the shared parking criteria in this article.
4. Handicapped parking spaces shall be in accordance with the regulations set forth by the Americans with Disabilities Act and shall be identified by appropriate signage. The minimum number of spaces shall be provided in accordance with the state building code.
5. Fractional space requirements shall be rounded up to the next whole space.

3.17 LANDSCAPING AND BUFFERS

D. LANDSCAPING ON PUBLIC PROPERTY

1. It shall be unlawful for any person to place or cause to be placed on any public street, road, alley, sidewalk, or other public right-of-way within the city any wall, fence, gate, brick, stone, wood, rock, vegetation, or other structure, material, or substance above the horizontal plane of the existing ground. The installation of turf grasses on grade is allowed within the right-of-way. In addition it shall be unlawful for any person to take any action whatsoever within any public rights-of-way which creates a hazardous condition or safety hazard or which otherwise interferes with or obstructs in any manner the passage of persons or vehicles upon or within said public rights-of-way or which obstructs, interferes with or hinders lawful parking within any public right-of-way.

2. Vegetation or other protective measures consistent with current arboricultural best management practices (ANSI A300 standards) and the guidelines outlined in the most recent City of Southport Urban Forest Management Plan shall be permitted to be placed within a ten (10) foot radius of the base of a City tree by an adjoining property owner, or by the City, for the purpose of limiting damage to the tree by nearby parked vehicles. Such action shall require review and written approval by the UDO Administrator, the Public Services Director, and the Fire Marshal.

3. Private installation of native trees within the right-of-way is permitted when city must be removed for construction or when a tree must be removed due to the health of the tree. Canopy and understory installation shall follow standards found in the UDO, current arboricultural best management practices (ANSI A300 standards), and the guidelines outlined in the most recent City of Southport Urban Forest Management Plan. Such action shall require review and written approval by the UDO Administrator in consultation with the Forestry Committee.



RESOLUTION#25-0213.01
REQUESTING THE CITY OF SOUTHPORT DELEGATION TO THE
GENERAL ASSEMBLY OF NORTH CAROLINA TO INTRODUCE AND
SUPPORT LEGISLATION TO HOLD A REFERENDUM AUTHORIZING A
PREPARED MEALS TAX

THAT WHEREAS, the Board of Aldermen wishes to hold a referendum authorizing the levying of a prepared meals tax; and

WHEREAS, The City does not have the authority to call for a referendum election without the approval of the General Assembly; and

WHEREAS, the General Assembly has previously authorized other municipalities and counties the authority to impose a prepared tax, some with and some without the need for a referendum; and

WHEREAS, S.L. 2005-261 authorized the City of Monroe to hold a referendum for a prepared meals tax; and

WHEREAS, S.L. 208-116 Authorized The County of Durham to hold a prepared meals tax referendum; and

WHEREAS, a prepared meals tax would greatly help the City by providing another stream of revenue for our public safety and infrastructure needs; and

WHEREAS, a prepared meals tax would also be paid by the many tourist who visit Southport and help offset the cost of the services the city provides them; and

WHEREAS, holding a referendum offers the residents of Southport the power to choose to enact this new tax.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF SOUTHPORT:

Section 1. That the elected representatives for the City of Southport who serve in the North Carolina General Assembly are hereby requested to introduce and secure the passage of local legislation to authorize the City to hold a referendum in the upcoming municipal election, scheduled Tuesday, November 4, 2025. Where the voter should be asked "[] FOR [] AGAINST One percent (1%) local prepared food and beverages tax, in addition to the current local sales and use taxes, to be used for public safety and infrastructure capital needs for the City of Southport.

Section 3. That the prepared meals tax be used to help fund public safety (Police, Fire, and EMS) and City capital infrastructure needs. This will ensure that visitors help contribute to the services they are provided while visiting the city.

Section 2. That a certified copy of this resolution be forwarded to the Hon. William "Bill" Rabon, member of the North Carolina Senate, and the Hon. Charles "Charlie" Miller, member of the North Carolina House of Representatives.

ADOPTED THIS 13th DAY OF FEBRUARY 2025.

X

Rich Alt
Mayor

X

Noah Saldo
City Clerk



CITY OF SOUTHPORT
A RESOLUTION IN SUPPORT OF HB24
AN ACT TO RESTORE THE AUTHORITY FOR LOCAL GOVERNMENTS TO INITIATE DOWNZONING
RESOLUTION#25-0213.02

WHEREAS, the North Carolina General Assembly will be considering House Bill 24, which provides for Section 3K.1 of State Law 2024-57 to be repealed; and

WHEREAS, provisions within this legislation would be supportive of local municipal governments to make their own zoning decisions based on the will of the voters that elected them;

WHEREAS, Session Law 2024-57 “AN ACT TO MAKE MODIFICATIONS TO AND PROVIDE ADDITIONAL APPROPRIATIONS FOR DISASTER RECOVERIES; TO MAKE TECHNICAL, CLARIFYING, AND OTHER MODIFICATIONS TO THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 2023; AND TO MAKE VARIOUS CHANGES TO THE LAW”, became law on the 11th of December 2024, notwithstanding the objections of the Governor; and

WHEREAS, Subpart III-K, Section 3K.1 of State Law 2024-57 reads “NO LOCAL GOVERNMENT INITIATED DOWN-ZONING WITHOUT CONSENT OF THE AFFECTED PROPERTY OWNER”; and

WHEREAS, the passage of Session Law 2024-57 will severely affect the City’s authority to adopt zoning text amendments and regulations related to residential zoning districts. The new law allows an override of the will of a governing board; and

WHEREAS, all North Carolina local governments continue to face challenges presented by growth and development. Each local government’s zoning authority has historically provided a means to balance those challenges with the needs of the community based upon the will of the citizens as determined through elections. The downzoning provisions of SL 2024-57 effectively freeze local government zoning and greatly diminish the role of local government granted by the Constitution of the State of North Carolina to manage growth and change consisted with the needs of its jurisdiction

NOW, THEREFORE, BE IT RESOLVED that the Southport Board of Aldermen requests that the elected representatives for the City of Southport who serve in the North Carolina General Assembly secure the passage of the proposed House Bill 24 To Restore the Authority for Local Governments to Initiate Downzoning.

Adopted this the 13th day of February 2025.

Rich Alt
Mayor

Attest:

Noah Saldo
City Clerk

CITY OF SOUTHPORT

Financial Statements

Southport, North Carolina

For the Year Ended June 30, 2024

City of Southport, North Carolina
Financial Statements
June 30, 2024

Mayor

Rich Alt

Board of Aldermen

Rebecca Kelley

Karen Mosteller

Robert Carroll

Marc Spencer

Frank Lai

Lowe Davis

City Manager

Stuart Turille, Jr.

Finance Director

Lance Flint

City Clerk

Noah Saldo

City of Southport, North Carolina
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June 30, 2024

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FINANCIAL SECTION

Management's Discussion and Analysis

As management of the City of Southport, we offer readers of the City of Southport's financial statements this narrative overview and analysis of the financial activities of the City of Southport for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

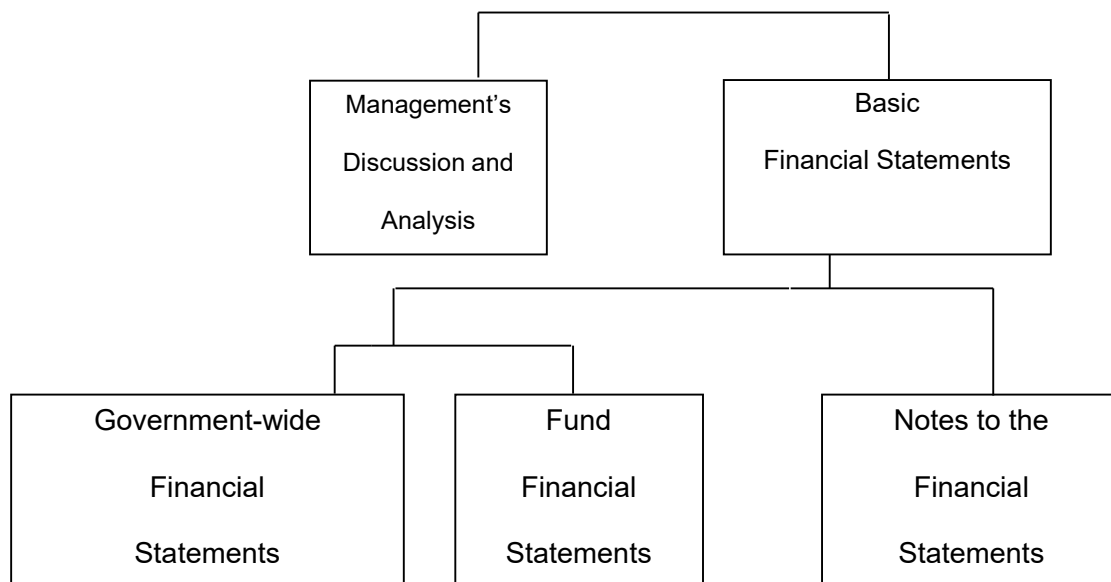
- The assets and deferred outflows of the City of Southport exceeded its liabilities and deferred inflows at the close of the fiscal year by \$58,552,312 (net position).
- Total government's total net position increased by \$3,954,944 which consisted of an increase in governmental activities of \$1,238,410 and an increase in business-type activities of \$2,716,534.
- As of the close of the current fiscal year, the City of Southport's governmental funds reported combined ending fund balances of \$9,750,165, an increase of \$2,142,010 in comparison with the prior year. Approximately \$1,584,155 (16.25 percent) is unavailable (nonspendable or restricted). Approximately 83.75 percent is unassigned or available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,765,883 or 91.17 percent of total general fund expenditures for the fiscal year; compared to \$6,154,275, or 83.72 percent the prior fiscal year.
- The City of Southport's total debt (excluding compensated absences, net pension liability, total pension liability, and total OPEB liability) decreased by \$820,366 (21.04 percent) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to City of Southport's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Southport. As an overview, the following chart outlines the required components of the annual financial report.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the City's financial status.

The next statements (Exhibits 3 through 10) are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Analysis

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition.

Government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the City's basic services such as public safety, streets and public works, sanitation, culture and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the water, sewer, and electric services offered by the City of Southport. The final category is the component unit. Although legally separate from the City, the ABC Board is important to the City. The City exercises control over the Board by appointing its members and the Board is required to distribute its profits to the City.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Southport, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Southport can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

An annual budget is adopted for the City of Southport General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. This statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – The City of Southport has one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. City of Southport uses enterprise funds to account for its water and sewer activities and for its electric operations. These funds are the same as the separate activity shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City of Southport has one fiduciary fund; the Firemen's Relief Fund.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are included in this report after Exhibit 10 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Southport's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on Exhibit A-1 of this report.

Interdependence with Other Entities - The City depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

City of Southport's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 21,996,855	\$ 8,869,336	\$ 14,638,540	\$ 17,054,038	\$ 36,635,395	\$ 25,923,374
Capital assets	14,884,167	14,829,025	12,408,512	27,447,832	27,292,679	42,276,857
Deferred outflows of resources	2,524,598	1,857,460	503,618	607,428	3,028,216	2,464,888
Total assets and deferred outflows of resources	39,405,620	25,555,821	27,550,670	45,109,298	66,956,290	70,665,119
Other liabilities	5,752,957	2,008,152	8,075,554	1,802,169	13,828,511	3,810,321
Long-term liabilities	8,438,484	8,532,084	1,258,016	2,581,198	9,696,500	11,113,282
Deferred inflows of resources	2,347,113	1,085,049	423,024	384,985	2,770,137	1,470,034
Total liabilities and deferred inflows of resources	16,538,554	11,625,285	9,756,594	4,768,352	26,295,148	16,393,637
Net position:						
Invested in capital assets, net of related debt	13,212,852	12,319,591	12,408,467	26,860,130	25,621,319	39,179,721
Restricted	6,517,208	1,619,558	3,575,590	3,575,590	10,092,798	5,195,148
Unrestricted	3,137,006	639,686	1,810,019	10,059,645	4,947,025	10,699,331
Total net position	\$ 22,867,066	\$ 14,578,835	\$ 17,794,076	\$ 40,495,365	\$ 40,661,142	\$ 55,074,200

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$58,552,312 as of June 30, 2023. The City's net position increased by \$3,954,944 for the fiscal year ended June 30, 2023. The largest portion of net position \$39,416,667 (67.32%) reflects the City's investment in capital assets (e.g. land, buildings, and equipment) less any related debt still outstanding that was issued to acquire those items. The City of Southport uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the City's net position \$5,195,148 (9.43%) represents resources that are subject to external restriction on how they may be used. The remaining balance of \$5,120,864 (8.75%) is unrestricted.

Several particular aspects of the City's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.40%.

City of Southport' Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 3,734,944	\$ 2,681,540	\$ 13,485,869	\$ 13,325,143	\$ 17,220,813	\$ 16,006,683
Operating grants and contributions	1,877,473	454,226	-	1,096,748	1,877,473	1,550,974
Capital grants and contributions	674,094	-	806,298	1,443,467	1,480,392	1,443,467
General revenues:						
Property taxes	4,483,458	3,343,675	-	-	4,483,458	3,343,675
Other taxes and licenses	210,216	232,014	-	-	210,216	232,014
Unrestricted intergovernmental	3,014,655	2,604,021	-	-	3,014,655	2,604,021
Investment earnings, unrestricted	772,989	24,995	810,689	97	1,583,678	25,092
Other	150,450	219,409	-	-	150,450	219,409
Gain/Loss on disposal of fixed assets	-	(3,899)	-	-	-	(3,899)
Total revenues	14,918,279	9,555,981	15,102,856	15,865,455	30,021,135	25,421,436
Expenses						
General government	4,565,305	2,155,172	-	-	4,565,305	2,155,172
Public safety	4,983,268	4,248,668	-	-	4,983,268	4,248,668
Transportation	527,678	522,917	-	-	527,678	522,917
Environmental Protection	351,625	277,133	-	-	351,625	277,133
Cultural and recreation	802,718	498,801	-	-	802,718	498,801
Interest on long-term debt	75,014	67,486	-	-	75,014	67,486
Electric	-	-	7,381,959	7,263,825	7,381,959	7,263,825
Water and sewer	-	-	7,229,871	4,186,254	7,229,871	4,186,254
Total expenses	11,305,608	7,770,177	14,611,830	11,450,079	25,917,438	19,220,256
Change in net position before Transfers	3,612,671	1,785,804	491,026	4,415,376	4,103,697	6,201,180
Transfers	-	-	-	-	-	-
Change in net position	3,612,671	1,785,804	491,026	4,415,376	4,103,697	6,201,180
Net Position						
Beginning of year - July 1	14,578,835	12,793,031	40,495,365	36,079,989	55,074,200	48,873,020
Restatement	-	-	(559,842)	-	(559,842)	-
Beginning of year, as restated	14,578,835	11,453,096	39,935,523	32,948,669	54,514,358	44,401,765
End of year - June 30	\$ 18,191,506	\$ 14,578,835	\$ 40,426,549	\$ 40,495,365	\$ 58,618,055	\$ 55,074,200

Governmental activities. Governmental activities revenues exceeded expenses by \$1,238,410. The city returned to normal but aired on the side of caution after the pandemic. Sales tax continued to soar and ABC store sales continued to exceed expectations from previous fiscal year. Other key elements for the increase are as follows:

- Local options sales tax had approximately \$440,000 in additional revenue compared to the expectation in the budget.
- The Southport ABC store brought in approximately \$180,000 in revenue that exceeded the expected amount in the budget.
- Renting of City facilities had more traction after the pandemic. Increased rentals of most buildings, namely the Community Building for requested special events by citizens.
- FEMA reimbursements continued in 2023, with additional revenues increasing from reimbursement of prior hurricane

Business-type activities. Business-type activities increased the City's net position by \$2,716,534. The city continued to see savings from infrastructure improvements prior for prior year(s). Mid-year sewer rate increased revenues, as well as the delaying the purchase of a sewer vacuum truck. Other elements of this increase in net position are as follows:

- The receiving of the \$631,977 of the final funding for the ARPA Grant; A federal grant with the purpose of alleviating the financial impact of COVID-19 and assisting in the betterment of the City.
- Increase in revenues collected in both Electric and Water & Sewer funds.

Financial Analysis of the City's Funds

As noted earlier, the City of Southport uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Additionally, during the year the City continued with the federal grant fund, ARPA Funding. This fund was created for the receiving of funds for COVID-19 impact. Revenues for this fund totaled \$631,977 for the year, \$1,263,954 combined with previous years funding. The Capital Project fund spent \$10,708 for capital items with \$582,672 available for future projects. The Taylor Field Part F Grant project was completed and fully opened for public use. Capital expenditures for this project totaled \$417,767. This fund was financed partially through PART F grant funding, thus significantly reduced expenditures for the city regarding this project.

Governmental Funds. The focus of the City of Southport's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources; such information is useful in assessing the City of Southport's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Southport. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,764,399, while total fund balance reached \$9,765,883. The City currently has an available fund balance of 91.17% of total General Fund expenditures, while total fund balance represents 101.59% of that same amount.

At June 30, 2023, the governmental funds of the City of Southport reported a combined fund balance of \$9,750,165, a 28.15% increase over last year.

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments were made during the year to increase the General Fund budget by \$76,415.

Proprietary Funds. The City of Southport's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year was \$6,472,826 and for the Electric Fund was \$5,764,272. The total increase in net position for the Water and Sewer Fund was \$3,095,670, and the Electric Fund had a total decrease in net position of \$379,136.

Capital Asset and Debt Administration

Capital Assets. The City of Southport's capital assets for its governmental and business-type activities as of June 30, 2023 totals \$41,917,538 (net of accumulated depreciation). These assets include buildings, land, improvements, equipment, vehicles, infrastructure, utility systems, and construction in progress.

Major capital asset transactions during the year include:

- Street sweeper
- water and sewer and electric capital projects

City of Southport's Capital Assets
(Net of depreciation)
Figure 4

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,946,646	\$ 2,917,452	\$ -	\$ 2,827,985	\$ 2,946,646	\$ 5,745,437
Building and improvements	6,423,870	6,748,085	64,238	68,030	6,488,108	6,816,115
Improvements other than Buildings	255,203	322,811	-	-	255,203	322,811
Utility systems	-	-	12,308,908	23,902,911	12,308,908	23,902,911
Furniture and Equipment	1,107,527	379,219	35,366	450,267	1,142,893	829,486
Infrastructure	2,517,917	2,824,671	-	-	2,517,917	2,824,671
Vehicles and motorized equipment	1,319,182	1,218,994	-	123,639	1,319,182	1,342,633
Construction in progress	1,146,050	417,793	0	75,000	1,146,050	492,793
Total	\$ 15,716,395	\$ 14,829,025	\$ 12,408,512	\$ 27,447,832	\$ 28,124,907	\$ 42,276,857

Long-term Debt. As of June 30, 2023, the City of Southport had total debt from financing of assets outstanding of \$2,500,223 as noted in the following table. The City also had \$579,265 in lease liabilities outstanding.

City of Southport's Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Direct Borrowing / Placement						
Installment Agreements	\$ 1,636,682	\$ 2,508,591	\$ -	\$ 589,188	\$ 1,636,682	\$ 3,097,779
Leases	679,362	649,142	7,801	152,933	687,163	802,075
Compensated absences	270,660	215,137	8,407	23,729	279,067	238,866
Net pension liability (LGRS)	2,645,788	430,106	608,731	190,540	3,254,519	620,646
Total pension liability (FIRE)	520,803	817,018	-	-	520,803	817,018
Total pension liability (LEOSSA)	588,120	507,470	-	-	588,120	507,470
Total OPEB Liability	2,789,872	4,132,858	641,883	1,740,845	3,431,755	5,873,703
Total	\$ 9,131,287	\$ 9,260,322	\$ 1,266,822	\$ 2,697,235	\$ 10,398,109	\$ 11,957,557

The City of Southport's total debt decreased by \$820,366 during the past fiscal year, primarily due to required annual payments on loan agreements and leases. The City took out no new debt during the year ended June 30, 2023.

The state of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City of Southport is approximately \$90,113,629.

Additional information regarding the City of Southport's long-term debt can be found in the notes of this audited financial report.

Economic Factors and Next Year's Budget Rates

The following key economic indicators reflect the growth and prosperity of the City:

- New residential homes continue to be built at a consistent rate, thus growing the number of residents in the City.
- All city facilities and surrounding business being fully opened, resulted in the ability to receive more revenue. These were from facility rentals and Local Options Sales Tax
- Occupancy tax continues to increase with increased tourism to our city.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities: The City was awarded a grant for Waterfront Stabilization Project in the amount of \$5,000,000 to begin stabilizing the erosion of the waterfront. The continuance of FEMA reimbursement, for prior hurricanes, will be disbursed to the City until all eligible projects or repairs have been accounted for.

Budgeted expenditures in the General Fund are expected to rise approximately 14.7% to \$1,570,424. Management believes that increased revenues and continued restrictions on spending will maintain the City's financial position. The city has gone to a neutral tax rate of 27.5 for 2024 fiscal year. The Fire & Rescue Departments will be Paramedic certified within the fire district. This will receive increased revenues to cover expenses.

Business-Type Activities: The water and sewer rates did not increase in 2022-2023 fiscal year, but rates will increase by approximately 2%, beginning in July 2023. The City is still working diligently on two grants for water & sewer infrastructure; USDA Grant and Loan in the amount of \$10,500,000 will be used to replace 100-year sewer lines and the grant from the Department of Environmental Quality in the amount \$2,800,000 and will be used for sewer lift station rehabilitation. The City was awarded funds in the amount of \$100,000 for a water & sewer merger feasibility study. This will be used towards the discussions of the City and Brunswick County merging water & sewer services to Brunswick County. The Electric Fund continues to invest in underground infrastructure and improvements to the Electric service.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, City of Southport, 1029 N. Howe St, Southport, NC 28461. One can also call (910) 457-7900, visit our website www.CityofSouthport.com, or send an email to www.SouthportNC.com for more information.

BASIC FINANCIAL STATEMENTS

City of Southport, North Carolina
Statement of Net Position
June 30, 2024

	Primary Government			Component Unit
	Governmental	Business-type		Southport ABC
	Activities	Activities	Total	Board
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 18,878,973	\$ 10,002,791	\$ 28,881,764	\$ 451,600
Taxes receivables (net)	50,275	-	50,275	-
Accounts receivable (net)	97,935	856,371	954,306	-
Accrued interest receivable on taxes	2,675	-	2,675	-
Due from other governments	922,336	-	922,336	-
Inventories	-	-	-	502,471
Prepaid Expenses	1,072,057	-	1,072,057	34,348
Restricted cash and cash equivalents	327,918	3,771,622	4,099,540	-
Total current assets	21,352,126	14,630,784	35,982,910	988,419
Non-Current assets:				
Right to use assets, net	644,729	7,756	652,485	-
Capital Assets:				
Land, non-depreciable, improvements, and construction in process	4,092,695	-	4,092,695	333,232
Other capital assets, net of depreciation	10,791,472	12,408,512	23,199,984	992,905
Total capital assets	14,884,167	12,408,512	27,292,679	1,326,137
Total non-current assets	15,528,896	12,416,268	27,945,164	1,326,137
Total assets	36,881,022	27,047,052	63,928,074	2,314,556
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferrals	2,174,663	423,107	2,597,770	166,298
OPEB related deferrals	349,935	80,511	430,446	31,370
Total deferred outflows of resources	2,524,598	503,618	3,028,216	197,668
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	84,976	452,865	537,841	682,755
Customer deposits	2,003	196,032	198,035	-
Accrued interest payable	63,112	-	63,112	-
Due to other governments	2,873	7,417,851	7,420,724	-
Unspent grant proceeds	4,907,190	-	4,907,190	-
Current portion of long-term liabilities	692,803	8,806	701,609	60,329
Total current liabilities	5,752,957	8,075,554	13,828,511	743,084
Long-term liabilities:				
Net pension liability (LGERS)	2,645,788	608,731	3,254,519	236,047
Total pension liability	1,108,923	-	1,108,923	-
Total OPEB liability	2,789,872	641,883	3,431,755	170,203
Due in more than one year	1,893,901	7,402	1,901,303	1,027,112
Total long-term liabilities	8,438,484	1,258,016	9,696,500	1,433,362
Total liabilities	14,191,441	9,333,570	23,525,011	2,176,446
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	511,606	3,078	514,684	795
OPEB related deferrals	1,825,252	419,946	2,245,198	32,089
Unearned income	10,255	-	10,255	-
Total deferred inflows of resources	2,347,113	423,024	2,770,137	32,884
NET POSITION				
Net investment in capital assets	13,212,852	12,408,467	25,621,319	252,272
Restricted for:				
Stabilization by State Statute	1,937,769	-	1,937,769	-
Streets - Powell Bill	325,915	-	325,915	-
Other functions	-	-	-	189,598
Capital projects	4,253,524	3,575,590	7,829,114	-
Unrestricted	3,137,006	1,810,019	4,947,025	(138,976)

The notes to the financial statement are an integral part of this statement.

City of Southport, North Carolina
Statement of Net Position
June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Southport ABC Board
Total net position	\$ 22,867,066	\$ 17,794,076	\$ 40,661,142	\$ 302,894

City of Southport, North Carolina
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 4,565,305	\$ -	\$ 1,482,748	\$ 202,602	\$ (2,879,955)	\$ -	\$ (2,879,955)	
Public safety	4,983,268	3,000,839	394,725	471,492	(1,116,212)	-	(1,116,212)	
Transportation	527,678	171,962	-	-	(355,716)	-	(355,716)	
Cultural and recreational	802,718	256,937	-	-	(545,781)	-	(545,781)	
Environmental protection	351,625	\$ 305,206	-	-	(46,419)	-	(46,419)	
Interest on long-term debt	75,014	-	-	-	(75,014)	-	(75,014)	
Total governmental activities	11,305,608	3,734,944	1,877,473	674,094	(5,019,097)	-	(5,019,097)	
Business-type activities:								
Electric	7,381,959	8,484,143	-	-	-	1,102,184	1,102,184	
Water and Sewer	7,229,871	5,001,726	-	806,298	-	(1,421,847)	(1,421,847)	
Total business-type activities	14,611,830	13,485,869	-	806,298	-	(319,663)	(319,663)	
Total primary government	\$ 25,917,438	\$ 17,220,813	\$ 1,877,473	\$ 1,480,392	(5,019,097)	(319,663)	(5,338,760)	
Component units:								
ABC Board	\$ 6,485,459	\$ 6,471,884	\$ -	\$ -				\$ (13,575)
Total component units	\$ 6,485,459	\$ 6,471,884	\$ -	\$ -				\$ (13,575)
General revenues:								
Taxes:								
Ad valorem taxes					4,483,458	-	4,483,458	-
Unrestricted intergovernmental					3,014,655	-	3,014,655	-
Other taxes and licenses					210,216	-	210,216	-
Unrestricted investment earnings					772,989	810,689	1,583,678	-
Miscellaneous					150,450	-	150,450	-
Transfers					3,586,624	(3,586,624)	-	-
Special item:								
Transfer of operations					-	(21,435,025)	(21,435,025)	-
Total general revenues, special items, and transfers					12,218,392	(24,210,960)	(11,992,568)	-
Change in net position					7,199,295	(24,530,623)	(17,331,328)	(13,575)
Net position, beginning as previously stated					15,667,771	42,884,541	58,552,312	316,469
Restatement					-	(559,842)	(559,842)	-
Net position beginning, as restated					15,667,771	42,324,699	57,992,470	316,469
Net position, ending					\$ 22,867,066	\$ 17,794,076	\$ 40,661,142	\$ 302,894

The notes to the financial statements are an integral part of this statement.

City of Southport, North Carolina
Balance Sheet
Governmental Funds
June 30, 2024

	Major Fund			Non-Major	
	General Fund	ARPA Fund	Waterfront Stabilization Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 9,695,951	\$ -	\$ 4,907,189	\$ 4,275,834	\$ 18,878,974
Restricted cash and cash equivalents	327,918	-	-	-	327,918
Taxes receivable, net:	50,275	-	-	-	50,275
Accounts and other receivable	97,892	-	-	-	97,892
Due from other governments	922,336	-	-	-	922,336
Due from other funds	28,960	-	-	-	28,960
Prepaid expenses	1,072,057	-	-	-	1,072,057
Total assets	<u>\$ 12,195,389</u>	<u>\$ -</u>	<u>\$ 4,907,189</u>	<u>\$ 4,275,834</u>	<u>\$ 21,378,412</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ (57,297)	\$ -	\$ -	\$ 23,409	\$ (33,888)
Accrued payroll and payroll liabilities	118,865	-	-	-	118,865
Unspent grant proceeds	-	-	4,907,189	-	4,907,189
Due to other governments	2,873	-	-	-	2,873
Due to other funds	-	-	-	28,960	28,960
Customer deposits	2,003	-	-	-	2,003
Total liabilities	<u>66,444</u>	<u>-</u>	<u>4,907,189</u>	<u>52,369</u>	<u>5,026,002</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	50,275	-	-	-	50,275
Prepaid property taxes	10,255	-	-	-	10,255
Total deferred inflows of resources	<u>60,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,530</u>
Fund balances:					
Nonspendable:					
Prepaid expenses	1,072,057	-	-	-	1,072,057
Restricted:					
Stabilization by State Statute	1,937,769	-	-	-	1,937,769
Streets	325,915	-	-	-	325,915
ARPA	-	-	-	-	-
Capital outlay	-	-	-	4,253,524	4,253,524
Committed:					
Fire protection	38,784	-	-	-	38,784
Assigned:					
Subsequent year's expenditures	-	-	-	-	-
Unassigned	8,693,890	-	-	(30,059)	8,663,831
Total fund balances	<u>12,068,415</u>	<u>-</u>	<u>-</u>	<u>4,223,465</u>	<u>16,291,880</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,195,389</u>	<u>\$ -</u>	<u>\$ 4,907,189</u>	<u>\$ 4,275,834</u>	<u>\$ 21,378,412</u>

(cont)

The notes to the financial statements are an integral part of this statement.

City of Southport, North Carolina
Reconciliation of the Governmental Funds to the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balance, governmental funds	\$ 16,291,880
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	14,884,167
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	644,729
Earned revenues considered deferred inflows of resources in fund statements.	76,075
Certain other long-term assets (accrued interest receivable from taxes) are not available to pay current period expenditures and therefore are deferred in the funds.	2,675
Deferred outflows of resources related to OPEB are not reported in the funds	349,935
Deferred outflows of resources related to pensions are not recorded on the fund statements	2,173,706
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	
Installment purchase agreements	(1,636,682)
Lease liability	(775,951)
Compensated absences	(270,660)
Net pension liability (LGERS)	(2,645,788)
Total pension liability (LEOSSA)	(588,120)
Total pension liability (Fire)	(491,355)
Total OPEB liability	(2,789,872)
Accrued interest payable	(63,112)
Deferred inflows of resources related to OPEB are not reported in the funds	(1,825,252)
Deferred inflows of resources related to pensions are not recorded on the fund statements	(549,278)
Net position of governmental activities	<u><u>\$ 22,787,097</u></u>

The notes to the financial statements are an integral part of this statement.

City of Southport
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Major Funds			Total	
	General Fund	ARPA Fund	Waterfront Stabilization Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	\$ 4,458,983	\$ -	\$ -	\$ -	\$ 4,458,983
Other taxes and licenses	209,728	-	-	-	209,728
Unrestricted intergovernmental	3,014,655	-	-	-	3,014,655
Restricted intergovernmental	2,940,010	1,263,954	50,298	421,194	4,675,456
Permits and fees	763,612	-	-	-	763,612
Sales and services	848,605	-	-	-	848,605
Investment earnings	772,989	-	-	-	772,989
Miscellaneous	149,779	-	-	-	149,779
Total revenues	<u>13,158,361</u>	<u>1,263,954</u>	<u>50,298</u>	<u>421,194</u>	<u>14,893,807</u>
EXPENDITURES					
Current:					
General government	3,387,526	-	-	-	3,387,526
Public safety	4,738,431	-	-	-	4,738,431
Street and public works	558,092	-	-	-	558,092
Sanitation	351,625	-	-	-	351,625
Cultural and recreation	819,620	-	-	-	819,620
Rescue	813,107	-	-	-	813,107
Debt service:					
Principal	377,754	-	-	-	377,754
Interest and other charges	75,014	-	-	-	75,014
Capital outlay	-	-	50,298	635,446	685,744
Total expenditures	<u>11,121,169</u>	<u>-</u>	<u>50,298</u>	<u>635,446</u>	<u>11,806,913</u>
Excess (deficiency) of revenues over expenditures	<u>2,037,192</u>	<u>1,263,954</u>	<u>-</u>	<u>(214,252)</u>	<u>3,086,894</u>
OTHER FINANCING SOURCES (USES)					
Transfers (to) other funds	-	(1,263,954)	-	-	(1,263,954)
Transfers from other funds	397,144	-	-	4,453,434	4,850,578
Transfer of capital assets from Water and Sewer Fund	<u>(131,804)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(131,804)</u>
Total other financing sources (uses)	<u>265,340</u>	<u>(1,263,954)</u>	<u>-</u>	<u>4,453,434</u>	<u>3,454,820</u>
Net change in fund balance	<u>2,302,532</u>	<u>-</u>	<u>-</u>	<u>4,239,182</u>	<u>6,541,714</u>
Fund balances, beginning	<u>9,765,883</u>	<u>-</u>	<u>-</u>	<u>(15,717)</u>	<u>9,750,166</u>
Fund balances, ending	<u>\$ 12,068,415</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,223,465</u>	<u>\$ 16,291,880</u>

The notes to the financial statements are an integral part of this statement.

City of Southport
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 6,541,714
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay expenditures which were capitalized	2,192,932	
Depreciation expense for governmental assets	837,545	
Loss on disposal of capital assets	-	3,030,477

Right to use lease assets used in governmental activities are not financial resources and therefore are not reported in the funds

Right to use assets at historical cost	511,066	
Accumulated amortization	(333,421)	177,645

Contributions to the pension plan in the current fiscal year are not included on the statement of activities	562,854
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenue for tax revenues	-
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on debt	377,754	
Principal payments on leases	237,597	615,351

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	-	
Pension expense	3,786,286	
Separation allowance	(98,445)	
Firefighters' retirement	(14,999)	
OPEB expense	31,690	
Total changes in net position of governmental activities	\$ 14,632,573	

City of Southport
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Annual Budget and Actual
General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Ad valorem taxes	\$ -	\$ 4,207,371	\$ 4,458,983	\$ 251,612
Other taxes and licenses	0	211,630	209,728	(1,902)
Unrestricted intergovernmental	0	2,968,900	3,014,655	45,755
Restricted intergovernmental	0	3,008,722	2,940,010	(68,712)
Permits and fees	0	951,000	763,612	(187,388)
Sales and services	0	969,500	848,605	(120,895)
Investment earnings	0	250,210	772,989	522,779
Miscellaneous	0	218,463	149,779	(68,684)
Total revenues	-	12,785,796	13,158,361	372,565
Expenditures:				
Current:				
General government	0	4,145,289	3,387,526	757,763
Public safety	0	5,035,295	4,738,431	296,864
Transportation	0	903,694	558,092	345,602
Environmental protection	0	330,000	351,625	(21,625)
Cultural and recreation	0	918,683	819,620	99,063
Rescue	0	786,584	813,107	(26,523)
Debt service:				
Principal retirement	0	476,367	452,768	23,599
Total expenditures	-	12,595,912	11,121,169	1,474,743
Revenues over (under) expenditures	-	189,884	2,037,192	1,847,308
Other financing sources (uses):				
Appropriated fund balance	-	266,681	-	(266,681)
Transfers from other funds	-	-	397,144	397,144
Fixed asset additions from Fund 31	-	-	(131,804)	(131,804)
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	266,681	265,340	(1,341)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ 456,565	2,302,532	\$ 1,845,967
Fund balances, beginning			9,765,883	
Fund balances, ending			\$ 12,068,415	

The notes to the financial statements are an integral part of this statement.

City of Southport
Statement of Net Position
Proprietary Funds
June 30, 2024

	Major Enterprise Funds		
	Electric Fund	Water and Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,160,530	\$ 3,842,261	\$ 10,002,791
Accounts receivable customers, net	461,726	-	461,726
Accounts receivable BEMC	394,645	-	394,645
Restricted assets:			
Cash and cash equivalents	196,032	3,575,590	3,771,622
Total current assets	7,212,933	7,417,851	14,630,784
Non-current assets:			
Right to use asset, net	7,756	-	7,756
Capital assets:			
Land and other non-depreciable assets	-	-	-
Other capital assets, net of depreciation	12,408,512	-	12,408,512
Capital assets (net)	12,408,512	-	12,408,512
Total noncurrent assets	12,416,268	-	12,416,268
Total assets	19,629,201	7,417,851	27,047,052
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	140,747	282,360	423,107
OPEB deferrals	26,782	53,729	80,511
Total deferred outflows of resources	167,529	336,089	503,618
LIABILITIES			
Current liabilities:			
Accounts payable	450,195	-	450,195
Due to other governments	-	7,417,851	7,417,851
Salaries payable	2,670	-	2,670
Customer deposits	196,032	-	196,032
Compensated absences	2,102	-	2,102
Bonds, notes, leases and loans payable	6,684	-	6,684
Total current liabilities	657,683	7,417,851	8,075,534
Noncurrent liabilities:			
Other non-current liabilities:			
Compensated absences	6,305	-	6,305
Net pension liability	202,495	406,236	608,731
Total OPEB liability	213,524	428,359	641,883
Bonds, notes and loans payable	1,117,000	-	1,117
Total non-current liabilities	423,441	834,595	1,258,036
Total liabilities	1,081,124	8,252,446	9,333,570
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	1,024	2,054	3,078
OPEB deferrals	139,696	280,250	419,946
Total deferred inflows of resources	140,720	282,304	423,024
NET POSITION			
Net investment in capital assets	12,408,467	-	12,408,467
Other restrictions	-	3,575,590	3,575,590
Unrestricted	6,166,419	(4,356,400)	1,810,019
Total net position	\$ 18,574,886	\$ (780,810)	\$ 17,794,076

The notes to the financial statements are an integral part of this statement.

City of Southport
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Major Enterprise Funds		
	Electric Fund	Water and Sewer Fund	Total
OPERATING REVENUES			
Charges for services	\$ 8,455,054	\$ 4,927,766	\$ 13,382,820
Other operating revenues	29,089	73,960	103,049
Total operating revenues	8,484,143	5,001,726	13,485,869
OPERATING EXPENSES			
Electric operations	2,204,473	-	2,204,473
Power / water purchases	4,726,250	1,292,885	6,019,135
Water and sewer operations	-	5,279,415	5,279,415
Depreciation and amortization	451,236	626,964	1,078,200
Total operating expenses	7,381,959	7,199,264	14,581,223
Operating income (loss)	1,102,184	(2,197,538)	(1,095,354)
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	288,756	521,933	810,689
Interest and other charges	-	(30,607)	(30,607)
Total nonoperating revenues (expenses)	288,756	491,326	780,082
Income (loss) before contributions and transfers	1,390,940	(1,706,212)	(315,272)
Capital contributions	-	806,298	806,298
Transfer of operations	-	(21,435,025)	(21,435,025)
Transfer in (out)	-	(3,586,624)	(3,586,624)
Total income (loss) after contributions and transfers	1,390,940	(25,921,563)	(24,530,623)
Change in net position	1,390,940	(25,921,563)	(24,530,623)
Total net position , beginning as previously reported	17,743,788	25,140,753	42,884,541
Restatement	(559,842)	-	(559,842)
Total net position , beginning as restated	17,183,946	25,140,753	42,324,699
Total net position, ending	\$ 18,574,886	\$ (780,810)	\$ 17,794,076

City of Southport
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Major Enterprise Funds		
	Electric Fund	Water and Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 8,414,737	\$ 5,471,454	\$ 13,886,191
Cash paid for goods and services	(6,790,284)	2,669,594	(4,120,690)
Cash paid to or on behalf of employees for services	(592,436)	(1,974,841)	(2,567,277)
Net customer deposits	25,205	(94,093)	(68,888)
Other operating revenues	29,089	73,960	103,049
Net cash provided (used) by operating activities	1,086,311	6,146,074	7,232,385
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Extraordinary event	-	-	-
Transfers	-	(3,586,624)	(3,586,624)
Net cash provided (used) by noncapital financing activities	-	(3,586,624)	(3,586,624)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(873,531)	(369,956)	(1,243,487)
FEMA reimbursements and other grants	-	-	-
Availability fees	-	806,298	806,298
City Contributions	-	-	-
Insurance Recovery	-	-	-
Sale of Assets	-	-	-
Interest paid on bonds and installment purchases	-	(30,607)	(30,607)
Repayment of debt obligations	(6,656)	(581,753)	(588,409)
Interest paid on bonds and installment purchases	-	-	-
Net cash provided (used) by capital and related financing activities	(880,187)	(176,018)	(1,056,205)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	288,756	521,933	810,689
Net cash provided (used) by investing activities	288,756	521,933	810,689
Net increase (decrease) in cash and investments	494,880	2,905,365	3,400,245
Balances, beginning	6,421,524	10,815,523	17,237,047
Balances, ending	\$ 6,916,404	\$ 13,720,888	\$ 20,637,292

City of Southport
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Major Enterprise Funds		
	Electric Fund	Water and Sewer Fund	Total
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ 1,102,184	\$ (2,197,538)	\$ (1,095,354)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization	451,236	626,964	1,078,200
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(40,317)	543,688	503,371
(Increase) in deferred outflows of resources - pensions	(25,742)	(65,446)	(91,188)
(Increase) in deferred outflows of resources - OPEB	14,520	24,171	38,691
Increase (decrease) in accounts payable and accrued liabilities	(423,351)	7,008,124	6,584,773
Increase (decrease) in accrued payroll and payroll	(24,742)	(49,688)	(74,430)
Increase (decrease) in customer deposits	25,205	(94,093)	(68,888)
Increase (decrease) in accrued vacation pay	-	(15,322)	(15,322)
Increase (decrease) in net pension liability	46,596	112,193	158,789
Increase (decrease) in deferred inflows of resources - pension	(45)	38	(7)
Increase (decrease) in deferred inflows of resources - OPEB	49,552	110,228	159,780
Increase (decrease) in OPEB liability	(88,785)	(141,831)	(230,616)
Total adjustments	\$ (15,873)	\$ 8,059,026	\$ 8,043,153
Net cash provided (used) by operating activities	\$ 1,086,311	\$ 5,861,488	\$ 6,947,799

City of Southport, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	<u>Custodial</u> <u>Funds</u>
ASSETS	
Cash and investments	\$ 40,015
Total assets	<u>\$ 40,015</u>
 LIABILITIES	
Miscellaneous liabilities	<u>\$ -</u>
Total liabilities	<u>-</u>
 NET POSITION	
Restricted for:	
Fireman's Relief	\$ 40,015
Total fiduciary net position	<u>\$ 40,015</u>

City of Southport, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Insurance income	\$ 10,966
Investment income	2,047
Other income	-
Total additions	<u>\$ 13,013</u>
 DEDUCTIONS	
Firefighter physicals	\$ 9,462
Supplemental insurance premiums	<u>17,337</u>
Total deductions	<u>26,799</u>
 Net increase (decrease) in fiduciary net position	 (13,786)
 Net position - beginning	 <u>53,801</u>
Net position - ending	<u>\$ 40,015</u>

City of Southport, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

I. Summary of Significant Accounting Policies

The accounting policies of the City of Southport (the "City") and its discretely presented component unit conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant account policies:

A. Reporting Entity

The City is a municipal corporation, which is governed by an elected mayor and a six-member Board of Aldermen. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City.

City of Southport ABC Board

The members of the ABC Board's governing board are appointed by the City. In addition, the ABC Board is required by State Statute to distribute 100% of its surpluses to the General fund of the City. The ABC Board, which has a June 30th year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at Southport ABC Board, 714 North Howe Street, Southport, NC 28461.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and recreational facilities and programs.

ARPA Fund. The ARPA fund is used to account for ARPA funding to be used for COVID recovery efforts.

Waterfront Stabilization Fund. The Waterfront Stabilization fund is used to account for controlling the erosion along the City's

The City reports the following non-major governmental funds:

Capital Project Fund. The Capital Project Fund is used to account for the construction of various projects including: sidewalk and road repair, erosion control, storm water projects, City Hall building upgrades, a kayak launch, pier construction, and other capital projects.

Taylor Field Part F Grant Phase 1 Capital Project Fund. This fund is used to account for the construction of a new city park.

The City reports the following major enterprise funds:

Electric Fund. This fund is used to account for the City's electric fund operations. An NCDOT Improvement Program Fund has been consolidated into the Electric Fund for financial reporting purposes. The budgetary comparison for the NCDOT Improvement Program Fund has been included in the supplemental information.

Water and Sewer Fund. This fund is used to account for the City's water and sewer operations. A Howe Street Sewer Replacement Project Fund has been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparison for the Howe Street Sewer Replacement Project Fund has been included in the supplemental information.

The City reports the following fund types:

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City has one fiduciary fund: the Firemen's Relief Fund, which is a custodial fund.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013, and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City because the tax is levied by Brunswick County and remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for capital project funds. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. The City manager is authorized to reallocate departmental appropriations among the various objects of expenditures as he or she sees necessary; however, the governing board must approve any revisions that alter the total expenditures on any fund by \$5,000. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers the time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the City and the ABC Board are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The City and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City and the ABC Board may establish time deposit accounts such as NOW and Super NOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the City and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust ("NCCMT").

The majority of the City's and the ABC Board's investments are generally reported at fair value. Non-participating interest earning investment contracts are accounted for at cost.

The North Carolina Capital Management Trust ("NCCMT"), which consists of an SEC-registered money market mutual fund, (the "Government Portfolio"), is authorized by G.S. 159-30(c)(8). The Government Portfolio, which invests in treasuries and government agencies, is a money market fund (2a7) and maintains an AAAm rating from S&P and AAAmf by Moody's Investor Service. It is reported at fair value.

2. Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

The unexpended impact fees of the Water and Sewer Fund are classified as restricted assets for the enterprise fund because their use is completely restricted to the purposes of water and sewer system expansion. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4. In addition, money received for Coronavirus State and Local Fiscal Recovery Funds received from the U.S. Treasury under the American Rescue Plan Act are restricted by federal law for the intended purposes.

City of Southport Restricted Cash

Governmental activities:	
General Fund:	
Customer deposits	\$ 2,003
Streets	325,915
ARPA Fund	-
Total governmental activities	<u>\$ 327,918</u>
Business-type activities:	
Electric Fund:	
Customer deposits	\$ 196,032
Water and Sewer Fund:	
Customer deposits	-
System development fees	3,575,590
Total business-type activities	<u>\$ 3,771,622</u>
Total Restricted Cash	<u><u>\$ 4,099,540</u></u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of **January 1, 2021**.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Inventory and Prepaid Items

The inventories of the ABC Board are valued at the lower cost (first in, first out) or market. The inventory consists of products for resale to customers. The cost of these inventories is expensed when sold rather than when purchased. The ABC Board also has payments to vendors which reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements and are recorded as expenditures as used rather than when purchased.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs is \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical costs. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2003, consisting mainly of road networks, are not reported, because the City is a Phase III city under GASB 34, and not required to report those assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives to cost of the assets:

<u>Asset Class</u>	<u>Years</u>
Infrastructure	25-30
Utility systems	40
Intangible assets	40
Buildings	50
Improvements	25
Vehicles	5-10

The City has a collection of art work and historical artifacts for public exhibition and education that is being preserved for future generations. This collection was donated and has restrictions on both its use and disposal. The collection is not capitalized or depreciated as part of capital assets.

Property, plant and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

<u>Asset Class</u>	<u>Years</u>
Buildings	25
Furniture and equipment	10
Building improvements	10-20

8. Right to use assets

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has two items that meets this criterion; pension related deferrals and OPEB related deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category - prepaid taxes, property taxes receivable, deferrals of pension expense, and OPEB related

10. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

11. Compensated Absences

The vacation policy of the City provides for the accumulation of up to two hundred forty (240) hours earned vacation leave with such leave being fully vested when earned. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The ABC Board employees may accumulate up to thirty days of vacation which is fully vested when earned. The current portion of the accumulated vacation pay is not considered to be material.

Both the City's and the ABC Board's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the City nor the ABC Board has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

12. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

Fund Balances (continued)

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Prepaid expenses - Portion of the fund balance that is not an available recourse because it represents the year-end balance of ending prepaid expenses, which are not spendable resources. At June 30, 2024, the City of Southport had \$1,072,057 fund balance with this classification which represents prepayment for a new fire truck.

Restricted Fund Balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute ("RSS"), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

Restricted for Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. The amount represents the balance of the total unexpended Powell Bill funds.

Restricted for Capital Outlay - portion of fund balance restricted for capital outlay by G.S. Chapter 159, Article 3, Part 2.

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the City of Southport's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for fire protection - portion of fund balance allowed by the Board to be used at the discretion of the leadership of the fire department. This balance represents balance of funds raised by the department through various fund-raising programs.

Assigned Fund Balance - portion of fund balance that the City of Southport intends to use for specific purposes.

Assigned for subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$5,000.

Unassigned Fund Balance - the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The City of Southport has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-City funds, and City funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and, lastly, unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the City.

13. Defined Benefit Cost-Sharing Plans

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System ("LGERs") and additions to/deductions from LGERs' fiduciary net position have been determined on the same basis as they are reported by LGERs. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City's employer contributions are recognized when due and the City has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the LGERs. Investments are reported as fair value.

14. Use of Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are allowance for doubtful accounts and depreciation lives.

II. Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriation

For the year ended June 30, 2024, the City expended \$427,199 more for electric fund operating for operations than appropriated in the budget. Finally, the City expended \$47,4109 more water and sewer supplies in the water and sewer fund than appropriated in the budget. Management and the Board will carefully monitor the budget in future years.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the City and ABC Board are either insured or collateralized by using one of two methods. Under the dedicated method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the City's and ABC Board agents in the City's names. Under the pooling method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City and ABC Board, these deposits are considered to be held by the City's and ABC Boards agents in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the pooling method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City and ABC Board or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City and ABC Board under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159.31 when designating official depositories and verifying that deposits are property secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2024, the City's deposits had a carrying amount of \$32,574,255 and a bank balance of \$34,141,466. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered under the pooling method. The carrying amount of the deposits of the ABC Board was \$451,600 and the bank balance was \$615,521. \$250,000 of the bank balance was covered by federal depository insurance, and the remainder was covered under the pooling method. The City's cash on hand totaled \$450 at June 30, 2024.

2. Investments

At June 30, 2024, the City had \$406,599 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The City has no policy regarding credit risk.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Level of fair value hierarchy: Level 1: Debt securities using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

Interest Rate Risk. The City does not have a formal investment policy that specifically limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

Credit Risk. The City has no formal policy regarding credit risk. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAAM-mf by Moody's Investor Service as of June 30, 2024.

Concentration of Credit Risk. The City places no limit on the amount that the City may invest in any one issuer.

3. Receivables – Allowance for Doubtful Accounts

The amounts presented in the balance sheet and the statement of net position for the year ended June 30, 2024 are net of the following allowances for doubtful accounts.

	Accounts	Taxes	Due from other governments	Total
Governmental activities:				
General	\$ 106,900	\$ 50,275	\$ 922,336	\$ 1,079,511
Other governmental	-	-	-	-
Allowance for doubtful accounts	(8,965)	-	-	(8,965)
Total governmental activities	<u>\$ 97,935</u>	<u>\$ 50,275</u>	<u>\$ 922,336</u>	<u>\$ 1,070,546</u>
Business-type activities:				
Electric	\$ 853,014	\$ -	\$ -	\$ 853,014
Water and Sewer	-	-	-	-
Allowance for doubtful accounts	3,357	-	-	3,357
Total business-type activities	<u>\$ 856,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 856,371</u>

Due from other governments consisted of the following:

Local option sales tax	\$ 444,116
Franchise tax	65,905
Sales tax	165,994
Solid waste disposal tax	-
Miscellaneous	2,263
FEMA	202,602
Taxes - due from the county	41,456
	<u>\$ 922,336</u>

4. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2024 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,917,452	\$ 29,194	\$ -	\$ 2,946,646
Construction in progress	460,306	685,744	-	1,146,050
Total capital assets not being depreciated	3,377,758	714,938	-	4,092,696
Capital assets being depreciated:				
Buildings	9,597,348	10,415	-	9,607,763
Other Improvements	993,660	-	-	993,660
Infrastructure	4,468,558	65,984	-	4,534,542
Vehicles and motorized equipment	4,830,403	642,701	-	5,473,104
Furniture and equipment	1,820,654	758,894	-	2,579,548
Total capital assets being depreciated	21,710,623	1,477,994	-	23,188,617
Less accumulated depreciation for:				
Buildings	2,991,429	192,464	-	3,183,893
Other improvements	705,593	32,864	-	738,457
Infrastructure	1,839,345	177,280	-	2,016,625
Vehicle and motorized equipment	3,898,575	255,347	-	4,153,922
Furniture and equipment	1,292,431	179,590	-	1,472,021
Total accumulated depreciation	10,727,373	\$ 837,545	\$ -	11,564,918
Total capital assets being depreciated, net	10,983,250			11,623,699
Governmental activity capital assets, net	\$ 14,361,008			\$ 15,716,395

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 837,545
Public safety	
Transportation	
Cultural and recreational	
	\$ 837,545

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Business-type activities:				
Electric Fund				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated:				
Buildings	94,816	-	-	94,816
Utility systems	17,699,425	867,936	-	18,567,361
Vehicles and motorized equipment	21,156	-	-	21,156
Furniture and equipment	287,391	5,595	-	292,986
Total capital assets being depreciated	18,102,788	873,531	-	18,976,319
Less accumulated depreciation for:				
Buildings	28,682	1,896	-	30,578
Utility systems	5,832,774	425,679	-	6,258,453
Vehicles and motorized equipment	21,156	-	-	21,156
Furniture and equipment	240,606	17,014	-	257,620
Total accumulated depreciation	6,123,218	\$ 444,589	\$ -	6,567,807
Total capital assets being depreciated, net	11,979,570			12,408,512
Electric fund capital assets, net	\$ 11,979,570			\$ 12,408,512
	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Water and Sewer Fund				
Capital assets not being depreciated:				
Land	\$ 2,827,985	\$ -	\$ (2,827,985)	\$ -
Construction in progress	129,390	-	(129,390)	-
Total capital assets not being depreciated	2,957,375	-	(2,957,375)	-
Capital assets being depreciated:				
Utility systems	20,836,351	310,408	(21,146,759)	-
Vehicles and motorized equipment	759,817	-	(759,817)	-
Furniture and equipment	794,364	59,548	(853,912)	-
Total capital assets being depreciated	22,390,532	369,956	(22,760,488)	-
Less accumulated depreciation for:				
Utility systems	8,532,753	516,807	(9,049,560)	-
Vehicles and motorized equipment	657,401	35,601	(693,002)	-
Furniture and equipment	580,793	74,556	(655,349)	-
Total accumulated depreciation	9,770,947	\$ 626,964	\$ (10,397,911)	-
Total capital assets being depreciated, net	12,619,585			-
Water and Sewer fund capital assets, net	\$ 15,576,960			\$ -
Business-type activities capital assets, net	\$ 27,556,530			\$ 12,408,512

Construction Commitments

The City has active construction projects as of June 30, 2024. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Generators	\$ -	\$ 78,050

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2024, was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Capital assets not being depreciated:				
Land	\$ 333,232	\$ -	\$ -	\$ 333,232
Total Capital assets not being depreciated:	333,232	-	-	333,232
Capital assets being depreciated:				
Buildings	872,212	-	-	872,212
Building improvements	323,459	5,251	-	328,710
Furniture and fixtures	4,620	-	-	4,620
Equipment	101,787	-	-	101,787
Total Capital assets being depreciated:	1,302,078	5,251	-	1,307,329
Less Accumulated depreciation for:				
Buildings	89,341	20,337	-	109,678
Building improvements	105,524	23,820	-	129,344
Furniture and fixtures	3,246	169	-	3,415
Equipment	61,078	10,909	-	71,987
Total accumulated depreciation:	259,189	\$ 55,235	\$ -	314,424
Total Capital assets being depreciated, net:	1,042,889			992,905
ABC Board Capital Assets, net:	\$ 1,376,121			\$ 1,326,137

5. Right to Use Leased Assets

The City has recorded several right to use leased assets. The assets are right to use assets for leased vehicles. The related leases are discussed in the Leases subsection of the Liabilities section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the City for the year ended June 30, 2024, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Right to use assets:				
Leased vehicles	\$ 795,038	\$ 511,066	\$ -	\$ 1,306,104
Total right to use assets	795,038	511,066	-	1,306,104
Less accumulated amortization for:				
Leased vehicles	327,954	333,421	-	661,375
Total accumulated amortization	327,954	333,421	-	661,375
Right to use assets, net	\$ 467,084			\$ 644,729

Business-type activities:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Electric Fund				
Right to use assets:				
Leased vehicles	\$ 27,697	\$ -	\$ -	\$ 27,697
Total right to use assets	27,697	-	-	27,697
Less accumulated amortization for:				
Leased vehicles	13,294	6,647	-	19,941
Total accumulated amortization	13,294	6,647	-	19,941
Right to use assets, net	\$ 14,403			\$ 7,756

Water and Sewer Fund	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use assets:				
Leased vehicles	\$ 158,916	\$ -	\$ (158,916)	\$ -
Total right to use assets	158,916	-	(158,916)	-
Less accumulated amortization for:				
Leased vehicles	25,547	-	(25,547)	-
Total accumulated amortization	25,547	-	(25,547)	-
Right to use assets, net	<u>\$ 133,369</u>			<u>\$ -</u>

During the year ended June 30, 2024, all leases and right of use assets were transferred from the Water and Sewer Fund to the General Fund.

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The City of Southport is a participating employer in the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers ("LEOs") of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service of within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Southport employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Southport contractually required contribution rate for the year ended June 30, 2024, was 14.10% of compensation for law enforcement officers and 12.85% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Southport were \$672,033 for the year ended June 30, 2024.

Refunds of Contributions - City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the City reported a liability of \$3,254,519 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension asset was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 (measurement date), the City's proportion was 0.0491% which was an increase of 0.0065% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$1,033,895. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 362,650	\$ 7,807
Changes of assumptions	138,298	-
Net difference between projected and actual earnings on pension plan investments	871,052	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	218,065	8,649
Employer contributions subsequent to the measurement date	672,033	-
Total	<u>\$ 2,262,098</u>	<u>\$ 16,456</u>

\$672,033 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ 585,522
2026	312,862
2027	638,392
2028	36,833
2029	-
Thereafter	-
	<u>\$ 1,573,609</u>

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.5 percent
Salary Increases	3.25 to 8.25 percent, including inflation and productivity factor of 3.25%
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income expectations of forward yields projected and interpolated for multiple tenor and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates for each major asset class as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension asset to changes in the discount rate. The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 5,638,326	\$ 3,254,519	\$ 1,291,945

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

b. Law Enforcement Officers Special Separation Allowance

1. *Plan Description.*

The City of Southport administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2022, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	14
Total	<u>15</u>

2. *Summary of Significant Accounting Policies:*

Basis of Accounting. The City has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB 73.

3. *Actuarial Assumptions*

The entry age actuarial cost method was used in the December 31, 2022 valuation. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	3.77 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020.

Mortality Rates are based on the Pub-2010 amount-weighted tables, projected from 2010 using generational improvement with Scale MP-2019.

4. *Contributions.*

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. The City paid \$12,819 as benefits came due for the reporting period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the City reported a total pension liability of \$588,120. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the City recognized pension expense of \$98,445.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 128,773	\$ 11,521
Changes of assumptions	32,324	45,614
City benefit payments and plan administrative expense made subsequent to the measurement date	-	-
Total	<u>\$ 161,097</u>	<u>\$ 57,135</u>

\$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ (19,073)
2026	(16,862)
2027	(11,793)
2028	(9,407)
2029	-
Thereafter	-

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 3.77 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77 percent) and 1-percentage-point higher (4.77 percent) than the current rate.

	1% Decrease (2.77%)	Discount Rate (3.77%)	1% Increase (4.77%)
Total pension liability	\$ 621,145	\$ 588,120	\$ 557,112

**Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance**

	2024
Beginning balance	\$ 471,276
Service Cost	19,377
Interest on the total pension liability	18,827
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	82,945
Changes of assumptions or other inputs	8,514
Benefit payments	(12,819)
Other changes	-
Net Change	<u>116,844</u>
Ending balance of the total pension liability	<u>\$ 588,120</u>

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

c. Volunteer Firefighters' Supplemental Retirement Plan

1. Plan Description

The City of Southport administers a public employee retirement system, the Volunteer Firefighters Retirement Plan (the "Plan"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified volunteer firefighters age 55 and over, who have completed at least 20 years of service with the City of Southport. The annual benefit is equal to \$100 per month. Members with 20 years of service can continue to work and accrue a greater benefit while continuing to receive monthly payments. For each additional year employed with the City beyond 20 years, a Firefighter's benefit will increase by \$5 per month.

All volunteer firefighters of the City are covered by the Plan. At the June 30, 2023 valuation, the plans membership consisted of:

Retiree receiving benefits	15
Terminated plan members entitled to but not yet receiving benefits	1
Active Plan members	51
Total	<u>67</u>

2. Summary of Significant Accounting Policies

Basis of Accounting - The City has chosen to fund the Plan on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The volunteer Firefighters Supplemental Retirement Plan has no assets accumulated in a trust that meet the following criteria which are outlined in GASB Statement 73.

3. Actuarial Assumptions

The entry age normal actuarial cost method was used in the June 30, 2023 valuation. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement.

Inflation	2.50 Percent
Salary increases	Not applicable
Discount Rate	3.77 Percent

The discount rate is based on the yield of the bond buyer General Obligation 20-year Municipal Bond Index Rate at December 31, 2022.

Mortality Rates are based on the Pub-2010 amount-weighted tables, projected from 2010 using generational improvement with Scale MP-2019.

4. Contributions

The retirement benefits were established by Board Action. The Board has chosen to fund the benefit payments and administrative costs on a pay as you go basis through the appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The City paid \$24,180 as benefits came due for the reporting period.

5. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At June 30, 2024, the City reported a total pension liability of \$520,803. The total pension liability was measured as of December 31, 2023 based on a June 30, 2023 actuarial valuation. For the year ended June 30, 2024, the City recognized pension expense of \$14,999.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 266,065
Changes of assumptions	174,575	175,028
City benefits payments and plan and plan administrative expense made subsequent to the measurement date	-	-
	<u>\$ 174,575</u>	<u>\$ 441,093</u>

\$0 was reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ (48,298)
2026	(48,298)
2027	(48,298)
2028	(48,298)
2029	(48,298)
Thereafter	(199,603)

6. Sensitivity of the City's Total Pension liability to changes in Discount Rate

The following presents the City's total pension liability calculated using the discount rate of 3.77% as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77 percent) or 1 percent point higher (4.77 percent) than the current rate:

	1% Decrease (2.77%)	Discount Rate (3.77%)	1% Increase (4.77%)
Total pension liability	\$ 599,035	\$ 520,803	\$ 457,825

Schedule of Changes in Total Pension Liability
Volunteer Firefighters' Supplemental Retirement Plan

	<u>2024</u>
Beginning Balance	\$ 491,355
Service Cost	25,563
Interest on the total pension liability	19,410
Change of benefit terms	-
Differences between expected and actual experience in the measurement of total pension liability	(10,626)
Changes of assumptions and inputs	19,281
Benefit payments	(24,180)
Other Charges	-
Ending balance of the total pension liability	<u>\$ 520,803</u>

The plan currently uses mortality tables that vary by age and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies the cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources Related to Pensions

Following is information related to the proportionate share and pension expense for all pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>VFSRP</u>	<u>TOTAL</u>
Pension expense	\$ 1,033,895	\$ 98,445	\$ 14,999	\$ 1,147,339
Pension liability	3,254,519	588,120	520,803	4,363,442
Proportionate share of the net pension liability	0.04914%	n/a	n/a	

Deferred Outflows of Resources

Differences between expected and actual experience	362,650	128,773	-	491,423
Changes of assumptions	138,298	32,324	174,575	345,197
Net difference between projected and actual earnings on plan investments	871,052	-	-	871,052
Changes in proportion and differences between contributions and proportionate share of contributions	218,065	-	-	218,065
Benefit payments and administrative costs paid subsequent to the measurement date	672,033	-	-	672,033
Total	<u>\$ 2,262,098</u>	<u>\$ 161,097</u>	<u>\$ 174,575</u>	<u>\$ 2,597,770</u>

Deferred Inflows of Resources

Differences between expected and actual experience	\$ 7,807	\$ 11,521	\$ 266,065	\$ 285,393
Changes of assumptions	-	45,614	175,028	220,642
Changes in proportion and differences between contributions and proportionate share of contributions	8,649	-	-	8,649
Total	<u>\$ 16,456</u>	<u>\$ 57,135</u>	<u>\$ 441,093</u>	<u>\$ 514,684</u>

d. Supplemental Retirement Income Plan

Plan Description. The City contributes to the Supplemental Retirement Income Plan ("Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The City has elected to contribute five percent for non-law enforcement employees. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024 were **\$174,667 for nonlaw and \$41,810 for law**, with no amounts forfeited.

e. Other Post-Employment Benefits - Retiree's Health Care Plan

Healthcare Benefits

Plan Description. According to City personnel policy and City resolution on September 11, 2003, the City provides postretirement health and dental care benefits to retirees of the City who meet the following requirements:

- (1) Employees retiring with ten years of continuous service with Southport may continue in the City's group health and dental plan, if allowed by the plan provider, with the premium for the employee's coverage paid at 50% by the City, and 50% by the employee. Family or spouse coverage premiums shall be paid 100% by the employee.
- (2) Employees retiring with twenty years of continuous service with Southport may continue in the City's group health and dental plan, if allowed by the plan provider, with the City paying 100% of the premium for the employee's coverage and the employee paying 100% of the premium for family or spouse coverage.

When the employee becomes eligible for Medicare, such coverage in the City's group plan will be the Medicare supplement, if offered by the plan provider.

On March 14, 2013, the above policy was changed to state that the City would not provide retiree insurance to any employee who began creditable service in the retirement system as a City of Southport employee after March 14, 2013 or who is hired as a City employee after March 14, 2013.

The Retiree Health Plan does not issue a publicly available financial report.

Membership of the Plan consisted of the following at June 30, 2023, the date of the last actuarial valuation:

Inactive employees or Beneficiaries Currently Receiving Benefits	21
Inactive Members Entitled to but not Receiving Benefits	0
Active Employees	77
Total	<u>98</u>

Total OPEB Liability

The City's total OPEB liability of \$3,431,753 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	0.75 percent
Wage inflation	3.25 percent
Salary increases	
General employees	3.25% - 8.41%
Law enforcement employees	3.25% - 7.90%
Discount rate	3.86 percent
Healthcare cost trend rate	
Pre-medicare	7.00% for 2021 decreasing to an ultimate rate of 4.5% by 2031
Medicare	5.125% for 2021 decreasing to an ultimate rate of 4.5% by 2024
Dental	3.50%

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2023	\$ 4,661,329
Changes for the year	
Service cost	143,309
Interest	169,489
Changes of benefit terms	-
Differences between expected and actual experience	(1,417,340)
Changes in assumptions or other inputs	11,207
Benefit payments	(136,241)
Net changes	<u>(1,229,576)</u>
Balance at June 30, 2024	<u><u>\$ 3,431,753</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.69% to 3.86%.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Sensitivity of the Total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) and 1-percentage-point higher (4.86 percent).

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total OPEB liability	\$ 3,989,729	\$ 3,431,753	\$ 2,985,100

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	\$ 2,946,795	\$ 3,431,753	\$ 4,052,629

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of \$(31,690). At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,896	\$ 1,320,354
Changes of assumptions	426,550	924,844
Benefit payments and administrative costs made subsequent to the measurement date	-	-
Total	\$ 430,446	\$ 2,245,198

\$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement period ended June 30:		
2025	\$	(522,149)
2026		(461,768)
2027		(461,197)
2028		(440,459)
2029		(211,543)
Thereafter		(148,082)

2. Other Employment Benefits

The City has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System ("Death Benefit Plan"), a multiple employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers.

3. Deferred Outflows and Inflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience		
LGERS	\$ 362,650	\$ 7,807
LEOSSA	128,773	11,521
VFSR	-	266,065
OPEB	3,896	1,320,354
Changes of assumptions		
LGERS	138,298	-
LEOSSA	32,324	45,614
VFSR	174,575	175,028
OPEB	426,550	924,844
Difference between projected and actual investment		
LGERS	871,052	-
Change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	218,065	8,649
Contributions to pension plan in current fiscal year		
LGERS	672,033	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	-	-
Benefit payments/administration costs paid subsequent to the measurement date (VFSR)	-	-
Benefit payments/administration costs paid subsequent to the measurement date (OPEB)	-	-
Prepaid property taxes (General)	-	10,255
Total Government-wide statements	<u>3,028,216</u>	<u>2,770,137</u>
Prepaid property taxes (General)	-	10,255
Taxes receivable, net (General, on General Fund Balance Sheet)	-	50,275
Total	<u>\$ -</u>	<u>\$ 60,530</u>

4. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the City obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, worker's compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contracting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the public.

The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The City does not carry flood insurance. There are only three structures in the flood plain, the sewer plant and two pump stations. The pump stations have been elevated and made flood proof. The Sewer plant is below ground and cannot be insured. The City does not believe that separate flood insurance is necessary.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The Finance officer and tax collector are each individually bonded for \$100,000 and \$50,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$25,000.

5. Claims and Judgements

The City believes there are no material claims of judgements to be reported for the year ended June 30, 2024.

6. Long-Term Obligations

a. Leases

The City has adopted GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 02/01/2022, City of Southport, NC entered into a 60 month lease as Lessee for the use of Water & Sewer vehicles. An initial lease liability was recorded in the amount of \$28,444.31. As of 06/30/2023, the value of the lease liability is \$20,457. City of Southport, NC is required to make monthly fixed payments of \$482. The lease has an interest rate of 0.6360%. The value of the right to use asset as of 06/30/2023 of \$29,239 with accumulated amortization of \$8,285 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$5,259.

On 02/01/2022, City of Southport, NC entered into a 60 month lease as Lessee for the use of Water & Sewer vehicles. An initial lease liability was recorded in the amount of \$28,372. As of 06/30/2023, the value of the lease liability is \$20,390. City of Southport, NC is required to make monthly fixed payments of \$480. The lease has an interest rate of 0.6360%. The value of the right to use asset as of 06/30/2023 of \$29,025 with accumulated amortization of \$8,224 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$5,238.

On 02/28/2022, City of Southport, NC entered into a 60 month lease as Lessee for the use of Water & Sewer trucks. An initial lease liability was recorded in the amount of \$28,690. As of 06/30/2023, the value of the lease liability is \$21,137. City of Southport, NC is required to make monthly fixed payments of \$485.39. The lease has an interest rate of 0.6360%. The value of the right to use asset as of 06/30/2023 of \$29,350 with accumulated amortization of \$7,842 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$5,238.

