CITY OF SOUTHPORT
BOARD OF ALDERMEN
REGULAR MEETING AGENDA
223 E. BAY STREET
May 8, 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. Minutes of the January 9, 2025 Regular Aldermen Meeting (Pgs. 3-27)
2. Minutes of the February 6, 2025 Aldermen Budget Meeting (Pgs. 28-40)
3. Minutes of the February 17, 2025 Special Aldermen Meeting (Pgs. 41-56)
4. Disaster Debris Contract (Pgs. 57-84)
5. Resolution Authorizing the Mayor To Sign the Necessary Sunny Point Property Acquisition by NCWRC Documents (Pg. 85)

G. Agenda

1. Public Hearing: a Unified Development Ordinance Amendment to multiple sections for consistency with NC General Statutes Chapter 160D. Local Planning and Development Regulation (Planning Services Director Maureen Meehan, Pgs. 86-94)
2. Public Hearing for a Unified Development Ordinance Amendment to Section 3.1 Table of Permitted and Special Uses; Section 3.6.A.5 Accessory Use Standards; Section 3.6.Q Accessory Use Standards; and Article 8 Definitions and Measurements of the Unified Development Ordinance (City Planner Wendell Biddle, Pgs. 95-100)

H. Committee Reports

1. ABC Board (Pgs. 101-102)

I. Manager's Report

J. Mayor's Comments

K. Staff Reports

1. Development Services (Pgs. 103-107)

L. Board Comments

M. Adjourn

January 9, 2025
REGULAR MEETING MINUTES

CITY OF SOUTHPORT
BOARD OF ALDERMEN
REGULAR MEETING
223 E. BAY STREET
6:00P.M.

PRESENT: Mayor Richard Alt
Mayor Pro-Tern Rebecca Kelley
Aldermen Marc Spencer, Robert Carroll, Frank Lai, Lowe Davis, Karen Mosteller

STAFF: Stuart Turille, City Manager
Noah Saldo, City Clerk
Brady Herman, City Attorney
Charles Drew, Fire Chief
Ralph Treadway, Fire Battalion Chief
Maureen Meehan, Planning Services Director
Todd Coring, Police Chief
ChyAnn Ketchum, Public Information Officer
Larry Ditton, Energy Manager

A. Call to Order

Mayor Alt called the meeting to order at 6:00 PM.

B. Invocation

Mr. Donnie Joyner gave the invocation.

C. Pledge of Allegiance

Mayor Alt led the assemblage in the Pledge of Allegiance.

D. Remembrance of Former President Jimmy Carter

Mayor Alt introduced Mr. Howie Franklin, Director of the Cape Fear Regional Jetport.

Mr. Franklin addressed the Board and audience and spoke affectionately about his time as Chief Stewart on Air Force One for five Presidents and his experiences with President Carter. He spoke highly of President Carter as being calm, collected, soft spoken, a teacher, an engineer, a common sense gentleman and a great negotiator.

Mr. Franklin recalled the New Year's Day 1990 southern style dinner served on Air Force One of ham, collard greens, black eyes peas and cornbread. He told of a moment he would never forget aboard the back up Air Force One aircraft with a delegation sent by President Reagan to the funeral of King Hussein of Jordan; Richard Nixon, President Ford, President Carter, Mrs. Carter, and Henry Kissinger. He told a humorous bathroom incident involving President Carter, President Ford, Henry Kissinger and Richard Nixon.

Mr. Franklin shared that during his service to five Presidents on Air Force One he had personally witnessed each of them reading the Bible.

E. Public Comment

Mr. Rick Jones, 828 Cades Trail, thanked the Board for consideration of a rezoning amendment regarding the gating of Cades Cove subdivision. He stated his opinion that the situation is unique and should not set a precedent that leads to a cascading of gating requests. He believes sensible standards can be created to limit such requests to residential developments receiving out of the ordinary cut through traffic. He spoke of the talented volunteer and professional residents committed to serving the City of Southport. He pointed out that a recent letter had been sent to the City Clerk asking that if anyone saw fit to put forth a motion accepting the amendment that specific conditions be included:

- Guarantee to open the gate or gates in the event of any weather emergency.
- Gate will remain open during the 4th of July high traffic event.
- In the event of an emergency situation on Robert Ruark Drive that cuts off the street from Cades Trail to Howe Street, the HOA will work with first responders to keep gates open and traffic flowing until such time passage is restored.
- HOA will work on technology solutions to allow emergency workers to open the gate(s) themselves.

Mr. Craig Blanks, General Manager of the Frying Pan Restaurant, and property owner of 102 S. Caswell Avenue, spoke to the Board about the proposed Parking Overlay in the Yacht Basin. He pointed out that there are three (3), not four (4) as reported, residential lots to be affected by the overlay; 309 W. Moore Street, 102 S. Caswell Avenue, and the corner of West Bay Street and Caswell Avenue. He recalled the last conversation with Joe Pat Hatem, Interim City Manager Bonnie Therrian, Paul and Marie Swenson, Jim and Bridget Chirico, Shorty and himself when Mr. Hatem stated, "If it ain't broke, don't fix it." Mr. Blanks stated that each property owner indicated they would not spend an estimated $50,000 per lot to build berms and landscaping. Mr. Blanks indicated that he had purchased the "Yoga" lot within the past year, had removed the chain, opened for parking and spent approximately $30,000 bordering and graveling the lot. He added that he did not restrict parking and had closed his lots for the annual Wooden Boat Show and other city :functions. He noted that Messrs. Swenson and Chirico did not restrict parking. Mr. Blanks indicated that he, Mr. Swenson and Mr. Chirico are willing to border and gravel their respective parking lots but currently there is no #57 stone available. Mr. Blanks pointed out that a building permit for a five (5) bedroom house at 102 S. Caswell Avenue could be obtained as a use by rights. Additionally, he stated that 102 S. Caswell Avenue had previously been offered to City Manager Bruce Oakley for a $1 annual lease for public parking.

Responding to a question by Alderman Carroll, Mr. Blanks indicated that Mr. Swenson has a parking lot that is zoned commercial and is not included in the discussion. Alderman Davis noted that parking is allowed in commercial zoning.

David Mchattie, 205 E. West Street, spoke about Franklin Square Park. He suggested any changes to the park be kept simple and natural. He recommended fixing the stage, turning the old pump into a fountain, leaving parking spaces for golf carts, keep the live music events, and reopening the park for Winterfest. He talked about the current bright lighting and suggested glass be installed in the fixtures. He stated appreciation for the flood light being turned off. Mr. Mchattie spoke about the bright lights being installed around the City and specifically a replaced street light at the comer of W. West Street and College Street that in his opinion is "insanely" bright. Emphasizing the Board is trying to address the lighting issue, Mayor Alt stated the Ad Hoc Lighting Committee consisting of Alderman Mosteller, Davis, and Carroll had been reinstituted.

Ms. Christine Wright, 211 N. Lord Street stated support of the Parks & Recreation Committee's Franklin Square Park recommendation on the agenda for consideration by the Board of Aldermen. She pointed out that the Committee and City staff had spent countless hours surveying, listening to public comments, doing their due diligence and a great job of compromise. She stated her hope that the Aldermen will consider the recommendation and proceed with getting the park open.

Mr. Michael Proctor, 312 N. Atlantic Avenue, a 60 year resident and owner of a 3rd generation 100 year old wholesale nursery and past president ofNorth Carolina Nurseryman's Association and a board member of the North Carolina Landscape Contractor's Registration Board, spoke to the Board. He stated his primary focus of discussion regarding Franklin Square Park was the City of Southport periodically stripping all the organic material from the ground in the park. He stated the organic material is vitally important to the health of any tree and if, in the future, the City continually strips all the organic material out of the area, they're going to continue to have problems with the trees. Noting that the soils in this area are sand, Mr. Proctor pointed out that to have a lush green and grassy park is unnatural to this environment and it would cost a fortune to institute it. He added that keeping the park lush and green would be a continual expense into the future.

City Clerk Saldo read the following emailed comments into the record:

From Betsy Johnston; *"Tonight I'm writing in regards to Franklin Square Park. Based on the arborist reports and the facts that the park has been deemed to have the ability to stand up to 30 to 40 events per year, I feel that Franklin Park is the most central and appropriate location for the Summer Market, concerts and other events. As in the past years, let's continue to hold the events there that are so enjoyed by our community while responsibly managing and maintaining the beauty and health of the park. It seems clear that both goals can be achieved. Thank you for your attention and consideration of this issue.* "

From Chris and Tina Clark; *"We are writing to you in regards to Franklin Square Park. Walking through the park recently we stopped to read the engraved historical marker placed there and it reads in part that this site for this public park was given to the town of Smithville which was named in* *honor of Governor Benjamin Smith. His legacy provides that the land in this Square shall be used for educational, fraternal, religious and recreational purposes. Thanks to this deal, the citizens of Southport have enjoyed many community events and celebrations in Franklin Square Park since the governor's donation of this beautiful piece of land many years ago. We enjoy the park and greatly appreciate the concerns and effort to protect and preserve it. The City of Southport made a financial commitment by hiring an arborist and a park consultant to evaluate the health of the trees and make recommendations regarding the best use of the park. We have attended several of Dr. Hirstein 'spark meetings and after reading his report and also the arborist report, we agree with Dr. Hirstein 's conclusion presented in his September 11, 2024 report that over the course of a 12-month period there will only need to be 30 to 40 organized events conducted in the park, a number which the park can successfully manage, with proper maintenance and diligent management. We hope you will vote to accept the carefully considered recommendation of the Parks and Recreation Board regarding the future use of Franklin Square Park.* "

F. Board Comments

Mayor Alt stated that items F. and G. were added to the agenda to provide Aldermen with an opportunity to comment about what was heard in public comment. He pointed out that otherwise people see the Board sitting stone faced, not replying, and people walk out thinking the Board is not listening and not caring. He stated the Board does listen and does care.

Alderman Davis reported that a committee meeting will be held Wednesday, January 15 at the Indian Trail Meeting Hall to look at all street lighting options. She assured the public that the Board has seen the offensive lights and are working on a solution.

Alderman Kelley spoke about the Yacht Basin parking. She stated that if the three owners are in agreement of what needs to happen, then the Board should move quickly to get the situation taken care of.

Alderman Spencer stated appreciation for Mr. Proctor speaking to the Board regarding the Franklin Square Park trees' health and maintaining the park in a simple and natural condition. He emphasized his support for the costs to be incurred to properly maintain the park.

Stating it was refreshing to hear someone say *"leave the mulch"* on the ground, Aldermen Lai spoke about a recent meeting he had with Amy Mead of the North Carolina State Extension Service, who said the same thing.

Referring to Alderman Kelley's comments, Alderman Mosteller suggested an overlay text amendment be put on the Planning Board's next agenda. Planning Director Meehan indicated the topic was already scheduled.

Mayor Alt thanked Mr. Banks for speaking and sharing the agreement reached by the property owners of the Yacht Basin to resolve parking issues. Mayor Alt pointed out that putting down stone would be best accomplished in the Winter when the businesses are closed.

G. Mayor's Comments

Mayor Alt spoke about placing historical signs in the Yacht Basin.

Mayor Alt reported that a temporary air conditioning system for the Old City Hall structure, 201 E. Moore Street, had been obtained for a one time charge of $33,000 instead of the estimated $98,000 annually. He pointed out that the air conditioning units could later be moved to different city buildings in need of upgraded air condition systems.

H. Approval of Agenda

Alderman Mosteller made a motion to remove from the agenda Item 5, Review of Southport Street Lighting Policy and Resident's Concerns, seconded by Alderman Davis. **Unanimous Vote; Motion Carried.**

Mayor Alt read the 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"

No conflicts stated.

Alderman Mosteller made a motion to approve the agenda as amended, seconded by Alderman Carroll. Unanimous **Vote; Motion Carried.**

I. Approval of Consent Agenda

Alderman Mosteller made a motion to approve the following consent agenda items as presented, seconded by Alderman Carroll. **Unanimous Vote; Motion Carried.**

1. Minutes of December 2, 2024 Regular Aldermen Meeting
2. Old City Hall/Courthouse HVAC

J. Agenda

1. Cape Fear Regional Jetport Update

Board of Alderman Airport Commission Liaison, Mr. Fred "Flick" Guerrina addressed the Board. He stated he was an Air Force pilot, flew all sizes of aircraft, went to Vietnam, has civil engineering experience and moved to Southport 20 years ago. He noted that he replaced Mr. Owen Garner, another Air Force pilot, on the Commission and he spoke about the creation of the Commission by the State Legislature. Mr. Guerrina spoke highly of Mr. Franklin's management of the airport and the airport improvements Mr. Franklin has facilitated during his tenure.

Mr. Franklin reported on the airport's financial well being and contributions to the area.

- He came to the area 31 years ago.
- The airport is an independent municipality.
- 30 years ago the North Carolina State University did an economic impact study for the airport which was $40,000 annually with a budget of $775,000.
- Current budget is $1.6 million
- The economic impact in 2021 was $280 million
- The economic impact in 2023 was $380 million
- Current economic impact is $557 million resulting in $35 million tax dollars for the County and surrounding communities.

Mr. Franklin spoke about a gentleman who recently flew into the airport in an $83 million jet and that manages an $800 billion company. Mr. Franklin noted that the airport provides public service in the event of emergencies and after Hurricane Helene over 200 airplanes with goods and services were sent to western North Carolina. Mr. Franklin shared a recent incident of a young boy hitting his head on a piling while tubing on the Intracoastal Waterway and his life saved after being airlifted to Duke. Mr. Franklin stated the airport is also used by NC Wildlife personnel and the military for training exercises. Mr. Franklin spoke highly of the Airport Commission Chair Mr. Willie Gore, Southport native and full Colonel 82^{nd} Airborne. Mr. Franklin reported about a soon to be published press release which will highlight the airport's number 4 placement out of 62 airports in the State. He talked about the efforts to get an executive business jet based at the airport which would result in the same tax value as 30 front row houses. Mr. Franklin invited all to visit the airport.

2. Rezoning and PUD Modification for Cade Cove Subdivision

Planning Services Director Maureen Meehan outlined the request submitted by the Cades Cove Subdivision Home Owners Association (HOA) for a rezoning and modification of their planned unit development to dedicate the streets as private and add a gate to their entrance and exit off Robert Ruark Drive. She indicated that a Public Hearing was held December 12, 2024 along with Board questions and discussions with applicant and staff. She noted that the streets are currently classified as public vehicular areas, traffic enforcement is allowed but limited, and the subdivision is fully covered with Police, Fire and EMS protection with or without a gate.

Director Meehan gave a brief summary of the proposal.

- The proposal is inconsistent with the CAMA Core Land Use Plan and the Unified Development Ordinance (UDO).
- A gate would cut off interconnectivity within the neighborhood.
- The Planning Board has recommended denial of the rezoning and master plan development modification.

Responding to a query by Alderman Davis, Director Meehan, stated the applicants had provided a plan for access of emergency service vehicles via siren initiated gate openings.

Alderman Davis pointed out there are easy biking and walking access to the subdivision.

She shared her view that the City has been unfair to the residents by requiring the residents of Cades Cove to take care of the roads and drainage while every car that goes over those roads causes damage. She indicated there are two issues: 1. allow the gate and they continue to maintain the roads at their own expense, 2. No gate and the City takes over the roads. She stated her opinion that the City cannot afford to take over the roads and it is unfair to force them to put up with the hardships they described and the massive amount of traffic.

Alderman Mosteller expressed her appreciation for the work the Cades Cove Community has put into trying to solve the issues with infrastructure and their 2018 $400,000 commitment to resolve the issues. She pointed out that in 2018 there were discussions with the City Manager and City Planner but no action was taken at that time to accept streets Majesty's Court, Lord Thomas and N. Caswell Court. She emphasized it was incumbent on the City to work out a plan with the HOA to accept the streets. Alderman Mosteller stated that the reasoning offered by the HOA to gate the community states that the Cades Cove HOA would like to remain an active part of the Southport community and cut-through traffic has posed a pedestrian safety concern for the members of their community.

I certainly understand that concern… pedestrian safety is a city-wide concern. All over town, more people walk in the road than use the sidewalks." She referenced the Unified Development Ordinance (UDO) Article 48 B. 3. that *recognizes the importance of street interconnectivity to protect the public health safety and welfare, to ensure that streets will function in an interdependent manner to provide adequate access for emergency and service vehicles, to enhance non-vehicular traffic and to provide continuous and comprehensive traffic routing, street layout within a subdivision shall be coordinated with the existing street system.*

Alderman Mosteller briefly spoke about the increased use of bicycles and golf carts throughout Southport.

Alderman Kelley spoke about the inordinate cost to bring the Cades Cove subdivision streets up to City standards.

Alderman Mosteller made a motion to *"accept the Planning Board's recommendation, to deny the PUD map amendment and master development plan as presented and approve the consistency statement for denying the amendment and ask the Cades Cove HOA to consider submitting a formal request for the streets to be accepted additionally upon receipt of a request for the streets to be accepted that the City will schedule and fund a CCTV stormwater system review and the City engineer will inspect the streets to determine if they are constructed to the minimum City standards, review of the streets should include an evaluation of the street lights for future acceptance as well"* Alderman Carroll seconded the motion.

Alderman Davis recalled the Public Services Director talking to the Board about why Cades Cove streets are not city streets and a general idea about the cost to bring the streets up to standards. She questioned if acceptance of the streets is even something the City can afford to consider with it's current budget. She reiterated her concerns about fairness and she spoke about the City's obligations to the taxpayers.

Alderman Kelley agreed there are two options at this time; have a plan to move forward towards acceptance of the streets or allow for Cades Cove to gate themselves. She spoke about the upcoming large Indigo Phase 2 development that will impact the area. She suggested tabling the agenda item until the cost of street upgrades could be determined.

Alderman Carroll pointed out that the Indigo development will have connectivity, will not be gated and he speculated the development will have the same traffic issues that Cades Cove is experiencing. A map of the development was displayed. Expressing his appreciation towards Cades Cove, Alderman Carroll stated his opinion the Board strives to be fair and do its due diligence.

Mayor Alt stated that Attorney Herman has a document from another development requesting discussions about their private roads and traffic concerns. He stated the City has culpability to this issue because, for the past sixteen years, the ordinance was not changed to require the streets built to city standards prior to selling lots. Along with discussing budget constraints, Mayor Alt stated his support for the gate and Alderman Kelley's suggestion of tabling a vote until such time as a cost to upgrade the streets is obtained.

Alderman Carroll emphasized that the Cades Cove Subdivision was approved with the intention of the City accepting the streets. Noting that increased traffic all over the city is being forced into places people don't want traffic to be, Alderman Carroll spoke about the residents on public streets Stewart and Fadale Avenues, deserving protection.

Addressing the Board from the podium, Mr. Jones stated that twenty years ago the initial developer and subsequent developers dedicated the streets as public right of ways. He noted that in the twenty years since, the City did nothing to facilitate a transaction. Additionally, he pointed out the dedication of the streets to the City was for a 15-year term of which four of nine dedications have expired and dedication cannot be tried without the HOA concurrence. Noting the attention major arteries such as Rob Gandy Boulevard, Jabbertown Road, Robert Ruark Drive and Howe Street have had, Mr. Jones asked the Board to address the traffic volumes and safety concerns of residentially designed streets as well for the exodus of people from the city.

Alderman Carroll asked Mr. Jones how the City threw more traffic into Cades Cove. Mr. Jones referenced the approvals of additional subdivisions in the area; Osprey Landing, and Brunswick County approvals of Indigo Plantation Phase II and fifteen houses in Harper Acres directly across from Southport Way. Mr. Jones spoke about the flooding of the area during severe storms resulting in washed out roads of the two ways in and out of the city. Alderman Carroll pointed out that Indigo and Osprey were vacant when Cades Cove was developed. Mr. Jones stated that when he and many others bought their homes, the developer (Cardinal Builders) told them the area of Indigo was environmental wetlands and would never be built on.

Mayor Alt pointed out that those cutting through are typically trying to save time, are speeding and do not stop at stop signs and unless the Police can charge them with reckless driving or DWI, tickets cannot be written. Alderman Mosteller agreed and stated if the streets were city streets, there would be full traffic enforcement.

Mayor Alt recommended following Alderman Kelley's suggestion to table the item, determine the cost to the city to accept the streets. Alderman Kelley noted that a precedent would be set if the city paid to bring the streets up to standards and accepted them then two other neighborhoods would want the city to do the same for their development. Alderman Mosteller pointed out that the Cades Cove HOA have had a huge amount of work done on the streets. Mayor Alt speculated that the answer to the cost to bring the streets up to standards should be obtainable by the Board's February meeting. Noting that the HOA had already spent over $300,000 to repair a section of the storm water system, Mr. Jones stated the HOA had been told by the City that they would have to pay to have a CCTV inspection of the entire storm water system. Mayor Alt stated that another development is in a similar situation with their storm water system. Mr. Jones asked what size of bond new developers should be posting and what requirements are in place to inspect the storm water system 20 years in the future. Alderman Mosteller stated that the UDO was updated in 2020 addressing the storm water concerns. Alderman Kelley concurred and pointed out that performance bonds are no longer required; all infrastructure has to be installed prior to final plat.

Alderman Davis spoke to the issue of connectivity, allowing access for people on bicycles, golf carts, etc. but not for vehicles. She noted that the plan proposed by the HOA provides emergency access through a gate and access during a disaster. She questioned why the discussion of spending money that the city does not have just for the ideal of vehicular connectivity. Alderman Mosteller emphasized that the idea of connectivity is healthy community and has real planning purpose, is in the UDO and and valued by the Board. She volunteered to reframe her motion and table the item. Attorney Brady advised that there is no limit on how long things can be tabled.

Alderman Mosteller changed her motion; *"we would table the decision regarding the PUD map amendment and the master plan development plan as presented."*

City Manager Turille indicated that the city had met with Mr. Jones, staff and engineering staff to explain the steps for acceptance of the street. He stated there is a very clear outline of steps including CCTV work to show the status of the stormwater and further steps to confirm the streets meet city standards. He stated the city does not pay for the CCTV work.

Alderman Mosteller reframed her original motion to include; "a request for *the streets to be accepted, the city would schedule and fund a CCTV stormwater review and the city engineer will inspect the streets to determine if they're constructed to minimum City standards and review of the streets should include an evaluation also of the street lights.* " Alderman Carroll seconded the motion.

Discussion

Mr. Carroll asked the Planning Director why the Board was having the conversation for accepting the streets when the development had not requested acceptance. Director Meehan indicated a previous request had been made. Mr. Jones concurred and stated that in 2018, when Bruce Oakley was the City Manager and Thomas Lloyd the City Planner, a file search request was submitted and it was found that at that time the streets wouldn't be accepted until the streets were brought up to DOT standards. He added that since that time (six years and four city managers) the HOA has been tracking the expiration of the dedications of the streets by the original developer. He continued; *"The current Cades Cove community overwhelmingly says the streets are no longer available to the city and the HOA is here trying to help the city and willing to be a case history and change what best practices are. We're not offering the streets and four of the nine have already expired.*" Mr. Jones pointed out that the Article oflncorporation for the subdivision had been amended to allow the addition of streets as common property that in turn allows the board of directors to make assessments for the maintenance. He noted that a September 22 vote by the residents was 83 affirmative responses, seven (7) negative responses to the revised Articles of Incorporation and assessments.

Alderman Carroll expressed his confusion. Director Meehan explained the process of accepting subdivision streets; *"When the subdivision preliminary plat is approved, the developer and the community will come and say we want private streets or we want public streets with the understanding that once all of the infrastructure has been installed and up to standards, they would come to the city and request for the city to take over the roads.*"

Alderman Davis emphasized that four of the nine streets have already been designated as private and the HOA has been clear they are not going to ask that the streets be made public. Alderman Kelley asked when the additional street dedications expire. Mr. Jones indicated that one expires in 2026, three in 2028 and the last one in 2029.

Alderman Lai pointed out that the developers of Cades Cove *"did a number on you guys, twice."* He acknowledged the HOA had spent a tremendous amount of money trying to rectify the situation and agreed with Alderman Kelley that a cost to upgrade the streets needs to be obtained so a decision can be made that is fair to the people of Cades Cove and fair to the people who are in Southport now and who are coming here.

Alderman Carroll asked if the community would entertain two gates. Mr. Jones responded that at the Planning Board meeting, the HOA said it would consider two gates; however, the HOA felt that two gates would work against connectivity. He added that this PUD submittal process is currently at 15 months. He added that the community came to the city with what they believe is a win-win solution. He spoke about the residents being 100% full paying city taxpayers. Responding to a question from Alderman Carroll, Mr. Jones responded that the residents of Smithville Woods would become acclimated to Cades Cove no longer being a pass through. Alderman Kelley speculated on offering paid passes. Mr. Jones shared an opinion of former City Planner, Travis Henley, who said *every development in Southport should look like Cades Cove.* Mr. Jones stated; *"this perpetual behavior is only going to work to denigrate one* *of your nicer neighborhoods, like ours, who bear the brunt of a lot of it (traffic), not all of it but quite a bit.* "

Alderman Carroll questioned if there should be a conversation about two (2) gates. Alderman Davis stated her understanding that the community welcomed people coming into the subdivision while denying a thoroughfair to Robert Ruark Avenue. Alderman Kelley added that signage had been installed indicating no through traffic. Mr. Jones stated people ignore the signage. He added that a two gate offer was made by the community if it meant getting a yes from the Board of Aldermen. He spoke about the behavior of motorists towards the residents, the safety risks and wear and tear on the streets. He indicated that the community did not like the second gate option because it cuts down the connectivity, people can come and go around the pond and look at the neighborhood, get building ideas.

Alderman Lai asked why a gate is proposed on Robert Ruark Avenue and not on Caswell Avenue. Mr. Jones responded that the community owns the access on Robert Ruark. He added that a request was made to their attorney to find a comparison to the situation of two-time developer abandonment and the attorney could not find one. He reiterated that many case histories could be presented about peoples behavior.