On 07/01/2021, City of Southport, NC entered into a 51 month lease as Lessee for the use of Water & Sewer vehicles. An initial lease liability was recorded in the amount of \$26,126. As of 06/30/2023, the value of the lease liability is \$13,884. City of Southport, NC is required to make monthly fixed payments of \$517. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$26,126 with accumulated amortization of \$12,295 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$6,018.

On 07/01/2021, City of Southport, NC entered into a 50 month lease as Lessee for the use of Water & Sewer vehicles. An initial lease liability was recorded in the amount of \$24,655. As of 06/30/2023, the value of the lease liability is \$12,869. City of Southport, NC is required to make monthly fixed payments of \$497. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$24,655 with accumulated amortization of \$11,835 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$5,595.

On 07/01/2021, City of Southport, NC entered into a 37 month lease as Lessee for the use of Water & Sewer vehicles. An initial lease liability was recorded in the amount of \$20,521. As of 06/30/2023, the value of the lease liability is \$7,228. City of Southport, NC is required to make monthly fixed payments of \$557. The lease has an interest rate of 0.2850%. The value of the right to use asset as of 06/30/2023 of \$20,521 with accumulated amortization of \$13,311 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$6,065.

On 02/28/2022, City of Southport, NC entered into a 60 month lease as Lessee for the use of Streets vehicles. An initial lease liability was recorded in the amount of \$28,460. As of 06/30/2023, the value of the lease liability is \$20,935. City of Southport, NC is required to make monthly fixed payments of \$482. The lease has an interest rate of 0.6360%. The value of the right to use asset as of 06/30/2023 of \$28,460 with accumulated amortization of \$7,601 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$5,202.

On 01/04/2022, City of Southport, NC entered into a 60 month lease as Lessee for the use of Police vehicles. An initial lease liability was recorded in the amount of \$39,933. As of 06/30/2023, the value of the lease liability is \$28,312. City of Southport, NC is required to make monthly fixed payments of \$666. The lease has an interest rate of 0.6360%. The value of the right to use asset as of 06/30/2023 of \$39,933 with accumulated amortization of \$11,738 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,158.

On 01/04/2022, City of Southport, NC entered into a 60 month lease as Lessee for the use of Police vehicles. An initial lease liability was recorded in the amount of \$37,020. As of 06/30/2023, the value of the lease liability is \$26,247. City of Southport, NC is required to make monthly fixed payments of \$618. The lease has an interest rate of 0.6360%. The value of the right to use asset as of 06/30/2023 of \$37,020 with accumulated amortization of \$10,881 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$6,484.

On 12/16/2021, City of Southport, NC entered into a 60 month lease as Lessee for the use of Police vehicles. An initial lease liability was recorded in the amount of \$44,555. As of 06/30/2023, the value of the lease liability is \$44,555. City of Southport, NC is required to make monthly fixed payments of \$748. The lease has an interest rate of 0.5820%. The value of the right to use asset as of 06/30/2023 of \$44,555 with accumulated amortization of \$13,625 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$4,022.

On 02/01/2022, City of Southport, NC entered into a 60 month lease as Lessee for the use of Police vehicles. An initial lease liability was recorded in the amount of \$41,675. As of 06/30/2023, the value of the lease liability is \$29,985. City of Southport, NC is required to make monthly fixed payments of \$706. The lease has an interest rate of 0.6360%. The value of the right to use asset as of 06/30/2023 of \$41,675 with accumulated amortization of \$11,808 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$8,041.

On 07/01/2021, City of Southport, NC entered into a 51 month lease as Lessee for the use of Police vehicles. An initial lease liability was recorded in the amount of \$35,219. As of 06/30/2023, the value of the lease liability is \$18,716. City of Southport, NC is required to make monthly fixed payments of \$697. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$35,219 with accumulated amortization of \$16,574 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$7,953.

On 07/01/2021, City of Southport, NC entered into a 51 month lease as Lessee for the use of Police vehicles. An initial lease liability was recorded in the amount of \$35,219. As of 06/30/2023, the value of the lease liability is \$16,574. City of Southport, NC is required to make monthly fixed payments of \$697. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2022 of \$35,219 with accumulated amortization of \$8,287 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$7,953.

On 07/01/2021, City of Southport, NC entered into a 51 month lease as Lessee for the use of Police vehicles. An initial lease liability was recorded in the amount of \$35,526. As of 06/30/2023, the value of the lease liability is \$18,807. City of Southport, NC is required to make monthly fixed payments of \$697. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$35,526 with accumulated amortization of \$16,719 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$8,061.

On 07/01/2021, City of Southport, NC entered into a 51 month lease as Lessee for the use of Police vehicles. An initial lease liability was recorded in the amount of \$35,219. As of 06/30/2023, the value of the lease liability is \$18,716. City of Southport, NC is required to make monthly fixed payments of \$697. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$35,219 with accumulated amortization of \$16,574 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$8,061.

On 07/01/2021, City of Southport, NC entered into a 51 month lease as Lessee for the use of Police vehicles. An initial lease liability was recorded in the amount of \$35,219. As of 06/30/2023, the value of the lease liability is \$218,716. City of Southport, NC is required to make monthly fixed payments of \$697. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$35,219 with accumulated amortization of \$16,574 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$7,953.

On 07/01/2021, City of Southport, NC entered into a 47 month lease as Lessee for the use of Police vehicles. An initial lease liability was recorded in the amount of \$33,637. As of 06/30/2023, the value of the lease liability is \$16,523. City of Southport, NC is required to make monthly fixed payments of \$721. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$33,637 with accumulated amortization of \$17,177 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$8,061.

On 07/01/2021, City of Southport, NC entered into a 51 month lease as Lessee for the use of Police vehicles. An initial lease liability was recorded in the amount of \$35,219. As of 06/30/2023, the value of the lease liability is \$18,716. City of Southport, NC is required to make monthly fixed payments of \$697. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$35,219 with accumulated amortization of \$16,574 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$7,953.

On 07/01/2021, City of Southport, NC entered into a 47 month lease as Lessee for the use of Police vehicles. An initial lease liability was recorded in the amount of \$38,000. As of 06/30/2023, the value of the lease liability is \$18,666. City of Southport, NC is required to make monthly fixed payments of \$814.98. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$38,000 with accumulated amortization of \$19,405 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$1,675.

On 07/01/2021, City of Southport, NC entered into a 47 month lease as Lessee for the use of Police vehicles. An initial lease liability was recorded in the amount of \$38,401. As of 06/30/2023, the value of the lease liability is \$18,863. City of Southport, NC is required to make monthly fixed payments of \$824. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$38,401 with accumulated amortization of \$19,610 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$1,695.

On 07/01/2021, City of Southport, NC entered into a 48 month lease as Lessee for the use of Planning/Inspection vehicle. An initial lease liability was recorded in the amount of \$27,456. As of 06/30/2023, the value of the lease liability is \$13,780. City of Southport, NC is required to make monthly fixed payments of \$577. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$27,456 with accumulated amortization of \$13,729 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$6,140.

On 07/01/2021, City of Southport, NC entered into a 48 month lease as Lessee for the use of Planning/Inspection vehicle. An initial lease liability was recorded in the amount of \$27,455.87. As of 06/30/2023, the value of the lease liability is \$13,780. City of Southport, NC is required to make monthly fixed payments of \$576.68. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$27,456 with accumulated amortization of \$13,729 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$6,140.16.

On 12/16/2021, City of Southport, NC entered into a 60 month lease as Lessee for the use of a vehicle by Parks & Rec. An initial lease liability was recorded in the amount of \$32,981. As of 06/30/2023, the value of the lease liability is \$22,981. City of Southport, NC is required to make monthly fixed payments of \$553. The lease has an interest rate of 0.5820%. The value of the right to use asset as of 06/30/2022 of \$32,981 with accumulated amortization of \$3,543 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$6,021.

On 02/28/2022, City of Southport, NC entered into a 60 month lease as Lessee for the use of a vehicle by the Garage. An initial lease liability was recorded in the amount of \$28,690. As of 06/30/2023, the value of the lease liability is \$21,104. City of Southport, NC is required to make monthly fixed payments of \$485. The lease has an interest rate of 0.6360%. The value of the right to use asset as of 06/30/2023 of \$28,690 with accumulated amortization of \$7,663 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$5,238.

On 07/01/2021, City of Southport, NC entered into a 42 month lease as Lessee for the use of a vehicle by the Garage. An initial lease liability was recorded in the amount of \$21,157. As of 06/30/2023, the value of the lease liability is \$9,101. City of Southport, NC is required to make monthly fixed payments of \$507. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$21,157 with accumulated amortization of \$12,090 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$5,315.

On 07/01/2021, City of Southport, NC entered into a 50 month lease as Lessee for the use of a vehicle by the Electric department. An initial lease liability was recorded in the amount of \$27,697. As of 06/30/2023, the value of the lease liability is \$14,402. City of Southport, NC is required to make monthly fixed payments of \$559. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$27,697 with accumulated amortization of \$13,295 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$5,243.

On 12/16/2021, City of Southport, NC entered into a 60 month lease as Lessee for the use of Building & Grounds. An initial lease liability was recorded in the amount of \$24,444.68. As of 06/30/2023, the value of the lease liability is \$17,032. City of Southport, NC is required to make monthly fixed payments of \$409.79. The lease has an interest rate of 0.5820%. The value of the right to use asset as of 06/30/2023 of \$24,445 with accumulated amortization of \$7,475 is included with Vehicles on the Lease Class activities table found below.

On 12/16/2021, City of Southport, NC entered into a 60 month lease as Lessee for the use of a Building & Grounds vehicle. An initial lease liability was recorded in the amount of \$24,445. As of 06/30/2023, the value of the lease liability is \$17,032. City of Southport, NC is required to make monthly fixed payments of \$410. The lease has an interest rate of 0.5820%. The value of the right to use asset as of 06/30/2023 of \$24,445 with accumulated amortization of \$7,475 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$4,404.

On 01/04/2022, City of Southport, NC entered into a 60 month lease as Lessee for the use of Building & Grounds. An initial lease liability was recorded in the amount of \$28,249. As of 06/30/2023, the value of the lease liability is \$20,028. City of Southport, NC is required to make monthly fixed payments of \$471. The lease has an interest rate of 0.6360%. The value of the right to use asset as of 06/30/2023 of \$28,249 with accumulated amortization of \$8,303 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$4,878.

On 07/01/2021, City of Southport, NC entered into a 43 month lease as Lessee for the use of a Building & Grounds vehicle. An initial lease liability was recorded in the amount of \$18,602. As of 06/30/2023, the value of the lease liability is \$8,250. City of Southport, NC is required to make monthly fixed payments of \$436. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$18,602 with accumulated amortization of \$10,383 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$4,575.

On 07/01/2021, City of Southport, NC entered into a 49 month lease as Lessee for the use of an Animal Control vehicle. An initial lease liability was recorded in the amount of \$24,208. As of 06/30/2023, the value of the lease liability is \$12,398. City of Southport, NC is required to make monthly fixed payments of \$498. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$24,208 with accumulated amortization of \$11,858 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$5,564.

On 07/01/2021, City of Southport, NC entered into a 42 month lease as Lessee for the use of a vehicle by Administration. An initial lease liability was recorded in the amount of \$24,048. As of 06/30/2023, the value of the lease liability is \$10,345. City of Southport, NC is required to make monthly fixed payments of \$577. The lease has an interest rate of 0.4170%. The value of the right to use asset as of 06/30/2023 of \$24,048 with accumulated amortization of \$13,742 is included with Vehicles on the Lease Class activities table found

<u>Asset Class</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Vehicles	\$ 1,333,801	\$ (681,316)	\$ 652,485
Total	\$ 1,333,801	\$ (681,316)	\$ 652,485

Annual debt service requirements to maturity for the City's leases are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 271,129	\$ 1,381	\$ 6,684	\$ 20	\$ 279,214
2026	169,292	587	1,117	1	170,997
2027	118,557	99	-	-	118,656
2028	70,696	-	-	-	70,696
2029	49,688	-	-	-	49,688
	<u>\$ 679,362</u>	<u>\$ 2,067</u>	<u>\$ 7,801</u>	<u>\$ 21</u>	<u>\$ 689,251</u>

a. Installment Purchases

In June 2009, the City obtained \$3,784,000 in installment notes to finance the construction of a new fire station. The installment agreements required principal payments beginning in the fiscal year 2011 with an interest rate of 4.490%. Effective with the July 2014 payment, these notes were refinanced reducing the interest rate to 2.85% while annual payments remain the same. In the event of default BB&T may a) declare the unpaid principal components of the installment payments immediately due and payable; b) proceed by appropriate court action to enforce the Borrower's performance of the applicable covenants of this agreement or to recover for the breach thereof; c) as provided in the Project Fund Agreements, require BB&T to pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate; and d) avail itself of all available remedies under this Agreement, including execution as provided, and recovery of attorneys' fees and other expenses. The property is held as collateral while the debt is outstanding. Balance of the loan was \$1,135,200 at June 30, 2024.

On November 14, 2019, the City entered into a financing agreement of \$200,000 for the purchases of two ambulances. The agreement required principal and interest payments of \$26,363 semi annually for five years with an interest rate of 2.39%. In the event of default BB&T may a) declare the unpaid principal components of the installment payments immediately due and payable; b) proceed by appropriate court action to enforce the Borrower's performance of the applicable covenants of this agreement or to recover for the breach thereof; c) as provided in the Project Fund Agreements, require BB&T to pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate; and d) avail itself of all available remedies under this Agreement, including execution as provided, and recovery of attorneys' fees and other expenses. The ambulances are held as collateral while the debt is outstanding. This installment note was paid in full during the current fiscal year.

On October 15, 2021, the City entered into a financing agreement of \$824,210 for the purchases of two fire trucks. The agreement required principal and interest payments of \$171,930 annually for five years with an interest rate of 1.42%. In the event of default Truist Bank may a) declare the unpaid principal components of the installment payments immediately due and payable; b) proceed by appropriate court action to enforce the Borrower's performance of the applicable covenants of this agreement or to recover for the breach thereof; c) as provided in the Project Fund Agreements, require Truist Bank to pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner Truist Bank may reasonably deem appropriate; and d) avail itself of all available remedies under this Agreement, including execution as provided, and recovery of attorneys' fees and other expenses. The fire trucks are held as collateral while the debt is outstanding. The balance at June 30, 2024 was \$501,482.

Annual debt service payments of the installment purchase as of June 30, 2024, including \$127,096 of interest is as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2025	\$ 354,009	\$ 39,474
2026	356,350	31,742
2027	358,723	23,976
2028	189,200	16,177
2029	378,400	15,727
2030-2034	-	-
Total	<u>\$ 1,636,682</u>	<u>\$ 127,096</u>

b. Revolving Loans

In March 2005, the City entered into a \$1,377,975 revolving loan from the North Carolina Environmental Management Commission for the improvement of the City's wastewater treatment facilities. The revolving loan requires biannual interest payments due on November 1 and May 1 and an annual principal payment due on May 1; interest is at 2.205%. In the event of default the unit may be required to prepay the note in whole and any further commitment of funds may be withdrawn. The loan is secured by the revenues of the Project or benefited system. This revolving loan was paid off during the current fiscal year.

On December 7, 2009, the City received a federal revolving loan (ARRA) from the Water Infrastructure Fund and Grant Program through the North Carolina Department of Environmental and Natural Resources for enhancement of the wastewater collection system. The total of this loan is \$1,404,695. There is a principal forgiveness of fifty percent of this loan totaling \$702,347. Equal payments of \$35,117 were made on the balance annually starting on May 1, 2012. There is no interest on this loan. In the event of default the unit may be required to prepare the whole note. The loan is secured by the revenues of the Project or benefited system. This revolving loan was paid off during the current fiscal year.

c. Changes in Long-Term Liabilities

A summary of changes in long-term obligations follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion of Balance
Governmental activities:					
Direct placement and direct borrowing installment purchases	\$ 2,014,436	\$ -	\$ 377,754	\$ 1,636,682	\$ 354,009
Leases	468,842	448,117	237,597	679,362	271,129
Compensated absences	270,660	-	-	270,660	67,665
Net pension liability (LGERS)	1,953,870	691,918	-	2,645,788	-
Total pension liability (FIRE)	491,355	29,448	-	520,803	-
Total pension liability (LEOSSA)	471,276	116,844	-	588,120	-
Total OPEB Liability	3,788,829	-	998,957	2,789,872	-
Total governmental activities	<u>\$ 9,459,268</u>	<u>\$ 1,286,327</u>	<u>\$ 1,614,308</u>	<u>\$ 9,131,287</u>	<u>\$ 692,803</u>

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion of Balance
Business-type activities:					
Electric Fund					
Leases	\$ 14,457	\$ -	\$ 6,656	\$ 7,801	\$ 6,684
Compensated absences	8,407	-	-	8,407	2,102
Net pension liability (LGERS)	155,899	46,596	-	202,495	-
Total OPEB liability	302,309	-	88,785	213,524	-
Total Electric Fund	\$ 481,072	\$ 46,596	\$ 95,441	\$ 432,227	\$ 8,806
Water and Sewer Fund					
Revolving loans	\$ 485,787	\$ -	\$ 485,787	\$ -	\$ -
Leases	95,966	-	95,966	-	-
Compensated absences	15,322	-	15,322	-	-
Net pension liability (LGERS)	294,043	112,193	-	406,236	-
Total OPEB liability	570,190	-	141,831	428,359	-
Total Water Fund	\$ 1,461,308	\$ 112,193	\$ 738,906	\$ 834,595	\$ -
Total business-type activities	\$ 1,942,380	\$ 158,789	\$ 834,347	\$ 1,266,822	\$ 8,806

Compensated absences and OPEB liability have typically been liquidated in the General Fund. Compensated absences are accounted for on a LIFO basis.

At June 30, 2024, the City of Southport had a legal debt margin of \$88,753,166.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2024 consist of the following:

Due to the General Fund for capital expenditures paid for:

Taylor Field Park Part F- Phase 1	<u>\$ 28,960</u>
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The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

During the year ended June 30, 2024, the City reported the following transfers:

Transfer from the Water and Sewer fund to the Capital Reserve fund:	\$ 3,392,204
Transfer from the Water and Sewer fund to the NCDEQ Pump Station Rehabilitation Project fund:	95,180
Transfer from the American Rescue Plan Act fund to the Capital Reserve fund:	1,263,954
Transfer from the Water and Sewer fund to the Taylor Field Part F Phase 1 fund:	194,420

D. Contracts

1. Electric Maintenance Contract and Billing/Collections Contract

The City of Southport has awarded a contract to Brunswick Electric Membership Corporation for the operation and maintenance of the Electric Distribution System and electric customer account services. The contract is for a five-year term beginning on July 1, 2022 and ending June 30, 2027. The initial cost to the City under the contract was \$13.640642 per meter per month for the operation and maintenance and \$6.247788 per meter per month for the customer account services. Effective each July 1, under the contract the annual fee will be adjusted based on the increase in the Consumer Price Index and City customer growth. Non-basic operations and maintenance service such as power restoration after catastrophic events, system improvements and upgrades, and system extension are to be provided on a cost-plus basis. The cost of non-basic service will be based on cost of materials, equipment and labor. System additions and extensions are to be approved by the City. For the year ended June 30, 2024, the City payments under this contract totaled \$587,019.

E. Net Investment in Capital Assets

	<u>Business-Type</u>			<u>Total Business</u>
	<u>Governmental</u>	<u>Water/Sewer</u>	<u>Electric</u>	<u>Type</u>
Capital assets	\$ 14,884,167	\$ -	\$ 12,408,512	\$ 12,408,512
Right to use assets	644,729	-	7,756	7,756
less: long-term debt	(2,316,044)	-	(7,801)	(7,801)
add: unexpended debt proceeds	-	-	-	-
Net investment in capital assets	\$ 13,212,852	\$ -	\$ 12,408,467	\$ 12,408,467

F. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 12,068,415
Less restricted for:	
Stabilization by State statute	1,937,769
Streets (Powell Bill)	325,915
Appropriated fund balance in 2025 budget	-
Committed for fire protection	38,784
Nonspendable - prepaid items	1,072,057
Remaining fund balance	\$ 8,693,890

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. At June 30, 2024 the City had outstanding encumbrances of **\$130,466** in the General Fund.

V. Jointly Governed Organizations

A. North Carolina Eastern Municipal Power Agency

The City is a member of the North Carolina Eastern Municipal Power Agency ("Agency"). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate, and maintain generation and transmission facilities. Each participating government appoints one commissioner to the Agency's governing board. The twenty-one members, who receive power from the Agency, have signed power sales agreements to purchase a specified share of the power generated by the Agency. Except for the power purchase requirements, no local government participant has any obligation, entitlement, or residual interest. The City's purchases of power for the fiscal year ended June 30, 2024 were \$4,726,250.

B. Cape Fear Council of Governments

The City, in conjunction with four counties and forty other municipalities established the Cape Fear Council of Governments ("Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. Dues in the amount of \$0 were paid to the Council during the fiscal year ended June 30, 2024.

C. Brunswick County Airport Commission

The City in conjunction with Brunswick County and the Town of Oak Island established the Brunswick County Airport Commission. The purpose of the Commission is to acquire land, establish, construct, own, control, lease, equip, improve, maintain, operate, and regulate airports or landing fields within the County and to provide and maintain an airport facility for the use of the general aviation public and to promote the economic development of Brunswick County. The City of Southport appoints one member to the Commission. The Town of Oak Island appoints two members as the result of the merger of the Town of Long Beach and the Town of Yaupon Beach. Brunswick County appoints a total of four members. The City is not obligated to furnish any funds to the Commission but has made contributions in prior years. During the year ended June 30, 2024, the City made **no contributions** to the Commission. The participating governments do not have any equity interest in the Commission, so no equity interest has been reflected in the financial statements at June 30, 2024. Complete financial information for the Airport Commission can be obtained from the Airport's administrative offices at 380 Long Beach Road, Southport, North Carolina 28461.

VI. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The City has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

VII. Restatement

During the year ended June 30, 2024, it was discovered receivable balances were not properly stated and net position was restated resulting in a decrease of net position in governmental activities of \$559,842.

VIII. Significant Effects of Subsequent Events

Every year since 2018, there have been major hurricanes to strike the coast of Southeastern North Carolina. The infrastructure of the City suffered severe damage. Claims for damages have been filed with FEMA for damages of around three million dollars. All of the claims have not been settled as of the date of these financial statements. It is the opinion of City management that these claims will cover the losses suffered by the City. No allowance has been recorded in these financial statements.

Events occurring after June 30, 2024 were evaluated by management on February 5, 2025 to ensure that any subsequent events that met the criteria for recognition and/or disclosure in these financial statements have been included. There were no subsequent events needing disclosure.

IX. Transfer of Operations

Under an agreement with Brunswick County, the City of Southport transferred its water and sewer fund operations to the County. Upon execution of the agreement, Brunswick County will operate, own and maintain the water and sewer systems within the City limits moving forward. The agreement was completed and effective June 17, 2024. The City recognized all revenues and expenses associated with operation of the water and sewer fund up to that date on that date transferred the following to the County:

Transferred Assets (net)	Carrying Values
Buildings	\$ -
Vehicles	-
Equipment	-
Total assets	\$ -
Transferred Liabilities (net)	
Accounts payable and accrued expenses	\$ -
Total liabilities	\$ -
Net Position of Transferred Water & Sewer Fund Operations	\$ 21,435,025

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles. Presentation conforms to requirements of the Local Government Commission in North Carolina.

Schedule of Proportionate Share of the Net Pension Asset - Local Government Employee's Retirement System

Schedule of Contributions - Local Government Employees' Retirement System

Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special Separation Allowance

Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance

Schedule of Changes in Total Pension Liability - Volunteer Firefighters' Supplemental Retirement Plan

Schedule of Changes in the Total OPEB Liability and Related Ratios

City of Southport
City of Southport's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Ten Fiscal Years

Local Government Employees' Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Southport's proportion of the net liability (asset) (%)	0.0491%	0.0426%	0.0405%	0.0370%	0.0320%
Southport's proportion of the net pension liability (asset) (\$)	\$ 3,254,519	\$ 2,403,812	\$ 620,646	\$ 1,322,525	\$ 874,168
Southport's covered payroll	\$ 4,384,160	\$ 3,107,698	\$ 3,103,894	\$ 2,809,085	\$ 2,364,012
Southport's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	74.23%	77.35%	20.00%	47.08%	36.98%
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Southport's proportion of the net liability (asset) (%)	0.0365%	0.03576%	0.03179%	0.03025%	0.02832%
Southport's proportion of the net pension liability (asset) (\$)	\$ 866,142	\$ 546,314	\$ 674,690	\$ 135,760	\$ (167,016)
Southport's covered payroll	\$ 2,228,199	\$ 2,000,892	\$ 2,000,892	\$ 1,863,345	\$ 1,773,533
Southport's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	38.87%	27.30%	33.72%	7.29%	-9.42%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

City of Southport
City of Southport's Contributions
Required Supplementary Information
Last Ten Fiscal Years

Local Government Employees' Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 672,033	\$ 534,487	\$ 359,323	\$ 321,389	\$ 256,871
Contributions in relation to the contractually required contribution	<u>672,033</u>	<u>534,487</u>	<u>359,323</u>	<u>321,389</u>	<u>256,871</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Southport's covered payroll	\$ 5,189,646	\$ 4,384,160	\$ 3,107,698	\$ 3,103,894	\$ 2,809,085
Contributions as a percentage of covered payroll	12.95%	12.19%	11.56%	10.35%	9.14%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 187,871	\$ 171,008	\$ 160,063	\$ 135,756	\$ 133,568
Contributions in relation to the contractually required contribution	<u>187,871</u>	<u>171,008</u>	<u>160,063</u>	<u>135,756</u>	<u>133,568</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Southport's covered payroll	\$ 2,364,012	\$ 2,228,199	\$ 2,164,697	\$ 2,000,892	\$ 1,863,345
Contributions as a percentage of covered payroll	7.95%	7.67%	7.39%	6.78%	7.17%

City of Southport, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Last Seven Fiscal Years

	2024	2023	2022	2021	2020
Beginning balance	\$ 471,276	\$ 507,470	\$ 409,347	\$ 356,652	\$ 200,689
Service Cost	19,377	25,352	24,554	11,962	10,300
Interest on the total pension liability	18,827	11,274	7,777	11,418	7,072
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	82,945	-	89,292	(37,039)	141,477
Changes of assumptions or other inputs	8,514	(59,992)	(10,681)	79,173	9,933
Benefit payments	(12,819)	(12,828)	(12,819)	(12,819)	(12,819)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 588,120</u>	<u>\$ 471,276</u>	<u>\$ 507,470</u>	<u>\$ 409,347</u>	<u>\$ 356,652</u>

	2019	2018
Beginning balance	\$ 204,305	\$ 127,190
Service Cost	13,484	11,669
Interest on the total pension liability	6,253	4,662
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(2,276)	61,353
Changes of assumptions or other inputs	(8,258)	12,250
Benefit payments	(12,819)	(12,819)
Other changes	-	-
Ending balance of the total pension liability	<u>\$ 200,689</u>	<u>\$ 204,305</u>

*The amounts presented for each fiscal year were determined as of the prior year ending December 31.

City of Southport, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Last Seven Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 588,120	\$ 471,276	\$ 507,470	\$ 409,347	\$ 356,652
Covered payroll	840,919	694,651	694,651	510,625	392,499
Total pension liability as a percentage of covered payroll	69.94%	67.84%	73.05%	80.17%	90.87%
	<u>2019</u>	<u>2018</u>			
Total pension liability	\$ 200,689	\$ 204,305			
Covered payroll	588,718	549,341			
Total pension liability as a percentage of covered payroll	34.09%	37.19%			

Notes to the schedules:

The City of Southport has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

City of Southport, North Carolina
Schedule of Changes in the Total Pension Liability
Firefighters' Supplemental Retirement Plan
Last Seven Fiscal Years

	2024	2023	2022	2021	2020
Beginning balance	\$ 491,355	\$ 817,018	\$ 817,081	\$ 697,962	\$ 625,124
Service cost	25,563	53,504	51,820	38,094	33,124
Interest on the total pension liability	19,410	18,111	15,541	22,382	22,340
Changes in benefit terms	-	-	-	-	-
actual experience in the measurement of the total pension liability	(10,626)	(250,612)	-	(47,564)	-
Changes of assumptions	19,281	(122,486)	(43,704)	129,007	40,174
Benefit payments	(24,180)	(24,180)	(23,720)	(22,800)	(22,800)
Other charges	-	-	-	-	-
Ending balance of the total pension liability:	<u>\$ 520,803</u>	<u>\$ 491,355</u>	<u>\$ 817,018</u>	<u>\$ 817,081</u>	<u>\$ 697,962</u>

	2019	2018
Beginning balance	\$ 667,767	\$ 573,282
Service cost	36,691	24,438
Interest on the total pension liability	20,736	21,684
Changes in benefit terms	-	-
Difference between expected and actual experience in the measurement of the total pension	(28,860)	-
Changes of assumptions	(48,060)	71,418
Benefit payments	(23,150)	(23,055)
Other charges	-	-
Ending balance of the total pension liability:	<u>\$ 625,124</u>	<u>\$ 667,767</u>

Notes to the statements:

The City of Southport has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 73 to pay related benefits.

City of Southport, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Seven Fiscal Years

Total OPEB Liability	2024	2023	2022	2021
Service cost	\$ 143,309	\$ 206,926	\$ 202,551	\$ 132,536
Interest	169,489	124,976	127,506	158,028
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(1,417,340)	4,778	(124,411)	(4,157)
Changes of assumptions	11,207	(1,373,506)	179,488	1,054,545
Benefit payments	(136,241)	(175,548)	(155,884)	(156,763)
Other changes	-	-	-	-
Net change in total OPEB liability	(1,229,576)	(1,212,374)	229,250	1,184,189
Total OPEB liability - beginning	4,661,329	5,873,703	5,644,453	4,460,264
Total OPEB liability - ending	\$ 3,431,753	\$ 4,661,329	\$ 5,873,703	\$ 5,644,453
Covered payroll	\$ 4,032,093	\$ 2,850,283	\$ 2,850,283	\$ 2,228,360
Total OPEB liability as a percentage of covered payroll	85.11%	163.54%	206.07%	253.30%
	2020	2019	2018	
Service cost	\$ 192,535	\$ 97,192	\$ 109,016	
Interest	177,124	150,311	135,410	
Changes in benefit terms	-	431,879	-	
Differences between expected and actual experience in the measurement of the total pension liability	(370,197)	21,056	24,508	
Changes of assumptions	(15,169)	(209,436)	(381,868)	
Benefit payments	(153,229)	(166,608)	(160,683)	
Other changes	-	-	-	
Net change in total OPEB liability	(168,936)	324,394	(273,617)	
Total OPEB liability - beginning	4,629,200	4,304,806	4,578,423	
Total OPEB liability - ending	\$ 4,460,264	\$ 4,629,200	\$ 4,304,806	
Covered payroll	\$ 2,228,360	\$ 1,920,483	\$ 989,080	
Total OPEB liability as a percentage of covered payroll	200.16%	241.04%	435.23%	

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effect of changes in the discount rate of each period. The following are the discount rates used in each period:

	Rate
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%
2022	2.16%
2023	3.69%
2024	3.86%

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

This section contains additional information required by the
Local Government Commission in North Carolina

City of Southport, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes			
Current year	\$ 3,920,271	\$ 4,186,603	\$ 266,332
Prior years	30,000	30,793	793
Motor vehicles taxes	250,000	230,945	(19,055)
Penalties and interest	7,100	10,642	3,542
Total	<u>4,207,371</u>	<u>4,458,983</u>	<u>251,612</u>
Other taxes and licenses			
Dog taxes	1,000	1,707	707
Privilege licenses	150	1,530	1,380
Itinerant peddler permit	300	50	(250)
Civil penalties	180	155	(25)
Accommodation tax	210,000	206,286	(3,714)
Total	<u>211,630</u>	<u>209,728</u>	<u>(1,902)</u>
Unrestricted intergovernmental			
Local option sales tax	1,900,000	1,937,860	37,860
Beer and wine tax	18,900	21,931	3,031
ABC board profit distribution	650,000	570,000	(80,000)
Utility franchise tax	400,000	484,864	84,864
Total	<u>2,968,900</u>	<u>3,014,655</u>	<u>45,755</u>
Restricted intergovernmental			
Powell Bill allocation	145,000	159,812	14,812
Solid Waste disposal tax	3,500	488	(3,012)
FEMA assistance to firefighters	240,505	140,505	(100,000)
ABC revenue for law enforcement	26,542	22,100	(4,442)
FEMA reimbursement	220,000	421,396	201,396
Fire district fees	1,941,455	1,941,489	34
Other miscellaneous grants	431,720	254,220	(177,500)
Total	<u>3,008,722</u>	<u>2,940,010</u>	<u>(68,712)</u>
Permits and fees			
Building permits	900,000	652,132	(247,868)
Fire inspection fees	20,000	26,949	6,949
Reinspection fees	-	4,400	4,400
Golf cart fees	6,000	12,150	6,150
Planning and zoning fees	25,000	67,981	42,981
Total	<u>951,000</u>	<u>763,612</u>	<u>(187,388)</u>

City of Southport, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Sales and Services			
Cemetery lot sales	-	674	674
Refuse collection fees	330,000	305,206	(24,794)
Rescue squad fees	411,000	285,788	(125,212)
Community building rent	175,000	219,700	44,700
Payment in lieu - recreation facilities	11,000	8,095	(2,905)
Tourism - visitor center sales	6,500	1,850	(4,650)
Recreation fees	36,000	27,292	(8,708)
Total	969,500	848,605	(120,895)
Investment earnings	250,210	772,989	522,779
Miscellaneous			
Donations - firemen's fund	81,900	52,173	(29,727)
Fire department response fees	30,000	8,432	(21,568)
Homeowners recovery fund	1,000	1,530	530
Police - shop with a cop	16,622	11,938	(4,684)
Miscellaneous	88,941	75,706	(13,235)
Total	218,463	149,779	(68,684)
Total revenues	12,785,796	13,158,361	372,565
Expenditures:			
General government:			
Board expenses			
Salaries and benefits	30,336	35,072	(4,736)
Operating expenditures	170,516	154,481	16,035
Capital outlay	37,440	500	36,940
Total	238,292	190,053	48,239
Administration			
Salaries and benefits	214,530	207,335	7,195
Operating expenditures	466,927	390,927	76,000
Capital outlay	7,000	43,288	(36,288)
Total	688,457	641,550	46,907

City of Southport, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Finance			
Salaries and benefits	\$ 252,624	\$ 227,049	\$ 25,575
Operating expenditures	137,539	113,718	23,821
Capital outlay	8,000	9,116	(1,116)
Total	398,163	349,883	48,280
Buildings and grounds			
Salaries and benefits	982,335	775,911	206,424
Operating expenditures	466,420	367,418	99,002
Capital outlay	32,500	31,181	1,319
Total	1,481,255	1,174,510	306,745
Tourism			
Salaries and benefits	226,523	170,294	56,229
Operating expenditures	103,500	91,350	12,150
Total	330,023	261,644	68,379
Community building			
Salaries and benefits	132,559	68,848	63,711
Operating expenditures	28,000	32,200	(4,200)
Total	160,559	101,048	59,511
Human resources			
Salaries and benefits	40,421	38,805	1,616
Operating expenditures	45,000	31,256	13,744
Total	85,421	70,061	15,360
Dept 41			
Salaries and benefits	435,515	290,400	145,115
Operating expenditures	57,705	52,641	5,064
Capital outlay	20,000	9,277	10,723
Total	513,220	352,318	160,902
City garage			
Salaries and benefits	196,589	200,116	(3,527)
Operating expenditures	41,310	34,364	6,946
Capital outlay	12,000	11,979	21
Total	249,899	246,459	3,440
Total general government	4,145,289	3,387,526	581,501

City of Southport, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Public safety:			
Police			
Salaries and benefits	\$ 1,632,709	\$ 1,507,651	\$ 125,058
Operating expenditures	339,260	291,347	47,913
Capital outlay	381,887	415,754	(33,867)
Total	<u>2,353,856</u>	<u>2,214,752</u>	<u>139,104</u>
Fire and rescue department			
Salaries and benefits	1,481,026	1,449,097	31,929
Operating expenditures	409,244	538,926	(129,682)
Capital outlay	271,505	157,141	114,364
Total	<u>2,161,775</u>	<u>2,145,164</u>	<u>16,611</u>
Code enforcement			
Salaries and benefits	266,297	155,827	110,470
Operating expenditures	106,025	97,667	8,358
Capital outlay	13,000	8,747	4,253
Total	<u>385,322</u>	<u>262,241</u>	<u>123,081</u>
Animal code enforcement			
Salaries and benefits	98,116	93,115	5,001
Operating expenditures	30,250	17,159	13,091
Capital outlay	5,976	6,000	(24)
Total	<u>134,342</u>	<u>116,274</u>	<u>18,068</u>
Total public safety	<u>5,035,295</u>	<u>4,738,431</u>	<u>296,864</u>
Transportation:			
Street			
Salaries and benefits	282,848	338,390	(55,542)
Operating expenditures	218,505	147,440	71,065
Capital outlay	40,300	26,838	13,462
Total	<u>541,653</u>	<u>512,668</u>	<u>28,985</u>
Powell Bill			
Capital outlay	362,041	45,424	316,617
Total	<u>362,041</u>	<u>45,424</u>	<u>316,617</u>
Total transportation	<u>903,694</u>	<u>558,092</u>	<u>345,602</u>

City of Southport, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Environmental protection:			
Solid waste			
Contract services	\$ 330,000	\$ 351,625	\$ (21,625)
Total environmental protection	<u>330,000</u>	<u>351,625</u>	<u>(21,625)</u>
Cultural and recreational:			
Parks and recreation			
Salaries and benefits	477,302	420,762	56,540
Operating expenditures	196,100	180,906	15,194
Capital outlay	245,281	217,952	27,329
Total cultural and recreational	<u>918,683</u>	<u>819,620</u>	<u>99,063</u>
Rescue:			
Salaries and benefits	544,584	532,174	12,410
Operating expenditures	196,000	222,217	(26,217)
Capital outlay	46,000	58,716	(12,716)
Total rescue	<u>786,584</u>	<u>813,107</u>	<u>(26,523)</u>
Debt service:			
Principal retirement	476,367	452,768	23,599
Interest and other charges	-	-	-
Total debt service	<u>476,367</u>	<u>452,768</u>	<u>23,599</u>
Total expenditures	<u>12,595,912</u>	<u>11,121,169</u>	<u>1,298,481</u>
Revenues over (under) expenditures	<u>189,884</u>	<u>2,037,192</u>	<u>1,671,046</u>
Other financing sources (uses):			
Appropriated fund balance	266,681	-	(266,681)
Transfers from other funds	-	397,144	397,144
Fixed asset additions from Fund 31	-	(131,804)	(131,804)
Total other financing sources (uses)	<u>266,681</u>	<u>265,340</u>	<u>(1,341)</u>
Revenues and other financing sources over expenditures and other financing uses	<u><u>\$ 456,565</u></u>	<u>2,302,532</u>	<u><u>\$ 1,669,705</u></u>
Fund balance, beginning		<u>9,765,883</u>	
Fund balance, ending		<u><u>\$ 12,068,415</u></u>	

City of Southport, North Carolina
American Rescue Plan Act Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
American Rescue Plan	\$ 1,263,954	\$ -	\$ 1,263,954	\$ 1,263,954	\$ -
Total revenues	<u>1,263,954</u>	<u>-</u>	<u>1,263,954</u>	<u>1,263,954</u>	<u>-</u>
Expenditures:					
Contracted services	<u>1,263,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,263,954</u>
Total expenditures	<u>1,263,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,263,954</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,263,954</u>	<u>1,263,954</u>	<u>1,263,954</u>
Other financing sources (uses):					
Appropriated fund balance	-	-	-	-	-
Transfer (to) from other funds	<u>-</u>	<u>-</u>	<u>(1,263,954)</u>	<u>(1,263,954)</u>	<u>(1,263,954)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,263,954)</u>	<u>(1,263,954)</u>	<u>(1,263,954)</u>
Revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Southport, North Carolina
Water Stabilization Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Grant revenue	\$ 5,000,000	\$ 42,513	\$ 50,298	\$ 92,811	\$ (4,907,189)
Expenditures:					
Capital outlay	5,000,000	42,513	50,298	92,811	4,907,189
Total expenditures	5,000,000	42,513	50,298	92,811	4,907,189
Revenues over (under) expenditures	-	-	-	-	-
Other financing sources (uses):					
Appropriated fund balance	-	-	-	-	-
Transfer from General Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues over expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NON-MAJOR GOVERNMENTAL FUNDS

City of Southport, NC
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	Capital Project Fund	Taylor Field Part F Grant Phase 1	Total Non-Major Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 4,276,933	\$ (1,099)	\$ 4,275,834
Restricted cash	-	-	-
Taxes receivable (net)	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Prepaid expenses	-	-	-
Total assets	<u>\$ 4,276,933</u>	<u>\$ (1,099)</u>	<u>\$ 4,275,834</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 23,409	\$ -	\$ 23,409
Payroll withholdings	-	-	-
Due to other funds	-	28,960	28,960
Total liabilities	<u>23,409</u>	<u>28,960</u>	<u>52,369</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes Receivable	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted:			
Capital projects - cultural and recreational	4,253,524	-	4,253,524
Committed:			
General government	-	-	-
Economic development	-	-	-
Public safety	-	-	-
Industrial development	-	-	-
Unassigned	-	(30,059)	(30,059)
Total fund balances	<u>4,253,524</u>	<u>(30,059)</u>	<u>4,223,465</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,276,933</u>	<u>\$ (1,099)</u>	<u>\$ 4,275,834</u>

City of Southport, NC
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Capital Project Fund	Taylor Field Part F Grant Phase 1	Total Non-Major Governmental Funds
Revenues:			
Restricted intergovernmental	\$ -	\$ 421,194	\$ 421,194
Total revenues	-	421,194	421,194
Expenditures:			
Capital outlay	588,162	47,284	635,446
Total expenditures	588,162	47,284	635,446
Revenues over (under) expenditures	(588,162)	373,910	(214,252)
Other financing sources (uses):			
Appropriated fund balance	-	-	-
Transfer from other funds	-	194,420	194,420
Transfer from General Fund	4,259,014	-	4,259,014
Total other financing sources (uses)	4,259,014	194,420	4,453,434
Revenues over expenditures and other financing sources (uses)	\$ 3,670,852	\$ 568,330	\$ 4,239,182

City of Southport, North Carolina
Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Capital Outlay	1,200,000	617,328	588,162	1,205,490	(5,490)
Total expenditures	1,200,000	617,328	588,162	1,205,490	(5,490)
Revenues over (under) expenditures	(1,200,000)	(617,328)	(588,162)	(1,205,490)	(5,490)
Other financing sources (uses):					
Appropriated fund balance	-	-	-	-	-
Transfer from General Fund	1,200,000	1,200,000	4,259,014	5,459,014	4,259,014
Total other financing sources (uses)	1,200,000	1,200,000	4,259,014	5,459,014	4,259,014
Revenues over expenditures and other financing sources (uses)	\$ -	\$ 582,672	\$ 3,670,852	\$ 4,253,524	\$ 4,253,524

City of Southport, North Carolina
Capital Project Fund - Taylor Field Part F Grant Phase 1
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental:					
Part F Grant	\$ 421,224	\$ -	\$ 421,194	\$ 421,194	\$ (30)
Total revenues	<u>421,224</u>	<u>-</u>	<u>421,194</u>	<u>421,194</u>	<u>(30)</u>
Expenditures:					
Capital outlay	<u>615,644</u>	<u>598,389</u>	<u>47,284</u>	<u>645,673</u>	<u>(30,029)</u>
Total expenditures	<u>615,644</u>	<u>598,389</u>	<u>47,284</u>	<u>645,673</u>	<u>(30,029)</u>
Revenues over (under) expenditures	<u>(194,420)</u>	<u>(598,389)</u>	<u>373,910</u>	<u>(224,479)</u>	<u>(30,059)</u>
Other financing sources (uses):					
Appropriated fund balance	-	-	-	-	-
Transfer (to) from other funds	<u>194,420</u>	<u>-</u>	<u>194,420</u>	<u>194,420</u>	<u>-</u>
Total other financing sources (uses)	<u>194,420</u>	<u>-</u>	<u>194,420</u>	<u>194,420</u>	<u>-</u>
Revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ (598,389)</u>	<u>\$ 568,330</u>	<u>\$ (30,059)</u>	<u>\$ (30,059)</u>

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Electric Fund - This fund is used to account for the City's electric fund operations

Water and Sewer Fund - This fund is used to account for the City's water and sewer operations

City of Southport, North Carolina
Electric Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues			
Electricity sales	\$ 8,239,000	\$ 8,455,054	\$ 216,054
Service charges	29,576	24,011	(5,565)
Total charges for services	8,268,576	8,479,065	210,489
Other operating revenues			
Miscellaneous	-	5,078	5,078
Total operating revenues	-	5,078	5,078
Nonoperating revenues:			
Interest on investments	250,000	288,756	38,756
Total nonoperating revenues	250,000	288,756	38,756
Total revenues	8,518,576	8,772,899	254,323
Expenditures:			
Salaries	459,898	408,599	51,299
Employee overtime	8,174	2,022	6,152
Professional services	13,960	17,485	(3,525)
Social security	35,808	27,970	7,838
Group insurance	74,300	67,860	6,440
Retirement	54,572	43,078	11,494
401(k) retirement supplement	21,152	16,701	4,451
Workers compensation insurance	2,000	1,464	536
Uniforms and protective gear	1,800	817	983
Telephone and postage	4,000	4,025	(25)
Utilities	1,230	36,735	(35,505)
Travel and training	10,000	8,180	1,820
Vehicle maintenance	1,300	19	1,281
Gas, oil and tires	650	381	269
Departmental supplies	22,000	8,739	13,261
Utility sales tax	576,000	507,429	68,571
Power purchased	5,899,956	4,726,250	1,173,706
Billing contract	216,703	255,346	(38,643)
Contract services	78,800	92,902	(14,102)
Operations and maintenance contract	586,100	587,019	(919)
Install load management switches	35,000	14,358	20,642
Insurance and bonding	11,700	7,753	3,947
Depreciation	9,839	-	9,839
Total expenditures	8,124,942	6,835,132	1,289,810

City of Southport, North Carolina
Electric Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Supplemental budget expenditures:			
Capital outlay	4,766,243	973,026	3,793,217
Total supplemental budget expenditures	<u>4,766,243</u>	<u>973,026</u>	<u>3,793,217</u>
Total expenditures	<u>12,891,185</u>	<u>7,808,158</u>	<u>5,083,027</u>
Excess of revenues over (under) expenditures	<u>(4,372,609)</u>	<u>964,741</u>	<u>5,337,350</u>
Other financing sources (uses):			
Appropriated fund balance	3,362,609	-	(3,362,609)
Total other financing sources (uses)	<u>3,362,609</u>	<u>-</u>	<u>(3,362,609)</u>
Revenues over expenditures and other financing sources (uses)	<u>\$ (1,010,000)</u>	<u>964,741</u>	<u>\$ 1,974,741</u>

Reconciliation from budgetary basis (modified accrual to full accrual:

Revenues and other sources over expenditures and other uses	964,741
Reconciliation of modified accrual basis to full accrual basis:	
Depreciation	(444,589)
Amortization	(6,647)
Capital outlay	873,531
Increase (decrease) in deferred outflows of resources - pensions	25,742
Increase (decrease) in deferred outflows of resources - OPEB	(14,520)
(Increase) decrease in deferred inflows of resources - pension	45
(Increase) decrease in deferred inflows of resources - OPEB	(49,552)
(Increase) decrease in net pension liability	(46,596)
(Increase) decrease in net OPEB liability	88,785
(Increase) decrease in compensated absences	-
Total reconciling items	<u>426,199</u>
Change in Net Position	<u>\$ 1,390,940</u>

City of Southport, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Water sales	\$ 2,700,000	\$ 1,883,367	\$ (816,633)
Sewer sales	4,000,000	2,897,591	(1,102,409)
Water and sewer tap fees	175,000	93,065	(81,935)
Service charges	50,000	53,743	3,743
Total charges for services	6,925,000	4,927,766	(1,997,234)
Other operating revenues			
Miscellaneous	26,000	73,960	47,960
Total operating revenues	6,951,000	5,001,726	(1,949,274)
Non-operating revenues:			
Availability fees	800,000	806,298	6,298
Interest on investments	250,000	521,933	271,933
Total	1,050,000	1,328,231	278,231
Total revenues	8,001,000	6,329,957	(1,671,043)
Expenditures:			
Salaries	976,661	845,996	130,665
Employee overtime	13,240	16,404	(3,164)
Professional fees	16,800	13,200	3,600
Social security	75,727	60,449	15,278
Group insurance	137,855	141,520	(3,665)
Retirement	65,385	843,200	(777,815)
401(k) retirement supplement	42,735	31,887	10,848
Unemployment expense	13,054	9,728	3,326
Uniforms and protective gear	15,500	9,005	6,495
Telephone and postage	13,200	16,748	(3,548)
Utilities	54,000	48,253	5,747
Travel and training	14,000	4,260	9,740
Equipment repair	19,500	20,952	
Vehicle repair	22,050	13,692	8,358
Sewer system repairs	690,000	123,074	566,926
Gas, oil and tires	30,000	28,051	1,949
Water and sewer supplies	251,000	115,087	135,913
Annual permits and fees	4,500	4,250	250
Water purchases	1,590,000	1,292,885	297,115
Contract services	1,259,655	2,589,677	(1,330,022)
Neighbors for neighbors	13,650	14,380	(730)
Depreciation	400,000	626,964	(226,964)
Insurance and bonding	65,000	45,016	19,984
Total expenditures	5,783,512	6,914,678	(1,129,714)

City of Southport, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Supplemental budget expenditures:			
Capital outlay	\$ 700,500	\$ 406,311	\$ 294,189
Long-term debt payment	766,000	103,401	662,599
Interest expense	-	30,607	(30,607)
Contingency	750,988	-	750,988
Total supplemental expenditures	<u>2,217,488</u>	<u>540,319</u>	<u>1,677,169</u>
Total expenditures	<u>8,001,000</u>	<u>7,454,997</u>	<u>547,455</u>
Revenues over (under) expenditures	<u>-</u>	<u>(1,125,040)</u>	<u>(1,123,588)</u>
Other financing sources (uses):			
Fund balance appropriated	-	-	-
Transfer of operations	-	(21,435,025)	(21,435,025)
Transfer (to) other funds	-	(3,681,804)	(3,681,804)
Total other financing sources (uses)	<u>-</u>	<u>(25,116,829)</u>	<u>(25,116,829)</u>
Revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>(26,241,869)</u>	<u>\$ (26,240,417)</u>

Reconciliation from budgetary basis (modified accrual) to full accrual:

Revenues and other sources over expenditures and other uses	(26,241,869)
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Reconciliation of modified accrual basis to full accrual basis:

Principal repayment on long-term debt	103,401
Capital outlay	224,200
(Increase) decrease in deferred inflows of resources - OPEB	(110,228)
(Increase) decrease in deferred inflows of resources - pensions	(38)
(Increase) decrease in compensated absences	15,322
(Increase) decrease in interest payable	-
Increase (decrease) in deferred outflows of resources - OPEB	(24,171)
Increase (decrease) in deferred outflows of resources - pensions	65,446
(Increase) decrease in net pension liability	(112,193)
(Increase) decrease in net OPEB liability	141,831
Transfers from Water and Sewer fund capital projects	95,180
Other	-
Total reconciling items	<u>398,750</u>
Change in Net Position	<u>\$ (25,843,119)</u>

City of Southport, North Carolina
NCDEQ Pump Station Rehabilitation Project
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Grant revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Total charges for services	-	-	-	-	-
Expenditures:					
Contract services	-	74,390	-	74,390	(74,390)
Capital outlay	-	-	-	-	-
Total expenditures	-	74,390	-	74,390	(74,390)
Revenues over (under) expenditures	-	(74,390)	-	(74,390)	(74,390)
Other financing sources (uses):					
Transfer from Water Sewer Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues over expenditures and other financing sources (uses)	\$ -	\$ (74,390)	\$ -	\$ (74,390)	\$ (74,390)

City of Southport, North Carolina
System Development Capital Reserve
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Expenditures:					
Capital outlay	\$ 743,794	\$ -	\$ -	\$ -	\$ 743,794
Total expenditures	<u>743,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>743,794</u>
Revenues over (under) expenditures	<u>(743,794)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>743,794</u>
Other financing sources (uses):					
Transfer from Water Sewer Fund	743,794	-	-	-	(743,794)
Total other financing sources (uses)	<u>743,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(743,794)</u>
Revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Southport, North Carolina
Howe St. Sewer Repair Project
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Expenditures:					
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenditures	-	-	-	-	-
Revenues over (under) expenditures	-	-	-	-	-
Other financing sources (uses):					
Transfer from Water Sewer Fund	-	-	95,180	95,180	95,180
Total other financing sources (uses)	-	-	95,180	95,180	95,180
Revenues over expenditures and other financing sources (uses)	\$ -	\$ -	\$ 95,180	\$ 95,180	\$ 95,180

City of Southport, North Carolina
Stormwater Mapping Project
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Expenditures:					
Capital outlay	\$ -	\$ -	\$ 224,200	\$ 224,200	\$ (224,200)
Total expenditures	-	-	224,200	224,200	(224,200)
Revenues over (under) expenditures	-	-	(224,200)	(224,200)	(224,200)
Other financing sources (uses):					
Transfer from Water Sewer Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues over expenditures and other financing sources (uses)	\$ -	\$ -	\$ (224,200)	\$ (224,200)	\$ (224,200)

OTHER SCHEDULES

This section contains additional information required
on property taxes.

Schedule of Ad Valorem Taxes Receivable
Analysis of Current Tax Levy - City-Wide

City of Southport, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
For the Year Ended June 30, 2024

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2023</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2024</u>
2024	\$ -	\$ 703	\$ -	\$ 703
2023	5,618	4,446,528	4,426,822	25,324
2022	21,781	-	13,609	8,172
2021	5,892	-	3,455	2,437
2020	2,794	-	1,309	1,485
2019	2,442	-	190	2,252
2018	1,024	-	9	1,015
2017	3,009	-	20	2,989
2016	1,549	-	67	1,482
2015	1,116	-	19	1,097
2014	1,639	-	31	1,608
2013	1,735	-	24	1,711
2012	1,669	-	1,669	-
	<u>\$ 50,268</u>	<u>\$ 4,447,231</u>	<u>\$ 4,447,224</u>	<u>\$ 50,275</u>
Less allowance for uncollectible ad valorem taxes receivable:				\$ -
Ad valorem taxes receivable, net				<u>\$ 50,275</u>
Reconciliation with Revenues:				
Ad valorem taxes:				
General Fund				\$ 4,458,983
Interest collected				10,642
Releases and adjustments				(22,401)
Total adjustments				<u>(11,759)</u>
				<u>\$ 4,447,224</u>

City of Southport, North Carolina
Analysis of Current Tax Levy
City - Wide Levy
For the Year Ended June 30, 2024

	City-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current real and personal property	\$ 1,124,158,241	0.3956	\$ 4,447,170	\$ 4,222,055	\$ 225,115
Discoveries	5,714,863	0.3956	22,608	22,608	-
Total Property Valuation	<u>\$ 1,129,873,104</u>				
Net levy			4,469,778	4,244,663	225,115
Uncollected taxes at June 30, 2024			<u>26,830</u>	<u>26,028</u>	<u>802</u>
Current year's taxes collected			<u>\$ 4,442,948</u>	<u>\$ 4,218,635</u>	<u>\$ 224,313</u>
Current levy collection percentage			<u>99.40%</u>	<u>99.39%</u>	<u>99.64%</u>

CITY OF SOUTHPORT, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance to GAAP:
Unmodified

Internal control over financial reporting:

Material weaknesses identified?	<u> x </u>	yes	<u> </u>	no
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Significant deficiency(s) identified that are not considered to be material weaknesses?	<u> </u>	yes	<u> x </u>	none reported
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Noncompliance material to financial statements noted	<u> </u>	yes	<u> x </u>	no
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Federal Awards

Identification of major Federal programs:

There are no major Federal awards.

State Awards

Identification of major State programs:

There are no major State awards.

CITY OF SOUTHPORT, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2024-001

Budget Violation

MATERIAL WEAKNESS

Criteria: G.S. 159-28(a) states that no obligation may be incurred in a function accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.

Condition: The City expended \$427,199 more for electric fund operating for operations than appropriated in the budget. Finally, the City expended \$47,4109 more water and sewer supplies in the water & sewer fund than appropriated in the budget.

Effect: Moneys were spent that had not been obligated and appropriated.

Cause: The City did not amend the budget throughout the year to account for additional expenditures incurred.

Recommendation: Before an obligation is to incur that will exceed the amount that was previously approved in the budget ordinance, an amendment to the budget should be adopted.

Name of Contact Person: Lance Flint, Finance Officer

CITY OF SOUTHPORT, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2024-002

Financial Reporting and Closing Process

MATERIAL WEAKNESS

Criteria: The City is required to maintain a sound financial management system and internal controls regarding the financial close and reporting process.

Condition: As a result of audit procedures, material adjustments were proposed in order for the financial statements to be materially corrected.

Effect: The unadjusted financial statements were materially incorrect and also caused the audit to be completed and submitted late.

Cause: The City did not have a system in place to properly close the books.

Recommendation: Internal controls and the financial close process be updated to ensure all accounts properly stated at year-end.

Name of Contact Person: Lance Flint, Finance Officer

CITY OF SOUTHPORT, NORTH CAROLINA
Summary Schedule of Prior Year Audit Finding
For the Year Ended June 30, 2024

FINDING 2023-001: Not corrected (see finding 2024-001)

FINDING 2023-002: Not corrected (see finding 2024-002)



BOARD OF ALDERMEN

AGENDA ITEM SUMMARY

DATE: 02/13/2025

DEPARTMENT: Development Services

PRESENTED BY: Maureen Meehan, Planning Services Director

ITEM SPONSORED BY: Development Services Department

ITEM/TOPIC: Hold a Public Hearing for a Unified Development Ordinance Amendment to Section 3.3 Overlay Districts and Zoning Map Amendment Overlay District

COST: N/A

BUDGET LINE ITEM: N/A

JUSTIFICATION: A special Planning Board meeting was held on Tuesday, February 4, 2025, to consider the zoning text and map amendments to Section 3.3 of the Unified Development Ordinance. Staff presented language established by the review committee in consultation with the subject property owners. The Planning Board voted unanimously to recommend approving the zoning text and map amendments to the Board of Aldermen. A duly advertised public hearing must be held prior to the Board of Aldermen deciding on the proposed amendment.

IMPACT IF NOT APPROVED: This is a legislative decision defined by the NC General Statutes. The Board is not obligated to approve the amendment. A statement of consistency and reasonableness must be adopted in conjunction with a motion to approve or deny the proposal.

DEPARTMENT HEAD COMMENTS: A zoning overlay will create conforming commercial parking areas meeting common development standards in the yacht basin area. The attached proposed Unified Development Ordinance Amendment has been reviewed by staff for consistency with the land use plan and other adopted plans. Staff find the proposal to appear consistent with the land use plan.

ATTACHMENTS: Staff Report including Proposed Language and Map Overlay, Consistency Statements

REQUESTED ACTION: Hold a public hearing for an amendment to the Unified Development Ordinance and Zoning Map as presented in this report.

PROPOSED MOTION: 1) Motion to open public hearing for UDO Amendment to Section 3.3 Overlay Districts and corresponding zoning map amendment.

2) Motion to approve the Land Use Consistency Statement and Statement of Reasonableness; and the Zoning Text Amendment and Map Amendment as presented. OR 3) A Motion to deny the Land Use Consistency Statements and Zoning Text and Map Amendment.



MEMORANDUM

To: Mayor Rich Alt and Members of the Board of Aldermen
From: Maureen Meehan, Planning Services Director
Re: Yacht Basin Overlay – Zoning Text and Map Amendment
Date: February 13, 2025

Background and Request

Events and the summer tourist season bring exponential numbers of vehicles to the yacht basin area of the city. In the last several years, initiatives have been launched to establish a parking overlay in this district, to formalize the parking that takes place on vacant residential zoned lots in the area. Until now, the recommendations of the initiatives have not been implemented.

Given the existing parking conditions and the increased need for parking, it was requested that staff introduce a Yacht Basin Parking Overlay District text and map amendment to the Planning Board for review and recommendation.

Amendment Process

Zoning Text Amendment and Zoning Map Amendment proposals are considered legislative processes. As laid out by North Carolina General Statutes, a legislative process is a policy-level decision with broad discretion by the decision-making authority, in Southport's case the Board of Aldermen. In a decision to approve or deny a legislative proposal, the Board of Aldermen shall include a statement referencing the decisions consistency with the adopted land use plan for the City of Southport. Zoning map amendments also require a statement of reasonableness explaining why the Board considers the amendment to be reasonable and in the public interest. Per the City of Southport Unified Development Ordinance, the Planning and Zoning Board shall also provide a recommendation on any proposed Zoning Text or Map Amendments to the Board of Aldermen. The Board of Aldermen shall hold a public hearing prior to voting on any Zoning Text Amendment.

Section 2.10 of the UDO outlines the procedure that allows any party to apply for a text change to the UDO or zoning district change for the city's zoning map. The Planning Board shall provide an advisory recommendation within 90 days after the introduction of such petition at a regularly scheduled meeting and shall transmit its recommendation and report, including the reasons for its determinations, to the Board of Aldermen.

Planning Board Review

The overlay district language was introduced to the Planning Board at their December 19, 2024, meeting and the item was continued until a full planning board could consider the proposal. New members replacing the former ETJ seats and a vacancy were sworn in at the January 16, 2025, meeting.

After the staff report, a review committee, including Vice-Chair Kevin Locklin, John Bove, and Fred Fiss, was formed during the January 16, 2025, regular Planning Board meeting. The committee met with the property owners of the subject parcels on January 27, 2025. Discussions of future use, materials for parking lot surfaces, wayfinding, and maintenance led to the proposed parking standards. The establishment of an overlay does not require a property owner to provide parking or restrict the uses allowed in the underlying zoning district.

A special Planning Board meeting was held on Tuesday, February 4, 2025, to consider the zoning text and map amendments. Staff presented language that was established by the review committee in consultation with the subject property owners. The Planning Board voted unanimously to recommend approval of the zoning text and map amendments.

Proposed UDO Text Amendment Language and Zoning Map Overlay Properties

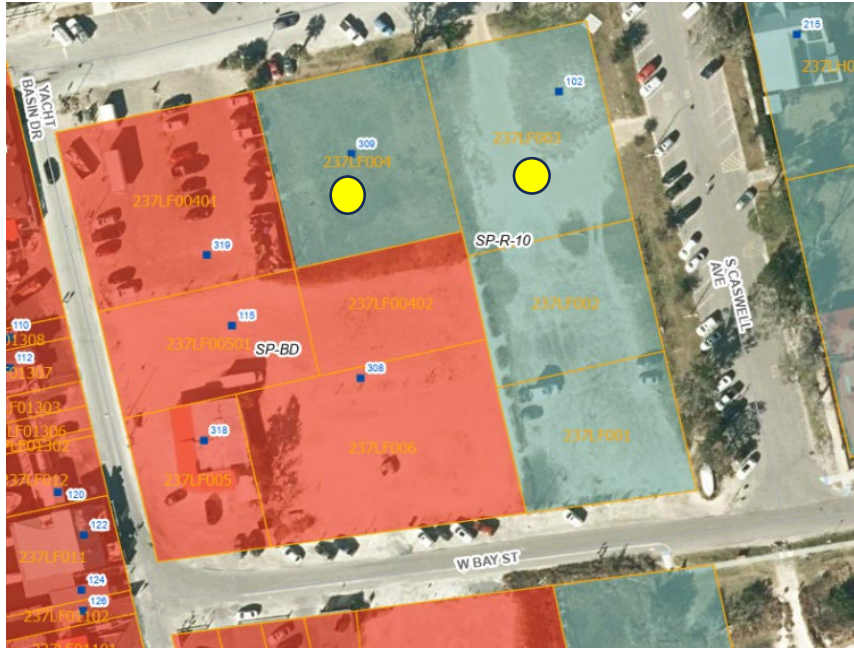
3.3 OVERLAY DISTRICTS

A. ESTABLISHMENT OF OVERLAY DISTRICTS

For the purpose of this ordinance, the City of Southport is subject to the following overlay zoning districts:

- A. YBO: Yacht Basin Overlay District. The following uses are allowed in the areas shown on the Official Zoning Map of the City of Southport as the Yacht Basin Overlay District.
 1. Commercial Parking Lots are allowed, and the following standards shall apply:
 - a. Surfacing. Materials are limited to pervious pavers and number 57 driveway slate gravel. The perimeters of the parking lot will be delineated with wooden borders. Concrete or asphalt parking lot surfacing is prohibited in the overlay district.
 - b. Borders. 8"x8" wooden beams are to be used for horizontal lot boundaries. 4"x4" wooden posts are to be used for vertical boundaries.
 - c. Driveway Entrances. All driveway entrances to City rights-of-way or streets shall include an apron. Aprons are to be sized to contain surface aggregate and to consist of cast-in-place concrete, or with an alternative paving material (e.g. concrete pavers, brick, "turfstone" or similar pervious material) determined to exhibit equivalent wear resistance and load-bearing characteristics to concrete.
 - d. Maintenance. Off-street parking areas shall be properly inspected and maintained on a regular basis using industry standard best practices.

(intentionally left blank)



The Zoning Map Overlay will include two (2) properties located at 102 S Caswell Avenue also described as Parcel ID 237LF003 and 309 W Moore Street also described as Parcel ID 237LF004. Residentially zoned properties adjacent to the district can be added in the future with an amendment to the official zoning map. The subject properties are highlighted below.

Planning Board Recommendation

The Planning Board recommends **APPROVAL** of the zoning text amendment to Section 3.3 Overlay Districts to add the Yacht Basin Overlay District. The proposal is found to be consistent with the 2014 CAMA Core Land Use Plan, as well as remaining consistent with the Unified Development Ordinance.



**City of Southport Board of Aldermen
Statement of Plan Consistency
(As per NC General Statute 160D-605)**

When conducting a review of proposed zoning text or map amendments pursuant to this section, the Board of Aldermen shall approve a statement describing whether the proposed action is consistent or inconsistent with any comprehensive plan that has been adopted and any other officially adopted plan that is applicable.

AMENDMENT: ZTA 24-06 – Yacht Basin Overlay Zoning Text Amendment and Zoning Map Overlay Amendment

STATEMENT OF CONSISTENCY AND RECOMMENDATION:

The City of Southport Board of Aldermen hereby **ADOPT** the proposed Zoning Text Amendment and Zoning Map Amendment and find that it is consistent with the City's 2014 CAMA Core Land Use Plan originally adopted Nov. 13, 2014 and subsequently amended. More specifically, the proposed amendment is consistent with Policy 7.8: Southport recognizes that tourism is important and will support activities that promote tourism. Further, the proposed text amendment is reasonable due to the size, physical conditions, and other attributes of the area.

The statement and motion was seconded and passed _____.

Noah Saldo, City Clerk

Richard Alt, Mayor



**City of Southport Board of Aldermen
Statement of Plan Consistency
(As per NC General Statute 160D-605)**

When conducting a review of proposed zoning text or map amendments pursuant to this section, the Board of Aldermen shall approve a statement describing whether the proposed action is consistent or inconsistent with any comprehensive plan that has been adopted and any other officially adopted plan that is applicable

**AMENDMENT: ZMA 24-06 – Yacht Basin Overlay Zoning Text Amendment
and Zoning Map Overlay Amendment**

STATEMENT OF CONSISTENCY AND RECOMMENDATION:

The City of Southport Board of Aldermen hereby **DENY** the proposed Zoning Map Amendment and finds that it is inconsistent with the City's 2014 CAMA Core Land Use Plan originally adopted Nov. 13, 2014 and subsequently amended and not reasonable due to the size, physical conditions, and other attributes of the area.

The statement and motion was seconded and passed _____.

Noah Saldo, City Clerk

Richard Alt, Mayor



BOARD OF ALDERMEN

AGENDA ITEM SUMMARY

DATE: 02/13/2025

DEPARTMENT: Development Services

PRESENTED BY: Maureen Meehan, Planning Services Director
Jake Petrosky and Andrea Radford, Stewart Consulting

ITEM SPONSORED BY: Development Services

ITEM/TOPIC: Plan Southport 2050 Comprehensive Plan Update and Presentation

COST: N/A

BUDGET LINE ITEM: N/A

JUSTIFICATION: The Southport 2050 Comprehensive Plan (meeting CAMA planning requirements) is an update of the Southport 2014 CAMA Land Use Plan and is ready for submittal to the Division of Coastal Management for state review.

Since the comprehensive plan presentation at your January 9 meeting, comments have been received from city department heads and the Board. Jake Petrosky and Andrea Radford will present the most recent updates to the plan and review priority actions—what steps need to be taken to achieve the city's Vision and Goals.

IMPACT IF NOT APPROVED: The comprehensive plan is stalled and not sent for state review.

DEPARTMENT HEAD COMMENTS: The Coastal Area Management Act (CAMA) requires the 20 coastal counties and municipalities to prepare a land use plan/comprehensive plan meeting their specific management topics: public access, land use compatibility, infrastructure carrying capacity, natural hazard areas, and water quality. In addition to the management topics, each local government may include other topics or elements of interest in their plan. The draft comprehensive plan is ready to be sent to DCM for review. The Division of Coastal Management reviews local plans to ensure they meet the planning requirements adopted by the Coastal Resources Commission (CRC) before the local adoption of the plan.

This review does not end the local review of the plan. The plan is available online for public input and comment.

ATTACHMENTS: Staff report, Comprehensive Plan, Presentation Slides

REQUESTED ACTION: Send the comprehensive plan to DCM for technical review.

PROPOSED MOTION: Motion to send the Southport 2050 Comprehensive Plan to the NC Division of Coastal Management to review the plan for consistency with the CRC's land use plan requirements.



MEMORANDUM

To: Mayor Rich Alt and Members of the Board of Aldermen

From: Maureen Meehan, Planning Services Director

Re: Southport 2050 Comprehensive Plan Update and Presentation by Stewart Consultants

Date: February 13, 2025

Jake Petrosky and Andrea Radford will present the most recent updates to the comprehensive plan and review priority actions—what steps need to be taken to achieve the city's Vision and Goals.

Planning legislation found the Coastal Area Management Act requires that local governments have a locally adopted and Coastal Resources Commission certified land use plan. The Southport 2050 Comprehensive Plan incorporates the elements outlined in the state's coastal planning requirements found in 15A NCAC 07B. In addition to existing conditions and future needs analysis, the plan's goals and recommendations must address the Division of Coastal Management's planning management topics of public access, land use compatibility, infrastructure carrying capacity, natural hazard areas, and water quality.

Southport 2050 Comprehensive Plan is ready for submission for State review. DCM staff will review the plan to ensure consistency with the Coastal Resources Subchapter 7B State Guidelines for Land Use Planning requirements and comment on areas needing refinement.