Stressing the point of safety, Alderman Carroll shared his opinion that gating the community on two ends is the only solution, otherwise people are still coming in and if they get to that next gate they're going to be mad and speeding out of the community faster than they went in. Alderman Davis stated the issue could be simplified by the Board voting to allow them to gate their roads one way and if they find out it creates an even greater problem, they have the okey to put in a second gate.

Clerk Saldo read Alderman Mosteller's motion;
"Table the decision regarding the PUD map amendment and the Master Plan Development plan as presented and ask the Cades Cover HOA to consider submitting a formal request for the streets to be accepted, additionally upon receipt of a request for the streets to be accepted, that the City will schedule and fund a CCTV stormwater system review and the City Engineer will inspect the streets to determine if they are constructed to the minimum city standards, review of the streets should include an evaluation of the street lights for future acceptance as well. " Alderman Carroll seconded the motion.

Alderman Kelley pointed out that Mr. Jones made it clear the community is not going to request street dedication. Responding to a query by Alderman Mosteller regarding the expiration of the streets for dedication, Director Meehan stated; "There has been a discussion on this on more than one occasion and it is our legal council's opinion that the expiration of the dedication alone does not negate the dedication of public roads." Attorney Herman concurred and he noted that the original PUD was approved without a gate. He stated his understanding that if the dedication statute is followed, offers of dedication do not expire just by a lapse of time. He pointed out that the applicant's attorney was not present. Mayor Alt indicated attorney discussions would be for another time.

Emphasizing the community has spent $10,000 for the zoning application and engineering fees, Mr. Jones stated that the requested PUD amendment was to change one word, the street listing from "public" right of way to "private."

Alderman Carroll pointed out there was a motion to table which includes the City funding a CCTV stormwater system review. Clerk Saldo advised that a budget amendment would be required to allow the city to do the CCTV work. Alderman Carroll added that there needed to be communication between the city's attorney and the applicant's attorney for the Board to better understand the street expiration issue.

Alderman Kelley speculated that if the attorneys conclude that the expiration of the dedication does mean they have, by right, private roads then all the Board needs to consider is approval of the "public to private" word change. Alderman Davis suggested withdrawing the motion and making a new motion to direct the city attorney to consult with the Cades Cove attorney and report back to the Board at the next public meeting. Referencing Robert's Rules, Mayor Alt stated the other option would be if the person making the motion with a second, wants a vote they can do that. Alderman Mosteller amended her motion to include the following:

> *"instruct the city attorney to conference with the applicant's attorney regarding the expired street dedications and depending on that outcome,* "
> *"include a budget amendment to fund the CCTV stormwater system review"*

Pointing out the confusion among the Board, Attorney Herman recommended putting the discussion of the street dedications aside. He asked Mr. Jones to state what else is included in the proposed amendment Mr. Jones responded that the plat plan shows a gate at Robert Ruark Avenue, a pencil line through Lord Thomas for future interest of putting up a gate, and bollards at the end of Cades Trail. Alderman Davis asked if the motion could be withdrawn and a simpler motion be made. Alderman Kelley reiterated the City Manager's comments that there are other neighborhoods that would like to have a CCTV stormwater system review and she cautioned setting a precedent.

Mayor Alt called for a vote on the motion.
Ayes: Aldermen Mosteller, Carroll, Lai
Nay: Aldermen Davis, Spencer, Kelley
Nay: Mayor Alt
Motion Failed 4-3

Alderman Kelley made a motion to instruct the City Attorney to contact the Cades Cove attorney to determine what the legality is of the expired dedications, seconded by Alderman Carroll. **Unanimous Vote; Motion Carried.**

RECESS: 9:20 - 9:30 pm

3. Franklin Square Park

Ms. Emma Thomas, Chair of the Southport Parks and Recreation Advisory Committee addressed the Board. She indicated the Committee was tasked by the Board of Alderman to review and make recommendation based on the Franklin Square Park operational report provided by consultant Dr. Jim Hirstein. She stated the Committee created a list of recommendations that were provided to the Board in their Agenda Packet, Page 53. She indicated the Committee focused on a plan to open the park fully for the citizens to enjoy and to develop and overall maintenance care plan. She referenced an attachment to the agenda for the care of Franklin Square Park, pages 115 through 224, specifically option three (3) and recommendations received from Bartley Tree Experts.

Ms. Thomas stated the Committee recommends for the 2024/2025 fiscal year:

- Staff to inspect and repair the stage, it to remain in its current location
- Open the park for the community to enjoy activities to include, but not limited to:
  - live concerts, movies, elementary school graduations, weddings, Easter egg hunts, Christmas tree lighting, Christmas caroling, elementary school plays, recitals, farmers market, religious services, dance recitals and other activities to be announced by the Parks and Recreation Department.
- Vehicles be limited to maintenance and emergency service vehicles
- No staking of tie lines be used, only sandbags where permitted or where there is a need to establish handicap park and/or golf cart parking at the roped fenced area on E. West Street
- The SpringFest market and Winterfest market will be reviewed and planned in conjunction with an establishment of an ongoing maintenance plan.

Ms. Thomas further spoke about the pathways and a maintenance schedule to be established to maintain the integrity of the park following recommendations for annual tree assessments from Bartley Tree Company:

- Generously mulch around trees following guidelines for the tree collars
- Generously mulch the pathways corning into the park and refresh as needed
- Repair the ballast stone
- Staff obtain and investigate obtaining recycled materials for the repair work areas

Ms. Thomas emphasized that the Committee does not recommend an irrigation system that would be expensive and could cause damage to the tree root system. She added that the hazardous trees and dangerous limbs have been removed and adding mulch will help add nutrients to the sandy soil, will hold moisture for the trees, and will help limit soil compaction during the park events. Ms. Thomas said the Committee also recommends the yearly tree inspection as recommended by Bartley Tree Experts, adding young trees as the currenttrees begin to decline and age, the Parks and Recreation staff reach out to the Beautification Committee for planting of approved plants and shrubs, install post and rope fence around three trees located on E. West Street at the Franklin Square Art Gallery parking, installing a protective fence around the trees known as the "Four Sisters," use of mulch in front of the stage, signs put in the park as per city ordinance, rope and post parking in the area to be provided with permeable materials along E. West and Nash Streets, recommend removal of the large security light, add appropriate lighting, and add more light posts as needed along the walkways.

Ms. Thomas spoke about the Committee's other recommendations:

- The Parks and Recreation Department hire additional maintenance staff to maintain all components of the 16 recreation facilities
- Create a schedule to pressure wash and paint the gym
- Repair and paint the basketball court
- Staff work with the Forestry Committee and the Beautification Committee to create a plan to plant native plants and shrubberies
- Staff work with the Fire Department to remove the power box behind the Fire Substation
- Remove shrubbery around the tension cable located near the Baptist Church
- Install shrubbery to conceal the power box in front of Franklin Square Art Gallery
- Install WiFi

Responding to a query from Alderman Davis, City Manager Turille indicated a quote of $2,300 was received for repairs needed on the park stage.

Alderman Davis asked why the Committee recommended mulch in front of the stage instead of pervious paving. She pointed out that the music events encourage dancing and mulch would not be a good surface for that. Ms. Thomas responded that the Committee did not recommend pavers as they would prevent moisture in the sand going out to the trees and because they would cause more compaction to the soil. She noted that through the information received in multiple reports, it was learned that mulch comes in different shapes and sizes and could be made into something that would be comfortable for people to walk on and to dance on. Ms. Thomas shared that the mulch will be provided by Bianchi Landscaping Supply for a delivery charge only.

Alderman Davis asked if the Parks and Recreation Department budget has money to implement the recommendations. Director Heather Hemphill reported that she has funds for some of the work and anticipates getting started immediately. She talked about a group out of Wilmington that salvages ballast stone, etc. from older sites being sold or remodeled. She stated that she can contact the group, request materials and are quoted a cost at the time of request.

Alderman Kelley stated her opinion that she dislikes seeing the "Four Sisters" area fenced because she knows that children from preschool love to climb them. She shared her childhood experiences climbing the Indian Trail Tree, her disappointment to find it fenced, and the impact fencing around trees has on children wanting to be a part of nature.

Alderman Mosteller stated her appreciation to the Committee for their work on this issue.

Alderman Davis questioned the recommendation and stated her opinion that the language *"other activities to be announced by the Parks and Recreation Department"* should be removed and if other activities are anticipated, the Committee or the Parks and Recreation Director could bring the request to the Board; and the same for vehicles. She spoke about an incident with bands bringing vehicles into the park. Ms. Hemphill stated the only vehicles allowed in the park would be Parks and Recreation Department maintenance truck, a contractor vehicle needed for any cutting, and emergency response vehicles. Alderman Mosteller stated she did not want the Parks and Recreation Department to be required to return to the Board to ask for permission to use the park for a requested event. She said the Board is entrusting the park's maintenance and review of everything to staff.

Mayor Alt stated his confusion about the number of events in the park, who is in charge of deciding when and where events take place, a third party, Downtown Southport, Inc. (DSI), handling the events, the responsibilities of the City's Event Coordinator and if the events stated in the recommendation are events that will take place in the park or is the report indicating the events that will be allowed. Director Hemphill responded that the events listed in the recommendation fall under the purview of the Parks and Recreation Department. The department also co-sponsors the concerts, Winterfest, Springfest, Farmer's Market, and Plein Air with the Community Relations Department.

Mayor Alt pointed out that DSI was no longer involved with events in the park and the 2024 events ran smoothly with the oversight of the Parks and Recreation Department and Community Relations Department. He questioned the estimated 75 events that could be held in the park and the impact on the park. Director Hemphill stated her understanding that the concerns about the impact on the park were the events that had vendors and vehicles inside the park. Responding to a query, Director Hemphill indicated that the Farmer's Market would not be allowed in the park proper but where there is a cement slab behind and beside the Franklin Square Art Gallery.

Mayor Alt asked about the locations where new Live Oaks would be planted, the area from the parking lot at the art gallery and towards the city gym would not be a proper area to do new plantings. Other areas, i.e. behind the fire substation and the stage area would be better. Dr. Hirstein verified that of his three recommendations, the number of events were identical, the difference, one recommendation was to relocate the stage to another place and put another feature in its place, another recommendation was for a new stage and move the water feature towards the fire substation. He stated that all three options recommended limiting the events to no more than 40 events.

Alderman Mosteller pointed out that small events, i.e., Easter egg hunt, small weddings, drumming, etc. were not detrimental to the park and acceptable for park use. Alderman Mosteller credited staffs understanding that they are going to implement a maintenance plan and allocate funding to better protect the park than in past years.

Stating there is a big difference between 40 and 75, Alderman Lai stated his opinion there needs to be a better definition of what can and cannot go on in the park. Alderman Davis pointed out that Dr. Hirstein's recommendations for the uses of the park align with what the Parks and Recreation Committee recommends. She emphasized that Dr. Hirstein repeatedly stated in his report no vendor events other than the Farmer's Market. Ms. Thomas stated it was noted in the maintenance plan that after implementation of the plan, looking at bringing back events that had previously been held in the park. Speaking about the public conflict the uses in the park has created, Mayor Alt emphasized his opinion that there needs to be a caveat that states, *"no vendors in the park.* "

Alderman Carroll asked Dr. Hirstein what activities have caused the most harm. Dr. Hirstein replied that the heavy traffic and setup of tents. He agreed with the Mayor that there is a perception that putting 100 vendors in the small area and then having another 200 - 300 people walking around has been harmful to the park.

Dr. Hirstein emphasized his opinion what would make Franklin Park a success again:

I. Eliminate vendors from the park (for perception purposes and for physical purposes.
2. Getting adequate maintenance staff in the Parks and Recreation Department.
3. Maintenance! Establishing a maintenance plan and sticking to it.

Alderman Carroll referenced a study provided by Bartlett Tree Service, a subject matter expert, stating that if mulch was added to the park, a maintenance plan followed, and no stakes, the vendors would not impact the trees.

Alderman Davis asked if the no more than 40 events recommended included the Farmers Market. Alderman Davis suggested a motion approving the Committee's recommendation including no vendor events other than the Farmers Market and limiting events to 40 per year. Discussion ensued regarding what type of events the 40 per year would entail. Alderman Mosteller stressed the importance of trusting staff to decide the type of events. Mayor Alt emphasized that perception is important, most of the 40 events are light events, and as written, the wording of the recommendation gives the ability to add vendors later without corning back to the Board. Alderman Lai stressed that the main concern is what events are going to cause damage to the park and the adherance to the maintenance plan. Alderman Mosteller agreed and stated that the maintenance plan and rules of usage would drive the types of events permitted in the park. Alderman Lai talked about the importance of preventative maintenance.

There was a brief discussion about the installation ofWi-Fi and the annual budget cost to maintain.

Alderman Davis made a motion *to adopt the Parks and Recreation Committee's recommendation with added terms; no vendor events in the park with the exception of the Farmers Market to be held in the area behind the gym and not in the main part of the park.* Motion seconded by Alderman Kelley.

Ayes: Aldermen Davis, Kelley, Lai, Spencer
Nay: Aldermen Mosteller, Carroll

4-2 Motion Carried

4. Southport 2050 Comprehensive Plan Presentation

Director Meehan, along with Jake Petrosky and Andrea Radford with Stewart Consulting gave a presentation of the Southport 2050 Comprehensive Plan. Director Meehan noted that there is no request for action by the Board. She asked the Board to review the plan recommendations and action items and prioritize those they think are the most important. She indicated that the plan would be sent to the Division of Coastal Management (CAMA) for its review and comments. She asked that the Board's comments and thoughts be provided by January 23rd so that the final plan can be presented to the Board at their February 3rd meeting for consideration.

Ms. Radford gave the presentation.

- The three phase process began in 2023
- Phase I: Initiation: Getting to know the community
- Phase II: Analysis, Visioning & Plan Development (more getting to know the community through multiple public engagement activities, i.e. Name the Plan Survey (50), Community Survey (536 responses), Walking Tour (20-25 people), Photo Contest, public meetings in April and October)
- Phase III: Implementation, Adoption & Certification

Ms. Radford gave an overview of Southport's history:

- Fort Johnston constructed in the 1740's which brought Joshua Potts and his friend Benjamin Smith to the area
- A plan for a city was drawn of 100 half acre lots
- 1792 Smithville established
- In the 1800's construction began along Moore and Bay Streets (residential, commercial, docks)
- Post Civil War, two African-American neighborhoods were established
- 1808 Smithville named County seat
- 1870 opportunity for a major port city; city limits extended½ mile in all directions
- 1887 Name changed to *Southport* in anticipation of growth as a major port city
- 1890 Local brick and lumber companies established in Southport
- 1800 - 1900 booming construction
- 1909 there was an article in the Southport Herald that spoke of the choices facing Southport, destroying its natural beauty and charm
- 1978 County government departed Southport led to store closings, Menhaden fleet ceased operations, transition of the Yacht Basin from a working waterfront to a combination of working waterfront and tourist destination

Why Plan?

- Growth in Brunswick County along US 17 and NC 87 corridor
- State Statute 160D requires the City to have a reasonable maintained comprehensive plan to enforce zoning; minor update every five (5) years, major update every seven (7) years
- Population projections in the Southport area by 2035 expected to grow by 4,300 people; current municipal growth rate is 3.4%
- 2024 Removal of Southport's Extra Territorial Jurisdiction (ETJ), HB911 and SB382; requires coordination with Brunswick County for growth along the edges of Southport
- Encourage conservation design in environmentally sensitive areas

Mixed Use Development

- Southport has long history of residential and commercial uses in one structure
- Supports "walkability" and reinforces historic character of a coastal village
- Walkability includes four (4) D's: Density, Design, Destination, Diversity

Ms. Radford provided an overview of what is in the six chapter plan and how to use the plan:

Chapter 1	Community Concerns & Aspirations
Chapter 2	Socioeconomic Snapshot
Chapter 3	Past Planning Efforts
Chapter 4	Planning for the Future
Chapter 5	Implementing Plan Southport 2050
Chapter 6	Existing Conditions and Natural Hazards

Vision:	Broad aspiration for City of Southport
Goals:	Specific aims
Recommendations:	Policy statements used to guide staff, boards and elected officials
Actions:	Specific steps to achieve the City's goals

Mr. Petrosky spoke about the recommendations included in the plan. He emphasized the importance of the Board's role, their decisions every month regarding land use and infrastructure that directly impacts the built environment for Southport. He stated the plan is meant to provide guidance on how to continue to shape the built and natural environment of Southport while encouraging a development pattern that honors Southport's historic character.

Referencing a visual display, Mr. Petrosky spoke about the followving:

- Residential and nonresidential character: historic neighborhoods and traditional neighborhoods, low and medium density and low density where emphasis is on protecting the natural environment

- Four different areas to accommodate different scales of nonresidential uses
    1. Historical Residential Character: predominantly single family, occasional bed & breakfast, duplexes and accessory uses
    2. Traditional Neighborhood: mostly single family, some mix of housing including small scale attached residential, 6 units per acre
    3. Low to Medium Density: Mostly single family, 3-4 units per acre
    4. Low Density Conservation Design Character Area: ½ acre lots, smaller lots clustered away from environmental features, minimum 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 units. Residential and Open Space design requirements.

Mr. Petrosky emphasized the Plan recommends more open space requirements than what is currently in the Planned Unit Development (PUD) zoning district. He spoke about implementing a conservation design option or entertaining conditional zoning that allows a legislative decision and more dialogue to get better designs. He talked about using GIS data and elevation data to determine the height of buildings in the downtown area, 60 foot Live Oak trees that provide a backdrop to everything, buildings 25 - 28 feet, and civic buildings and churches up to 40 feet with ornamental features.

Mr. Petrosky stressed the importance of the character and scale of development in Southport' s commercial districts:

- 2,000 - 3,000 sq. ft., typically Main Street retail, service or office
- 3,000 - 8,000 sq. ft., Midtown and neighborhood commercial, small/medium scaled dining, retail, service, with use restrictions and design details to limit impacts, some second floor residential
- 10,000 - 30,000 sq. ft. Gateway, range of medium scaled to Big Box scaled retail, restaurants, service, office
- 30,000+ sq. ft. Highway Commercial, typically larger scale retail, service, or office, larger footprint, higher intensity

Mr. Petrosky talked about the business districts; Downtown, Midtown and Waterfront commercial and each of them should have a particular set of uses and scale of development. He discussed mixed use in some of the districts. He stated the importance of updating the UDO and that the Comprehensive Land Use Plan reinforces those priorities and updates. He suggested including flexibility for good customized design and conditional zoning options.

Noting that housing affordability is an issue in the entire Southeast region and it is not an easy solution, Mr. Petrosky indicated that *"affordability"* came up a lot in discussions and the Plan includes some small incremental things that can address affordability, i.e. accessory dwelling units that can add diversity of housing without changing the character of neighborhoods. Responding to a statement by Mayor Alt, Mr. Petrosky talked about the 33 ft. width lots throughout Southport with issues of impervious surface. Mayor Alt stated his hope the Board would address the small lots and require some percentage of pervious surface. Alderman

Carroll speculated that into the future, there may come a time when ancillary buildings on small lots would be prohibited. Agreeing with Mayor Alt's suggestion of establishing a percentage of pervious coverage for small lots, Alderman Davis stated that currently an accessory dwelling cannot be rented separately .

Mr. Petrosky talked about housing types and pointed out that Southport is predominantly a single family home community. He stated there is flexibility in types of housing particularly as it relates to small scale and what is called "missing middle housing types", duplexes, quadplexs, triplexes that have front porches and look like many single family homes.

Land Use, Character _ & Housing

- Process and standards should be updated to include performance-based standards and some flexibility (i.e. mixed use development and conditional zoning options)
- Affordability (ADU housing types targeted projects (i.e. veterans, teachers or seniors)
- Coordinate with Brunswick County and other entities to manage growth near Southport

Mr. Petrosky emphasized it is essential to coordinate with Brunswick County and the Plan includes a number of recommendations. He noted that there is a lot of concern regarding the County zoning districts will create a checkerboard pattern of the Southport city limits and does not necessarily match the character of Southport.

Stating that Southport has an incredible system of parks for a city its size and an incredible amount of water access along Bay Street and Waterfront Park, Mr. Petrosky spoke about maintaining and improving Southport' s parks.

Public Access & Parks

- Improved connections (Lowe-White to Taylor Field and parking (Alvin Caviness), parking, bicycle access, pedestrian connections, accessibility from an ADA standpoint
- Enhance East Coast Greenway route (a safe comfortable route for bikes and pedestrians throughout the city limits)
- Plan for Stephen's Park (seven - nine acre piece ofland)
- Continue to improve City Dock

Historic Preservation

- Support local district and local landmark designations (would result in potential tax breaks)
- Pursue Certified Local Government status (could apply for grant monies to update Southport's historical survey
- Tell Southport's story through art, community activities, education, and signage

Mr. Petrosky stated it is commendable how Southport tells its story with signage throughout the city.

Resiliency

- Grant funding to assess local critical assets
- Take steps to improve Community Rating System by 2028 (corresponds with flood insurance rates)
- Low-impact development solutions (storm water and infiltration)
- Tree preservation and annual tree planting program (include diversity in the canopy)
- Protection of non-coastal and coastal wetlands
- Dark Sky Initiative (updates to street lighting, bollard lighting to keep pedestrian lighting low and reduce impacts)

Future of the Yacht Basin

- Street improvements
- Bay Street and Waterfront Master Plan (future of Bay Street)
- Historic signage/markers
- Height limitations for new development
- Parking on eastern edge and plan for/fund beautification of right of ways
- Long-term solution for boardwalk and parking

Mr. Petrosky spoke to the incredible natural heritage in Southport. He indicated that the last chapter of the plan discusses the existing conditions with a lot of detail, mapping tree canopy, biodiversity, wildlife habitat assessment and extremely unique natural areas that represent the best examples of natural communities in the state. To address the threatened natural communities into the future, he emphasized coordination with private land owners, non profit sector and policies and decisions the Board will make.

Water Quality

- Expand storm water regulation
- Study impervious surface trends and limit built-upon area for certain zoning districts (potential for first floor elevation changes in areas that may not be in traditional flood plains)
- Preserve large wetland areas (recent law changes not protecting them as they once were)
- Stream and wetland buffers

Economic Development

- Continue to promote events locally and regionally

- Plan and improve wayfinding
- Funding to improve downtown amenities including lighting, pedestrian enhancements, seating and tree canopy coverage
- Support Southport Elementary School and Brunswick Community College

Transportation

- Access management NC 211 and NC 87
- Compact-mixed use development to support walkability
- Use ofright-of-ways for parking, storm water management, sidewalks and street trees
- Bicycle and/or golf cart parking
- Improve pedestrian crossings along N. Howe Street (conceptual design of new crosswalk at Leonard Street included in plan)

Infrastructure and Services (thru 2055)

- Utility system monitoring
- Establishment of Urban Service Area (work with County)
- Police, Fire, and EMS trends and needs (their challenges and needs)
- Storm water system enhancements

Mr. Petrosky touched on Implementation with an emphasis on prioritizing. He asked the Board for their input on what can be accomplished in a couple years, midterm, or long-term while focusing on their priorities.

Ms. Radford presented an outline of the next steps

Next Steps

- Board of Aldermen comments - January 23
- Public Review- February 1
- Division of Coastal Management Staff Review - Feb. 1 (could take up to 75 days)
- Edits from DCM staff review
- State Agency Review (30-day review period) State Historic Preservation Office, Department of Environmental Water Quality, etc.
- Planning Board
- Board of Aldermen
- Certification DCM (30-day public comment period)

5. Review of Southport Street Lighting Policy and Resident's Concerns

Item removed from Agenda.

K. Board and Committee Appointments

1. Planning Board Appointments

Alderman Lai explained the process he, Mayor Pro-Tern Kelley, and Planning Board Chair Sue Hodgin went through interviewing 11 candidates for appointment to the Planning Board. He emphasized that the people who serve on the Planning Board have to be very knowledgeable, put in a lot of work, a lot of time, and they provide a commendable service for the City of Southport.

Alderman Lai motioned to appoint the following, seconded by Alderman Kelley:

- John Bove, Larry Ashley, and Robert Lambert for three year terms
- Kevin Locklin to fill the unexpired term of Roy Pender
- Alternate position vacant at this time

Comments

Noting that applicant Karen Williams participated in the Comprehensive Plan process, Alderman Mosteller asked why Ms. Williams was not recommended for appointment. Mayor Alt advised that there was a personnel issue.

Unanimous Vote; Motion Carried

2. Board of Adjustment

Alderman Spencer reported that there were several rounds of interviews. He motioned to appoint the following to the Board of Adjustment, seconded by Alderman Kelley:

- Chris Eckert and John Allen for 3-year full term positions
- Rodney Ross one-year term
- Steve Dosher full term alternate position

Comment

Responding to a query by Alderman Davis, Alderman Spencer stated the Board of Adjustment will have a full compliment of members.

Unanimous Vote; Motion Carried

3. Parks and Recreation Committee

Alderman Davis explained that a vacancy had been created on the Parks and Recreation Committee due to the removal of the Extra Territorial Jurisdiction (ETJ) from the City.

Alderman Mosteller made a motion, second by Alderman Carroll to appoint Andrew Brosche.

Ayes: Aldermen Mosteller, Carroll, Lai, Kelley
Nay: Aldermen Spencer, Davis
4-2 Motion Carried

Alderman Davis stated that this appointment will expire in June along with three (3) others. She pointed out that those currently serving can reapply. Alderman Mosteller encouraged others to apply, come to the meetings and participate.

L. Committee Reports

The following report was provided in the agenda packet.

1. ABC Board Report

Alderman Lai reported that sales were up 1-2%.