Local reviews of the plan will continue. A copy of the plan is available on the city's website for public review. Anyone can submit comments directly to the Planning Department or online using the Comprehensive Plan Input Form on the city's webpage found at the link below.

<https://cityofsouthport.com/development-services/#comprehensive-plan>

The following schedule outlines the remaining review timelines and estimated dates assuming the worst-case scenario of a 75-day DCM review:

Public Review- ongoing

Division of Coastal Management Staff Review- 17 (could take up to 75 days)

Edits from DCM Staff Review

State Agency Review (30-day review period) – May

Planning Board Recommendation to Board of Aldermen – June

Board of Aldermen Public Hearing and Adoption – July

CRC Certification by DCM (30-day public comment period)



PLAN 50THPORT

City of Southport 2050 Comprehensive CAMA Plan

Draft: February 03, 2025 | Adopted Date | Certified Date





A BIG THANK YOU

to the many dedicated participants of this planning process. Your time, knowledge, and input were crucial to the development of this Plan.

Steering Committee

Larry Ashley
Scott Len
Jim McKee
Kate Seigler
Roberta Doshier
Sue Hodgkin
Chris Jones
Karen Williams
John McCloskey

Board of Aldermen

Rich Alt, Mayor
Rebecca Kelley, Mayor Pro-Tem
Robert Carroll, Ward 1
Karen Mosteller, Ward 1
Marc Spencer, Ward 1
Lowe Davis, Ward 2
Frank Lai, Ward 2

Planning & Zoning Board

Sue Hodgkin, Chair
Will Hewett, Vice Chair
Fred Fiss
Richard Sloan
Roy Pender
Kevin Locklin

Staff Liaisons

Maureen "Mo" Meehan, Planning Services Director
Stuart Turille, Jr., City Manager
Wendell Biddle, Senior Planner
Penny Tysinger, Permit Technician/Historic Planner
Heather Hempill, Parks & Recreation Director
Tom Zilinek, City Engineer
Dorie Dutton, Former Assistant City Manager

Community Members

Thank you to the hundreds of Southport community members for taking your time to participate in naming the plan, photo contest, community survey, walking tours, and public meetings. Your input played an important role in the development of this Plan.

Steering Committee

Thank you for your commitment to regularly attending Steering Committee meetings throughout the planning process. Your input and guidance throughout the process was crucial to the development and refinement of this Plan.

Plan facilitated by:



STEWART

With assistance from:



Plan adopted by the City:

<Date>

Plan certified by NC Coastal Resources Commission:

<Date>



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Interpretation of Recommendations

Chapter 4 includes recommendations and implementation actions. In which, the following words may be used to consider, continue, courage, enhance, identify implement, maintain, prevent, promote, protect, support, and work. If a word is not defined below it shall be interpreted as its ordinary and common meaning. The intent of these words is defined as follows:

- Consider: Think carefully about or evaluate at the board or staff level. This may require evaluating changes to ordinances, standards or policies.
- Continue: Follow past and present policy and procedure to maintain the desired goal.
- Encourage: Foster the desired goal through new or improved City policies.
- Enhance: Improve on a current goal through City policy.
- Identify: Take inventory of and confirm a resource or desired item(s) through City staff.
- Implement: Take actions to accomplish the Plan recommendations.
- Maintain: Keep the existing conditions of the desired state of affairs through the use of City policies, actions, and finances, if needed.
- Prevent: Stop the identified event/practice through the use of appropriate policy, action, and finances.
- Promote: Advance the desired goal through City policy, action, and/or finances.
- Protect: Guard the current conditions or desired conditions through City policy, action, and/or finances.
- Support: Supply the necessary staff support, policy, and finances.
- Work: Cooperate and act in a manner through City staff, policy, and actions to reach the desired goal.

Acronyms

The following list contains the key to all acronyms used throughout this Plan.

- AADT: Annual Average Daily Traffic
- AEC: Areas of Environmental Concern
- CAMA: Coastal Area Management Act
- CTP: Comprehensive Transportation Plan
- CRC: Coastal Resources Commission
- EPA: Environmental Protection Agency
- FEMA: Federal Emergency Management Agency
- FLUM: Future Land Use Map
- HPC: Historic Preservation Commission
- ICC: Infrastructure Carrying Capacity
- I/I: Inflow and Infiltration
- LID: Low-Impact Development
- LUC: Land Use Compatibility
- MFC: North Carolina Marine Fisheries Commission
- MGD: Million Gallons per Day
- MOTSU: Military Ocean Terminal Sunny Point
- NCDOT/DOT: North Carolina Department of Transportation
- NHA: Natural Hazard Areas
- NOAA: National Oceanic and Atmospheric Administration
- PA: Public Access
- SNHA: Significant Natural Heritage Areas
- SLOSH: Sea, Lake, and Overland Surges from Hurricanes
- WRC: North Carolina Wildlife Resources Commission
- WQ: Water Quality



EXECUTIVE SUMMARY

In late 2023, the City of Southport began updating its 2014 CAMA Core Land Use Plan (amended in 2020). The surrounding areas and the City have received significant growth pressure recently. This, in combination with infrastructure changes and emerging environmental and resiliency issues, made it time to update the plan and take a comprehensive approach to planning with extensive input from the community in order to shape the long-term future of Southport.

Plan 50outhport 2050 includes goals and recommendations that address local issues as well as topics required to fulfill the requirements of the Coastal Area Management Act (CAMA). Topics covered include land use, transportation, historic preservation, economic development, downtown, infrastructure and services, natural resources, housing, public access, and resiliency.

VISION

The City of Southport is a historic coastal village focused on the preservation of its natural environment and protection of the character of its built environment. The City strives for excellence in government, an engaged and connected community, and managed growth that contributes to a safe and tranquil quality of life. Southport's citizens enjoy a walkable city, scenic waterfront, community parks and shaded streets that allow the enjoyment of the salubrious breezes from the Cape Fear River and the sea. Southport desires to sustain existing businesses and create new opportunities nurturing the needs of its current and future residents of all ages.

PLAN GOALS



Ensure development is compatible with Southport's unique characteristics, including its historic areas, heritage trees, and walkable environment while minimizing impacts.



Preserve, protect, and continue to celebrate the City's historic resources and character.



Increase Southport's resiliency to natural hazards.



Ensure safe and reliable multi-modal transportation options, including walking, biking, and other forms of transportation, while limiting impacts from new development and prioritizing the needs of residents and visitors.



Maintain, protect, and where possible, enhance water quality in all coastal wetlands, rivers, streams, and estuaries.



Maximize public access and vistas to the coastal waters of the region, parks, and other recreational opportunities.



Prioritize adaptation measures to allow residents and visitors the ability to continue enjoying the Yacht Basin.



Embrace and leverage Southport's unique small commercial areas and historic downtown as an economic development opportunity.



Ensure public infrastructure systems and services are appropriately scaled, located, and managed to accommodate sustainable growth while protecting natural assets.



FUTURE LAND USE

The Future Land Use Map (FLUM) and character areas represent the community’s vision for the future of Southport and is one of the factors used to guide rezoning, land use, infrastructure and development decisions. The Future Land Use Map is descriptive, not prescriptive. It identifies predominant land use types and character of future development for different parts inside and outside of Southport’s planning jurisdiction. Recommendations embedded in the Future Land Use Map should guide coordination and partnerships and will also be utilized in areas outside of the City limits when there is a request for annexation.

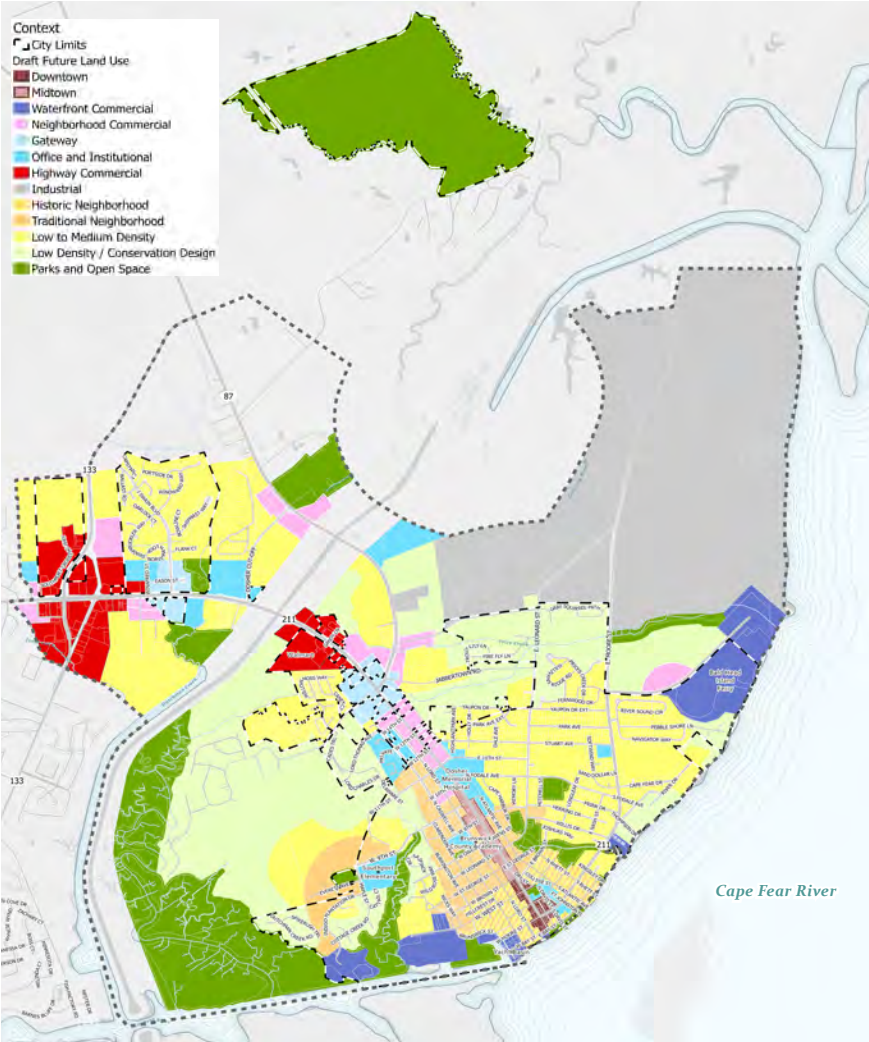
FLUM Highlights

- ◆ **Protects environmentally sensitive areas.**
- ◆ **Honors existing historic form and promotes walkable neighborhoods.**
- ◆ **Encourages investments and improvements in design near key gateways.**
- ◆ **Promotes appropriately scaled nonresidential uses, respecting existing building footprints and height.**
- ◆ **Supports the continuation of waterfront commercial uses.**
- ◆ **Encourages conservation design or low density in appropriate areas.**

Character Areas

- | | |
|---------------------------------|--------------------------|
| Parks and Open Space | Office and Institutional |
| Low Density/Conservation Design | Neighborhood Commercial |
| Low to Medium Density | Midtown |
| Traditional Neighborhood | Downtown |
| Historic Neighborhood | Waterfront Commercial |
| Gateway | Highway Commercial |
| | Industrial |

FUTURE LAND USE





MAJOR RECOMMENDATIONS

Land Use & Housing



- ◆ Review and modernize the Unified Development Ordinance.
- ◆ Coordinate with Brunswick County and other entities to manage growth near Southport.
- ◆ Require the incorporation of open space in new developments.

Land Use & Housing



- ◆ Encourage a development pattern that honors Southport's character and respects the natural environment.
- ◆ Limit building size and height in different areas based on character and context.
- ◆ Support a variety of quality housing that meets local needs at appropriate scales.

Historic Preservation



- ◆ Support local preservations and recognition of the City's history and culture.
- ◆ Communicate the story of Southport through art, community activities, education, and signage to reinforce community identity and sense of place.

Historic Preservation



- ◆ Support the preservation of historic structures, sites, and monuments for their economic benefits.

Resiliency



- ◆ Minimize life, health, and public safety threats prior to extreme weather events.
- ◆ Reduce vulnerability by utilizing the Future Land Use Map and other resources to focus growth and development away from flood prone areas.

Resiliency



- ◆ Utilize Low Impact Development (LID) and green infrastructure to reduce non-point source pollution.
- ◆ Support the protection of Southport's wetlands.
- ◆ Continue to improve the resiliency of historic properties.

Yacht Basin



- ◆ Enhance pedestrian facilities and consider improvements to stormwater, drainage, and parking in the Yacht Basin.
- ◆ Designate the area as an Urban Waterfront to allow businesses to rebuild in the event of a natural disaster.
- ◆ Maintain the Open Space Zoning District within marsh areas and consider adjustments based on newly available data.

Public Access



- ◆ Support public and private initiatives that increase public access to coastal waters and parks for all of Southport's residents and visitors.
- ◆ Implement key recommendations from the Parks and Recreation Master Plan.
- ◆ Enhance recreational opportunities to serve the residents in and near Southport.



Water Quality



- ◆ Coordinate with the North Carolina Department of Environmental Quality, Division of Coastal Management, and the Coastal Resources Commission to protect coastal wetlands, estuarine waters, estuarine shorelines, and public trust waters in Southport.
- ◆ Enforce and expand stormwater management regulations.

Water Quality



- ◆ Encourage the preservation of stream and wetland buffers in new development.
- ◆ Establish built-upon area (impervious surface) limits for many zoning districts.
- ◆ Require permitted water-related developments to comply with state and federal regulations.

Economic Development



- ◆ Recognize and support the tourism industry.
- ◆ Support existing small businesses and encourage new businesses.
- ◆ Continue to support a vibrant, historic Downtown.
- ◆ Pursue a balanced economy and retain and attract young people and families.

Economic Development



- ◆ Study priority areas for the undergrounding of electrical lines for visual benefits and to improve resiliency by speeding up recovery after storms.

Infrastructure & Services



- ◆ Support sustainable growth through the provision of adequate water and wastewater treatment capacity within the City of Southport.
- ◆ Maintain and enhance key public services.
- ◆ Ensure the capacity of emergency services as population and visitation increases.

Infrastructure & Services



- ◆ Enforce and improve stormwater regulations to assist with flood control, encourage groundwater recharge, and reduce pollutants.

Transportation



- ◆ Support walking and biking in the community.
- ◆ Maintain City roads by regularly updating the pavement condition study and administering the repaving program.
- ◆ Improve walkability along North Howe Street.
- ◆ Improve the East Coast Greenway throughout Southport's city limits.

Transportation



- ◆ Manage traffic and access along NC 211 and NC 87.
- ◆ Manage and improve parking Downtown and in the Yacht Basin.



ABOUT THE PLAN

What's a Comprehensive Plan?

A comprehensive plan is a long-range road map for the future of a community.

It examines and makes recommendations on a variety of planning activities such as land use, utilities, infrastructure, housing, community facilities, historic preservation, recreation, economic development, and more. It provides information about current conditions, trends, and issues and identifies actions needed to address such issues. A comprehensive plan is not a regulatory document on its own. Rather, it establishes goals and priorities that guide future growth and development. It also:

- ◆ Documents a community conversation: "Where are we now? Where would we like to be?"
- ◆ Provides a basis for decision-making, problem-solving, and policy development by government officials.
- ◆ Establishes priorities for government projects, staff, and services.

The State of North Carolina requires every town or city that has zoning to maintain a current Comprehensive Plan and update their plan regularly.

What's a CAMA Plan?

The Coastal Resource Commission uses this plan in making CAMA permit decisions and federal consistency determinations.

The Coastal Area Management Act (or CAMA) was established in the 1970s to protect and preserve North Carolina's coastal lands, shoreline, and waters through collaboration between local governments and the State of North Carolina. To achieve this, the state created the Division of Coastal Management (DCM), the state office dedicated to working with coastal communities like the City of Southport and Brunswick County, and the Coastal Resources Commission (CRC), the advisory committee that establishes the policies, adopts the rules for coastal development, certifies local land use plans, and designates areas of environmental concern.

In order to be certified, a CAMA Plan must satisfy all of the requirements determined by the CRC. This includes following the

CAMA planning process, which has a specific set of topics that must be addressed to meet the requirements including:

- ◆ Public Access
- ◆ Land Use Compatibility
- ◆ Infrastructure Carrying Capacity
- ◆ Natural Hazard Areas
- ◆ Water Quality

Each CAMA required management topic includes a Management Goal and a Planning Objective, which are specified in the North Carolina Administrative Code governing land use in each of the 20 coastal counties, followed by recommendations for future action.

Plan Topics

This plan includes nine planning topic areas.

This Coastal Area Management Act (CAMA)-Certified Comprehensive Land Use Plan also functions as a comprehensive plan (per NCGS 160D). Many requirements and components overlap, and the distinction can be made by reviewing 15A NCAC 07B.0702 and NCGS 160D-501. This plan updates and replaces the 2014 CAMA Core Land Use Plan.

This plan includes the required planning topics to meet the requirements of the Coastal Area Management Act and includes additional topics to address City priorities. The following topics are included in the Plan:

- ◆ Land Use Compatibility and Character
- ◆ Housing
- ◆ Public Access
- ◆ Historic Preservation
- ◆ Resiliency
- ◆ Yacht Basin
- ◆ Water Quality
- ◆ Downtown and Economic Development
- ◆ Transportation
- ◆ Infrastructure Carrying Capacity



Plan Organization

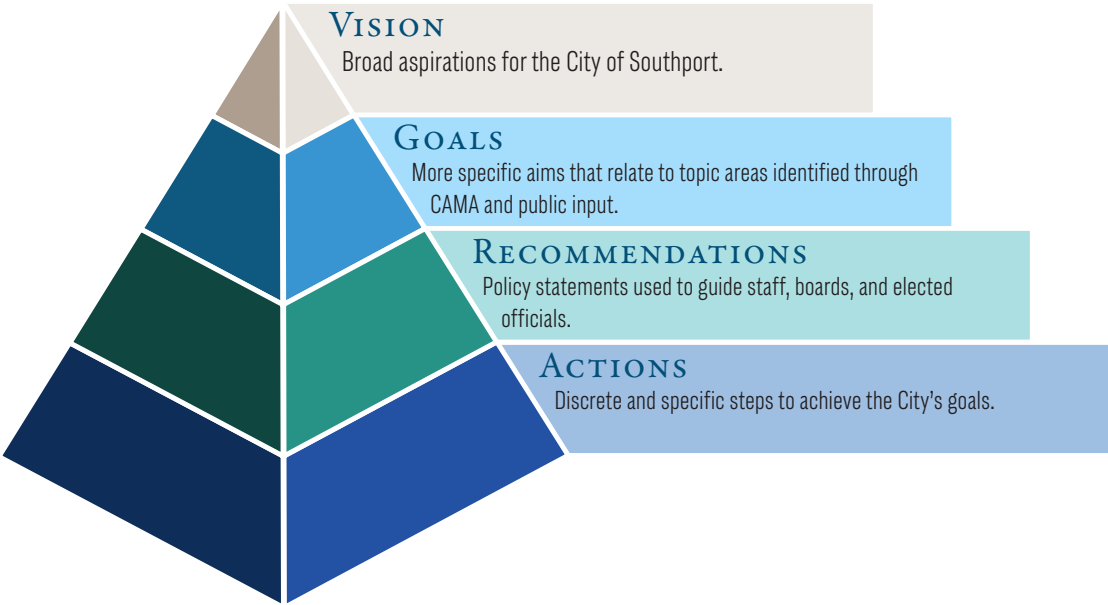
PLAN 50UTHPORT 2050 is organized into 6 chapters, beginning with Community Concerns and Aspirations. The next two chapters outline who we are planning the future for and past planning efforts. Chapter 4 outlines policy recommendations that are intended to assist the community in achieving its vision.

A brief explanation of each chapter is as follows:

- ◆ **Chapter 1. Community Concerns and Aspirations**- This chapter provides an outline of what was heard through community engagement phases of the project. At the end of Chapter 1 is the Plan's Vision and Goals. The Community Vision is what the community strives for over the next 25 years. The Goals are ideals which the City and its partners should work towards to achieve the Community Vision. Goals are organized by planning topic areas and include CAMA related topics and local concerns.
- ◆ **Chapter 2. Socioeconomic Snapshot** -This chapter provides an outline of the City's current demographics and economy to gain a better understanding of who we are today. Statistics on population trends and projections are also included in this chapter.
- ◆ **Chapter 3. Past Planning Efforts** - This chapter provides an overview of local and some State planning efforts to gain a better understanding of past issues, priorities and accomplishments that will provide a base for building the future of Southport.
- ◆ **Chapter 4. Planning for the Future** - This chapter includes policy recommendations and actions to support the City's vision and goals. The chapter is organized by planning topic areas, including land use and housing, public access, resiliency, water quality, infrastructure carrying capacity, historic preservation, transportation, economic development, and downtown.
- ◆ **Chapter 5. Implementing PLAN 50UTHPORT 2050** - This chapter provides direction for implementation of this Plan.
- ◆ **Chapter 6. Existing Conditions and Natural Hazards** - This chapter provides an overview of the existing conditions in and surrounding the City of Southport.

USING THE PLAN

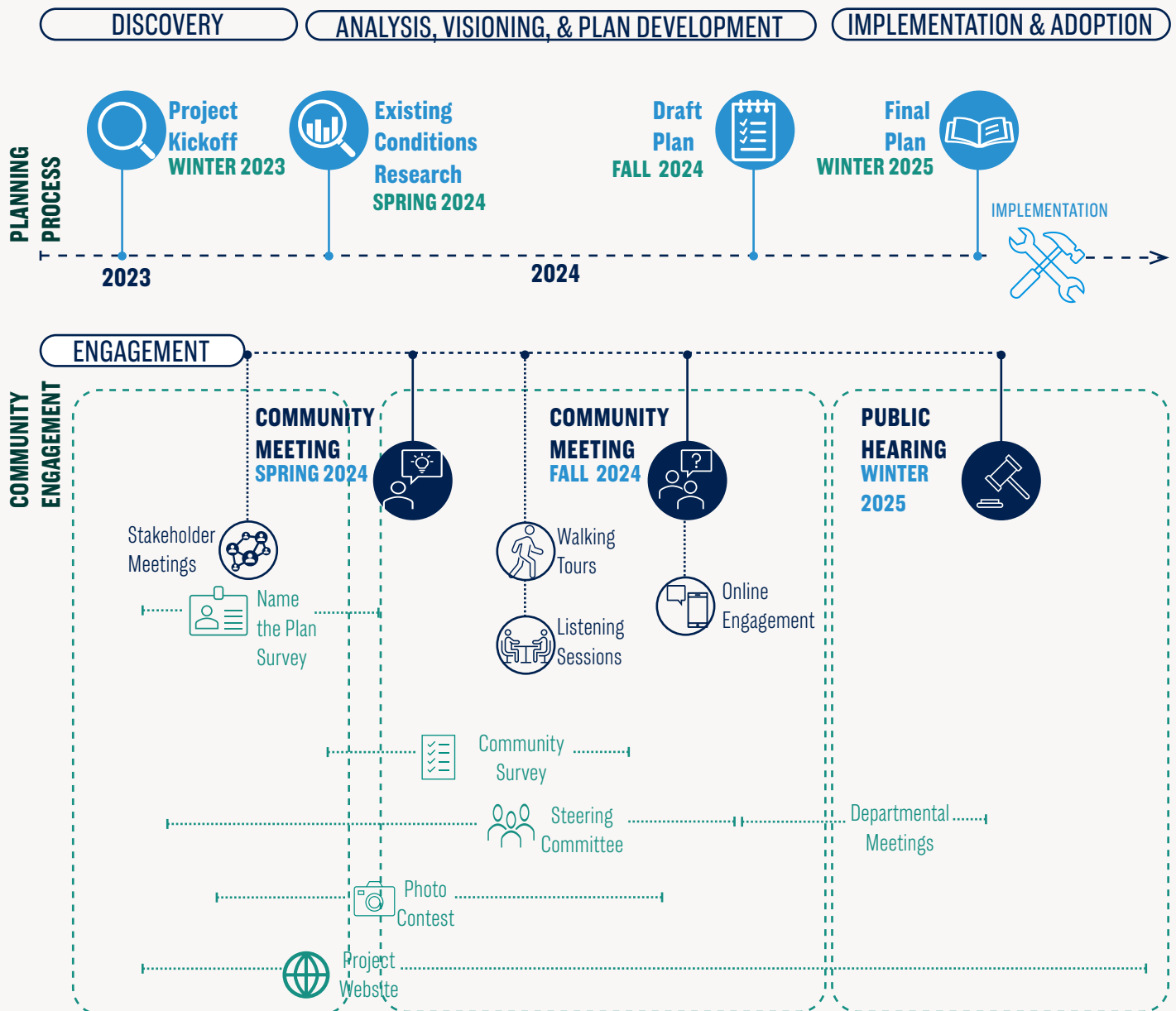
PLAN 50UTHPORT 2050 should be used in its entirety, including text and maps, to guide decisions about physical development, public infrastructure and environmental protection. Chapter 5 Implementing PLAN 50UTHPORT 2050 , outlines necessary procedures for both using and amending the Plan.





PROJECT TIMELINE

The planning project took place over the course of a year. The discovery phase included initiation meetings, data collection and spending time in the community and talking to citizens and stakeholders who live and do business in Southport. Analysis and public engagement marked the beginning of the second phase of the process. The consultants and City staff met with community members at public meetings, walking tours, and a listening session to gather additional input on the direction for the future of Southport. After draft goals and recommendations were developed in Phase Three, the consultants continued to work with members of the community to ensure the plan provided clear directions through policy recommendations and actions to achieve the community vision by 2050.





STUDY AREA

Southport is a coastal village located in southeastern North Carolina where the Cape Fear River meets the Atlantic Ocean in Brunswick County. Southport is accessed by North Carolina Routes 211 and 87/133. The City of Southport is anchored by its historic downtown that sits at the southern end of Howe Street just a block from the Cape Fear River. Streets intersect Howe Street at a perpendicular angle, beginning with Bay Street which parallels the river. Public spaces including Waterfront Park and the Garrison Lawn provide views of the river. The Yacht Basin anchors the west end of Bay Street and acts as the City's waterfront commercial district and includes many restaurants overlooking the water. Downtown is surrounded by historic neighborhoods with short blocks and narrow streets shaded by live oaks.

East Moore Street connects Downtown to the Bald Head Island Ferry and the Fort Fisher Ferry on the northeast side of the City. Price Creek and its associated wetlands and maritime forest are a major natural feature here. East Leonard Street and Jabbertown Road connect single family homes to Howe Street and NC 87, respectively. Archers Daniels Midland, additional industrial development, and the Brunswick Nuclear Plant site are located just beyond the City limits, to the north of Price's Creek.

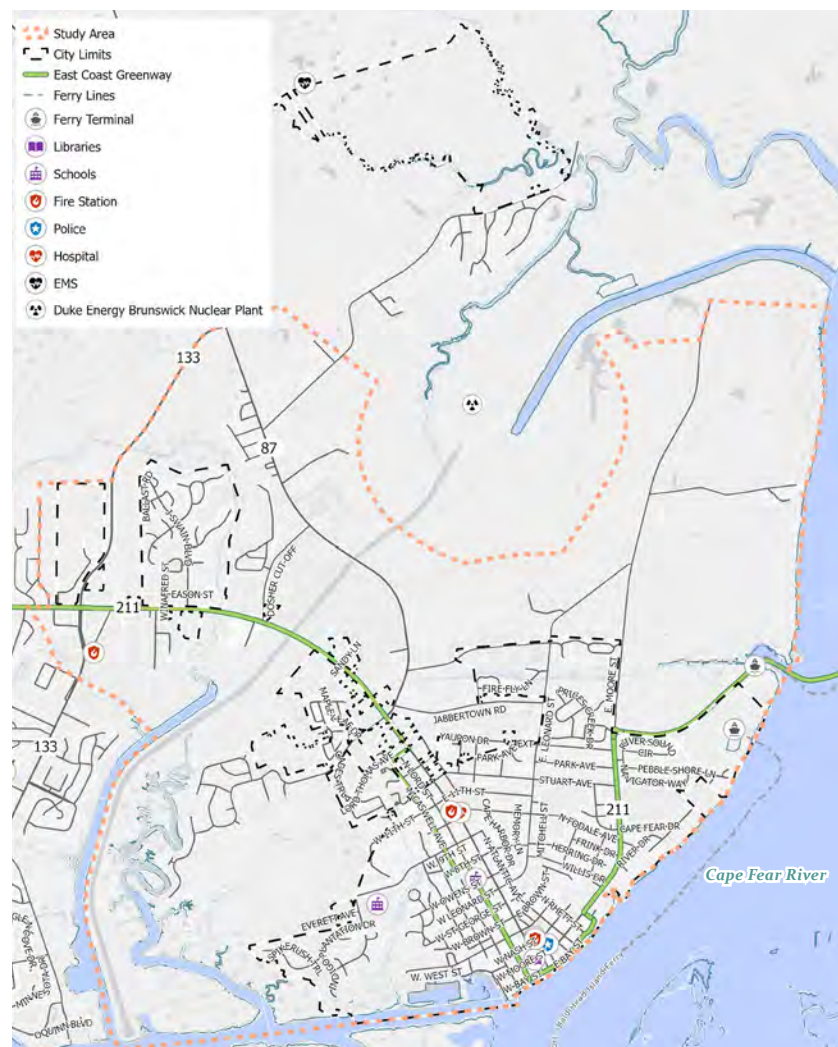
Two marinas face the Intracoastal Waterway on the west side of the City separated by Cottage Creek. Indigo Plantation Phase I and vacant land where future phases are planned lie north and west of Cottage Creek in an area bounded by Dutchman Creek and the Smithville Woods neighborhood.

North Howe Street (NC 211) changes character a number of times north of Downtown. Commercial areas flank NC 211 which is currently being widened to a four-lane facility northwest of NC 87. New residential developments in this area include Cades Cove, Southport Way, and Rivermist.

The Study Area includes the City limits, the former extraterritorial jurisdiction (ETJ) and other areas nearby. The City limits occupy approximately 3.96 square miles. The former ETJ occupied approximately 3.07 square miles. The Study Area as a whole is comprised of approximately 10.59 square miles.

During the planning process, House Bill 1064 was passed, which removed Southport's ETJ authority. However, the study area includes areas that may impact Southport's environment, infrastructure, history and character. Coordination with Brunswick County and private development regarding development design and potential voluntary annexation will be essential in these areas.

STUDY AREA





BRIEF HISTORY

1600's - 1700's

Brunswick County was inhabited by Waccamaw and Tuscarora tribes prior to European arrival. Spanish and English explorers were the first Europeans to visit the Southport area. Other early visitors to the area included pirates. Local lore claims that Stede Bonnet, the Gentleman Pirate, frequented the area. Bonnet was eventually captured right outside Southport, near the mouth of the Cape Fear River.



1745

Fort Johnston was established at the mouth of the Cape Fear River to protect the area from attacks. The town naturally grew around the Fort's borders. Southport's oldest cemetery, Old Smithville Burying Ground, was established sometime during this period as well. Historians believe this cemetery is the oldest in Brunswick County and have stated that some graves date back to the 1700's. The cemetery is the final resting place for Confederate soldiers, ship captains, and other important historic figures. According to local legend, Governor Benjamin Smith, whom the town was originally named for, is buried in this cemetery.

1775

Fort Johnston was raided and burned by patriots in defiance of the British.

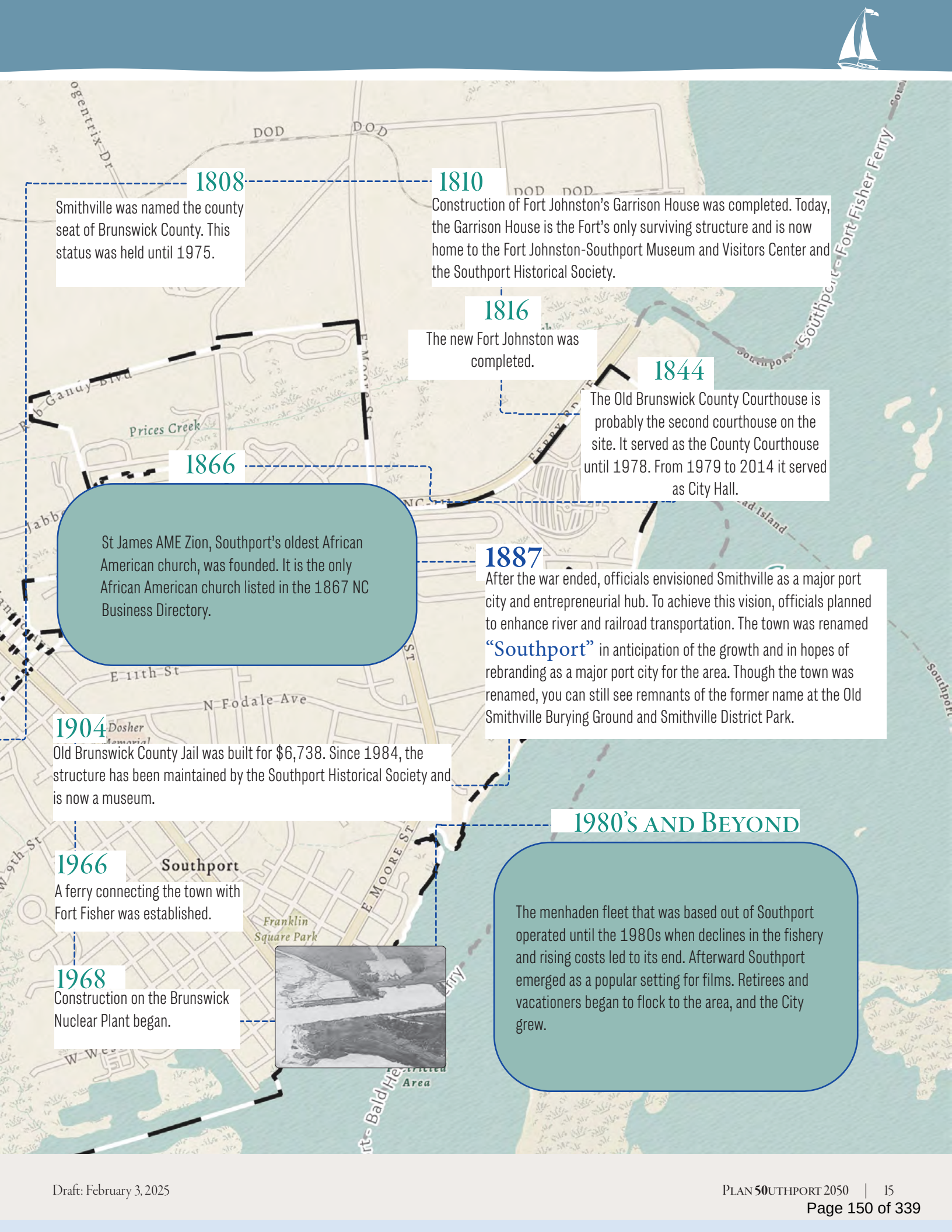
1792

The Town of Smithville was incorporated around the site of the Fort. The town was named for Governor Benjamin Smith who served as colonel in the Revolutionary War. The town grew as a fishing village and military hub.



1795

While Fort Johnston was being rebuilt, residents used the site as a meeting place for their first documented Fourth of July celebration. The town has annually celebrated the Fourth of July ever since.



Smithville was named the county seat of Brunswick County. This status was held until 1975.

Construction of Fort Johnston's Garrison House was completed. Today, the Garrison House is the Fort's only surviving structure and is now home to the Fort Johnston-Southport Museum and Visitors Center and the Southport Historical Society.

The new Fort Johnston was completed.

The Old Brunswick County Courthouse is probably the second courthouse on the site. It served as the County Courthouse until 1978. From 1979 to 2014 it served as City Hall.

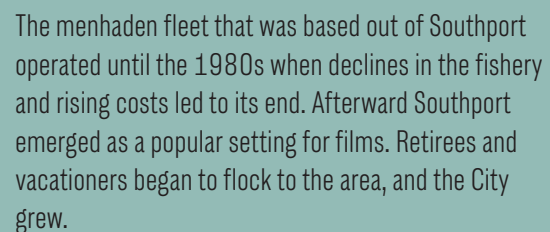
St James AME Zion, Southport's oldest African American church, was founded. It is the only African American church listed in the 1867 NC Business Directory.

After the war ended, officials envisioned Smithville as a major port city and entrepreneurial hub. To achieve this vision, officials planned to enhance river and railroad transportation. The town was renamed “**Southport**” in anticipation of the growth and in hopes of rebranding as a major port city for the area. Though the town was renamed, you can still see remnants of the former name at the Old Smithville Burying Ground and Smithville District Park.

Old Brunswick County Jail was built for \$6,738. Since 1984, the structure has been maintained by the Southport Historical Society and is now a museum.

A ferry connecting the town with Fort Fisher was established.

Construction on the Brunswick Nuclear Plant began.



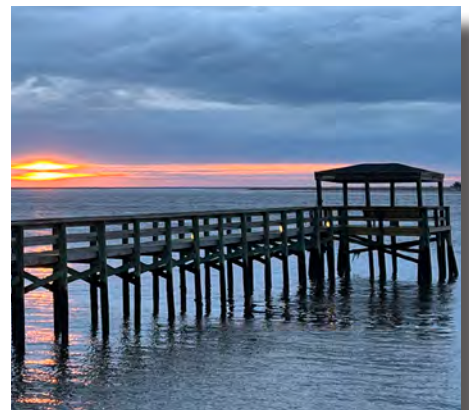
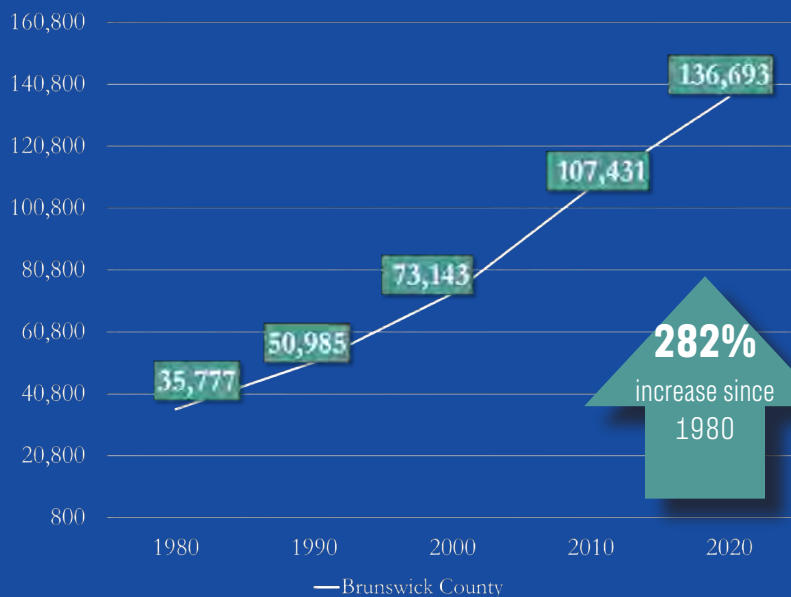


REGIONAL SETTING

The **City of Southport** is located in Brunswick County at the southernmost coastal region of North Carolina, where the Cape Fear River meets the Atlantic Ocean. Brunswick County was the fastest growing county in the state between 2020 and 2023 with a growth of 23,745 people (NC OSBM). The entire US 17 corridor including Brunswick County, New Hanover County, and Pender County in North Carolina and Horry County, Georgetown County, and Charleston County in South Carolina has seen dramatic influx in residential and commercial development over the past twenty years. This development which has been largely driven by tourism, second homes and retirees has created significant economic opportunities. However, it has also caused concerns about environmental impacts, infrastructure carrying capacity and loss of local character and history.

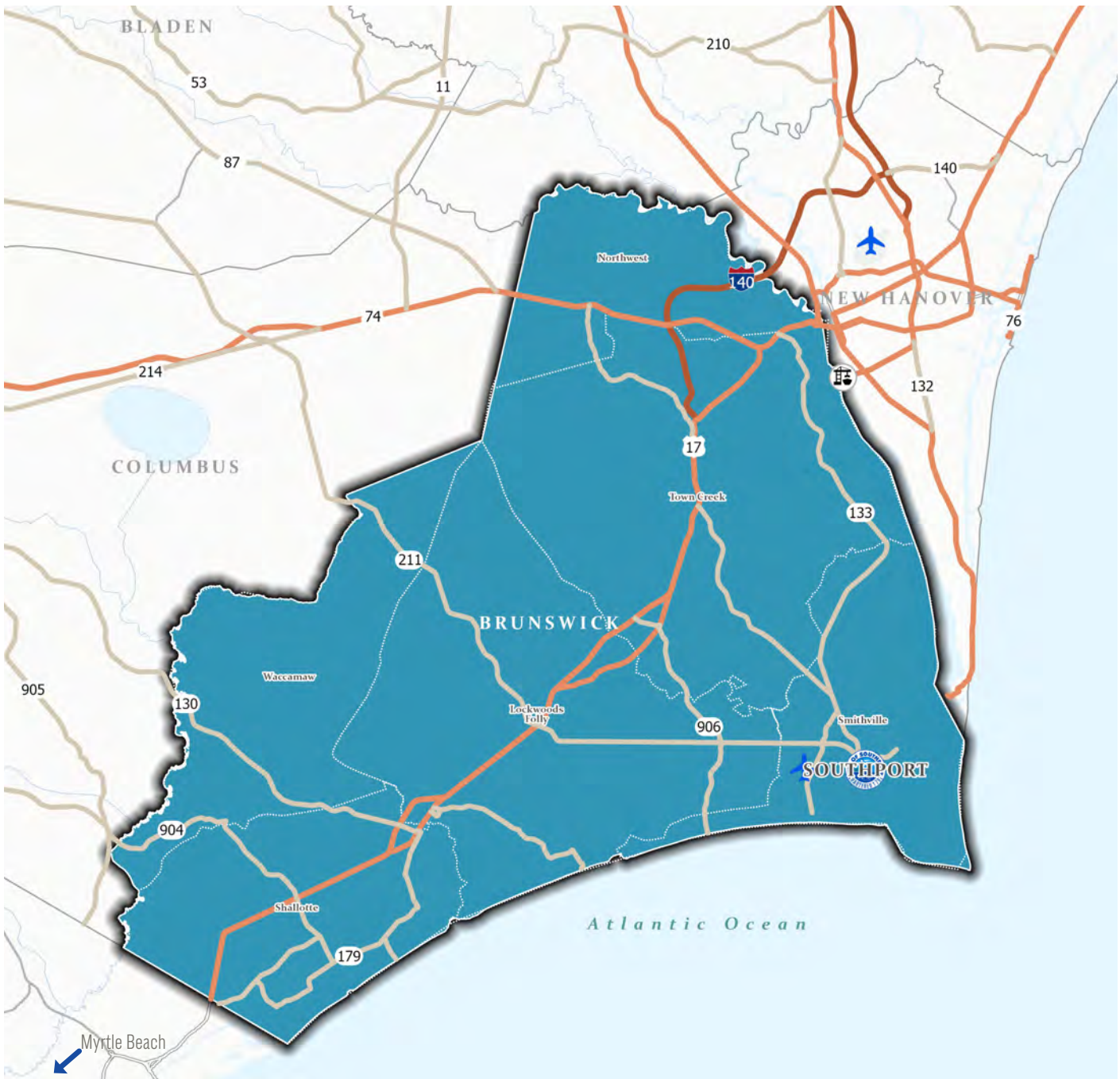
Southport is a blue-collar fishing village that has evolved into a destination due to its stunning scenery, history and maritime heritage. Much of Southport's economic activity relies on its seasonal visitors. Southport also provides a magnificent backdrop for filming, with its live oak trees, the Cape Fear River, the Yacht Basin, historic Fort Johnston, and historic homes. It is one of Hollywood's favorite filming locations, with over 50 films since 1984 being filmed in Southport. These include Weekend at Bernie's, Safe Haven, I Know What You Did Last Summer, Dawson's Creek, A Walk to Remember, Nights in Rodanthe, and in 2024 Monster Summer, and Greedy People. The City offers a self-guided tour map on its Community Relations web page.

BRUNSWICK COUNTY POPULATION GROWTH





REGIONAL SETTING



Southport can be accessed by North Carolina Routes 211 and 87/133. These routes provide easy access to US 17, US 74/76, US 421, and Interstates 140 and 40. Southport is located approximately 40 minutes from downtown Wilmington by vehicle or 35 minutes by ferry. The Port of Wilmington is located approximately 18 miles north up the Cape Fear River. Southport is a short ferry ride away from Bald Head Island and a short car ride away from Oak Island and Caswell Beach. Approximately 50 miles south of Southport is the Myrtle Beach resort area. The Cape Fear Regional Jetport is approximately 5 miles away, Wilmington International Airport (ILM) is approximately 30 miles away, and Myrtle Beach International Airport (MYR) is 67 miles away.



1

COMMUNITY CONCERNS AND ASPIRATIONS





COMMUNITY ENGAGEMENT

Engaging the community is an essential part of planning for the future of a community. Through community engagement, residents are able to share their ideas, concerns, and provide feedback. Throughout this process there were three types of community engagement; informative participation, preparatory planning participation, and decision-making participation.

Who's Been Involved

- ◆ Steering Committee-reviewed the plan regularly and provided direction over the lifespan of the project.
- ◆ City Staff
- ◆ Planning Board
- ◆ Board of Aldermen
- ◆ Members of the public- participated in plan surveys, photo contest, walking tour, public meetings, plan review, and input through various methods.
- ◆ Brunswick County

STEERING COMMITTEE

The Steering Committee consisted of nine members including members from advisory boards and at large members. The committee met six times throughout the planning process to provide valuable input on key components of the plan including engagement efforts, vision and goals, priorities, and recommendations.

STAKEHOLDER MEETINGS

During the early stages of the comprehensive planning process, the City of Southport hosted six stakeholder meetings over the course of two days, March 15th and 16th. These meetings were held at the Community Building. These sessions were free flowing conversations that allowed those who know Southport well to discuss with the project team current conditions, future projects, and community priorities. The first group consisted of City staff, representatives from Doshier Hospital, Piedmont Gas, Brunswick County, and Focus Broadband. The second group consisted of local downtown and business owners, including representatives from Throw Baxe Axe House, Lantana's, Ocean Outfitters, River Run Dry Cleaners, Moore Street Oyster Bar, and the Amuzu Theater. The third group included representatives from local real estate offices and developers. The

Informative Participation
includes up-to-date information on the city's website to regularly communicate updates in this planning process to Southport residents.

Preparatory Planning Participation
includes hearing from the community in a variety of ways about their opinions on the future of Southport.

Decision-Making Participation
includes the Board of Aldermen making the final decision on the adoption and implementation of this plan.



First Steering Committee Meeting at Moore Street Market



Stakeholder Meeting at the Community Building

fourth group included representatives from local churches, schools, neighborhoods, and Southport Historical Society. The fifth group included representatives from the Forestry Committee, Friends of Franklin Square Park, Caswell Community Garden, and City staff. The sixth group included local business owners in the Yacht Basin. Additional stakeholder interviews were held, including a discussion with the Historic Preservation Commission at one of their regularly scheduled meetings and a virtual discussion with Brunswick County staff.



Session	What We Heard
Group 1: Transportation, Public Works, Infrastructure, Utilities, Etc.	◆ Doshier Hospital has an approved five-year plan for an additional building for multiple services on site and it is currently under development. ◆ Southport is currently negotiating with Brunswick County to merge water and sewer services. ◆ Many roads are maintained by the North Carolina Department of Transportation (NCDOT). ◆ NCDOT has funded sidewalks and improved crosswalks along Howe Street. ◆ The City does spot repairs of roadways but does not have a comprehensive paving program in place and has not completed any major repaving projects in the past twenty years. ◆ Piedmont Gas has plans to expand and supply gas to East Bay Street and commercial areas on Howe Street and in the marina area. ◆ There have been early discussions regarding enhanced service including seasonal park and ride shuttles from the Brunswick Transit System which currently provides demand responsive transit.
Group 2: Downtown and Businesses	◆ There are parking issues during large events in downtown. ◆ Marketing focus needs to be beyond downtown and include Midtown and the businesses along N. Howe Street. ◆ Crosswalks, sidewalks, pedestrian lighting, traffic lights, etc. are needed to support growth and improve conditions for pedestrians . ◆ Unmarked parking spaces along Bay Street at Waterfront Park need to be painted. ◆ There is a need for freight zones to balance the needs of businesses and safety of pedestrians. ◆ There is currently an unofficial social district, but creating a social district with arts could bring in more customers. ◆ Landscaping standards along N. Howe Street need to be improved. ◆ Golf cart parking is needed.
Group 3: Development and Real Estate	◆ More recreational opportunities are needed for seniors and children. ◆ Southport needs affordable and workforce housing. Businesses are unable to find employees because employees cannot afford to live close to work. ◆ Planned Unit Developments should provide more flexibility to include multi-family and clustering of houses. ◆ Southport's tax base needs to be increased.
Group 4: Historic Preservation and Neighborhoods	◆ Brunswick County Courthouse is an important building to the history of Southport. ◆ Enrollment has dropped for Southport Elementary School. ◆ Affordable housing is needed and the City needs to increase its tax base.
Group 5: Parks and Natural Resources	◆ Cottage Creek is showing high levels of bacteria. ◆ Franklin Square Park has the potential to be a peaceful, beautiful, people-oriented park. ◆ Caswell Community Garden is 10 years old and has 44 garden beds. The garden space is leased from the Community College and costs \$40 per year. ◆ A kayak launch is currently in progress.
Group 6: Yacht Basin	◆ Bay Street needs to have paved parking. ◆ Dredging is needed in the Yacht Basin. ◆ There is a lack of pedestrian lighting in the Yacht Basin and many other areas in the City. ◆ The history of the Yacht Basin should be told more broadly. ◆ Having more small businesses and retail could add charm but parking would be an issue.



PUBLIC MEETINGS AND BOARD OF ALDERMAN INPUT

During the planning process, City staff and consultants engaged with the community in a variety of ways, including two public meetings. Public meeting were held at the Community Building on April 30, 2024 and October 8, 2024.

Public Meeting #1

As part of the early stages of the comprehensive planning community outreach process, the City of Southport hosted its first public meeting for Plan Southport 2050 on Tuesday, April 30th. The meeting was held from 6:00-8:00 pm in the Community Building (223 E. Bay Street). The public meeting was advertised in a variety of methods including flyers, social media, emails, the City's website, and other community news outlets.

The format of the meeting was open-house style. Attendees circulated around the room to different stations and provided feedback on different topic areas using poster boards, visual aids, and maps. Stations included round table discussions, development preference activity, and a mapping exercise.

Attendees were asked to share their preference for different types of downtown development, including Historic Preservation, Restaurants



DISCUSSION TABLE SESSIONS AT PUBLIC MEETING #1

One word to describe Southport.....

- ◆ Slower pace
- ◆ Unique
- ◆ Trees
- ◆ Overwhelmed
- ◆ Quiet
- ◆ Quaint
- ◆ Engaged
- ◆ History
- ◆ Community
- ◆ Generosity
- ◆ Safe
- ◆ Small-town
- ◆ Gathering

Concerns about the future of Southport.....

- ◆ Parking meters
- ◆ Lack of commercial development
- ◆ Clear cutting for residential development
- ◆ Evacuation- only two roads
- ◆ Sustainability of infrastructure
- ◆ Adequate funding for services and infrastructure
- ◆ Loss of history, habitat, and open space
- ◆ Short-term rentals
- ◆ Lack of connectivity
- ◆ Over development

Places you love to visit and things you would like to see in Southport.....

- ◆ Edenton
- ◆ Manteo- greenways and trails, satellite parking, sidewalks
- ◆ Mayfaire experience
- ◆ Clean water in the Yacht Basin
- ◆ Public transportation or trolley
- ◆ Traffic calming



and/or New Business, Additional Parking, Tree Preservation and/or Planting, Green Streets, Crosswalks and Pedestrian Improvements, Seating Areas, Public Art/Sculpture, Festivals and Events, and Waterfront Boardwalk or Esplanade. The Historic Preservation category received the most support, with 23 dots in support and no dots in “Don’t Support.” The second most supported category was Tree Preservation and/or Planting, with 18 dots in support and no dots in “Don’t Support.” The least supported categories were Waterfront Boardwalk or Esplanade, which received four dots in the don’t support category, eight dots in support, and two comments that stated, “Where and how big would a boardwalk be @ waterfront? If we build it, we have to assure we can maintain it,” and “Support! Especially in areas that regularly flood.” Many meeting attendees echoed the concerns regarding maintenance of a potential boardwalk. The other least supported category was Public Art/Sculpture, with three dots out of 13 in the “Don’t Support” category.

The residential development preference activity asked meeting attendees to consider eight different types of residential development: Traditional Neighborhood Design, Live-Work Mixed Use, Suburban Neighborhood, Accessory Dwelling Units, Small Scale Attached, Apartments or Condos, Pocket Neighborhood, and Townhomes. These choices represented a diversity of options for lot size and density configuration. Attendees were asked to vote on the development type they would like to see in Southport. Feedback from this board helped the project team create the Future Land Use Map and land use recommendations for the plan.

The most supported residential development type was Traditional Neighborhood Design, which had 21 “yes” votes, zero “no” votes, and zero “maybe” votes. Meeting attendees stated that they appreciated that Traditional Neighborhood Design would honor the historic character of the area. The least supported development types were Apartments or Condos and Townhomes, which both had one “yes” vote, eight “no” votes, and one “maybe” vote.

The mapping exercise asked participants to use blue, red, and yellow sticky notes to identify areas in the study area they wanted to keep (blue), toss (red), and create (yellow). The results of this activity were:

Keep

- ◆ Keep and RESTORE Franklin Square Park
- ◆ Continue to protect Franklin Square Park great asset!

- ◆ Keep one-way traffic
- ◆ Historic, small-town flavor!
- ◆ Stay on track w/ development of Taylor Field Park!
- ◆ Maintain open space!
- ◆ Movie industry interested in doing more movies here
- ◆ Love the Waterfront Pier Park!

Toss

- ◆ Move the all-inclusive park to Smithville Town Creek Park.
- ◆ Cul-de-sac neighborhoods
- ◆ Need to pave side streets

Create

- ◆ Need more parking
- ◆ Franklin Square Park was never a green space, go back to dirt path, keep the mulch around the trees
- ◆ Clean up Yacht Basin area- enclose trash bins- fill potholes. Create pedestrian safety walkways
- ◆ Use River Front for events
- ◆ Sidewalks on waterside of bay from Yacht Basin to Kingsley
- ◆ Restore weather station site!
- ◆ TOSS the bike killer drainage covers
- ◆ Install planned connection from Taylor Field- to Lowe White
- ◆ Add sidewalk to E. Leonard
- ◆ Keep Taylor Field green! Install more equipment at Caviness
- ◆ Add sidewalks to Moore St. between Kingsley Dr. and Fodale Ave.





Walking Tours & Listening Sessions

On May 22, 2024 the consulting team hosted two walked tours followed by listening sessions later that day at the Community Building. There were two walking tours that met at Franklin Square Park. One group walked along North Howe Street, North Lord Street, West 8th Street, Atlantic Avenue, East Brown Street, and College Street. The other group walked along North Howe Street, East Moore Street, Bay Street, Yacht Basin Drive, West Brunswick Street, North Caswell Avenue, and W. West Street. The consultants led each tour and had six stopping points to discuss opportunities and issues with local residents.

What We Heard at the Midtown Tour

- ◆ Redevelopment opportunities along North Howe Street but need to address potentially conflicting uses
- ◆ Potential uses of rights-of-way (seating, parking, sidewalks)
- ◆ Need for crosswalks for pedestrian safety

What We Heard at the Downtown/Yacht Basin Tour

- ◆ Opportunities for public realm improvements (tree canopy coverage, sidewalks, crosswalks, etc.)
- ◆ Character of historic core and neighborhoods
- ◆ Waterfront and Yacht Basin issues

What We Heard at Listening Sessions

- ◆ Affordability a concern, need affordable housing for workers
- ◆ Coordinated infrastructure upgrades needed
- ◆ Opportunity for sidewalk connectivity to Walgreens
- ◆ Need for community space and parks in new developments
- ◆ Diversity of businesses and housing is good for the City
- ◆ Requirement of front porches and places to build community
- ◆ Concern about scale of development and accessory buildings





Come meet up with City staff & let's work together to:

PLAN SOUTHPORT





Walking Tours of Southport
9:00 AM - 11:30 AM
Meet at Franklin Square Park
Two Tours
Midtown
Downtown/Waterfront

The City of Southport is hosting two **walking tours** for Plan Southport 2050 beginning at Franklin Square Park on **May 22, 2024** from **9:00 AM - 11:30 AM**. Preregistration is required using the sign-up link on the project website: <https://cityofsouthport.com/development-services/#comprehensive-plan>. More information about tours is on the website. If you are unable to join us for the walking tour join us at the **Community Building** from **1:00 PM - 3:00 PM** for listening sessions.



Come meet up with City staff & let's work together to:

PLAN SOUTHPORT



The City of Southport is hosting a **listening session** for the comprehensive plan update on **Wednesday, May 22, 2024** from **1:00 PM - 3:00 PM** at the Community Building. Please visit the project website at <https://cityofsouthport.com/development-services/#comprehensive-plan> for more engagement opportunities on May 22.

Listening Session
Community Building
223 E. Bay Street
Southport, NC

Wednesday, May 22nd
1:00 pm to 3:00 pm

05/22/2024: 1-3 pm



Board of Alderman Meeting

An update on the planning process and input received was provided to the Board of Alderman on June 13, 2024. Board member comments included the following:

- ◆ New jobs and sustainable wages should be a priority
- ◆ Balance needed to support families and keep young people here
- ◆ Previous planning is important (Yacht Basin Committee mentioned)
- ◆ Add White Springs NHNA to environmental map
- ◆ Concern about stormwater, considering impervious surface coverage limits in some districts and other near-term UDO changes

Public Meeting #2

On October 8, 2024 the second public meeting was held at the Community Building. The meeting was held from 5:30-7:30 PM. At the meeting, the consulting team presented the draft vision, goals, and recommendations to the community using visual aids such as maps, poster boards, and gave a formal presentation. Residents were able to provide their comments to the team at the meeting and had the option to review the documents following the meeting on the City's website to provide feedback on the comment form.

What We Heard about the Draft Plan

- ◆ Need to address lighting for migratory birds
- ◆ Protecting the history of Southport is important
- ◆ History of the Yacht Basin is important, need to maintain the existing character

Come meet up with City staff & let's work together to:

PLAN SOUTHPORT

The City of Southport is hosting the first public meeting for Plan Southport 2050 at the Southport Community Building! This will be a **free-flowing** meeting, meaning you are welcome to **drop in at any time**. You can also participate in optional round table focus group sessions during the meeting. Join us April 30th to help plan Southport's future!

Community Building
223 E. Bay Street
Southport, NC

Tuesday, April 30th
6:00 pm to 8:00 pm

04/30/24; 6-8 PM





SURVEYS

Throughout this process, there were two surveys to gather input from the community. A brief description of each survey is described below. The full results of the community survey are in the Appendix.

Name the Plan Survey

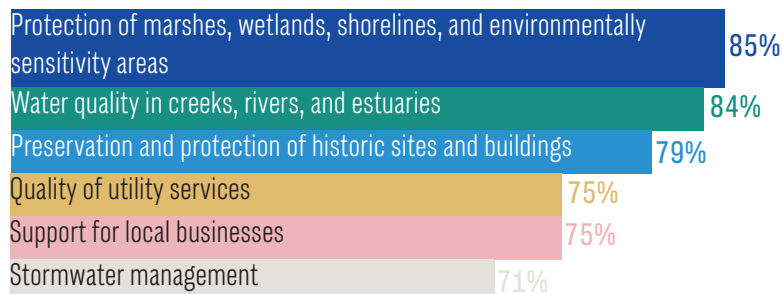
To kick off the planning process, residents were asked to be involved in naming the plan. The survey had two questions; the first question was multiple choice and the second question was open-ended. Out of the 35 respondents, 31% chose Southport 2050 and 20% chose Plan Southport. After discussion with staff, Plan Southport 2050 was selected as the plan name. This combined the two of the multiple choice options and open-ended responses.

Community Survey

During this process, a parking study was being conducted. This resulted in the comprehensive plan survey and downtown parking study survey being a combined effort. The survey included 45 questions including multiple choice, ranking, and open-ended questions. It was advertised in the community newsletter, social media, City website, and in the newspaper. The survey opened April 30, 2024 and closed on June 30, 2024 with a total of 536 responses.

PRIORITY LEVELS

The community survey asked respondents to prioritize items for the next 10-20 years.

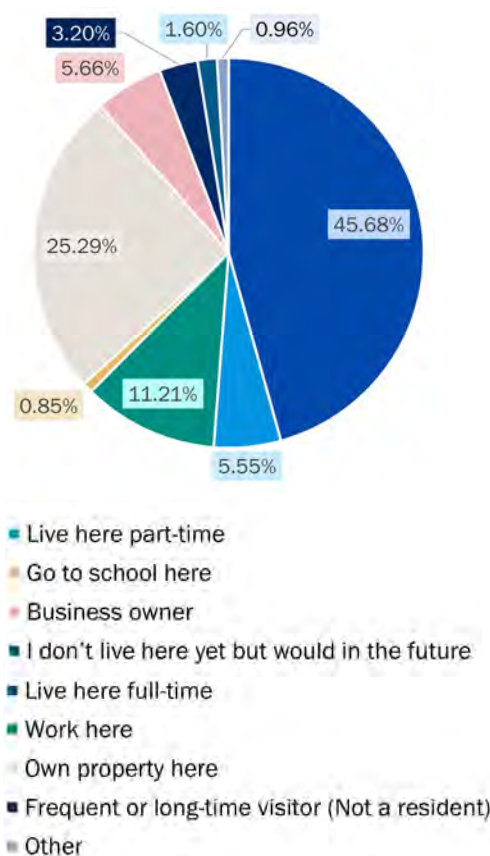


536

Responses to the Community Survey

RELATIONSHIP TO SOUTHPORT

When asked how do you relate to Southport, 80% responded that they live in Southport full-time.





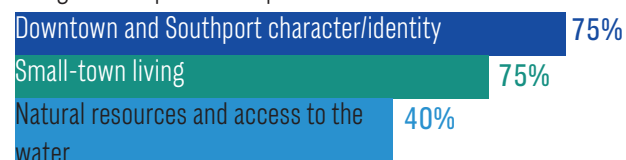
DOWNTOWN PEDESTRIAN ELEMENTS

The community survey asked respondents to identify pedestrian elements that are needed in and around downtown. The top three were:



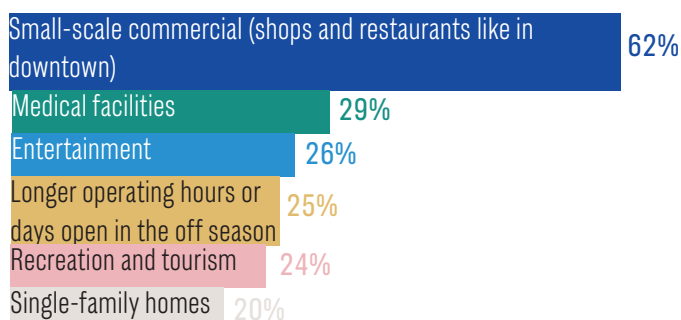
REASONS FOR LIVING IN SOUTHPORT

The community survey asked respondents their top three reasons for living in Southport. The top three reasons are:



DEVELOPMENT

The community survey asked respondents what type of development they would like to see more of in Southport .



SUCCESS!

DOWNTOWN PARKING STUDY

In November 2023, the City of Southport hired Walker Consultants to assess public and private parking both on- and off-street within the City limits to document how parking is utilized in various seasons, times of week, and times of day. The parking study includes traffic and engineering data, field observation, property owner and stakeholder input, and feedback from the community survey. The data from these findings was used to inform recommendations for managing parking, future parking improvements, downtown planning, and development strategies that will help manage growth and development in downtown Southport. The final report was presented to the Board of Aldermen in October 2024.

Part of measuring success will be the implementation of recommendations from studies like the parking study.





Photo Contest

Entries for the photo contest were accepted May 1, 2024 through August 1, 2024. The contest included six categories:

- ◆ Natural and Scenic Southport
- ◆ Southport Festivals and Events
- ◆ Pets of Southport
- ◆ Historic Southport
- ◆ Artistic Southport
- ◆ YOUR Southport

Winners of the contest received a certificate and their images were used in this planning document. Winners were as follows:

YOUR SOUTHPORT

Submitted by: Ted Banasik



FESTIVALS AND EVENTS

Submitted by: Siobhan Armstrong



PETS OF SOUTHPORT

Submitted by: Siobhan Armstrong





HISTORIC SOUTHPORT

Submitted by: Kate Magill Walters



NATURE AND SCENIC SOUTHPORT

Submitted by: Debby Masten



ARTISTIC SOUTHPORT

Submitted by: Kate Magill Walters





EXISTING AND EMERGING CONDITIONS

Through community engagement and research, a set of existing and emerging conditions was discovered.



TRANSPORTATION

Drivers can access Southport using NC 211 and NC 87/133. Upon arrival, Southport offers several modes of transportation, including walking, bicycling, or driving a golf cart or a vehicle. During the warmer months, travel in and around Southport becomes difficult due to the influx of visitors. Parking issues arise in downtown, crossing North Howe becomes problematic, and vehicle travel along North Howe and NC 211 becomes congested. Short block lengths and a large tree canopy in most areas make it comfortable to walk from one location to the next. However, there are some prime areas along North Howe and other key corridors lacking sidewalks and crosswalks. In addition, with an increase in storm frequency and intensity there is a need for more resilient infrastructure to provide safe travel routes for all.

GROWTH MANAGEMENT

Brunswick County is the fastest growing county in the state. With increased development pressures along the US 17 and the NC 211 corridor, there is need for growth management within and surrounding the City of Southport. Growth management doesn't necessarily mean closing the gate to development but making sure the City takes a balanced approach to allowing smart development while preserving local character and natural resources. Compared to other coastal communities in North Carolina, Southport has an extremely large portion of single-family detached homes. Feedback received during this process emphasized the need for diverse housing types for the workforce as well as to attract and retain young people and families.



ENVIRONMENTAL PROTECTION AND RESILIENCY

Southport possesses diverse natural resources that sustain a high quality of life for residents. These include the Cape Fear River, Cottage Creek, Price's Creek, Dutchman Creek, the Intracoastal Waterway, towering live oaks in City parks, along streets, maritime forests, scenic views, shorelines, floodplains, and wetlands. These resources provide opportunities for fishing, boating, bird watching, and marine commerce, and serve as amenities that add beauty and value, in the form of ecological services, to the community. Development pressures and climate change will inherently alter Southport's shorelines and coastal wetlands that provide flood control, enhance water quality, provide wildlife habitat, and are an aesthetic resource to the community. Environmental protection was the top priority of the community and will become increasingly important in the coming years. Southport's location on the Cape Fear River and less than two miles from the Atlantic Ocean makes the City susceptible to winds, flooding, and storm surge from storms as well as high tide flooding. A proactive approach to improving the resiliency of structures, infrastructure and the economy is essential to preserve property, save lives, maintain services and speed up recovery from natural disasters.



ECONOMIC DEVELOPMENT & TOURISM

The local economy relies heavily on tourism. Community members acknowledge that tourism is important to the economic vitality of Southport. Southport's historic downtown provides visitors and locals year-round shopping and dining opportunities and the Yacht Basin is a seasonal destination for dining. Southport's Midtown has seen business growth in recent years and is becoming another place of investment and reuse of underutilized commercial sites. Other potential economic activity areas exist at Southport's Gateway and along North Howe / NC 211. Community members have voiced the needs for additional small shops, medical offices, entertainment, and longer operating hours in the off-season. Board members have also voiced the need for jobs with sustainable wages to support families and retain and attract young people.

ETJ REMOVAL

During this planning process, House Bill 1064 eliminated the City of Southport's extraterritorial jurisdiction (ETJ) authority which was effective July 1, 2024. The former ETJ (shown in dark gray) is now under the planning authority of Brunswick County. The entire area encompasses 615 tax parcels and approximately 1,911 acres. The county had two community open houses at the Southport Senior Center to discuss zoning for the former ETJ. The County has applied zoning to the former ETJ area which includes large portions of undeveloped land. To the west of the City limits, R-7500 and SBR-6000 was applied. To the east, R-6000, R-7500, SBR-6000, Commercial Low-Density and Industrial-General was applied. Along North Howe, Neighborhood-Commercial and Commercial Low-Density was applied. Allowable densities are much higher in the Brunswick County zoning districts than previous City zoning districts. Coordination with the County will be necessary to fine tune zoning to address environmental, infrastructure, and character concerns and influence the design of proposed developments in the former ETJ.



HISTORIC PRESERVATION

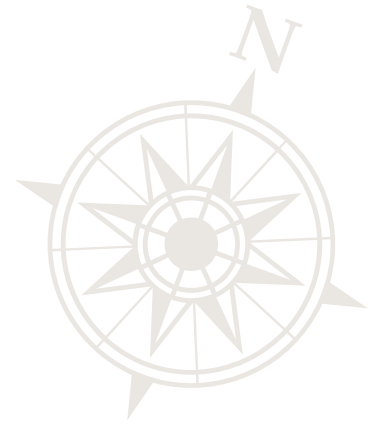
With over 200 contributing buildings in its National Register district, including Fort Johnston, the Old Brunswick County Courthouse, former Brunswick County Jailhouse, and numerous vernacular homes constructed by local builders Southport is known for its historic, coastal village charm. The City is currently working on the designation of a local historic district that will be under the purview of the Historic Preservation Commission. The establishment of a local district will help protect the historic character of the City's downtown and surrounding historic neighborhoods. Historic preservation was one of the top three priorities for the next 10-20 years.



VISION AND GOALS

PLAN 50ThpoRT 2050 charts the course for the future of Southport. In order to prepare for the future, you must have a destination in mind. Otherwise, you have the potential to get off course. The destination for the community is in the vision developed by community residents and leaders.

The vision for where Southport will be in 2050 is:



The City of Southport is a historic coastal village focused on the preservation of its natural environment and protection of the character of its built environment. The City strives for excellence in government, an engaged and connected community, and managed growth that contributes to a safe and tranquil quality of life. Southport's citizens enjoy a walkable city, scenic waterfront, community parks and shaded streets that allow the enjoyment of the salubrious breezes from the Cape Fear River and the sea. Southport desires to sustain existing businesses and create new opportunities nurturing the needs of its current and future residents of all ages.





The following goals are ideals towards which the City strives to achieve its Community Vision. Goals are organized by planning topic areas in the recommendations and implementation table.

Land Use & Housing

Ensure development is compatible with Southport's unique characteristics, including its historic areas, heritage trees, and walkable environment while minimizing impacts.

Historic Preservation

Preserve, protect, and continue to celebrate the City's historic resources and character.

Resiliency

Increase Southport's resiliency to natural hazards.

Transportation

Ensure safe and reliable multi-modal transportation options including walking, biking, and other forms of transportation while limiting impacts from new development and prioritizing the needs of residents and visitors.

Water Quality

Maintain, protect, and where possible, enhance water quality in all coastal wetlands, rivers, streams, and estuaries.

Public Access

Maximize public access and vistas to the coastal waters of the region, parks, and other recreational opportunities.