M. Staff Reports

The following reports were provided in the agenda packet:

1. Finance Report
- January 2025 Board of Aldermen - Revenue vs. Budget Report
- January 2025 Board of Aldermen - Expenditures vs. Budget Report

2. Code Enforcement Report

N. Manager's Report

City Manager Turille presented the following report:

1. Recommends starting the FY 2025-2026 budget process sooner than scheduled; last week of January.
2. Begin process for a prepared food and beverage tax referendum
   must first obtain a general assembly local act authorization
   current legislative environment is *no new taxes*
   use long-term forecast data as a tool of persuasion
3. Comprehensive Plan
   Make the North Howe Street Corridor Overlay happen
   Must have harmonious zoning with the County
4. Strategic Needs Assessment
   Understand the impact of traffic on the community and organization
   Requested trip data from NCDOT:

2023 average annual daily trips at Howe Street and Fodale Avenue was 17,500 which is 122,500 weekly and nearly half a million monthly
Interactive map e-mailed to Aldermen
Per Fire Chief Drew, EMS calls remain mostly local resident calls
Trip data indicates a large number of daily trips for Police services particularly at the height of tourist season (Police Department does not track local versus visitor data)

5. Occupancy Tax Collections
   Last year collected $206,285
   On track to increase that amount (statistical forecast, $250,000)
   Granicus software allows audit of short-term rental to verify payments)

0. Board Comments

Alderman Mosteller advised the Board that she would be contacting the NCDOT District 3 representative to ask some general questions pertaining to the current detour and signage directing ferry traffic.

Alderman Davis discussed Occupancy Tax, short-term rentals and accessory dwellings. She suggested that whenever the Board of Adjustment approves an accessory dwelling, the Code Enforcement Officer should be notified in order to keep track of them. She stated that several accessory dwellings are used as short-term rentals. Alderman Kelley pointed out that the Granicus software should alert the City when occupancy taxes are funneled through any of the third party rental systems.

Alderman Spencer stated his appreciation for Mr. Franklin attending the meeting. Alderman Spencer shared a story that inspired him during his childhood; while visiting his grandmother, President Carter visited Fayetteville, North Carolina. Alderman Spencer added that he has learned over the years that great leaders are normal people who want to make a difference.

P. Adjourn

Alderman Spencer made a motion, second by Alderman Kelley to adjourn the meeting at 10:34 p.m. **Unanimous Vote; Motion Carried.**

____
Richard Alt, Mayor

ATTEST:

____
Tori Deviney, Deputy City Clerk (SEAL)

February 6, 2025
BUDGET WORKSHOP

CITY OF SOUTHPORT
BOARD OF ALDERMEN
INDIAN TRAIL MEETING HALL
113 W. MOORE STREET
9:00 A.M.

PRESENT: Mayor Pro-Tem Rebecca Kelley
Aldermen Marc Spencer, Robert Carroll, Frank Lai, Lowe Davis, Karen Mosteller

STAFF: Stuart Turille, City Manager
Noah Saldo, City Clerk
Charles Drew, Fire Chief
Todd Coring, Police Chief
ChyAnn Ketchum, Public Information Officer

A. Call to Order

Mayor Pro-Tem Kelley called the meeting to order at 9:00 a.m.

B. Invocation

Alderman, Reverend, Lowe Davis gave the invocation.

C. Pledge of Allegiance

Mayor Pro-Tem Kelley led the assemblage in the Pledge of Allegiance.

Mayor Pro-Tem Kelley stated the following;

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

D. Approval of Agenda

Alderman Davis moved to approve the agenda, second by Alderman Lai.
Unanimous vote; motion carried.

E. Agenda

1. Presentation of the Proposed FY 25-26 Budget by the City Manager and Board Discussion

City Manager Turille presented the Proposed FY 25-26 Budget to the Board. He first thanked the City Finance Director, Lance Flint, and the city staff for their hard work, dedication and cooperation for keeping down expenses while maintaining excellent service levels; "I want to commend our staff; Public Works is right now fixing stormwater issues, sidewalks, buildings and streets; Fire/EMS are protecting lives and property with a an exceptional three (3) to four (4) minute response time; Police keeps crime low, citizens safe and engaged; Parks and Recreation offers healthy quality of life programs for all ages; Development Services keeps the city environment safe, orderly and clean; Community Relations plans and executes all our wonderful seasonal events such as Winterfest and Springfest. It all happens 24/7 around the clock, it never stops.

City Manager Turille explained the General Fund:

- The fund is the essence of city services
- The fund has an unreserved balance of $3.6M
- There is a reserve of 55% of one years expenses
- Total fund balance is $11M

City Manager Turille indicated he is in touch with the City Auditor who reports that the city's financial status is above average with no liquidity issues in an area of high growth which will enable its financial situation to continue upward. The auditor expects a clean audit opinion on February 13, 2025.

City Manager Turille talked about anticipated development, higher property values, more people and sales tax, property value reassessments which will continue the upper trend in the city's revenues. He reported there is an imbalance between the general fund revenue and expenses resulting in a revenue gap, caused in part by the loss of $1.2M contribution from the water/sewer fund and high inflation:

- 5.5% average COLA over the last three (3) years
- Health costs projected to grow 8% annually
- Other costs inflating at 3%
- Totaling 16% cost increases the last three (3) years

City Manager Turille stated that city staff is the City's major asset. He pointed out that to attract and maintain the very best staff, the city has offered a compensation and benefits package similar to surrounding municipalities, annual cost of living adjustments, a merit pay plan that has averaged 3.5% annually in recent years, competitive market rate wages and salaries which often need adjustment to maintain competitiveness with the region, the best fire/rescue, police and public safety equipment. He noted that increasing costs of equipment makes outright purchase difficult requiring the equipment to be financed with debt. For example, an ambulance costs $125,000 five (5) years ago and it costs $400,000 today.

City Manager Turille emphasized what staff has done to close the gap:

- Carefully planned revenues (forecast to growth of real estate values, population, and new development)
- development projections for vacant lots, in-fill development and new development
- Every request reviewed by line item
- Non essential costs were all eliminated
- Two (2) administrative positions were unfunded, saving $220,000 (including the Assistant City Manager position)
- No new positions added
- Non police vehicles on an expiring lease will be purchased and continue to be used for several more years (estimated savings over four (4) years, $30,000 per vehicle)
- No new debt

City Manager Turille indicated the City has the following options available to continue to provide the same high levels of service to balance the budget and eliminate the gap:

- Lower department costs
- Reduce line item costs (only essential must have items)
- Slow the growth of wage increases (67% of expenses from personnel costs)
- COLA and merit pay will be part of the solution
- Use portion of fund balance this one time ($3.6M available)
- Maintain fund balance for capital projects
- Increase revenues (increase the ad valorem tax rate)

City Manager Turille stated his recommendation: "Eliminate the fund gap with a shared sacrifice strategy with a slight tax increase and modest use of fund balance."

1. Lower the COLA cost of living adjustment slightly and suspend merit increases for this year. Provide a 2% COLA which is slightly lower than the 2.9% CPI for the southeast region. Pause merit increases for one year beginning July 1, 2025. Staff will conduct a comprehensive review of compensation practices and recommend competitive and sustainable strategies by October 31, 2025 ahead of the next year budget cycle.

2. Reassign $.01 from the capital fund to the general fund, this year assign the entire .31 cents to the General Fund. Adequate fund balance remains to continue capital projects.

3. A small increase to the ad valorem rate. A one cent rate increase equates to a $38 tax increase for the medium home value. The long term forecast indicates that if development and population trends continue, additional tax increases to support the city's operating expenses may be unnecessary in future years.

4. Use some fund balance, $698,000, which is 19% of the $3.6M.

5. If additional revenue materializes such as the $1M requested by Fire Department from State Legislature, use that revenue first to pay down fire debt in order to eliminate the use of fund balance and perhaps do a mid year CPI adjustment up to the 2.9% CPI.

City Manager Turille provided specifics of "closing the $1.4M gap."

- With a one cent tax increase, gap can be reduced by $82,731
- Lowering COLA to 2%
- Suspend the merit pay for this year **only**, $330,772
- Use the existing 1 cent capital tax for the general fund, $164,955.
- Use of fund balance, $698,000

City Manager Turille emphasized that the one cent tax increase and shared cost reductions gets the City in the clear and will have a balanced budget. He noted that next year there is a slight deficit, $281,000, but as development comes on line, the city will start seeing surpluses that begin to build over time as more development comes into the tax base. He said; "There is an upward trend. It's tough this year but the future is looking good as more development comes in. City services are lean, efficient and effective."

Stating he was not recommending the following, City Manager Turille outlined other possible actions:

- Freeze the COLA and merit pay
- Use additional fund balance
- Higher tax increase

Displaying a graph, City Manager Turille pointed out the upward trend showing that future tax increases may not be needed for operating expenses. He explained the long term forecasting model created by Director Flint and staff. The model estimates annual development and the tax revenues from developments. Factoring in the development that is coming in and, as the auditor said at the outset, there's more population and more growth here so the revenue generation on sales tax and such will continue upward.

What the model does:

- Estimates annual development tax revenue from development projects
- The impact of property reevaluation in 2028 and 2032
- Assumes an ad valorem tax rate for each year, (recommended at 32 cents)
- Estimates all other annual revenue sources
- Uses actual employee salary and benefit costs (with right now no changes in the number of employees)
- Applies variable inflation factors to wages, benefits and other costs
- Development is based on scheduled and projected development

The model does not:

- Does not assume an increase in staff
- Does not assume new debt payments
- Does not assume future rates increases for state pension (can adjust model when rates are known)
- Does not reduce employee benefits (those are protected)

City Turille stressed the importance that the city's finances generate general fund surpluses for unanticipated future costs to be applied to the capital fund to maintain and improve the city infrastructure and assets. The long-term forecast indicates this will occur over time. Long-term modeling enables the City to understand how its choices made today impact future years.

City Manager Turille talked about long-term strategies; "The benefit of the long-term model is it allows us to look ahead at projected future costs. I think we can minimize tax increases without fluctuation, that should be the strategy year to year. The tax rate proposed achieves this and allows for Budget surpluses to being in two (2) years to build up funds for capital projects. Projected surpluses should be dedicated to Capital, to build a strongly funded CIP but as well as protecting the chief asset as I said, the city staff which do the work."

City Manager Turille stated; "Institute a debt policy that addresses the use of debt over the long term as part of capital budgeting."

City Manager Turille advised; "Access the optimal mix of wages, compensation adjustment, and benefits to be competitive to recruit and retain highly qualified and motivated staff that is financially sustainable. The model will help us do that. Use the long-term forecast model to understand these cost impacts. The new tool assists the immediate and long-term impacts well in advance of actual outlays and helps us manage these fluctuations and gaps and surpluses well in advance."

Emphasizing capital funding, City Manager Turille stated; "Capital funding needs to take priority with all the urgent stormwater needs, road needs, and building needs. As we saw with PTC 8, begin long term planning to rank and prioritize capital projects for outside funds request at the state and federal level. Immediately after we adopt this budget we will take the CIP, prioritize these projects, and begin outreach for grant matches aggressively. Existing staff can be redirected to pursue and win grants."

Alderman Davis pointed out "the way you are balancing the budget is limiting COLA to 2%, suspending merit increases, taking away from the employees." Alderman Carroll concurred and stated that reducing the COLA to 2% will actually have employees making less than last year. Alderman Davis stressed matching the COLA to the cost of living.

Thinking long-term, Alderman Carroll stated; "Go ahead and make a two (2) or three (3) cent increase now so that we don't have to steal from our Capital. That would be my recommendation. Let's find a way to show the employees that we actually care and support them. Merit we have to get under control because I think this Board recognizes that merit across the board is not merit, it's just bonus. We need a better handle of that and what that means moving forward." Alderman Davis explained that the past across the board merits were intended to get employees who were below standard pay up to where they should be. Referencing a recent pay study, Alderman Carroll stated that city wages are now competitive.

Alderman Lai pointed out that the Consumer Price Index (CPI) for the Wilmington Standard Metropolitan Statistical Area (SMSA) is 2.9 and he stressed making sure the employees get that. He added that merit should be on a bell curve and not everyone gets a merit.

Alderman Mosteller emphasized the importance of continuing capital projects and not taking from the capital fund balance; "There are too many and we've worked too hard, there is too much momentum. I agree with Robert, we need to look at a tax increase that manages that." She spoke about staff levels being frozen and dependent on development. "There's no way our first responders can stay frozen throughout that process if we're depending on development."

Alderman Carroll questioned the long-term sustainability of the current development; "If you drive throughout the county there is development after development and so for us to think that here in Southport that's going to continue, I think that might be slightly aggressive in our thinking."

Mayor Pro-Tem Kelley stated; "As far as the COLA, I agree with Alderman Lai and I think we should look at doing what the CPI is for our staff. I think the 5% where we have been was exactly as Alderman Davis said it was intended to bring everybody up, we're now within those guidelines based on the study that we did so I think that puts us in a good position. I really, really, really don't want to raise taxes and I would love for that to be on the record. But I think I like the approach that the city manager has taken as far as asking the staff, asking the citizens, and fund balance to all come together to balance this budget."

Alderman Carroll said; "If we're going to go on the record, I don't want to raise taxes, I don't want to steal from capital, I don't want to take away from the employees, I don't want to rape the fund balance."

Discussing the vehicle leasing concept, Alderman Mosteller asked Director Flint about the change proposed in the budget to retain vehicles at lease expiration. "The whole concept of the leasing was because we were getting them at wholesale and then at the end of the lease selling then at retail." Finance Director Flint responded; "We only have lease vehicles in a couple places, police are on their own plan. There is no proposal to take the police vehicles and buy them and continue to use them just because of the nature of how police vehicles are used. The way the program works is we usually lease it for five (5) years, we are developing equity in the vehicle over that five years. At the end of the five years, we trade that vehicle in, whatever our equity is goes as a down payment toward the value. The problem is that the prices have gone up within the last five years since the program started. Public Works has done a really good job and stepped up and volunteered to start buying out pick up trucks which don't get the same sort of hours idling, they're not at an office like the police cars are in the office, they stepped up and said, yeah we've got trucks out here with 25,000 miles on them, 30,000 miles, they are in good shape, our garage maintains them well. Rather than us going out and signing up for another $800 a month lease payment, let's just spend the $3,000 or whatever it takes to buy the thing out at the end of the lease and we'll use them for a few more years and save the taxpayers some money. The other place is in the administration, there are three vehicles, two of which are Development Services and one the City Manager's. All of those are off lease now, we can buy them out for about $3,100 each. Development Services has agreed that their vehicles are fine to continue to use for a while so rather than go out and buy another Explorer and pay another $700 a month for it, we're just going to buy out the ones we have, we'll keep them for a number of years. It's going to save a couple hundred thousand dollars over the course of the life of these vehicles. So we bought them, we might as well use them rather than just trade them in for just that purpose. But police, different matter. Police will continue to get new vehicles as they come off the lease, will continue to outfit and upfit them with all the necessary police equipment because those do serve a completely different purpose." Noting the proposed change was a shift in policy, Alderman Mosteller asked for a specific breakdown in a narrative or spreadsheet.

Alderman Mosteller asked if the reason for the change in policy from leasing vehicles is because of the cost. Mr. Flint responded; "It's a conscious decision as to whether administration vehicles which are five years old, have been maintained by the city garage and with just 25,000 miles on it, does it make sense to trade it in for $10,000 and go out and lease something for $800/month. It doesn't make any business sense. It makes perfect business sense for Police. Public Works really stepped up to the plate and said it doesn't make sense, a pickup now is $60,000."

Alderman Davis asked if there were any thoughts to reducing the number of vehicles. City Manager Turille responded; "We have gone through the list and have not found any surplus. We can review that list again."

Responding to a query by Alderman Carroll, Mr. Flint indicated there are six (6) vehicles proposed to be bought out, three (3) administration and three (3) Public Works. He added that Public Works would still have a few vehicles on lease and there are 16-18 leased Police vehicles.

Alderman Carroll recalled a previous city manager suggesting selling on of the administration vehicles. Mr. Flint stated the vehicle was not sold and is generally used by city hall employees for attending Board meetings, going to out of town meetings, and not using their personal cars. That vehicle is one that is at the end of its lease term ($550/mo.) The buyout is $3,075 which will happen on July 1. That vehicles will be good for years. Alderman Carroll pointed out that the vehicles is also used for trips by Aldermen.

Complimenting staff on the projected long-term model, Mayor Pro-Tem Kelley spoke about the projected general fund surplus; "I remember a similar graph with diminishing returns at about the 10 year mark from one of the large developers when they made a presentation to us 2-3 years ago, they couldn't answer, perhaps you can't answer either, after this 10 year mark when it kind of drops off, sort of diminishing returns start in FY 2034 then starts to drop 2035. Did those diminishing returns continue because we are no longer building out so we have to prepare for that also?" Director Flint responded; "We haven't run the model past 10 years but what you're suggesting is absolutely true, it will, after 10 years. I'm certainly not any sort of authority on development but I do think our future development begins to become diminished, less and less of it is going to be happening. As you go out beyond the 10 year mark, your tax base is not growing as quickly perhaps as your expenses which are growing just through inflation. You're going to see diminishing returns."

Director Flint stated; "If any of the assumptions that are in there, in the out years don't materialize, in the same way they are in the model, it changes your future view. It does what it does based on the knowledge that we have and the assumptions that we have today. We worked through it with our development team. If you were to run this thing out 20 years it would show that we would not be putting out surpluses."

Alderman Carroll suggested the Board reaching a consensus on the items discussed, i.e. COLA. He asked Director Flint to put the 2.9% COLA in the model in lieu of the 2% proposed COLA. Director Flint indicated the 2.5% COLA increases the use of fund balance by $72,000 or a half penny tax increase.

At the request of Alderman Carroll, Director Flint talked about the long-term effect of fund balance if money is taken from it to help balance the FY 25-26 budget. Mr. Flint said; "All the money comes from the same place, from all revenue sources, taxes, etc. It goes to the same place. We have in our general fund balance a little over $11M right now. We have a policy that says we need to maintain not less than 55% of one year's expenses in that fund balance. The budget you have in front of you is in the $14M range so we have to reserve 55% of that $14M per policy and not touch it. In the event that something happens that we really need that money and if we go below the 55%, there are Local Government Commission (LGC) implications for the liquidity of the city. That leaves $3.6M available today. I will caution you that we are standing here on February 6 with a lot of the fiscal year left to go and that number could change. The fund balance is a living breathing thing and it moves with revenues and with costs. Putting a pen in the $3.6M today, that $3.6M has to pay for any operating deficiencies that we might have with our tax revenues that don't cover our costs. It has to pay for any Capital, anything new we add to our capital bucket. Our capital fund balance, which is separate from the general fund balance. The capital fund is created when the Board appropriates general fund money to the capital fund. That capital fund balance as of today has approximately $618,000 of unobligated dollars left in that we can spend. What you are going to see the next time we get together is that there are millions and millions of capital needs that need to be paid for one way or another. Every time we use and consume this fragile fund balance to use it for today's needs, we are putting off tomorrow's needs. And, as I said before, with this development in the model it doesn't take much to turn next year's consumption of fund balance from $200,000-$300,000 to $600,000. It doesn't take much variation in revenues and development assumptions. 10 houses doesn't come on line that we have planned next year at $400,000 of house times the tax rate that's going to have an impact on how much fund balance you need to consume. So, what we can do to reduce the consumption of fund balance today is going to pay off in to the future. Personally, it is probably necessary, but consuming $700,000 in fund balance, I mean take 20% of your bank account and spending it right now when you need a new roof or you need a new driveway and all of those sort of things, it might not make sense. I think it is incumbent on all of us to dig as deep as we can in this budget and take out anything that could be taken out so we don't put ourselves, in two (2) , three (3) years from now and need a 10 cent tax increase."

Mayor Pro-Tem Kelley pointed out that a couple big commitments are coming up, i.e. matching funds for the Waterfront Stablization project and she asked if those funds were accounted for. Director Flint indicated there is a separate fund completely unrelated to the general fund or the capital fund that has the State contribution in it ($5M). Matching funds would have to come out of capital fund.

Alderman Davis asked if delaying the Yacht Basin Dredging Project would imperil the grant the City has received. Stating he would check on the time table for the grant, City Manager Turille also stated that he is in discussions with the Army Corps of Engineers, pursuing with them on how to get that city contribution down, and looking at alternative spoils sites to get that cost down (currently projected at $700,000 - $900,00).

Alderman Mosteller pointed out that the Yacht Basin Dredging project has been on going since Hurricane Matthew in 2016. She stated; "We've done all the background for the last two years and we had the survey done in 2023 for the silt. There's going to be a relevance of time line for what we are dredging because it's just continuing to silt in." City Manager Turille indicted; "These projects can't just linger on year after year. The Yacht Basin dredging is important. I'm trying to drive that as fast as I can as I develop relationships with the Army Corps. City Engineer Jarvis and I are working with our Coastal Consultants. So anyone thinking that the Yacht Basin dredging is being delayed, that's not true. We are pursuing that as hard as we can."

All expressing support for funding a capital budget, Aldermen Carroll, Mosteller and Davis talked about the one cent capital tax. Alderman Carroll suggested; "My proposal would be to keeping the 1% in capital and in addition increase taxes 2 - 3 cent." Alderman Mosteller pointed out that the city used to fund a third of Administration costs, staff costs, and other things through the water/sewer fund, and that fund is no longer paying for those things."

Responding to a question from Alderman Carroll, City Manager Turille indicated that he and department heads went line item by line item through the proposed budget, looked at 2024 actuals, and cut to only things that was absolutely necessary to provide services.

Mayor Pro-Tem Kelley asked about the funding for vacant city positions. Director Flint responded the funding would remain in the general fund and effectively part of the balance being talked about.

Director Flint asked to speak to the following; "Alderman Mosteller referred to the water/sewer fund from last year and the amount of general fund that was supported by the water/sewer fund. We have traditionally done the same thing with the electric fund. The budget you're looking at does not, it assumes $0 being paid from the electric fund because frankly, any support that we give to the electric fund is incidental and if the electric enterprise were to not exist, we wouldn't save any. I wouldn't save anything in the finance department so why charge a third of me to the electric fund. They have needs of their own. But a difference between this year's budget and last year's budget is a few $100,000 that we were assuming the electric fund was going to pay for. As we've gone through thinking this year, it doesn't seem like it's fair to burden the electric fund with those costs, they're not there. That is part of the difference we're looking at."

Alderman Carroll asked Director Flint what his thoughts were on increasing the COLA to 2.9%, keeping 1 cent in capital and increasing tax 2-3 cent. Referring back to Alderman Mosteller's remarks, Director Flint stated; "Everybody was paying those costs, paying it in water and sewer rates that were unusually high. Now they may have to pay it in taxes, that's how you have that conversation, so some people in some parties don't like the T word and some people do but that's what it comes down to. It's the same money, it's just how it's being paid. I'm looking at the model; if the portion of the tax rate that's applied to the general fund was 34 cents, so let's call that a 3 cent tax increase over last year, with another penny back to the general fund, then your reliance on fund balance as it stands right now would be $260,000, so a significant amount less. I will also point out, we did go back and went through the tax scrolls. Tax scrolls are hard things to work with but we attempted to identify built out home values and based on the median home value, a penny is worth about $38 on a tax bill. So 3 cents is worth $115 - $120 on a tax bill."

Alderman Spencer asked what the median house value was used in the model. Director Flint responded, $383,970. He added that revenue will have to grow because costs are going to grow. He pointed out that the city has few levers to pull when increasing revenue, money flow in North Carolina depends on population, and while the County "pie" might be getting bigger, Southport's part of the pie keeps getting smaller and smaller because the population can not grow to the extent that the rest of the county population can grow. "The sales tax pie will be bigger but Southport already has less than 2% of that pie and it's going to continue to shrink. How that plays out if we have a crystal ball, when everybody else is building all those houses and Southport is going to run out of the ability to build all these houses at some point. Growing the pie is going to be challenging long term, the revenue is going to have to grow, so the only true lever that we have available to us as it stands today is the ad valorem tax rate."

Alderman Davis questioned the $389,000 median house value. Director Flint indicated the value was based on the July 2024 tax bills. Alderman Davis asked the Realtors on the Board to comment. Alderman Carroll stated that tax assessment has nothing to do with what a house is worth. Alderman Spencer noted the condo units at the River Hotel, value $250,000 for 400 sq. ft. could pull the median value down and he stated there is currently a listing on 11th Street for $375,000. Mayor Pro-Tem Kelley added that some of the new developments are in the $200,000 range.

Alderman Spencer commented; "Lance has presented a very good explanation of what we're facing and all my dear firefighters out there, I want you to understand, you're the last of the citys fire departments and you see how we're struggling for money, but you hear who's getting all the money. Ultimately who is going to be able to afford to pay your bills. That's what we're trying to balance out, to keep what we've got. So that's why we're trying to cut those merit raises and keep them balanced so we can keep our fire department. We really can't afford to take care of the district that they've got. This is the future. I told our State Senator that I didn't think we would be a city in 20 years. He shrugged me off but I think it was the most prolific thing I've said to them, we might not be a city in 20 years if we don't control these costs."

Speaking about merits and while acknowledging the need to be fiscally responsible, Alderman Carroll stated his opinion that employees doing an exceptional job deserve merit pay and he did not like taking it out of the budget. He added that the merit program needs to be reworked in order to make it everything it should be. Pointing out that he would not be on the Board a year from now, he stressed the importance of preparing this year so it would not be necessary to strip the COLA and Merit away next year. He stated appreciation for the multi-year approach to making a better budget that the city can afford and he suggested building in a policy where the city does regular, smaller tax increases, i.e. ½ cent, after a tax increase of two (2) to three (3) cents this year. He said; "I think that's how you create a long-term fiscally responsible budget for our employees and or constituents."