Yacht Basin

Prioritize adaptation measures to allow residents and visitors the ability to continue enjoying the Yacht Basin.

Economic Development

Embrace and leverage Southport's unique small commercial areas and historic downtown as an economic development opportunity.

Infrastructure & Services

Ensure public infrastructure systems and services are appropriately scaled, located, and managed to accommodate sustainable growth while protecting natural assets.



2 SOCIOECONOMIC SNAPSHOT





SOCIOECONOMIC SNAPSHOT

This section examines Southport's existing conditions through analysis of population, demographics, and housing. Southport's study area encompasses land within and adjacent to the former ETJ and municipal boundaries. However, some statistics are given only for the area within the municipal limits, based on data availability.

Population

Southport's population continues to grow at a stable rate.

Southport's municipal limits have seen a steady increase of residents from 2000 to 2020, growing from 2,386 in 2000 to 3,971 in 2020. This is an increase of 1,585 people, or +66.4%, over 20 years. The annual growth rate from 2000-2020 was 2.6%.

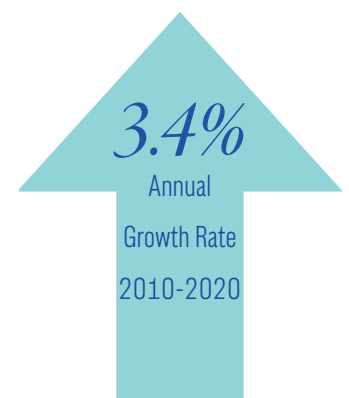
Beyond the City Limits, the former Extraterritorial Jurisdiction (ETJ) has seen steady growth as well. Southport's study area population has increased by 1,869 people from 2000 to 2020, which can be seen in the graph below. Overall, the population in the study area has increased by 62.5%.

POPULATION TRENDS

Brunswick County is the fastest growing county in the state of North Carolina. Between July 1, 2022 and July 1, 2023 and between April 1, 2020 and July 1, 2023, Brunswick County experienced a 5% and 17% increase in population (*NC OSBM*). The County's natural amenities drive retirees to the area.

Southport's population fluctuates throughout the year, especially due to tourism during the peak summer vacation months. The U.S. Census counts are performed decennially and estimated on years in between. Southport is also experiencing some growth from new developments and housing construction, which is bringing in new residents and visitors.

Population (City Limits + Former ETJ)



Source: Data provided by US Decennial Census

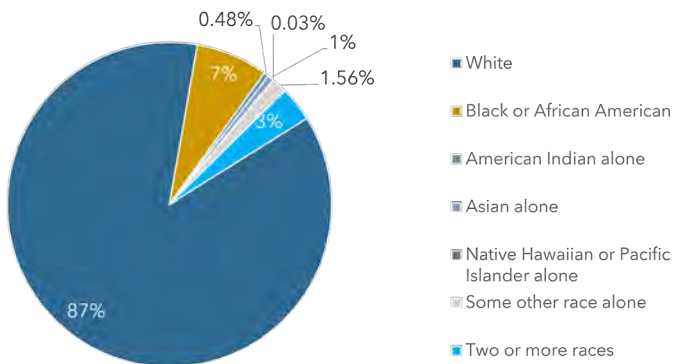


Age and Diversity

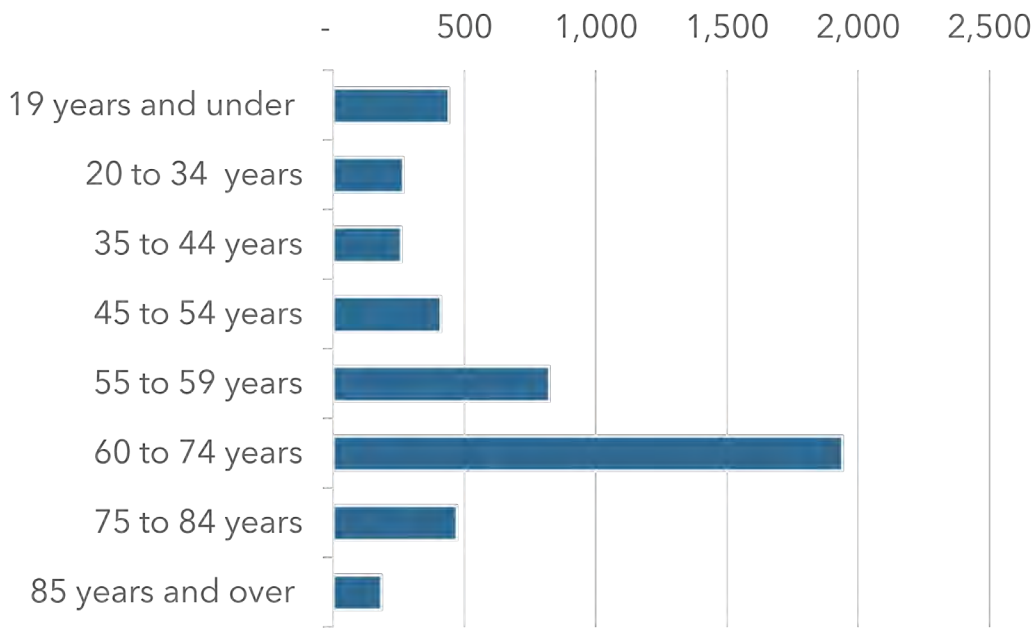
Southport's population is aging. Southport's median age has increased steadily from 47.5 years in 2000, to 55.7 years in 2010, and 59.6 years in 2020. The largest age cohort in both 2010 and 2020 was ages 60-74 years.

Southport's African American population has seen a slight decline since 2010, but, its Hispanic population has increased. Since 2010, the populations identifying as white alone, American Indian alone, Asian alone, and Native Hawaiian or Pacific Islander alone have increased, while the population identifying as Black or African American has decreased by 34% to 286 individuals. The Hispanic population has grown slightly increasing by 29% since 2010 to 106 people.

Race, 2020



Age Cohorts, 2020



25%
Increase in median age
2000-2020

Source: 2010, 2020 Decennial Census



Population Trends

Brunswick County is growing at a rapid rate while growth in Southport remains stable.

Within Southport's city limits there is currently 369 approved single-family homes and 42 townhomes with the potential to add an additional 940 people (based on 2.26 people per house, 2020 Decennial Census, Average Household Size). In the former ETJ, there are currently 15 approved single family homes and 1,100 single and multi-family units waiting to be reviewed. This has the potential to add an additional 2,486 people. According to 2020 ACS data, majority of households have two or more vehicles (61.73%, 2 vehicles, 22.5% 3 or more vehicles). Developments in the city limits and former ETJ have the potential to add between 7,650 and 15,300 vehicle trips per day on locally maintained or NCDOT maintained streets (based on 5-10 daily trips per household).

PERMANENT POPULATION PROJECTION

Southport's permanent population within the City limits was sourced using Decennial Census data and is estimated to have 3,971

permanent residents. Permanent population in the former ETJ and city limits is estimated to have 4,861 permanent residents. The City grew faster from 2010-2020 at 3.4% compared to 1.7% from 2000-2010. Two population projections were developed, one based on past growth trends and another based on a build out of pending development. Projections are for the City limits and former ETJ.

PAST GROWTH TRENDS

The first method applies the Annual Average Growth Rate (AAGR) between 2000 and 2020 (2.5%) to current population counts to project the population. This projection estimated an additional 6,675 residents could be added by 2055.

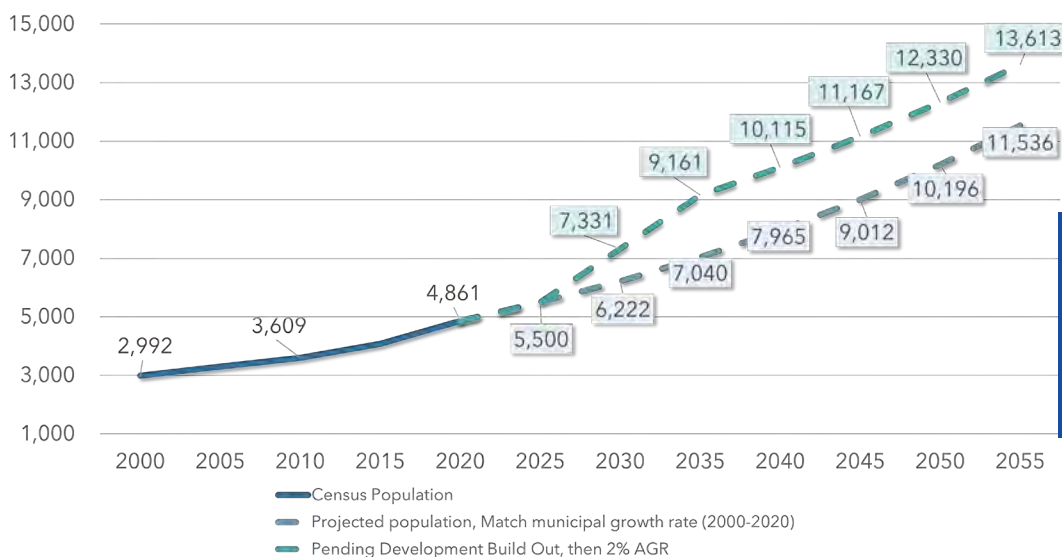
PENDING DEVELOPMENT

The second method assumes the build out of approved and pending housing units (1620) over the next ten years and uses a lower Annual Average Growth Rate of 2%. This projection estimated an additional 8,752 residents could be added by 2055.

BUILDOUT ANALYSIS STUDY

During this process, a buildout analysis was performed in the former ETJ and City limits. The analysis looks at potential land area that could be developed and how the development will impact the City of Southport. The buildout analysis analyzed previous land use

Permanent Population Projections



The study area is estimated to see an increase of up to

4,300

people by 2035

Source: 2000, 2010, 2020 Decennial Census, Esri
2020-2055, Stewart



regulations for the City of Southport and new zoning applied by Brunswick County after ETJ removal by the state legislature. The analysis found that new county zoning will increase the number dwelling units allowed in base zoning districts by at least 2,000 units. This estimate could be low given that recent changes in North Carolina's wetlands law recently removed protections for many wetlands.

SEASONAL POPULATION PROJECTION

The peak seasonal population provides an estimate for how many visitors (not including daytrippers) Southport likely hosts during the busy tourist season. It was estimated by calculating the amount of available lodging in Southport.

To calculate the total seasonal population, meaning permanent residents and visitors combined, the ratio of current visitor population to permanent population was calculated and applied to the permanent population projections. This assumes a constant ratio of tourists to full-time residents.

UNDERSTANDING POPULATION PROJECTIONS

Permanent Population
Persons who usually reside in the planning area, year-round.

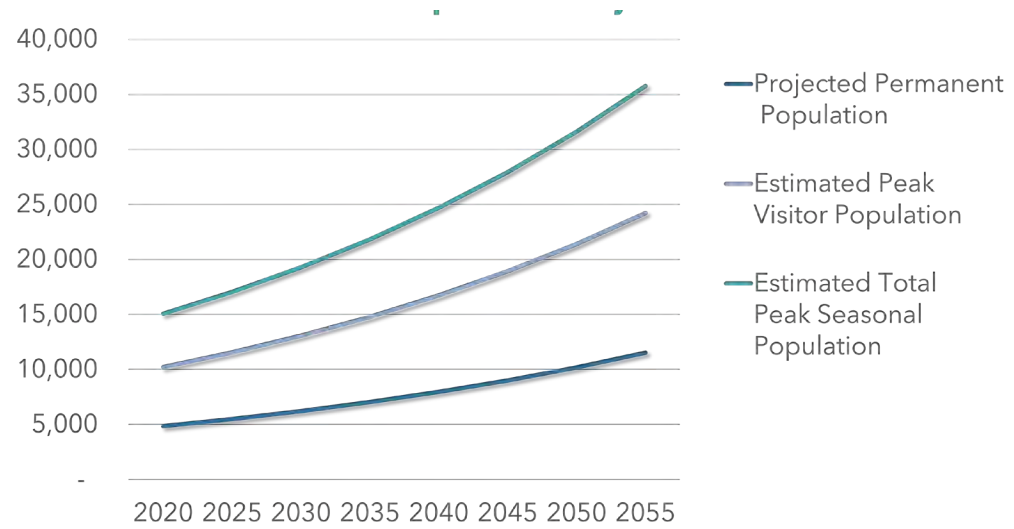
Peak Visitor Population
Persons who are temporary residents in the planning area, such as tourists and vacationers, but who normally reside in another location; does not include day-trippers.

Peak Seasonal Population
Permanent plus visitor population. This is an approximation of the planning area's population on a "typical" peak day during the high season; does not include day trippers.



The City of Southport Police Department conducts traffic counts and it is estimated that during peak periods 30,000 vehicles a day travel along North Howe Street. This is much higher than NCDOT Average Annual Daily Traffic estimates of 17,500 cars per day.

Total Peak Seasonal Population Projections





Housing

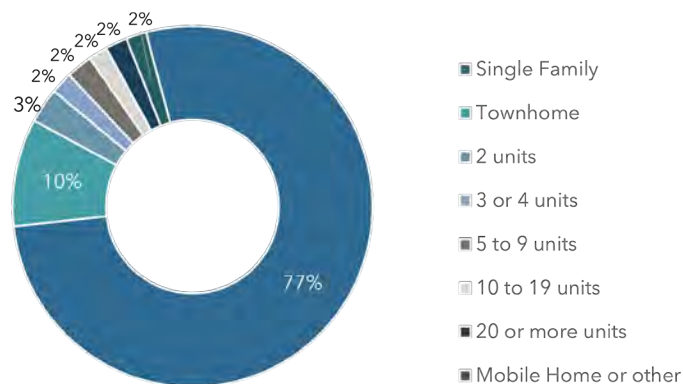
Southport has a large supply of single-family detached housing units.

In 2020, Southport's median home value was \$249,900, which was a 97% increase from the 2000 median value of \$126,600. Realtor.com lists the median home sale price as \$445,300 and indicates that it is currently a seller's market in the area with more potential buyers than there are homes and properties available to buy.

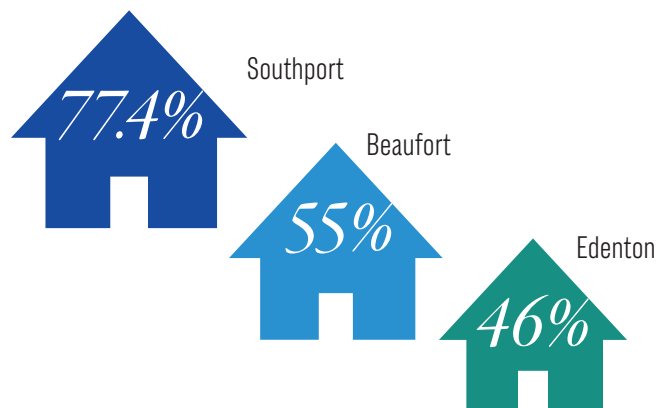
Southport has a fair amount of homes built in 1939 or earlier, which speaks to the presence of historic neighborhoods and parts of downtown. There was an increase of homes being built starting in the 1970's with around 250 homes built each decade with the exception of 2000 to 2009 when almost 450 homes were built prior to the Great Recession.

Southport has a predominantly single family housing makeup, with **77%** of the homes being single family, 10% being townhomes, 3% being duplexes, and 2% being three to four family units. Compared to other coastal towns, Southport has a large stock of single-family homes. The City should consider making adjustments to its zoning ordinance to help diversify the housing stock over time.

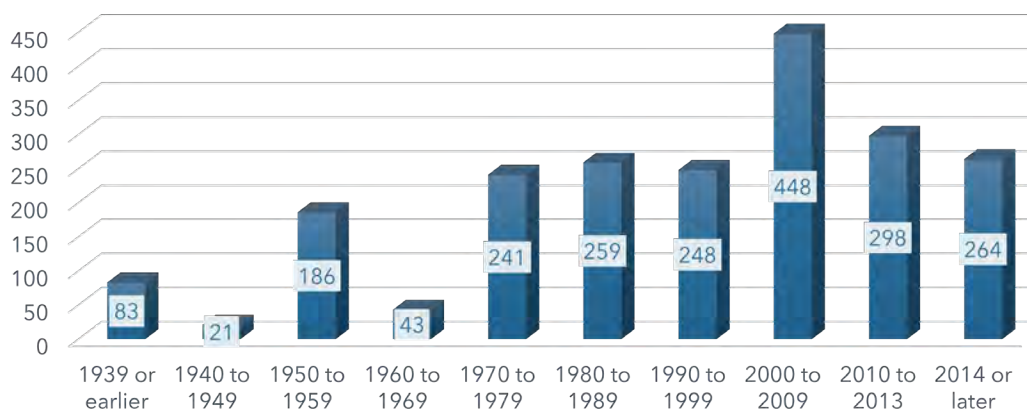
Housing By Type, 2020



Existing Single- Family Housing Stock Comparison, 2020



Housing Year Built, 2020



Source: 2020 ACS



TENURE

The US Census defines the term “tenure” to describe whether a unit is owner-occupied, vacant or renter-occupied. But how do we know how many units in Southport are considered occupied year-round? Using the US Census data definitions of occupied and vacant housing units, we can determine how many homes are primary residences and extrapolate secondary residences.

In Southport, 68% of housing units are owner-occupied. According to 2020 Census data, 17% of housing units are used for year-round rentals and 15% are considered vacant. According to 2020 Census data, the majority of the housing units that are considered vacant are used for seasonal, recreation, or occasional use. The City adopted a short-term rental ordinance in 2021 and updated it in 2023. This ordinance prohibits any new short-term rentals in the R-10 and R-20 residential zoning districts.

US CENSUS HOUSING STATUS DEFINITIONS

Occupied Housing Units are defined as those that the “usual place of residence” for persons or a family, considered to be their primary residence.

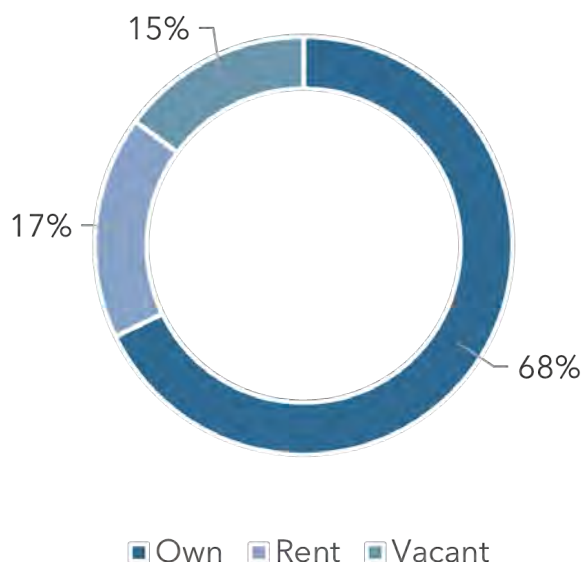
Vacant Housing Units are defined as units where no one is living, or units owned by people whose “usual place of residence” is elsewhere. In popular tourist locations, “vacant” units are generally second homes or vacation rentals.

Renter-occupied Housing Units are defined as units rented year-round.

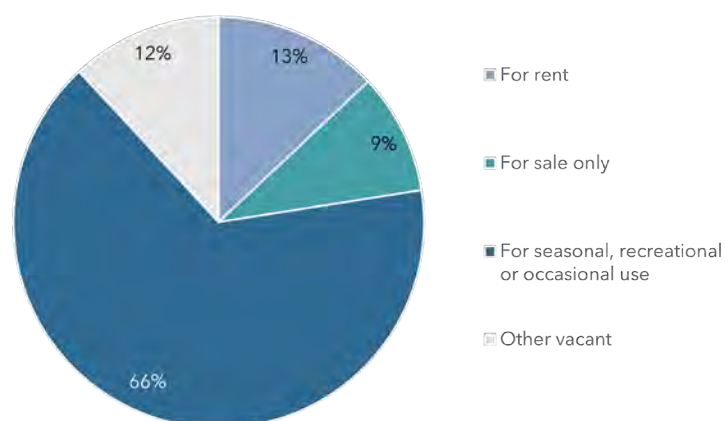
Seasonal, Recreational, or Occasional Use Housing Units are defined as units held for weekends or occasional use throughout the year.

Other Vacant Housing Units are defined as units that are in foreclosure, held for settlement of the estate, in preparation for renting or selling, needs repairs, held for storage of household furniture, being repaired or renovated, used for military or employee housing, units where owners are absent more than 6 months, and are abandoned, condemned, or being demolished.

Tenure, 2020



Vacancy Status, 2020



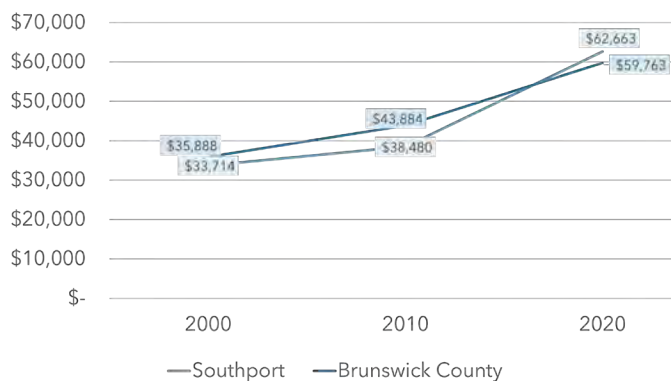
Source: 2020 Decennial Census



Income and Economy

Southport's median household income is higher than Brunswick County and North Carolina. Southport's median household income has increased by \$24,183 since 2010, a 63% increase. In comparison, Brunswick County's median household income has also increased since 2010, but at a 36% increase. Southport's median household income is \$2,900 higher than Brunswick County and \$3,021 higher than North Carolina's median household income.

Median Income



Source: U.S. Census

Employment

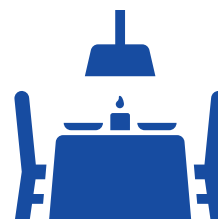
Southport's health care and social assistance industry is the largest employment sector. Health care and social assistance, accommodation and food and retail are Southport's top industries. These industries also resulted in the highest increases in jobs between 2010 and 2020. Data from the US Census indicates Southport's job market brings in over 2,000 people to the area who live elsewhere.

Growth By Industry 2000-2020



26.0%

Health Care and Social Assistance



21.6%

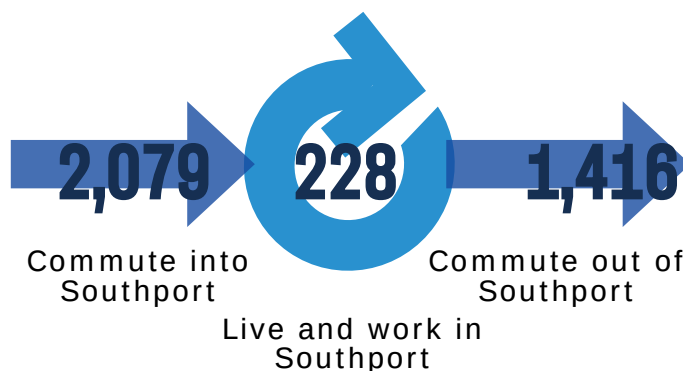
Accommodations and Food Services



19.6%

Retail Trade

Commute Trends, 2022



Source: Census on the Map



EMPLOYMENT BY INDUSTRY 2010-2020

Employment Industry Profile				
	2010		2020	
	#	%	#	%
Agriculture, Forestry, Fishing and Hunting	0	0.00%	0	0.00%
Mining, Quarrying, and Oil and Gas Extraction	0	0.00%	19	0.92%
Utilities	101	5.27%	0	0.00%
Construction	43	2.24%	88	4.28%
Manufacturing	20	1.04%	14	0.68%
Wholesale Trade	54	2.82%	41	1.99%
Retail Trade	273	14.23%	403	19.60%
Transportation and Warehousing	19	0.99%	21	1.02%
Information	25	1.30%	11	0.54%
Finance and Insurance	88	4.59%	61	2.97%
Real Estate and Rental and Leasing	23	1.20%	130	6.32%
Professional, Scientific, and Technical Services	55	2.87%	33	1.61%
Management of Companies and Enterprises	5	0.26%	0	0.00%
Administration & Support, Waste Management and Remediation	176	9.18%	57	2.77%
Educational Services	185	9.65%	36	1.75%
Health Care and Social Assistance	468	24.40%	535	26.02%
Arts, Entertainment, and Recreation	22	1.15%	19	0.92%
Accommodation and Food Services	261	13.61%	443	21.55%
Other Services (excluding Public Administration)	33	1.72%	33	1.61%
Public Administration	67	3.49%	112	5.45%

Source: Census on the Map



Downtown and Tourism

Southport's Downtown core is home to numerous shops and boutiques, restaurants, historical markers and museums, waterfront hotels, bed and breakfasts, and tree-lined sidewalks connecting people and places. Historic neighborhoods surround downtown and a majority of historic buildings have been converted into current, active uses over time, adding to the vibrancy and southern coastal charm that the City is known for. Downtown has the highest property values in the City with many properties exceeding a value of \$10 million per acre.

Southport also has the "Yacht Basin" district which includes numerous waterfront properties with residential, retail, and restaurant spaces. Southport is unique in that it can be accessed by both land and water.

18%

of the total revenue for the City of Southport is related to tourist spending. Revenue from property taxes has also grown as visitation and demand for housing has increased.

BUDGET BREAKDOWN - FY 2022-2023

General Fund Anticipated Revenues - Retail and Tourism Related

- ◆ Franchise Taxes - \$300,000
- ◆ Occupancy Taxes - \$190,000
- ◆ Rental Revenues - \$132,500
- ◆ Local Option Sales Tax - \$1,365,000

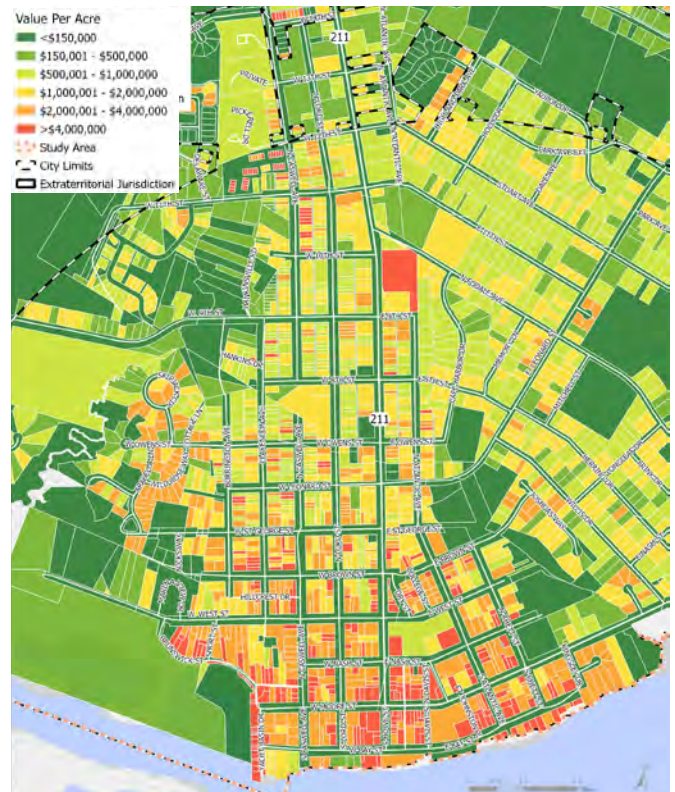


\$1.17 BILLION

spent by visitors in 2022 on lodging, food and beverage, recreation, retail, and transportation in Brunswick County.

Source: State Port Pilot

VALUE PER ACRE DOWNTOWN



3

PAST PLANNING EFFORTS





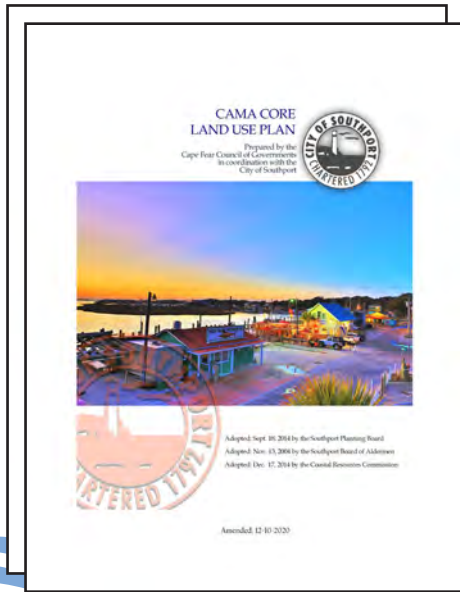
CITY OF SOUTHPORT

2014 CITY OF SOUTHPORT CAMA CORE LAND USE PLAN (AMENDED 2020)

The City of Southport CAMA Core Land Use Plan, prepared by Cape Fear Council of Governments in coordination with the City of Southport, was adopted to replace the 2007 CAMA Land Use Plan. Counties within the jurisdiction of the Coastal Area Management Act (CAMA) are encouraged to update their plans every five years. The Plan outlines five core values to provide guidance as the Southport grows and changes: preserve the City's historic character, protect the City's shoreline vista, continue to support a vibrant Central Business District, preserve the City's residential areas, and protect the City's Areas of Environmental Concern consistent with 15A NCAC 7H. The major focus of this plan was balancing growth with protecting the City's environmental, historic, and other assets.

The Plan is organized by chapters. Chapter 6 includes management goals, objectives, policies, and actions organized by planning topic areas. Chapter 7 provides an Implementation timeframe. Chapter 6 lays out the groundwork for the Plan to fulfill its vision statement, including topic areas:

- **"Natural Hazard Areas"** emphasizes Southport's role in conserving and maintaining shorelines, floodplains, and other coastal features by monitoring development proposals for compliance with Section 404 of the Clean Water Act and the need to continue to enforce local land use ordinances to regulate development of freshwater swamps, marshes, and 404 wetlands. In addition to Southport's role in preparation for possible sea level rise through review of all local building and land use related ordinances and considering the establishment of setback standards, density controls, bulkhead restrictions, buffer vegetation protection requirements, and building designs that facilitate the movement of structures.
- **"Water Quality"** promotes the improvement of water quality in Southport by updating the ordinance to include watershed-based land use planning, protecting sensitive natural areas, minimizing impervious surfaces, limiting erosion during construction, growth management, restoration of impaired waters, and managing the cause of nonpoint or point source



PLAN 50UTHPORT 2050 is not starting from scratch; many recent planning efforts and studies guide the City's current land use and development. **PLAN 50UTHPORT 2050** will build on all relevant recommendations.



pollution.

- **“Transportation”** advocates for the revision of subdivision regulations that encourage joint or shared driveways and the installation of street trees along gateway corridors.
- **“Cultural, Historic, and Scenic Areas”** embraces Southport’s historic character and encourages measures to protect the City’s historic and cultural resources including the creation of a Historic District Commission.
- **“Public Access”** emphasizes the need to prepare a waterfront development plan to address land use conflicts in the Yacht Basin area and supports the implementation of Southport’s existing shoreline access plan.
- **“Land Use Compatibility”** promotes development that minimizes direct and secondary environmental impacts by requiring all rezoning approvals be consistent with the land use suitability map and analysis, monitoring buffering and landscaping requirements to separate incompatible uses, support for appropriate industrial uses, and development that meets 15A NCAC 7H use standards.
- **“Infrastructure Carrying Capacity”** advocates for infrastructure improvements and meeting community needs for current and future residents.
- **“Economic Development and Tourism”** recognizes the importance of tourism and supports Southport Visitors Center, the Southport Department of Tourism, and the North Carolina Division of Travel and Tourism.
- **“General Health and Human Services Needs”** promotes active and passive recreational opportunities for the citizens and visitors of Southport, recognizes the importance of pursuance of grant funding to enhance recreational opportunities, the need for coordination with the school system, supports the public provision of solid waste disposal, law enforcement and educational services, supports recycling, supports efforts to provide broadband WIFI in key areas, and managing the City’s investment in existing and proposed facilities and services through capital improvements planning and planning to protect future school sites.
- **“Governance”** advocates for the city maintaining all official planning documents.



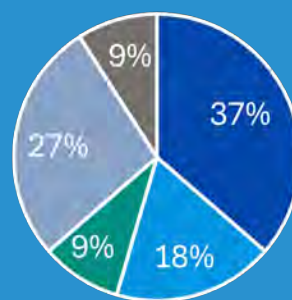
37%

of the 2014 Southport CAMA Core Land Use Plan implementation actions are categorized as complete



18%

of the 2014 Southport CAMA Core Land Use Plan implementation actions are categorized as underway



Complete

Underway

Not started

Ongoing

Not applicable



2023- 2028 PARKS, RECREATION, AND OPEN SPACE MASTER PLAN

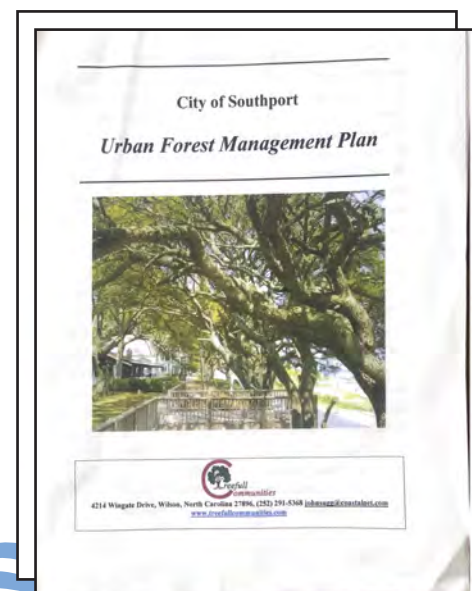
The Parks, Recreation and Open Space Master Plan is a guide for parks, recreation, open space programs, services, and events in Southport from 2023-2028. The Plan makes recommendations specific to parks in Southport based on an inventory of existing facilities and services, public input, and analysis and evaluation of standards from NRPA and NC DEQ.

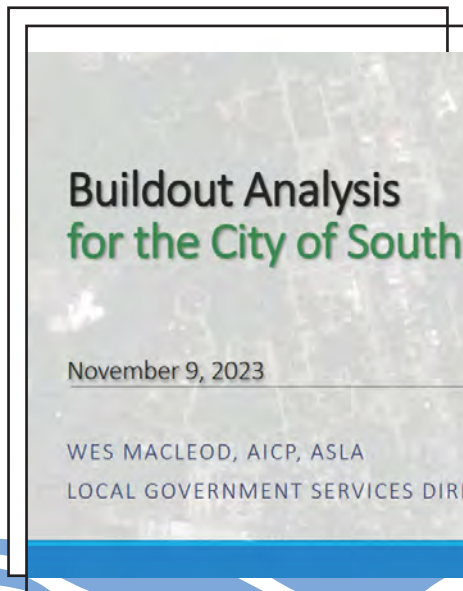
The plan includes both short-term and long-term recommendations. These include land acquisition, pedestrian and bicycle connections to Oak Island and the City of Boiling Spring Lakes, demolition of City Gym, additional public restrooms in downtown, upgrading park facilities, the development of Stevens Park, additional public access to the waters in and around Southport, and the pursuit of funding opportunities.

URBAN FOREST MANAGEMENT PLAN

The Urban Forest Management Plan is a guide for the management, protection, and enhancement of the urban forest in Southport. The plan includes a vision, goals, and strategies to increase and diversify the tree canopy.

The plan's main objectives are to achieve an overall tree canopy coverage of 60%, expand the Tree Planting Program, secure funding to assist with tree planting, maintenance, and care, expanded educational and public outreach to increase the awareness of the benefits of trees, establishment of a maintenance program, and work towards a more diverse tree canopy.





BUILD-OUT ANALYSIS

A build-out analysis was completed for Southport's planning jurisdiction (municipal limits and extraterritorial jurisdiction) in 2023 by Cape Fear Council of Governments. The study estimated potential future unit counts (including population) and reviewed available data including vacant land acreage, existing zoning districts, available water and sewer capacity, and more. The study was conducted by reviewing demographic data, identifying and analyzing various categories of parcel data, preparing scenarios and estimates based on potential future changes.

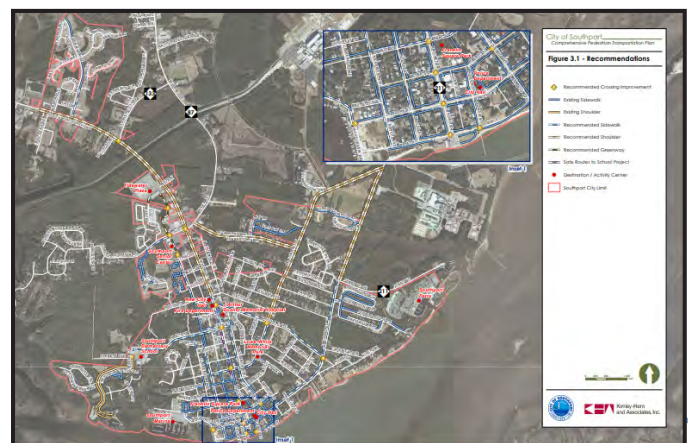
Key findings:

- ◆ 4.7 person per month projected growth rate for Southport through 2040, based on regional projected growth rate.
- ◆ Developed = 1,763 acres (including approved but not yet built projects)
- ◆ Undeveloped = 2,209 acres
- ◆ Undeveloped Land Available for Development = 1,438
- ◆ The largest amount of vacant land was in OS zoning district (771.5 acres) followed by the R-20 district (530.25 acres)

COMPREHENSIVE PEDESTRIAN TRANSPORTATION PLAN

The Comprehensive Pedestrian Transportation Plan, made in collaboration with Kimley-Horn and Associates, Inc, created recommendations regarding Southport's pedestrian network, including sidewalks, paved shoulders, greenways, and crossing improvements. These recommendations were developed after public input and an evaluation and assessment of Southport's existing pedestrian network. Recommendations for sidewalks, multi-use trails, and shoulder improvements were listed, along with areas warranting further study.

The major sidewalk recommendations include creating a more cohesive network through infill and providing connections in heavily traveled routes lacking pedestrian accommodations, construction of sidewalks on both sides of the street, and a sidewalk priority list. The main greenway recommendations includes construction of a greenway to connect Southport Senior Center, retail along Howe Street, and Tidewater Plaza. Other recommendations include improving key intersections, the incorporation of wayfinding signage, and public education. A number of intersections downtown have been improved since the plan, although many corridors identified as needing sidewalks in the plan remain without pedestrian facilities.



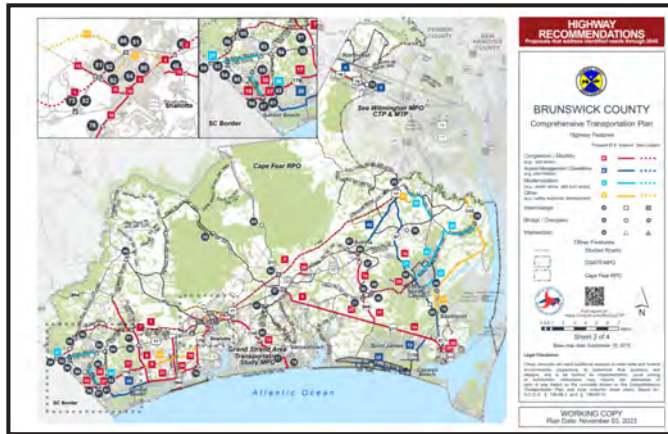


REGIONAL, COUNTY, AND STATE

BRUNSWICK COUNTY

COMPREHENSIVE

TRANSPORTATION PLAN, 2023



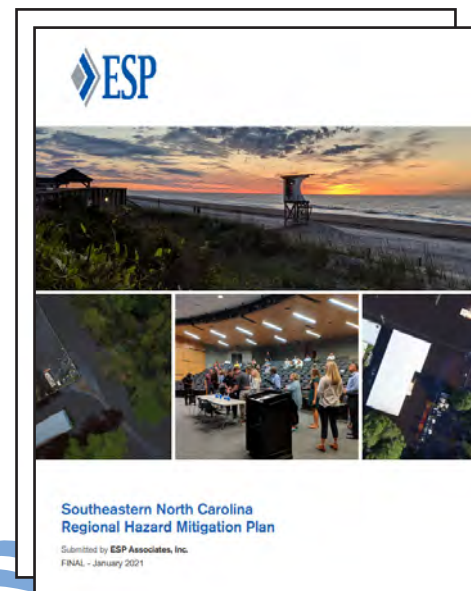
The Brunswick County Comprehensive Transportation Plan was created by the North Carolina Department of Transportation (NCDOT) in cooperation with representatives from Brunswick County to identify transportation system needs and possible solutions to support anticipated growth and development over a 28-year timeframe. Goals of the plan included creating a more efficient transportation system through improved connectivity, capacity, and operations, supporting growth, and preserving the character of the county through strategic transportation and land use decisions, among other goals. The Comprehensive Transportation Plan includes recommendations for planning elements including highways, public transportation and rail, and bicycle and pedestrian infrastructure.

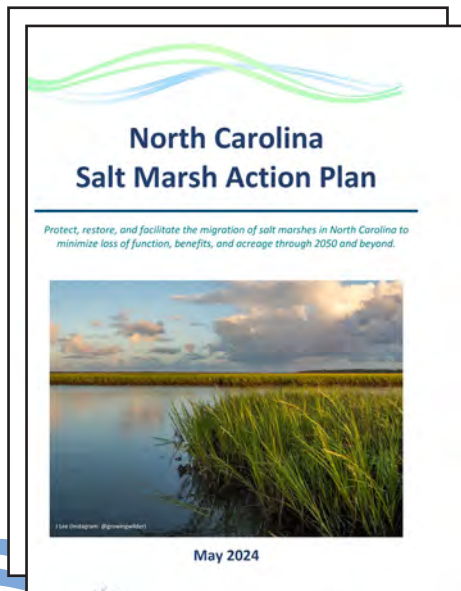
The plan recommends improvements to NC 133, NC 87, and NC 87 and NC 133 Interchange. The plan recommends widening North Howe Street from NC 87 to West 9th Street but this is not supported by the City of Southport.

SOUTHEASTERN NORTH CAROLINA REGIONAL HAZARD MITIGATION PLAN

The Southeastern North Carolina Regional Hazard Mitigation Plan was developed by ESP Associates, Inc and submitted in 2021. The purpose of the plan is to establish strategies to mitigate the effects of natural hazards, such as floods, hurricanes, and wildfires, on the Southeastern NC region, which includes Brunswick, New Hanover, Onslow, and Pender counties. This Plan completely updated the existing hazard mitigation plan for this region to demonstrate progress and reflect current conditions.

Each implementation strategy has been assigned a priority of low, medium, and high based on the review. High priority items include public education about floodplain development, proper development of regional water and sewer systems, access to critical facilities, improvement of CRS rating, update of the Flood Damage Prevention Ordinance, monitoring of rebuilding after major storm events to improve policies and procedures to minimize repetitive losses, and maintenance of safe hurricane routes.





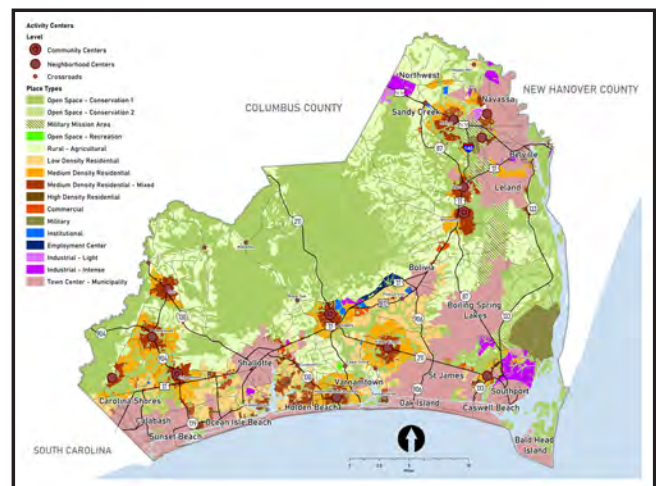
NORTH CAROLINA SALT MARSH ACTION PLAN

The North Carolina Salt Marsh Action Plan (NC SMAP) details a five-year strategy to protect, restore, and allow for the migration of salt marshes in coastal North Carolina to minimize the loss and degradation of their existing ecological, economic, and cultural functions. The plan was a collaborative effort between the NC Coastal Federation, South Atlantic Salt Marsh Initiative, staff from state and federal agencies, universities, and other organizations.

The plan provides strategies to identify threats to salt marshes, how to address those threats, improve public education, facilitate marsh migration, and advance marsh conservation and restoration.

BLUEPRINT BRUNSWICK CAMA LAND USE PLAN

Blueprint Brunswick CAMA Land Use Plan was adopted on February 20, 2023 and certified by the Coastal Resources Commission on October 20, 2023. The plan lays the groundwork for the future of Brunswick County. It includes 18 goals on land use, growth management, environmental resource conservation, natural hazard areas, water quality, infrastructure carrying capacity, transportation, utilities, education, public safety, recreation, public access, historic, cultural, and scenic areas, economic development, housing, development quality, health and well-being, and governmental coordination. With the removal of Southport's ETJ, the plan is currently undergoing an update to its Future Land Use Map to incorporate future direction based on the desires of ETJ residents.





LOCAL REGULATIONS & BUILDING CODE

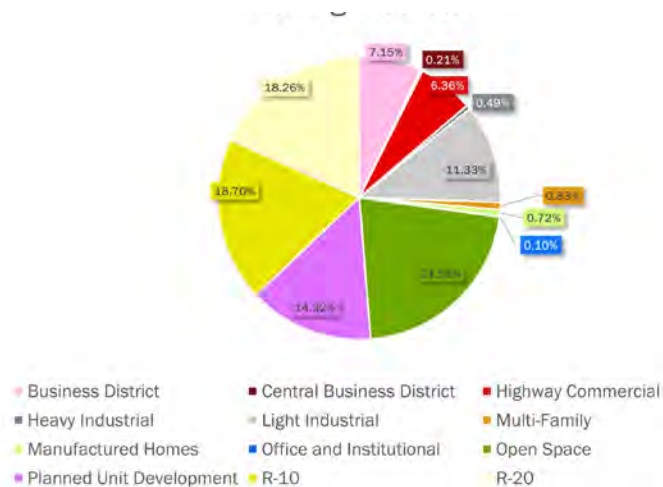
CITY OF SOUTHPORT UNIFIED DEVELOPMENT ORDINANCE

Zoning

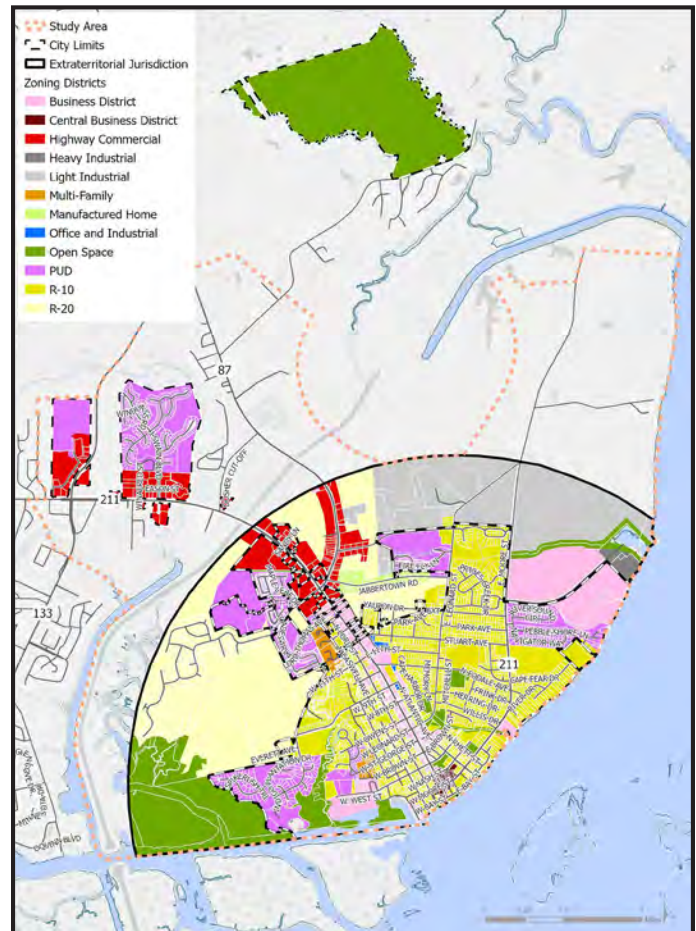
The City of Southport zoning ordinance consists of 12 zoning districts. At the time this process began, the City's planning jurisdiction included the Extraterritorial Jurisdiction. The largest zoning district was Open Space occupying nearly 22% of land area in the City's planning jurisdiction and former ETJ. In City limits, the largest zoning district is R-10 occupying nearly 19% of land area.

Currently, R-10 is a single and two-family residential district with 10,000 square foot minimum lot area. The district allows for single-family detached homes by-right and two-family attached homes and accessory dwelling units are permitted through special use permit. The City's Multi-Family residential district occupies less than 1% of land area in municipal limits. It allows for attached single-family homes up to 11 units per acre. The Manufactured Home district occupies less than 1% of land area and is established to offer affordable housing alternatives. It allows for single-family detached and two-family attached homes by right; triplexes, and quadplexes are permitted through a special use permit. Manufactured homes, parks, and modular homes are allowed by right with design standards.

PERCENTAGE OF LAND PER ZONING DISTRICT



ZONING



Southport has three commercial zoning districts, the Business District, Central Business District, and Highway Commercial. The Business District occupies slightly over 7% of land area and is located in Yacht Basin, along NC 211 south of NC 87, and along the Cape Fear River where the Bald Head Island Ferry and Deep Point Marina & Yacht Club is located. The Highway Commercial district occupies just over 6% of land area and is located along NC 87 and along NC 211 north of NC 87. The Central Business District are located in the historic core along Moore Street and Nash Street. The Central Business District occupies less than 1% of land area in City limits. Minimum lot sizes for the Central Business District and the Business District are zero while for Highway Commercial the minimum lot size is 10,000 square feet. Maximum height in the CBD



and BD districts are 30' while in Highway Commercial the maximum height is 40'. The City also has an Office and Industrial zoning district which occupies less than 1% of land area.

The Planned Unit Development district is a special district that allows multiple residential and commercial uses. It occupies just over 14% of land area in City limits. The Planned Unit Development district allows for 6 dwelling units per acre and requires a minimum of 8 acres of buildable area within or contiguous to City limits.

PLANNED UNIT DEVELOPMENT



Subdivision

The City's Subdivision Ordinance guides the subdivision of land within Southport's planning jurisdiction. The Subdivision Ordinance provides guidance on lots, easements, public realm improvements, street design and connectivity, street lighting, pedestrian facilities, water supply and sanitary sewage collection, and recreation and open space.

Flood Damage Prevention Ordinance

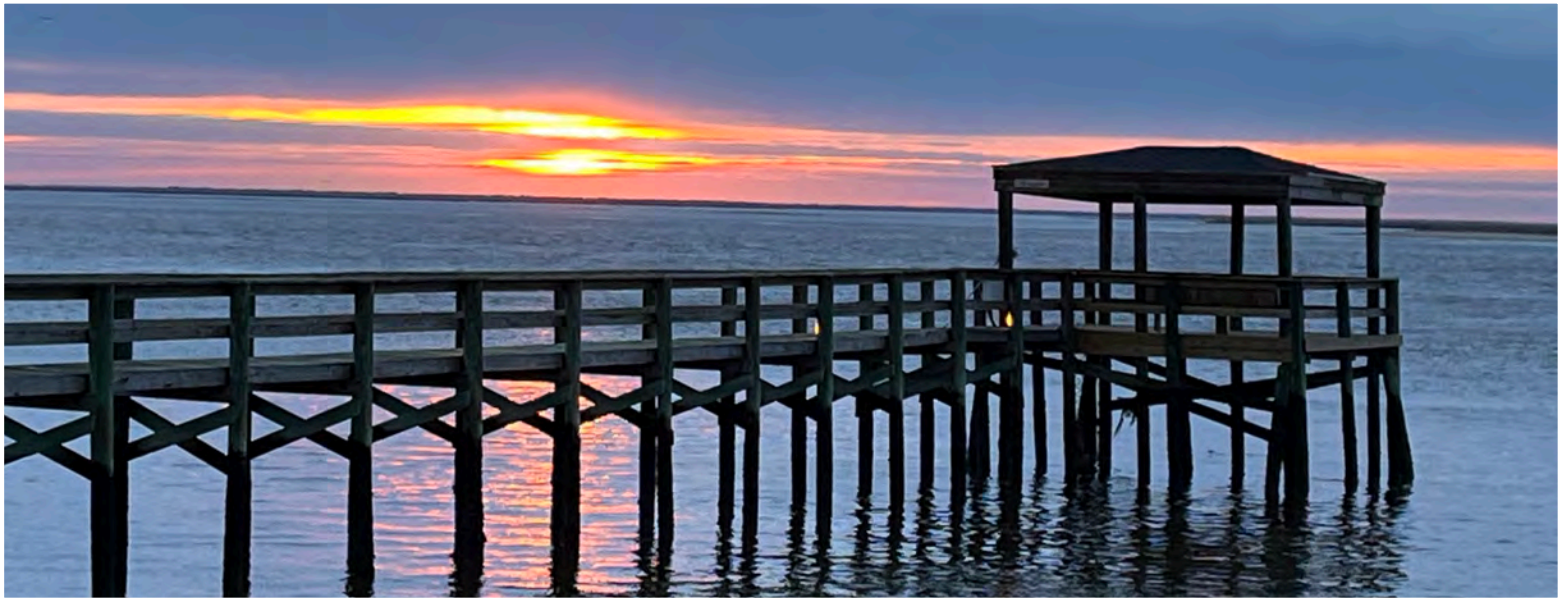
The City participates in the National Flood Insurance Program (NFIP). Therefore, the City enforces the Flood Damage Prevention Ordinance to protect its residents and property owners from water or erosion hazards, alteration of natural floodplains, control filling, grading, and dredging, and regulate the construction of flood barriers. The purpose of the ordinance is to:

- ◆ Protect human life and health

- ◆ Minimize expenditure of public money and the need for rescue and relief efforts
- ◆ Reduce prolonged business losses and interruptions, damage to public facilities and utilities, and damage to private and public property
- ◆ Ensure flood insurance is available to the community through the National Flood Insurance Program
- ◆ Maintain the natural and beneficial functions of a floodplain
- ◆ Maintain a stable tax base, and ensure property buyers are aware that property is in a Special Flood Hazard Area

NC STATE BUILDING CODE

The City of Southport utilizes the North Carolina State Building Code to oversee the erection of all structures in its planning jurisdiction. The state currently mandates the 2015 International Building Code standards and legislators have been delaying the implementation of 2018 and 2021 International Building Code standards. The International Building Code introduces a new version of building codes every three years. State legislators passed House Bill 488 in 2023 which essentially blocks North Carolina from adopting newly updated residential codes until 2031. Weaker building codes keep North Carolina from getting federal funds for climate resiliency and flood mitigation projects. In October 2024, weak building codes led North Carolina to lose out on \$70M in disaster prep funds. With more intense and more frequent storms, in the future state legislators may need to consider introducing more stringent building codes to increase the state's resiliency.



4

PLANNING FOR THE FUTURE





Land Use & Development Policies

The following plan chapter includes policies and implementing actions that are meant to guide the development and use of land in Southport. The policies are meant to support the goals of Southport. It is also intended that they are consistent with the goals of the Coastal Area Management Act (CAMA), address the CRC management topics for land use plans, and comply with all state and federal rules and regulations. These policies and implementing actions will apply to the City's entire planning jurisdiction. All policies and implementing actions shall be used for consistency review by appropriate state and federal agencies. It is recommended that the Southport Planning Board and Board of Aldermen shall consult this plan during the deliberation of all rezoning requests and other relevant land use decisions. The policies and implementing actions of this plan and all applicable CAMA regulations regarding land use and development will be taken into consideration during these decisions.

COASTAL AREA MANAGEMENT ACT (CAMA) COMPLIANCE

This plan functions as the City's Comprehensive Plan and as a CAMA land use plan (see requirements set forth in 15A NCAC 07B). The Coastal Resource Commission (CRC) outlines five land use plan management topics necessary to fulfill requirements for a CAMA plan:

- ◆ Public Access
- ◆ Land Use Compatibility
- ◆ Infrastructure Carrying Capacity
- ◆ Natural Hazard Areas
- ◆ Water Quality

These five management topics were created to ensure that CAMA Land Use Plans support the goals of CAMA, define the CRC's expectations for the land use planning process, and give the CRC a substantive basis for review and certification of CAMA Land Use Plans. These topics are addressed in the plan along with other topics of local concern including historic preservation, housing, transportation and economic development.

CAMA TOPICS BY PLAN ELEMENT



Land Use & Housing

This plan element includes policies related to the CAMA management topic of land use compatibility.



Public Access

This plan element includes policies related to the CAMA management topic of public access.



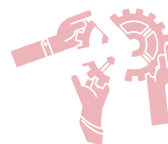
Resiliency

This plan element includes policies related to the CAMA management topic of natural hazard areas.



Water Quality

This plan element includes policies related to the CAMA management topic of water quality.



Infrastructure

This plan element includes policies related to the CAMA management topic of infrastructure carrying capacity.



Local Concerns

Additional plan elements are included to address local concerns of historic preservation, transportation and economic development.





Future Land Use Map and Character Areas

The Future Land Use Map (FLUM) and character areas represent the community's vision for the future of Southport and is one of the factors used to guide rezoning, land use, infrastructure and development decisions. The Future Land Use Map is descriptive, not prescriptive. It identifies predominant land use types and character of future development for different parts inside and outside of Southport's planning jurisdiction. Recommendations embedded in the Future Land Use Map will only be utilized in areas outside of the City limits when there is a request for annexation.

The Future Land Use Map should be used as a guide to transition areas into their desired future state. For example, the Gateway character area is new area on the Future Land Use Map. After numerous conversations with residents there was a desire for a sense of arrival at the Highway 211 and 87 intersection. This resulted in the creation of a Gateway character area. To achieve the desired results will take investments in the area and updates to the existing zoning ordinance. The desired state could take years to come into fruition but with the correct implementation measures, the desired results could be achieved.

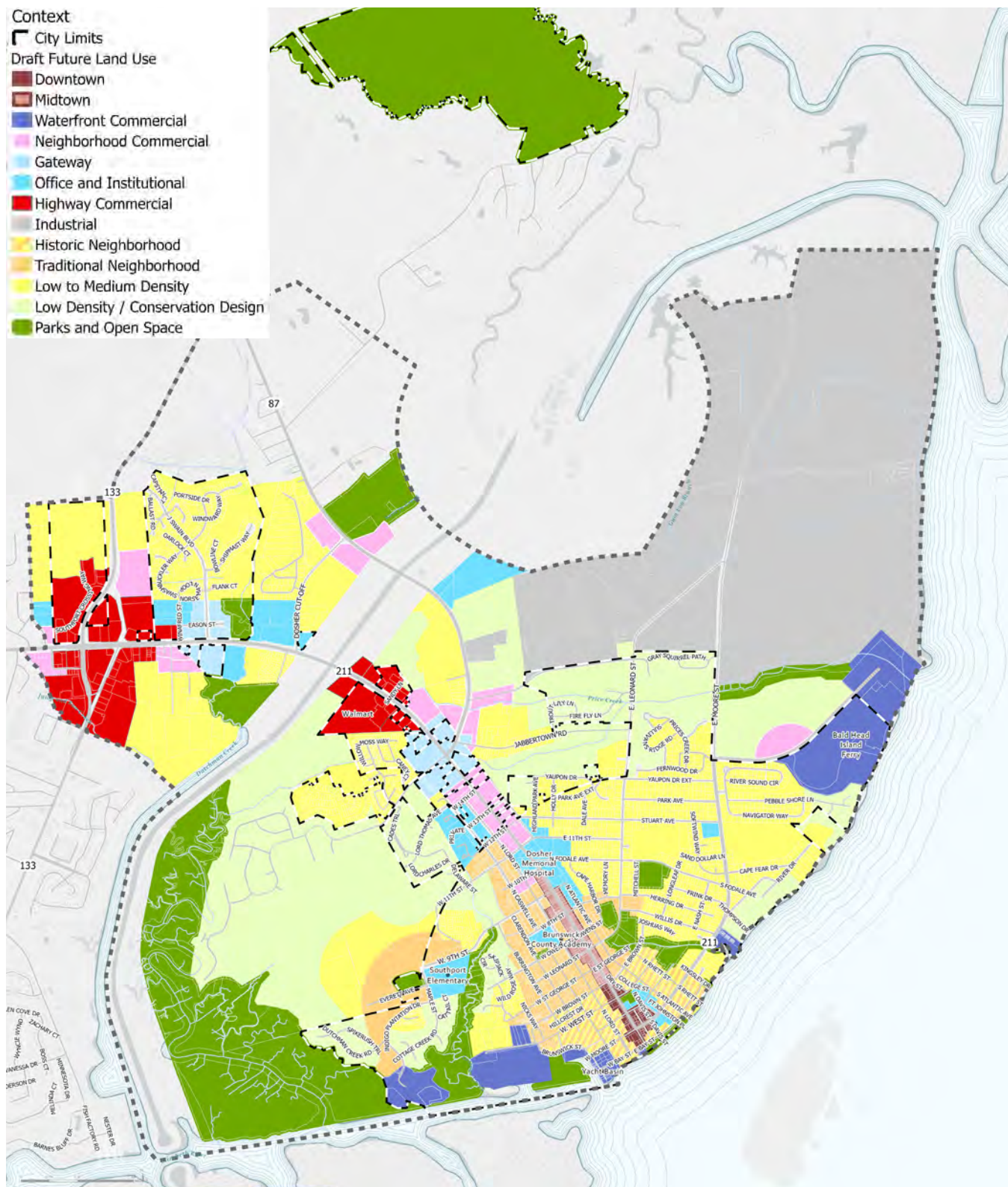
Building height and footprint analysis was conducted in the development of the Future Land Use Map character areas. The character areas should be used to further refine the land use vernacular and preserve and enhance the local character. These character areas provide direction for updates to the City's development regulations to help the community vision become reality. The following pages provide an overview of the Future Land Use Character Areas.

FUTURE LAND USE

-  **Parks and Open Space**
-  **Low Density/Conservation Design**
-  **Low to Medium Density**
-  **Traditional Neighborhood**
-  **Historic Neighborhood**
-  **Gateway**
-  **Office and Institutional**
-  **Neighborhood Commercial**
-  **Midtown**
-  **Downtown**
-  **Waterfront Commercial**
-  **Highway Commercial**
-  **Industrial**



FUTURE LAND USE MAP (OVERALL)





FUTURE LAND USE MAP (DOWNTOWN)





OPEN SPACE AND PARKS

- ◆ Includes floodplains, wetlands, environmentally sensitive areas and parks.
- ◆ **Example Uses:** Traditional parks and recreation related buildings, public water access points, kayak launches, wildlife viewing areas, low-impact trails, and natural access areas. If context appropriate, water dependent uses such as boardwalks, piers or jetties, ferries, and fishing operations.
- ◆ **Allowable Density:** N/A
- ◆ **Maximum Height:** 35 feet



LOW DENSITY/CONSERVATION DESIGN

- ◆ Conventional subdivisions with relatively large lots with a Conservation Subdivision option for smaller clustered lots away from environmental features with a minimum of 40% open space.
- ◆ **Example Uses:** Primarily single-family detached homes with the option for up to 25% of attached units and open space design requirements (open space priorities, passive vs. formal, alley loading, etc.)
- ◆ **Allowable Density:** 2.5 units per acre
- ◆ **Maximum Height:** 40 feet



LOW TO MEDIUM DENSITY RESIDENTIAL

- ◆ Low-to-medium density single-family residential development. Block lengths are typically less than 800' with smaller rights-of-way than the traditional and historic neighborhoods but wide enough to accommodate pedestrian activity.
- ◆ **Example Uses:** Primarily single-family detached homes and parks. Some attached may be part of planned developments.
- ◆ **Allowable Density:** 3 to 4 units per acre
- ◆ **Maximum Height:** 40 feet



TRADITIONAL NEIGHBORHOOD

- ◆ Development that mimics historic patterns of Southport and other coastal villages. Mostly single-family residential with some mix of housing including small-scale attached residential. Block lengths are 600' or less with tree lined streets and integrated parks.
- ◆ **Example Uses:** Primarily single-family detached homes may include occasional missing middle housing (cottage courts, compatible duplexes, etc.)
- ◆ **Allowable Density:** Generally under 6-7 units per acre, some isolated areas and existing lots may be a higher density
- ◆ **Maximum Height:** 40 feet



HISTORIC NEIGHBORHOOD

- ◆ Historic neighborhoods made up of predominantly single-family homes. Block lengths are 500' or less with the average parcel size is 7,840 square feet.
- ◆ **Example Uses:** Primarily single-family detached homes, with a mix of highly compatible residential uses, including occasional duplexes, accessory dwelling, garage apartments, and bed and breakfast businesses.
- ◆ **Allowable Density:** 4 to 5 units per acre | **Maximum Height:** 40 feet



OFFICE AND INSTITUTIONAL

- ◆ Primarily daytime or early evening uses but may occasionally include attached residential. Sidewalks to connect business entrances with rights-of-way. Parking lots should be interconnected or shared.
- ◆ **Example Uses:** Offices, medical/veterinary offices, churches, civic buildings, municipal buildings, live-work units, and multi-family residential.
- ◆ **Allowable Density:** 11 units per acre
- ◆ **Maximum Height:** 40 feet



NEIGHBORHOOD COMMERCIAL

- ◆ Neighborhood serving small-scale nonresidential uses (generally building footprints of 5,000 square feet or less) with pedestrian access to the building entrance and pulled up to the street along N Howe Street. Some parking may currently be in the front of the building but to accommodate pedestrian activity new development should have most off-street parking in the rear or on the side of the building or on-street parking should be utilized.
- ◆ **Example Uses:** Professional services and retail uses, such as hair salons/barbers, nail salons, fitness centers, and coffee shops, and occasional live-work units on second level.
- ◆ **Maximum Height:** 35 feet | **Max Building Footprint:** 5,500 sqft



MIDTOWN

- ◆ Small-to-medium scaled nonresidential uses (building footprints of 8,000 square feet or less) pulled up to the street. Some parking may currently be in the front of the building but to accommodate for pedestrian activity any off-street parking should be in the rear of the building or on-street parking should be utilized. Existing off-street parking could be converted to outdoor space including landscaping but a pedestrian connection should be created connecting the building entrance to the public right-of-way.
- ◆ **Example Uses:** Nonresidential uses such as boutiques, retail, restaurants, professional offices, and some live-work units.
- ◆ **Maximum Height:** 40 feet | **Max Building Footprint:** 8,000 sqft



DOWNTOWN

- ◆ Historic commercial core characterized by its walkable, active streets with high pedestrian activity. It serves as a social hub for residents, neighboring towns, and seasonal visitors. Small footprint buildings front the street with storefronts directly interacting with the sidewalks. Uses primarily include local boutiques, retailers, and restaurants. Although some offices and residential occur. Businesses maximize public infrastructure and services as they generate more taxable value per acre than any other area in the City limits. Parking is mostly on-street or in public or private lots.
- ◆ **Example Uses:** Active storefronts (retail, restaurants, coffee shops, etc.) Upper story office or residential is encouraged.
- ◆ **Maximum Height:** 35 feet with occasional taller institutional uses | **Max Building Footprint:** 6,000 sqft



WATERFRONT COMMERCIAL

- ◆ Includes water-dependent and nonresidential areas such as the Bald Head Island Ferry, Fort Fisher Ferry Service, Yacht Basin District, Morningstar Marina, and Indigo Plantation Marina. Also includes retail, hotels and some existing vacation rentals.
- ◆ **Example Uses:** Waterfront uses—restaurants, retail, hotels, docks, boat ramps, urban waterfronts, fishing operations, boardwalks, marinas, and boat rentals.
- ◆ **Maximum Height:** 35 feet



GATEWAY

- ◆ Medium scaled buildings (generally building footprints under 30,000 square feet). Primary uses include retail, restaurants, offices and some residential. Building design includes articulated facades. Site design includes minimal parking in front of buildings, pedestrian amenities including sidewalks, lighting and street trees.
- ◆ **Example Uses:** Nonresidential uses such as boutiques, retail, restaurants, professional offices, and some upper story residential and multi-family buildings.
- ◆ **Maximum Height:** 40 feet | **Max Building Footprint:** 30,000 sqft



HIGHWAY COMMERCIAL

- ◆ Includes large-scaled nonresidential uses and potential for attached residential homes. These sites are often anchored by a large tenant and other smaller tenants with off-street parking located in the front of the building. Buildings are often set back from the street and parking lots are often connected and shared. Although these places are typically auto oriented landscaping should be used to soften views and pedestrian facilities should be provided along roads and between destinations. **Example Uses:** Large footprint, higher intensity commercial, retail, services, and hotel accommodations. If context appropriate, churches and primary or secondary schools may be appropriate.
- ◆ **Maximum Height:** 45 feet



INDUSTRIAL

- ◆ Includes land adjacent to the Brunswick Nuclear Plant and the discharge channel. Any industrial uses adjacent to a residentially used or residentially zoned land will require buffering between the uses to avoid potential conflicts.
- ◆ **Example Uses:** Industrial, warehouse, office, research and development, tech-flex, renewable energy, assembly, fabrication, and technology



LAND USE & HOUSING

Goal: Ensure development is compatible with Southport's unique characteristics, including its historic areas, heritage trees, and walkable environment while minimizing impacts.



Recommended Policies and Actions

Policy 1.1: Encourage a development pattern that honors Southport's character and respects the natural environment.

Action 1.1.1: Preserve the character of the City's historic commercial areas and neighborhoods.

Action 1.1.2: Encourage building renovation, reuse and context-sensitive infill development in key areas (*e.g. Downtown, Midtown North Howe*).

Action 1.1.3: Encourage commercial and office uses in Highway Commercial areas and more limited uses, scale or intensity of development in Neighborhood Commercial areas.

Action 1.1.4: Encourage well-designed commercial and mixed-use development with active frontages in key gateways.

Action 1.1.5: Encourage active uses and larger buildings near major roadways and intersections and less intense uses and smaller buildings away from these features.

Action 1.1.6: Encourage development in activity centers and discourage "strip" commercial development.

Action 1.1.7: Support office uses, multi-family uses and house-scale attached residential as a transition between commercial areas and lower density residential land uses.

Action 1.1.8: Encourage open space reservation in new subdivisions and conservation subdivision design in areas with sensitive environmental features.

SMALL-SCALE COMMERCIAL (SHOPS AND RESTAURANTS LIKE IN DOWNTOWN)

#1

Development Preference Question on survey



Downtown Southport



Policy 1.2: Limit building size and height in different areas based on character and context.

Action 1.2.1: Encourage small building footprints and heights Downtown.

- ◆ In Downtown, building heights should be less than 35ft with some exceptions for civic buildings (e.g. churches, community buildings, courthouse, museum) and architectural features (i.e. church steeples). Building footprints should generally be less than 6,000 square feet with exceptions for civic buildings or churches.
- ◆ See the map on page 126 that explains Southport's many character districts.

Action 1.2.2: Encourage small to medium building footprints and heights in Midtown and Neighborhood Commercial areas.