Pointing out that there had been discussion of $1.2M to be used in thirds over three (3) years so as not to raise taxes, Mayor Pro-Tem Kelley asked if the $1.2M set aside in the FY 24-25 Budget was allocated in the FY 25-26 Budget. Director Flint recalled the discussions and responded that the $1.2M was included in the $3.6M general fund. Mayor Pro-Tem Kelley stated; "I think its important for the citizens to see that we were forward thinking and trying to diminish the need for tax increases going forward." Alderman Carroll questioned the logic of taking from fund balance in lieu of raising taxes; "We can't keep postponing the tax, taking from fund balance, and run out. It's not sustainable and we can't even keep the current services to our employees this year because we didn't do the right thing last year."

Responding to a query by Alderman Mosteller, City Manager Turille indicated the current discussion focused on the General Fund with the Capital Improvement Fund and Electric

Fund scheduled for the next budget workshop.

Alderman Lai stated; "Our revenue streams are very, very limited, non-existent, we have certain things we have to take care of. Whether we like it or not, somewhere down the road, we're going to have to have some sort of tax increase. I don't want it, nobody else does but where are we going to get the money. We have to take care of our people, we have to take care of our city and last time I checked, nothing's getting cheaper."

Alderman Carroll asked Director Lance; "What do we (Aldermen) cost the City?" Director Flint indicated each Alderman receives a $1,000/month stipend plus 7.65% for FICA tax and less than $5/month each for life insurance, totaling approximately $1,080 month per Alderman.

Alderman Spencer said; "I was trying to find a way to again to go back to what Lance was saying that hit me, hit a nerve I can't let go of. In 10 to 20 years when we're built out, the revenue stream that Mr. Lai spoke about will go away and the only thing we can feed off of is taxes, property taxes. We have no way to make revenue. The only Enterprise Fund we have is the electricity and somewhere along the line we're not even using that money anymore. 10 to 20 years, all the fund will go away once everything is developed, there will be no looking forward, it will be just what we have and the taxpayers will pay the bill if we don't change the way we live and act and we have to do it now so we can handle it in 10 to 20 years from now. The crazy reality is that it's because we are landlocked."

Alderman Mosteller agreed with Alderman Spencer's comments and added; "We cannot pump the brakes on capital projects because that just feeds into exactly what you just talked about down the road. Regarding reoccurring costs, I'm going to use a quote from one of Director Flint's last emails, *"It is a slippery slope when we use general fund balance for reoccurring costs."* She continued; "We know that is an axiom that we are supposed to follow because that $3M that we have in our general fund is for capital projects that we are desperate for and have been planning for. We have to figure out a solution that we're not falling down that slippery slope."

Mayor Pro-Tem Kelley stated her opinion that she would like the Board to consider getting a prepared food tax on the ballot to see if the citizens would be interested in doing that. Alderman Davis pointed out that the Legislature would have to approve that and they had said "No." Mayor Pro-Tem Kelley noted that if the citizens supported the tax, Southport would be in a stronger position to go to the Legislature with the request. Alderman Davis stated her opinion that the Legislature would also have to approve placing a Referendum on the ballot. Alderman Carroll stated that State Representative Miller had indicated he would pursue it if the City had the referendum. Acknowledging the comments by Alderman Davis, Clerk Saldo stated; "We have no authority to hold any elections other than municipal elections through the Board of Elections. In order for us to present that to the voters, the legislature has to pass a local bill authorizing us to do that and depending on the outcome of that election, if it passes or not, is then the vehicle to enact that new tax." He suggested the Board adopt a resolution asking the Legislature to permit a Referendum. He indicated he would prepare a resolution and have it on the next Board agenda.

Aldermen Lai and Carroll supported the pursuit of a referendum. Alderman Lai stated; "We have to do something. This would be a good way for us to get all the tourists that come here and wear out our roads and whatnot, to pay for some of the things that we need done. A town of 4,000 people cannot afford all the things we have here. We have a lot of people coming, a lot of tourists, let's get some money out of them." Alderman Carroll agreed. He stated appreciation for Alderman Kelley's forward thinking approach to that concept; "It doesn't fix this year so we're going to have to make some hard decisions. It makes me feel good that our elected officials are thinking into the future."

Alderman Spencer, reluctantly concurred; "I will go along with you. I lived in Williamsburg, I paid $10 for a Happy Meal. The people who live here will pay that cost. The people who visit will pay a little bit, but the people who live here will pay it every time they go out." Alderman Mosteller calculated the cost would be a penny on the dollar, an extra 20 cents on $20 spent. Alderman Carroll stated his hope the prepared food tax would go directly into city coffers.

City Manager Turille said; "As I listen to the conversation, I hear about the long term limited supply and development will diminish. Please keep in mind that limited supply tends to drive up the value of property. The last reassessments have gone up significantly. There is going to be a huge internal market and incentive for these values to continue increasing, particularly as the demographic trend of the Baby Boomers plays out. So there is going to be a natural market tendency for the market values to go up in properties. There was one that was a 41% increase." Alderman Carroll countered; "The County is cautious of what took place in 2004, 2005, 2006, 2007, 2008 and 2009. In 2005 and 2006 there were situations where homes went from $150,000 assessed value to $600,000 of assessed value. I don't think the County wants that to happen again because what it did for them later is when the market tanked, they did the exact opposite. A $250,000 lot on Oak Island that had a $300,000 assessment was only worth $24,000 at the time and they had to readjust downward. I think the County is looking to try to make smaller, reasonable, incremental changes to that, so I don't think every four (4) years we are going to see these 40% to 60% tax increases. I don't think that. Yes, I went back to the idea that tax assessment has nothing to do with the value of your home. So while most of us don't see a $380,000 house out there, it's tax assessed value, that same house is probably actually selling in the retail market for somewhere between $500,000 - $600,000. But it only has an assessment of $380,000. So, that's something we really have to be cautious of."

2. Budget Process Next Steps

City Manager Turille indicated the next Budget Workshop would be discussion of Capital Improvement Projects and the Electric Fund.

RECESS: 10:20 AM

RETURN TO SESSION: 10:32 AM

F. Closed Session NCGS 143-318.11(6)

(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; or to hear or investigate a complaint, charge or grievance by or against an individual public officer or employee.

10:32 a.m.

Alderman Spencer moved, second by Alderman Lai to go into Closed Session Per NCGS 143-318.11(6). **Unanimous vote; motion carried.**

11:59 a.m.

Alderman Spencer moved, second by Alderman Lai to return to Open Session. **Unanimous vote; motion carried.**

G. Adjourn

Alderman Spencer moved, second by Alderman Mosteller to adjourn the meeting at 11:59.57 a.m.

____
Richard Alt, Mayor

ATTEST:

____
Tori Deviney, Deputy City Clerk

(SEAL)

February 17, 2025
SPECIAL MEETING MINUTES

CITY OF SOUTHPORT
BOARD OF ALDERMEN
223 E. BAY STREET
12:30 P.M.

PRESENT: Mayor Richard Alt
Mayor Pro-Tem Rebecca Kelley
Aldermen Marc Spencer, Robert Carroll, Frank Lai, Lowe Davis, Karen Mosteller

STAFF: Noah Saldo, Interim City Manager
Tori Deviney, Deputy City Clerk
Charles Drew, Fire Chief
Maureen Meehan, Planning Services Director
Todd Coring, Police Chief
ChyAnn Ketchum, Public Information Officer
Tom Zilinek, City Engineer

A. Call to Order

Mayor Alt called the meeting to order at 12:30 p.m.

B. Invocation

Alderman, Reverend, Lowe Davis gave the invocation.

C. Pledge of Allegiance

Mayor Alt led the assemblage in the Pledge of Allegiance.

Mayor Alt introduced Interim City Manager Noah Saldo. Mayor Alt introduced Deputy City Clerk Tori Deviney and advised anyone who made public comments and wanted feedback to provide contact information to Ms. Deviney.

D. Public Comment

Alderman Mosteller moved, second by Alderman Lai to open Public Comment. **Unanimous vote; motion carried.**

Mr. Warren Whitley**,** 432 Cades Trail, addressed the Board regarding the Cades Cove Planned Unit Development (PUD) process. He pointed out that though a majority of the residents of Cades Cove want to gate the community, does not mean it is a good decision for the Board to support it. He noted that the Planning Board did not recommend it, it would go against traffic connectivity as addressed in the Comprehensive Plan, and the original subdivision plan indicated that the streets would eventually be the city's responsibility. As a city taxpayer, he questioned why he would want to take on the expense of maintaining the streets over and above his taxes. He stated the Board is partially responsible, all decisions of this magnitude should have alternatives to consider and he provided three (3):

1. Approve the streets as is in the subdivision. They are better than the vast majority of the streets in Southport. There is no immediate impact to the city budget.

2. Approve the acceptance of Cades Trail and Lord Thomas Streets now to maintain connectivity and phase in the other streets down the road.

3. Do nothing. Leave the burden of maintenance to the residents who are paying taxes and make them pay more money.

"Can you imagine what the assessment would be if we had to pave all the roads in Cades Cove? I couldn't afford it. To address Alderman Davis's comments, the Cades Cove issue was caused by premature exit by Cardinal Builders and became the driving reason to change the Unified Development Ordinance (UDO) to not allow building permits to be issued until all infrastructure was completed and inspected by the City. The comments about safety and traffic were based on hysterics and not reality. I sit on my porch on Cades Trail quite often and rarely see traffic passing by. Will we see an increase when Indigo 2 goes through the neighborhood? Maybe. If we do it will be incremental because they are not going to put all the houses in at once. Where's the data? Nobody has done any studies that I am aware of. Basically this decision should be a rational one and not based on emotions. The pragmatic choice is to fix the problem for the residents already paying taxes and who expected Cades Cove streets to be city streets per the original plan."

Mr. Terry Duff, 6519 Walden Pond Lane, addressed the Board on two (2) issues regarding the 440 acre tract that was annexed by the City in 2006. He pointed out that the North Carolina Wildlife Resources Commission (NCWRC) was present. Stating he did not expect an immediate answer, Mr. Duff directed a question to Police Chief Coring; "When I was up here talking to the Aldermen and Mayor several months ago, I found an issue with a City rule that allowed hunting on that property and it was a club that I think was primarily of firemen. Allegedly that was taken down and I don't know but I need an answer if it was really taken down and the reason I am asking, is that someone was hunting there last week, last Saturday morning. I heard a gunshot, I walked over there on public property and I confronted a gentleman coming out of the woods carrying his 12 gauge shotgun. I said, "are you allowed to hunt on here?" He told me, it's none of your *!%# business. So I would like to understand if the City can quantify who is allowed to hunt on that property? Do I have to wait for an answer, I'm not sure, I'm just trying to get to the root cause because this has been going on year after year and it appears that the can keeps being kicked down the road."

Mayor Alt shared his understanding that there is no longer hunting permitted on that property. He speculated that someone could hunt the property without permission and to call 911 so the City Police could enforce whatever rules they need to enforce. Mr. Duff stated he did not want to waste City assets having to go out there and confront someone who may have permission. Mayor Alt assured Mr. Duff that at the end of the meeting he would speak with the Chief of Police to confirm that no hunting is permitted on that property.

Mr. Duff's second topic questioned regarded a recent request for public records pertaining to the above discussed property. He stated the city issued form he filled out indicated there would be a response within ten (10) days. "So what happens when this is day thirteen

(13)?" Interim City Manager Saldo responded it was the responsibility of the Clerk's office to respond to record requests, he would follow up on it, and get back with Mr. Duff.

Ms. Lora Sharkey, 432 Cades Trail, spoke to the Board about traffic management.

"The consultant that is working on the Comprehensive Plan had a question by one of the Aldermen, *"what is traffic management?"* It is one of the BIG issues he pointed out in the Comprehensive Plan. To the best of my understanding, traffic management would be to manage traffic, not let it be a traffic jam, to avert traffic to over burdened roadways, to facilitate movement of vehicles and people throughout the city, to make things better, to make things more conducive to citizens. While this relates to the zoning request by the Cades Cove HOA, traffic management should be the heart of this decision. The Planning Board ruled to deny that request because of the hindrance a gate in that neighborhood would cause traffic flow. It would not be to the best interest of the citizens at large. When we look at one street, one little neighborhood and bend to that will, we are not doing what may be best for the City at large. It's important to remember to have different avenues of travel in important places. This one area, I would say the important place is the plaza that houses the Senior Center, Galloway Sands Pharmacy, and a dialysis center. People use the thoroughfare through Cades Cove when Howe Street is at a standstill and they should. They may need to go to dialysis, they may need to pick up their prescription, they may need certain services at the Senior Center, they may be dropping off someone who can't drive there themselves. They are providing somebody else a service and when they are confronted with standstill traffic on Howe Street, but they need to get to that plaza, the logical choice is to go through Cades Cove. When the building plans were approved, it showed that those roads would connect and it was approved that way and that was because there was an understanding that it would assist with traffic management. We should stay the course with what the original plan was so that we can serve the greater good of the community. That's the over arching goal of government, I hope, and the people we elect to the Board of Aldermen."

Mr. Charlie Hess, 4459 Willow Moss Way stated; "I wanted to come and echo what Warren and Lora said. I'm just going to talk about the safety and emergency aspect of getting in and out (of Cades Cove) in case of an emergency. Our neighborhood is getting impacted from development on Robert Ruark Drive. I am really concerned that if we cut down any kind of exit or evacuation route off of Robert Ruark Drive that it is going to impact the future of that intersection and Howe Street. Lora made a good comment about the dialysis center and how people have to sometimes get to and from that plaza quickly. I know that they talk about the 1,000 year storm we had back in the Fall, I think that is an occurrence we will be dealing with off and on. We had a gridlock in this town, it was a complete shut down of traffic all around the community. We are a community here, we really want to work together for the common good of everybody in Southport."

Alderman Lai moved to close Public Comment, second by Alderman Kelley.
Unanimous vote; motion carried.

E. Approval of Agenda

Alderman Davis made a motion to approve the Agenda, second by Alderman Lai.
Unanimous vote; motion carried.

F. Agenda

1. Cades Cove Rezoning and PUD Modification (Agenda pages 2-11)

City Planner, Mr. Wendell Biddle, addressed the Board. He indicated the question at hand is; *"Are you as a Board going to vote in favor of or against a gate at the Robert Ruark Drive and Cades Cove entrance?"* He gave a brief background review and reported that the request was found to be inconsistent with the Unified Development Ordinance (UDO) and the CAMA Core Land Use Plan due to the needs of the community and inter-connectivity of the area subdivisions. He added that after consideration and public input, the staff has forwarded to the Board a denial of the applicant's request.

Recalling a previous Board conversation, Alderman Kelley asked for an update on the roads dedication and her understanding that there are legal issues that would prevent the city from being able to take over the roads. Mr. Biddle responded that the roads will change from public to private if the Board approves the request for a gate, he did not have an update on road dedications nor was road dedications part of the requested map amendment.

Responding to a question by Alderman Davis and pointing out the original master subdivision plat was a Planned Residential Development (PRD), Mr. Biddle clarified that the map amendment would change the master plat from a (PRD) to Planned Unit Development (PUD). He added that a change to the master plan would be required if a gate was installed.

City Manager Saldo emphasized that whether the streets are public or private, the subdivision is still subject to the UDO. He pointed out there are two (2) parallel discussions; should the City accept or not accept the streets and if the Board wants to allow a gate.

There was confusion as to what the results would be if the Board adopted the proposed draft language. City Manager Saldo stated a yes would result in a gate and a no would result in no gate.

Alderman Carroll emphasized that the roads being private or public was not part of the current decision. City Manager Saldo agreed and said the roads issue had already been determined by the Cades Cove HOA and the attorney.

Alderman Kelley questioned if the Planning Board had the information regarding the roads being declared private when they sent the Board their recommendation; "The Planning Board sent us a recommendation based on old information?"

Alderman Carroll asked Alderman Mosteller to read the following; "The Board of Aldermen shall consider the following: *Application's consistency to the general policies and objectives of the city's comprehensive plan, any other adopted plan that is applicable and the UDO. The potential impacts and/or benefits on the surrounding area and adjoining properties."*

Alderman Mosteller emphasized that the Planning Board recommended denial of the proposed changes because the proposal is inconsistent with the Comprehensive Plan and unreasonable due to the attributes of the area proposed to be rezoned and detriments to the neighbors and surrounding community.

Alderman Carroll pointed out that the Board has many times collectively mentioned the importance of the Comprehensive Plan and how they should look to it for guidance.

Alderman Carroll made the motion to deny the Land Use Consistency Statement and Land Map Amendment. Alderman Mosteller seconded the motion.

Discussion

Responding to a query by Alderman Davis, Mr. Biddle confirmed that the motion made would be a denial of a gate.

Alderman Carroll emphasized that Cades Cove was developed and approved the way it is today for connectivity. Mr. Biddle concurred stating; "That's exactly correct. One major question about the review, was the connectivity that's part of any subdivision review is, how is connectivity going to be, and not just for the time being, but for generations after."

Alderman Kelley stated her concerns about the financial impact to the property owners.

Alderman Mosteller stated; " if this gate goes up, then you have Southport Way, Bonnet's Way and Osprey Landing which are all parts of Southport. The only connectivity to our town is going to be the intersection of 87 and Howe Street that's going to be under construction with the widening project considerably until 2027. Be clear, there has also been discussion about the kinds of gates and what would be allowed through. The two (2) gates that were given as examples in our packets did not have a province for people getting through, except the one at Olde Southport has a door with a key pad on it. I want us to know that the Olde Southport neighborhood keeps their gate open all day long starting at 7:00 am and closes it at 7:00 p.m. or later depending on if it is summer. This is a mess but long term future of the city connectivity, long term future of the city is better if we work with the HOA to figure out how to adopt the roads so it takes the burden long term off of them financially, that's not a good solution but gating it is a whole other conversation and we talked about bicycle and pedestrian access, that was in our packet but then we talked about golf cart access but that is not in any of the documentation and you would have to have a six foot wide opening on each side of the gate to allow golf carts to pass through. Golf carts can't bump up on the sidewalks. I'm assuming laws apply there too. You just can't drive a golf cart on the sidewalk and quite honestly, bicycles aren't supposed to be on sidewalks if you are over 15 years old. They expect us adults to be in the roads with our bikes. This whole gate thing, I appreciate everything and I am not minimizing any of this but there has to be a better solution long term with roads and paying for roads and that's the sticking point, it's incumbent on us to figure it out. A gate is not in the best interest of the community."

Mayor Alt stated the following; "There are two things that can happen here. 1. If we ever figure out a better way of doing this, I suppose the gate could come down if they figured it out. 2. I hate to say this because it is going to impact me, there is actually going to be another north/south corridor to get into the downtown section. You'll be able to flow from Robert Ruark all the way down to 9th Street by another road and that's the road that is going to be built in Waterview, Indigo 2, whatever you want to call it. So there is access to get out of there and for the conversation about what happens during an emergencies, we've had long extended conversations about that. During evacuations the gate would be open. Fire Department, Police Department can open the gate at will and they are going to be working on a process so on the 4th of July it will be open, and big holidays when we have lots of traffic it will be open as well. Those conversations have already taken place."

Responding to a query by Alderman Carroll, Alderman Kelley indicated the roads in Waterview/Indigo 2 will be dedicated as public prior to any building.

Alderman Davis broached the subject of Olde Southport's streets being a loop that takes you back where you started. Alderman Carroll added that Old Southport was not developed for connectivity.

Alderman Carroll asked Chief Coring if any studying of the complaints had been performed. Chief Coring stated that when calls are received about speed in any neighborhood, the department does stationary patrols, puts in a sign that monitors the traffic and the department evaluates that information. He stated it had been six (6) years since a study had been done in Cades Cove.

Quoting the Planning Director, Alderman Mosteller said; "inter connected streets provide safe and efficient routes that function independently and promote multiple modes of transportation such as cars, walking, biking and golf carts and the frequency and length of time major roads is reduced, minimizes the impacts of future development and environment."

At Mayor Alt's request, City Manager Saldo confirmed that a vote in favor of the motion would be "no gate."

Vote: Ayes: Aldermen Carroll, Mosteller, Lai, Spencer
Nay: Aldermen Davis, Kelly
Vote: 4-2; Motion Carried.

2. Old City Hall/Courthouse (Agenda pages 12-17)

City Engineer Tom Zilinek spoke about the Old City Hall/Courthouse project. He gave an update; he and Police Chief Coring met with Moseley Architects to walk through the building, the first Moseley had of the building. The outcome was that they determined it has sufficient capacity for the Police Department, both current and future needs. Moseley prepared preliminary drawings and a cost estimate of what it would cost to make it into a Police station (numbers and plans provided in the agenda packet).

Mr. Zilinek reviewed the overall space needs:

- Police Department Current Space 7,151 sq. ft.
- Space Needs to 2044 8,600 sq. ft.
  (includes a 35% internal circulation factor)
- A *Sally Port* would be added in the future if needed 800 sq. ft.
  (would not be part of the existing building)

Total Current Needs 6,300 sq. ft.

- ♦ Old City Hall 8,500 sq. ft.

Mr. Zilinek reported that the space includes a training room and a 30 seat multi purpose room that will be used as the Board of Aldermen Chamber, Planning Board, Board of Adjustment and any other committees meeting room.

Pointing out he was asked to look into Old City Hall being used for Administrative space. The Moseley report provided the following:

- ♦ Current Administrative Space 7,700 sq. ft.
- ♦ Space Needs to 2044 8,800 sq. ft.
- ♦ Proposed Courtroom 1,800 sq. ft.
- ♦ Proposed Useable Office Space 6,700 sq. ft.

- ♦ Old City Hall 8,500 sq. ft.

Pointing out she had specific architectural questions for Moseley Architects, and they were not present, Alderman Mosteller suggested tabling the discussion until the architects could be present. She sited as some of her concerns; have to go through the gun cleaning and bag and tag room to get to the sergeant's office and the proposed reduction in size of the Aldermen's Chambers.

Mayor Alt recommended moving the discussion to the Board's March meeting. He indicated he had questions also and suggested each Board member write down any questions they may have and provide those to Moseley. Mr. Zilinek to confirm the attendance of Moseley Architects at one of the March meetings.

Alderman Carroll shared his concern; "I think it is important for us to recognize the historical aspects of this structure as we continue to move forward and really trying to bring it back to what it really was. The two (2) wings on either side, I would like us to try to make those look better. A previous architect did some work on that to make it look a heck of a lot better, brought in bigger windows, make it look much better than it does today."

3. NC Wildlife Sunny Point Property Sale Extension Request (Agenda pages 18-24)

Mr. Ben Solomon addressed the Board regarding the Southport-White Springs acquisition (City of Southport 427 acre property adjacent to Military Ocean Terminal Sunny Point (MOTSU).

Mr. Solomon emphasized why is it important to Conserve Land:

- ♦ to conserve North Carolina's wildlife resources and their habitats and provide programs and opportunities that allow hunters, anglers, boaters and other outdoor enthusiasts to enjoy wildlife-associated recreation

- ♦ Focus on Four (4) Categories
  - ♦ Protect Populations
  - ♦ Protect Habitat
  - ♦ Expand Public Land
  - ♦ Create Public Access

Mr. Solomon stated the Southport-White Springs property is unique in that it checks all four of the categories. He indicated that 14 acres of the tract are to be retained by the City and Brunswick County.

Mr. Solomon's presentation continued:

<u>Biological Overview</u>

- · Tract will be an addition to *Green Swamp Game Land*
- · Extremely biodiverse and ecologically significant property
- · Home to one of seven remaining *Carolina Gopher Frog* populations in North Carolina,
- · Several other non-game species have been documented on the tract including *Eastern Chicken Turtle* and *Red-Cockaded Woodpecker*
- · The adjacent Swain Tract of Green Swamp Game Land is a reintroduction site for the federally endangered *Magnificant Rams Horn Snail*

Mr. Solomon pointed out that the property is a very fragile ecosystem that Wildlife has a high interest in conserving and managing into perpetuity. Any industry, hydrology altering activity would undoubtedly change the nature of the habitat that is currently on the tract. Any mining or wells that alter the water table would have a detrimental impact on this one of seven Carolina Gopher Frog populations.

<u>Acquisition Timeline</u>

- · Acquisition has received final approval from NCWRC Board of Commissioners
- · Council of State review is scheduled for early March
- · NCWRC has been awarded three grants (federal and state) to purchase the property at appraised value $637,535
- · One of the funding sources (NC Land and Water Fund) requires the grantee to complete a boundary survey with updated legal description
- · Survey work is also required to complete two sub-divisions for parcels retained by the

City and County

Mr. Solomon reported that a surveyor has been contracted. He explained that they had a hard time finding a surveyor that would take on the property. That is not uncommon for Brunswick County, it's a problem statewide. The surveyor is actually coming from Troy, North Carolina to complete the survey, he was on site last week and he is making good progress. The estimated completion date of the survey is mid March. Title work has been contracted and is underway with expected completion mid March also.

Acquisition Timeline

Items needed to close

- Complete boundary survey
- Council of State approval
- Title report
- Attorney General's Office Review
- Closing

Extending the option agreement will allow time to complete due diligence and close by September.

Mr. Solomon estimated that late April, early May is a realistic time line to get everything completed and send the property to close. He spoke about the option agreement extension that Wildlife feels is critical in order to have success serving this property. Without the extension Wildlife would be up against a tight time line window. So, the extension would move our option expiration date from March 21 to July 31, 2025 with a closing to occur on or before September 5, 2025.

In response to questions from Alderman Davis, Alderman Kelley, Alderman Lai, and Mayor Alt, Mr. Solomon explained that the property would be open to the public for archery-only hunting six days a week. He clarified that the archery-only restriction is due to the site's proximity to the Military Ocean Terminal Sunny Point (MOTSU). Enforcement of hunting regulations would be handled by Brunswick County game wardens.

Mayor Alt shared his frustration that the purchase transaction has taken over a year. Mr. Solomon explained the process the agency is required to follow.

Mayor Alt asked the Board to consider postponing this decision until the March Thursday meeting in order to get more information on the group *Unique Places To Save*. He stated the group came up just this morning when he was talking to multiple mayors in this area. Boiling Spring Lakes (BSL) had them. He provided a synopsis of what the group does; "the group goes out, they get the grants, they buy the property, and once they get the property, they deed it back to the jurisdiction to manage the conservancy. St. James is going to do it with 450 acres on NC 211. It is a conservancy, no basketball court, no playgrounds, no anything and basically the same configuration as this. I don't know the pros and cons enough to have that conversation now and I would ask that we wait for 30 days to get more information to see where we are going because this has not been a high priority for the state of NC to take a year for this so another 30 days shouldn't hinder what they are doing, I'm not suggesting for a moment that we pull out of the agreement, I'm just saying that perhaps there are other options that we may want to take a look at since it is taking so long." Mayor Alt suggested having further conversations with the Mayors of BSL and St. James; the pros and cons.

Stating appreciation for all the dialogue, Alderman Mosteller said; "This is wholly different from what you are talking about because Wildlife already owns the two adjacent properties of White Springs National Heritage Area of which we are the third star and we actually are the most significantly valuable piece of the three. Wildlife gets our piece then they manage it along with those pieces. They have to know that we did sand mining and lost the $1.6M grant because it had a conservation clause in it that we did not adhere to. So Wildlife has to spend money to repair that damage once they own it. So, there is nothing to wait on. This is absolutely the right thing to do for this parcel of property."

Alderman Mosteller, *"I want to make a motion to extend the expiration date of the option agreement Parcel ID # 1900002 to new expiration date of July 31, 2025 with closing to occur on or before September 5, 2025."* Alderman Carroll seconded the motion.

<u>Discussion</u>

Alderman Davis indicated she would like to hear from Unique Places to Save, possibly a presentation made to the Board.

Alderman Mosteller; "What I would say is they are investing in all of this and we are hoping they will continue with this contract but we're saying now that we're going to entertain someone else. You do that at the end of the contract if it doesn't work. And, they are the ones that are going to manage it. They are going to do the burns, they are going to do all the things that need to be done to manage it. They are going to restore the damage that we created. To get somebody else to buy it to give it back to us, it needs to go into conservancy in perpetuity with Wildlife because it's part of that full ecosystem there."

Mayor Alt; "30 days is just to get all the data. As you remember when this was first proposed it was one shop stop, we never put this out for bid, we never looked at all the other conservancies, we never did anything. We went to this group and this group only and now they have had a year to play in this, they couldn't find a surveyor. I find that almost unbelievable. So that is all I'm suggesting you consider is that three week period to see what the pros and cons would be and if the cons outweigh the pros of this then we should move forward with this. All we're doing is postponing this decision for three weeks."

Noting the City is still under contract with Wildlife, Alderman Kelley stated; "I want to remind everyone that we are selling this property significantly less than what we purchased it for regardless. The City of Southport is making a huge investment into the conservation of this piece of land. I think 30 days to make sure we are doing the best thing for the citizens makes a whole lot of sense."

Alderman Lai stated; "You guys are going to go on asking for an extension. Why can't it? Why can't we do two things at a time and see if there's something else out there? I'm all in favor of what's going on, but if there is something else out there, I'd like to hear what it is and better educate myself."

Alderman Carroll suggested a compromise; "come together with a motion that would allow us to move forward with what Alderman Mosteller is suggesting with the exception that something could change." Mayor Alt stated; "I don't think so. It's either get 30 days to consider other options or we go with the motion."

Ayes: Mosteller, Davis, Carroll
Nay: Lai, Kelley, Spencer
Mayor: Nay
4-3
Motion Failed.

Responding to a query from Alderman Mosteller, Mr. Solomon indicated they would continue forward with the survey and their due diligence. As long as the City agrees to uphold the current option agreement, we will do everything in our power to purchase the property by the option deadline.

Mayor Alt; "And I will give you the best commitment I can that we will get you an answer as quickly as we can. I do not want this to drag on. It is unfair to all sides."

Alderman Carroll asked if Wildlife may be able to close by the date currently in the contract. Mr. Solomon responded it would be very difficult and it was prudent to request an extension in advance of the option expiration.

4. Concession Agreements (Agenda pages 24-48)

Ms. Allayna Taylor, Director of Community Relations, spoke to the Board regarding two (2) Concession Agreements the City has with the Southport Historical Society; the Old Jail and the Susie Carson Research Room. She indicated the Old Jail is a lease because the Historical Society gets the use of the entire property. The concession agreement for the Susie Carson Research Room is for an archivist and research space in Fort Johnston. Both agreements are due for renewal she said.

Responding to a questions from Alderman Davis, Ms. Taylor stated that the Southport Historical Society is local to Southport and it is a non profit whose mission is to preserve the history of Southport.

Mayor Alt asked about the Ft. Johnston Gift Shop. Ms. Taylor indicated that Mr. Phil Fravel had run the gift shop and research center up to his passing. In talks with the Historical Society, the society chose to leave the gift shop out of the Concession Agreement. The current Concession Agreement is for the Susie Carson Research Room only, it does not have specific hours, it is run by Southport Historical Society volunteers which are different from the volunteers that the City has to run the Visitors Center. She stated that the Concession Agreement would maintain the status quo and would not be changing anything City Staff does.

Alderman Kelley asked about the gift shop. Ms. Taylor responded that the gift shop is not in operation. "After Phil's passing, the Historical Society and my department talked about my department taking back over the gift shop and starting to run it through the City. Those talks were being had with the previous City Manager. Unfortunately by January 1, 2025, an agreement had not been made so instead the Historical Society pulled out and we currently do not have a gift shop next door."

Board members speculated on if the City needed a gift shop and asked if volunteers are being sought for that role. Ms. Taylor spoke about the fantastic job the current volunteers are doing talking to visitors and sharing the history of Southport every day but not operating a gift shop. Alderman Carroll asked if the City made any income from the gift shop. Ms. Taylor indicated that any profits made had to go back into the building per the State Historic Preservation Office (SHPO) standards.

Mayor Alt pointed out there was nothing that would prevent the Historical Society from operating a gift shop in the future. Ms. Taylor concurred and stated a separate agreement would have to be adopted saying so.

Alderman Carroll asked why an agreement on operation of the gift shop had not been made. Ms. Taylor stated that Phil's passing was sudden, it was holiday time and the Historical Society wanted to have things in place by January 1 for sales tax reasons. At that time, the Historical Society was uninterested in continuing the gift shop. They felt it was beyond their bandwidth without Phil.

Alderman Mosteller made a motion to approve the Susie Carson Research Room Concession Agreement between the City of Southport and the Southport Historical Society which grants the Southport Historical Society exclusive use of the easternmost exhibit room in the Garrison House for archival storage and research in accordance with the terms outlined with the agreement. Alderman Kelley seconded the motion.
Unanimous vote; motion carried.

Ms. Taylor pointed out that two (2) changes to the Old Jail agreement were made by the City Attorney:

- Be clear about the insurance and liability that the City requires
- Shorten the term to a 5-year from a 10-year

Alderman Carroll asked about the details of the insurance. Ms. Taylor indicated the details are in the lease agreement, what they are currently carrying and has been looked over by the City Attorney.

Mayor Alt questioned who is in charge of looking at the leases/agreements, etc. for the variety of different buildings leased oftentimes for a dollar a year. City Manager Saldo stated there was not a formalized review process other than when it comes up for renewal which is handled by the specific department handling it. He added that a process can be something staff puts in place though his office, City Attorney, and department heads. Mayor Alt pointed out there should be a yearly update to determine the lessee is maintaining the required insurance coverage.

Stating he did not know you could insure a building you did not own, Alderman Carroll pointed out that the Historical Society is carrying fire hazard and casualty insurance on the structure. Ms. Taylor stated the insurance was difficult to get but because of the agreement language, the insurance entity was assured the Historical Society has the sole use of the building and they open it for tours as well.

Responding to a query by Alderman Carroll, Ms. Taylor state the building is insured at $1M per occurrence and $2M aggregate and indemnity.

Mayor Alt directed the City Manager to make sure in other agreements for buildings, the insurance coverage reflects the true value of the building.

Alderman Mosteller made a motion to approve the lease agreement as presented between the City of Southport and the Southport Historical Society for the management, maintenance, and operation of the Old Jail Building. Alderman Spencer seconded the motion.
Unanimous vote; Motion carried.

5. Potential UDO Updates

Mayor Alt explained his intentions of putting UDO Updates on the agenda for the audience; "When I put this on the agenda for the updates, some of this has already been set into motion, some of it has not. What happened is that policies and procedures are, we building out and we didn't realize that every year the legislation could change but we never updated it. So, our UDO is out of sync in a number of different places. There are a number of things that need to be done. There are a number of others, i.e. stormwater, and Mr. Zilinek has given us an update on some of that. Most of it is in some form of forward progress. And then there's the other outstanding issues. I'd like to get the seal of the Board about getting a small work group together that would be staff, there are a couple of citizens are really subject matter experts on this and a couple of elected officials to start the process of finally getting everything together that we think we need to look at and what does that look like. It may mean that we need to go out for a contract. It may mean a lot of different things. I don't know what it means but I know we've talked about it for a long time and I think we need to look at how we do that. Now I could just do that because the power of the Mayor allows it, but if there is no will of the Board, I don't want to waste the time and money to do that so I am asking you for a nod of your head or something that says should we go forward with that."

Alderman Davis stated her support and suggested publicly advertising for volunteers.

Alderman Mosteller expressed confusion. Mayor Alt stated he was not suggesting a comprehensive update of the UDO; "to look at the UDO, to work with the Manager, to look at what is out of date, what needs to be done, prioritize those things and start moving forward, the low hanging fruit we could start addressing relatively quickly."

Pointing out that staff is responsible for UDO amendments, etc. Alderman Mosteller emphasized; "Staff should be able to go through the UDO. That's part of their job is to recommend updates. If you're talking statutorily and statutory changes and that sort of thing, that's a staff function. What happens is that when we updated it in 2020, there were legislative things in the old UDO that we corrected. That happens and all we need is to say to staff that on an annual or session basis, review session law and propose UDO updates because these are text amendments and go through the process. This is really a staff function."

Mayor Alt shared his experiences that citizens have expressed concerns about the UDO to him. Alderman Lai questioned if citizens should first reach out to the City Manager. Alderman Kelley concurred and she stated her opinion that asking citizens for input is always a good opportunity. Expressing confusion, Alderman Carroll asked if the point of the discussion was just UDO statutory updates or more. City Manager Saldo responded; "I think there are two conversations that we can pursue. The first is the legislative changes that have been made and need updated in the UDO and Code of Ordinances. Then as we identify issues in the UDO, bring those to the Board. I'll work with staff and any concerned citizens."

Alderman Carroll asked if there was a specific timeline as to how often the UDO should be updated. Alderman Mosteller indicated that last major update was 2020; "we tasked the Plannning Board with going section by section, reviewing and updating." She pointed out that a major UDO update is also a budgetary item. She recalled submitting potential updates to the Planning Director six (6) or eight (8) months ago.

Mayor Alt stated; " I understand the complexity of doing an entire UDO rewrite. I'm suggesting something less than that. There's some real low hanging fruit we can chat about. We have good intentions, but we never seem to move forward. I'm looking for helping all of us, get focused, staff get focused and if it's every quarter, they come to us. I think the manager has a good point, we let him work with staff and citizens, he brings suggestions to the Board and we direct the Planning Board to take action." Similar to Alderman Mosteller, Mayor Alt recalled submitting ideas to the Planning Director. Alderman Davis did as well. Alderman Mosteller stated her support for a quarterly review.

Board consensus for the City Manager to work with staff, any concerned citizen and determine the best course of action for UDO amendments.

G. City Manager's Report

City Manager Saldo reported he has had exceptional meetings with staff and community members during his first few days and indicated he would continue to work on key issues; "I look forward to moving the organization forward."

H. Mayor's Comments

Mayor Alt reported that a local and state government meeting is to be held in Raleigh February 26, two Board members are attending, and he reminded the Board to convey any thoughts and concerns to him prior to the 26th.

Mayor Alt shared his recent visit to Dublin County, a farming community. He stated the government buildings are spectacular, everything is new, they have a convention/auditorium that was all paid for by the State of North Carolina.

I. Board Comments

Alderman Spencer commented; "From what I've heard this meeting, we have to decide how we move forward. We see our country moving towards more of a protective state, blocking our borders, protecting ourselves, taking away giving to the outside and turning inward. I think that is a fair assessment of what's happening around the nation. We're no different. We've got to decide are we going to have our arms wide open or are we going to be protective about our properties? Cut them, shut them down to traffic and keep them for ourselves. And it has to be a decision of what is right for the future of Southport. I am conflicted with connectivity. It's a double edged sword. The more connectivity you have, the more we allow people to flow through our roads that don't pay the bills. And it is a tough position to be in. I'm proud that people come to my hometown, but I'm tired, it's sort of like visitors. After a while, you just want to go home and stay there. We have more difficult conversations in the 2050 Comprehensive Plan. And, if I'm the only one that wants to sort of slow down, then maybe, I need to be quiet. I want people to come out and speak their mind about what they want to see in Southport. I'm not so excited about the tourism economy, it doesn't feed anyone, it doesn't provide sustainable wage job for anyone. The only sustainable wage jobs we have are government and they are low paying jobs. So, all these decisions have to come from what we really want to be. I think that with the 2050 Comprehensive Plan we need to step up and look harder at that and be more detailed and more intent as to what we want in the future."

Alderman Kelley shared; " We have another new Southport resident. I want to congratulate my brother and sister-in-law on their daughter, Palmer, who was born last Thursday. I want to welcome Noah to the table with us. I want to tell you how excited I am, I think we all have quite a vote of confidence in you, and we're excited to watch you help us move forward without having a break in anything that we are doing. I think there is value in the fact that you know what's been going on in our City, and you'll make this transition for us as a Board, as well as for our staff and all the citizens and businesses as easy as possible."

Alderman Davis spoke; "I read and heard a bit about last Thursday night when we came out of closed session and appointed Noah Saldo as Interim City Manager. There was reaction about what happened to the previous city manager. Was there lack of transparency about whatever happened to him? That it occurred in closed session and our city attorney was with us and advised us that it was a personnel matter and that we did not have the right to say anything about it. It would be up to him, the fact that he had tendered his resignation. Ultimately, there was a press release from the City, which he had approved, so there was no lack of transparency."

Alderman Carroll stated; "I thought we had a great meeting today. This is how it's supposed to play out. And Noah, you stepped up to the plate and we appreciate that very much. This mayor, this Board are here to support you and to support our staff."

Alderman Mosteller; "I would just hope that the Cades Cove conversation will continue with regard to the roads, staff is going to be available to them to answer any questions and to work with them in the future for possible road assumption." Additionally, she echoed sentiments by Aldermen Kelley and Carroll towards Interim City Manager Noah Saldo.

J. Closed Session NCGS 143-318.11 - 1:50 p.m.

Alderman Kelley made a motion to go into Closed Session per NCGS 143-318.11 (3), (5). Motion seconded by Alderman Lai. **Unanimous vote; motion carried.**

(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 items of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; (ii) the amount of compensation and other materials terms of an employment contract or proposed employment contract.

Return to Regular Session - 2:30 p.m.

Alderman Spencer made a motion to close Closed Session and re-enter Regular Session. Alderman Kelley seconded the motion. **Unanimous vote; motion carried.**

Alderman Mosteller made a motion to appoint Fox Rothschild as special Shoreline Stabilization attorney and approve the underlying contract not to exceed $40,000. Alderman Carroll seconded the motion. **Unanimous vote; motion carried.**

Alderman Kelley made a motion to adopt the Interim City Manager's contract. Alderman Lai seconded the motion. **Unanimous vote; motion carried.**

K. Adjourn

Alderman Spencer moved to adjourn the meeting at 2:34 p.m., seconded by Alderman Lai. **Unanimous vote; motion carried.**

____
Richard Alt, Mayor

ATTEST:

____
Tori Deviney, Deputy City Clerk

(SEAL)

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: 5/8/2025 **DEPARTMENT:**Public Works

PRESENTED BY: Tom Stanley- Public Works Director

ITEM SPONSORED BY: Public Works

ITEM/TOPIC: Disaster Debris Contract

COST: No set cost- depends on the magnitude of disaster (Unit Based)

BUDGET LINE ITEM: Fund Balance

JUSTIFICATION: A hurricane debris disaster response contract is essential for a city to ensure rapid, organized, and efficient cleanup following a major storm event. Such a contract pre-establishes relationships with qualified contractors who can mobilize immediately after a hurricane, reducing public safety risks, preventing health hazards, and accelerating community recovery. It also ensures compliance with FEMA reimbursement requirements, helping the city recover costs while maintaining accountability and transparency. Overall, this proactive measure protects residents, infrastructure, and the local economy during times of crisis.

IMPACT IF NOT APPROVED: If the debris contract is not approved, the city may face significant delays in clearing debris and ensuring public safety after a hurricane. Without a pre-established agreement, the city would have to go through time-consuming procurement processes during an emergency, leading to slower response times, increased cleanup costs, and potential ineligibility for FEMA reimbursement. This can prolong recovery, strain local resources, and increase health and safety risks for residents.

DEPARTMENT HEAD COMMENTS: As the department head, I strongly support having this debris removal contract in place before the hurricane season. It ensures we can respond immediately and effectively in the aftermath of a storm, without delays caused by emergency procurement. Pre-arranged contracts give us access to experienced contractors; help protect public safety and position us to meet FEMA reimbursement requirements. It's a critical step in being prepared, reducing recovery time, and safeguarding our community.

CITY MANAGER COMMENTS: The debris removal contract will ensure that the City has the rapid debris removal response that we need after a storm. The contractor was chosen after a competitive bidding process, ensuring we meet all the legal requirements and select the best company.

ATTACHMENTS: Johnson Environmental & Disaster Consulting Services Contractor recommendations for 2025-2027 Phase II Vegetative Debris Removal/Disposal and C&D Debris Removal Contract.; Contractor Recommendations for 2025-2027 Phase II Dangerous Trees and Hanging Limbs Removal Contract

REQUESTED ACTION: To award State Tree Service, Inc. as primary contract of the **Phase II- Vegetative and C&D Removal Contract** for the period of July 1, 2025, through June 30, 2027, and that Dynamic Group, LLC being named secondary for the same scope. – To award State Tree Services, Inc. as primary contract for **Dangerous Trees and Hanging Limbs Removal Contract** for the period of July 1, 2025, through June 30, 2027, and that CTC Disaster Response, Inc. be awarded secondary contract for stated work.

PROPOSED MOTION: I move that the Board of Aldermen approve the following contract awards for hurricane debris removal services, effective for the period of July 1, 2025, through June 30, 2027:

1. Phase II – Vegetative and Construction & Demolition (C&D) Debris Removal Contract:
    - Award State Tree Service, Inc. as the primary contractor, and
    - Name Dynamic Group, LLC as the secondary contractor for the same scope of work.
2. Dangerous Trees and Hanging Limbs Removal Contract:
    - Award State Tree Service, Inc. as the primary contractor, and
    - Award CTC Disaster Response, Inc. as the secondary contractor for the stated scope of work.

These contract awards are made in the interest of ensuring timely and effective disaster response capabilities for the City.

JOHNSON ENVIRONMENTAL
& DISASTER CONSULTING SERVICES
429 CAMWAY DR. • WILMINGTON, NC 28403
PH (910) 791-9361 • FAX (910) 796-9918
E-MAIL: mail@johnsonenv.com

April 30, 2025

Mr. Tom Stanley, Public Services Director
City of Southport
1010 North Howe Street
Southport, NC 28461

RE: **CONTRACTOR RECOMMENDATION**

- **2025 – 2027 Phase II - Dangerous Trees and Hanging Limbs Removal and Disposal Contract**

Primary Contractor
State Tree Services, Inc. (STS)

Second Call Contractor
CTC Disaster Response, Inc. (CTC)

Dear Mr. Stanley

On April 10, 2025 the City of Southport conducted a bid reading and tabulation for preposition **Phase II – Hanging Limbs and Dangerous Tree Removal/Disposal Contract** as part of our response and preparedness program. The participation in these "Request for Proposals" was considered satisfactory, for the contract period 2025-2027 the bidding produced 4 qualified bids.

The Bidding Results were evaluated (see attached). The results were competitive with no single company providing the lowest bid for all scopes of work in the Form of Proposal. When evaluating all contractors, it is determined that ***State Tree Services, Inc. (STS)*** is the lowest "overall" bidder. Specifically, the sum total costs for completing the same scope of work from Hurricane Isaias. ***STS*** extrapolated costs to cut and dispose the same number of trees and dangerous limbs as conducted during Hurricane Isaias would be $46,165.00. ***STS*** is also lowest overall estimate for the Alternative Schedule to drop hangers and trees to be managed for final disposal by the Phase II contractor, that estimate is first place extrapolated cost of $30,915.00. The next overall bidder (2nd place) as evaluated would be ***CTC Disaster Response, Inc. (CTC)***, of Topeka, KS***.*** ***CTC*** extrapolated costs to cut and dispose the same number of trees and dangerous limbs as conducted during Hurricane Isaias would be $58,207.00. ***CTC*** is also second place under the alternative to cut and drop dangerous trees and limbs, extrapolated cost of $42.437.00

Based on overall price and equity of price, ***State Tree Services, Inc. (STS)*** should be considered for primary contract recommendation, and ***CTC Disaster Response, Inc. (CTC)*** as the secondary or backup contractor, being the next overall lowest contractor. It was agreed to proceed with evaluation of their experience, financial strength, etc.

Summary of Findings for STS- Primary Contract Recommendation

STS presented a comprehensive support document with their bid package. A Certificate of Insurance (COI) was evaluated with Part 1, Section 6.0 of the Bidders Instructions contract requirements with current enforcement. The Certificate of Insurance (COI) names the City of Southport as the certificate holder and an additional insured. ***STS***'s currently enforced insurance meets or exceeds the requirements of the contract.

Federal Debarment Analysis
The Federal Government System for Award Management (SAM), located at https://www.sam.gov/ was searched for ***State Tree Services, Inc on 4/14/25.*** The search results found no active exclusions for this entity.

NC Debarment Analysis
Additionally, the North Carolina Debarred Vendors List, https://ncadmin.nc.gov/documents/nc-debarred-vendors, was searched for ***State Tree Services, Inc.*** on April 15, 2025 and they were not found as debarred vendors.

STS provided a financial statement, insurance contacts; reference list of recent clients, list of equipment, list of subcontractors and equipment, and the results of calls to a sample of these references is also included with the due diligence documents. Regarding the reference and experience evaluation of this contractor, we found ***STS*** to have significant experience in the debris removal and debris disposal business. The provided experience directly relates debris removal and to the Phase II – Debris Operations contracts they have bid on. State Tree Services was the contractor for City of Southport's most recent debris activations, Hurricane Ian, 2022; completing debris reduction and material haul off, and Hurricane Isaias 2020 Phase II – Debris Removal, Reduction and Disposal Services. STS completed this debris removal project of approximately 45,000 cy vegetation and 145 tons of C&D. Staff's opinion of STS's work and professionalism was excellent.

STS is a Sumter, SC based company. ***STS*** appears to be financially sound from the documents provided. ***STS*** provided a "Financial Report" including Balance Sheet and Profit and Loss Statement for fiscal years ending December 31, 2024. The financial report provided is for State Tree Services, Inc. an S corporation. The report though not verified was evaluated at face value, and it appears the company's total assets for 2024 were $6,120,971.94 with fixed assets (assume property and equipment (less depreciation) accounting for $4,679,933.11. The company's revenues from services contracts during this period were $11,379,784.80; the company's total expenses during the period were $8,528,910.30.

STS bonding company agent confirms that ***STS*** maintains a regular bonding program with the largest bond to date of $2.9M. He confirmed bonding experience and a recent request of bonding for State Tree. He explains that with contracts ***State Tree*** should be able to secure $5+ million in aggregate bonding.

Summary of Findings for *CTC Disaster Response, Inc. (CTC)* - Secondary Contract Recommendation

CTC provided a financial balance sheet (***to remain CONFIDENTIAL***) for the aging period ending December 31, 2024. The financial report provided is for ***CTC Disaster Response, Inc.*** DBA Custom Tree Care though not verified was evaluated at face value, **CONFIDENTIAL SECTION REDACTED**. ***CTC*** appears to be financially stable. They had total accounts receivable for the period of **CONFIDENTIAL SECTION REDACTED**.

Regarding bonding, their Surety Company confirmed a bonding program with a bonding letter stating that CTC surety program is with Atlantic Specialty of up to $20M.

In regards to insurance, ***CTC*** upon request provided COI's with the City of Southport named as an additional insured. The certificates were evaluated and all currently enforced limits meet or exceeded.

Federal Debarment Analysis
The Federal Government System for Award Management (SAM), located at https://www.sam.gov/portal/public/SAM/, and was searched for **CTC Disaster Response, Inc.** on April 22, 2025, and was listed as active with no exclusions from any governmental agency either procurement or non-procurement contracts.

NC Debarment Analysis
Additionally, the North Carolina Debarred Vendors List was searched for these same entities on April 22, 2025 and they were not found as debarred vendors.

Regarding experience, **CTC** is a regular provider of disaster response and focused in that area and tangent services. Their experience list included several projects greater than $1M and over 100,000 cy and has been active since 2011. All prior entities reached for reference would rehire **CTC** for similar work.

It is our recommendation that ***State Tree Services, Inc. (STS)*** be awarded the primary contract (or 1st call) for Dangerous Trees and Hanging Limbs Removal Contract and that ***DCTC Disaster Response, Inc. (CTC)*** be awarded the secondary contract (or 2nd call) for the same listed scope of work.