- ◆ In Midtown, limit building footprints to under 8,000 square feet and building heights to less than 40 feet with exceptions for utilities (e.g. the water tower) and architectural features (e.g. church steeples).
- ◆ In Neighborhood Commercial areas, limit building footprints to under 5,500 square feet and building heights to less than 40 feet

Action 1.2.3: Limit building heights in the Yacht Basin to a max of 35-40ft.

Action 1.2.4: Encourage medium building footprints and heights in Gateways.

- ◆ In Gateways, limit building footprint size to under 30,000 square feet and height (max of 45ft).

Policy 1.3: Encourage new development to employ site and building design techniques to reinforce a walkable traditional village scale and character.

Action 1.3.1: In commercial and mixed-use areas, encourage a mix of uses at a reasonable scale based on surrounding



Southport historic homes

development and buildings with architectural details including articulated facades, windows, porches and other features.

Action 1.3.2: In Traditional Neighborhoods identified on the Future Land Use Map, encourage development that mimics historical patterns of Southport and other coastal villages.

- ◆ New development should be mostly single-family residential, with some mix of housing including small-scale attached.
- ◆ Front porches, alley and side-loaded homes and design that preserves large trees should be encouraged.

Action 1.3.3: Encourage first floor elevations for residential buildings to be a minimum height above ground.

- ◆ A small step up (i.e. 14-21 inches) from the street grade can help delineate public and private space and has benefits related to preventing localized flood impacts.

Action 1.3.4: Update transportation standards to encourage a walkable Downtown and surrounding neighborhoods.

- ◆ Changes to street and sidewalk and parking standards, curb radii and access design are recommended.

Policy 1.4: Support the continued operation of commercial businesses in the Yacht Basin.

Action 1.4.1: Consider an overlay that allows for formalized parking south of Moore Street and west of Caswell Avenue.

Action 1.4.2: Target areas for parking improvements and beautification / landscaping.

Action 1.4.3: Plan for improved vehicular and pedestrian access.

Policy 1.5: Minimize direct and secondary environmental impacts from new development.

Action 1.5.1: Adopt and enforce local development policies and regulations that limit impacts on Areas of Environmental Concern (AECs).

Action 1.5.2: Require new development to protect AECs through modifications to development design including reductions in density and/or the utilization of practices that limit impacts including low impact development and conservation design principles.

- ◆ Development/project approval should be based on project design which avoids substantial loss of important habitat areas and negative impacts to water quality.

Action 1.5.3: Employ green growth strategies in new development including limiting development footprints, preserving natural heritage areas and coastal wetlands, and implementing proactive tree protection and stormwater control measures.

RESIDENTIAL SUBDIVISION DESIGN

Residential growth in Southport can take many forms. Survey respondents overwhelmingly prefer conservation subdivision over conventional subdivisions. Conservation subdivisions cluster development away from natural resources and preserve more open space in exchange for flexibility in lot size. The two graphics presented in the survey have the same number of units and employ different design techniques. It should be noted that new subdivisions could employ a blend between these techniques, but currently there is not an option in the zoning ordinance that allows or incentivizes conservation design.





Action 1.5.4: Analyze proposed development and infrastructure projects for potential impacts from future sea level rise.

Policy 1.6: Require the incorporation of open space in new developments.

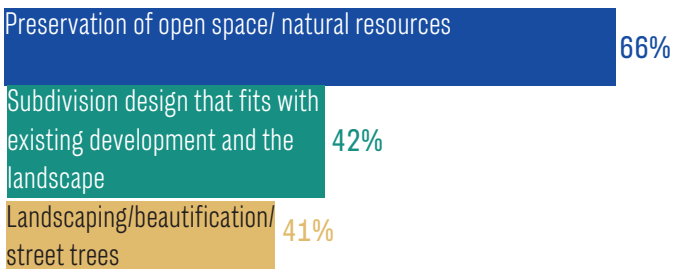
- Action 1.6.1: Maintain open space requirements for subdivisions with 5 or more lots.
- Action 1.6.2: Encourage the utilization of the Planned Unit Development option in the UDO for new subdivisions in the R-10 and R-20 zoning districts.

Policy 1.7: Review and modernize the Unified Development Ordinance (UDO)

- Action 1.7.1: Update zoning (*dimensional requirements and development standards*) to account for existing development patterns in historic residential areas.
 - ◆ Minimum lot size and setback requirements should be tailored to mimic historical patterns. Average parcel size for this area is 7,840 and many properties have minimal setbacks.
- Action 1.7.2: Tailor building size, scale, height and impervious surface limits to complement and reinforce the character of different parts of the City.

NEW NEIGHBORHOODS

The community survey asked respondents what qualities are most important in new neighborhoods . The top three responses were:



- ◆ See actions under Policy 1.2 for recommendations.

Action 1.7.3: Consider updating the definitions of mixed use and live-work units.

Action 1.7.4: Update commercial and mixed-use design standards for key areas of the City.

- ◆ Consider the establishment of zoning overlays for North Howe Street and/or the Gateway areas on the Future Land Use Map that include custom building and/or site design standard.

Action 1.7.5: Update and modernize uses in the Table of Permitted Uses and ensure all uses are defined.

Action 1.7.6: Update parking requirements.

- ◆ Many requirements are quite high. High parking requirements can reduce walkability, cause unnecessary increases in stormwater, and impact the aesthetics of a community.

Action 1.7.7: Consider the creation of a Conservation Subdivision Option for new development in the R-10 and R-20 zoning districts.

- ◆ This district could allow for conservation subdivision design by requiring a high minimum open space requirement (i.e. 40%) and low overall density in exchange for flexibility in lot size or unit type.

Action 1.7.8: Consider enhancing design standards and/or implementing conditional zoning options for residential in the UDO.

- ◆ Consider updating allowances and enhancing development standards for some types of attached residential housing.
- ◆ Update standards for open space in residential developments.
- ◆ Currently there is conditional zoning for commercial developments but not residential developments.
- ◆ Potential benefits of creating a conditional zoning option that allows for residential and mixed-use development include additional dialog between the community, the applicant and boards to customize development designs based on feedback and tailor proposals to meet the character and goals of Southport.



Action 1.7.9: Update regulations related to accessory structures.

- ◆ Accessory Structures: Revise performance standards to limit impacts on adjacent development (e.g. modify setback based on height or adjacent structure location)
- ◆ Accessory Dwelling Units: Updates could include revised performance standards, administrative approval, and allowances for long-term rentals.

Action 1.7.10: Consider updating the UDO to incorporate military-related regulations for future annexations with the MOTSU study area.

Policy 1.8: Coordinate with Brunswick County and other entities to manage growth near Southport.

Action 1.8.1: Coordinate with the representatives from Indigo Phase 2, a proposed development on the west side of the City, and Brunswick County to encourage development design that builds on Southport's traditional character, has a defined center, and integrates open space in a way that is respectful of existing natural resources.

Action 1.8.2: Encourage the creation of a new residential district for the area surrounding Southport that allows for only low-density development that is more compatible than the initial County zoning assigned.

Action 1.8.3: Coordinate to develop a custom overlay district for the Howe Street area that encourages building and site design that accomplishes City goals.

Action 1.8.4: Coordinate with Military Ocean Terminal at Sunny Point (**MOTSU**) on annexations within the MOTSU Study Area.

Policy 1.9: Support a variety of quality housing that meets local needs at appropriate scales.

Action 1.9.1: Relax restrictions on Accessory Dwelling Units (**ADUs**) related to size and restrictions on long-term rentals.

- ◆ Balance this with revised performance standards to limit



impacts on adjacent properties, particularly those governing setbacks, height and bulk.

Action 1.9.2: Consider developing informational material and/or pre-approved template for ADUs.

Action 1.9.3: Coordinate with non-profits and other entities to develop targeted affordable housing units (*e.g. units for police/fire, seniors, veterans, teachers*).

Action 1.9.4: Update UDO to refine standards and allowable uses related to residential housing types.

Action 1.9.5: Consider defining additional housing types including cottage courts / pocket neighborhoods and live/work units (*small-scale buildings with a commercial and residential unit*)

Action 1.9.6: Pursue funds from state and federal sources for rehabilitation or redevelopment of substandard housing.



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PUBLIC ACCESS

Goal: Maximize public access and vistas to the coastal waters of the region, parks, and other recreational opportunities.



Recommended Policies and Actions

Policy 2.1: Support public and private initiatives that increase public access to coastal waters and parks for all of Southport's residents and visitors.

Action 2.1.1: Continuously maintain and improve parks including facilities, restrooms, parking, etc.

Action 2.1.2: Prioritize updates needed to comply with the Americans with Disabilities (*ADA*) and Universal Design (*UD*) regulations and standards.

Action 2.1.3: Conduct a study to access providing connections between parks (*Lowe-White Park to Taylor Field Park to Kingsley*).

- ◆ Alternatives should be studied including a greenway option and on-street sidewalk improvements.

Action 2.1.4: Develop a Waterfront Master Plan that documents needed infrastructure improvements, amenities and connectivity enhancements near Waterfront Park to the Yacht Basin.

Action 2.1.5: Pursue funding from the North Carolina CAMA Shoreline Access program to enhance shoreline access.

Action 2.1.6: Support the incorporation of shoreline access facilities in new residential and non-residential developments.

Action 2.1.7: Update informational materials related to boating access points and paddling routes around Southport including information related to the new Cottage Creek kayak launch.

Action 2.1.8: Seek out opportunities for additional future kayak launches.

WATERFRONT PUBLIC SPACE

Southport has an unparalleled system of public space on or near the waterfront. Waterfront Park is the largest and most prominent but additional public spaces include Garrison House lawn, Kingsley Park, City Pier, City Dock, Historic Salt Marsh Boardwalk, Atlantic Avenue CAMA access, and the Cottage Creek kayak launch that was recently completed near Morning Star Marina.





Policy 2.2: Implement key recommendations from the Parks and Recreation Master Plan.

Action 2.2.1: Prioritize the implementation of the following recommendations from the Parks and Recreation Master Plan:

- ◆ Plan for the addition of benches and bicycle racks in parks.
- ◆ Utilize pervious pavement and other forms of green stormwater infrastructure at parks.
- ◆ Develop a site-specific master plan for Stevens Park.
- ◆ Add educational kiosk(s) or signage in parks.

Policy 2.3: Enhance recreational opportunities to serve the residents in and near Southport.

Action 2.3.1: Consider the addition of bollards or a low wall between E Moore Street and the playground in front of the Community Building.

Action 2.3.2: Continue to invest in City Dock: Add slips, consider allowance of transient slips.

Action 2.3.3: Consider parking improvements at Alvin Caviness Park.

- ◆ West Owens Street has an 80 foot wide right-of-way which could be improved to include additional on-street parking spaces to serve the park and nearby church.

Action 2.3.4: Consider parking improvements at additional parks.

Action 2.3.5: Maintain historic trees and consider improvements to passive recreational opportunities in Franklin Square Park.

Action 2.3.6: Involve the Garden Club and Beautification Committee in planting activities including the addition of native plantings and/or pollinator gardens on public lands, and other beautification efforts.

Policy 2.4: Seek out opportunities to create a protected walking and biking path through the City's jurisdiction for the East Coast Greenway.

Action 2.4.1: Study the potential for a multi-use path or wide sidewalk along Atlantic Avenue, Leonard Street, Lord Street and Caswell Avenue or a similar route to improve walking and biking conditions for residents and visitors.





HISTORIC PRESERVATION

Goal: Preserve, protect, and continue to celebrate the City's historic resources and character.



Recommended Policies and Actions

Policy 3.1: Support local preservation and recognition of the City's history and culture.

Action 3.1.1: Continue to work towards establishing a local historic district and design standards for the district.

Action 3.1.2: Seek out and support opportunities for Local Landmark designation.

Action 3.1.3: Continue to coordinate with the Historic Preservation Commission, North Carolina Maritime Museum, and the Southport Historical Society in the recognition of historic sites, locations, and events.

Action 3.1.4: Raise awareness of the local African American/Black history through events, educational signage, and recognition.

- ◆ Encourage diversity on the Historic Preservation Commission.

Action 3.1.5: Seek out opportunities for establishing a historic or character overlay for historically African American/Black communities.

Action 3.1.6: Pursue Certified Local Government status to have the opportunity to apply for grant funding.

Action 3.1.7: Utilize grant funding administered by the North Carolina Historic Preservation Office to update the National Register survey of the Southport Historic District.

- ◆ Other eligible activities for the Historic Preservation Fund (HPF) pass-through grant include architectural and archaeological surveys, nominations of eligible districts and properties to the National Register of Historic Places, survey publication manuscripts, local preservation plans, and educational programs.

Policy 3.2: Communicate Southport's story through art, community activities, education, and signage to reinforce community identity and sense of place.

Action 3.2.1: Utilize signage, wayfinding, banners, and other municipal infrastructure to promote a unified appearance and identity for Southport.

Action 3.2.2: Pursue funding opportunities to develop and implement a wayfinding and signage plan to facilitate a

HISTORIC PRESERVATION OF DOWNTOWN

1

**priority from development preference question
during public meeting**



comprehensive approach to wayfinding, banners, street signs, utility wraps, and educational signage.

Action 3.2.3: Coordinate with the North Carolina Historic Preservation Office to provide educational programs, such as informational meetings on historic rehabilitation tax credits for income-producing and non-income producing properties.

Policy 3.3: Support the preservation of historic structures, sites, and monuments for their economic benefits.

Action 3.3.1: Adopt and utilize the Southport Local Historic District Design Standards so that development and redevelopment is consistent with the architectural context and community character.

Action 3.3.2: Continue to support heritage tourism.

Action 3.3.3: Encourage renovation and active uses for historic buildings and sites.

Action 3.3.4: Encourage physical improvements in the historic districts (*including the Yacht Basin*) in Southport to improve overall quality of the neighborhood or Downtown, including the addition or improvement of sidewalks, lighting, road maintenance, tree planting and maintenance, and cemetery maintenance.

Action 3.3.5: Coordinate with partners to maintain historic cemeteries.

LOCAL HISTORIC DISTRICT

The City of Southport's Historic Preservation Commission has been working diligently on Southport's Local District Design Standards and a Local Designation Report. These are the first steps in establishing a local district that will be sent and reviewed by the North Carolina Historic Preservation Office. Once reviewed by the SHPO, the Historic Preservation Commission will recommend the establishment of the Southport Local District to the Board of Aldermen for approval. This is anticipated early in 2025.





RESILIENCY

Goal: Increase Southport's resiliency to natural hazards.



Recommended Policies and Actions

Policy 4.1: Minimize life, health, and public safety threats prior to extreme weather events.

Action 4.1.1: Implement and participate in regular updates to the Southeastern North Carolina Regional Hazard Mitigation Plan and the Brunswick County Emergency Management Plan.

Action 4.1.2: Seek out grant opportunities (*i.e., North Carolina Resilient Coastal Communities Program*) to assess local critical assets and their ability to withstand hazardous conditions.

Action 4.1.3: Ensure critical facilities have operating generators or back-up power source to reduce service interruptions.

Action 4.1.4: Support the continued enforcement of all controls and regulations, specifically design standards, tie-down requirements, construction and installation standards, elevation requirements, flood-proofing, CAMA regulations, and FEMA regulations, to mitigate risk to lives and minimize property damage caused by flooding, severe storms, and hurricanes.

Policy 4.2: Reduce vulnerability by utilizing the Future Land Use Map and other resources to focus growth and development away from flood prone areas.

Action 4.2.1: Keep zoning densities lower in vulnerable areas and use floodplain data, past flooding data, and best available sea level rise projections as guidance for future development design and approval.

Action 4.2.2: Encourage low-lying areas and areas prone to flooding to be utilized as open space in new development.

Policy 4.3: Continue to work to improve Southport's Community Rating System.

Action 4.3.1: Support a Building Code Effectiveness Grading Schedule survey to assess community building codes and their enforcement as an initial step to improving the Community Rating System score.

Action 4.3.2: Provide flood information on the website including current flood maps, emergency management links, storm preparation, and storm aftermath.

COMMUNITY RATING SYSTEM

The City of Southport participates in FEMA's Community Rating System (CRS). This is a voluntary incentive program that recognizes and encourages community floodplain management practices that exceed the minimum requirements of the National Flood Insurance Program (NFIP). Flood insurance premium discounts in communities that participate in the CRS range from 5% to 45%. Communities are divided into classes based upon points. The lower the class the greater the discount for flood insurance. Southport is currently a CRS Class 7, meaning flood insurance premiums are discounted by 15%. There are numerous ways to improve the community's CRS rating. Participation in hazard mitigation planning is one way, but other ways are listed in the National Flood Insurance Program Community Rating System Coordinator's Manual.



Action 4.3.3: Participate in updates and/or incorporate recommendations from the Evacuation Study for Brunswick Nuclear Power Plant.

Action 4.3.4: Utilize the current FEMA Coordinator's Manual as guidance to improve Southport's current rating.

- ◆ Southport's Community Rating System (CRS) class rating is currently a Class 7. This results in a 15% insurance premium reduction.

Policy 4.4: Utilize Low Impact Development solutions (LID) and green infrastructure to reduce non-point source pollution.

Action 4.4.1: Utilize LID techniques to reduce runoff and improve stormwater management on City-owned land and encourage these techniques in new private development.

- ◆ LID techniques include disconnected impervious surfaces, rainwater harvesting using rain barrels and cisterns, rain gardens, green roofs, stormwater planters, and bioretention swales.
- ◆ LID techniques can be incorporated into the early planning stages for undeveloped areas. These include the protection of open space and natural areas such as wetlands, installation of bioretention areas, and reduction in the amount of impervious surfaces.
- ◆ In developed areas, LID techniques range from directing roof drainage to a rain garden or using rain barrels and cisterns.

Action 4.4.2: Encourage the use of native plantings and drought-tolerant plants.

Policy 4.5: Continue to improve the resiliency of historic properties.

Action 4.5.1: Utilize the Southport Local Historic District Design Standards "Disaster Preparedness and Prevention Standards" to increase the resiliency of historic properties.

Action 4.5.2: In the event of a major disaster, coordinate with the North Carolina Historic Preservation Office to determine availability of funding or other resources to assist in the recovery process for historic properties.

LOW IMPACT DEVELOPMENT (LID)

As Southport continues to grow, so does the amount of surface area, including rooftops, roads, parking lots. Rainfall does not soak into these hard surfaces, instead it flows quickly away from them—picking up pollutants along the way. These pollutants enter ditches, storm drains, etc. and eventually end up in local waterways without treatment. The addition of LID solutions allows for the capture and retention of water on site, allowing water to soak into the soil where it is naturally filtered. Low impact development has many environmental and economic benefits including reducing the number of costly flooding events, restoring aquatic habitat, improving groundwater recharge, and enhancing neighborhood beauty. When incorporated widely, it can reduce the urban heat island effect, mitigate climate change, save energy, reduce air pollution, increase property values, and increase groundwater recharge.



*Brunswick County Government Center
rain garden*

Image Source: North Carolina Coastal Federation

Policy 4.6: Continue to maintain and improve Southport's tree canopy.

Action 4.6.1: Continue to encourage tree preservation in new development and enhance tree preservation in new large-scale residential development.

- ◆ Continue to require tree removal permits for defined impacts.
- ◆ Specify enhanced tree protection requirements in a new Conservation Subdivision development option.

Action 4.6.2: Update ordinances to encourage retention of existing vegetation on development sites and consider a fee in lieu option for mitigation.

Action 4.6.3: Coordinate with the County to update tree protection requirements adjacent to Southport.

Action 4.6.4: Maintain and approve the annual tree planting program to diversify Southport's tree canopy.

Action 4.6.5: Study options and locations to add street trees for shade along major corridors.

Policy 4.7: Support the protection of Southport's wetlands.

Action 4.7.1: Support the regulation of 404 wetlands by the US Army Corps of Engineers.

Action 4.7.2: Monitor development proposals for compliance with Section 404 of the Clean Water Act and develop and enforce local land use ordinances to the degree permissible by state law to regulate development of freshwater swamps, marshes, and 404 wetlands.

Action 4.7.3: Consider incentives to encourage development design that protects unregulated wetlands from development (*i.e., an option for conservation subdivisions and/or modifications to the Planned Development option*).

Action 4.7.4: Educate the public about the ecological and storm protection benefits of wetlands in and around Southport.

Action 4.7.5: Seek out grant funding opportunities for the restoration of coastal wetlands.

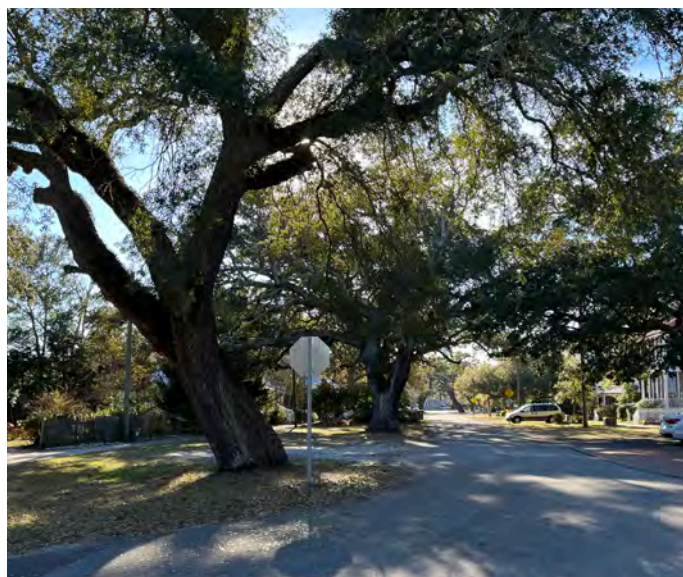
Action 4.7.6: Provide protective measures to decrease shoreline erosion due to wave energy, storm surge, and sea level rise along the Cape Fear River, Price Creek, Dutchman Creek, and Cottage Creek.

Action 4.7.7: Support the installation of properly engineered and permitted bulkheads in appropriate areas (*i.e. along Bay Street*).

Action 4.7.8: Develop a Shoreline Management Plan to identify areas most appropriate for hardened or living shorelines.

Action 4.7.9: Consider alternative methods of shoreline stabilization where feasible.

Policy 4.8: Reduce greenhouse gas emissions through renewable energy generation, energy efficiency, and mobility options.



Southport's tree canopy provides aesthetic and practical benefits including shade, wildlife habitat, and rainwater absorption.



Action 4.8.1: Continue to support the Dark Sky Initiative by encouraging full cut off lights.

◆ The Dark Sky Initiative

Action 4.8.2: Consider updates to the fixture options included in the Southport Streetlight Policy to include bollard mounted ground level lighting.

Action 4.8.3: Consider the addition of an electric charging station on City-owned property.

Action 4.8.4: Consider incorporating alternate energy solutions when renovating or designing City-owned buildings.

Policy 4.9: Study priority areas for burying electric lines for visual benefits and to improve resiliency by speeding up recovery after storms.

Action 4.9.1: Continue allocating funding for burying electric lines and seek out grant opportunities to assist with these efforts.

Goal: Prioritize adaptation measures and improvements to allow residents and visitors to continue enjoying the Yacht Basin.

Policy 5.1: Enhance pedestrian facilities and consider improvements to stormwater, drainage, and parking in the Yacht Basin.



Action 5.1.1: Utilize the Downtown Parking Study's recommendations for improvements in the Yacht Basin.

Policy 5.2: Continue to pursue dredging of the Yacht Basin.

Action 5.2.1: Pursue grants to assist with completion of the project.

Policy 5.3: Designate the area as an Urban Waterfront to allow businesses to rebuild in the event of a natural disaster.

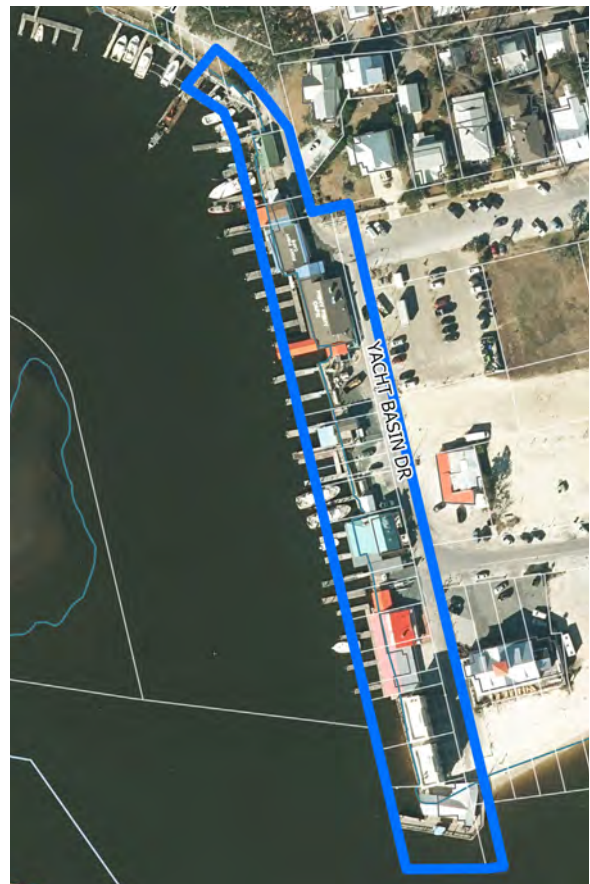
◆ See the Urban Waterfront map to the right.

Action 5.3.1: Adoption of this plan designates the Yacht Basin as an Urban Waterfront.

Action 5.3.2: Utilize the Urban Waterfront rules for expansion of existing development and new development in 15A NCAC 07H .0209.

Policy 5.4: Maintain Open Space Zoning District within marsh areas.

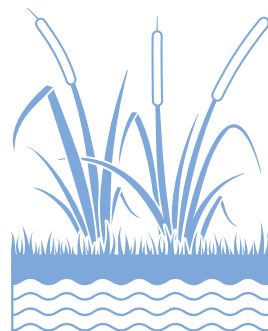
Action 4.9.2: Consider adjustments to the extent of the Open Space Zoning District based on newly available data.



Yacht Basin Urban Waterfront Map

WATER QUALITY

Goal: Maintain, protect, and where possible enhance water quality in all coastal wetlands, rivers, streams, and estuaries.



Recommended Policies and Actions

Policy 6.1: Coordinate with the North Carolina Department of Environmental Quality, Division of Coastal Management and the Coastal Resources Commission to protect the coastal wetlands, estuarine waters, estuarine shorelines, and public trust waters in Southport.

Action 6.1.1: Coordinate with the State of North Carolina to limit, to the extent possible, stormwater runoff into coastal waters from state government, local government and private development projects.

Action 6.1.2: Support the implementation of the Cape Fear River Basin Water Quality Management Plan and other regional planning initiatives focused on improving water quality.

Policy 6.2: Enforce and expand stormwater management regulations.

- ◆ Currently stormwater permits are only required for nonresidential development, multi-family development and subdivisions. Standards for could be established for other residential development that meet defined criteria.

Policy 6.3: Reduce soil erosion, runoff, and sedimentation resulting from construction and new development to minimize the adverse effects on surface and subsurface water quality.

Action 6.3.1: Ensure best practices are utilized during disturbance, construction and development design.

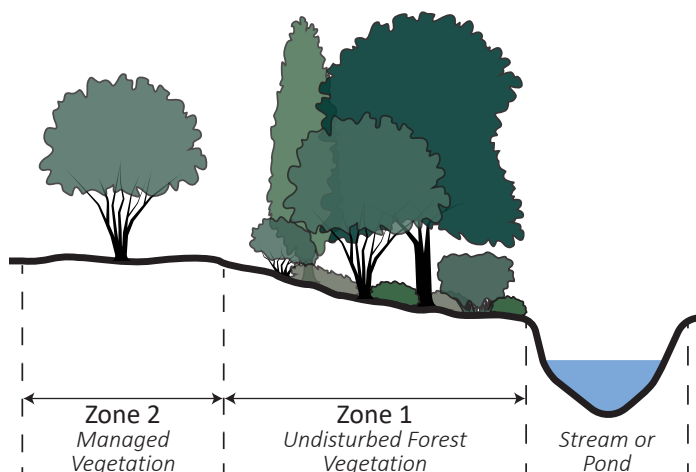
Action 6.3.2: Consider updates to the Soil Removal and Deposit Ordinance.

Policy 6.4: Encourage the preservation of stream and wetland buffers in new development.

Action 6.4.1: Utilize the development approval process and/or incentives to encourage new development to exceed required state stream buffer minimums.

Action 6.4.2: Encourage stream and wetland buffers that meet recommendations from the NC Wildlife Green Growth Toolbox.

- ◆ The Green Growth Toolbox recommends:
 - Forested buffers of a minimum of 100 feet on perennial streams and buffers of 50 feet on intermittent streams.
 - Wetland buffers of at least 50-100 foot if located along streams.



Maintaining vegetated stream buffers are effective ways to reduce sedimentation and minimize impacts on aquatic species and habitats.



- Maintaining connections between wetlands and adjacent forested upland areas due to the life cycle needs of amphibians.
- The protection of floodplains due to flood storage and wildlife habitat benefits.

Action 6.4.3: Consider establishing a policy that requires, where possible, that wetlands are dedicated as common open space and not included in minimum lot size calculations.

Policy 6.5: Establish built-upon area (*impervious surface*) limits for many zoning districts.

Action 6.5.1: Conduct a study to evaluate trends in impervious surface coverage in different areas of the City.

Action 6.5.2: Update the Unified Development Ordinance to include built-upon area limits for certain zoning districts.

- ◆ Permit pervious pavements to allow for infiltration.

Policy 6.6: Support the preservation of coastal wetlands, nursery areas, freshwater wetlands, and other sensitive natural areas.

Action 6.6.1: Encourage development design that reduces impact on wetlands including adequate setbacks.

Action 6.6.2: Coordinate all development review with the appropriate office of the US Army Corps of Engineers and the Soil Conservation Service.

Action 6.6.3: Work toward the preservation of large wetland areas (> *one acre*) in a natural state to protect their environmental value.

Action 6.6.4: Consider wetlands acquisition a priority in future expansions of Southport parks and recreation areas.

Action 6.6.5: Coordinate with the state to implement the Salt Marsh Action Plan.

- ◆ The Lower Cape Fear River watershed is projected to lose approximately 8% of its salt marshes.

Action 6.6.6: Seek to maintain overall hydrology, storm protection functions of marshes, and future marsh migration areas through restoration and strategic land acquisition.

Action 6.6.7: Coordinate with partners to maintain a salt marsh dataset to document the existing extent and/or migrating salt brackish marshes.

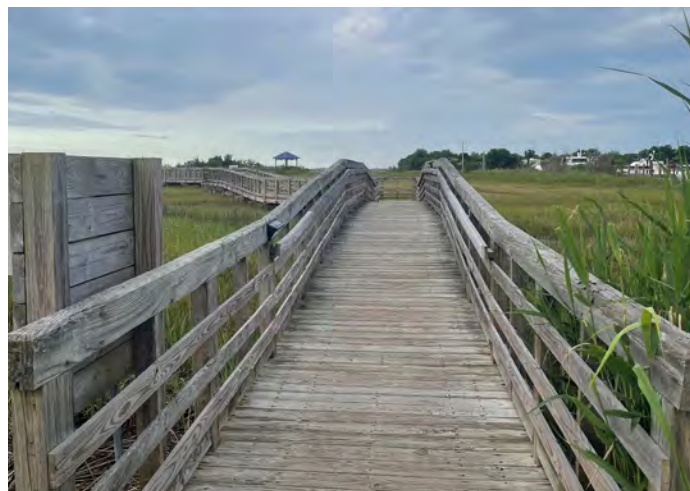
Action 6.6.8: Prevent and manage invasive species from encroaching on marsh areas by focusing on early detection, prompt removal, and using inventories and maps to prioritize problem areas where marshes are being degraded by invasive species.

Policy 6.7: Require permitted water-related developments to comply with state and federal regulations.

Action 6.7.1: Allow the construction of both open water and upland marinas which comply with the UDO and all applicable state and federal regulations.

Action 6.7.2: Discourage the location of floating homes within its jurisdiction.

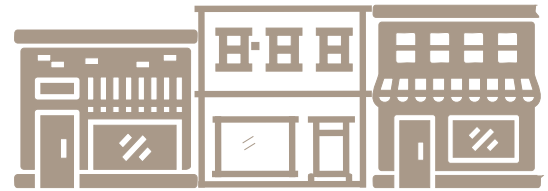
Action 6.7.3: Support the establishment of mooring fields within the planning jurisdiction, provided that no water degradation occurs as a result of waste disposal.





ECONOMIC DEVELOPMENT

Goal: Embrace and leverage Southport's unique small commercial areas and historic downtown as an economic development opportunity.



Recommended Policies and Actions

Policy 7.1: Recognize and support the tourism industry.

Action 7.1.1: Coordinate with the Brunswick County Southeastern Economic Development Commission, Brunswick County Chamber of Commerce, Town of Oak Island Business Advisory Board and Economic Development, the City of Wilmington Economic Development Division, and other regional entities to promote economic development in Southport on a regional level.

Action 7.1.2: Continue to support the Community Relations Department to inform residents and visitors about upcoming meetings, events, and more.

Action 7.1.3: Continue to promote local businesses.

Action 7.1.4: Continue to coordinate with the Fort Johnston-Southport Museum and Visitor Center.

Action 7.1.5: Continue to support and coordinate with the Bald Head Island Ferry and the Fort Fisher Ferry.

Action 7.1.6: Coordinate with Brunswick County to monitor visitation and spending trends.

Action 7.1.7: Support the film industry, ecotourism, and outdoor recreation in the greater Southport area.

Policy 7.2: Support existing small businesses and encourage new businesses.

Action 7.2.1: Encourage the development of new businesses and context-sensitive mixed-use development in Gateway, Neighborhood Commercial, and Midtown character areas.

Action 7.2.2: Support building reuse and renovation in Downtown and other areas.

Action 7.2.3: Study opportunities to improve access to public parking in the Downtown and Midtown area.

Action 7.2.4: Encourage active street frontages in Downtown, Midtown and at Gateways. This could include building or site design requirements and/or allowing parking areas to be converted to outdoor dining spaces while maintaining pedestrian access.

Action 7.2.5: Develop a wayfinding and signage plan to guide residents and visitors to public parking, businesses, and other destinations within and around Southport.

Action 7.2.6: Encourage businesses to extend business hours into the evening during certain days or events.

Action 7.2.7: Consider formalizing a social district to connect businesses in Downtown, the Yacht Basin, and Mid-Town.

Action 7.2.8: Continue to promote events that increase commerce for local businesses.

Action 7.2.9: Continue to recognize and support the businesses in the Yacht Basin.



Policy 7.3: Continue to support a vibrant, historic Downtown.

Action 7.3.1: Seek out funding opportunities to improve Downtown amenities including, lighting, pedestrian enhancements, seating, and increasing tree canopy coverage.

Action 7.3.2: Extend pedestrian lighting further up Howe Street into the Midtown area.

Action 7.3.3: Promote upper story residential in and around Downtown to increase tax revenue and support local businesses.

Action 7.3.4: Support Downtown Southport Inc. and consider pursuing NC Main Street designation.

- ◆ The first step toward Main Street designation is being recognized as a Downtown Associate Community.

Policy 7.4: Pursue a balanced economy and retain and attract young people and families.

Action 7.4.1: Encourage entrepreneurship, small businesses and professional services in the City.

Action 7.4.2: Advocate for and support Southport Elementary School.

Action 7.4.3: Coordinate with Brunswick Community College and local employers to provide training that matches needs of local businesses and emerging industries.

Action 7.4.4: Evaluate programs and facilities that fulfill needs of young people and families.

Policy 7.5: Develop an Economic Development Strategy that focuses on improving the tax base.

Action 7.5.1: Seek out additional sources of revenue, including grants, food and beverage tax, etc.



TRANSPORTATION

Goal: Ensure safe and reliable multi-modal transportation options including walking, biking, and other forms of transportation while limiting impacts from new development and prioritizing the needs of residents and visitors.



Recommended Policies and Actions

Policy 8.1: Support walking and biking in the community.

Action 8.1.1: Continue implementing the 2014 Comprehensive Pedestrian Transportation Plan. Consider an updates to the Plan to refine priorities and recommendations.

Action 8.1.2: Update development standards to encourage walking and biking.

- ◆ Encourage compact, mixed-use development - land use diversity is a primary indicator of walkability.
- ◆ Require or incentivize the provision of bicycle parking and/or golf cart parking.
- ◆ Review subdivision standards to improve walkability.

Action 8.1.3: Design and seek funding for priority pedestrian improvements.

Action 8.1.4: Study future improvements of the streetscape along Howe, Moore, and Bay Streets.

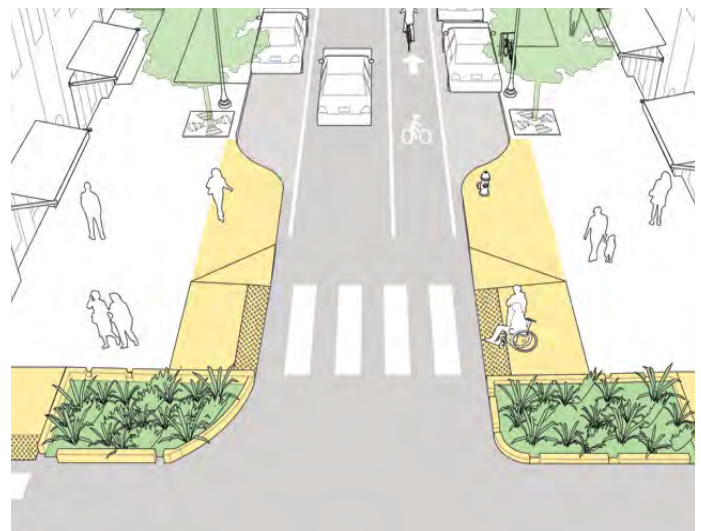
Policy 8.2: Maintain City roads by regularly updating the pavement condition study and administering the repaving program.

Policy 8.3: Improve walkability along North Howe Street.

Action 8.3.1: Plan for improved pedestrian crossings along the northern section of Howe Street.

- ◆ Several intersections north of the water tower need crosswalks and potentially bulb-outs to reduce crossing distance.

Action 8.3.2: Conduct a study of North Howe Street to create custom commercial design requirements and recommendations for streetscape improvements.



Enhanced crosswalks have been constructed in the Downtown core. Several more are needed to improve pedestrian safety along North Howe, north of the water tower.
Image Source: NACTO



NORTH HOWE STREET AND LEONARD STREET PEDESTRIAN IMPROVEMENT CONCEPT



Planting Strips

Planting strips could add a more diverse tree canopy in Southport, in addition to rain gardens or flow-through planters to assist in the filtration stormwater.

Curb Extensions

Curb extensions visually and physically narrow the roadway, signaling to drivers that there is a potential for pedestrian traffic. They also create a safer and shorter crossing for pedestrians.

Traffic Lanes

Traffic lanes remain the same width but with a large tree canopy and curb extensions this signals the motorist to decrease their speed.

Crosswalks

Crosswalks provide another visual cue for motorists to be aware of the potential of pedestrian traffic.

Increased Pedestrian Zone

The graphic below shows the potential for a multi-use path or wide sidewalk on the north of Leonard Street and the potential addition of a sidewalk along the south portion of Leonard Street. Further study is needed to see what is most feasible.



Action 8.3.3: Discourage the widening of North Howe Street south of NC 87 (*currently in Brunswick County Transportation Plan*).

Policy 8.4: Improve the East Coast Greenway throughout Southport's City limits.

Action 8.4.1: Conduct a feasibility study to evaluate options for recommended improvements to road sections or alternatives.

- ◆ The East Coast Greenway currently traverses through Southport via on-road segments and some sections of sidewalk.
- ◆ Improvements could include the addition of a greenway, sidewalks and/or intersection upgrades including bulb-outs and crosswalks to improve the safety and comfort of users as the trail travels through Southport's City limits.

Policy 8.5: Manage traffic and access along major roads.

Action 8.5.1: Encourage access management techniques including shared driveways and limiting driveway access points along NC 211 and NC 87.

Action 8.5.2: Manage traffic on other roadways by prioritizing connectivity between parking lots and new streets in commercial development and encouraging connected public streets built to City standards in and between new residential developments.

Action 8.5.3: Prioritize key intersection improvements needed to facilitate pedestrian activity and improve safety.

Policy 8.6: Manage and improve parking Downtown and in the Yacht Basin.*

Action 8.6.1: Consider limiting parking hours along portions Moore St and Howe St.

Action 8.6.2: Consider the creation of an overlay or another mechanism to allow for parking as a primary use on R-10 lots in the Yacht Basin District.

Action 8.6.3: Fund plantings and pedestrian improvements in the right-of-way to screen parking areas and improve safety.

Action 8.6.4: Study long-term solutions for the Yacht Basin District.

- ◆ To address flooding, a long-term solution could include platform parking and boardwalks to businesses.

Action 8.6.5: Consider removal of some informal parking around the water tower and formalize on-street parking on W Brown St.

- ◆ Pedestrian crossing improvements are also recommended to be completed in tandem with these improvements.

Action 8.6.6: Study other future on-street parking improvements including W. St. George St. and key side streets.

Action 8.6.7: Continue and support expanded remote parking and shuttles or microtransit options for events and peak visitation times.

Action 8.6.8: Pursue improvements to traffic flow and pedestrian and bicycle facilities in the Yacht Basin and along the waterfront.

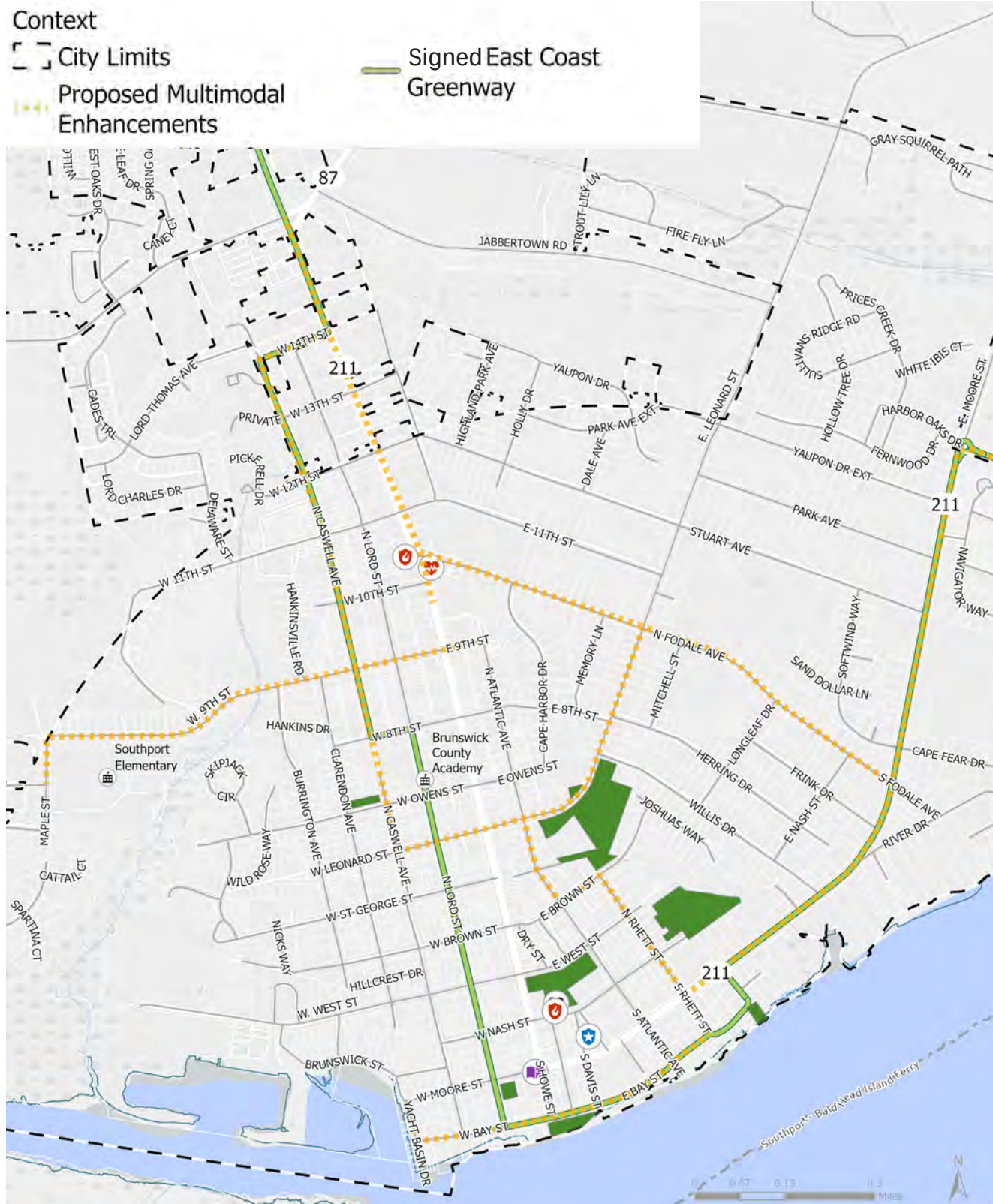
- ◆ Short-term improvements include painting formalized on-street parking spaces along Bay Street to improve parking efficiency and changing the direction of drainage inlet grates to improve safety for bicyclists.

Action 8.6.9: Utilize City-owned rights-of-way (**ROW**) for improvements such as sidewalks, parking, street trees and/or stormwater planters.

Action 8.6.10: Continue to gather input on priority parking improvements with input from citizens, landowners, and business owners.

**See the Downtown Parking Study by Walker Consultants for more detailed recommendations.*

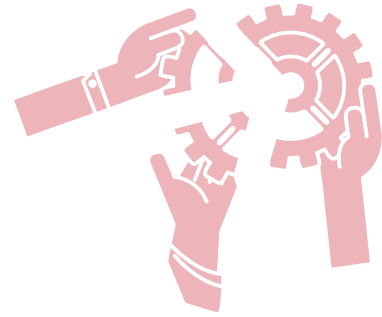
PEDESTRIAN PRIORITIES



The map above shows priority pedestrian corridors based on input recieved during the planning process. As recommended in the Public Access chapter the existing signed route of the East Coast Greenway could be relocated in tandem with pedestrian improvements.



INFRASTRUCTURE & SERVICES



Goal: Ensure public infrastructure systems and services are appropriately scaled, located, and managed to accommodate sustainable growth while protecting natural assets.

Policy 9.1: Support sustainable growth through the provision of adequate water and wastewater treatment capacity within the City of Southport.

Action 9.1.1: Coordinate with Brunswick County Public Utilities to maintain and enhance the water and sewer system.

Action 9.1.2: Support future utility system monitoring and studies including the following:

- ◆ Monitoring pump station run times.
- ◆ Conducting draw down testing of major lift stations and hydraulic modeling to reassess the capacity of the Central Pump Station.
- ◆ Developing a water system study to evaluate fire flows.
- ◆ Monitor water quality and study potential enhancements.

Action 9.1.3: Support the extension of water and sewer service to areas suitable for development.

Action 9.1.4: Prioritize water and sewer improvements that support the Future Land Use Map and City goals including a vibrant downtown, context-sensitive redevelopment and residential development that is designed and located to protect natural resources.

Action 9.1.5: Work with Brunswick County to encourage annexation and/or the establishment of an Urban Service Area near the City of Southport.

- ◆ Coordinate with the County to determine the feasibility of the establishment of an Urban Service Area in the Southport areas as a growth management tool.

Action 9.1.6: Coordinate with Brunswick County Health Department to ensure the proper design, permitting, and monitoring of septic tank systems where sewer service is not available.

Action 9.1.7: Oppose the discharge of waste in any areas classified as coastal wetlands, freshwater wetlands (404), or natural heritage areas.

- ◆ This policy does not apply to constructed wetlands.

Action 9.1.8: The City does not support the use of package sewage treatment plants near its planning jurisdiction.

Policy 9.2: Maintain and enhance key public services.

Action 9.2.1: Regularly evaluate building maintenance, space, equipment, and personnel needs for key city services.

Action 9.2.2: Coordinate with the Doshier Hospital on future expansions, priority infrastructure upgrades and access and parking issues.

Policy 9.3: Ensure the capacity of emergency services as population and visitation increases.

Action 9.3.1: Coordinate with the Police and Fire departments to understand trends and needs.

Action 9.3.2: Coordinate with Brunswick County to address capacity needs as growth occurs in the former ETJ.



Action 9.3.3: Regularly evaluate facility, equipment and personnel needs to maintain and improve emergency response capabilities.

Action 9.3.4: Incorporate major staff and capital needs into future budgets and the Capital Improvement Plan (CIP).

Action 9.3.5: Continue and enhance community outreach activities including the “We Care” program, Shop With a Cop, and attendance at community events.

Action 9.3.6: Consider incentives to assist in recruitment and retention of police, fire, and emergency personnel.

- ◆ Incentives may include shift changes, salary adjustments, or housing stipends.

Action 9.3.7: Continue to provide emergency services for Brunswick Nuclear Power Plant and Military Ocean Terminal at Sunny Point.

Policy 9.4: Maintain a resilient electric system.

Action 9.4.1: Consider undergrounding opportunities and seek a second point of delivery.

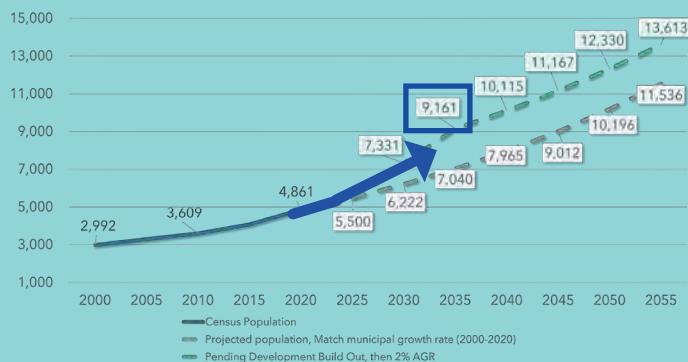


The Southport Fire Department responds to 700 fire calls and 2,500 medical emergency per year.

FUTURE EMERGENCY SERVICE NEEDS

Southport's fire and EMS services currently serve approximately 20,000 people including Southport residents and a greater area outside of Southport. Fire and EMS respond to approximately 4,000 calls in Southport annually. With anticipated growth over the next 10-15 years, the fire department will likely need 3 additional firefighters, and 3 additional EMS to accommodate future demands. The police department currently has 20 full time staff and 5 part time staff. The department will need 4-6 police officers and a new building in the coming years.

Permanent Population Projections



According to Permanent Population Projections, based on current growth trends and approved developments within Southport and in the surrounding areas, Southport and the study area has the potential to add approximately 4,300 people by 2035.

Policy 9.5: Enforce and improve stormwater regulations to assist with flood control, encourage groundwater recharge, and reduce pollutants.

Action 9.5.1: Require best practices in stormwater management to maintain natural hydrology and reduce erosion, pollutants and stormwater runoff and encourage infiltration and groundwater recharge.

Action 9.5.2: Encourage the use of green stormwater infrastructure and low impact development (*LID*) techniques including bioretention swales, green roofs, pervious pavements and infiltration basins.

Action 9.5.3: Require mitigation measures for any increase in impervious surface from development with limited exceptions for utilities, sidewalks or trails and individual single-family dwellings (*not part of a larger development*).

Action 9.5.4: Enforce regulations related to soil removal and deposit in order to safeguard existing property from negative impacts.

Action 9.5.5: Conduct proactive maintenance of the existing stormwater collection and drainage system.

Action 9.5.6: Continue to conduct condition assessments of inventoried stormwater assets.

Action 9.5.7: Pursue grant funding for priority stormwater system enhancements.

Action 9.5.8: Study opportunities for integrating stormwater retention, infiltration and treatment on public lands and in rights-of-ways.

- ◆ Features could include swales / bioretention areas, stormwater planters and/or rain gardens

Action 9.5.9: Study long-term funding needs for stormwater maintenance and improvement projects.



Example of a bioretention area.

Priority Stormwater Projects

The following 11 projects were identified during the recent Stormwater Study and Capital Improvement Plan (*CIP*):

- North Fodale Avenue System Improvements
- Bonnet's Creek System Improvements
- West 9th Street System Improvements
- West 11th Street System Improvements
- Cades Trail System Improvements
- River South Circle System Improvements
- North Atlantic Avenue System Improvements
- Park Avenue System Improvements
- West 8th Street System Improvements
- Stuart Avenue System Improvements
- North Caswell Avenue System Improvements



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IMPLEMENTING PLAN SOUTHPORT 2050

5





Implementing PLAN 50UTHPORT 2050

PLAN 50UTHPORT 2050 guides decision-making related to future growth and development. The primary tools used by the City to implement this plan are development regulations (including zoning and subdivision ordinances, which are part of the Unified Development Ordinance), staff time and annual work plans and the Capital Improvement Plan (CIP).

PLAN 50UTHPORT 2050 should be used in its entirety, including text and maps, to guide development decision making process and future infrastructure improvements. The plan should be regularly monitored and reviewed to ensure it remains an effective tool to achieve the vision for the City of Southport. The State of North Carolina requires comprehensive plans to be reasonably maintained; this means the plan should be updated every 5-10 years depending upon any rapid growth changes that occur.

To monitor the success of this plan, the Development Services department in coordination with other departments should produce an annual report to assess progress towards the implementation of the plan. The Implementation Status Report could identify activities that the City and its partners have undertaken to support policies and implementation actions. The report should be used to guide programming, budgeting, and policy development to help achieve the community's vision. The annual report should include performance measures for each goal. For example, the Land Use and Housing Goal states, "Ensure development is compatible with Southport's unique characteristics, including its historic areas, heritage trees, and walkable environment while minimizing impacts." A performance measure for this goal could be to monitor the number of building or demolition permits in the City's historic districts and/or tracking the length of new sidewalks that are added in new neighborhoods to increase the walkability in Southport. In addition, the Coastal Resources Commission requires an implementation status report every two years from the initial date of plan certification.

The IMPLEMENT PLAN 50UTHPORT 2050 Action Matrix on the following pages is organized by goals that covered planning topics required by CAMA and local concerns. It includes policy recommendations and actions necessary to assist in achieving each individual goal. The table includes time frames that can be used to assist in tracking progress of this plan. Use the key below the table to indicate when action items should be completed.





PRIORITY ACTIONS

“Where do we start?”

The Action Matrix identifies numerous steps that need to be taken to achieve the Community Vision and Goals for the future of Southport. It can be difficult to know where to start. Early, visible wins can help build momentum and success created by this planning effort. There are many tools the city can use to implement the plan, the following list is meant to guide the first few years after the plan is adopted. These actions will help keep up the momentum and set the city up for success.

The next eight actions on the Top Priority List provide guidance and are a great place to begin the implementation of this plan. These items are described in more detail in the Action Matrix.

ZONING UPDATES

The Southport UDO plays a pivotal role in shaping the City's built environment and protecting the natural environment. Although recent state legislation has limited the City's powers related to controlling development in the former ETJ any development within the City Limits or future annexations must adhere to City standards and approval procedures. The UDO was adopted in 2020 and has had some incremental updates over the last few years. Revisions related to processes, residential and nonresidential standards, options, and incentives should be evaluated in order to aid in the implementation of the Comprehensive Plan.

The current UDO does many things that are beneficial for the City and in-line with plan recommendations including limiting density and uses in certain areas of the City. The Future Land Use Map points out that some distinct character areas should be better represented in the code and amendments that emphasize design and scale are needed.

Residential zoning districts are structured appropriately, although slight changes to standards, including dimensional requirements, allowable housing types and subdivision options are recommended. Specifically, changes in zoning could better accomplish goals in the Historic Neighborhood, Traditional Neighborhood and Conservation Design Future Land Use Character Areas.

The City's commercial zoning is representative of Euclidean zoning from the late 20th century but does not do a great job of encouraging innovative development that embodies the historic village character of Southport. Allowing mixed-use development in some commercial areas is recommended. Boundaries in the form of defined standards may be needed to limit the scale or intensity of development in certain areas and/or to require site or building design that fits Southport. Quality design could be required through standards for mixed-use development or a change in process that encourages more conditional zoning approvals and provides boards a greater level of discretion related to approvals. Note that Conditional Zoning is a legislative process that can require public feedback and allow for dialog between an applicant, staff, and boards.

COORDINATION WITH BRUNSWICK COUNTY

Brunswick County and the entire US 17 corridor in North and South Carolina have been experiencing a significant increase in development pressure in recent years. This and the recent removal of Southport's Extraterritorial Jurisdiction (ETJ) necessitates cooperation with Brunswick County in order to coordinate planning, infrastructure and growth management efforts in the area surrounding Southport's City Limits. This includes a need for updates to zoning districts or an overlay district to guide growth along Howe Street on the edges of the city's jurisdiction. County zoning and land use planning in areas of the former ETJ that were zoned R-20 in the City are now subject to county zoning that allows 5.8 dwelling units per acre instead of the 2 dwelling units per acre previously allowed by the City. A recent analysis showed that this change has lead to an increase in allowable residential units in the Southport area of at least 2,000 units. Coordinating emergency response, infrastructure (including increased stormwater impacts), and conservation efforts will be essential in this area.



PARKS AND CONSERVATION

Parks and public space are an incredible quality of life asset for the citizens of Southport. The city offers seven public access points to the Intracoastal Waterway and the Cape Fear River. Several waterfront parks along the Cape Fear River offer seating, boardwalks, and docks to enjoy the views of the sunrise, Battery Island, the Cape Fear River, Bald Head Island, Fort Caswell, Oak Island Lighthouse and more. Other City parks feature interpretative signage telling Southport's story, large tree canopies, playground equipment, picnic shelters, stages, tennis courts, and more to meet the recreational needs for Southport residents and visitors.

To improve park access at Southport's parks some parking improvements will be necessary as well as connectivity improvements.

The city has large rights-of way that could be utilized for parking or pedestrian improvements. Alvin C. Caviness Park and other parks could benefit from these sort of enhancements. Connectivity improvements between Lowe-White Park, Taylor Field, and Kingsley Park will provide additional opportunities for physical activity increase access and usage. Options for connectivity should be studied, these include studying the feasibility of a greenway along Bonnet 's Creek and/or the addition of sidewalks along N Rhett Street, E Moore Street, and Kingsley , trail or pathway improvements along the eastern side of the Old Burying Ground and a crosswalk on E Moore Street to S Kingsley Street.

Stevens Park has been a part of Southport since the 1970s, offering ball fields, a concession stand, a large picnic shelter, and a playground for years. These facilities have sence been removed and today, the lot sits vacant. In 2006, the land was sold and the city accumulated land totaling between 7-8 acres. Stevens Park is located near Southport Elementary School and is in an area that is considered underserved. The city should develop a master plan for Stevens Park to address park needs on the west side of the city.

Modifications to the Planned Unit Development (PUD) option or the establishment of a conservation subdivision option could be beneficial to balance property rights and protect natural resources in the R-20 area and the area shown on the Future Land Use Map as Conservation Design. This area includes forested floodplains, wetlands, and adjacent uplands that are high in biodiversity and also vulnerable to flooding. Recent changes in state law have restricted what powers local governments have related to reducing density. This points to incentives and changes to development options and approval processes as taking on an increasing importance in the future in order to encourage better design in areas with sensitive natural resources.

Many natural heritage natural areas and areas high in biodiversity and conservation value are located on land under private ownership. Coordination with landowners and conservation organizations (i.e. land trusts) may be needed to protect environmentally fragile areas.

HISTORIC PRESERVATION

The plan recommends continuing efforts to establish a local historic district. The next steps include submitting a Local Designation Report to the State Historic Office. Prior to submitting the report, the Southport Local Historic District Standards need to be finalized. Additional engagement with citizens and property and businesses owners is suggested prior to these being finalized and adopted.

The City should seek designation of Certified Local Government status. This will allow the City to apply for grant funding to assist with the resurvey of the National Register District, Study Listed District, and other areas. Becoming a Certified Local Government, requires a paid staff





member who is responsible for operations of the historic preservation commission and submitting an annual report to the State Historic Preservation Office.

Being in a local historic district is the highest level of protection for preserving historic properties but an established local historic district does not offer any incentives. The only incentives available are state and federal tax credits for income-producing and non-income producing contributing structures in a National Register District. Local landmark designation is an option for properties that are in or not in the local historic district. Owners of local landmarks are eligible to apply for an annual 50 percent property tax deferral as long as the property's historic features are maintained. Local historic district designation has no effect on local property taxes for property owners within the district.

The city currently has interpretive signage and wayfinding signage in many locations. Cohesive signage, banners, street signs, utility wraps, and educational signage enhance the resident and visitor experience. A wayfinding and signage plan will help facilitate a comprehensive approach to wayfinding and signage to assist with decreasing travel times and enhancing the overall experience.

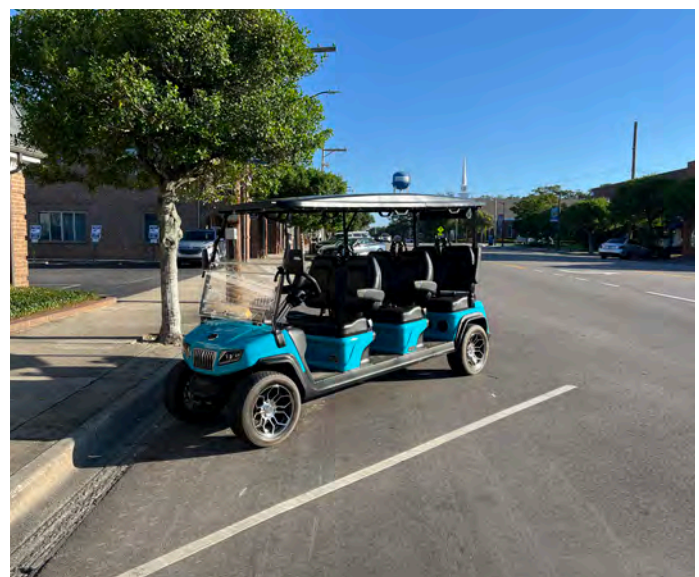
WALKABILITY

The design and density of Southport's Downtown and adjacent residential neighborhoods allow for pedestrians to walk to and from a large variety of destinations. Short block lengths, access to sidewalks, building frontage, mixed uses, and diverse places to walk to provide residents an alternative mode of transportation. Underutilized rights-of-way in some areas offer opportunities to enhance the walking experience while creating connections to even more destinations in Southport. Pedestrian priorities can be seen on the map on page 87. Key intersection improvements include N Howe Street and Leonard Street, N Howe Street and Owen Street, and N Howe Street and Brown Street.

Streetscape improvements along N Howe Street should include crosswalks, parking enhancements, sidewalks, and tree plantings where appropriate. The addition of sidewalks and trail connections to parks enhance the pedestrian experience while providing an alternate mode of transportation. The city is currently working on an overlay district on N Howe Street to enhance development standards. Additional development standards could help strengthen walkability along N Howe Street, including standards for building design, street trees, lighting, sidewalks, and curb radii.

PARKING

A parking study was conducted in 2024 and the findings included increased parking demand Downtown beginning in the afternoon and shifting to the Yacht Basin during evening hours as well as the same vehicles parked for long periods of time. The recommendations for the



Downtown area included time limited parking areas during the summer months. It also suggested formalized parking in the rights-of-way for cars, golf carts, and/or bicycles. Both short-term and long-term recommendations are included in the Parking Plan.

As Southport continues to grow and visitors increase, the City will have to address address congestion on N Howe Street it and look for opportunities to provide more on-street parking, adequate signage and shuttle service from public or private parking lots into Downtown.

In addition, the current parking requirements for some uses in the UDO are quite high and it is recommended to deemphasize minimum off-street parking requirements and add flexibility to encourage walkability.

Housing

Throughout the public engagement phase of the planning process, a number of stakeholders emphasized the need for more affordable housing options to support the workforce, including teachers and police and fire personnel. Implementing mechanisms that allow for context-sensitive infill is recommended.

Allowing accessory dwelling units for long-term rentals could fill a void in the current market and address the need for workforce housing for teachers, firefighters, and police officers while maintaining the City's mostly single family character.

The Historic Neighborhood and Traditional Neighborhood Future Land Use Character Areas are located in the R-10 zoning district. This requires 10,000 square foot lots. This was done to limit density in this area of the City. However, it is not necessarily representative of the historic character of the area. In the Historic District average lot size is 7,840 square feet. In the Traditional Neighborhood Character Area many lots are 50 x 125, which is a lot size of 6,250 square feet. There is also a mix of housing in these areas that includes duplexes and some small formal apartments. Single family homes on new narrow lots are not recommended, however, requiring 10,000 square foot lots where there are many lots under that may be overly restrictive. Allowing lot sizes that mimic historic sizes along a street may be an option.

In addition, allowing some type of small-scale attached housing with standards or a Conditional Zoning process to allow for well-designed infill may be beneficial. Limiting building size and/or encouraging alley-loading or side-loading with front porches could also be options that support housing diversity and protect the character of Southport.





FUNDING AND BUDGET

Due to aging infrastructure, high rates of visitation, an increasing and aging population, and nearby growth the City has many funding needs. Maintaining and increasing existing revenue sources through encouraging context-sensitive development that fits Southport's character and adds to the tax base is paramount. The City does not need to look far to find a template for this type of development. Two-story mixed-use buildings in Downtown represent some of the highest property values in Brunswick County and exceed values of \$10 million per acre. New residential development in the City has typically been at a high price point as well which adds to the tax base. Development that is located near existing infrastructure is beneficial over the long-term as it adds to the tax base without requiring significant expenditure in new infrastructure or long-term maintenance of that infrastructure. Many of the City's needs arise from the influx in visitors. Revenue streams to capture the associated increase in demand for services are limited. Hotel occupancy taxes are likely to continue to increase as are sales taxes. Additional revenue options that harness visitation to support services and infrastructure should be investigated. In addition, the continued pursuit of state, federal, and nonprofit grants will be key to address infrastructure maintenance, rehabilitation and improvement needs.





ACTION MATRIX

Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
General Priority Actions				
	N/A	Evaluate priorities on an annual basis to determine staff work plans.	All departments	Short-term
	N/A	All departments should track progress and provide an annual report to the Board of Aldermen to assess implementation of the plan.	All departments	Short-term
Land Use & Housing Goal: Ensure development is compatible with Southport's unique characteristics, including its historic areas, heritage trees, and walkable environment while minimizing impacts.				
Policy 1.1 Encourage a development pattern that honors Southport's character and respects the natural environment.				
	1.1.1	Preserve the character of the City's historic commercial areas and neighborhoods.	Development Services	Ongoing
	1.1.2	Encourage building renovation, reuse and context- sensitive infill development in key areas (e.g. Downtown, Midtown North Howe).	Development Services	Long-term
	1.1.3-1.1.6, 1.3.1	Encourage well-designed nonresidential and mixed-use development at appropriate locations and scales.	Development Services	Mid-term
	1.1.7	Support office uses, multi-family uses, and house-scale attached residential as a transition between commercial areas and lower density residential land uses.	Development Services	Mid-term
	1.1.8	Encourage open space reservation in new subdivisions and conservation subdivision design in areas with sensitive environmental features.	Development Services	Short-term
Policy 1.2 Limit building size and height in different areas based on character and context.				
	1.2.1-1.2.4	Evaluate development proposals and/or update development regulations to address building size and height in different areas of the City.	Development Services	Ongoing / Short-term
Policy 1.3 Encourage new development to employ site and building design techniques to reinforce a walkable traditional village scale and character.				
	1.3.1-1.3.2	Encourage buildings with architectural details including articulated facades, windows, porches, and other features and mimic historical patterns of Southport and other coastal villages.	Development Services	Ongoing
	1.3.3	Encourage first floor elevations for residential buildings to be a minimum height above ground.	Development Services	Mid-term
	1.3.4	Update transportation standards to encourage a walkable Downtown and surrounding neighborhoods.	Development Services	Short-term
Policy 1.4 Support the continued operation of commercial businesses in the Yacht Basin.				



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
	1.4.1	Consider an overlay that allows for formalized parking south of Moore Street and west of Caswell Avenue.	Development Services	Short-term
	1.4.2	Target areas for parking improvements and beautification/landscaping.	Development Services, Public Works	Short-term
	1.4.3	Plan for improved vehicular and pedestrian access.	Development Services	Mid-term
Policy 1.5 Minimize direct and secondary environmental impacts from new development.				
	1.5.1-1.5.3	Adopt and enforce local development policies and regulations that limit impacts on Areas of Environmental Concern (AEC) and employ green growth strategies such as low impact development and conservation design.	Development Services	Ongoing
	1.5.4	Analyze proposed development and infrastructure projects for potential impacts from future sea level rise.	Development Services	Short-term
Policy 1.6 Require the incorporation of open space in new developments.				
	1.6.1	Maintain open space requirements for subdivisions with 5 or more lots.	Development Services	Ongoing
	1.6.2	Encourage the utilization of the Planned Unit Development option in the UDO for new subdivisions in the R-10 and R-20 zoning districts.	Development Services	Short-term
Policy 1.7 Review and modernize the Unified Development Ordinance (UDO).				
	1.7.1	Update the Unified Development Ordinance (UDO) to accomplish the following: » Account for existing development patterns in historic residential areas. » Tailor building size, scale, height, and impervious surface limits to compliment and reinforce character. » Update definitions of mixed-use and live-work units. » Update parking requirements--deemphasize minimum parking requirements and introduce flexibility to encourage walkability. » Update and modernize Table of Permitted Uses and associated definitions. » Create a Conservation Subdivision option. » Consider enhancing design standards and/or implementing conditional zoning options for residential. » Update regulations related to accessory structures.	Development Services	Short to Mid-term
Policy 1.8 Coordinate with Brunswick County and other entities to manage growth near Southport.				