Sincerely,

Barry L. Johnson

Barry L. Johnson

Enclosures:

City of Southport - Proposal Evaluation
Phase II - Dangerous Trees and Hanging Limbs (Removal and Disposal)

DATE: 4/10/25
TIME: 11:00AM

Phase II - Dangerous Trees and Hanging Limbs

Company submitting proposal	1) Cut and Dispose of Hanging Limbs ($/tree)	2) Cut and dispose of Dangerous Trees A) <6" tree ($/tree)	B) 6" - 18" tree ($/tree)	C) 19" - 36" tree ($/tree)	D) >37" tree ($/tree)	3) Grind, dispose and backfill Stumps A) <24" tree ($/tree)	B) >24" tree ($/tree)	4) Remove, dispose and backfill rootballs A) <24" tree ($/tree)	B) > 24" tree ($/tree)	***5) Alternative Schedule*** Cut and Drop Hanging Limbs ($/tree	***6) Alternative Schedule Cut and Drop trees*** A) <6" tree ($/tree)	B) 6" - 18" tree ($/tree)	C) 19" - 36" tree ($/tree)	D) >37" tree ($/tree)
Mr. D's Tree	$ 1,500.00	$ 1,500.00	$ 4,000.00	$ 7,000.00	$ 8,500.00	$ 800.00	$ 1,500.00	$ 800.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 4,000.00	$ 7,000.00	$ 8,500.00
State Tree	$ 85.00	$ 75.00	$ 325.00	$ 500.00	$ 800.00	$ 200.00	$ 350.00	$ 300.00	$ 400.00	$ 60.00	$ 50.00	$ 125.00	$ 300.00	$ 400.00
CTC Disaster	$ 118.00	$ 118.00	$ 198.00	$ 348.00	$ 498.00	$ 175.00	$ 275.00	$ 195.00	$ 295.00	$ 88.00	$ 68.00	$ 98.00	$ 198.00	$ 298.00
DRC Emerg.	$ 143.75	$ 165.00	$ 287.50	$ 468.00	$ 690.00	$ 258.75	$ 488.75	$ 14.98	$ 18.98	$ 125.00	$ 125.00	$ 250.00	$ 400.00	$ 600.00

Hurricane Isaias - Project Hangers and Trees Actual Data

	Hangers	Leaner/Tree (<6")	Leaner/Tree (6-18")	Leaner/Tree (19-36")	Leaner/Tree (>37")	Rootball (=>24")
	449	1	13	5	1	1

Hurricane Isaias (previous event model) Actual Numbers / Cut and Dispose Option

Company submitting proposal	Hangers	Leaner/Tree (<6")	Leaner/Tree (6-18")	Leaner/Tree (19-36")	Leaner/Tree (>37")	Rootball (=>24")	Total Anticipated Costs		
Mr. D's Tree	$673,500.00	$1,500.00	$52,000.00	$35,000.00	$8,500.00	$1,500.00	$772,000.00		
State Tree	$38,165.00	$75.00	$4,225.00	$2,500.00	$800.00	$400.00	$46,165.00		
CTC Disaster	$52,982.00	$118.00	$2,574.00	$1,740.00	$498.00	$295.00	$58,207.00		
DRC Emerg.	$64,543.75	$165.00	$3,737.50	$2,340.00	$690.00	$18.98	$71,495.23	*$13,288.23*	*19% Delta between 2 & 3*

Hurricane Isaias (previous event model) Actual Numbers / Cut and Drop Option

Company submitting proposal	Hangers	Leaner/Tree (<6")	Leaner/Tree (6-18")	Leaner/Tree (19-36")	Leaner/Tree (>37")	Rootball (=>24")	Total Anticipated Costs		
Mr. D's Tree	$673,500.00	$1,500.00	$52,000.00	$35,000.00	$8,500.00	$1,500.00	$772,000.00		
State Tree	$26,940.00	$50.00	$1,625.00	$1,500.00	$400.00	$400.00	$30,915.00		
CTC Disaster	$39,512.00	$68.00	$1,274.00	$990.00	$298.00	$295.00	$42,437.00		
DRC Emerg.	$56,125.00	$125.00	$3,250.00	$2,000.00	$600.00	$18.98	$62,118.98	*$19,681.98*	*3% Delta between 2 & 3*

Best overall	**State Tree**
2nd best overall	**CTC Disaster**

CITY OF SOUTHPORT
PHASE II- DANGEROUS TREE AND HANGING LIMBS REMOVAL AND DISPOSAL CONTRACT

PART III – FORM OF PROPOSAL

TO: City Clerk
City of Southport
1029 N. Howe St., Suite 100
Southport, NC 28461

DATE: 4/7/2025 FROM: State Tree Services, Inc.
(Bidder/Contractor)

PHONE: 803-773-1320 ADDRESS: 1456 N Pike E.
Sumter SC 29153

UNIT PRICE BID: The undersigned, having carefully examined the Instructions to Bidders, ***CITY OF SOUTHPORT – PHASE II- DANGEROUS TREE AND HANGING LIMBS REMOVAL AND DISPOSAL CONTRACT*** dated February 27, 2025 including the following addenda:

ADDENDUM # ________________ DATED: ____________________

ADDENDUM # ________________ DATED: ____________________

As well as the premises and conditions affecting the work, proposes to furnish all services, labor, materials and equipment called for to complete the completion of project in accordance with the contract documents for the following unit price amounts.

Unit price No. 1

CONTRACTOR will cut, gather, load, haul and dispose of Hanging Limbs from rights-of-way, parks, designated public property or private property that endanger the general public with regards to the accepted use of public property within the incorporated limits of the City. Hanging Limbs still attached to privately owned trees shall be cut no farther than the outermost edge of the right-of-way. All trees where hanging limbs are removed must be documented by a City of Southport site monitor or its designee prior to removal.

Unit Price No. 1 $ 85.00 /tree

CITY OF SOUTHPORT
PHASE II- DANGEROUS TREE AND HANGING LIMBS REMOVAL AND DISPOSAL CONTRACT

PART III – FORM OF PROPOSAL

Unit price No. 2

CONTRACTOR will cut, gather, load, haul and dispose of Dangerous Trees from rights-of-way, parks, designated public property or private property that endanger the general public with regards to the accepted use of public property within the incorporated limits of the City. Dangerous Trees originating from privately owned property shall be cut no farther than the outermost edge of the right-of-way. All trees removed must be documented by a City of Southport site monitor or its designee prior to removal.

Unit Price No. 2A	\$ 75.00 /tree less than 6" in diameter
Unit Price No. 2B	\$ 325.00 /tree (6" – 18") in diameter
Unit Price No. 2C	\$ 500.00 /tree (19" – 36") in diameter
Unit Price No. 2D	\$ 800.00 /tree greater than 37" in diameter

Unit price No. 3

CONTRACTOR will grind and dispose of stumps, cut under Part II, Section 2.02 if determined to be a hazard in itself from rights-of-way, parks and designated public property or private property that endanger the general public with regards to the accepted use of public property within the incorporated limits of the City. All stumps ground must be ground to a minimum of five (5) inches below ground level and contractor will fill remaining crater with unclassified fill and compact to ground level. All stumps ground must be approved and documented by a City of Southport site monitor or its designee prior to removal.

Unit of Measurement, DBH (diameter at breast height) the diameter as measured approximately 4' from the ground level and rounded to the nearest inch:

Unit Price No. 3A	\$ 200.00 /tree less than 24" in diameter
Unit Price No. 3B	\$ 350.00 /tree greater than 24" in diameter

PART III – FORM OF PROPOSAL

Unit price No. 4

CONTRACTOR will remove and dispose of root balls from leaning or blown down trees where root balls are at least 50% exposed, from rights-of-way, parks, designated public property within the incorporated limits of the City. CONTRACTOR will fill remaining crater with unclassified fill and compact to ground level. All root balls removed must be approved and documented by a City of Southport site monitor or its designee prior to removal.

Unit Price No. 4A $300.00 /tree 24" or less in diameter

Unit Price No. 4B $400.00 /tree greater than 24" in diameter

Alternative Schedule:

Unit price No. 5

CONTRACTOR will cut, gather, and stage Hanging Limbs from rights-of-way, parks, designated public property or private property that endanger the general public with regards to the accepted use of public property within the incorporated limits of the City on the public right-of-way for final removal and disposal by the Phase II – Debris Removal Contractor. Hanging Limbs still attached to privately owned trees shall be cut no farther than the outermost edge of the right-of-way. All trees where hanging limbs are removed must be documented by a City of Southport site monitor or its designee prior to removal.

Unit Price No. 5 $ 60.00 /tree

Unit price No. 6

CONTRACTOR will cut, gather, and stage Dangerous Trees from rights-of-way, parks, designated public property or private property that endanger the general public with regards to the accepted use of public property within the incorporated limits of the City on the public right-of-way for final removal and disposal by the Phase II – Debris Removal Contractor. Dangerous Trees originating from privately owned property shall be cut no farther than the outermost edge of the right-of-way. All trees removed must be documented by a City of Southport site monitor or its designee prior to removal.

Unit Price No. 6 $50.00 /tree less than 6" in diameter

CITY OF SOUTHPORT
PHASE II- DANGEROUS TREE AND HANGING LIMBS REMOVAL AND DISPOSAL CONTRACT

PART III – FORM OF PROPOSAL

Unit Price No. 6B $125.00 /tree (6" – 18") in diameter

Unit Price No. 6C $300.00 /tree (19" – 36") in diameter

Unit Price No. 6D $400.00 /tree greater than 37" in diameter

State Tree Services, Inc.
Company Name

Mickay Barner
Signature

Secretary
Title

SC
State of Incorporation

(Corporate Seal)

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 04/07/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Countybanc Insurance Services, Inc.
3501 Pelham Road Suite 101
Greenville SC 29615

CONTACT NAME: Randy Stec
PHONE (A/C, No, Ext): (864) 335-2450 FAX (A/C, No): (864) 335-2487
E-MAIL ADDRESS: rstec@ecountybanc.com

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A :	Associated Industries Ins Co	23140
INSURER B :	Selective Insurance Co of South Carolina	19259
INSURER C :	Scottsdale Insurance Co	41297
INSURER D :		
INSURER E :		
INSURER F :		

INSURED
State Tree Services Inc.
1455 N. Pike East
Sumter SC 29153

COVERAGES **CERTIFICATE NUMBER:** 25-26 Master **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY; CLAIMS-MADE; X OCCUR; GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC; OTHER:			AES120112804	02/15/2025	02/15/2026	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ Excluded
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
B	AUTOMOBILE LIABILITY; ANY AUTO; X OWNED AUTOS ONLY; SCHEDULED AUTOS; X HIRED AUTOS ONLY; X NON-OWNED AUTOS ONLY			S 2454176	02/15/2025	02/15/2026	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
C	UMBRELLA LIAB; X OCCUR; X EXCESS LIAB; CLAIMS-MADE; DED; RETENTION $			XLS2006339	02/15/2025	02/15/2026	EACH OCCURRENCE	$ 1,000,000
							AGGREGATE	$ 1,000,000
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N; ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH); If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate holder is Additionl Insured for General Liability as respects work performed by the Named Insured and when required by written contract.

CERTIFICATE HOLDER

City of Southport
1029 N Howe Street
Southport NC 28461

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 04/07/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT
CRW Insurance PO Box 70 Sumter SC 29151	CONTACT NAME: Jennifer A Rogers PHONE (A/C, No, Ext): (803) 775-1168 FAX (A/C, No): (803) 773-8855 E-MAIL ADDRESS: jrogers@crwins.com

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
State Tree Services Inc 1455 N Pike E Sumter SC 29153 (803) 773-1320	INSURER A : Continental Indemnity Company	28258
	INSURER B : Markel American Insurance Co	28932
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES AY **CERTIFICATE NUMBER:** Cert ID 15088 (43) **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY; CLAIMS-MADE; OCCUR						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	POLICY; PRO-JECT; LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY; SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY; NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB; OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB; CLAIMS-MADE						AGGREGATE	$
	DED; RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N			46-784374-02-10	09/06/2024	09/06/2025	X PER STATUTE; OTH-ER	
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - POLICY LIMIT	$ 1,000,000
B	Rented and Leased Equip.			MKLM7IM0055050	06/18/2024	06/18/2025	Limit	$ 675,000
								$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER	CANCELLATION
City of Southport 1029 N Howe Street Southport NC 28461	**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.** AUTHORIZED REPRESENTATIVE Jennifer Rogers

CITY OF SOUTHPORT
PHASE II- DANGEROUS TREE AND HANGING LIMBS REMOVAL AND DISPOSAL CONTRACT

PART III – FORM OF PROPOSAL

TO: City Clerk
City of Southport
1029 N. Howe St., Suite 100
Southport, NC 28461

DATE: 4/2/25 FROM: CTC DISASTER RESPONSE, INC.
(Bidder/Contractor)

PHONE: 785-478-9805 ADDRESS: 4011 SW 29th ST. #130
TOPEKA, KS 66614

UNIT PRICE BID: The undersigned, having carefully examined the Instructions to Bidders, ***CITY OF SOUTHPORT – PHASE II- DANGEROUS TREE AND HANGING LIMBS REMOVAL AND DISPOSAL CONTRACT*** dated February 27, 2025 including the following addenda:

ADDENDUM # ________________ DATED: ____________________

ADDENDUM # ________________ DATED: ____________________

As well as the premises and conditions affecting the work, proposes to furnish all services, labor, materials and equipment called for to complete the completion of project in accordance with the contract documents for the following unit price amounts.

Unit price No. 1

CONTRACTOR will cut, gather, load, haul and dispose of Hanging Limbs from rights-of-way, parks, designated public property or private property that endanger the general public with regards to the accepted use of public property within the incorporated limits of the City. Hanging Limbs still attached to privately owned trees shall be cut no farther than the outermost edge of the right-of-way. All trees where hanging limbs are removed must be documented by a City of Southport site monitor or its designee prior to removal.

Unit Price No. 1 $ 218.00 /tree

CITY OF SOUTHPORT
PHASE II- DANGEROUS TREE AND HANGING LIMBS REMOVAL AND DISPOSAL CONTRACT

PART III – FORM OF PROPOSAL

Unit price No. 2

CONTRACTOR will cut, gather, load, haul and dispose of Dangerous Trees from rights-of-way, parks, designated public property or private property that endanger the general public with regards to the accepted use of public property within the incorporated limits of the City. Dangerous Trees originating from privately owned property shall be cut no farther than the outermost edge of the right-of-way. All trees removed must be documented by a City of Southport site monitor or its designee prior to removal.

Unit Price No. 2A $ 118.00 /tree less than 6" in diameter

Unit Price No. 2B $ 198.00 /tree (6" – 18") in diameter

Unit Price No. 2C $ 348.00 /tree (19" – 36") in diameter

Unit Price No. 2D $ 498.00 /tree greater than 37" in diameter

Unit price No. 3

CONTRACTOR will grind and dispose of stumps, cut under Part II, Section 2.02 if determined to be a hazard in itself from rights-of-way, parks and designated public property or private property that endanger the general public with regards to the accepted use of public property within the incorporated limits of the City. All stumps ground must be ground to a minimum of five (5) inches below ground level and contractor will fill remaining crater with unclassified fill and compact to ground level. All stumps ground must be approved and documented by a City of Southport site monitor or its designee prior to removal.

Unit of Measurement, DBH (diameter at breast height) the diameter as measured approximately 4' from the ground level and rounded to the nearest inch:

Unit Price No. 3A $ 175.00 /tree less than 24" in diameter

Unit Price No. 3B $ 275.00 /tree greater than 24" in diameter

CITY OF SOUTHPORT
PHASE II- DANGEROUS TREE AND HANGING LIMBS REMOVAL AND DISPOSAL CONTRACT

PART III – FORM OF PROPOSAL

Unit price No. 4

CONTRACTOR will remove and dispose of root balls from leaning or blown down trees where root balls are at least 50% exposed, from rights-of-way, parks, designated public property within the incorporated limits of the City. CONTRACTOR will fill remaining crater with unclassified fill and compact to ground level. All root balls removed must be approved and documented by a City of Southport site monitor or its designee prior to removal.

Unit Price No. 4A $ 195.00 /tree 24" or less in diameter

Unit Price No. 4B $ 295.00 /tree greater than 24" in diameter

Alternative Schedule:

Unit price No. 5

CONTRACTOR will cut, gather, and stage Hanging Limbs from rights-of-way, parks, designated public property or private property that endanger the general public with regards to the accepted use of public property within the incorporated limits of the City on the public right-of-way for final removal and disposal by the Phase II – Debris Removal Contractor. Hanging Limbs still attached to privately owned trees shall be cut no farther than the outermost edge of the right-of-way. All trees where hanging limbs are removed must be documented by a City of Southport site monitor or its designee prior to removal.

Unit Price No. 5 $ 88.00 /tree

Unit price No. 6

CONTRACTOR will cut, gather, and stage Dangerous Trees from rights-of-way, parks, designated public property or private property that endanger the general public with regards to the accepted use of public property within the incorporated limits of the City on the public right-of-way for final removal and disposal by the Phase II – Debris Removal Contractor. Dangerous Trees originating from privately owned property shall be cut no farther than the outermost edge of the right-of-way. All trees removed must be documented by a City of Southport site monitor or its designee prior to removal.

Unit Price No. 6 $ 68.00 /tree less than 6" in diameter

CITY OF SOUTHPORT
PHASE II- DANGEROUS TREE AND HANGING LIMBS REMOVAL AND DISPOSAL CONTRACT

PART III – FORM OF PROPOSAL

Unit Price No. 6B $ 98.00 /tree (6" – 18") in diameter

Unit Price No. 6C $ 198.00 /tree (19" – 36") in diameter

Unit Price No. 6D $ 298.00 /tree greater than 37" in diameter

CTC DISASTER RESPONSE, INC.
Company Name

[signature]
Signature

PRESIDENT
Title

KANSAS
State of Incorporation

(Corporate Seal)
NONE

ACORD

CUSTTRE-03 | ARIBORDY

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 4/24/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER
World Insurance Associates, LLC
1415 SW Topeka Blvd
Topeka, KS 66612

CONTACT NAME: Derek Rowe
PHONE (A/C, No, Ext): (785) 271-8097 | FAX (A/C, No):
E-MAIL ADDRESS: derekrowe@worldinsurance.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Cincinnati Specialty Underwriters Ins Co	13037
INSURER B : Cincinnati Indemnity Company	23280
INSURER C : American Interstate Insurance Company	31895
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
CTC Disaster Response, Inc.
4011 SW 29th St. PMB #130
Topeka, KS 66614

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT LOC OTHER:			CSU 0229745	2/14/2025	2/14/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$ 1,000,000 $ 100,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $
B	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY			ENP 0677479	2/14/2025	2/14/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) $	$ 1,000,000 $ $ $ $
B	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $			ENP 0677479	2/14/2025	2/14/2026	EACH OCCURRENCE AGGREGATE $	$ 5,000,000 $ 5,000,000 $
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		AVWCKS3348522025	2/12/2025	2/12/2026	X PER STATUTE / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
A	Excess Liability -GL			CSU 0229747	2/14/2025	2/14/2026	Limit	5,000,000
B	Equipment Floater			ENP 0677479	2/14/2025	2/14/2026	Limit	420,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

City of Southport
1029 N. Howe St.
Suite 100
Southport, NC 28461

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

ACORD 25 (2016/03)

JOHNSON ENVIRONMENTAL
& DISASTER CONSULTING SERVICES
429 CAMWAY DR. • WILMINGTON, NC 28403
PH (910) 791-9361 • FAX (910) 796-9918
E-MAIL: mail@johnsonenv.com

April 28, 2025

Mr. Thomas Stanley, Public Services Director
City of Southport
1010 North Howe Street
Southport, NC 28461

RE: **CONTRACTOR RECOMMENDATION**

- **2025 - 2027 Phase II – Vegetative Debris Removal/Disposal and C&D Debris Removal**

Primary Contractor
State Tree Services, Inc. (STS)

Second Call Contractor
Dynamic Group, LLC (DG)

Dear Mr. Stanley,

On April 10, 2025 the City of Southport conducted a bid reading and tabulation for Preposition **Phase II – C&D Debris Removal and Vegetative Debris Removal and Disposal** as part of our response and preparedness program. The participation in these "Request for Proposals" was considered satisfactory, for the contract period July 1, 2025-June 30, 2027 the bidding produced four (4) qualified bids.

The Bidding Results were evaluated (see attached). The results were competitive with no single company providing the lowest bid for all scopes of work in the Form of Proposal. Therefore, the best method for determination is to utilize the contract stipulation 5.04 of the Instructions to Bidders to determine our primary and secondary contractor (see below).

Therefore, when evaluating all proposals from contractors under the Category 3 scenario referenced above, it is determined that ***State Tree Service, Inc. (STS)***, of Sumter, SC is the lowest "overall" bidder. Specifically, for the most likely scenario for delivery sites: Vegetative Debris removal and delivery to Sunny Point DMS, $5.75/cy, grind and operate DMS, $2.50/cy, haul ground material 10 miles, $3.07/cy and C&D from rights of way and town properties removed and delivered to GFL / Sampson County Landfill, $90.00/ton. ***STS's*** overall USACE Hybrid Cat. 3 Model (Vegetative Debris reduced at Sunny Point, and GFL / Sampson County Landfill for C&D Debris) extrapolated cost would be a first-place estimate of $5,134,466.36.

The next overall bidder (2nd place) as evaluated would be ***Dynamic Group, Inc. (DG)***, of Baton Rouge, LA specifically for the most likely scenario for delivery sites: Specifically, for the most likely scenario for delivery sites: Vegetative Debris removal and delivery to Sunny Point DMS, $9.15/cy, grind and operate DMS, $7.50/cy, haul ground material 10 miles, $6.50/cy and C&D from rights of way and town properties removed and delivered to GFL / Sampson County Landfill, $99.25/ton. ***DG's*** overall USACE Hybrid Cat. 3 Model (Vegetative Debris reduced at Sunny Point, and GFL / Sampson County Landfill for C&D Debris) extrapolated cost would be a second-place estimate of $6,177,212.60.

Based on price only, ***State Tree Services, Inc***. must be considered for primary contract recommendation, and ***Dynamic Group, Inc. (DG)*** as the secondary or backup contractor, being the next overall lowest contractor. It was agreed to proceed with evaluation of their experience, financial strength, etc. Therefore, we have completed due diligence evaluation of ***State Tree Services, Inc***. as #1 (primary), and ***Dynamic Group, Inc.*** as #2 (secondary).

Summary of Findings for STS- Primary Contract Recommendation

STS presented a comprehensive support document with their bid package. A Certificate of Insurance (COI) was evaluated with Part 1, Section 6.0 of the Bidders Instructions contract requirements with current enforcement. The Certificate of Insurance (COI) names the City of Southport as the certificate holder and an additional insured. ***STS***'s currently enforced insurance meets or exceeds the requirements of the contract.

Federal Debarment Analysis

The Federal Government System for Award Management (SAM), located at https://www.sam.gov/ was searched for ***State Tree Services, Inc on 4/14/25.*** The search results found no active exclusions for this entity.

NC Debarment Analysis

Additionally, the North Carolina Debarred Vendors List, https://ncadmin.nc.gov/documents/nc-debarred-vendors, was searched for ***State Tree Services, Inc.*** on April 15, 2025 and they were not found as debarred vendors.

STS provided a financial statement, insurance contacts; reference list of recent clients, list of equipment, list of subcontractors and equipment, and the results of calls to a sample of these references is also included with the due diligence documents. Regarding the reference and experience evaluation of this contractor, we found ***STS*** to have significant experience in the debris removal and debris disposal business. The provided experience directly relates debris removal and to the Phase II – Debris Operations contracts they have bid on. State Tree Services was the contractor for City of Southport's most recent debris activations, Hurricane Ian, 2022; completing debris reduction and material haul off, and Hurricane Isaias 2020 Phase II – Debris Removal, Reduction and Disposal Services. STS completed this debris removal project of approximately 45,000 cy vegetation and 145 tons of C&D. Staff's opinion of STS's work and professionalism was excellent.

429 Camway Dr. • Wilmington, NC 28403 • ph (910) 791-9361 • fax (910) 796-9918 • e-mail: mail@johnsonenv.com

STS is a Sumter, SC based company. ***STS*** appears to be financially sound from the documents provided. ***STS*** provided a "Financial Report" including Balance Sheet and Profit and Loss Statement for fiscal years ending December 31, 2024. The financial report provided is for State Tree Services, Inc. an S corporation. The report though not verified was evaluated at face value, and it appears the company's total assets for 2024 were $6,120,971.94 with fixed assets (assume property and equipment (less depreciation) accounting for $4,679,933.11. The company's revenues from services contracts during this period were $11,379,784.80; the company's total expenses during the period were $8,528,910.30.

STS bonding company agent confirms that ***STS*** maintains a regular bonding program with the largest bond to date of $2.9M. He confirmed bonding experience and a recent request of bonding for State Tree. He explains that with contracts ***State Tree*** should be able to secure $5+ million in aggregate bonding.

Evaluation of ***STS's*** debris related experience is also found in the due diligence section. A 2-page list of previous experience was received in the documentation provided in the proposal. The document listed references for 21 different projects. All previous clients reached gave positive reviews of ***State Tree Services*** and all would have no issue rehiring them for similar work in the future. Additionally, ***State Tree Services*** was the City of Southport's contractor for debris removal and all reduction operations during the Hurricane Ian and Hurricane Isaias responses, as well as performed as the 1st tier subcontractor during Hurricane Florence.

<u>Summary of Findings for Dynamic Group, LLC. (DG) - Secondary Contract Recommendation</u>

DG requests financial information remains **CONFIDENTIAL**. ***DG*** appears to be financially stable. The financial report provided is for Dynamic Group, LLC though not verified was evaluated at face value, and it appears the company's total assets for pd ending 12/31/2024 were CONFIDENTIAL SECTION REDACTED DG appears to be financially stable. They had total Contract revenues for the period of CONFIDENTIAL SECTION REDACTED. DG provided a notarized statement claiming it has no Legal Events that could detrimentally effect performance of the Scope ofWork.

Regarding bonding to remain **CONFIDENTIAL**, their Surety Company confirms that ***DG's*** a single bond capacity would be CONFIDENTIAL SECTION REDACTED Bond program is with an AM Best company rated A+. They highly recommend Dynamic Group, LLC.

In regards to insurance, ***DG*** provided COI's with the City of Southport named as an additional insured. The certificates were evaluated and all currently enforced limits meet or exceeded the contract requirements.

The Federal Government System for Award Management (SAM), located at https://www.sam.gov/, and was searched for **Dynamic Group, LLC, Inc.**; on April 07, 2025, and was listed as active with no exclusions from any governmental agency either procurement or non-procurement contracts

NC Debarment Analysis

Additionally, the North Carolina Debarred Vendors List was searched for these same entities on April 07, 2025 and they were not found as debarred vendors.

Regarding experience, ***DG's*** experience has been mostly in the Gulf states. They appear to do debris work associated with canal, coulees, creeks clearance but this is certainly related to curbside debris management. Additionally, ***DG's*** experience includes emergency related efforts with providing and establishing emergency housing, and blue roof emergency response in disaster effective locations. It appears that they are branching out to provide debris response in other areas including Southeast Coast.

It is our recommendation that ***State Tree Service, Inc. (STS)*** be considered for primary award of the **Phase II - Vegetative and C&D Removal Contract** for the period July 1, 2025 through June 30, 2027, this contractor being respectively 1st place "lowest overall" qualified bidder and responsible as determined through the due diligence evaluation. Additionally, we recommend contracting as a secondary contractor, ***Dynamic Group, LLC (DG)***.

Sincerely,

Barry L. Johnson

Barry L. Johnson

Enclosures:

City of Southport - Evaluation of
Phase II - Vegetative Removal and Disposal, and C and D Removal

DATE: 4/10/25
TIME: 11:00AM

Company submitting proposal	Phase II - Veg & C&D Debris Proposal: 1) C&D Debris Removal (Roads, rights-of-way, and Public Property) to GFL- Sampson Co. $ / Ton	2) Veg Debris Load & Haul (Roads, rights-of-way, and Public Property) to Sunny Pt. DMS $ / CY	3) Veg DMS site management, and reduction by grinding $ / CY	4A) Chip Haul out (< 10mi) $ / CY (reduced)	~~4B Chip Haul out (>25<10mi) $ / CY (reduced)~~	~~5) C&D Debris Removal (Roads, rights-of-way, and Public Property to Brunswick Co Landfill $ / Ton~~	Estimated Costs from Cat 3 Model: C&D Debris Removal (Roads, rights-of-way, and Public Property) to GFL- Sampson Co. $ / Ton	Vegetative Operations (Removal, DMS Ops, and Reduction)	Chip Haul Out <10miles (assume 4:1 reduction by grinding)	Total Estimated Cost Cat 3 Model (most likely scenario)
State Tree	**$90.00**	**$6.75**	**$2.50**	**$3.75**	~~**$4.25**~~	~~**$50.00**~~	$4,389,210.00	$676,674.50	$68,581.88	$5,134,466.38
CTC Disaster	**$148.00**	**$6.84**	**$3.95**	**$4.85**	~~**$5.15**~~	~~**$78.00**~~	$7,217,812.00	$789,331.66	$88,699.23	$8,095,842.89
Dynamic Group	**$99.25**	**$9.15**	**$7.50**	**$6.50**	~~**$6.50**~~	~~**$71.25**~~	$4,840,323.25	$1,218,014.10	$118,875.25	$6,177,212.60
DRC Emerg. Svcs.	**$165.00**	**$9.68**	**$5.98**	**$4.24**	~~**$5.24**~~	~~**$103.84**~~	$8,046,885.00	$1,145,591.64	$77,543.24	$9,270,019.88

1st place bidder -		Cat 3 - Model Generation Constants	*C&D - Tons	Veg - CY
2nd place bidder -			48769	73154

CITY OF SOUTHPORT
PHASE II- C&D DEBRIS REMOVAL AND VEGETATIVE DEBRIS REMOVAL AND DISPOSAL CONTRACT

PART III – FORM OF PROPOSAL

TO: City Clerk
City of Southport
1029 N. Howe St., Suite 100
Southport, NC 28461

DATE: 4/7/2025 FROM: State Tree Services, Inc-
(Bidder/Contractor)

PHONE: 803-773-1320 ADDRESS: 1495 N Pike E.
Sumter SC 29153

UNIT PRICE BID: The undersigned, having carefully examined the Instructions to Bidders, ***CITY OF SOUTHPORT – PHASE II- C&D DEBRIS REMOVAL AND VEGETATIVE DEBRIS REMOVAL AND DISPOSAL CONTRACT*** dated February 27, 2025 including the following addenda:

ADDENDUM # ________________ DATED: ____________________

ADDENDUM # ________________ DATED: ____________________

As well as the premises and conditions affecting the work, proposes to furnish all services, labor, materials and equipment called for to complete the completion of project in accordance with the contract documents for the following unit price amounts.

Unit price No. 1

Gather, load and haul C&D debris from roads, rights-of-way, and designated Public Property within the incorporated limits to GFL / Waste Industries Subtitle D Landfill in Sampson County, physically located at 7434 Roseboro Highway, Roseboro, N.C. This facility is approximately 100 miles from the Southport City Hall. ***(Tipping Fees for C&D will be the responsibility of the City of Southport)***

1) Unit Price No. 1 $ 90.00 / ton

CITY OF SOUTHPORT
PHASE II- C&D DEBRIS REMOVAL AND VEGETATIVE DEBRIS REMOVAL AND DISPOSAL CONTRACT

PART III – FORM OF PROPOSAL

Unit price No. 2

Gather, load, and haul vegetative debris (including containerized or bagged vegetative debris) from roads, rights-of-way, and designated Public Property within the incorporated limits of the City of Southport to the Sunny Point DMS site, located at 6161 MOTSP Access Rd., Southport, NC. The facility is less than 7 miles from the Southport City Hall.

2) Unit Price No. 2 $ 6.75 /cubic yard

Unit price No. 3

CONTRACTOR will operate the Sunny Point DMS facility, ***stage debris, and reduce by grinding all Vegetative Debris*** delivered under No. 2 above, and return the DMS to pre-disaster conditions following completion of staging operations.

3) Unit Price No. 3 $ 2.50 /cubic yard

Unit Price 4 A

CONTRACTOR will ***load and haul reduced debris*** from unit price No. 3 above to a NC-DEQ Department of Solid Waste permitted reclamation or acceptable final destination facility, equal to or less than 10 miles from the DMS location

4A) Unit Price No. 4A $ 3.75 /cubic yard (reduced debris)

Unit price No. 4 B

CONTRACTOR will load and haul reduced debris from unit price No. 3 above to a NC-DEQ Department of Solid Waste permitted reclamation or acceptable final destination facility, greater than 10 miles but equal to or less than 25 miles from the DMS location.

4B) Unit Price No. 4B $ 4.25 /cubic yard (reduced debris)

CITY OF SOUTHPORT
PHASE II- C&D DEBRIS REMOVAL AND VEGETATIVE DEBRIS REMOVAL AND DISPOSAL CONTRACT

PART III – FORM OF PROPOSAL

Alternative Schedule:

Unit price No. 5

Gather, load and haul C&D debris from roads, rights-of-way, and designated Public Property within the incorporated limits to the alternate site, Brunswick County Landfill, 172 Landfill Road NE (Off Galloway Rd.), Bolivia, NC 28422. This facility is approximately 20 miles from the Southport City Hall. ***(Tipping Fees for C&D will be the responsibility of the City of Southport)***

5) Unit Price No. 5 $ 50.00 / Ton

State Tree Services, Inc.
Company Name

Micky Barner
Signature

Secretary
Title

SC
State of Incorporation

(Corporate Seal)

CITY OF SOUTHPORT
PHASE II- C&D DEBRIS REMOVAL AND VEGETATIVE DEBRIS REMOVAL AND DISPOSAL CONTRACT

PART III – FORM OF PROPOSAL

TO: City Clerk
City of Southport
1029 N. Howe St., Suite 100
Southport, NC 28461

DATE: 3/27/2025

FROM: Dynamic Group, LLC
(Bidder/Contractor)

PHONE: 225-485-7205

ADDRESS: 3045 Westfork Drive
Baton Rouge, LA 70816

UNIT PRICE BID: The undersigned, having carefully examined the Instructions to Bidders, ***CITY OF SOUTHPORT – PHASE II- C&D DEBRIS REMOVAL AND VEGETATIVE DEBRIS REMOVAL AND DISPOSAL CONTRACT*** dated February 27, 2025 including the following addenda:

ADDENDUM # none issued DATED: ____________

ADDENDUM # ____________ DATED: ____________

As well as the premises and conditions affecting the work, proposes to furnish all services, labor, materials and equipment called for to complete the completion of project in accordance with the contract documents for the following unit price amounts.

Unit price No. 1

Gather, load and haul C&D debris from roads, rights-of-way, and designated Public Property within the incorporated limits to GFL / Waste Industries Subtitle D Landfill in Sampson County, physically located at 7434 Roseboro Highway, Roseboro, N.C. This facility is approximately 100 miles from the Southport City Hall. ***(Tipping Fees for C&D will be the responsibility of the City of Southport)***

1) Unit Price No. 1 $ 99.25 / ton

PART III – FORM OF PROPOSAL

Unit price No. 2

Gather, load, and haul vegetative debris (including containerized or bagged vegetative debris) from roads, rights-of-way, and designated Public Property within the incorporated limits of the City of Southport to the Sunny Point DMS site, located at 6161 MOTSP Access Rd., Southport, NC. The facility is less than 7 miles from the Southport City Hall.

2) Unit Price No. 2 $ 9.15 /cubic yard

Unit price No. 3

CONTRACTOR will operate the Sunny Point DMS facility, ***stage debris, and reduce by grinding all Vegetative Debris*** delivered under No. 2 above, and return the DMS to pre-disaster conditions following completion of staging operations.

3) Unit Price No. 3 $ 7.50 /cubic yard

Unit Price 4 A

CONTRACTOR will ***load and haul reduced debris*** from unit price No. 3 above to a NC-DEQ Department of Solid Waste permitted reclamation or acceptable final destination facility, equal to or less than 10 miles from the DMS location

4A) Unit Price No. 4A $ 6.50 /cubic yard (reduced debris)

Unit price No. 4 B

CONTRACTOR will load and haul reduced debris from unit price No. 3 above to a NC-DEQ Department of Solid Waste permitted reclamation or acceptable final destination facility, greater than 10 miles but equal to or less than 25 miles from the DMS location.

4B) Unit Price No. 4B $ 6.50 /cubic yard (reduced debris)

CITY OF SOUTHPORT
PHASE II- C&D DEBRIS REMOVAL AND VEGETATIVE DEBRIS REMOVAL AND DISPOSAL CONTRACT

PART III – FORM OF PROPOSAL

Alternative Schedule:

Unit price No. 5

Gather, load and haul C&D debris from roads, rights-of-way, and designated Public Property within the incorporated limits to the alternate site, Brunswick County Landfill, 172 Landfill Road NE (Off Galloway Rd.), Bolivia, NC 28422. This facility is approximately 20 miles from the Southport City Hall. ***(Tipping Fees for C&D will be the responsibility of the City of Southport)***

5) Unit Price No. 5 $ 71.25 / Ton

Dynamic Group, LLC
Company Name

Signature

Joshua P. McCoy
Title

Louisiana
State of Incorporation

(Corporate Seal)

Resolution #25-0508.01

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE CLOSING DOCUMENTS

WHEREAS, on March 21st, 2024, the Southport Board of Aldermen entered into Option Agreement SPO#10-LA-197 with the State of North Carolina to sell +-426.65 Acres of land the City owns described in Deed Book 2282, Page 305 and Deed Book 2403, Page 1368, Brunswick County Registry, Brunswick County PID 19000002. With the option period ending March 21, 2025; and

WHEREAS, On March 13, 2025, the Board of Aldermen extended the option period to a new ending date of July 31, 2025, with closing to occur on or before September 5, 2025; and

WHEREAS, the process of acquisition is nearing completion and preparing for closing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF SOUTHPORT that the Mayor is hereby authorized to execute and sign all necessary closing documents including but not limited to the Deed on behalf of the City.

Adopted this 8th day of May 2025.

X

Rich Alt
Mayor

X

Tori Deviney
Deputy City Clerk

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: 05/08/2025 **DEPARTMENT: Development Services**

PRESENTED BY: Maureen Meehan, Planning Services Director

ITEM SPONSORED BY: Development Services

ITEM/TOPIC: Hold a Public Hearing for a Unified Development Ordinance Amendment to multiple sections for consistency with NC General Statutes Chapter 160D. Local Planning and Development Regulation.

COST: N/A **BUDGET LINE ITEM: N/A**

JUSTIFICATION: The proposed amendments respond to statutory changes to NC General Statutes Chapter 160D, which the local government must make. The Planning Board reviewed the proposal and recommended approval at its March 20, 2025, meeting. A duly advertised public hearing must be held prior to the Board of Aldermen deciding on the proposed amendment.

IMPACT IF NOT APPROVED: The proposed amendments are in response to statutory changes to NC General Statutes Chapter 160D. These are legislative changes which the local government must make.

DEPARTMENT HEAD COMMENTS: After each legislative session, any changes to NC General Statute Chapter 160D or other statutes granting planning authority must be incorporated into local ordinances. These changes are in response to changes made last year during a period of staff turnover. Each year, staff review the changes and forward updates as necessary.

ATTACHMENTS: Staff Report, Proposed Language

REQUESTED ACTION: Hold a public hearing for an Amendment to the Unified Development Ordinance.

PROPOSED MOTION: Motion to open a public hearing for Amendments of Unified Development Ordinance for consistency with NC General Statute Chapter 160D.

MEMORANDUM
To: Mayor Richard Alt and Members of the Board of Aldermen
From: Maureen Meehan, Planning Services Director
Re: Unified Development Ordinance Updates per NC General Statutes Chapter 160D ZTA-25-01
Date: May 8, 2025

Please find the proposed amendments to the City's Unified Development Ordinance (UDO) for consistency with NC General Statutes Chapter 160D. Local Planning and Development Regulation. Specific sections include updating the Planning Board Action on Zoning Amendments section to be consistent with NCGS 160D-604, providing clarity on the enforcement of UDO violations, adding language to address the enforcement of transferring lots in unapproved subdivisions, and clarifying that land will not be subdivided without plat approval per NCGS 160D-807.

Amendment 1: This amendment updates Section 2.10 of the UDO to add the provision found in NCGS 160D-604 that the governing board may act on a zoning text or map amendment if no written report is provided by the planning board within 30 days after the request is introduced.

Section 2.10.B.4. PLANNING BOARD ACTION

4. Pursuant to NCGS 160D-604, the Planning Board shall advise and comment on whether the proposed text or zoning map amendment is consistent with the comprehensive plan or any other officially adopted plans that are applicable. The Planning Board shall provide a written recommendation to the Board of Aldermen that addresses plan consistency and other matters deemed appropriate by the Planning Board, but a comment by the Planning Board that a proposed amendment is inconsistent with the comprehensive plan shall not preclude consideration or approval of the proposed amendment by the Board of Aldermen. If no written report is received from the Planning Board within 30 days of referral of the amendment to that board, the governing board may act on the amendment without the planning board report. If a zoning map amendment qualifies as a "large-scale rezoning" under NCGS 160D-602(b), the Planning Board statement describing plan consistency may address the overall rezoning and describe how the analysis and policies in the relevant adopted plans were considered in the recommendation made.

Amendment 2: Removes the criminal penalty for UDO violations from Section 2.15 Enforcement, which is no longer permissible by law.

Section 2.15.D. PENALTIES AND REMEDIES FOR VIOLATIONS

~~1. Violations of the provisions of this ordinance or failure to comply with any of its requirements, including violations of any conditions and safeguards established in~~

~~connection with grants of variances or special use permits, shall constitute a misdemeanor, punishable by a fine of $100, or a maximum 30 days imprisonment, or both.~~

1. Any act constituting a violation of the provisions of this ordinance or a failure to comply with any of its requirements, including violations of any conditions and safeguards established in connection with the grants of variances or special use permits, shall also subject the offender to a civil penalty of $25. If the offender fails to pay this penalty within 10 days after being cited for a violation, the penalty may be recovered by the city in a civil action in the nature of debt.
2. This ordinance may also be enforced by any appropriate ~~equitable~~ action listed in G.S. 160A-175, Enforcement of Ordinance.
3. Each day that any violation continues after notification by the administrator that such violation exists shall be considered a separate offense for purposes of the penalties and remedies specified in this section.
4. Any one, all, or any combination of the foregoing penalties and remedies may be used to enforce this ordinance.

Amendment 3: Adds a new subsection E. to Section 2.15 Enforcement, which provides violation remedies for transferring lots in unapproved subdivisions.

Section 2.15.E. TRANSFERRING LOTS IN UNAPPROVED SUBDIVISIONS; VIOLATION

1. Any person who, being the owner or agent of the owner of any land located within the planning jurisdiction of the City, thereafter subdivides his or her land in violation of this ordinance or transfers or sells land by reference to, exhibition of, or any other use of a plat showing a subdivision of the land before the plat has been properly approved under this Article and recorded in the Office of the Register of Deeds, shall be guilty of a Class 1 misdemeanor.
2. The description by metes and bounds in the instrument of transfer or other document used in the process of selling or transferring land shall not exempt the transaction from this penalty.
3. The City may bring an action for injunction of any illegal subdivision, transfer, conveyance or sale of land, and the court shall, upon appropriate findings, issue an injunction and order requiring the offending party to comply with this ordinance.
4. The City may deny building permits for any lots that have been illegally subdivided in violation of this ordinance.
5. In addition to other remedies, the City may institute any appropriate action or proceedings to prevent the unlawful subdivision of land, to restrain, correct, or abate the violation, or to prevent any illegal act or conduct

Amendment 4: This amendment replaces Section 4.4 APPROVAL to include language from NCGS 160D-807 for clarity on requirements of approval and provides guidance and allowance for the sale of lots prior to the final plat.

Section 4.2 NO SUBDIVISION WITHOUT PLAT APPROVAL

~~Approval procedures for the division of land and creation of lots are provided in Article 2 of this ordinance.~~

A. As provided in G.S. 160D-807, no real property lying within the planning jurisdiction of the City shall be subdivided until it conforms to all applicable sections of this Article and approved pursuant to the procedures for the division of land and creation of lots provided in Article 2 of this ordinance. Violations of this Article shall be subject to the penalties set forth in Section 2.15 of this ordinance. Any sale or transfer of land in a subdivision subject to these regulations by reference to an unapproved plat or the use of a metes and bounds description shall be considered a violation of this Article.

B. In accordance with G.S. 160D-807(b), the provisions of this section shall not prohibit any owner or its agent from entering into contracts to sell or lease by reference to an approved preliminary plat for which a final plat has not yet been properly approved under the subdivision ordinance or recorded with the register of deeds, provided the contract does all of the following:

   1. Incorporates as an attachment a copy of the preliminary plat referenced in the contract and obligates the owners to deliver to the buyer a copy of the recorded plat prior to closing and conveyance.
   2. Plainly and conspicuously notifies the prospective buyer or lessee that a final subdivision plat has not been approved or recorded at the time of the contract, that no governmental body will incur any obligation to the prospective buyer or lessee with respect to the approval of the final subdivision plat, that changes between the preliminary and final plats are possible, and that the contract or lease may be terminated without breach by the buyer or lessee if the final recorded plat differs in any material respect from the preliminary plat.
   3. Provides that if the approved and recorded final plat does not differ in any material respect from the plat referred to in the contract, the buyer or lessee may not be required by the seller or lessor to close any earlier than five days after the delivery of a copy of the final recorded plat.
   4. Provides that if the approved and recorded final plat differs in any material respect from the preliminary plat referred to in the contract, the buyer or lessee may not be required by the seller or lessor to close any earlier than 15 days after the delivery of the final recorded plat, during which 15-day period the buyer or lessee may terminate the contract without breach or any further obligation and may receive a refund of all earnest money or prepaid purchase price.

C. The provisions of this section shall not prohibit any owner or its agent from entering into contracts to sell or lease land by reference to an approved preliminary plat for which a final plat has not been properly approved under Article 2 of this ordinance or recorded with the register or deeds where the buyer or lessee is any person who has contracted to acquire or lease the land for the purpose of engaging in the business of construction of residential buildings on the land, or for the purpose of resale or lease of the land to persons engaged in that kind of business, provided that no conveyance of that land may occur and no contract to lease it may become effective until after the final plat has been properly approved under the subdivision ordinance and recorded with the register of deeds in accordance with G.S. 160D-807(c).

Planning Board Recommendation
The Planning Board recommends **APPROVAL** of these text amendments as presented at their March 20, 2025, regular meeting. The proposal is consistent with the 2014 CAMA Core Land Use Plan, specifically making updates to maintain all official planning documents**.** Further, the proposed updates are consistent with all other adopted plans, including the Unified Development Ordinance.

Attachments
- Updated UDO Language
- Consistency Statement

Section 2.10.B.4 PLANNING BOARD ACTION

4. Pursuant to NCGS 160D-604, the Planning Board shall advise and comment on whether the proposed text or zoning map amendment is consistent with the comprehensive plan or any other officially adopted plans that are applicable. The Planning Board shall provide a written recommendation to the Board of Aldermen that addresses plan consistency and other matters deemed appropriate by the Planning Board, but a comment by the Planning Board that a proposed amendment is inconsistent with the comprehensive plan shall not preclude consideration or approval of the proposed amendment by the Board of Aldermen. <u>If no written report is received from the Planning Board within 30 days of referral of the amendment to that board, the governing board may act on the amendment without the planning board report.</u> If a zoning map amendment qualifies as a "large-scale rezoning" under NCGS 160D-602(b), the Planning Board statement describing plan consistency may address the overall rezoning and describe how the analysis and policies in the relevant adopted plans were considered in the recommendation made.

Section 2.15.D. PENALTIES AND REMEDIES FOR VIOLATIONS

~~1. Violations of the provisions of this ordinance or failure to comply with any of its requirements, including violations of any conditions and safeguards established in connection with grants of variances or special use permits, shall constitute a misdemeanor, punishable by a fine of $100, or a maximum 30 days imprisonment, or both.~~

<u>1.</u> Any act constituting a violation of the provisions of this ordinance or a failure to comply with any of its requirements, including violations of any conditions and safeguards established in connection with the grants of variances or special use permits, shall also subject the offender to a civil penalty of $25. If the offender fails to pay this penalty within 10 days after being cited for a violation, the penalty may be recovered by the city in a civil action in the nature of debt.

<u>2.</u> This ordinance may also be enforced by any appropriate ~~equitable~~ action <u>listed in G.S. 160A-175, Enforcement of Ordinance.</u>

<u>3.</u> Each day that any violation continues after notification by the administrator that such violation exists shall be considered a separate offense for purposes of the penalties and remedies specified in this section.

<u>4.</u> Any one, all, or any combination of the foregoing penalties and remedies may be used to enforce this ordinance.

Section 2.15.E. <u>TRANSFERRING LOTS IN UNAPPROVED SUBDIVISIONS; VIOLATION</u>

<u>1.</u> <u>Any person who, being the owner or agent of the owner of any land located within the planning jurisdiction of the City, thereafter subdivides his or her land in violation of this ordinance or transfers or sells land by reference to, exhibition of, or any other use of a plat showing a subdivision of the land before the plat has been properly approved under this Article and recorded in the Office of the Register of Deeds, shall be guilty of a Class 1 misdemeanor.</u>

2. The description by metes and bounds in the instrument of transfer or other document used in the process of selling or transferring land shall not exempt the transaction from this penalty.
3. The City may bring an action for injunction of any illegal subdivision, transfer, conveyance or sale of land, and the court shall, upon appropriate findings, issue an injunction and order requiring the offending party to comply with this ordinance.
4. The City may deny building permits for any lots that have been illegally subdivided in violation of this ordinance.
5. In addition to other remedies, the City may institute any appropriate action or proceedings to prevent the unlawful subdivision of land, to restrain, correct, or abate the violation, or to prevent any illegal act or conduct

Section 4.2 NO SUBDIVISION WITHOUT PLAT APPROVAL

~~Approval procedures for the division of land and creation of lots are provided in Article 2 of this ordinance.~~

A. As provided in G.S. 160D-807, no real property lying within the planning jurisdiction of the City shall be subdivided until it conforms to all applicable sections of this Article and approved pursuant to the procedures for the division of land and creation of lots provided in Article 2 of this ordinance. Violations of this Article shall be subject to the penalties set forth in Section 2.15 of this ordinance. Any sale or transfer of land in a subdivision subject to these regulations by reference to an unapproved plat or the use of a metes and bounds description shall be considered a violation of this Article.

B. In accordance with G.S. 160D-807(b), the provisions of this section shall not prohibit any owner or its agent from entering into contracts to sell or lease by reference to an approved preliminary plat for which a final plat has not yet been properly approved under the subdivision ordinance or recorded with the register of deeds, provided the contract does all of the following:

    1. Incorporates as an attachment a copy of the preliminary plat referenced in the contract and obligates the owners to deliver to the buyer a copy of the recorded plat prior to closing and conveyance.
    2. Plainly and conspicuously notifies the prospective buyer or lessee that a final subdivision plat has not been approved or recorded at the time of the contract, that no governmental body will incur any obligation to the prospective buyer or lessee with respect to the approval of the final subdivision plat, that changes between the preliminary and final plats are possible, and that the contract or lease may be terminated without breach by the buyer or lessee if the final recorded plat differs in any material respect from the preliminary plat.
    3. Provides that if the approved and recorded final plat does not differ in any material respect from the plat referred to in the contract, the buyer or lessee may

not be required by the seller or lessor to close any earlier than five days after the delivery of a copy of the final recorded plat.