Ongoing: Routine and continuous with no specified end date

Short-term: Within 1- 2 years

Mid-term: Within 2-4 years

Long-term: 5+ years



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
	1.8.1	Coordinate with the representatives from Indigo Phase 2 / Waterway and Brunswick County to encourage development design that builds on Southport's traditional character, has a defined center and integrates open space in a way that is respectful of existing natural resources.	Development Services	Short-term
	1.8.2	Encourage the creation of a new residential district for the area surrounding Southport that allows for only low-density development that is more compatible than the initial County zoning assigned.	Development Services	Mid-term
	1.8.3	Coordinate to develop a custom overlay district for the Howe Street area that encourages building and site design that accomplishes City goals.	Development Services	Short-term
Policy 1.9 Support a variety of quality housing that meets local needs at appropriate scales.				
	1.9.1	Relax restrictions on Accessory Dwelling units (ADUs) related to size and restrictions on long-term rentals. Balance this with performance based standards to limit impacts.	Development Services	Short-term
	1.9.2	Consider developing informational material and/or pre-approved template for ADUs.	Development Services, Community Relations	Long-term
	1.9.3	Coordinate with non-profits and other entities to develop targeted affordable housing units (e.g. units for police/fire, seniors, veterans, teachers).	Development Services	Long-term
	1.9.4	Update UDO to refine standards and allowable uses related to residential housing types.	Development Services	Mid-term
	1.9.5	Consider defining additional housing types including cottage courts/ pocket neighborhoods and live/work units (small-scale buildings with a commercial and residential unit).	Development Services	Mid-term
	1.9.6	Pursue funds from state and federal sources for rehabilitation or redevelopment of substandard housing.	Development Services	Short-term
Public Access Goal: Maximize public access and vistas to the coastal waters of the region, parks, and other recreational opportunities.				
Policy 2.1 Support public and private initiatives that increase public access to coastal waters and parks for all of Southport's residents and visitors.				
	2.1.1	Continuously maintain and improve parks, including facilities, restrooms, parking, etc.	Parks & Recreation	Ongoing
	2.1.1	Update or establish formal maintenance plans for City parks.	Parks & Recreation	Short-term
	2.1.2	Prioritize updates needed to comply with the Americans with Disabilities (ADA) and Universal Design (UD) regulations and standards.	Parks & Recreation	Short-term



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
	2.1.3	Conduct a study to access providing connections between parks (Lowe-White to Taylor Field Park to Kingsley).	Parks & Recreation	Mid-term
	2.1.4	Develop a Waterfront Master Plan that documents needed infrastructure improvements, amenities, and connectivity enhancements near Waterfront Park to the Yacht Basin.	Parks & Recreation	Mid-term
	2.1.5	Pursue funding from the North Carolina CAMA Shoreline Access program to enhance shoreline access.	Parks & Recreation	Long-term
	2.1.6	Support the incorporation of shoreline access facilities in new residential and non-residential developments.	Parks & Recreation	Ongoing
	2.1.7	Update informational materials related to boating access points and paddling routes around Southport including information related to the new Cottage Creek kayak launch.	Parks & Recreation	Mid-term
	2.1.8	Seek out opportunities for additional future kayak launches.	Parks & Recreation	Long-term
Policy 2.2: Implement key recommendations from the Parks and Recreation Master Plan.				
	2.2.1	Prioritize the implementation of the following recommendations from the Parks and Recreation Master Plan. » Plan for the addition of benches and bicycle racks in parks. » Utilize pervious pavement and other forms of green stormwater infrastructure at parks. » Develop a site-specific master plan for Steven's Park. » Add educational kiosk (s) or signage in parks.	Parks & Recreation	Varies
Policy 2.3: Enhance recreational opportunities to serve the residents in and near Southport.				
	2.3.1	Consider the addition of bollards or a low wall between E Moore Street and the playground in front of the Community Building.	Parks & Recreation, Public Works	Mid-term
	2.3.2	Continue to invest in City Dock: Add slips, consider allowance of transient slips.	Parks & Recreation, Development Services	Mid-term
	2.3.3-2.3.4	Consider parking improvements at Alvin Caviness Park and other parks.	Parks & Recreation, Public Works	Mid-term
	2.3.5	Maintain historic trees and consider improvements to passive recreational opportunities in Franklin Square Park.	Parks & Recreation, Development Services, Public Works	Short-term
	2.3.6	Involve the Garden Club and Beautification Committee in planting activities including the addition of native plantings and/or pollinator gardens on public lands, and other beautification efforts.	Parks & Recreation, Community Relations	Short-term

Ongoing: Routine and continuous with no specified end date

Short-term: Within 1- 2 years

Mid-term: Within 2-4 years

Long-term: 5+ years



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
Policy 2.4: Seek out opportunities to create a protected walking and biking path through the City's jurisdiction for the East Coast Greenway.				
	2.4.1	Study the potential for a multi-use path or wide sidewalk along Atlantic Avenue, Leonard Street, Lord Street and Caswell Avenue or a similar route to improve walking and biking conditions for residents and visitors.	Parks & Recreation, Public Works	Mid-term
Historic Preservation Goal: Preserve, protect, and continue to celebrate the city's historic resources and character.				
Policy 3.1: Support local preservation and recognition of the City's history and culture.				
	3.1.1	Continue to work towards establishing a local historic district and design standards for the district.	Development Services, Community Relations	Short-term
	3.1.2	Seek out and support opportunities for Local Landmark designation.	Development Services	Mid-term
	3.1.3	Continue to coordinate with the Historic Preservation Commission, Maritime Museum, and the Southport Historical Society in the recognition of historic sites, locations, and events.	Development Services	Short-term
	3.1.4	Raise awareness of the local African American/Black history through events, educational signage, and recognition.	Development Services, Community Relations	Short-term
	3.1.5	Seek out opportunities for establishing a historic or character overlay for historically African American/Black communities.	Development Services	Long-term
	3.1.6	Pursue Certified Local Government status to have the opportunity to apply for grant funding.	Development Services	Mid-term
	3.1.7	Utilize grant funding administered by the North Carolina Historic Preservation Office to update the National Register survey of the Southport Historic District.	Development Services, Community Relations	Long-term
Policy 3.2: Communicate Southport's story through art, community activities, education, and signage to reinforce community identity and sense of place.				
	3.2.1	Utilize signage, wayfinding, banners, and other municipal infrastructure to promote a unified appearance and identity for Southport.	Development Services, Public Works, Community Relations	Ongoing
	3.2.2	Develop and implement a wayfinding and signage plan to facilitate a comprehensive approach to wayfinding, banners, street signs, utility wraps, and educational signage.	Development Services, Public Works	Mid-term
	3.2.3	Coordinate with the North Carolina Historic Preservation Office to provide educational programs, such as informational meetings on historic rehabilitation tax credits for income-producing and non-income producing properties.	Development Services	Short-term



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
Policy 3.3: Support the preservation of historic structures, sites, and monuments for their economic benefits.				
	3.3.1	Adopt and utilize the Southport Local Historic District Design Standards so that development and redevelopment is consistent with the architectural context and community character.	Development Services	Short-term
	3.3.2	Continue to support heritage tourism.	Development Services, Community Relations	Ongoing
	3.3.3	Encourage renovation and active uses for historic buildings and sites.	Development Services	Ongoing
	3.3.4	Encourage physical improvements in the historic districts including the addition or improvement of sidewalks, lighting, road maintenance, tree planting and maintenance, and cemetery maintenance.	Development Service, Public Works	Mid-term
	3.3.5	Coordinate with partners to maintain historic cemeteries.	Public Works	Ongoing
Resiliency Goal: Increase Southport's resiliency to natural hazards.				
Policy 4.1: Minimize life, health, and public safety threats prior to extreme weather events.				
	4.1.1	Implement and participate in regular updates to the Southeastern North Carolina Hazard Mitigation Plan and the Brunswick County Emergency Plan.	Development Services, Public Works, Community Relations	Mid-term
	4.1.2	Seek out grant opportunities (i.e., North Carolina Resilient Coastal Communities Program) to assess local critical assets and their ability to withstand hazardous conditions.	Development Services, Public Works	Short-term
	4.1.3	Ensure critical facilities have operating generators or back-up power source to reduce service interruptions.	Public Works	Ongoing
	4.1.4	Support the continued enforcement of all controls and regulations to mitigate the risks to lives and minimize property damage caused by flooding, severe storms, and hurricanes.	Development Services	Ongoing
Policy 4.2: Reduce vulnerability by utilizing the Future Land Use Map and other resources to focus growth and development away from flood prone areas.				
	4.2.1	Keep zoning densities lower in vulnerable areas and use floodplain data, past flooding data, and best available sea level rise projections as guidance for future development design and approval.	Development Services	Ongoing
	4.2.2	Encourage low-lying areas and areas prone to flooding to be utilized for open space in new development.	Development Services	Ongoing

Ongoing: Routine and continuous with no specified end date

Short-term: Within 1- 2 years

Mid-term: Within 2-4 years

Long-term: 5+ years



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
Policy 4.3: Continue to work to improve Southport's Community Rating System.				
	4.3.1	Support a Building Code Effectiveness Grading Schedule (BCEGS) survey to assess community building codes and their enforcement as an initial step to improving the Community Rating System.	Development Services	Short-term
	4.3.2	Provide flood information on the website including current flood maps, emergency management links, storm preparation, and storm aftermath.	Community Relations	Ongoing
	4.3.3	Participate in updates and/or incorporate recommendations from the Evacuation Study for Brunswick Nuclear Power Plant.	Development Services, Emergency Services	Ongoing
	4.3.4	Utilize the current FEMA Coordinator's Manual as guidance to improve Southport's current rating.	Development Services, Public Information	Ongoing
Policy 4.4: Utilize LID techniques to reduce runoff and improve stormwater management on City-owned land and encourage these techniques in new private development.				
	4.4.1	Utilize LID techniques to reduce runoff and improve stormwater management on City-owned land and encourage these techniques in new private development.	Public Works	Short to Mid-term
	4.4.2	Encourage the use of native plantings and drought-tolerant plants.	Public Works, Community Relations, Parks and Recreation	Short-term
Policy 4.5: Continue to improve the resiliency of historic properties.				
	4.5.1	Utilize the Southport Local Historic District Design Standards "Disaster Preparedness and Prevention Standards" to increase the resiliency of historic properties.	Development Services	Short-term (adoption), then Ongoing
	4.5.2	In the event of a major disaster, coordinate with the North Carolina Historic Preservation Office to determine the availability of funding or other resources to assist in the recovery process for historic properties.	Development Services	Ongoing
Policy 4.6 Continue to maintain and improve Southport's tree canopy.				
	4.6.1	Continue to encourage tree preservation in new development and enhance tree preservation in new large-scale residential development.	Development Services	Ongoing, Short-term
	4.6.2	Update ordinances to encourage retention of existing vegetation on development sites and consider a fee in lieu option for mitigation.	Development Services	Short-term
	4.6.3	Coordinate with the County to update tree protection requirements adjacent to Southport.	Development Services	Mid-term
	4.6.4-4.6.5	Maintain and improve the annual tree planting program to diversify Southport's tree canopy and study locations for additional street trees.	Development Services	Ongoing



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
Policy 4.7: Support the protection of Southport's wetlands.				
	4.7.1	Support the regulation of 404 wetlands by the US Army Corp of Engineers.	Development Services	Ongoing
	4.7.2	Monitor compliance with Section 404 of the Clean Water Act and develop and enforce ordinances to the degree permissible by state law to regulate development of marshes and wetlands.	Development Services	Ongoing
	4.7.3	Consider incentives to encourage development design that protects unregulated wetlands from development (i.e., an option for conservation subdivisions and/or modifications to the Planned Development option).	Development Services	Short-term
	4.7.4	Educate the public about the ecological and storm protection benefits of wetlands in and around Southport.	Development Services	Ongoing
	4.7.5	Seek out grant funding opportunities for the restoration of coastal wetlands.	Development Services	Short-term
	4.7.6	Provide protective measures to decrease shoreline erosion due to wave energy, storm surge, and sea level rise along the Cape Fear River, Price Creek, Dutchman Creek, and Cottage Creek.	Development Services	Ongoing
	4.7.7	Support the installation of properly engineered and permitted bulkheads in appropriate areas (i.e., along Bay Street).	Development Services	Ongoing
	4.7.8	Develop a Shoreline Management Plan to identify areas most appropriate for hardened or living shorelines.	Development Services, Public Works	Mid-term
	4.7.9	Consider alternative methods of shoreline stabilization where feasible.	Public Works	Mid-term
Policy 4.8: Reduce greenhouse gas emissions through renewable energy generation, energy efficiency, and mobility options.				
	4.8.1-4.8.2	Continue to support the Dark Sky Initiative by encouraging full cut off lights and consider updates to fixture options.	Development Services	Short-term
	4.8.3	Consider the addition of an electric charging station on city-owned property.	Public Works	Short-term
	4.8.4	Consider incorporating alternate energy solutions when renovating or designing city-owned buildings.	Public Works	Long-term
Policy 4.9: Study priority areas for the under-grounding of electric lines for visual benefits and to improve resiliency by speeding up recovery after storms.				
	4.9.1	Continue allocating funding for the under-grounding of electric lines and seek out grant opportunities to assist with these efforts.	Public Works	Long-term

Ongoing: Routine and continuous with no specified end date

Short-term: Within 1- 2 years

Mid-term: Within 2-4 years

Long-term: 5+ years



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
Yacht Basin Goal: Prioritize adaptation measures and improvements to allow residents and visitors to continue enjoying the Yacht Basin.				
Policy 5.1: Enhance pedestrian facilities and consider improvements to stormwater, drainage, and parking in the Yacht Basin.				
	5.1.1	Utilize the Downtown Parking Study's recommendations for improvements in the Yacht Basin.	Development Services	Short-term
Policy 5.2: Continue to pursue dredging of the Yacht Basin.				
	5.2.1	Pursue grants to assist with completion of the project.	Public Works	Short-term
Policy 5.3: Designate the area as an Urban Waterfront to allow businesses to rebuild in the event of a natural disaster.				
	5.3.1	Adoption of this plan designates the Yacht Basin as an Urban Waterfront	Development Services	Short-term
	5.3.2	Utilize the Urban Waterfront rules for expansion of existing development and new development in 15A NCAC 07H .0209.	Development Services	Ongoing
Policy 5.4: Maintain Open Space Zoning District within marsh areas. Consider adjustments based on newly available data.				
	5.4.1	Consider adjustments to the extent of the Open Space Zoning District based on newly available data.	Development Services	Ongoing, Mid-term
Water Quality Goal: Maintain, protect, and where possible enhance water quality in all coastal wetlands, rivers, streams, and estuaries.				
Policy 6.1: Coordinate with the North Carolina Department of Environmental Quality, Division of Coastal Management, and the Coastal Resources Commission to protect the coastal wetlands, estuarine waters, estuarine shorelines, and public trust waters in Southport.				
	6.1.1	Coordinate with the State of North Carolina to limit, to the extent possible, stormwater runoff into coastal waters from state government, local government, and private development projects.	Development Services	Ongoing
	6.1.2	Support the implementation of the Cape Fear River Basin Water Quality Management Plan and other regional planning initiatives focused on improving water quality.	Development Services	Ongoing
Policy 6.2: Enforce and expand stormwater management regulations.				
	6.2.1	Consider updating current stormwater regulations to include standards for residential development.	Public Works	Short-term



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
Policy 6.3: Reduce soil erosion, runoff, and sedimentation resulting from construction and new development to minimize the adverse effects on surface and subsurface water quality.				
	6.3.1	Ensure best practices are utilized during disturbance, construction and development design.	Public Works, Development Services	Ongoing
	6.3.2	Consider updates to the Soil Removal and Deposit Ordinance.	Public Works, Development Services	Short-term
Policy 6.4: Encourage the preservation of stream and wetland buffers in new development.				
	6.4.1-6.4.2	Utilize the development approval process and/or incentives to encourage new development to exceed required state stream buffer minimums and encourage buffers that meet recommendations from the NC Wildlife Green Growth Toolbox.	Development Services	Short-term
	6.4.3	Action 6.7.4: Consider establishing a policy that requires, where possible, that wetlands are dedicated as common open space and not included in minimum lot size calculations.	Development Services	Short-term
Policy 6.5: Establish built-upon area (impervious surface) limits for many zoning districts.				
	6.5.1	Conduct a study to evaluate trends in impervious surface coverage in different areas of the City.	Development Services	Short-term
	6.5.2	Update the Unified Development Ordinance to include built-upon area limits for certain zoning districts.	Development Services	Mid-term
Policy 6.6: Support the preservation of coastal wetlands, nursery areas, freshwater wetlands, and other sensitive natural areas.				
	6.6.1-6.6.3	Encourage development design that reduces impact on wetlands and encourage preservation of large wetlands areas.	Development Services	Ongoing
	6.6.4	Consider wetlands acquisition a priority in future expansions of Southport parks and recreation areas.	Development Services	Long-term
	6.6.5, 6.6.7	Coordinate with the state to implement the Salt Marsh Action Plan and document extent of salt / brackish marshes.	Development Services	Mid-term
	6.6.6	Seek to maintain overall hydrology, storm protection functions of marshes and future marsh migration areas through restoration and strategic land acquisition.	Development Services	Ongoing
	6.6.8	Prevent and manage invasive species from encroaching on marsh areas by focusing on early detection, prompt removal, and using inventories and maps to prioritize problem areas.	Development Services Public Works	Short-term, Ongoing

Ongoing: Routine and continuous with no specified end date

Short-term: Within 1- 2 years

Mid-term: Within 2-4 years

Long-term: 5+ years



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
Policy 6.7: Require permitted water-related developments to comply with state and federal regulations.				
	6.7.1	Southport will allow the construction of both open water and upland marinas which comply with the UDO and all applicable state and federal regulations.	Development Services	Ongoing
	6.7.2	Discourage the location of floating homes within its jurisdiction.	Development Services	Ongoing
	6.7.3	Support the establishment of mooring fields within its planning jurisdiction, provided that no water degradation occurs as a result of waste disposal.	Development Services	Ongoing
Economic Development Goal: Embrace and leverage Southport's unique small commercial areas and historic downtown as an economic development opportunity.				
Policy 7.1: Recognize and support the tourism industry.				
	7.1.1	Coordinate with the Brunswick County Southeastern Economic Development Commission, Brunswick County Chamber of Commerce, Town of Oak Island Business Advisory Board and Economic Development, the City of Wilmington Economic Development Division, and other regional entities to promote economic development in Southport on a regional level.	Community Relations	Ongoing
	7.1.2	Continue to support the Community Relations department to inform residents and visitors.	Community Relations	Ongoing
	7.1.3, 7.2.9	Continue to promote and recognize local businesses	Community Relations	Ongoing
	7.1.4-7.1.5	Continue to support and coordinate with the Fort Johnston- Southport Museum and Visitor Center and the ferries.	Community Relations	Ongoing
	7.1.6	Coordinate with Brunswick County to monitor visitation and spending trends.	Community Relations	Ongoing
	7.1.7	Support the film industry, ecotourism, and outdoor recreation in the greater Southport area.	Community Relations	Ongoing
Policy 7.2: Support existing small businesses and encourage new businesses.				
	7.2.1-7.2.2, 7.2.4	Encourage the development of new businesses and context-sensitive mixed-use development, building reuse and renovation and active street frontages in commercial and mixed-use areas.	Development Services	Mid-term
	7.2.3	Study opportunities to improve access to public parking in the Downtown and Mid-Town area.	Development Services, Public Works	Mid-term
	7.2.5	Develop a wayfinding and signage plan to guide residents and visitors to public parking, businesses and other destinations.	Development Services, Public Works, Community Relations	Mid-term



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
	7.2.6	Encourage businesses to extend business hours into the evening during certain days or events.	Community Relations	Short-term
	7.2.7	Consider formalizing a social district to connect businesses in downtown, the Yacht Basin, and Mid-Town.	Development Services, Community Relations	Mid-term
	7.2.8	Continue to promote events that increase commerce for local businesses.	Community Relations	Ongoing
Policy 7.3: Continue to support a vibrant, historic Downtown.				
	7.3.1-7.3.2	Seek out funding opportunities to improve downtown amenities including, lighting, pedestrian enhancements, seating, and increasing tree canopy coverage.	Development Services, Public Works	Mid-term
	7.3.4	Support Downtown Southport Inc. and consider pursuing NC Main Street designation.	Development Services, Community Relations	Long-term
Policy 7.4: Pursue a balanced economy and retain and attract young people and families.				
	7.4.1	Encourage entrepreneurship, small businesses and professional services in the City.	Development Services	Ongoing
	7.4.2	Advocate for and support Southport Elementary School.	TBD	Ongoing
	7.4.3	Coordinate with Brunswick Community College and local employers to provide training that matches needs of local businesses and emerging industries.	TBD	Ongoing
	7.4.4	Evaluate programs and facilities that fulfill needs of young people and families	Development Services, Parks and Recreation	Mid-term
Policy 7.5: Develop an Economic Development Strategy that focuses on improving the tax base.				
	7.5.1	Seek out additional sources of revenue, including grants, food and beverage tax, etc.	Administration	Long-term
Transportation Goal: Ensure safe and reliable multi-modal transportation options including walking, biking, and other forms of transportation while limiting impacts from new development and prioritizing the needs of residents and visitors.				
Policy 8.1: Support walking and biking in the community.				
	8.1.1	Continue implementing the 2014 Comprehensive Pedestrian Transportation Plan. Consider an updates to the plan to refine priorities and recommendations.	Public Works	Long-term
	8.1.2	Update development standards to encourage walking and biking.	Development Services, Public Works	Mid-term
	8.1.3	Design and seek funding for priority pedestrian improvements.	Public Works	Long-term

Ongoing: Routine and continuous with no specified end date

Short-term: Within 1- 2 years

Mid-term: Within 2-4 years

Long-term: 5+ years



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
	8.1.4	Study future improvements of the streetscape along Howe, Moore, and Bay Street.	Development Services, Public Works	Mid-term
Policy 8.2: Maintain City roads by regularly updating the pavement condition study and administering the repaving program.				
Policy 8.3: Improve walkability along North Howe Street.				
	8.3.1-8.3.2	Plan for improved pedestrian crossings, streetscape improvements and commercial design along the northern section of Howe Street.	Development Services, Public Works	Mid-term
	8.3.3	Discourage the widening of North Howe Street south of NC 87 (currently in Brunswick County Transportation Plan).	Brunswick County, NCDOT	Short-term
Policy 8.4: Improve the East Coast Greenway throughout Southport's city limits.				
	8.4.1	Conduct a feasibility study to evaluate options for recommended improvements to road sections or alternatives.	Development Services, Public Works, Parks and Recreation	Mid-term
Policy 8.5: Manage traffic and access along NC 211 and NC 87.				
	8.5.1	Encourage access management techniques including shared driveways and limiting driveway access points along NC 211 and NC 87.	Development Services, NCDOT	Short-term
	8.5.2	Prioritize connectivity in commercial and residential developments.	Development Services	Short-term
	8.5.3	Prioritize key intersection improvements needed to facilitate pedestrian activity and improve safety.	Public Works, NCDOT	Long-term
Policy 8.6: Manage and improve parking Downtown and in the Yacht Basin. (Recommendations from Parking Study by Walker Consulting				
	8.6.1	Consider limiting parking hours along portions Moore St and Howe St.	Public Works, Police	Short-term
	8.6.2	Consider the creation of an overlay or another mechanism to allow for parking as a primary use on R-10 lots in the Yacht Basin District.	Development Services	Short-term
	8.6.3	Fund plantings and pedestrian improvements in the right-of-way to screen parking areas and improve safety.	Public Works	Short-term
	8.6.4	Study long term solutions for Yacht Basin District which could include platform parking and boardwalks to businesses.	Development Services, Public Works	Long-term
	8.6.5	Consider removal of some informal parking around water tower and formalize on-street parking on W Brown St.	Police, Public Works	Short-term, Mid-term
	8.6.7	Continue and support expanded remote parking and shuttles for events and peak visitation times.	Development Services, Public Works, Community Relations	Long-term



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
	8.6.8	Pursue improvements to traffic flow and pedestrian and bicycle facilities in the Yacht Basin. Short-term improvements include: » Repainting formalized on-street parking spaces along Bay Street to improve parking efficiency » Changing the direction of drainage inlet grates to improve safety for bicyclists	Public Works	Mid-term
	8.6.6, 8.6.9	Utilize city-owned rights-of-way (ROW) for improvements such as sidewalks, parking, street trees and/or stormwater planters.	Public Works	Long-term
	8.6.10	Continue to gather input on priority parking improvements with input from citizens, landowners, and business owners.	Development Services, Public Works	Short-term

Infrastructure Goal: Ensure public infrastructure systems and services are appropriately scaled, located, and managed to accommodate sustainable growth while protecting natural assets.

Policy 9.1 Support sustainable growth through the provision of adequate water and wastewater treatment capacity within the City of Southport.

	9.1.1	Coordinate with Brunswick County Public Utilities to maintain and enhance the water and sewer system.	Public Works , Brunswick County	Ongoing
	9.1.2	Support future utility system monitoring and studies including the following: » Monitoring pump station run times. » Conducting draw down testing of major lift stations and hydraulic modeling to reassess the capacity of the Central Pump Station. » Developing a water system study to evaluate fire flows. » Monitor water quality and study potential enhancements.	Public Works	Ongoing, Mid-term
	9.1.3	Support the extension of water and sewer service to areas suitable for development.	Public Works	Ongoing
	9.1.4	Prioritize water and sewer improvements that support the Future Land Use Map and City goals including a vibrant downtown, context-sensitive redevelopment and residential development that is designed and located to protect natural resources.	Development Services, Public Works, Brunswick County	Ongoing
	9.1.5	Work with Brunswick County to encourage annexation and/or the establishment of an Urban Service Area near the City of Southport.	Development Services, Brunswick County	Ongoing
	9.1.6	Coordinate with Brunswick County Health Department to ensure the proper design, permitting, and monitoring of septic tank systems where sewer service is not available.	Development Services, Brunswick County	Ongoing

Ongoing: Routine and continuous with no specified end date

Short-term: Within 1- 2 years

Mid-term: Within 2-4 years

Long-term: 5+ years



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
	9.1.7	Oppose the discharge of waste in any areas classified as coastal wetlands, freshwater wetlands (404), or natural heritage areas.	Development Services, DCM	Ongoing
	9.1.8	Oppose the use of package sewage treatment plants near its planning jurisdiction.	Administration	Ongoing
Policy 9.2: Maintain and enhance key public service areas.				
	9.2.1	Evaluate building maintenance, space, equipment, and personnel needs for key City services.	Administration	Short-term
	9.2.2	Coordinate with the Doshier Hospital on future expansions, priority infrastructure upgrades and access and parking issues.	Public Works	Ongoing
Policy 9.3: Ensure the capacity of emergency services as population and visitation increases.				
	9.3.1	Coordinate with the Police and Fire departments to understand trends and needs. » Monitor call, response and traffic trends. » Provide quarterly updates at the Board of Aldermen meetings.	Police and Fire	Ongoing
	9.3.2	Coordinate with Brunswick County to address capacity needs as growth occurs in the former ETJ. » Attend Brunswick County Board of Commissioner meetings and provide quarterly updates on trends.	TBD	Ongoing
	9.3.3	Regularly evaluate facility, equipment and personnel needs to maintain and improve emergency response capabilities. » Maintain a maintenance log for facilities and equipment. » Utilize structural engineers to assess building integrity on a regular basis.	Police and Fire	Ongoing, Mid-term
	9.3.4	Incorporate major staff and capital needs into future budgets and the Capital Improvement Plan (CIP).	Police and Fire	Ongoing
	9.3.5	Continue and enhance community outreach activities.	Police and Fire	Ongoing
	9.3.6	Consider incentives to assist in recruitment and retention of police, fire, and emergency personnel.	Police, Fire, Board of Aldermen	Short-term
	9.3.7	Continue to provide emergency services for Brunswick Nuclear Power Plant and Military Ocean Terminal at Sunny Point.	Police, Fire	Ongoing
Policy 9.4: Enforce and improve stormwater regulations to assist with flood control, encourage groundwater recharge, and reduce pollutants.				
	9.4.1	Require best practices in stormwater management to maintain natural hydrology and reduce erosion, pollutants and stormwater runoff and encourage infiltration and groundwater recharge.	Development Services	Ongoing



Goal / Policy	Action #	Action Item	Lead Responsibility	Time Frame
	9.4.2	Encourage the use of green stormwater infrastructure and low impact development (LID) techniques including bioretention swales, green roofs, pervious pavements and infiltration basins.	Development Services	Mid-term
	9.4.3	Require mitigation measures for any increase in impervious surface from development with limited exceptions for utilities, sidewalks or trails and individual single-family dwellings (not part of a larger development).	Development Services	Short-term
	9.4.4	Enforce regulations related to soil removal and deposit in order to safeguard existing property from negative impacts.	Development Services	Ongoing
	9.4.5	Conduct proactive maintenance of the existing stormwater collection and drainage system.	Public Works	Ongoing
	9.4.6	Continue to conduct condition assessments of inventoried stormwater assets.	Public Works	Short-term
	9.4.7	Pursue grant funding for priority stormwater system enhancements.	Public Works	Short-term
	9.4.8	Study opportunities for integrating stormwater retention, infiltration and treatment on public lands and in rights-of-ways.	Public Works	Mid-term
	9.4.9	Study long-term funding needs for stormwater maintenance and improvement projects.	Public Works	Long-term

Ongoing: Routine and continuous with no specified end date

Short-term: Within 1- 2 years

Mid-term: Within 2-4 years

Long-term: 5+ years



6 EXISTING CONDITIONS AND HAZARDS





NATURAL FEATURES

Areas of Environmental Concern (AECs)

Under the Coastal Area Management Act, permits are required for projects proposed in Areas of Environmental Concern (AECs). AECs have four categories: the estuarine system, the ocean system, public water supplies, natural resources, and cultural resources.

THE ESTUARINE SYSTEM

Included within the estuarine and ocean system are the following AEC categories: estuarine waters, coastal wetlands, public trust areas, and estuarine and public trust shorelines. The objective of the NC Coastal Resources Commission is to conserve and manage these areas as an interrelated group of AECs, to safeguard and perpetuate their biological, social, economic, and aesthetic values and to ensure that development within these areas is compatible with their natural characteristics.

Estuarine Waters

Estuarine waters are defined in G.S. 113A- 113(b)(2) to include all the waters of the Atlantic Ocean within the boundary of North Carolina and all the waters of the bays, sounds, rivers and tributaries thereto seaward of the dividing line between coastal fishing waters and inland fishing waters. The boundaries between inland and coastal fishing waters are set forth in an agreement adopted by the Wildlife Resources Commission and the Department of Environment and Natural Resources and in the most current revision of the North Carolina Marine Fisheries Regulations for Coastal Waters, codified in 15A NCAC 3Q .0200.

Estuarine waters within or adjacent to the study area include the Cape Fear River, Intracoastal Waterway, Dutchman Creek, the lower part of Price's Creek, Cottage Creek, and the Atlantic Ocean. The mixing of seawater and freshwater produces high levels of nutrients that make them some of the most productive habitats in and near Southport. These waters also provide economic benefit for the City of Southport, supporting commercial and sports fisheries, river piloting, water tours, kayaking and boating in adjacent tributaries, bird watching, and more. Other tributaries in or adjacent to Southport's planning jurisdiction flow into the Cape Fear River. These include Price's Creek, and Cottage Creek.

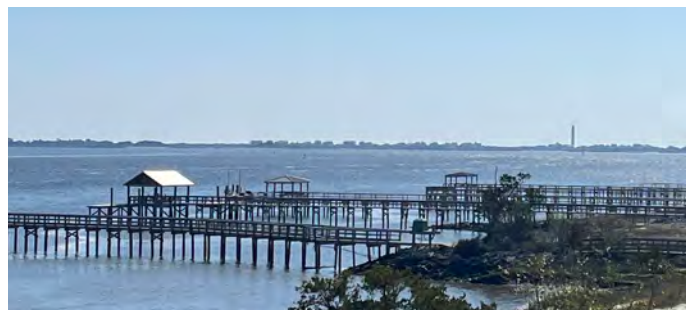
Coastal Wetlands

Coastal wetlands (15A NCAC 07H .0205) are defined as any salt marsh or other marsh subject to regular or occasional flooding by tides, including wind tides, that reach the marshland areas through natural or artificial watercourses, provided this does not include hurricane or tropical storm tides. Regular or occasional flooding is established through field indicators, including the observation of tidal water on the site, changes in elevation, presence of periwinkle (*littoraria spp.*), presence of crab burrows, staining, or wrack lines. Coastal wetlands may contain one or more of the following marsh plant species:

1. Cord Grass (*Spartina alterniflora*);
2. Black Needlerush (*Juncus roemerianus*);
3. Glasswort (*Salicornia spp.*);
4. Salt Grass (*Distichlis spicata*);
5. Sea Lavender (*Limonium spp.*);
6. Bulrush (*Scirpus spp.*);
7. Saw Grass (*Cladium jamaicense*);
8. Cat-tail (*Typha spp.*);
9. Salt Meadow Grass (*Spartina patens*); or
10. Salt Reed Grass (*Spartina cynosuroides*).

The coastal wetlands AEC includes any contiguous lands designated by the Secretary of DEQ pursuant to G.S. 113- 230(a).

Coastal wetlands are shown on two maps in this document, the Areas of Environmental Concern Map on page 119 and the Wetlands Map on page 127.





AREAS OF ENVIRONMENTAL CONCERN



Source: NC Natural Heritage Program, NC Coastal Region Evaluation of Wetland Significance, NC Division of Marine Fisheries, NC Division of Coastal Management

Public Trust Areas

Public Trust Areas (15A NCAC 07H .0207) are all waters of the Atlantic Ocean and the lands thereunder from the mean high water mark to the seaward limit of state jurisdiction; all natural bodies of water subject to measurable lunar tides and lands thereunder to the normal high water or normal water level; all navigable natural bodies of water and lands thereunder to the normal high water or normal water level as the case may be, except privately-owned lakes to which the public has no right of access; all water in artificially created bodies of water containing public fishing resources or other public resources which are accessible to the public by navigation from bodies of water in which the public has rights of navigation; and all waters in artificially created bodies of water in which the public has acquired rights by prescription, custom, usage, dedication, or any other means. In determining whether the public has acquired rights in artificially created bodies of water, the following factors shall be considered:

1. the use of the body of water by the public;
2. the length of time the public has used the area;
3. the value of public resources in the body of water;
4. whether the public resources in the body of water are mobile to the extent that they can move into natural bodies of water;
5. whether the creation of the artificial body of water required permission from the state; and
6. the value of the body of water to the public for navigation from one public area to another public area.

These areas are significant because the public has rights in these areas, including navigation and recreation. The public trust areas also support valuable commercial and sports fisheries, have aesthetic value, and are important resources for economic development. The Public Trust Areas must be determined through in field analysis and definition.

Estuarine Shorelines

Estuarine shorelines are intimately tied to the estuary. These areas are susceptible to erosion due to high winds, storm surge, or wave action from storms or boat wakes. Estuarine shorelines are those non-ocean shorelines extending from the normal high water level or normal water level along the estuarine waters, estuaries, sounds, bays, fresh and brackish waters, and public trust areas as set forth in an agreement adopted by the Wildlife Resources Commission and the Department of Environmental Quality for a distance of 75 feet landward. The estuarine shoreline is a critical barrier between the estuary and the uplands. Other important components of the ecosystem should be considered when developing near the shoreline such as geology, morphology, hydrology, and land cover. The Division of Coastal Management has mapped erosion rates for coastal shorelines but erosion rates for estuarine shorelines have not been mapped. Permits for development along estuarine shorelines are governed by flat setbacks instead of varying erosion rates.

Estuarine shorelines in the city include the shoreline along the Cape Fear River, the lower part of Price's Creek, the Yacht Basin, the marinas, the lower part of Cottage Creek, the shoreline of the Intercoastal Waterway, Dutchman Creek and the outflow from the Brunswick Nuclear Plant. Estuarine shorelines in the city limits consist of approximately 28,678 linear feet of salt/brackish marshes, 10,145 linear feet of sediment bank, 443 linear feet of swamp forest, 9,897 linear feet of modified shorelines, and 189 linear feet considered miscellaneous. These totals are estimated using data





from the Division of Coastal Management (2012) that was digitized using the heads-up methodology. This is the most recent estuarine shoreline dataset. Some shorelines may have been altered since the dataset was created.

The City has received grant funding for shoreline stabilization projects from the North Carolina Department of Public Safety. The projects have included topographical, hydrological, and culture resource studies. Shoreline stabilization efforts include the installation of revetment, bulkheads, and natural shorelines protect the city from flooding. Along the Cape Fear River, there is opportunity to incorporate integrated regenerative design, stormwater management, habitat restoration, and public access.

THE OCEAN HAZARD AREA

The CRC has designated three ocean hazard AECs covering North Carolina's beaches and oceanfront lands: Ocean Erodible, Inlet Hazard, and Unvegetated Beach. Southport has none of these areas within its jurisdiction, and erosion rates for estuarine shorelines have not yet been mapped by the state yet due to the vast number of estuarine shorelines - North Carolina has over 4,600 miles of estuarine shorelines.

PUBLIC WATER SUPPLIES

The protection of public water supplies for drinking water, irrigation, and industry is one of CAMA's main goals. The CRC has designated two AEC categories, small surface water supply watershed and public water supply well fields, that protect designated coastal public water supplies from the negative impacts of development.

The small surface water supply watershed protects coastal drainage basins that contain a public water supply designated for public drinking water and classified as A-II by the NC Environmental Management Commission.

Public water supply well fields are areas of rapidly draining sands extending to a shallow groundwater table that supplies public drinking water. There are no public water supply well fields in the study area.

NATURAL AND CULTURAL RESOURCE AREAS

Natural and cultural resource areas are the fourth and final group of the AECs and are defined as areas containing environmental, natural, or cultural resources of more than local significance in which uncontrolled or incompatible development could result in a major or irreversible damage to natural systems or cultural resources, scientific, educational, or associative values, or aesthetic qualities. (15A NCAC 07H .0501) These are discussed further later in this chapter.

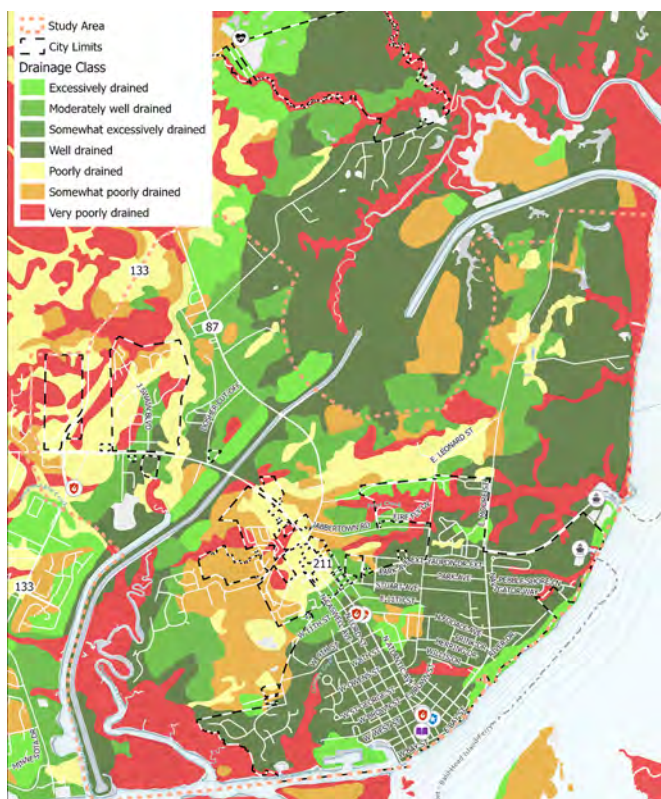


Soil Characteristics

The City of Southport is located in the lower Coastal Plains and ranges in elevation from four feet to thirty feet above sea level. With some areas outside the City limits higher in elevation including some spoil piles and parts of NC 133. The dominant soil condition in Southport include soils that are well drained, these areas consist of Norfolk loamy finesand, Aycock very fine sandy loam, Norfolk-Urban land complex, Blanton fine sand, Candor sand, Butters fine sand, Lakeland sand, Bragg sandy loam, Wagram loamy sand, and Wakulla sand. Most of these areas are developed but there is some remaining land in the City limits that are considered well drained soils

In areas considered 404 wetlands or non-coastal wetlands, the dominant condition is very poorly drained. These areas consist of Croatan muck, Pamlico muck, Johnston loam, Dorovan muck, Dorovan soils, Chowan silt loam, Murville muck, Murville fine sand, Portsmouth mucky sandy loam, Byars loam, Cape Fear loam, and Carteret loamy fine sand.

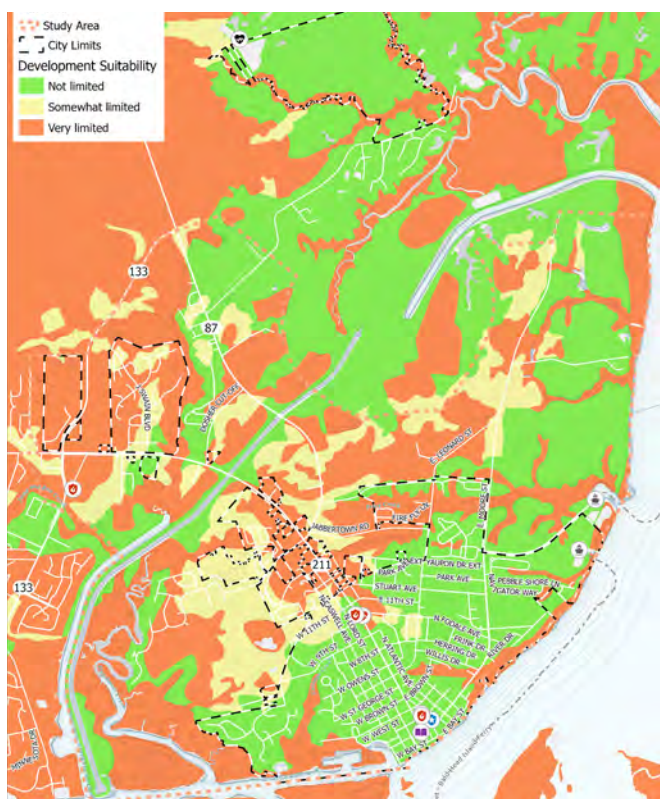
SOILS DRAINAGE CLASS



Source: USDA Soil Survey Geographic Database

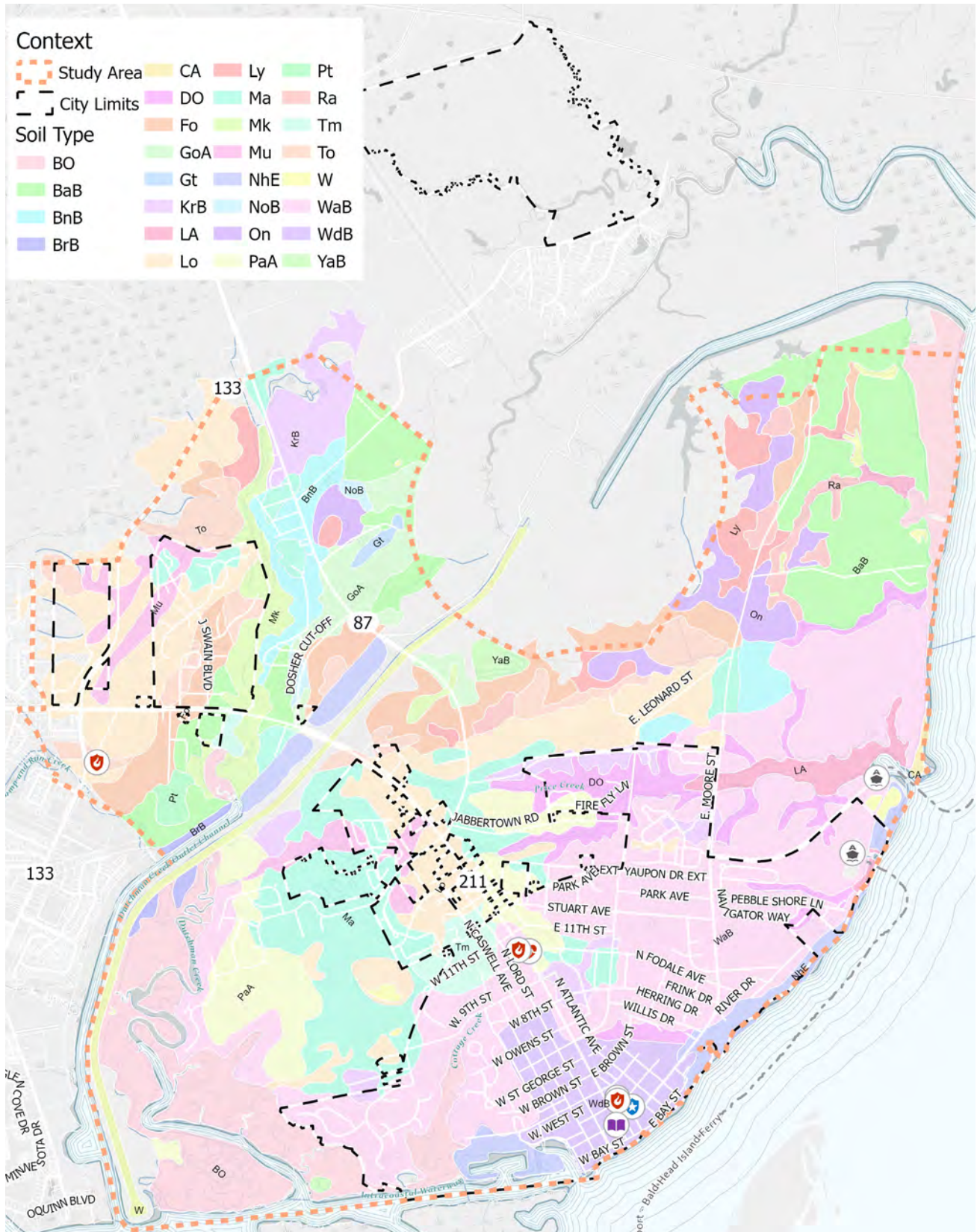


DEVELOPMENT SUITABILITY





SOILS CLASSIFICATION



Source: USDA Soil Survey Geographic Database



Map Symbol	Description	Acres	%	Flooding Frequency	Drainage Condition-Dominant Condition	Rating for Dwellings without Basements-Dominant Condition	Rating for Septic Tank Absorption Fields-Dominant Condition	Erosion Class
BaB	Baymeade fine sand, 1 to 6 percent slopes	1244.06	16.5%	None	Well drained	Not limited	Very limited	1
BnB	Blanton fine sand, 0 to 5 percent slopes	172.88	2.3%	None	Moderately well drained	Not limited	Somewhat limited	1
BO	Bohicket silty clay loam	680.64	9.0%	Very frequent	Very poorly drained	Very limited	Very limited	None-deposition
BrB	Bragg fine sandy loam, 2 to 6 percent slopes	19.69	0.3%	None	Well drained	Not limited	Very limited	1
CA	Carteret loamy fine sand	5.70	0.1%	Frequent	Very poorly drained	Very limited	Very limited	1
DO	Dorovan muck	200.94	2.7%	Frequent	Very poorly drained	Very limited	Very limited	None-deposition
Fo	Foreston loamy fine sand	294.89	3.9%	None	Moderately well drained	Somewhat limited	Very limited	1
GoA	Goldsboro fine sandy loam, 0 to 2 percent slopes	133.60	1.8%	None	Moderately well drained	Very limited	Very limited	1
Gt	Grifton fine sandy loam	10.21	0.1%	None	Poorly drained	Very limited	Very limited	None-deposition
KrB	Kureb fine sand, 1 to 8 percent slopes	469.29	6.2%	None	Excessively drained	Not limited	Very limited	1
Lo	Leon fine sand	664.86	8.8%	None	Poorly drained	Very limited	Very limited	1
LA	Longshoal muck	84.33	1.1%	Very frequent	Very poorly drained	Very limited	Very limited	None-deposition
Ly	Lynchburg fine sandy loam, 0 to 2 percent slopes, Atlantic Coast Flatwoods	112.77	1.5%	None	Somewhat poorly drained	Very limited	Very limited	1
Ma	Mandarin fine sand	538.59	7.1%	None	Somewhat poorly drained	Somewhat limited	Very limited	1
Mk	Muckalee loam	133.12	1.8%	Frequent	Poorly drained	Very limited	Very limited	None-deposition



Map Symbol	Description	Acres	%	Flooding Frequency	Drainage Condition-Dominant Condition	Rating for Dwellings without Basements-Dominant Condition	Rating for Septic Tank Absorption Fields-Dominant Condition	Erosion Class
Mu	Murville mucky fine sand	124.50	1.6%	Rare	Very poorly drained	Very limited	Very limited	None-deposition
NhE	Newhan fine sand, dredged, 2 to 30 percent slopes	151.99	2.0%	Rare	Excessively drained	Very limited	Very limited	1
NoB	Norfolk loamy fine sand, 2 to 6 percent slopes	16.79	0.2%	None	Well drained	Not limited	Somewhat limited	1
On	Onslow fine sandy loam	158.14	2.1%	None	Moderately well drained	Somewhat limited	Very limited	1
PaA	Pactolus fine sand, 0 to 2 percent slopes	271.64	3.6%	Rare	Moderately well drained	Very limited	Very limited	1
Pt	Pits	27.15	0.4%	None	Null	Very limited	Very limited	None-deposition
Ra	Rains fine sandy loam, 0 to 2 percent slopes, Atlantic Coast Flatwoods	68.90	0.9%	None	Poorly drained	Very limited	Very limited	1
Tm	Tomahawk loamy fine sand	68.74	0.9%	None	Moderately well drained	Somewhat limited	Very limited	1
To	Torhunta mucky fine sandy loam	194.71	2.6%	None	Very poorly drained	Very limited	Very limited	None-deposition
WdB	Wando-Urban land complex, 0 to 6 percent slopes	226.38	3.0%	None	Well drained	Not limited	Very limited	1
WaB	Wando fine sand, 0 to 6 percent slopes	1328.42	17.6%	None	Well drained	Not limited	Very limited	1
W	Water	124.54	1.6%	None	Null	Not rated	Not rated	Null
YaB	Yaupon silty clay loam, 0 to 3 percent slopes	24.37	0.3%	Very rare	Somewhat poorly drained	Very limited	Very limited	1



Environmentally Fragile Areas

Environmentally fragile areas that provide natural resource functions may be negatively impacted by development. These areas include wetlands, natural heritage areas, prime wildlife habitats, and maritime forests. Protecting the community's natural resources was one of the highest ranking priorities for this plan, according to public input. This becomes challenging when a large portion of these areas lie in Southport's former extraterritorial jurisdiction (ETJ) and county zoning in the former ETJ allows up to nearly 6 dwelling units per acre.

There are several methods for protecting environmentally fragile areas. These include but are not limited to land acquisition, encouraging conservation easements, requiring or incentivizing open space reservation, conservation subdivisions, tree preservation ordinance, and/or built-upon area or impervious surface limitations, enforcement or enhancement of stormwater management, buffering requirements, and green infrastructure requirements or incentives.

TOP PRIORITIES

1. Protection of the marshes, wetlands, shoreline, and environmentally sensitive natural areas
84%
2. Water Quality in creeks, rivers, and estuaries
84%
3. Preservation and protection of historic sites and buildings
79%
4. Support for local businesses
75%
5. Quality of utility services
75%
6. Stormwater management
71%

Source: Priority question responses from the Community Survey

Wetland Type	Acres in City Limits ¹	Acres in Study Area
Bottomland Hardwood	190	194
Cleared	9	17
Cutover	19	26
Depressional Swamp Forest	61	136
Estuarine Shrub/Scrub	12	12
Freshwater Marsh	2	6
Hardwood Flat	8	46
Managed Pineland	341	451
Pine Flat	47	58
Pocosin	80	80
Riverine Swamp Forest	31	31
Salt/Brackish Marsh	443	759
¹ or within 50 feet of planning jurisdiction		

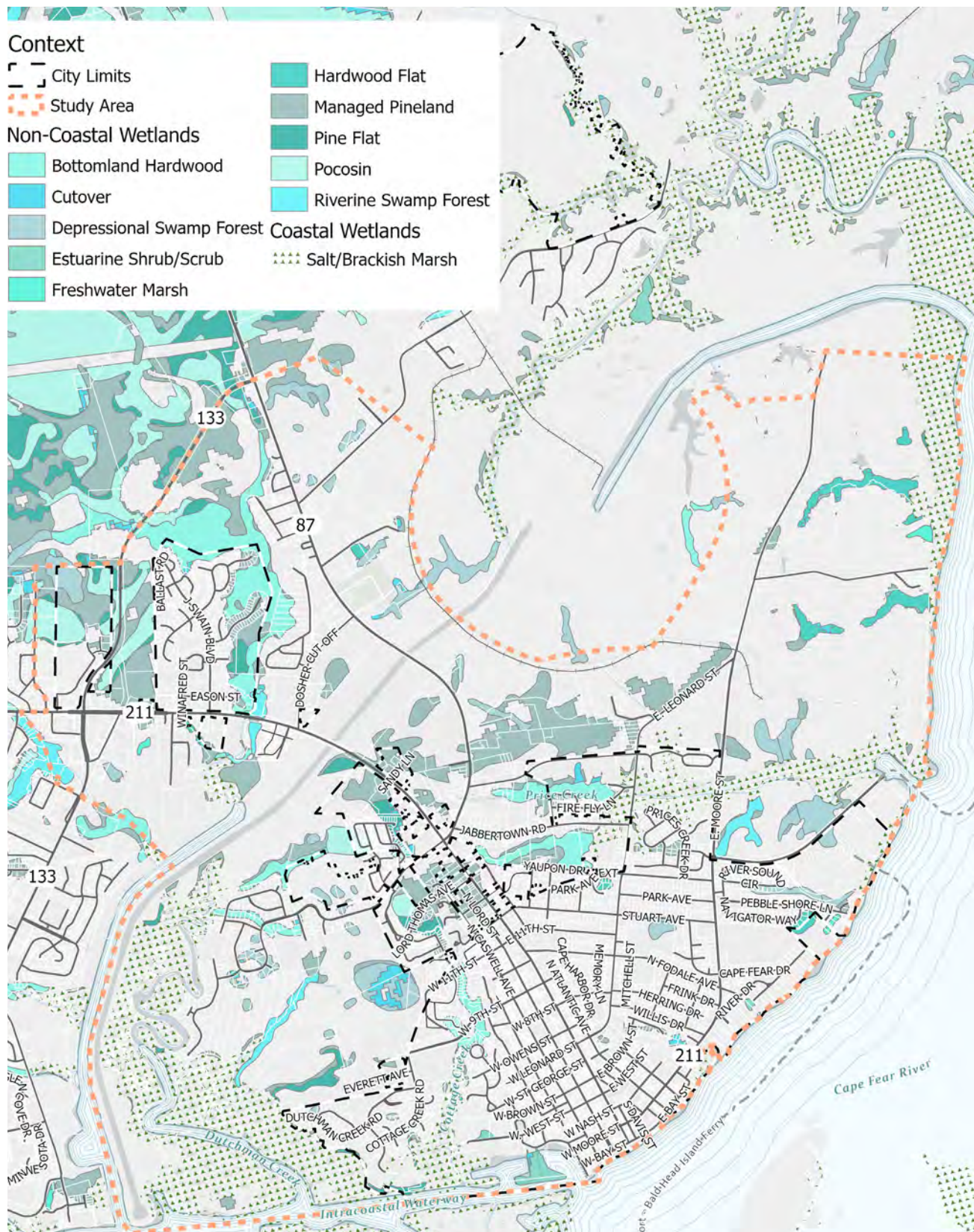
COASTAL WETLANDS

The estuarine and ocean ecosystems are supported by nutrients and habitat provided by coastal wetlands. Not only do salt/brackish marshes provide nutrients from decaying plant material to support complex food chains, they also act as a protective barrier against flood damage and erosion control between the estuary and the uplands. Coastal wetlands provide wildlife habitat, act as a filtration system to improve overall water quality, and add to the overall character of the coastal character.

While Section 404 of the Federal Clean Water Act regulates all wetlands with a continuous surface connection to water bodies that are considered waters of the United States, the state of North Carolina provides additional protection to coastal wetlands (salt/brackish marshes) through the Coastal Area Management Act (NCGS 113A-100- 113A-134.3) and the State Dredge and Fill Act (NCGS 113-229). The priorities of the Coastal Area Management Act include conservation of coastal wetlands to safeguard and perpetuate their biological, social, economic, and aesthetic values.



WETLANDS



Source: North Carolina Coastal Regional Evaluation of Wetland Significant (NCCREWS), NC DCM



and secondly, the allowance of development activities that require water access. Any development within an AEC requires a CAMA permit, which is subject to review by the North Carolina Wildlife Commission, North Carolina Division of Marine Fisheries, U.S. Fish and Wildlife Service, and National Marine Fisheries Service.

In May 2024, the North Carolina Salt Marsh Action Plan (SMAP) was completed and prioritizes strategies to minimize loss of function, benefits, and acreage of salt marshes through 2050 and beyond. These strategies include advancing marsh conservation and restoration, incorporating cross-cutting approaches, and facilitating salt marsh migration. According to the SMAP, the Lower Cape Fear River watershed is projected to lose approximately 8% of its coastal wetlands by 2050. Threats to coastal wetlands include but are not limited to, high population growth and development in coastal zones accompanied by increased quantity and velocity of stormwater, hard armoring of shorelines, climate change and sea level rise, parallel grid-ditching to control mosquito populations, boating activity and boat wake (especially in shallow and narrow waters), marine debris, invasive species, and limitation of the marshes ability to migrate. Coordination is necessary at all levels to implement the SMAP and reduce marsh impacts, including coordination with the State Implementation team, regional, and local government.

Within the study area, there is approximately 568 acres of coastal wetlands. The wetland data used is from the North Carolina Division of Coastal Management and is not a substitute for on-site determination. The precise location of wetlands can only be determined through field investigation.

**I value the peaceful,
quiet, nature, trees,
and water access in
Southport.**

- Survey Respondent

Non-Coastal Wetlands

Non-coastal wetlands include all non-tidal, freshwater wetlands. State involvement in protection of non-coastal wetlands is limited to the enforcement of water quality standards and to the regulatory authority given under federal laws for state agency review of 404' permits granted by the U.S. Army Corps of Engineers. Under 401' of the Federal Water Pollution Control Act (33 USC 1341), a Water Quality Certification from the NC Division of Water Quality is required for a 404' permit to discharge fill materials into wetlands. However, with the recent changes to the definition of "waters of the United States" in *Sackett v. EPA* removes some wetlands from federal jurisdiction. These wetlands no longer under federal Clean Water Act jurisdiction are no longer subject to federal permit requirements, protections, or mitigation requirements of Section 404 of the Clean Water Act and no longer require Section 401 state water quality certifications. Protections were removed from wetlands that are separated from other waters with no direct connection. This includes many freshwater wetlands that are disconnected from the riparian zone in the Southport area. Some states are interpreting the "waters of the United States" consistent with the pre-2015 regulatory regime, while others are using the January 2023 rule, including North Carolina.

California has asserted protections and permitting requirements for wetlands that are no longer protected by the Clean Water Act. North Carolina's current regulations offer no such protection. In North



Wet Pine Flatwoods. Source: NC Department of Agriculture and Consumer Services



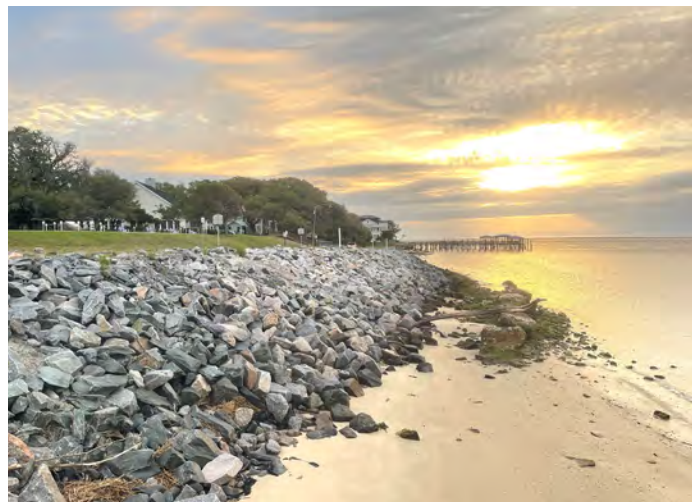
Carolina's Section 309 Assessment and Strategy for 2021-2025 mentions the opportunity for a special area management plan for coastal and freshwater wetlands to address use conflicts.

ESTUARINE SHORELINE

Estuarine shorelines are those non-ocean shorelines that are especially vulnerable to erosion, flooding, or other adverse effects of wind and water. They are intimately connected to the estuary. In shoreline areas not contiguous to waters classified as outstanding resource waters by the Division of Coastal Management, all land 75 feet landward from the normal water level are considered to be estuarine shorelines. Development within the estuarine shorelines influences the quality of estuarine life and is subject to the damaging processes of shoreline erosion and flooding.

Within the study area, there is 112,339 linear feet of shorelines classified as marsh, 1,721 linear feet classified as miscellaneous, 20,380 linear feet classified as sediment bank, and 12,449 linear feet classified as modified. Shorelines along Bay Street have experienced significant erosion and the City has been implementing stabilization techniques to slow or prevent further erosion. These shorelines are dynamic features that experience continued erosion. Land is often due to erosion from storms, boat wakes, tidal currents, and sea level rise. Due to this, property owners would like to slow or prevent further erosion from occurring through shoreline stabilization techniques. These techniques range between hardened solutions (bulkheads, revetments, groins, jetties, etc.), living shorelines or other natural solutions (native vegetation, sills, oyster reefs, marsh creation, vegetated rip-rap, etc.), or land management practices.

According to the NC Division of Coastal Management, bulkheads are the predominant shoreline stabilization method in North Carolina. Often natural solutions are underutilized by property owners and marine contractors, these nature based solutions can provide similar levels of erosion protection under the right conditions, while minimizing impacts to coastal marshes, adjacent property owners, and often provide habitat for fish and shellfish such as oysters. Any shoreline stabilization technique requires a CAMA permit, but a Division of Coastal Management representative can offer stabilization options while a marine contractor or coastal engineer can provide design, assist with permits, and provide a cost analysis.



Hardened shoreline solution, rock revetment



Coastal wetlands include up to ten plant species, including smooth cordgrass (pictured)

NATURAL HERITAGE NATURAL AREAS

The study area includes four designated Natural Heritage Natural Areas. These include:

- Lower Cape Fear River Aquatic Habitat
- Southport Ferry Landing Forest
- Boiling Spring Lakes Wetland Complex
- White Spring Ponds Complex

There are also a number of Natural Heritage Natural Areas nearby including:

- Battery Island
- Zekes Island Estuarine Sanctuary
- Fort Caswell Dunes and Marshes
- MOTSU Governors Creek Natural Area
- MOTSU Northwest Natural Area
- Orton Sandhills and Limesinks
- Bluff Island and East Beach

The Lower Cape Fear River Aquatic Habitat includes the open tidal waters of the Cape Fear River and its tributaries south from the confluence with the Brunswick River to the Cape Fear River mouth at Smith Island. This site provides critical habitat for three Federally Endangered or Threatened animals: manatee (*Trichechus manatus*), American alligator (*Alligator mississippiensis*), and shortnose sturgeon (*Acipenser brevirostrum*). The manatee and shortnose sturgeon are Federally and State Endangered, and the American alligator is Federally and State Threatened.

The Southport Ferry Landing Forest is located adjacent to Price Creek near the Southport – Fort Fisher Ferry Landing. The site contains a number of intact natural communities including the rare Coastal Fringe Evergreen Forest community and good quality Coastal Fringe Sandhill and Brackish Marsh natural communities. Due to rampant development in its range (from Brunswick to Carteret counties) and a naturally limited extent, the Coastal Fringe Evergreen Forest may be one of the most endangered natural community types in the state according to the Inventory of Natural Areas and Rare Species in Brunswick County (1995). The report notes that the Coastal Fringe Sandhill natural community occurs on the highest and driest areas of the site and have experienced prolonged fire suppression and the introduction of fire may be necessary for survival and restoration

of the community. Long leaf pines dominate the open canopy of the Coastal Fringe Sandhill natural community and may support the red cockaded woodpeckers and Carolina gopher frogs due to their known occurrence at the Military Ocean Terminal Sunny Point site to the north. The red cockaded woodpecker is Federally and State Endangered and the Carolina gopher frog is state listed. Elsewhere on the site in the Brackish Marsh natural community along Price Creek and in many other marshes in the Southport area American alligators have been documented.



American Alligator. Source: NC Division of Water Resources



Carolina gopher frog. Source: NC Division of Water Resources



The Boiling Springs Lakes Wetland Complex is a nationally significant macrosite that includes an impressive array of natural communities including the global distribution majority of two community variants of Wet Pine Flatwoods and Pine Savannah Flats. The site supports red cockaded woodpeckers, a Federal and State Endangered species and six federally designated rare plant species. The site also provides habitat for nine rare plant species designated by the N.C. Natural Heritage Program (NHP) and eighteen plant species on the watch list maintained by the NHP.



Red cockaded woodpecker. Source: NC Department of Agriculture and Consumer Services



Sandhill scrub. Source: NC Department of Agriculture and Consumer Services

NATURAL HERITAGE NATURAL AREAS



Source: NC Natural Heritage Program

EXISTING TREE CANOPY

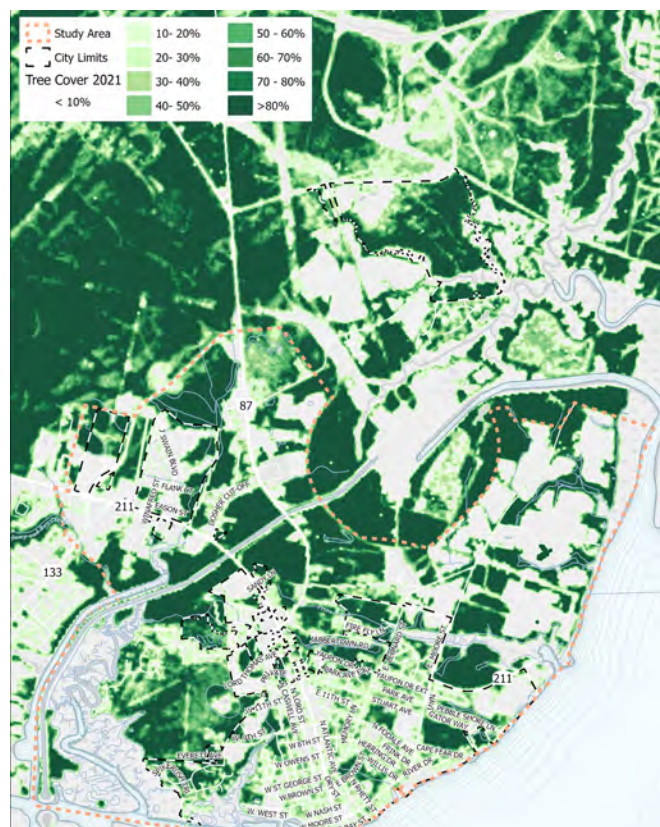
Southport's tree canopy is a defining feature of the City. Mature live oak trees encroach on the roadway as soon as visitors travel past the commercial area near the intersection of NC 211 and NC 87. Downtown buildings along Howe Street are dwarfed by 60 foot tall live oaks that provide a backdrop to scenes. These live oaks shade streets and cool pedestrians during the summer and provide vital ecosystem services including rainwater absorption. The trees themselves serve as habitat for plants and animals, provide food for mammals, birds and insects and support epiphytes (plants that grow on other plants). Significant tree cover exists in the historic neighborhoods surrounding downtown Southport with many blocks that have over 40% tree cover. Areas that lack tree cover are noticeable when walking along Howe Street between 12th Street and Owens Street. In addition, many newer neighborhoods (built since 2000) do not have as many trees as older parts of the City.

Tracts of contiguous mature forest occur outside of downtown including near Lowe-White Park and near Price Creek and Cottage Creek. Near Price Creek sits a 180 acre property that is mostly forested. This area, known as the Southport Ferry Landing Forest has been designated a Natural Heritage Natural Area due to its habitat value. Fingers of floodplain forest extend up Price Creek and flank Jabbertown Road. Large blocks of forest occur near the Brunswick Nuclear Plant and west of the City limits where Phase 2 of the Indigo development is planned. Many of these forests are on upland areas and do not have any protected status, as they are privately owned. Northwest of the study area is a very large forest associated with the Boiling Spring Lakes Wetland Complex, which is a 27,500 acre area designated as an exceptional Natural Heritage Natural Area.



Live oaks in Franklin Square Park

TREE CANOPY COVERAGE



Source: USDA Forest Service Tree Canopy Cover 2021



AREAS BEING IMPACTED OR LOST AS A RESULT OF INCOMPATIBLE DEVELOPMENT

Throughout the study area significant land use change has occurred in the past 75 years. Indeed the landscape described in Robert Ruark's *Old Man and the Boy* from the 1930s and 1940s was one of a isolated fishing village with a core of businesses, some residential areas close by surrounded by forests, agricultural lands and mostly undeveloped areas. Following 1950 residential growth expanded beyond the historic core northeast of present day Lowe-White Park as well as north and west of Howe Street. Commercial development along NC 211 and other major corridors also took place. This development resulted in the clearing of forests and the elimination of many natural communities. Ditching and draining of low-lying areas as well as fire suppression has also caused significant impacts.

Since the year 2000 residential growth has continued to expand. Development during this period includes the River Mist subdivision, Cades Trail, The Hammocks, Turtlewood and Harbor Oaks. Relatively recently (within the past 15 years) the City has placed an emphasis on tree preservation through new regulations and permit requirements and encouraged Planned Unit Developments that include a minimum open space reservation. These changes along with stormwater requirements have lessened impacts however recent state legislation that stripped Southport's ability to regulate development in an Extraterritorial Jurisdiction (ETJ) will likely lead to more impacts in the near future as Brunswick County allows much denser residential development and has fewer open space and tree preservation requirements than the City of Southport.

Recent natural areas impacted by development include:

- ◆ The Boiling Springs Lakes Wetland Complex is located on the northeast edge of the study area and its edges have been impacted by recent development including by the Rivermist Subdivision and development in the county's jurisdiction.
- ◆ Areas of forested floodplains and wetlands surrounding Prices Creek north of Jabbertown Road and a tributary south of Jabbertown Road are under threat from residential development. Uplands adjacent to the floodplain have been developed as part of the Turtlewood and Harbor Oaks developments. Recent changes to county zoning have exacerbated threats in this area as County zoning allows for nearly six units per acre compared to the previous zoning in the Southport ETJ that allowed only two units per acre.
- ◆ Water quality and aquatic species in the Cape Fear River Aquatic Habitat have likely been impacted and are threatened by shoreline development and impacts to tributaries including urban development.
- ◆ Carolina bays and associated wetlands have been impacted by development (Cades Trail – Lord Thomas Ave). Another Carolina bay and associated wetlands are located on the Indigo Phase 2 property and will likely be impacted in some capacity although the area is included in a proposed nature park on the most recent plans submitted to Brunswick County for consideration of approval.





ENVIRONMENTAL CONDITIONS

Water Quality

Southport is located in the Cape Fear River basin in subbasin 03-06-17. Southport is located in the following 12 digit subwatersheds, Town of Southport-Cape Fear River (030300050803), Walden Creek (03030050801), and Jump and Run Creek-Gully Creek (03030050802). Basinwide water quality planning is a watershed-based approach to restoring and protecting the quality of surface waters in North Carolina. The North Carolina Division of Water Quality is responsible for preparing plans for each of the 17 major river basins in North Carolina. Each river basin is subdivided into subbasins. The Cape Fear River Basinwide Water Quality Plan is currently being updated, the 2024/2025 will replace the 2005 Cape Fear Basin Plan. The first basinwide plan for the Cape Fear River basin was completed in 1995 and the second in 2000. The 2005 Cape Fear River Basin Plan is the most current version; it was modified in 2023. The goals of the plan are:

- Identify water quality problems and restore full use to Impaired waters.
- Identify and protect high value resource waters.
- Protect unimpaired waters yet allow for reasonable economic growth.

Pollutants fall into two general categories: point source and non-point sources. Point source pollution refers to pollution that enters surface waters through “any discernible, confined, and discrete conveyance, such as a pipe, ditch, channel, tunnel, conduit, discrete fissure, or container” (US EPA, 2019). Typically these are associated with wastewater and stormwater discharges from municipalities or industrial process or commercial wastewater discharges. These systems provide services or employment opportunities to residents. Non-point source pollution is defined as “any source of water pollution that does not meet the legal definition of “point source” in Section 502 (14) of the Clean Water Act” (US EPA, 2020). Typically, non-point pollution are associated with runoff from rooftops, roads, farm fields, and other surfaces. Non-point source pollution is the leading cause of water quality degradation in North Carolina and nationwide.

The National Pollutant Discharge Elimination System (NPDES) program at the Division of Water Resources is responsible for this issuance of wastewater discharge permits. The NPDES program

is managed by three units: the wastewater permitting branch, the industrial permitting, municipal permitting, and compliance and expedited permitting. The NPDES program established limits for flow, conventional pollutants, toxicants, and non-conventional pollutants such as ammonia and nutrients. The Non-Discharge Branch of the Division of Water Resources is responsible for permitting and compliance of residual and wastewater effluent land application facilities and facilities for the beneficial use of reclaimed water for the purpose of conserving the state’s potable water, surface water, and groundwater resources.

The Cape Fear River basin drains the middle portion of North Carolina and includes portions of 26 counties and 115 municipalities, including Southport. It is one of four river basins located completely within North Carolina. The Cape Fear River basin contains 24 subbasins with Southport being located in Subbasin 03-06-17.

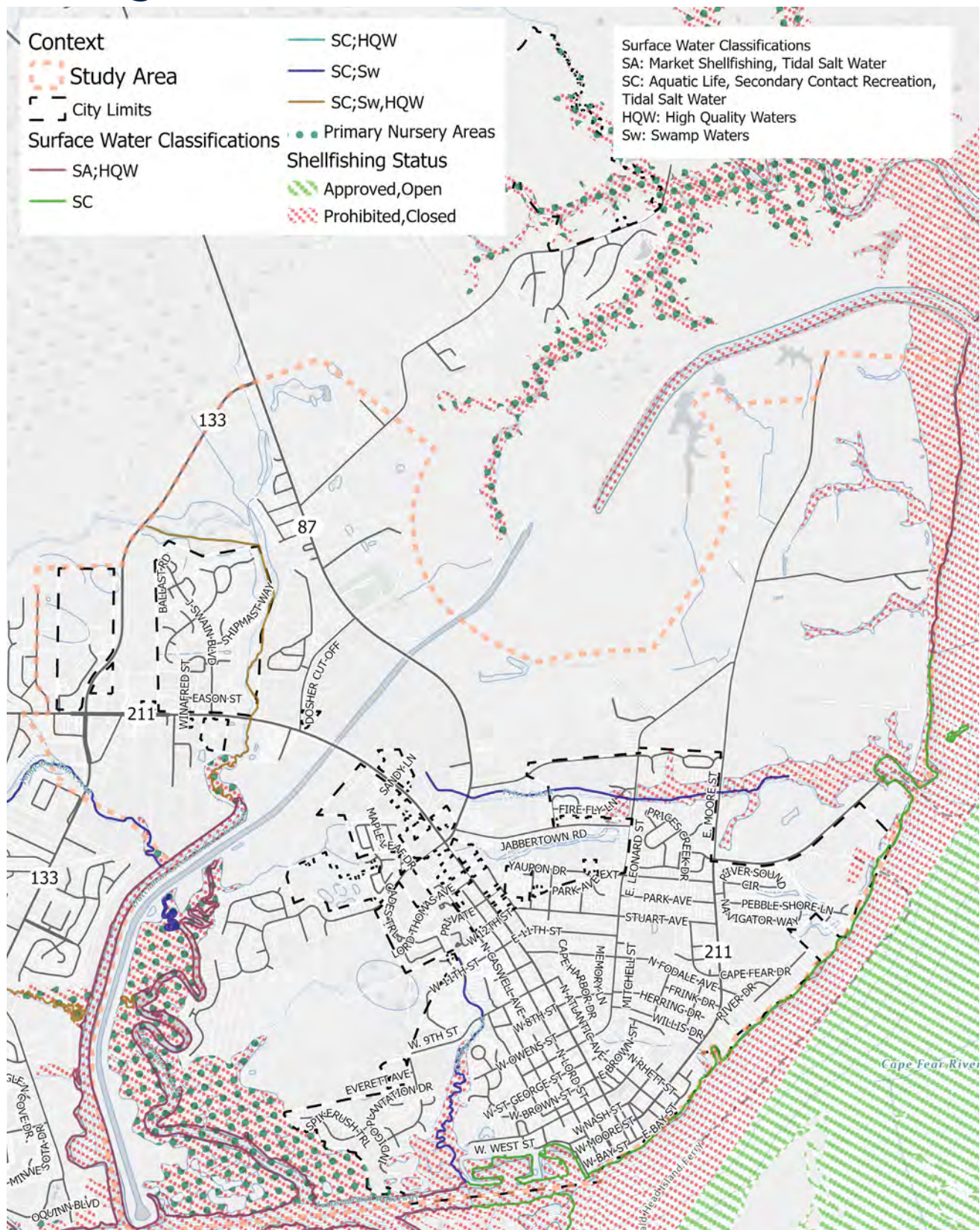
Subbasin 03-06-17 includes slow -moving tannin stained tributary streams and the large Cape Fear River estuary and tidal creeks. There are 41 individual NPDES wastewater discharge permits in this subbasin with a permitted flow of 99.9 MGD (2005 Cape Fear River Basin Plan, NC DWQ). The largest include the International Paper (50 MGD), New Hanover County WWTP (3.5 MGD), Progress Energy (3.5 MGD), Northside WWTP (1.6 MGD), and Southside WWTP (1.2 MGD).

Within the study area (includes Southport’s municipal limits, former ETJ, and outside edges of former ETJ), there are two major NPDES wastewater permits, including NCO027065 at Archer Daniels Midland Company and NCO07064 for Duke Energy Progress. Both major permits are currently active. NPDES Permit 0007064 requires monthly aquatic life monitoring and annually reporting to assess the effectiveness of the diversion fence, flow minimization and fine mesh screens to curtail organism impingement and entrapment. Neither NPDES permit holders have received violations since the last plan.

There are seven registered swine operations with 40, 866 animals in this subbasin. These operations are located outside of the study area.



WATER QUALITY, SHELLFISHING, & PRIMARY NURSERY AREAS



Source: NC Division of Marine Fisheries, NC Division of Water Resources



WATER QUALITY CLASSIFICATIONS

Surface water classifications are designations applied to surface water bodies, such as streams, rivers, and lakes, which define the best uses to be protected within these waters and carry with them an associated set of water quality standards to protect these uses. These classifications are one tool used to manage and protect all streams, rivers, lakes, and other surface waters in North Carolina. The Division of Water Resources classify all surface waters. Rules for each classification are defined in the NC Administrative Code which are regularly updated and revised. More information on water quality classifications can be found at <https://www.deq.nc.gov/about/divisions/water-resources/water-planning/classification-standards/classifications>. Only the water quality classifications that exist in the study area are described in the table on this page. At times, a supplemental classification is added to the primary classifications to provide additional protection to waters with special uses or values.

WATER QUALITY STATUS

The assessment of water quality in North Carolina is required under Sections 303(d) and 305 (b) of the Clean Water Act and is reported every two years. The 2024 303(d) List also known as the Integrated Report is conducted in three parts. The first part of the assessment is the collection of water quality data. The second part of the assessment compares each water quality sample to its appropriate water quality standard. If enough water quality samples exceed the respective water quality standards for that parameter then the water body could be considered impaired. The third part of the assessment is the assessment methodology. The assessment methodology describes how many exceedances of water quality standards a water body can have for a particular pollutant, the data window used for the assessment (usually 5 years), and what integrated reporting category will be assigned to each water body parameter combination. Impaired waters are grouped into two categories, Category 4, and Category 5 assessments. Category 5 assessments are assembled into a single document (the 303(d) list) and sent to the Environmental Protection Agency April 1 of every even-numbered year.

Impaired waters are those that only partially support their designated uses. There are various degrees of impairment; for example waters

Water Quality Classifications

Water Quality Classifications	Primary Use/Additional Protection
Primary Water Classifications	
Class SA	Shellfishing
Class SC	Fishing, primary nursery areas, wildlife, secondary contact recreation (wading, boating)
Supplemental Water Classifications	
Swamp Waters (Sw)	Recognition these waters have natural characteristics due to topography, such as low velocity, dissolved oxygen, or pH, that are different from streams draining steeper topography
High Quality Waters (HQW)	Intended to protect waters rated as excellent based on biological and physical/chemical characteristics through monitoring or special studies.

that are unsuitable for commercial shellfishing may be suitable for secondary contact recreation. All impaired waters from the 2024 303(d) List are listed in table on the following page. There were not any delistings in the study area. Many of the waters in the study area are considered impaired including the Southport Restricted Area, Cape Fear River, Price Creek, Cottage Creek, and Dutchman Creek.

There are a number of contributing factors to water quality issues from both non-point source and point source pollutants. More information about these pollutant sources is outlined in the following section, Shellfishing Trends. With Brunswick County's significant population growth, best practice management strategies should be implemented to reduce impacts on surface and ground water quality due to the increase of impervious surfaces. These include low impact development strategies, impervious surface limitations, coordination with Brunswick County on development approvals in the former ETJ, and more. Monitoring should be continued to assess impacts of strategies to improve local water quality.



SHELLFISHING TRENDS

The North Carolina Marine Fisheries assesses the bacteriological factors that affect water quality and then classify shellfish growing areas as either approved, conditionally approved, restricted, or prohibited. Approved areas are consistently open for shellfishing, while others may be permanently closed due to conflicting uses such as discharges from industrial uses or a wastewater treatment plant.

There are two shellfish growing areas that lie adjacent to Southport these include the B-1 and the B-4 shellfish growing areas. The B-1 growing area includes approximately 4,092 water acres within Beaverdam Creek, Dutchman Creek, the Elizabeth River, and a portion of the Intracoastal Waterway between the Cape Fear River and IWW Beacon “16” (July 2015 - October 2020, Sanitary Survey Report, area B-1).

Non-point source pollution for the B-1 Growing Area includes wastewater treatment plants (WWTP) including the Southeast Brunswick Sanitary District WWTP, Brunswick County WWTP, and the Town of Oak Island’s Satellite Wastewater Reclamation Facility. Archer Daniels Midland has removed the domestic sewage component from their industrial wastewater discharge into the Cape Fear River and has redirected it into the Town of Southport’s collection system, which is now managed by Brunswick County. The area also includes several marinas, some which sustained significant hurricane damage. On-site wastewater systems include Smithfield Woods, Wescott Farms, and Beaver Creek. Stormwater runoff from commercial and residential uses, streets, and parking lots travels untreated through curb and gutter and ditch systems from Southport into the surrounding waters. New subdivisions including The Preserve, Cottage Point, Cambridge Crossing, Rivermist, and Wescott Farms are all located on the mainland portion of the growing area along prohibited waters, with the exception of Wescott Farms are all connected to the municipal sewer system. Increased impervious surfaces have a tendency to concentrate potential sources of pollution to waterways, including pet waste, stormwater, and septic systems. Golf courses have an impact on water quality, including South Harbour Village Golf Course, Oak Island Golf Course, The Founders Club, The Members Club, The Players Club, and The Reserve Club. Five of these golf courses use reclaimed wastewater for irrigation purposes.

In 2013, a study was conducted at the Archer Daniels Midland

facility. At this time the facility was permitted to operate a 3.5 million gallon per day(MGD) industrial wastewater treatment plant, as well as an 8,000 gallon per day domestic wastewater treatment plant, both of which combined to discharge to the river on falling tides. This discharge was permitted without any bacterial limits, and sampling of the discharge water indicated variable and occasionally high bacteria concentrations.

Results from this study indicated that the discharge could impact portions of the Cape Fear River, as well as portions of Growing Area B-1, and a series of recommendations were made on potential changes to the treatment process that would help to avoid any long-term impacts on the growing areas. Since those recommendations, Archer Daniels Midland has worked to redirect wastewater treatment processes as well as an attempt to reduce the bacteria levels in the effluent being discharged. Shortly afterwards, there was a significant drop in the effluent bacteria concentrations but a sampling taken during the July 2015- October 2020 Sanitary Survey indicated high fecal coliform and enterococcus counts at levels that have the potential to impact Growing Area B-1.

The entirety of Growing Area B-1 is classified as Prohibited. The samplings taken between July indicate little change in bacteriological water quality. All but one sampling indicated the area meets the standards for the Approved classification. However, the presence of certain uses, like marinas, automatically prohibit shellfishing due to contamination concerns.

The B-4 Growing Area consists of the Cape Fear River and its tributaries south of Snows Cut, covering approximately 15,527 water acres. The Duke Energy Nuclear Power Plant, the Sunny Point Military Ocean Terminal, and the Archer Daniels Midland manufacturing facility are also located within this watershed. Point source pollution in this growing area includes wastewater treatment plants, a manufacturing facility Archer Daniels Midland, and a previously small package wastewater treatment plant that was decommissioned in 2016.

Non-point source pollution for the B-4 Growing Area includes the following marinas, Deep Point Marina, a closed basin marina located at Carolina Beach State Park, East Bank Landing and Saponas Point located in prohibited waters north of the growing area along the Cape Fear River. Stormwater and from increased impervious surfaces is another contributing factor to fecal coliform levels in the B-4 area.



While most of the B-4 watershed is served by municipal wastewater systems, there are still small areas that continue to maintain on-site wastewater service. The North Carolina Ferry Terminal at Fort Fisher and the Fort Fisher State Park both maintain public restrooms that empty into on-site systems. Carolina Beach State Park has almost entirely eliminated use of on-site wastewater systems and has instead connected much of the park to Carolina Beach municipal wastewater system. Wildlife including shorebirds nesting and roosting at Battery Island and deer and other mammals are abundant in and around Sunny Point Military Ocean Terminal and the buffer zones surrounding the area. Their waste contributes to fecal coliform levels in the B-4 area.

Rainfall has had little effect on the bacteriological water quality within the open portions of the B-4 Growing Area. The July 2015-October 2020 Sanitary Survey indicates waters of the B-4 Growing Area were temporarily closed to shellfish harvest 8 times for a total of 174 days due to the impacts of hurricanes, tropical storms, and unusually heavy rain events.

The Cape Fear River Basin has a special designation that provides protection to adjacent shellfishing waters and has special management strategies that apply to Outstanding Resource Waters. (there are no ORW in or adjacent to the study area).

PRIMARY NURSERY AREAS

Primary nursery areas are defined by the Division of Marine Fisheries Commission as those areas in the estuarine system where initial post-larval development takes place. These areas are usually located in the uppermost sections of a system where populations are uniformly very early juveniles. The Division of Marine Fisheries is responsible for preserving, protecting, and developing primary nursery areas for commercially important finfish and shellfish. There is approximately 2,096 water acres of primary nursery areas within and adjacent to the study area. Primary nursery areas in the study area are located in Dutchman Creek.

B-1 Growing Area Marinas

Marina Name	Total Slips	Pumpout?	Comments
Southport-Morningstar Marina	200 in water, 600 in dry storage	Yes	Some overnight stays
Indigo Plantation Marina	72	Yes	-
Admiral Harbor	46	No	Hurricane Damage
Southport Waterfront	62	No	Hurricane Damage

Source: July 2015- October 2020 Sanitary Survey Report, B-1 area



Impaired Water Bodies in or near Southport's Study Area

Index	Name	Description	Classification	Length (Linear Feet)	2024 Use Support Status
18-(87.5)	Cape Fear River (excluding area described in next column)	From a line across the river from Snows Point (through Snows Marsh) to Federal Point to Atlantic Ocean	SA;HQP	22,941.04	Impaired -Shellfishing (Fecal, SH, SA)
18-88-3	Price Creek	From source to Cape Fear River	SC;Sw	2,717.95	Not monitored
18-88-3.5	Southport Restricted Area	Beginning at a point on the west bank of the Cape Fear River 1000 yards upstream of Price Creek, thence in an easterly direction to the eastern border of the Lower Cape Fear River Channel, thence in a southwesterly direction along the eastern border	SC	8,397	Impaired for exceeding parameters for Arsenic, Copper, and Nickel
18.88-9	Intracoastal Waterway	From Channel Marker F1, R. 22 to mouth of Cottage Creek	SA; HQW	19,995.77	Impaired-Shellfishing (Fecal, SH, SA)
18.88-9(3.5)	Intracoastal Waterway	From mouth of Cottage Creek to Cape Fear River	SC	3,364	Impaired-Shellfishing (Fecal, SH, SA)
18.88-9-3(1)	Dutchman Creek (North side of Intracoastal Waterway)	From source to CP&L Discharge Canal	SC;Sw,HQP	3,114.37	Not monitored
18-88-9-3-(2.5)	Dutchman Creek	From CP&L Discharge Canal to Intracoastal Waterway	SA;HQP	11,411.37	Impaired-Shellfishing (Fecal, SH, SA)
18-88-9-3-2	Jump and Run Creek	From source to Dutchman Creek	SC;Sw	4,892.40	Not monitored
18-88-9-3-3	Dutchman Creek Outlet Channel	From Intracoastal waterway to Dutchman Creek	SA;HQP	7,778.16	Impaired-Shellfishing (Fecal, SH, SA)
18-88-9-3-3-1	Calf Gulley Creek	From source to Dutchman Creek Outlet Channel	SC;Sw,HQP	3,687.56	Not monitored
18-88-9-4	Cottage Creek	From source to Intracoastal Waterway	SC;Sw	2,382.36	Not monitored

Source: 2005 Cape Fear River Basinwide Water Quality Plan, 2025 Integrated Report, NC Division of Water Resources



Natural and Man-Made Hazards

Southport's location at the mouth of the Cape Fear River and two miles from the Atlantic Ocean is both a great asset and a liability due to inherent exposure to natural hazards including hurricanes, tropical storms, heavy rainfall, and flooding.

CLIMATE

Southport's coastal location makes it susceptible to relatively high temperatures in the summer months with the average temperature in July being 82.2 and 80.8 in August. These temperatures are generally cooler than locations further inland due to sea breezes.

RAINFALL

The average annual rainfall in Southport is approximately 56.96 inches. Most of Southport's rainfall occurs during the summer and autumn months with an average of nearly 7 inches in August and over 8 inches in September. Although during heavy rainfall events, the city has received 12 to 20 inches of rainfall in a short period of time (Tropical Cyclone 8, September 16, 2024).

FLOODPLAINS

The 100-year floodplain is land subject to a one percent or greater chance of flooding in any given year. Whereas, the 500-year floodplain is land subject to a one in five hundred (0.2%) chance of flooding in any given year. The National Flood Insurance Program (NFIP) uses flood hazard zone designations to indicate the magnitude of flood hazards. In Southport, there are five flood zone designations. High-risk flood zones include A, AE, and VE. Properties within a high-risk zone must purchase insurance and have a 1 in 4 chance of flooding over a 30-year mortgage period. Zones A and AE are high-risk due to proximity to creeks and the Cape Fear River. Zone VE is a high-risk coastal area susceptible to hazards from storm waves, these areas have a 26% chance of flooding over the life of a 30-year mortgage. In Southport, VE zones are located near the Intracoastal Waterway, Dutchman Creek, the Yacht Basin area, and along Bay Street. The 0.2% annual chance flood hazard area also known as the 500-year floodplain are considered moderate risk for flooding or have

Temperature and Precipitation

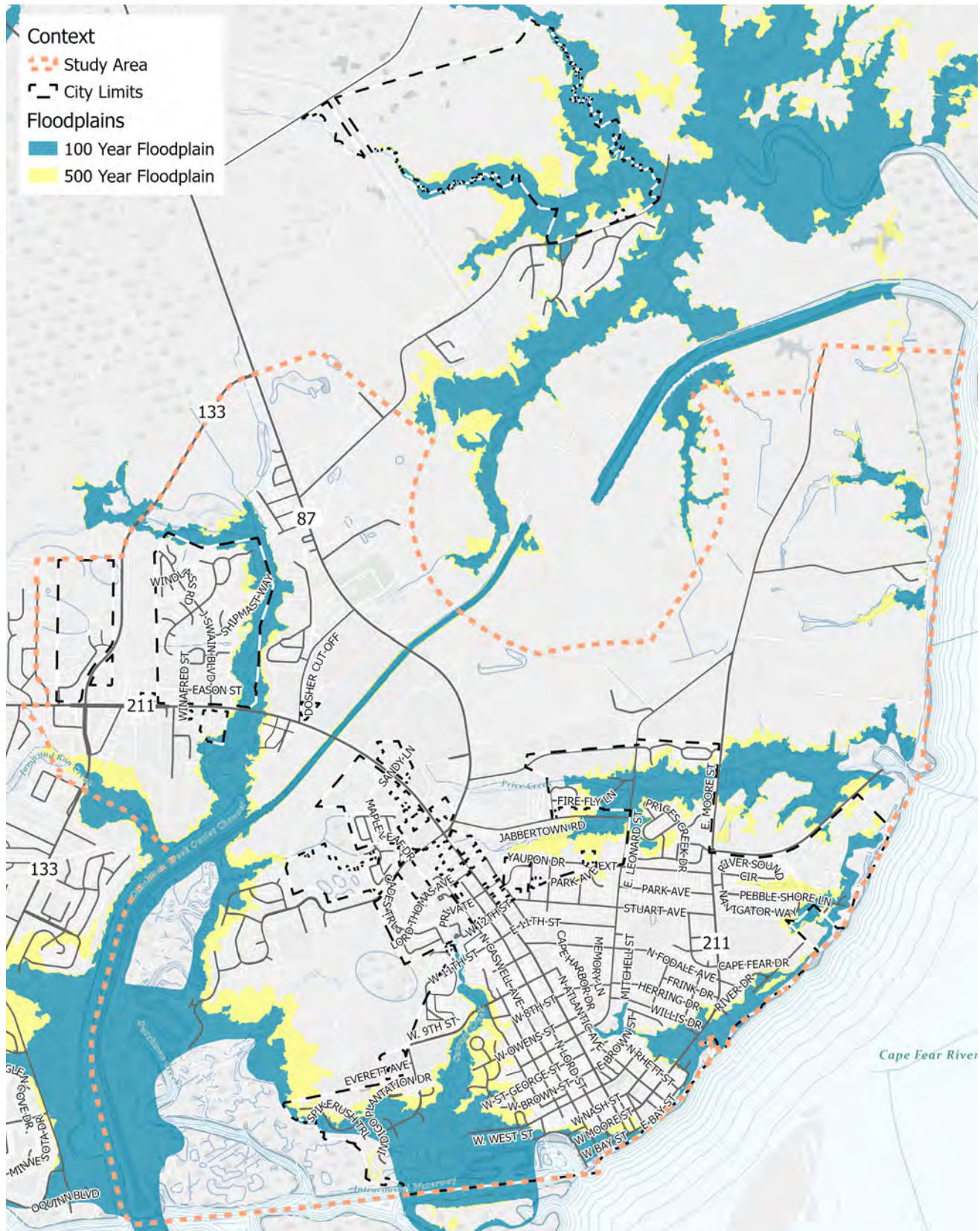
Month	Max Temp (°F)	Min Temp (°F)	Avg Temp (°F)	Precip (IN)
January	60.0	35.5	47.8	3.70
February	62.5	37.6	50.1	3.32
March	68.2	42.7	55.5	4.03
April	75.8	50.9	63.3	3.08
May	82.5	60.0	71.2	3.44
June	88.5	69.0	78.7	4.02
July	91.6	72.8	82.2	5.55
August	90.4	71.2	80.8	6.77
September	86.5	66.0	76.3	8.16
October	78.9	54.4	66.6	5.41
November	69.9	44.3	57.1	3.42
December	62.9	38.0	50.5	3.74

Source: National Centers for Environmental Information, National Oceanic and Atmospheric Administration

a 1 in 500 chance of flood in a given year. The X flood zone is at a lower risk for flooding but due to Southport's location flood insurance in these areas is recommended, however not required. In Southport, approximately 20% of homes are located in moderate-high risk zones.

In Southport, buildings located where base flood elevations (BFE) have been determined, the structure must be elevated 3 feet above the BFE. Where base flood elevations have not been established, the structure must be at least 3 feet above the highest adjacent grade. FEMA defines a repetitive loss property as any insurable building for which two or more claims of more than \$1,000 were paid by the National Flood Insurance Program within any rolling 10-year period, since 1978. A repetitive loss property may or may not be currently insured by the NFIP. According to the 2021 Hazard Mitigation Plan, FEMA flood insurance policy records as of August 2015, indicate there are 564 policies in Southport with 123 total claims totaling \$1,930,443 with only 1 repetitive loss residential property. It is important to note, that significant rainfall earlier this year, resulted in several homes not located in a special flood hazard area that experienced significant flooding from Tropical Cyclone 8.

FLOODPLAINS



Source: FEMA



WIND AND STORM SURGE

Due to its location, Southport is susceptible to winds, flooding, and storm surge from tropical storms, hurricanes, and nor'easters present risks to structures. The potential for hurricane flooding is estimated using the Saffir-Simpson scale. It classifies hurricanes into Category 1 through Category 5. The scale is used by the National Weather Service to assess potential dangers and communicate with public safety officials. Hurricanes are defined as tropical disturbances with sustained winds of 74 miles per hour (mph) or higher. Accompanied by hurricanes is heavy rainfall and storm surge. In the event of a Category 3 or higher hurricane, majority of the City limits is inundated. Hurricane Fran was the strongest hurricane to make landfall since Hazel (Cat 4, 1954) in NC in 1996 bringing 24.06 inches of rain to Southport and 137 mph winds.

The National Hurricane Center and the North Carolina Center for Geographic Information and Analysis have created a GIS dataset called Sea, Lake, and Overland Surges from Hurricanes (SLOSH) models. This model shows where inundation will occur based on hurricane strength, it does not account for heavy rainfall. There are several factors that may alter the outcome, including hurricane approach and whether or no it was preceded by heavy rainfall.

Due to its proximity to the Atlantic Ocean, Southport is susceptible to heavy rainfall from tropical systems. A low pressure system developed on the coast on September 13, 2024. On September 15, 2024 a tropical storm warning was issued for the North

Carolina coastline for the expectation of a tropical storm. On September 16, 2024 the City received approximately 17 inches of rainfall within 12-hour period of time from Tropical Cyclone 8. This type of event is expected to occur once every 1,000 years. The storm caused significant damage washing out a portion of Highway 211 near Doshier Cutoff and E. Moore Street. Portions of N. Howe Street were impassable. The City's fire department and fire trucks sustained damage as well as other municipal buildings. Many homes in Cade's Cove were also impacted by the storm.

SEA LEVEL RISE

The sea level off our coast has risen by 11 inches since 1950. Projections indicate that a 2-3 feet rise is likely in the area by 2080.



Damage after Hurricane Hazel

Characteristics of Hurricanes

Category	Maximum Sustained Wind Speed (MPH)	Minimum Surface Pressure (Millibars)	Damage Level	North Carolina Example (that first made landfall in NC)
1	74-95	Greater 980	Minimal	
2	96-110	979-965	Moderate	
3	111-129	964-945	Extensive	
4	130-156	944-920	Extreme	
5	157+	Less than 920	Catastrophic	

Source: National Hurricane Center

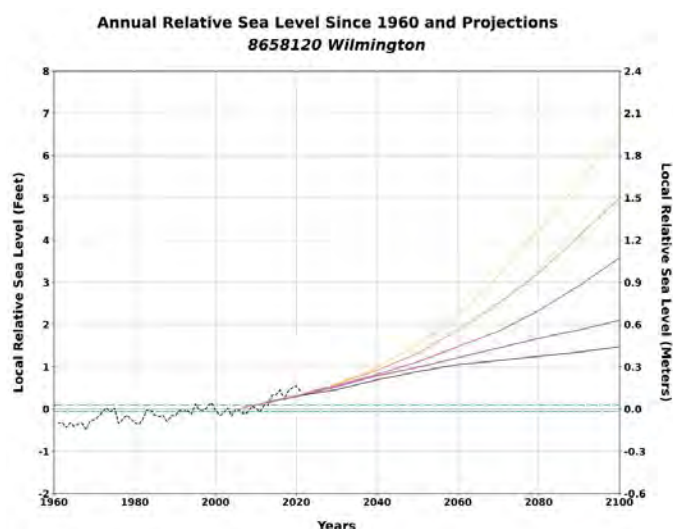


The relatively high elevation of Southport protects most of the City from projected sea level rise. However areas along Price Creek, the Yacht Basin and the marinas will likely experience increased threats. Increased wave action and rising water levels may also impact areas of the waterfront.

MANMADE HAZARDS

The Duke Progress Energy Brunswick Nuclear Plant is located just north of Southport. An accident at the Plant could impact the City's emergency response resources. The second potential hazard is the possibility of a oil or chemical spill in the Cape Fear River from a tanker traveling by Southport to or from the Port of Wilmington. In addition, explosives are shipped to Military Ocean Terminal at Sunny Point just north of the City.

The Environmental Protection Agency requires facilities to report certain substances located on site. See the table below for facilities located near Southport.



Source: National Oceanic and Atmospheric Administration

Tier II Reporters, 2023

Facility Name	Company Name	Type
Walmart #2722	Walmart, Inc.	Tier2
Builders FirstSource- Southport NC Yard	BFS Operations, LLC	Tier2
Lowe's of Southport, NC (Store #0682)	Lowe's Home Centers, LLC	Tier2
BEMC-Southport Substation (54/4)	Brunswick Electric Membership Corporation	Tier2
Bellsouth - E 11th St- 21874	BellSouth Telecommunications, LLC/DBA AT&T North Carolina	Tier2
Deep Point Marina	BaldHead Island Limited, LLC	Tier2
American Tower- 372959- WUIN Tower	GTP Acquisition Partners II, LLC	Tier2
Southport Adm 230KV Substation	Duke Energy	Tier2
Brunswick Nuclear Plant	Duke Energy	Tier2
BEMC- Sunny Point Substation	Brunswick Electric Membership Corporation	Tier2
Morningstar Marinas Southport	Morningstar Marinas	Tier2
ADM Southport Facility	Archer Daniels Midland Company	Tier2
S&W Southport Plant	S&W Ready Mix Concrete Company	Tier2
Hwy 211 Water Treatment Plant	Brunswick County Public Utilities	Tier2, emgplan

Source: United States Environmental Protection Agency

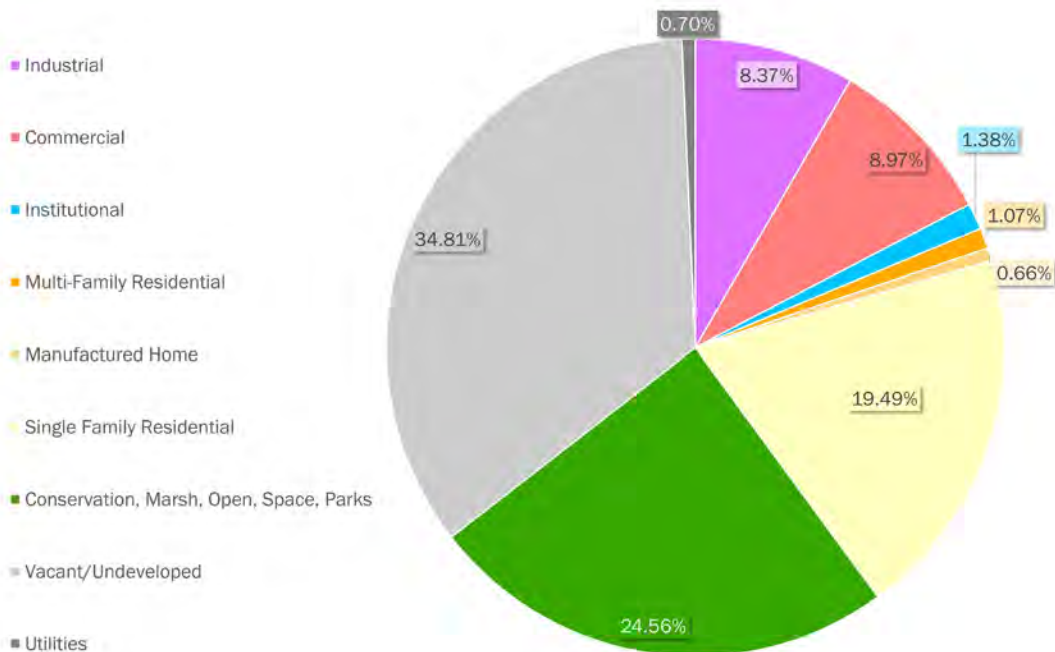


EXISTING LAND USE & DEVELOPMENT

Existing land use is determined using a combination of parcel data and aerial imagery. As opposed to zoning, it represents a more current indication of land uses. It shows the quantities of individual uses and their spatial patterns. Southport, like many other cities, accommodates a variety of land uses. Studying the way Southport residents, businesses, industry, and public institutions use the physical space of the City gives an understanding of collective values and future opportunities.

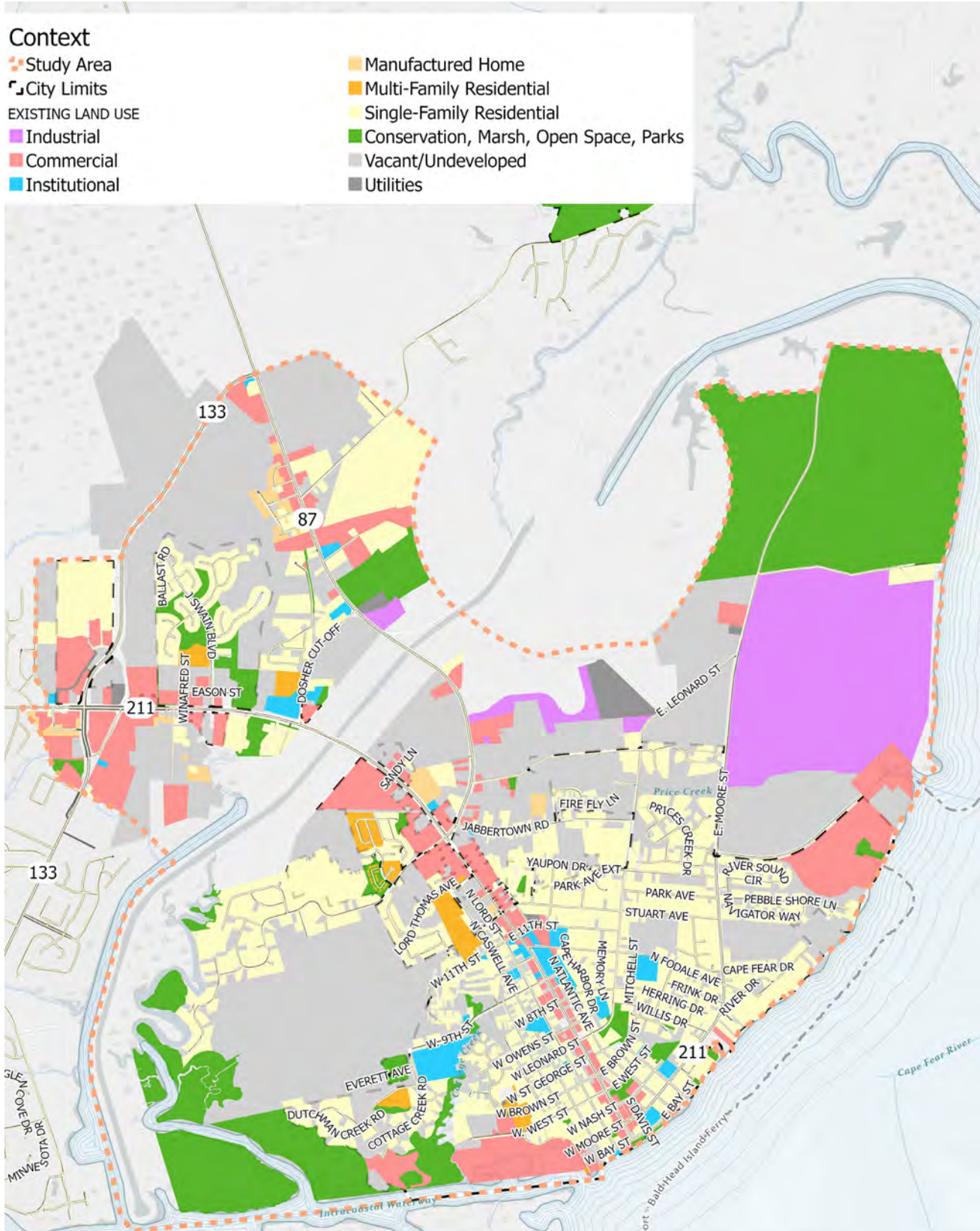
Southport is surrounded by environmentally sensitive areas on both east and west sides its City limits. The study area encompasses approximately 9.26 square miles of land. In the study area, 59.37% is considered vacant or undeveloped or is land that includes salt brackish marshes, is in conservation, or is considered open space or being used as a park. Single-family homes occupy 19.49% of land in the study area, followed by 8.97% for commercial uses, and 8.37% for industrial uses. Residential districts in the study area are primarily comprised of single-family detached housing that is consistent with low to medium density development. Manufactured homes occupy .66% of land in the study area north of NC 211 and along Jabbertown Road. Multi-family attached residential housing is located north of NC 211 in the study area and in the City limits to the west of NC 211.

Much of the community's commercial uses are located along NC 211, NC 87/133. Larger commercial footprints are located north of NC 87 along NC 211 while smaller to medium commercial building footprints are located south of NC 87 and in Southport's historic downtown core. Institutional uses occupy about 1.38% of land in the study area and include Southport Elementary School, Brunswick Community College, Doshier Memorial Hospital, Southport Fire Department, City Hall, the Community Building, and other institutional uses. There are no industrial uses in City limits but 8.37% of land in the study area are occupied by industrial uses, including land owned by Duke Energy, the Brunswick County Transfer Station, and Archer Daniels Midland.





EXISTING LAND USE



Source: Brunswick County Tax Parcel Data, 2024



INDUSTRIAL

The industrial use category includes land owned by Duke Energy Brunswick Nuclear Plant, food processing uses, and waste recycling uses. This land use category consists of **8.37%** of land in the study area. It does not include Dutchman Creek Outlet Channel, the intake channel, or the land where the nuclear plant is located.

COMMERCIAL

The commercial category includes retail, restaurants, hotels, motels, grocery stores, RV parks, and other service uses. The downtown is included in this category and may have some mix of uses including offices. The commercial land use category makes up **8.97%** of land in the study area.

INSTITUTIONAL

The institutional category includes City Hall, the community building, schools, emergency services, churches, the hospital, and other medical office uses. The institutional land use category makes up **1.38%** of land in the study area.

MULTI-FAMILY RESIDENTIAL

The multi-family residential category includes townhomes and apartments. The multi-family residential land use category makes up **1.07%** of land in the study area.

MANUFACTURED HOME

The manufactured home category includes manufactured homes. The multi-family residential land use category makes up **0.66%** of land in the study area.

SINGLE-FAMILY RESIDENTIAL

The single-family residential category includes single-family detached homes, bed and breakfast inns, and short-term rentals. The single-family residential land use category makes up **19.49%** of land in the study area.

CONSERVATION, MARSH, OPEN SPACE, AND PARKS

The conservation, marsh, open space, and parks category includes cemeteries, parks, open space, salt water marshes, and conservation land. The conservation, marsh, open space, and parks land use category makes up **24.56%** of land in the study area. It is the second largest category in the study area.

VACANT/UNDEVELOPED

The vacant/undeveloped category includes noncoastal wetlands, vacant, and/or undeveloped land. The vacant/undeveloped land use category makes up **34.81%** of land in the study area, making it the largest land use category in the study area.

UTILITIES

The utilities category includes water towers, electric substations, and other utility related uses. The utilities land use category makes up **0.70%** of land in the study area.



EXISTING LAND USE

Land Use Type	Acres	%
Industrial	496.5	8.37%
Commercial	531.9	8.97%
Institutional	81.8	1.38%
Multi-Family Residential	63.6	1.07%
Manufactured Homes	39.3	.66%
Single-Family Residential	1156.3	19.49%
Conservation, Marsh, Open Space, Parks	1456.9	24.56%
Vacant/Undeveloped	2065.3	34.81%
Utilities	41.3	.70%
TOTAL	5932.9	100%



Character Districts

Following the creation of the Existing Land Use map, site visits were made to canvass the City, take photographs and understand development form and character. The map below shows Character Districts developed during the process. These districts show areas that share similar land uses, building design, site design and scale. They were used, along with public input and additional analysis, to make land use recommendations for different parts of the City.

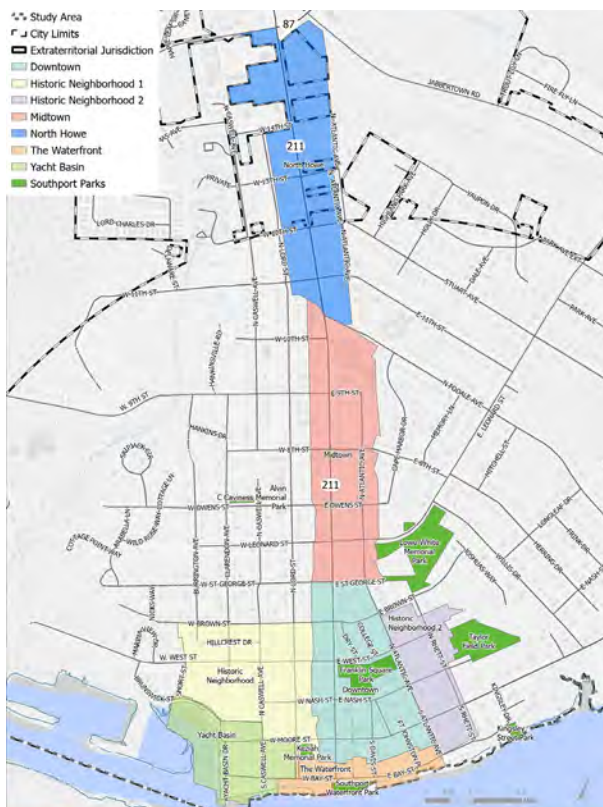
Development Suitability Analysis

A development suitability analysis was conducted using Geographic Information Systems (GIS) software. The analysis took into account environmental and economic facts that make land attractive for development (i.e., residential, nonresidential, commercial, etc.).

Given Southport's relatively small size, this type of analysis is most appropriate because any smaller grain of analysis would likely overstate any findings. The city's transportation network consists of NC 211 serving as the community's spine with major intersections along it. Along NC 211, the community character ranges from small scale to medium scale into the heart of Southport- the Downtown and waterfront. Major intersections along NC 211 include NC 87, 11th Street, Fodale Avenue, 9th Street, 8th Street, Owens Street, Leonard Street, St. George Street, Brown Street, West Street, Nash Street, Moore Street, and Bay Street. These areas generally possess the physical and economic characteristics that make them suitable for development. This is not surprising, since these areas have the established and existing infrastructure in place to support development. The areas around environmentally sensitive areas (creeks, wetlands, floodplains, etc.) are generally shown as less suitable for development. The inputs used to create this suitability analysis are as follows:

- Near water and sewer infrastructure
- Near existing concentrations of commercial and residential development
- Near major intersections
- Near parks and schools
- Parcel size
- Environmentally constrained lands (streams, wetlands, floodplains, storm surge)

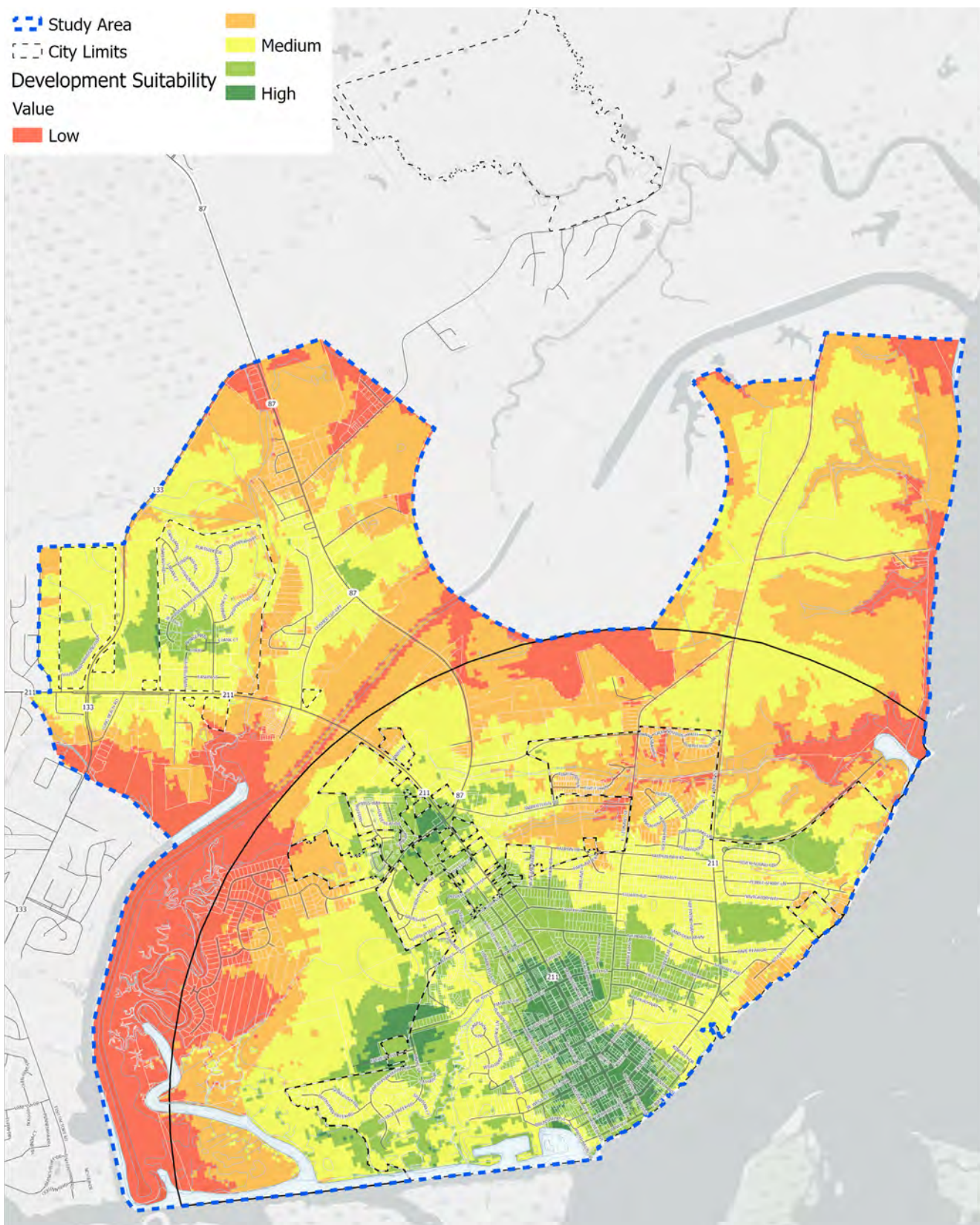
CHARACTER DISTRICTS





DEVELOPMENT SUITABILITY

- Study Area
- City Limits
- Development Suitability**
- Value**
- Low
- Medium
- High





Parks, Open Space, and Trails

PARKS AND OPEN SPACE

For a community of its size, Southport has a variety of recreational areas including parks, trails, water accesses, scenic views, wildlife viewing areas, piers, docks, boardwalks, and indoor recreation spaces. Southport's passive and active recreational areas offer a high level of service to its residents and improve their overall quality of life.

The City of Southport maintains and operates a number of parks and public spaces including:

- Alvin C. Caviness Memorial Park
- Atlantic Avenue Pocket-Park
- Bay Street Overlook / Deck
- Fort Johnston-Southport Museum and Visitors Center Garrison
- Garrison Lawn, Tennis Courts and Playground
- Franklin Square Park
- Jaycee Building / Senior Building Complex
- Keziah Memorial Park
- Kingsley Street Park
- Lowe-White Memorial Park
- Historic Salt Marsh Boardwalk and Waterway Overlook
- Southport City Dock (at the Old Yacht Basin)
- City of Southport Gym
- Waterfront Park
- Taylor Field Park

County Parks and Other Open Spaces

- Smithville District Park
- Old Smithville Burying Ground
- Smith and Northwood cemeteries
- Old Morse Cemetery
- John N. Smith Cemetery

CAMA Public Access Areas

- S. Kingsley St.
- S. Atlantic Ave.
- S. Davis St.
- S. Lord St.
- Cottage Creek kayak launch

PLANNED PARK IMPROVEMENTS

The 2023-2028 Parks, Recreation and Open Space Master Plan serves as a guide for parks, recreation, open space programs, services, and events in Southport from 2023-2028. The Plan also contains recommendations specific to the Southport Parks and Recreation department regarding operating procedure, personnel, class offerings, and more. Major recommendations in this plan included improvements to pedestrian and bicycle facilities, a new multi-purpose recreation center and administrative offices, improved public restroom facilities downtown, upgrades to existing parks, land acquisition for future facilities and the development of Stevens Park, a nine-acre site owned by the City located near the elementary school.

PUBLIC ACCESS

Southport has an unparalleled system of public space on or near the waterfront. Waterfront Park is the largest and most prominent but additional public spaces include the Garrison House lawn, Kingsley Park, City Pier, City Dock, Historic Salt Marsh Boardwalk, Atlantic Avenue CAMA access, and the Cottage Creek kayak launch that was constructed near Morning Star Marina.

SIDEWALKS AND TRAILS

Many roads in the core of the City have sidewalks. New residential subdivisions, multi-family developments and many types of nonresidential developments are required to have sidewalks on at least one side of the street. Major subdivisions with 20 lots or more require sidewalks on both sides of the street or a greenway on one side of the street.

A project to extend the sidewalk along Howe Street is underway. It will add a sidewalk northward from its current terminus south of 8th Street to Doshier Memorial Hospital.

Lowe-White Memorial Park has a trail and boardwalk that links Leonard Street to Rhett Street. Other parks, including Franklin Square and Waterfront Park have internal walkways that connect to roadways and other destinations.

The East Coast Greenway (ECG), a walking and biking route stretching 3,000 miles from Maine to Florida, passes through Southport. Much of the length of the route traverses sidewalks, although segments between Downtown and the Ferry and Downtown and St. James are on road segments with no designated facilities for pedestrians or bicyclists.



Cultural Resources

The City of Southport is a historic coastal village with a rich maritime history. Originally, established as Smithville, the village relied heavily on river piloting and fishing as its primary occupations.

NATIONAL REGISTER OF HISTORIC PLACES DISTRICT

The City of Southport is comprised of one National Register district, the Southport Historic District, three individually listed properties on the National Register, Fort Johnston, John N. Smith Cemetery, and the Old Brunswick County Courthouse, and a 2010 study listed district. In 1980, the Southport National Register District (Southport Historic District) was surveyed by Carl Lounsbury. The boundary includes the original 1792 layout, the Brunswick Street harbor area, and extends 1 mile into the Cape Fear River to include Battery Island and maritime resources. The Southport Historic District includes 308 historic resources including 210 contributing and 17 noncontributing resources (NCHPO).

The City of Southport has unique origins. Fort Johnston was constructed in the 1740s. The construction of Fort Johnston in the 1740s set things in motion for the creation of a town, and two to three river pilot homes until the 1780s. It was then when Wilmington merchant Joshua Potts came to the area to restore his health with sea air. When he returned in the 1790s, he brought a friend and they erected summer cottages. Tourism has been a long time component of the City, beginning early in its existence. After successfully gaining approval for the newly platted town, the area became known as Smithville, named for local politician and future governor Benjamin Smith.

The Southport Historic District is Brunswick County's largest National Register Historic District. Historically, it was the County's largest community and still serves as a major commercial hub. It includes a collection of historic homes, the central business district, the Yacht Basin, and important institutional buildings. The Southport Historic District's period of significance ends at 1930. An architectural survey is needed to document additional resources and is an opportunity to include resources that date between 1930 to 1975.

This survey could potentially decrease the western portion of the district and a portion to the east along the waterfront where there have been significant changes. A comprehensive survey of the 2010 survey is needed to possibly expand the Southport Historic District. This survey should include a comprehensive assessment of the African American neighborhood, associated churches, and the African American business district centered on the 400 block of North Howe Street and continue north up to West Owens Street. This is where the historical block pattern ends.



Wells House, 1952 Modernist example. This house is the best example of modern architecture in Southport and is currently considered a noncontributing structure.

ORIGINAL 100 LOTS

The Town of Smithville was officially created around Fort Johnston on the west side of the Cape Fear River. The original plan was drawn in 1792 by Benjamin Smith and Joshua Potts, consisted of 100 lots. The "Original 100 Lots" were laid out in half acre lots with streets running parallel with the river and cross streets running perpendicular, forming a number of odd triangular parcels. The original boundaries were the west side Caswell Avenue (Boundary Street) to east side of Kingsley Street extending north up to Brown Street. Some of the original parcels have been further subdivided but the original grid remains visible today.



LOCAL HISTORIC DISTRICT

The City of Southport is currently working in coordination with the State Historic Preservation Office on establishing a local historic district. A local historic district provides the most protection in North Carolina. Any major renovations, new construction, or demolitions are reviewed by Southport's Historic Preservation Commission (HPC). This process is a quasi-judicial process where the members of the HPC use Southport's Design Standards that are applicable in the local district to issue or deny a Certificate of Appropriateness. Any minor works, such as maintenance, cleaning, painting, or landscaping in the rear are reviewed by staff.

The Historic Preservation Commission is currently working on establishing a local district boundary. The boundary will include most of the National Register boundary (above in blue) and a portion of the study listed boundary (above in purple). As part of this process, a local designation report, design standards, and boundary must be reviewed and approved by the State Historic Preservation Office.

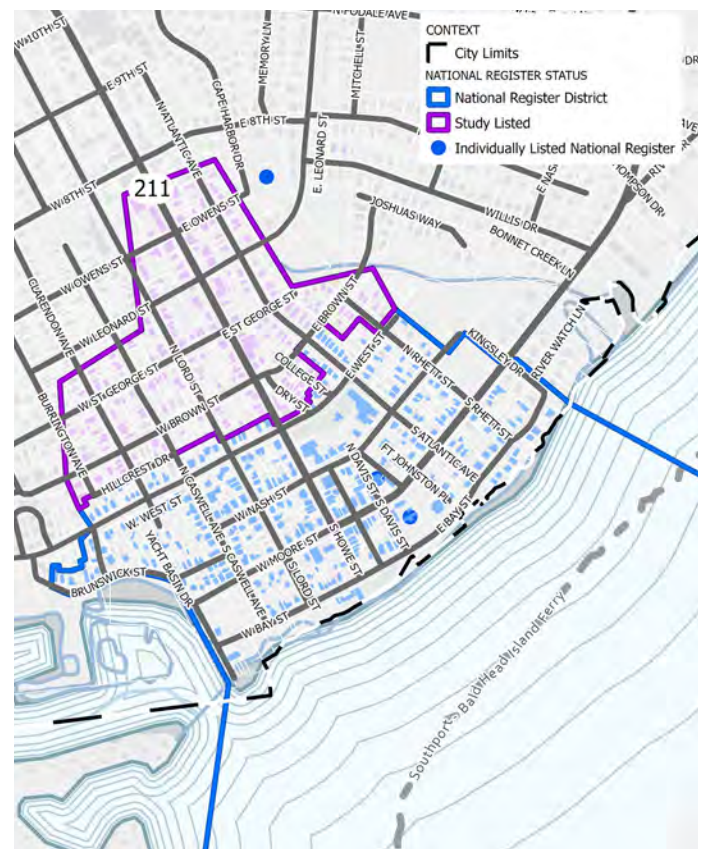
Benefits of a Local District

- Public notification of projects that may alter the character of a neighborhood
- Opportunity to apply for matching grants for surveying, planning, predevelopment, and/or development related activities (applicable if Certified Local Government)
- Continued educational opportunities for staff and HPC members
- Stabilization of property values by protecting the elements that define the area's character including buildings, structures, objects, and sites



Chapel of the Cross, St. Philip's Episcopal Church

CULTURAL RESOURCES



Source: North Carolina Historic Preservation Office, Stewart



COMMUNITY FACILITIES

Community Facilities

The City of Southport and partner organizations maintain a number of buildings, grounds and equipment in order to provide public services to meet the needs of residents, businesses and visitors.

PUBLIC WATER SUPPLY

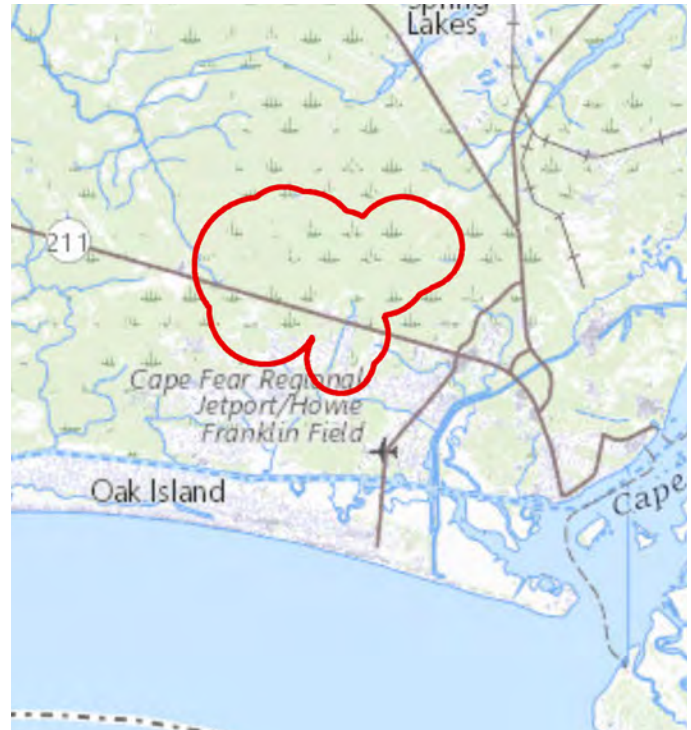
The City of Southport drinking water system consists of approximately 44 miles of water distribution mains, fire hydrants, valves, services lines, and customer meters. The water distribution system is operated under state permit PWS ID NC-4-10-010. The water supply is from the Brunswick County 211 Water Treatment Plant.

The 211 Water Treatment Plant is a 6 million gallon per day groundwater source treatment facility. The raw water comes from 14 water supply wells drilled to approximately 175 feet into the Castle Hayne Aquifer. The treatment utilizes a lime softening process to remove excess calcium and iron from the source water. Brunswick County operates and maintains the water supply and distribution system. To protect groundwater quality of the Castle Hayne Aquifer, Brunswick County adopted a Wellhead Protection Area Overlay District May 15, 2023. The Wellhead Protection Area Overlay is located along NC Highway 211 to the northwest of Southport's municipal limits and includes all 14 wells. The water system was transferred to Brunswick County in June 2024.

The City completed an asset management plan (AMP) in 2021 that provided a summary of the water supply and water distribution system that serves the City. The City of Southport water system consists of 2- to 12-inch water distribution mains in the City service area.

The water system was originally constructed in 1915 with major extensions occurring in the 1970s through the current day. Parts of the system have original pipe with pipe materials of cast iron. The AMP provides a summary of water line materials and diameters and an overall condition assessment of pipe in the distribution system.

The water system distribution system is routinely tested for water quality and fire flow. The water quality test reports are available from Brunswick County at [CCR-2023 \(brunswickcountync.gov\)](https://www.brunswickcountync.gov/ccr-2023). Brunswick County Public Utilities continuously works to meet and/or exceed all



Brunswick County Wellhead Protection Overlay

state and federal water quality standards. Water is tested regularly from the source to the tap to ensure quality.

The City's fire department fire flow testing results are graphically represented in Fire Flow Testing Results map on the next page. The figure illustrates the fire hydrant test gallons per minute at 20 psi pressure.

The capacity of the water system supports the existing development. Future development will need to evaluate the water system pressure and fire flow for water extensions.

Currently, there are no water supply watersheds in Brunswick County.



PUBLIC WASTEWATER FACILITIES/ SOLID WASTE

The City of Southport (City) wastewater collection system consists of approximately 49 miles of gravity and sewer and force mains, valves, air release valves, manholes, service taps, service laterals, and cleanout for service currently serves approximately 2,900 sewer customers. The system is operated under state collection system permit WQCS00137. Originally, the wastewater collection system was constructed to collect wastewater from the historic area with treatment at a city wastewater treatment facility (WWTF) on W. West Street. Surrounding development added wastewater collection and lift stations with force mains to send flow to the City's WWTF.

In the early 2000s, the City had compliance issues with the City WWTF. The City constructed the Central Pump Station in 2006 to collect wastewater from the City sewer basins and to send 0.2 million gallons per day (MGD) of wastewater to the Southeast Brunswick Sanitary District treatment system to reduce flow to the City WWTF.

In 2009, the City entered an agreement with Brunswick County for use of Brunswick County capacity in the West Brunswick Regional Wastewater System for treatment and disposal. The City completed modifications to the collection system to route wastewater to the regional force main transmission system with treatment at the West Brunswick Water Reclamation Facility. Approximately 19,995 linear feet of 16-inch force main was constructed to the Brunswick County force main system. The Sandy Lane Pump Station and Force Main Extension project was completed in 2011.

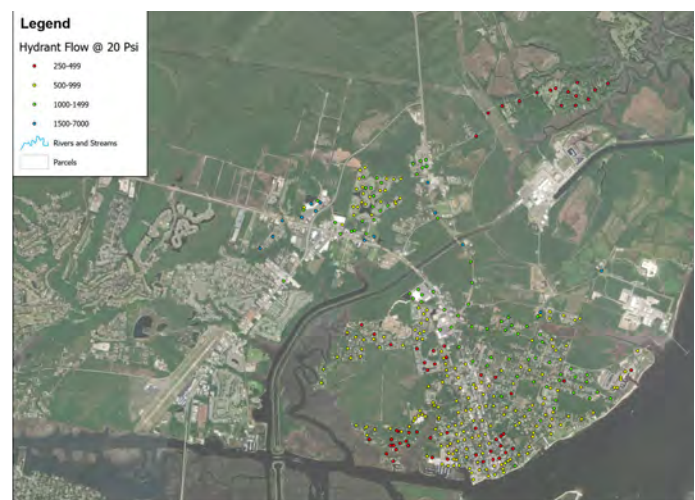
The City completed a wastewater collection system asset management plan (AMP) in May 2019. The AMP developed an inventory and condition assessment of the wastewater system assets based on system age and material type. The AMP report identified vitrified clay lines and brick manholes in the collection system that are greater than 40 years old and stated that "inflow and infiltration is evident through the frequent replacement of pumps at numerous locations." The inventory accounted for 35 miles of gravity sewers, 14 miles of sewer force mains, 34 lift stations, and 891 manholes.

WATER AND WASTEWATER DISTRIBUTION



Source: City of Southport, Brunswick County

FIRE FLOW TESTING RESULTS



Source: City of Southport, Brunswick County, WK Dickson



The City has occurrences of increase in pump run times and sanitary sewer overflows (SSOs) related to severe weather events from 2018 to 2021. When precipitation and water from other natural sources enters the wastewater collection system, whether through defects in the collection system or through illicit connections of stormwater infrastructure, wastewater generation increases.

Flow monitoring in strategic manholes was conducted as part of an inflow and infiltration (I/I) study in 2023 to determine normal flow and wet weather flows. The flow monitoring revealed minor increases in flow at several major lift stations during two 2-inch rainfall events. However, tidal flooding and high flow were correlated with significant spikes in the flow monitoring at Bay Street Lift Station and Central Pump Station.

The Bay Street Pump Station currently collects wastewater from the original sewer subbasin and sends flow to the Central Pump Station. The Central Pump Station also currently receives flow from eight other sewer subbasins. The Central Pump Station then repumps wastewater to the Sandy Lane Pump Station that sends flow to the West Brunswick Water Reclamation Facility.

To reduce the amount of I/I in the system, there are multiple ongoing projects to improve the utility infrastructure to include the Pump Station Rehabilitation project for three pump stations that is currently in design (funded by SRP-W-ARP-0105), Sewer Replacement of 16,356 linear feet of gravity sewer and 106 manholes in the downtown Southport area that is also currently in design, a Sewer Infiltration and Inflow Assessment, and an Evaluation and Rehabilitation of Wastewater System project.

The proposed sewer rehabilitation work includes approximately 3,160 linear feet of 8-inch and 10-inch cured-in-place pipe lining, rehabilitation of 28 manholes, removal and replacement of 10 manholes with polymer concrete manholes, replacement of 40 sewer services, and repair of 20 sewer cleanouts. In addition, five manholes along Bay Street were identified for floodproofing improvements to prevent I/I during flooding events. The proposed 8,015 linear feet of 8-inch force main from Park Avenue Pump Station along Leonard Street and Rob Gandy Boulevard will connect to an existing force main on NC 211. The Park Avenue Pump Station will be rehabilitated. The subject force main will provide routing of existing flows from the eastern side of the City to reduce the amount of flow pumped to the Central Pump Station and then repumping it downstream. Central

Pump Station is currently repumping flow from multiple City pump stations and is at risk of SSOs during peak events. The existing force main system will be retained from Park Avenue to Central Pump Station for emergency use. The line sizing and connection location have been evaluated by hydraulic modeling.

The City of Southport maintains flow tracking in general accordance with the State of North Carolina Department of Environmental Quality Division of Water Resources Flow Tracking for Sewer Extension Applications. Based on review of the City of Southport pump station permitted flow tracking dated August 2, 2024, the wastewater collection system pump stations have available capacity except Turtlewood (Prices). Pump stations that serve the subbasins West/West, Turtlewood (Prices), Park Avenue Extension, Central, and Cottage Point, have obligated flow from developments that are not yet tributary.

The wastewater collection system was transferred to Brunswick County in June 2024.

Current wastewater rehabilitation projects to be completed by 2026 (Sewer Line and Lift Station Replacement and the Find It Fix It Rehabilitation) will improve the system resiliency and reduce inflow and infiltration in the system.

For future development, the capacity of the sewer system will need to be evaluated. The capacity in the existing system is tracked by the current flow at pump stations and the obligated planned development. Since the majority of the flow is collected and repumped by the Central Pump station, the current available capacity of this pump station limits the development within the sewer collection system area. To accommodate wastewater from infill and redevelopment, the wastewater infrastructure will need to be evaluated for the availability of wastewater service, size of sewer collection mains, and capacity of existing pump stations.

Water and Sewer Projections

Projections for water and sewer demand were prepared base on population projections that factored in the anticipated build-out of pending developments in the study area, then a two percent annual growth rate. A per capita water and sewer usage rate was developed for 2022 then applied to projected increases in permanent population. Seasonal population and non-residential water usage is



factored in during the calculation and is assumed to remain constant in terms of percentage of total usage through the 2050 horizon year.

Water Usage	Peak (MGD)	Average (MGD)
2022	0.6172	0.4341
2025	0.66	0.47
2030	0.75	0.62
2035	0.85	0.78
2040	0.96	0.86
2045	1.09	0.95
*2022 usage based on Local Water Supply Plan, 2025 projections based on population projections		

Sewer Usage	Peak (MGD)	Average (MGD)
2022	0.6172	0.4572
2025	0.66	0.49
2030	0.75	0.66
2035	0.85	0.82
2040	0.96	0.90
2045	1.09	1.00
**2022 usage based on Local Water Supply Plan, 2025 projections based on population projections		

STORMWATER

The City of Southport is currently in the process of developing a stormwater mapping and system evaluation (to be completed in 2024). This project will provide a citywide inventory of the existing stormwater system, a stormwater condition assessment, stormwater modeling evaluation, and capital improvement plan focused on flood mitigation strategies.

The city-maintained stormwater drainage system includes approximately 30,000 linear feet of open and closed stormwater

systems. The watersheds generally drain southwest to Cottage Creek, south to Bonnet's Creek, south to the Cape Fear River, or southeast to Price Creek. The watersheds cover approximately 2.5 square miles (780 acres). Several areas in the watershed are subject to frequent flooding, threatening public safety, homes and business, and transportation corridors.

Historically, the predominant areas of stormwater flooding have been along Yacht Basin Drive, W. Moore Street, W. Bay Street, and the 600 block of Fodale Avenue.

- ◆ N. Caswell Avenue System
- ◆ N. Atlantic Avenue System
- ◆ Bonnet's Creek System
- ◆ W. 8th Street System
- ◆ W. 9th Street System
- ◆ W. 11th Street System
- ◆ Cades Trail System
- ◆ N. Fodale Avenue System
- ◆ Park Avenue System
- ◆ Stuart Avenue System
- ◆ River South Circle System

ELECTRICAL SERVICE

The City of Southport owns its own electrical distribution system. Brunswick Electric Membership Corporation is under contract with the city for operation and maintenance of the distribution system. Service is provided to all areas within the planning jurisdiction. Southport is a member of the North Carolina Eastern Municipal Power Agency (NCEMPA) and receives its power from ElectriCities, which buys the bulk of electricity from Duke Energy.

POLICE PROTECTION

The Southport Police Department has 16 full-time officers, 5 part-time officers, and 4 civilian staff. The Police Department is currently leasing a building on the 1600 block of North Howe Street. An assessment was completed earlier this year, through this analysis it was determined the police department needs at least a 12,000 square foot building to fulfill the department needs for the next 10-20 years. There has not been a site selected for the new building.

The Police Department has several programs to focus on community



issues such as child welfare, we care, house check, safe driving in school zones and neighborhoods, and drug use. The Police Department also offers a permanent checking station for car seats to ensure child restraints are installed and used correctly.

Housing affordability issues in Southport have resulted in employee retention issues. This has been challenging requiring staff to live in the area they serve but is necessary. Currently, the only incentives include a STEP program to increase pay annually and night shift differential. Additional incentives should be considered along with adjustments to the unified development ordinance allowing the construction of affordable housing in appropriate locations.

FIRE AND RESCUE SERVICES

Southport's Fire Department is a full-service department providing services in a fire and emergency medical services division. It includes four stations, including its main headquarters on North Howe Street, and three satellite stations on Nash Street, Long Beach Road, and Caswell Beach Road. The Fire Department covers the corporate limits and a large rural area outside of Southport, including the Brunswick Nuclear Plant and the Military Ocean Terminal at Sunny Point. The Fire Department staffs six full-time EMS, eighteen firefighters, and has over fifty volunteers combined for the fire and EMS division.

The Fire Department has served the City of Southport since 1893 and have served the Military Ocean Terminal at Sunny Point since 1954. The area the department serves includes approximately 20,000 people, one of the largest marinas in the state, the Brunswick Nuclear Plant, and the Military Ocean Terminal. Staff and volunteers are highly trained in fire prevention and suppression, technical rescue, water rescue, hazardous materials mitigation, radiological training, and more. Southport's Fire Department received an ISO Class 3 rating, which is a reflection of its trained staff and volunteers.

The Fire Department not only safeguards the community but is a very active part of the community. Its staff and volunteers are an active part of the Martin Luther King Celebration Committee and participate in the Farmer's Market, Spring Festival, the North Carolina Fourth of July Festival, and Winterfest Craft Day. They also participate in Fire Prevention Week or Career Day by volunteering at local schools or daycare centers.

The main funding to maintain staffing and station needs comes from a fire district tax. On an annual basis, there are approximately 1,000 fire calls and 3,000 EMS calls. As growth continues to occur in and around Southport, the demands on the Fire Department will increase and staffing needs will need to be evaluated. Housing affordability is also an issue for fire department members and will need to be addressed.

SCHOOLS

Southport is served by the Brunswick County School System. In Southport's municipal limits there are two schools. The first is the Southport Elementary School located on West 9th Street. The second is Brunswick Community College (BCC) located on North Lord Street.

Southport Elementary School was constructed in the 1950s and currently has around 400 students from grades K-5. It serves the greater area of Southport and has a capacity of over 500. A demographic report that was recently completed indicated it will be at capacity by 2030 but enrollment rates over the past years have decreased. It has also been challenging to hire teachers due to the lack of affordable housing options and teacher salaries.

Additionally, traffic is an issue on 9th Street during drop-off and pick-up times. The school's parking lot was recently paved and the addition of three stacking lanes have been adding that have removed approximately 15 cars from 9th Street. Additional grant funding has been applied to assist with traffic issues on 9th Street.

Both the Middle and High Schools are located in Boiling Spring Lakes. South Brunswick Middle School serves grades 6-8 and South Brunswick High School serves grades 9-12. Higher education is offered at Brunswick Community College.

Brunswick Community College offers high school student programs so students can earn college credits while in high school, as well as higher education training in business and accounting, computer science, education, health sciences, beauty and wellness, engineering and manufacturing, public safety, horticulture and turfgrass, and exercise science.

TRANSPORTATION

Roadway Network

Southport is served by two main roads (NC 211 and NC 87). NC 211 is currently being widened by the NC Department of Transportation (NCDOT) to the intersection with NC 87. Many key roadway sustained damage from a recent tropical cyclone including NC 211 and Moore Street. Limited roads for entry and exit are a concern for hurricane evacuation and emergency response.

The AADT map on the previous page highlights the most frequently traveled roadways in Southport and the surrounding area. NC Highway 211 sees on average over 20,000 vehicles per day just outside of Southport's former ETJ, and between 15,000 and 20,000 once inside of the ETJ and City Limits. Both NC Highway 87 and Howe Street see a range of 5,000 to 10,000 vehicles per day on average. Other connector roads within City Limits see up to 5,000 vehicles per day on average. Traffic can fluctuate significantly throughout the year. At the summer tourism peak North Howe Street accommodates over 18,000 cars per day according to Police Department counts.

A major roadway project is underway currently. TIP #R-5021 is currently widening N.C. 211 from SR 1500 (Midway Road) to NC 8 from two to four lanes.

Pedestrian Infrastructure

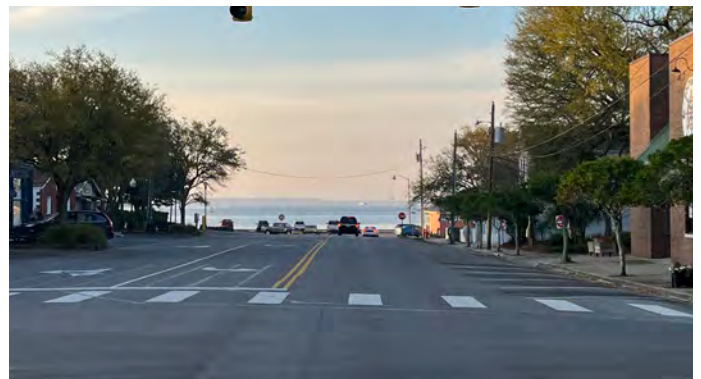
Walkability was an important theme from public input, including pedestrian safety Downtown and in other areas. While some parts of the City are seen as very walkable, there are significant barriers and obstacles to a fully connected pedestrian system. Many streets in older parts of town have sidewalks, however improvements are needed to facilitate safe walking and biking to key destinations including Downtown and parks. Recently enhanced crosswalks were installed along Howe Street in downtown Southport. A state project is currently underway (TIP #EB-5982) which will construct a sidewalk along N.C. 211 (North Howe Street) from East Owen Street to Doshier Hospital. A multi-use path is being added as part of the widening project between NC 87 and Walmart.

Parking

Parking was also identified as a major concern. A parking study was conducted by Walker Consulting during the development of the Comprehensive Plan. This study analyzed parking usage over the

spring and summer and resulted in a number of recommendations to manage and improve parking in key areas.

Many roadways in Downtown Southport have exceptionally large rights-of-way that date back to the original layout of the City. Wide rights-of-way were created to allow for ocean breezes to pass through neighborhoods. These rights-of-way present opportunities for on-street parking, pedestrian facilities, stormwater detention and tree plantings.





PLAN 500THPORT

Draft Report Date | Adopted Date | Certified Date



Comprehensive Land Use Plan

Board of Aldermen Meeting

February 13, 2025

Agenda



Document Updates



Recommendations/Action Items



Big Issues

Document Updates



POLICY CHANGES

- Moved policies to relevant planning topic elements
- Dredging of the Yacht Basin
- Development of an Economic Development Strategy to improve tax base
- Maintenance of electrical system, undergrounding, and seeking a second point of delivery service

ACTION ITEMS

- Coordination between partners on maintenance of cemeteries
- Seek out additional revenue sources, including grants, food and beverage tax, etc.
- Prioritization of connectivity between parking lots and new streets in commercial development
- Public streets built to City Standards
- Formalizing parking along Bay Street

Big Issues



- Maintaining existing character
 - Building height
 - Building footprint
- Affordable Housing
- Increased tax base
- Traffic Management
- Infrastructure upgrades
- Emergency Services
- Parking



Future Land Use and Recommendations

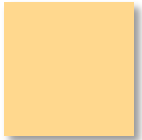
- Recognizes residential and nonresidential character
- Four different areas to accommodate different scales of nonresidential uses
- Encourages conservation design in environmentally sensitive areas



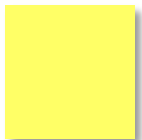
Residential Character Areas



Historic Neighborhood: Predominantly single-family homes. Occasional bed and breakfasts, duplexes and accessory uses. Short block lengths. Max height 40'.



Traditional Neighborhood: Mostly single-family residential, with some mix of housing including small-scale attached residential. Short block lengths. < 6 units per acre. Max height 40'.



Low to Medium Density: Mostly single-family residential. Medium block lengths. 3-4 unit per acre. Max height 40'.



Low Density / Conservation Design Character Area

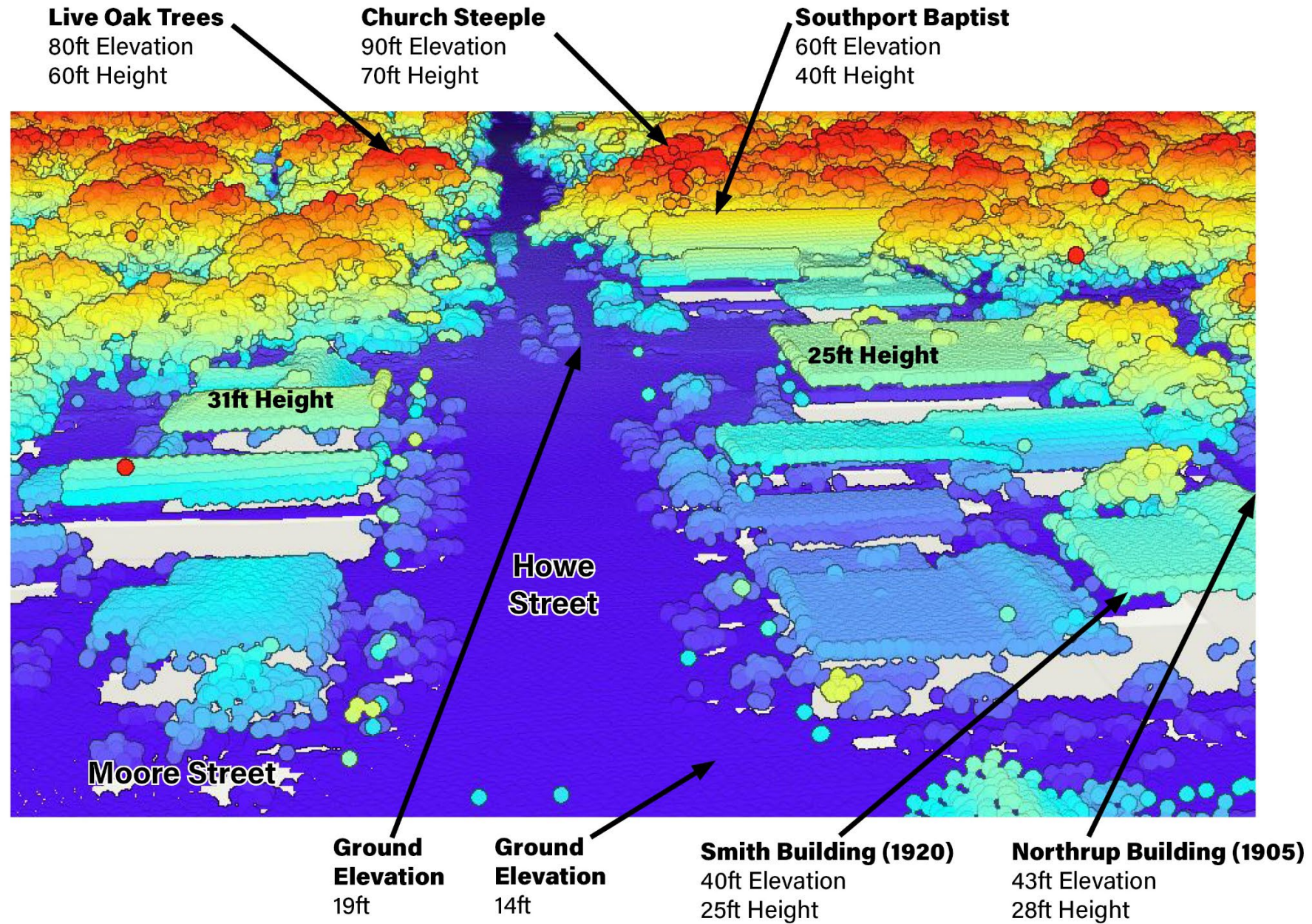
- **Half acre lots or conservation design** with smaller lots clustered away from environmental features minimum of 40% open space
- Potential incentives for Conservation Design
 - Up to 2.5 DUA gross density
 - Small portion could be attached (i.e. like Indigo), up to 25% of units
 - Residential and open space design requirements (open space priorities, passive vs. formal, alley loading, etc.)



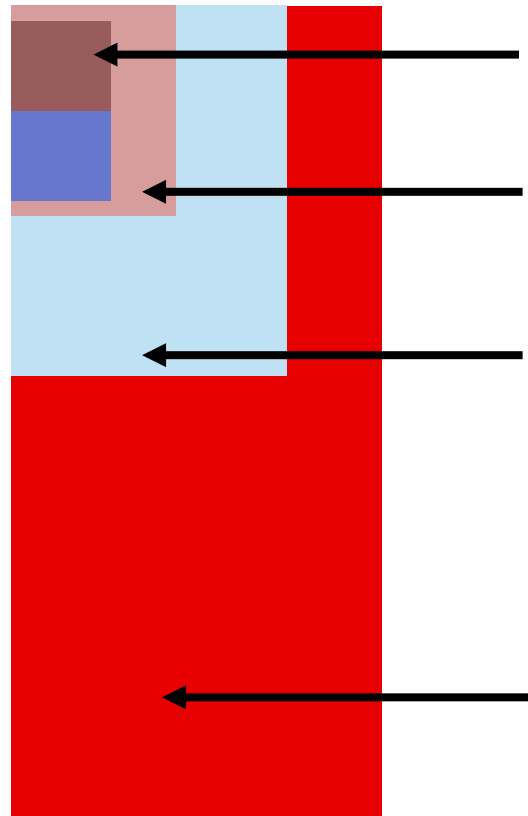
Height Analysis



Height Analysis



Scale of Commercial Buildings



Building Footprint

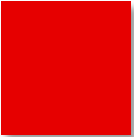
2,000-3,000 sq. ft – Typical Main Street Retail, Service, or Office

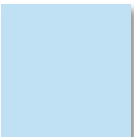
3,000-8,000 sq. ft – MidTown and Neighborhood Commercial - Typical Small/Medium Scaled Dining, Retail, or Service

10,000- 30,000 sq. ft – Gateway- Range of Medium Scaled to Big Box Scaled Retail, Service, or Office

30,000+ sq. ft – Highway Commercial- Typical Larger Scale Retail, Service, or Office

Non-Residential Character Areas

 **Highway Commercial:** Larger footprint, higher intensity, commercial, retail, and services

 **Gateway:** Medium scale uses including retail, restaurants, live-work units, offices.

 **Neighborhood Commercial:** Neighborhood serving small-scale nonresidential uses (5,500 square feet or less) with use restrictions and design details to limit impacts. Some second floor residential.



Downtown: Historic Commercial Core. Smaller scale buildings. Maximum height of 35ft (institutional uses up to 40ft). Active storefront uses- retail, restaurants, coffee shops, etc. and upper-story residential.



Mid-Town: Small-to-medium scale boutiques, retail, restaurants, coffee shops, wine tasting, brew pubs, etc. Some live-work units



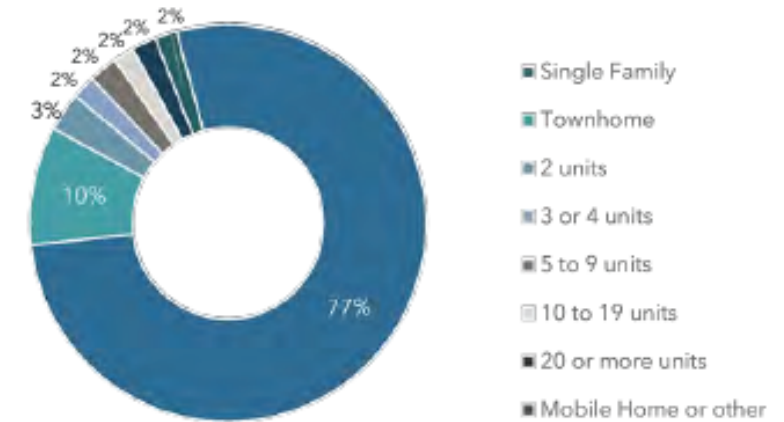
Waterfront Commercial: Includes Bald Head Island Ferry Service, Fort Fisher Ferry Service, Yacht Basin District, and Marina. Max Height 35'. Waterfront uses-restaurants, retail, hotels, docks, boat ramps, urban waterfronts, fishing operations, boardwalks, marinas, and boat rentals.



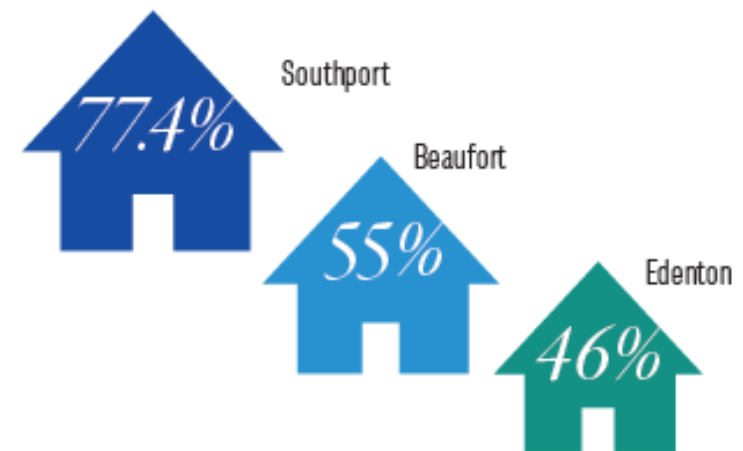
Housing

- Updating processes to get the quality of development that blends with existing character
- Allowance of Accessory Dwelling Units for long-term rentals
- Considering additional housing types in certain areas with conditions
- Coordination with non-profits and other entities to develop affordable housing units

Housing By Type, 2020

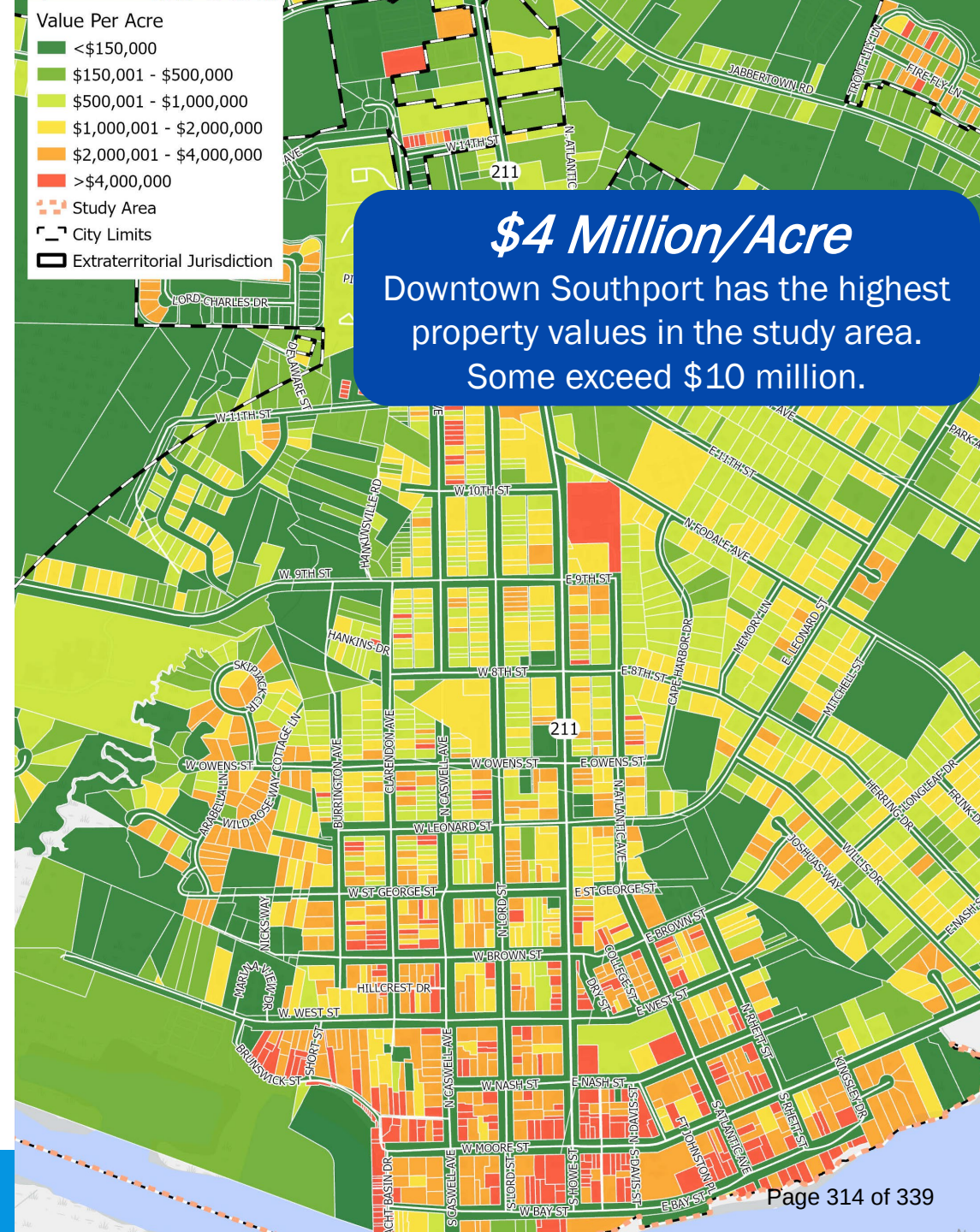


Existing Single- Family Housing Stock Comparison, 2020



Economic Development

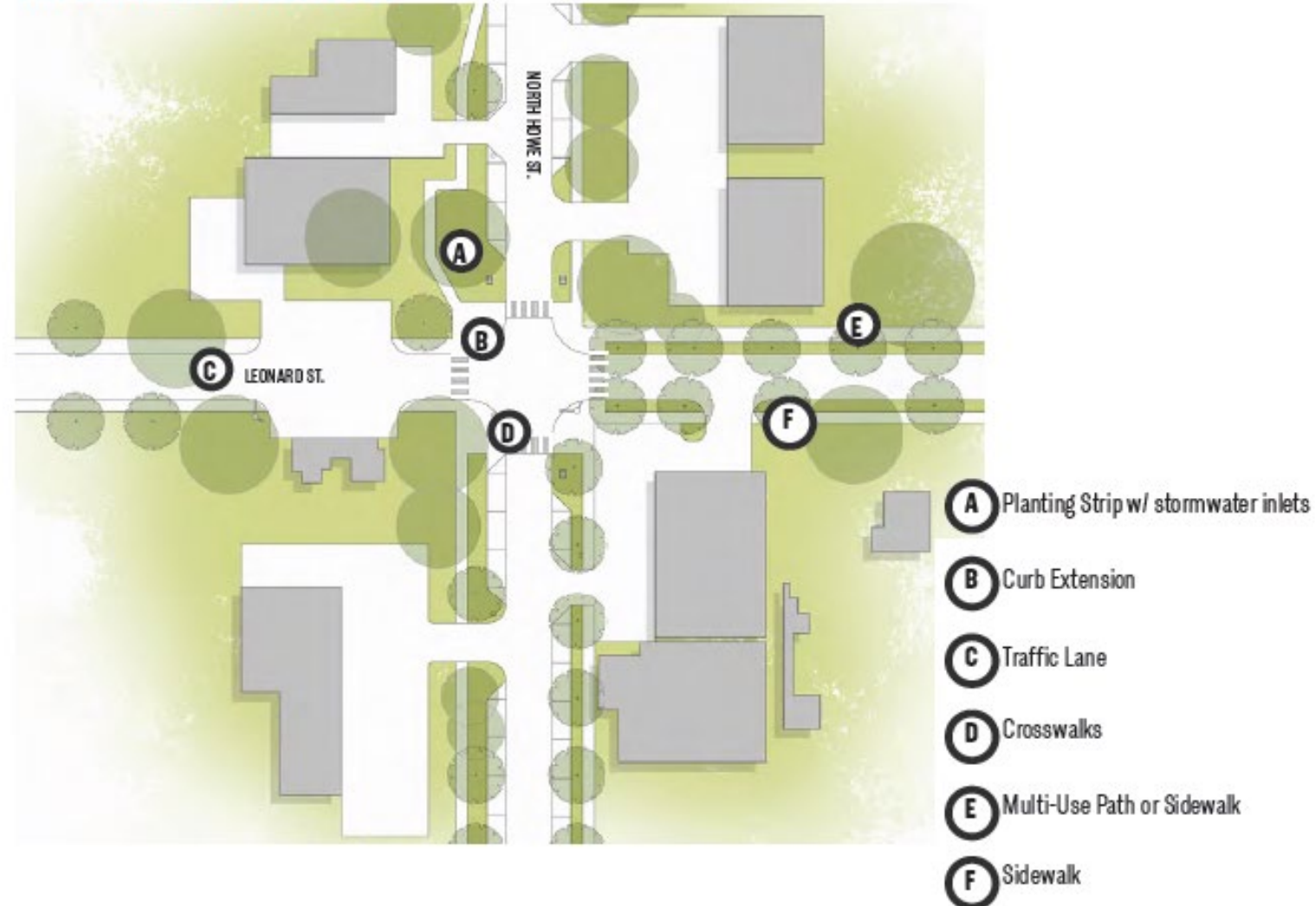
- Investment in core areas
 - Downtown
 - Midtown
 - Gateway
- Support tourism
 - Food and beverage tax
 - Hotel occupancy tax



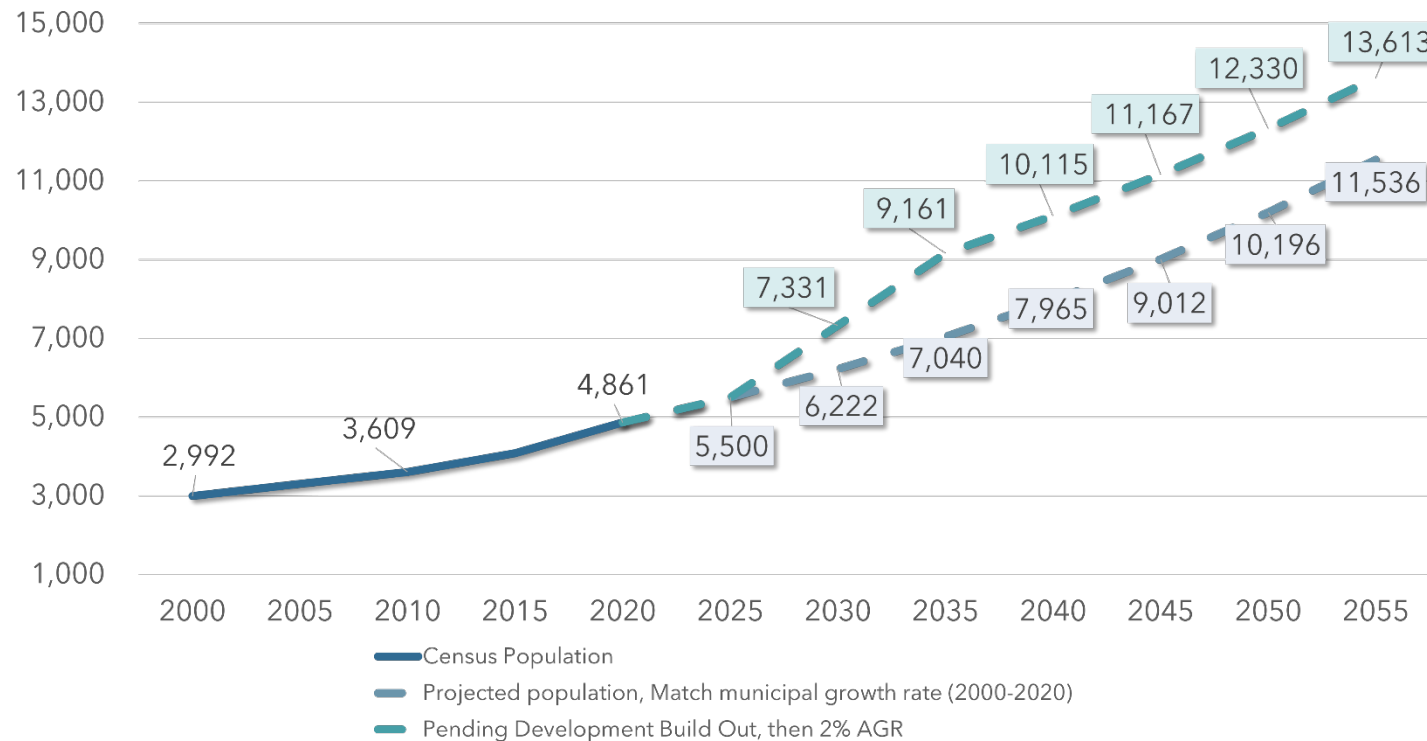
Transportation

- Access management NC 211 and NC 87
- Compact-mixed use development to support walkability
- Use of rights-of-way for parking, stormwater management, sidewalks, street trees
- Bicycle and/or golf cart parking
- Improved pedestrian crossings along N Howe Street

NORTH HOWE STREET AND LEONARD STREET PEDESTRIAN IMPROVEMENT CONCEPT



Infrastructure & Services



- Police, Fire, and EMS trends and needs
- Stormwater system enhancements
- Utility system monitoring
- Establishment of Urban Service Area

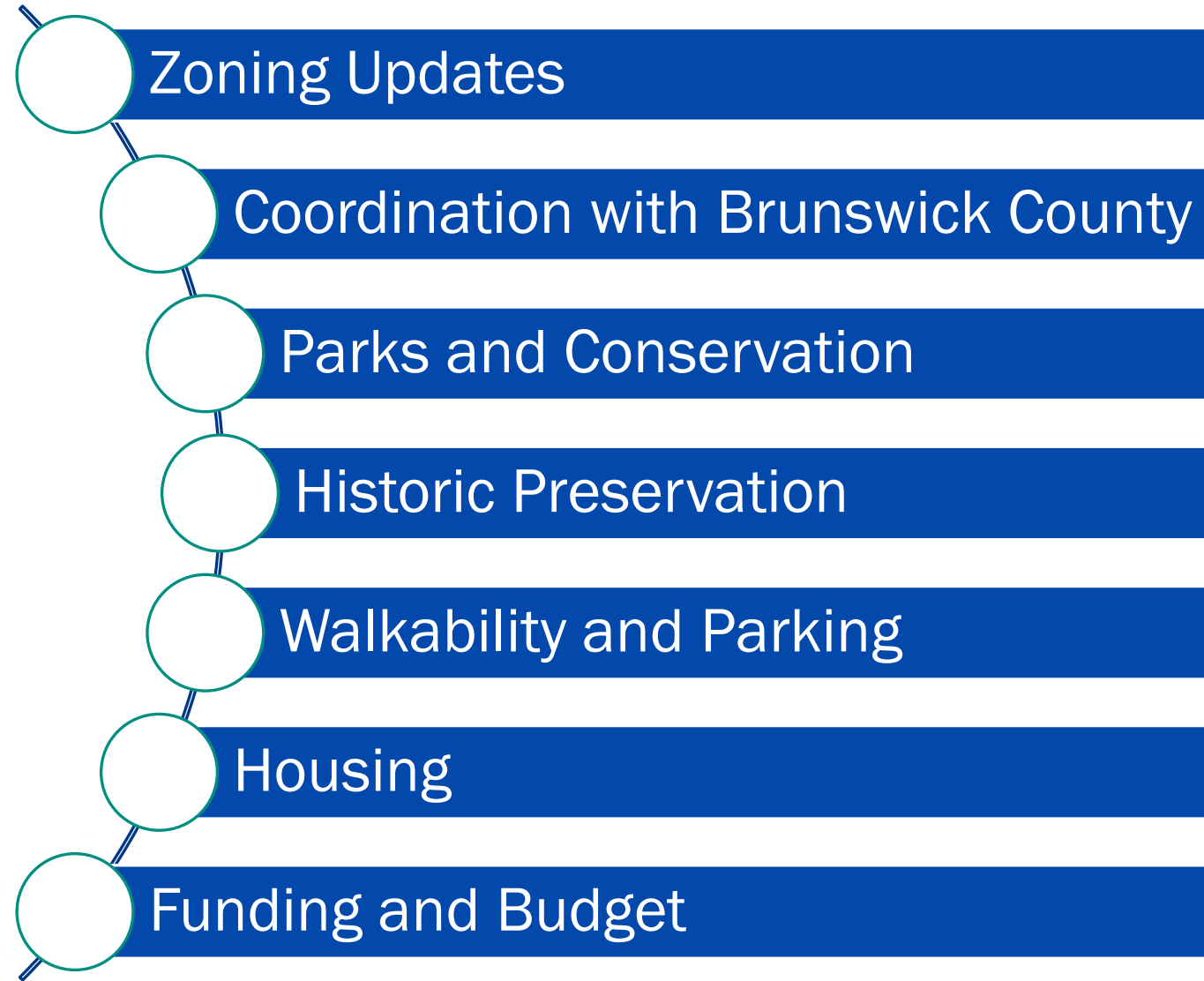


Implementing

PLAN 50UTHPORT

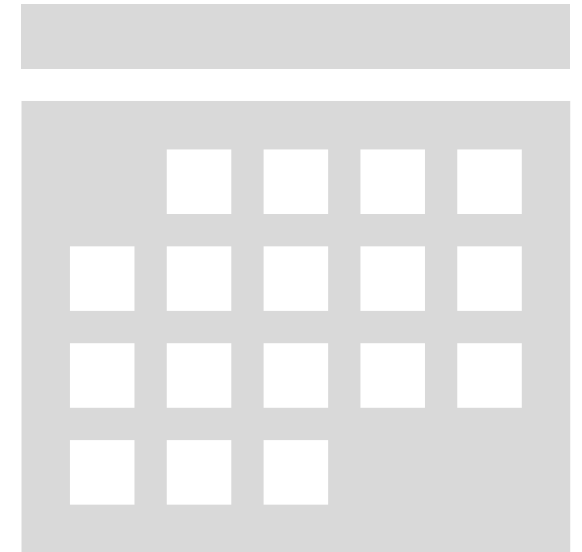


Priorities



Next Steps

- Public and Board Review – February
- Division of Coastal Management Staff Review- February (could take up to 75 days)
- Edits from DCM Staff Review
- State Agency Review (30-day review period)
- Planning Board
- Board of Aldermen
- Certification DCM (30-day public comment period)



Discussion





Thank You!

DATE: February 13, 2025

DEPARTMENT: Parks and Recreation/Engineering

PRESENTED BY: Bob Jarvis – City Engineer

ITEM SPONSORED BY: Parks and Recreation

ITEM/TOPIC: Shoreline Stabilization – Foth/Olsen Associates' Task Order 05

COST: \$168,900

BUDGET LINE ITEM: 60-60-8111-5800

JUSTIFICATION: The Southport/Cape Fear River shorefront beach is experiencing ongoing erosion due to the long-term effects of storm related wind waves, waves generated from both recreational boat and commercial boat and ship traffic, and the effects of the ongoing increase in average water level. The erosional effect of these forces has increased over time due to (1) an increase in sea level, (2) an increase in size and frequency of recreational boat traffic in the area, and (3) an increase in the size and frequency of the commercial boats and ships that use the Wilmington Harbor Federal Navigation Channel. The limited shore protection projects implemented thus far have helped to curb the erosion. However, they have been localized and more all-encompassing efforts will be needed to mitigate further erosion of the shorefront.

The City's engineering consultant, Foth/Olsen Associates was engaged in 2023. They have provided comprehensive topographic and cultural resource surveys to support design and permitting services. They have also made multiple presentations to the Board, presenting erosion mitigation alternatives, refined cost estimates, and gaining Board consensus for phasing and erosion mitigation preferences.

Foth/Olsen Associates recently prepared Task Order 05 (attached) for the next phase of their work on the project. This phase will include (1) continued and expanded support for the pursuit and acquisition of shorefront easements and (2) engineering design, permitting, contract documents and bid services for improvements to the existing coastal infrastructure within the project area shown on the accompanying Agreement as Reach 3 and a portion of Reach 2. The work is intended to address chronic shoreline erosion and enhance shoreline protection.

Funding for the project was provided through a \$5M grant from the State Emergency Response and Disaster Relief Fund (SERDRF). The SERDRF grant will expire on June 30, 2026.

IMPACT IF NOT APPROVED: The shoreline protection project will come to a halt if we do not proceed with continued easement, design and permitting efforts. The shoreline within the project area will continue to erode and impact adjacent properties.

DEPARTMENT HEAD COMMENTS: It is recommended that the City enter into the next phase of Foth/Olsen Associates' contract for ongoing engineering and permitting work for the project to enable the project to be completed within the funding timeframe.

CITY MANAGER COMMENTS: This is a continuation Work order of an existing contract to design Phase 1 of the Shoreline project. While we need to sign this I am requesting that Mr. Creed be here to discuss the timetable and how things can proceed faster. We may have a permit exemption to proceed.

ATTACHMENTS: Task 05 Proposal: Southport Shorefront Improvement Project – Phase 1.

REQUESTED ACTION: Accept the proposed Contract with Foth/Olsen Associates for continued design, and permitting activities related to the shoreline stabilization project.

PROPOSED MOTION: Motion to authorize the Foth/Olsen Associates' Task 05, to continue the work for design, easement coordination and permitting for the Shoreline Stabilization Project.

Project Title: Southport Shorefront Improvement Project – Phase 1

FOTH Project Number: _____

CLIENT Project Number: _____
(If applicable)

This Work Order (in addition to and subject to the conditions contained in the Professional Services Agreement for Engineering Services dated November 3, 2022 as amended) (hereinafter "Work Order"), is made and entered into this **31st** day of **January, 2025**, by and between **FOTH & VAN DYKE AND ASSOCIATES, INC.**, (hereinafter "Consultant") and **City of Southport, NC**, (hereinafter "Client"), for the services described under the Scope of Services (the "Services").

Client: City of Southport, NC (Robert A. Jarvis, P.E.)

Address: 1029 N. Howe Street, Southport, NC 28461

Phone No: (910) 457-7900 x1045

Email Address: bjarvis@cityofsouthport.com

Scope of Services: Client hereby agrees to retain Consultant to perform the following Services:

Scope to be in accordance with Exhibit A which is attached hereto and incorporated into the Agreement by reference herein.

Schedule: Services shall be performed according to the following schedule:

Contractor bidding anticipated to begin in May 2025, construction phase completed in 2025 calendar year.

Compensation: In consideration of these Services, the Client agrees to pay Consultant compensation as follows:

☒ Lump-Sum in the amount of \$143,900.00

☒ Unit Cost/Time Charges (Standard Rates) with a total amount not-to-exceed \$25,000.00

☐ Unit Cost/Time Charges (Standard Rates) for an estimated cost of \$ _____.00

☐ Other as stated here:

Special Conditions (if any):

Entire Agreement: This Work Order, along with other approved project-specific Work Orders, together with and subject to the Professional Services Agreement for Engineering Services referenced above, constitutes the entire understanding between the parties with respect to the subject matter hereof. This Work Order may be modified by subsequent written addenda mutually agreeable by both parties.

IN WITNESS WHEREOF, this Agreement is accepted on the date first written above, subject to the terms and conditions above stated and the provisions set forth herein.

CLIENT

FOTH & VAN DYKE AND ASSOCIATES, INC.

Signed: _____

Name (printed): _____

Title: _____

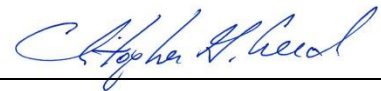
Date: _____

Signed: _____

Name (printed): _____

Title: _____

Date: _____



Christopher G. Creed, P.E.

Senior Coastal Engineer & Client Manager

1/31/2025

Signed: _____

Name (printed): _____

Title: _____

Date: _____



Susan Davis

Vice President

1/31/2025

Exhibit A

2618 Herschel Street
Jacksonville, FL 32204
(904) 387-6114
foth.com

January 31, 2025

Robert A. Jarvis, P.E.
City Engineer
City of Southport, NC
1029 N. Howe Street
Southport, NC 28461

Re: Proposal for Engineering Services (Task Order 5)
Southport Shorefront Improvement Project – Phase 1
Easement Support and Phase 1 Design, Permitting, Contract Documents, and Bidding

Dear Bob:

Foth & Van Dyke and Associates, Inc. (Foth | Olsen) is pleased to provide this proposal to the city of Southport, NC (City) for professional engineering services related to portions of the ongoing comprehensive shorefront improvement project along the Cape Fear River. The scope of this proposal includes (1) continued and expanded support for the pursuit and acquisition of shorefront easements and (2) engineering design, permitting, contract documents and bid services for improvements to the existing coastal infrastructure within the project area intended to address chronic shoreline erosion and enhance shoreline protection.

Previously, four self-similar shoreline reaches within the 4,000 ft Southport shorefront were identified, these reaches are depicted below on Figure 1. Foth | Olsen understands that the City plans to perform engineering and construction services related to proposed improvements along the shorefront in phases due to funding constraints and requirements related to public vs. private property land ownership of the adjacent parcels. The scope of this proposal is presented in support of Phase 1 of the comprehensive shorefront project, including improvements to the low bulkheads along the eastern half of Reach 2 (485 ft), and the entirety of the stone revetment within Reach 3 (530 ft). The Phase 1 project area is highlighted below on Figure 1.

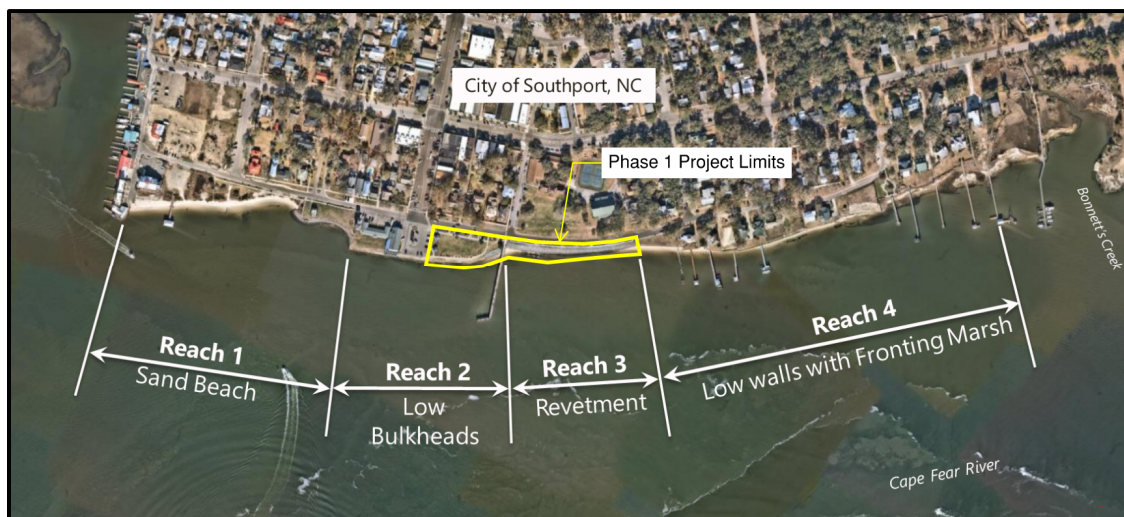


Figure 1: Location and extent of the City of Southport shorefront and designated shoreline reaches.
Phase 1 project area highlighted.

Foth | Olsen proposes the following project scope and associated fees in support of Phase 1 of the Southport Shorefront Improvement Project.

Task 1.0 – Easement Support

Foth | Olsen will assist the City of Southport with research, identification, and pursuit of beach access and use easements that may be required by the State of North Carolina to permit and implement the proposed shoreline improvements. The research shall focus on both privately held areas as well as riparian areas seaward of privately held uplands. This work will include coordination with City staff and the public, ownership research, scoping map development, consultations with State agencies, City staff and the City's legal counsel, and creation of mapping products to support easement documents. After a determination of what is required by the State agencies to facilitate project permitting, Foth | Olsen will conduct, through a qualified subconsultant, a mean high water line survey along the Southport waterfront and development easement maps and descriptions that will be used to secure required easements. For this work, easements maps will rely on existing plat information. Boundary surveys and/or metes and bound boundary descriptions will not be performed as part of this task.

Task 1.0 Fee = \$29,500 (Lump Sum)

Task 1.0 Deliverables: Mapping products, mean high water line survey (signed and seal), and drawings depicting proposed easement areas.

Task 2.0 Phase 1 Design & Permitting

Task 2.1 – Verification of Existing Conditions

Foth | Olsen will perform one (1) site visit at the onset of the project to verify existing site conditions and perform additional field survey as necessary to update the existing conditions plan for the project site. Existing conditions verification information will be collected by a two (2) man survey crew using Real-Time Kinematic (RTK) survey. The survey shall include verification of structures, grades, breaks in slopes, and the location of all visible site features, as well as a visual inspection of the existing revetment structure to identify short-term repairs, if necessary. It is not anticipated that bathymetric, shellfish, or subaquatic vegetation surveys will be required for this project and are not included in this scope of work. The survey information will be reduced and incorporated into the existing conditions plan to serve as the basis of design for the project.

Task 2.1 Fee = \$19,400 (Lump Sum)

Task 2.1 Deliverables: Updated existing conditions plan.

Task 2.2 – Preliminary Engineering Design

Foth | Olsen will initiate preliminary engineering design within the project area by preparing a Basis of Design (BOD) report. This document will capture project assumptions, design criteria, risks, environmental considerations, stakeholder requirements, and related relevant project information to be utilized in the engineering design of the project. Following compilation and delivery of the BOD to the City, Foth | Olsen will proceed with the preliminary engineering design of the shoreline protection structure. The shoreline protection configuration along the eastern one-half of Reach 2 is anticipated to reflect a fronting stone revetment seaward of the existing low bulkhead. The design of Reach 3 is anticipated to include reconstruction, as required, of the existing stone revetment with additional considerations for the stone size, crest height, and fronting slope. The revetment design within Reach 3 is anticipated to carry under the existing pier opposite South Davis Street as one continuous structure. The coastal protection structures will be designed to stabilize the existing fronting bulkheads and protect upland infrastructure by

minimizing wave overtopping to the maximum extent practicable given the existing conditions and constraints of the project site.

Foth | Olsen will prepare a draft plan set including site plans, cross sections, and details necessary to depict the preliminary engineering design components within Reaches 2 and 3. Coastal resource areas and temporary work considerations will be included on the preliminary design plans. Foth | Olsen will prepare a preliminary construction cost estimate reflecting the work included on the plans for planning purposes. The preliminary design plans and cost estimate will be delivered to the City for review and Foth | Olsen will attend one (1) virtual meeting to present the plans and gather feedback. Following the review meeting, Foth | Olsen will perform one (1) round of revisions and deliver the completed preliminary engineering design package to the City for their records. The overall engineering design will be cataloged with the development of these detailed preliminary engineering design plans and will reflect the resulting impacts to coastal resource areas to serve as the basis for environmental permitting for the project described under Task 2.3, below.

Task 2.2 Fee = \$39,300.00 (Lump Sum)

Task 2.2 Deliverables: Preliminary engineering design plans, cost estimate.

Task 2.3 – Environmental Permitting

Foth | Olsen, using Davey Resource Group as a subconsultant will seek required State and Federal authorizations to perform the intended work. It is anticipated that the work can be completed within the authority of exemptions and/or existing permit authorities. A formal permit application is not anticipated.

Task 2.3 Fee = \$4,000.00 (Lump Sum)

Task 2.3 Deliverables: Submittals of written requests for exemptions and existing authority permissions to perform the work.

Task 3.0 – Final Design & Contract Documents

Following receipt of the regulatory authorizations described in the scope of Task 2.3, Foth | Olsen will prepare final engineering design plans and project specifications intended for contractor solicitation and construction of the proposed shoreline improvements within the project area. Comments and project requirements received during regulatory review will be incorporated into the proposed design as necessary to ensure compliance. The bid package prepared by Foth | Olsen will include final engineering design plans, a bid form, and project specifications (front end administrative/contractual items and back end technical information) necessary for construction execution. It is anticipated that the bid item structure will be comprised of two (2) bid alternates to provide the City with flexibility in award of the project components; Bid Alternate 1 will reflect the proposed work within Reach 2 and Bid Alternate 2 will reflect the proposed work within Reach 3. Foth | Olsen will also prepare an updated cost estimate reflecting the construction costs anticipated to execute the final design plans. Foth | Olsen will deliver the draft bid package to the City and attend one (1) meeting via Microsoft Teams to review the information and gather feedback. Foth | Olsen will then perform one (1) round of revisions to the documents before finalizing the providing the completed package to the City for public bidding. The final set of plans prepared for this project will be stamped by a Professional Engineer registered in the State of North Carolina.

Task 3.0 Fee = \$38,900.00 (Lump Sum)

Task 3.0 Deliverables: Final engineering design plans for bidding & construction, project specification package, bid form, construction cost estimate.

Task 4.0 – Bid Services

Foth | Olsen will coordinate and manage public bidding of the final design package to qualified contractors including advertising of the project for public bidding purposes, distribution of the bid documents, and maintaining the list of plan holders. Foth | Olsen will help to develop a list of qualified contractors and organize/attend one (1) virtual pre-bid site meeting via Microsoft Teams. Once the project bidding is underway, Foth | Olsen will prepare project addendums as necessary to address contractor questions, attend the public bid opening via virtual conference, prepare a summary of accepted bids, review bid packages and references, and prepare an award recommendation letter to the City. Please note that the scope of this proposal includes the coordination and execution of the services described above for up to one (1) construction bid package which is anticipated to include two (2) bid alternates.

Task 4.0 Fee = \$12,800.00 (Lump Sum)

Task 4.0 Deliverables: Award recommendation memorandum.

Task 5.0 – Contingency Funding for Unanticipated Services (as needed)

Foth | Olsen shall be available to assist the City with other anticipated activities on an as needed basis, including additional travel, site visits and meetings with the Board of Alderman during the development of the plans and specifications, bid documents, and bid event. The work will be performed on a Time & Materials basis with authorization from City staff.

Task 5.0 Fee = \$25,000.00 (T&M; Not-To-Exceed)

Task 5.0 Deliverables: As needed.

Table 1: Summary of Proposed Work Tasks & Fees Shorefront Improvement Project – Phase 1, Southport, NC	
Task	Fee
1.0 – Easement Support	\$ 29,500
2.1 – Verification of Existing Conditions	\$ 19,400
2.2 – Preliminary Engineering Design	\$ 39,300
2.3 – Environmental Permitting	\$ 4,000
3.0 – Final Design & Contract Documents	\$ 38,900
4.0 – Bid Services	\$ 12,800
5.0 – Contingency Funding for Unanticipated Services (T&M)	\$ 25,000
Total Lump Sum Fee	\$ 143,900
Total T&M Not-To-Exceed Fee	\$ 25,000
Total Contract Value	\$ 168,900

Statement of Conditions and Exceptions

1. Foth | Olsen has made no provisions for any additional research, survey, habitat assessments, sediment sampling, laboratory analysis, regulatory review or other project related services beyond those stated above. Any and all work related to additional field, office, regulatory review, meetings and/or laboratory services shall be deemed extra work. Any and all work beyond the scope of this proposal shall be deemed extra work and contracted for prior to the commencement of such work.
2. This proposal does not include a property line survey. Foth | Olsen shall not be responsible for the interpretation of property deeds, property lines, easements, liens, and/or zoning restrictions. The City represents to Foth | Olsen and hereby warrants that it has clear title and right-of-passage to the subject project areas, and as such, any and all work performed on the City's behalf by Foth | Olsen, and any construction associated with the project for which Foth | Olsen has been engaged to perform professional services shall inure to the City and be the sole responsibility of the City.
3. Foth | Olsen has made no provisions for any permitting services beyond those described above or as result of any action by third (3rd) parties. Any and all work related to additional permitting services shall be deemed extra work.
4. Any and all work beyond the scope of this proposal shall be deemed extra work and contracted for prior to the commencement of such work.
5. The proposal herein does not include services that pertain to any mitigation that may be deemed necessary to offset impacts resulting from the proposed work.
6. Work will be conducted assuming that Foth | Olsen has sufficient notice to plan our activities to take advantage of favorable weather conditions. We have not included contingencies for extremes of weather conditions.
7. Support for acquisition of property easements is not included in the scope of this proposal.
8. In light of recent global events, labor shortages or supply chain disruptions resultant from epidemic or pandemic events (e.g., the Covid-19 outbreak) are specifically to be considered grounds constituting a force majeure condition. Labor shortages and inefficiencies, delays, escalation, or cost impacts resulting from labor shortages or supply chain disruptions associated with such an event shall be considered grounds for a changed condition event and shall afford Foth | Olsen the opportunity for schedule and cost relief associated with such an event by the City notwithstanding any express language in the Agreement to the contrary.

Sincerely,

Foth & Van Dyke and Associates, Inc.



Christopher G. Creed, P.E.
Senior Coastal Engineer & Client Team Leader
Licensed in FL, GA, SC and NC



Jeramy M. Packard, P.E.
Senior Project Manager, Ports & Harbors
Licensed in MA

City of Southport ABC Board Minutes

Date: Dec 11th 2024, Minutes taken by: Harold Todd Dunn

Location: Southport ABC Store

Quorum determined: Meeting called to order by Chairman Davis at: Noon

No Conflict of interest

In Attendance: Board Chairman- William Davis, Board Members – Zach Zuehlke , Adam Steadman, Jim Poppe GM – Harold Todd Dunn , Assistant Manager – Nadine Del Pezzo ABC Liaison - Absent: None

Open Comment and Discussion – None

Approval of 11/25/24 Minutes: Minutes amended, approved by Zach and seconded by Jim

1. Old Business

- A. Discussed Van Status
- B. Discussed new hires and P/T or F/T Status will discuss on whether to promote to F/T at later meeting
- C. Discussed how Bourbon Raffle Went

2. New Business

- A. Discussed MXB Delivery Procedures

3. Business Reports

Presented Monthly Sales Report

4. Employee Issues.

No Employee Issues

Adjourned: Motion was made and seconded to adjourn the meeting

Next Regular meeting: Jan 8th 2025 at 2pm at Southport ABC Store

APPROVED BY AND DATE

Jan 2025 SALES DATA COMPARISON AND SAVINGS

SALES TYPE	2024 Sales	2025 Sales	DIFFERENCE	% CHANGE
RETAIL	\$ 286,340.00	\$ 285,417.95	\$ (922.05)	-0.32
MXB SALES	\$ 86,754.04	\$ 67,906.27	\$ (18,847.77)	-21.73
TOTAL	\$ 373,094.04	\$ 353,324.22	\$ (19,769.82)	-5.30
Customers	7315	0	-7315	-100.00
Bottles Sold	19,982	0	(19,982)	-100.00
SPA SAVINGS		\$ -		
Credit Cards	\$ -	\$ -		
TOTAL SALES INC. TAX	\$ -	\$ -		
	2019 Sales	2025 Sales	Difference	
Retail 2019	\$ 194,220.65	\$ 285,417.95	91,197.30	46.96
MXB 2019	\$ 38,439.82	\$ 67,906.27	29,466.45	76.66
	\$ 232,660.47	\$ 353,324.22	120,663.75	51.86
SALES TYPE	2020 SALES	2025 Sales	DIFFERENCE	% CHANGE
RETAIL	\$ 209,407.50	\$ 285,417.95	\$ 76,010.45	36.30
MXB SALES	\$ 47,246.80	\$ 67,906.27	\$ 20,659.47	43.73
TOTAL	\$ 256,654.30	\$ 353,324.22	\$ 96,669.92	37.67
SALES TYPE	2021 Sales	2025 Sales	DIFFERENCE	% CHANGE
RETAIL	\$ 259,071.55	\$ 285,417.95	\$ 26,346.40	10.17
MXB SALES	\$ 30,829.98	\$ 67,906.27	\$ 37,076.29	120.26
TOTAL	\$ 289,901.53	\$ 353,324.22	\$ 63,422.69	21.88
SALES TYPE	2022 Sales	2025 Sales	DIFFERENCE	% CHANGE
RETAIL	\$ 256,579.75	\$ 285,417.95	\$ 28,838.20	11.24
MXB SALES	\$ 50,841.40	\$ 67,906.27	\$ 17,064.87	33.56
TOTAL	\$ 307,421.15	\$ 353,324.22	\$ 45,903.07	14.93
SALES TYPE	2023 Sales	2025 Sales	DIFFERENCE	% CHANGE
RETAIL	\$ 278,577.25	\$ 285,417.95	\$ 6,840.70	2.46
MXB SALES	\$ 71,788.80	\$ 67,906.27	\$ (3,882.53)	-5.41
TOTAL	\$ 350,366.05	\$ 353,324.22	\$ 2,958.17	0.84



Manager's Report February 13, 2025

1. Meeting with FEMA officials on PTC#8 reimbursement option:

Our weekly meetings with FEMA officials continued with discussions on reimbursements for Categories B, D,E,F. We are uploading all invoices, timesheets and costs for reimbursement. Of particular interest is that, once our cctv damages are finalized and we get a clear scope of work for repair, we have completed step 1, the base cost. Once they receive this data FEMA will analyze it to determine if we qualify for any Mitigation grants.

2. Moore Street Bridge:

the contractor is working on the demolition of the old roadway debris. The project is scheduled for the installation of a bridge by mid-May. We are communicating with NCDOT on progress.

3. Preserve at Fisher Landing – Sidewalk installation:

Recall the vote to call in the bond for uncompleted sidewalks on this project: the developer began installation of the sidewalks on February 5, 2025. Staff are monitoring and will conduct inspections.

4. New ROW Ordinance Enforcement:

Rights-of-way courtesy letters were sent the last week of January. Code enforcement staff are fielding calls with questions and meeting with citizens. We are in the courtesy period and the educational period. Property owners have until June 12, 2025 (6 months from the day of adoption) to remove identified structures, and we are working with them. The rights-of-way online permit is live and staff are issuing permits as necessary for allowable uses in the ROW.

5. Forestry Committee:

The Forestry Committee will be distributing door hangers throughout the city starting this week. The door hangers remind citizens to call before they cut any trees and apply for a permit if necessary. Links to the tree preservation ordinance and the online permit portal are included on the hangers.

6. Prepared Meals Tax:

in addition to a resolution, the *new long range financial forecast* model can be used to show the funding gaps we are addressing in the FY25-26 Budget, **as a data to support the resolution.**

WOID	Request Date	Description	Status	Assigned To	Location	Actual Completion Date
22298	12/30/2024	PUR MESSAGE BOARD BACK ON MOORE ST TO DETER ILLEGAL 18-WHEELER TRAFFIC	Complete	Mike Spicer	Streets	12/30/2024
22299	12/30/2024	215 N CASWELL STORM DRAIN IS CLOGGED, TOM SAYS IT IS THE DRAIN THAT GOES NO WHERE.	Complete	Mike Spicer	Streets	12/31/2024
22300	12/30/2024	FOUNTAIN IN GYM IS LEAKING	Complete	Jeremy Kennedy	Parks and Rec Building	12/30/2024
22301	12/31/2024	PLEASE CLEAN THE STORM DRAIN IN FRONT OF BOB'S STORE	Complete	Mike Spicer	Streets	12/31/2024
22302	1/3/2025	DAMAGED GARAGE DOOR, HAMMERED TOP SECTION FRAME AND WHEEL MOUNT ON BOTH SIDES. DRILL AND RE-ATTACH WITH EW SCREWS.	Complete	Jeremy Kennedy	Public Services	1/3/2025
22303	1/2/2025	CLOSER ON WOMENS BATHROOM DOOR IS LEAKING FLUID	Complete	Jeremy Kennedy	Community Building	1/2/2025
22304	1/7/2025	WOMENS HANDICAP TOILET AT GARRISON ISN'T FLUSHING	Complete	Jeremy Kennedy	Fort Johnston	1/3/2025
22305	1/7/2025	AFTER HOURS: PULL TRASH CANS BACK FROM STREET. KR	Complete	Mike Spicer	Public Services	12/24/2024
22306	12/25/2024	HOLIDAY HOURS - BATHROOM AND TRASH DUTY	Complete	Mike Spicer	Downtown	12/26/2024
22307	12/25/2024	HOLIDAY - BATHROOM AND TRASH DUTY	Complete	Mike Spicer	Downtown	12/25/2024
22308	12/25/2024	HOLIDAY COVERAGE - EMPTY TRASH AND OPEN PUBLIC RESTROOMS	Complete	Mike Spicer	Downtown	
22309	1/14/2025	LOCK ON WOMENS SINK IN BATHROOM AT CITY GYM	Complete	Jeremy Kennedy	City Gym	1/14/2025



PROTECTING QUALITY OF LIFE

Alliance Code
Enforcement LLC

Monthly Report for December
City of Southport

Updated
February 3, 2025

ADDRESS	VIOLATION	STATUS
416 E Bay St	ZV	OPEN
711 Cottage Ln	MH	OPEN
320 College St	JV	OPEN
732 N Lord St	MH/OL	OPEN
730 N Lord St	MH/JP	OPEN
724 N Lord St	MH/JP	OPEN
712 N Lord St	JV	OPEN
810 Clarendon Ave	MH	ABATED
806 Clarendon Ave	MH/JV/JP	OPEN
803 Clarendon Ave	JV	OPEN
813 Clarendon Ave	MH	OPEN
801 N Caswell Ave	MH	OPEN
PID 237DF018 W 9 th St	MH/OL	OPEN
926 Hankinsville Rd	MH/JP/OL	OPEN
913 Hankinsville Rd	MH	OPEN
PID 237CA00901 W 11 th St	JV	OPEN
1065 Downrigger Trl	OL	OPEN
1067 Downrigger Trl	OL	OPEN
1105 N Caswell Ave	JV	OPEN
301 W 11 th St	MH	OPEN
1105 N Howe St	MH	OPEN
712 Clarendon Ave	JV	OPEN
409 N Lord St	MH	OPEN
410 N Lord St	MH	OPEN
1501 N Howe St	MH/OL	OPEN
214 N Fodale Ave	OL/MH	OPEN
812 N Caswell Ave	ZV/OL	ON HOLD
PID 237EA013 N Caswell Ave	JV/JP/OL	ON HOLD
910 N Lord St	JV	OPEN
410 E Bay St	ZV	OPEN
305 Yaupon Dr Ext	JP/OL	OPEN
202 W 8 th St	JV	OPEN
204 Herring Dr	MH/OL	OPEN
306 Stuart Ave	JV	OPEN
PID 221MD002 N Atlantic Ave	JV	ABATED
208 W 8 th St	JV	UNFOUNDED
316 N Rhett St	JV	OPEN



PROTECTING QUALITY OF LIFE

Alliance Code
Enforcement LLC

Monthly Report for December
City of Southport

Updated
February 3, 2025

502 N Atlantic Ave	JV	OPEN
320 College St	OL	ABATED
503 Clarendon Ave	JP	OPEN
1201 N Lord St	OL	ABATED
407 Stuart Ave	JV	ABATED
116 Stuart Ave	JP	ABATED
401 N Fodale Ave	OL	OPEN
906 E Moore St	JV	OPEN
202 N Fodale Ave	JV	OPEN
605 Clarendon Ave	MH/JP	OPEN
418 Clarendon Ave	JP	OPEN
417 Mitchell St	JV	OPEN
713 E Leonard St	OL	OPEN
129 Park Ave	JV	OPEN
111 Park Ave	JP	OPEN
205 Herring Dr	JV	ABATED
217 N Fodale Ave	JV	ABATED
603 N Fodale Ave	JP	OPEN
PID 237EC004 Burrington Ave	JP	OPEN
608 Burrington Ave	JP	OPEN
713 Cottage Ln	JP	OPEN
727 Clarendon Ave	JP	OPEN
315 W 8 th St	JV/JP	OPEN
825 N Caswell Ave	OL/JP/MH	OPEN
PID 237EA009 N Caswell Ave	OL	OPEN
829 N Caswell Ave	MH/OL	OPEN
228 W 9 th St	JP	OPEN
918 N Caswell Ave	JP	OPEN
913 N Caswell Ave	JV	OPEN
303 W 10 th St	JP/JV	OPEN
1003 N Caswell Ave	JP	OPEN
1005 N Caswell Ave	JP	ABATED
313 W 11 th St	JV	OPEN
1101 N Caswell Ave	JP	OPEN
504 W 11 th St	MH	OPEN
201 W 11 th St	JP	OPEN
215 W 11 th St	JP	OPEN
110 W 12 th St	JV	OPEN



PROTECTING QUALITY OF LIFE

Alliance Code
Enforcement LLC

Monthly Report for December
City of Southport

Updated
February 3, 2025

HIGHLIGHTS

- During the month of January, we focused on Right of Way Violations as well as previously opened cases for Minimum Housing, Nuisance/Junked Vehicles, Nuisance/Junk Piles and Overgrown Lots. After contacting property owners, we successfully ABATED and CLOSED 9 cases.
- **416 E Bay St** – Case was opened in reference to a Zoning Violation of a fence installed in the City Right of Way. This property is no longer on hold and awaiting Abatement by the city.
- We made significant progress during the month of January on the removal of Nuisance/Junked vehicles and Junk Piles from multiple properties.
- **711 Cottage Ln** – Structure has been demolished and all debris removed. Case is Abated and Closed.
- **116 Stuart Ave** – Property owner has removed the Junk Pile from the property. Case is Abated and Closed.
- **205 Herring Dr** – Property owner has removed the vehicle from the property. Case is Abated and Closed.
- **217 N Fodale Ave** – Property owner has removed the vehicle from the property. Case is Abated and Closed.
- **1005 N Caswell Ave** – Property owner has removed the Junk Pile from the property. Case is Abated and Closed.



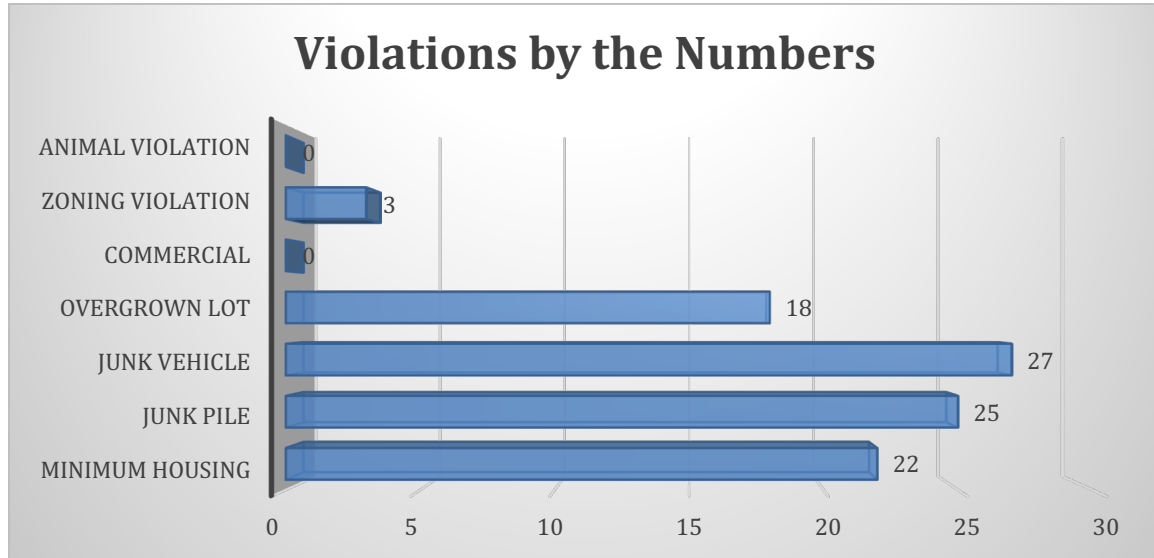
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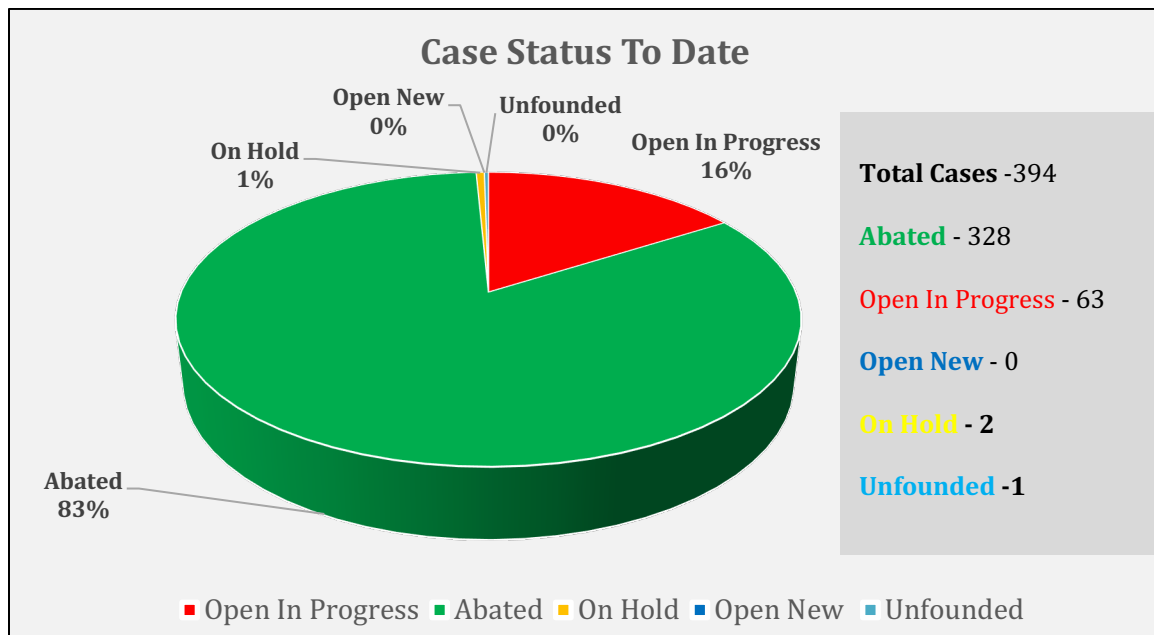
Monthly Report for December
City of Southport

Updated
February 3, 2025

Violations by the Numbers



Case Status To Date





Development Services Highlights – February 2025

Planning Board: The Southport Planning Board met for their regularly scheduled meeting on January 16, 2025, and a special meeting on February 4, 2025.

Items covered included:

- New Member swearing in for Larry Ashley, John Bove, and Robert Lambert
- Major Site Plan – application for 101 E Moore Street was continued until the February meeting to allow new members time to review the project.
- Staff initiated zoning text amendments for special events at bed and breakfasts and was continued until February for more information and text clarification.
- Staff initiated zoning text amendment and map amendment for the Yacht Basin Parking Overlay was sent to a planning review committee to review language with subject property owners and staff. The proposed language was heard at a special Planning Board meeting on February 4, 2025, with a recommendation of approval to the Board of Aldermen.
- Staff initiated zoning text amendment to the landscape and parking standards to update the language to mirror the rights-of-way code of ordinance changes adopted by the Board of Aldermen on December 12, 2024. The Planning Board recommended approval to the Board of Aldermen.

The next meeting of the Planning Board is scheduled for February 20, 2025. No new applications are scheduled for the Planning Board's agenda.

Zoning Board of Adjustment: The Board of Adjustment met for their regularly scheduled meeting on January 28, 2025. Items covered included:

- Variance request for relief from Section 3.14. Table 3.4 Minimum Off-Street Parking Spaces Required for property located at 101 E. Moore Street. The variance was denied.
- Appeal of Determination of the Floodplain Administrator by property owners at 406 Brunswick Street. The appeal is continued until the February meeting for further deliberation.

The next meeting of the Board of Adjustment is February 28, 2025. The agenda for this meeting includes the continued Appeal of Floodplain Administrator Determination, BOAdj training, and potentially a variance for a hotel height limit per the UDO (the application has been submitted, and staff are determining the completeness of the application and coordinating TRC review).

Historic Preservation Commission: The HPC met on February 5 and is finalizing the updated Local Historic District Design Standards. There will be a special HPC meeting in February to finalize commission comments and any outstanding issues. The date, time, and location are being confirmed and will be advertised. The local historic district inventory report is in the final stages and the consultant anticipates that a draft will be available in the coming week for review at the next regular meeting of the HPC. The most recent draft of the standards is available on the HPC website and updated as new versions are available. A public input campaign will start in the coming weeks.

The next meeting of the Historic Preservation Commission is March 5, 2025.

Forestry Committee:

The Forestry Committee will be distributing door hangers throughout the city starting this week after their regular February meeting. The door hangers remind citizens to call before they cut any trees and apply for a permit if necessary. Links to the tree preservation ordinance and the online permit portal are included on the hangers.

The next meeting of the Forestry Committee is March 11, 2025.

Code Enforcement:

Rights-of-way hardened structure courtesy letters were sent the last week of January. Code enforcement staff have been fielding calls with questions and meeting with concerned citizens. No violations have been issued, and property owners have until June 12, 2025 (6 months from the day of adoption) to remove identified structures.

The rights-of-way online permit is live and staff are issuing permits as necessary for allowable uses in the ROW.

Code Enforcement monthly report is provided separately.

Other Notes:

The developer started installation of the sidewalks at the Preserve at Fisher Landing on February 5, 2025. Staff are monitoring the progress and inspections will be made by Tom Stanley and Tom Zilinek.

Staff submitted the annual Arbor Day Foundation Tree City USA application in December. The application has been formally approved, and the city is officially certified for 2025. This is our 21st anniversary of being a Tree City USA.

Staff continue to assist citizens with questions regarding signs, zoning, minor subdivisions, minor and major site plans, CAMA Minor Permits, tree permits, special flood hazard areas, and any other items that come to the Department.