4. Provides that if the approved and recorded final plat differs in any material respect from the preliminary plat referred to in the contract, the buyer or lessee may not be required by the seller or lessor to close any earlier than 15 days after the delivery of the final recorded plat, during which 15-day period the buyer or lessee may terminate the contract without breach or any further obligation and may receive a refund of all earnest money or prepaid purchase price.

C. The provisions of this section shall not prohibit any owner or its agent from entering into contracts to sell or lease land by reference to an approved preliminary plat for which a final plat has not been properly approved under Article 2 of this ordinance or recorded with the register or deeds where the buyer or lessee is any person who has contracted to acquire or lease the land for the purpose of engaging in the business of construction of residential buildings on the land, or for the purpose of resale or lease of the land to persons engaged in that kind of business, provided that no conveyance of that land may occur and no contract to lease it may become effective until after the final plat has been properly approved under the subdivision ordinance and recorded with the register of deeds in accordance with G.S. 160D-807(c).

City of Southport Board of Aldermen
Resolution and 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 with any comprehensive plan that has been adopted and any other officially adopted plan that is applicable.

AMENDMENT: **ZTA-25-01 UDO Updates for Consistency with NC General Statutes Chapter 160D**

STATEMENT OF PLAN CONSISTENCY:

The City of Southport Board of Aldermen, after consideration of the Planning Board recommendation and all relevant portions of the adopted and CRC-certified land use plan, hereby **ADOPT** the proposed text amendments to the Unified Development Ordinance. The amendments are consistent with the City's 2014 CAMA Core Land Use Plan, adopted initially on Nov. 13, 2014, and subsequently amended by the Southport Board of Aldermen in 2020. More specifically, the proposed amendment is consistent with Policy 7.22: The City shall continually maintain all official planning documents**.**

NOW THEREFORE, be it resolved by the City of Southport Board of Alderman, that the foregoing statement, having been submitted to a vote by a motion and seconded, received the following vote and was duly adopted this the ___ day of May, 2025.

Ayes: _______
Noes: _______
Absent or Excused: ________

____
Richard Alt, Mayor

Attest:

____
Tori Deviney, Deputy Town Clerk

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: 05/08/2025 **DEPARTMENT: Development Services**

PRESENTED BY: Wendell Biddle, City Planner

ITEM SPONSORED BY: Development Services

ITEM/TOPIC: Hold a Public Hearing for a Unified Development Ordinance Amendment to Section 3.1 Table of Permitted and Special Uses; Section 3.6.A.5 Accessory Use Standards; Section 3.6.Q Accessory Use Standards; and Article 8 Definitions and Measurements of the Unified Development Ordinance.

COST: N/A **BUDGET LINE ITEM: N/A**

JUSTIFICATION: This text amendment was sent to the Planning Board for consideration at the February 20th, 2025, regular meeting. The request was to consider the creation of a new land use, *Specialized Events* along with a *Temporary Use Permit*, to provide Bed and Breakfasts operations among other commercial establishments with the opportunity to host occasions such as weddings, quinceaneras, holiday parties and other formal occasions at their premises.

IMPACT IF NOT APPROVED: This is a legislative decision defined by the NC General Statutes. The Board is not obligated to approve the amendment. If this recommendation is not approved, Bed & Breakfast and other hospitality commercial establishments will continue to not have an avenue to host specialized events.

DEPARTMENT HEAD COMMENTS: The attached proposed Zoning Text Amendment updates the UDO to enable Bed and Breakfasts and other nonresidential establishments the ability to host specialized events.

ATTACHMENTS: Staff Report, Proposed Language

REQUESTED ACTION: Hold a public hearing for an Amendment to the Unified Development Ordinance.

PROPOSED MOTION: Motion to open a public hearing for an Amendment to Section 4.14 of the Unified Development Ordinance.

MEMORANDUM

To: Mayor Rich Alt and Board of Aldermen

From: Wendell E. Biddle, City Planner

Re: Bed and Breakfast Standards Review for Events – Zoning Text Amendment, Unified Development Ordinance Section 3.1 Table of Permitted and Special Uses; Section 3.6.A.5 & 3.6.T Accessory Use Standards; Section 3.8KK Nonresidential Use Standards; and Article 8 Definitions and Measurements.

Date: May 8, 2025

BACKGROUND

At their February 20, 2025, regular meeting, the Planning Board voted to send the Board of Aldermen a recommendation of approval for the Zoning Text Amendment. The proposal seeks to amend Section 3.1 Table of Permitted and Special Uses; Section 3.6.A.5 Accessory Use Standards; Section 3.6.Q Accessory Use Standards; and Article 8 Definitions and Measurements of the Unified Development Ordinance. The Planning Board's recommendation for this text comes from a staff lead initiative to create a new land use, *Specialized Events* along with a *Temporary Use Permit,* to provide Bed and Breakfast operations among other nonresidential establishments with the opportunity to commercially host occasions such as weddings, quinceaneras, holiday parties and other formal occasions at their premises.

In the July 30th, 2024, Board of Adjustment meeting, an applicant seeking to transition a residence into a Bed & Breakfast (B&B) was granted the necessary Special Use Permit (SUP). As required by the Unified Development Ordinance (UDO) section 3.8.C.2, the applicant supplied a management plan in which the proposed could also operate as an events space to host special occasions such as weddings. It was this proposal that highlighted the lack of an appropriate land use within the UDO.

At the October 17th, 2024, regular Planning Board meeting, Madam Chair Sue Hodgin determined that a committee would be necessary to review the pros and cons of specialized events being hosted by B&Bs. Members of the committee were Messrs. Kevin Locklin, Will Hewett, and Fred Fiss. City Planner Wendell Biddle and Director Maureen Meehan were also in attendance.

In the committee meetings, the proposed text amendment was by and large shaped by the following questions:

a. Should specialized events be limited to B&Bs, or can we create an amendment that enables specialized events to also be used as a primary land use?
b. What parameters should be put into place to ensure the nature of residential zoning districts is not altered by higher impact activity such as B&Bs hosting specialized events?

c. How will safety precautions such as capacity limits be enforced?
d. How do we ensure that emergency services are not overwhelmed?

What was determined was a proposal to create an accessory land use standard that can be administratively managed by Planning staff. The accessory land use, *Specialized Events,* would be defined as *being a commercial venture held in non-religious venues wherein the event is secondary to the venue's primary land use and would be required to adhere to specific land use standards*. Potential venues would include but not be limited to B&B's, restaurants, and local parks. Table 3.1 of the UDO would be amended to reflect this accessory land use. The appropriate zoning districts for this would be similar to those that allow B&Bs.

Please note that the proposed amended text has been highlighted.

Table 3.1: Table of Uses	**Districts** P = Permitted by Right; S = Special Use; PS or SS = Permitted or Special Use with a Use Standard													**Use Standard**
Uses	**ICS**	**R-10**	**R-20**	**MF**	**MH**	**PUD**	**O-I**	**CBD**	**BD**	**HC**	**LI**	**HI**	**OS**	**Section #**
DOCKS, , PIERS, GAZEBOS, BULKEADS, AND LIVING SHORELINES		PS	PS	PS	PS	PS	PS	PS	PS				S S	3.6.E
HOME DAYCARE, ADULT AND CHILD		SS	SS	SS	SS	SS								3.6.F
HOME OCCUPATION		SS	SS	SS	SS	SS								3.6.G
HOMESTAY		PS	PS	PS		PS								3.6.H
MODULAR UNIT					PS	PS	PS	PS	PS	PS	PS	PS		3.6.I
OUTDOOR DISPLAY								PS	PS	PS				3.6.J
OUTDOOR STORAGE									PS	PS	PS	PS		3.6.K
OUTDOOR VENDING MACHINE					PS	PS	PS	PS	PS	PS	PS	PS		3.6.L
PORTABLE STORAGE CONTAINERS		PS	PS	PS	PS	PS	PS	PS	PS	PS	PS	PS		3.6.M
RECREATIONAL VEHICLE OR TRAVEL TRAILER		PS	PS		PS	PS	PS							3.6.N
SELF-SERVICE ICE VENDING MACHINES									SS	SS				3.6.O
SOLAR ENERGY SYSTEMS		PS	PS	PS	PS	PS	PS	PS	PS	PS	PS	PS		3.6.P
Specialized Events		**PS**	**PS**	**PS**	**PS**	**PS**	**PS**	**PS**	**PS**	**PS**				**3.6.Q**

Table 3.1 Accessory Uses Amended

Along with the new accessory land use, the creation of a *Temporary Use Permit (TUP) would* need to be established. The utility of the permit would be to ensure that all appropriate agencies, such as City Fire, would be aware of the proposed event and can establish capacity standards. Other benefits include staff being able to administratively control the number of specialized events in any given period, along with limiting the number of events hosted by any one specific establishment within a set timeframe. The UDO section providing directions on accessory uses, section 3.6., would need to be amended as such:

3.6 ACCESSORY USE STANDARDS

A. ACCESSORY STRUCTURE OR USE, GENERAL
Where permitted, the following shall apply:
4. No accessory structure, whether residential or nonresidential, shall be greater than 30 feet in height.
5. Temporary Use Permits apply to property outside the public rights-of-way only and are granted to one contiguous parcel of land at a time. No parcel may be granted more than one (1) Temporary Use Permit per quarter year. Permits may be granted for both indoor and outdoor occasions. A certified letter notifying all adjacent residential neighbors of the proposed event will be required prior to final permit approval.

Along with the TUP, other specific use standards would be required to ensure that issues such as noise, signage, and alcohol consumption are appropriately managed. UDO section 3.6.Q would be amended as follows:

Q. SPECIALIZED EVENTS
Where permitted, the following shall apply:
1. *All Specialized Events must apply for a Temporary Use Permit 30 days prior to the event detailed on application. Refer to UDO Section 3.6.A.5 Temporary Use Permit.*
2. *The property owner and or the on-site manager shall be required to be in attendance of the specialized event.*
3. *All Specialized Events must adhere to the City of Southport's noise ordinance.*
4. *Only one (1) A-frame sign may be used for the Specialized Event, the sign will be removed within 24 hours of the event.*
5. *Alcohol shall only be provided by an ALE permitted vendor, caterer, or host.*
6. *All trash will be disposed of within 24 hours of the event.*
7. *All decorations will be removed from the venue within 24 hours of the event.*

Also proposed by the committee is establishing a one-year time frame with this proposal in use to better see the effects of it and ensure that there are not any unintended consequences of the accessory land use. This one year would go into effect only after approval from the Board of Aldermen, at the end of which a staff report will be presented to the Planning Board detailing the use of the proposed text amendment, along with any further recommendations for amending the text.

SUMMARY

In summary, the above text amendment is an initiative to provide the City of Southport an appropriate land use so that commercialized venues can host special events. This includes the creation of accessory land use and an accommodating Temporary Use Permit. The Planning Board has considered the merits of the proposal and recommends it for approval to the Board of Aldermen.

PROCESS

In order to amend the Unified Development Ordinance, a zoning text amendment must be approved by the Board of Aldermen. The Planning Board must review the text amendment and adopt a statement of consistency and recommendation. Following a recommendation from the Planning Board, the zoning text amendment is then sent to the Board of Aldermen for their consideration. A duly advertised public hearing is then held to gain public feedback on the text amendment prior to a decision.

City of Southport Board of Aldermen
Statement of Plan Consistency and Zoning Recommendation
(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 with any comprehensive plan that has been adopted and any other officially adopted plan that is applicable.

AMENDMENT: ZTA-24-05

STATEMENT OF PLAN CONSISTENCY:

The City of Southport Board of Aldermen, after consideration of the Planning board recommendation and all relevant portions of the adopted and CRC-certified land use plan, hereby **ADOPT** the proposed text amendments to the Unified Development Ordinance. The amendments are consistent with the City's 2014 CAMA Core Land Use Plan, adopted initially on Nov. 13, 2014, and subsequently amended by the Southport Board of Aldermen in 2020. More specifically, the proposed amendment is consistent with Policy 7.8 (Southport recognizes that tourism is important and will support activities that promote tourism).

NOW THEREFORE, be it resolved by the City of Southport Board of Aldermen, that the foregoing statement, having been submitted to a vote by a motion and seconded, received the following vote and was duly adopted this the ___ day of May, 2025.

Ayes: _______
Noes: _______
Absent or Excused: ________

____
Richard Alt, Mayor

Attest:

____
Tori Deviney, Deputy Town Clerk

City of Southport ABC Board Minutes

Date: Mar 12th 2024, Minutes taken by: Harold Todd Dunn

Location: Southport ABC Store

Quorum determined: Meeting called to order by Chairman Davis at: 4pm

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 -Frank Lai

Absent: None

Open Comment and Discussion – None

Approval of 2/12/25 Minutes: Minutes amended, approved by Angela and seconded by JIm

1. **Old Business**

   A. Discussed and approved a raise of 3% for all employees
   B. Discussed policies and oaths. Will try and get a notary at future meeting to perform oaths and once policies are written up will email and present to Board

2. **New Business**

   A. Informed Board that we will have to look for new Health Insurance Provider
   B. Board approved trip to do some more Barrel Picks and Education
   C. Board agreed to move next meeting to Monday April 7th at 4pm

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: Apr 7 2025 at 4pm at Southport ABC Store

APPROVED BY AND DATE

APRIL 2025 SALES DATA COMPARISON AND SAVINGS

SALES TYPE	2024 Sales	2025 Sales	DIFFERENCE	% CHANGE
RETAIL	$ 333,724.50	$ 355,161.10	$ 21,436.60	6.42
MXB SALES	$ 151,185.75	$ 192,342.54	$ 41,156.79	27.22
TOTAL	$ 484,910.25	$ 547,503.64	$ 62,593.39	12.91
Customers	8226	8368	142	1.73
		$ -		
Bottles Sold	24,187	26,622	2,435	10.07
PAYROLL EXPENSES	$ -	$ -	$0	#DIV/0!
		$ -		
Credit Cards	$ -	$ 327,008.09		
		$ -		
TOTAL SALES INC. TAX	$ -	$ 380,570.23		
	2019 Sales	2025 Sales	Difference	
Retail 2019	$ 241,378.75	$ 355,161.10	113,782.35	47.14
MXB 2019	$ 100,292.38	$ 192,342.54	92,050.16	91.78
	$ 341,671.13	$ 547,503.64	205,832.51	60.24
SALES TYPE	2020 SALES	2025 Sales	DIFFERENCE	% CHANGE
RETAIL	$ 296,741.00	$ 355,161.10	$ 58,420.10	19.69
MXB SALES	$ -	$ 192,342.54	$ 192,342.54	#DIV/0!
TOTAL	$ 296,741.00	$ 547,503.64	$ 250,762.64	84.51
SALES TYPE	2021 Sales	2025 Sales	DIFFERENCE	% CHANGE
RETAIL	$ 330,120.75	$ 355,161.10	$ 25,040.35	7.59
MXB SALES	$ 121,025.51	$ 192,342.54	$ 71,317.03	58.93
TOTAL	$ 451,146.26	$ 547,503.64	$ 96,357.38	21.36
SALES TYPE	2022 Sales	2025 Sales	DIFFERENCE	% CHANGE
RETAIL	$ 330,551.50	$ 355,161.10	$ 24,609.60	7.45
MXB SALES	$ 148,518.05	$ 192,342.54	$ 43,824.49	29.51
TOTAL	$ 479,069.55	$ 547,503.64	$ 68,434.09	14.28
SALES TYPE	2023 Sales	2025 Sales	DIFFERENCE	% CHANGE
RETAIL	$ 351,063.85	$ 355,161.10	$ 4,097.25	1.17
MXB SALES	$ 163,220.21	$ 192,342.54	$ 29,122.33	17.84
TOTAL	$ 514,284.06	$ 547,503.64	$ 33,219.58	6.46

Development Services Highlights – May 2025

Planning Board: The Southport Planning Board met for their regularly scheduled meeting on April 17, 2025.

Items covered:

- Applicant initiated zoning text amendment to update Section 2.11 Conditional Zoning of the UDO. This amendment allows conditional zoning for residentially zoned properties and allows more flexibility of uses and dimensional standards for new conditionally zoned property.
- Applicant initiated zoning amendment for a property currently zoned R-10 and PUD to CZ-01. The property is part of the existing Indigo Plantation Subdivision which includes property adjacent to the marina and vacant parking lots.

A Planning Board workshop is scheduled for May 2, 2025, to further discuss both agenda items prior to the next regular meeting of the board.

The next regular meeting of the Planning Board is May 15, 2025. No new development applications are scheduled for the Planning Board's agenda. To date, the agenda will include the applicant-initiated text amendment to the UDO and a conditional rezoning application continued from April and a nonresidential major subdivision plat for property located at Deep Point Marina.

Zoning Board of Adjustment: The Board of Adjustment met for their regularly scheduled meeting on April 22, 2025.

Items covered included:

- Special Use Permit Application – Accessory Dwelling Unit for 204 N Rhett Street. The permit was approved.
- Special Use Permit Application – Accessory Dwelling Unit for 217 Stuart Avenue. The permit was approved.
- Quasi-Judicial Training with Brady Herman joining remotely.

The next meeting of the Board of Adjustment is on 27, 2025, but it may be changed if a quorum is not available due to the Memorial Day holiday on Monday. An appeal has been submitted, and the date of that hearing with the Board of Adjustment has not been confirmed. No other applications have been submitted at this time.

Historic Preservation Commission:
The HPC's regular meeting was moved to April 30, 2025, to allow the commissioners to attend the UNC School of Government online workshop on the decisions of a Historic Preservation Commission. The workshop covered the authority of local historic districts, the role of the Historic Preservation Commission, and the process for deciding certificates of appropriateness. The local designation report is being reviewed by staff to be forwarded to the State Historic Preservation Office in the first week of May. Once the report is signed off by the SHPO, the local historic district zoning overlay will be forwarded to the Planning Board for recommendation to the Board of Aldermen. The report will be available online for review.

Forestry Committee:
The Annual Arbor Day Celebration was held at 11 a.m. on Friday, April 25, 2025, at Franklin Square Park. The day was beautiful, and everyone enjoyed the celebration.

The next meeting of the Forestry Committee is May 13, 2025.

Code Enforcement:
Staff sent rights-of-way hardened structure encroachment courtesy letters in the last week of January. Code enforcement staff field calls, answer questions, and meet with concerned citizens. These letters are not violations, and property owners have until June 12, 2025 (6 months from the day of adoption) to remove identified structures. The ROW committee met with staff in early April to discuss staff implementation of the new ROW ordinance language. Staff prepared a policy document in coordination with the ROW committee, which will be signed by the City Manager. This document will guide staff interpretation of the ordinance regarding permits and enforcement. A copy of the policy document is attached to this report.

Code enforcement officers continue to proactively correct violations prior to sending formal notices of violation. To assist, literature and other courtesy notifications outlining code references for issues observed on properties throughout the city are distributed to citizens. These notifications are not violations. If issues are not remedied after initial contact, a case is opened, and a formal notice of violation is issued to the property owner.

Other Notes:
The Comprehensive Plan was distributed to the Division of Coastal Management for state review in late February after minor edits to the plan. Per communication from Mike Christenbury, District Planner, he anticipates having his review and comments to the city by April 30, 2025. To date, Staff have not heard from DCM and will follow up the week of May 5, 2025.

The Multimodal Acceleration Plan is getting off the ground and a steering committee meeting will be held on May 6, 2025, at the community center at 9 a.m. with key members of the community, Staff, Kittleson and Associates, and NCDOT representatives. The plan funded by a multimodal grant from NCDOT will help create a comprehensive and connected multimodal network with project-ready opportunities.

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, text and map amendments, and any other items that come to the Department.

City of Southport
Rights-of-Way Policy

Background
At the regular meeting of the City of Southport Board of Aldermen on Thursday, December 12, 2024, the Aldermen adopted updates to Section 16-8, Obstruction of public rights-of-way, and Section 16-10, Existing Encroachments on rights-of-way, of the City Code of Ordinances. Any hardened structures within the rights-of-way, including, but not limited to, fences, walls, planter boxes, trellises, and parking delineation structures more than two (2) inches above grade, must be removed by **June 12, 2025**. After June 12, notices of violation will be issued.

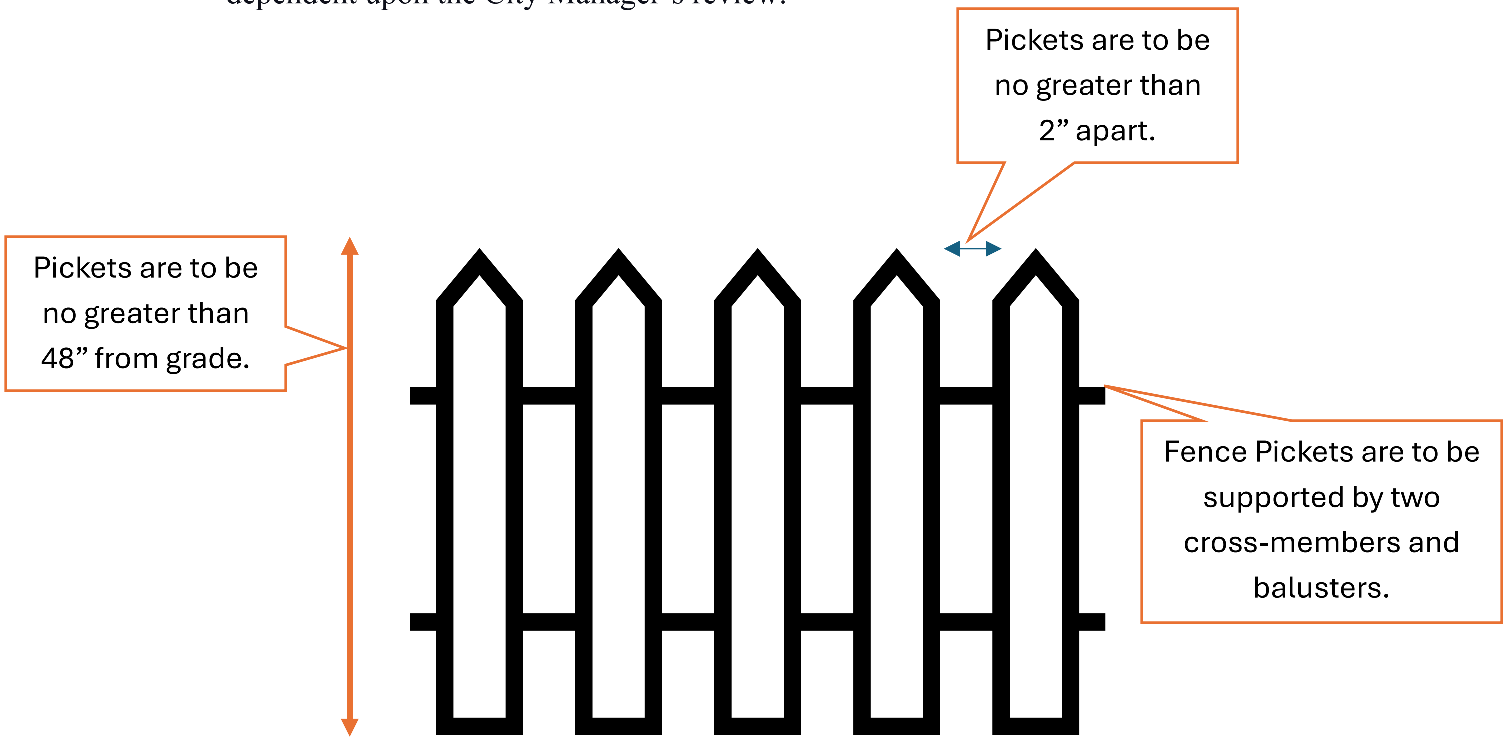
Standards Created with Amendment: All encroachments require administrative review in the form of a Rights-of-Way Permit.

- New parking pads no more than 20' wide with permissible paving surfaces are allowed.
- Existing parking surfaces can remain if they are not a safety hazard and do not include obstructions more than two (2) inches above grade.
- Adjoining property owners can add vegetation, and protective measures following current best management standards can be placed within a 10-foot radius around trees in the rights-of-way.
- Vegetative encroachments existing at the time of the ordinance adoption may remain.
- Private installation of native trees is allowed when a tree must be removed for construction or if it is diseased or dead.
- Private fences and vegetation may be maintained if constructed on the private property side of a sidewalk where on-street parking has a curb.
- Walls and fences erected on or before December 31, 1980, can remain if they contribute to the historic character of the National Historic Register or local historic district(s).

Proposal for Exemptions: All proposed exemptions require administrative review in the form of a Rights-of-Way permit. <u>The UDO Administrator reserves the right to deny any permit that may present public safety concerns.</u> The requesting property owner will maintain all permitted exemptions.

- Hardened structures within rights-of-way that retain earth, bolster existing infrastructure, or the removal of the existing structure generates public safety concerns may remain.
- Existing on-grade landscape pavers, stairs for property access, and any other property access structures above grade may remain.
- Existing fencing between a sidewalk and the property line may remain.
- Patio furniture and lawn décor that are easily movable.
- Non-conforming primary structures, when adjacent to a right-of-way, with less than a six (6) foot front or side setback, may be permitted a six (6) foot wide buffer measured from the exterior side of the primary structure.
    - This exemption is to serve as a means of creating a buffer between public access ways and private structures.
    - This exemption only allows vegetation within the encroachment. Vegetation is not to exceed four (4) feet in height.
    - In cases with an existing sidewalk, the buffer may go up to the property side of the pathway, but not beyond.

- Fencing or shrubbery that protects and/or screens public infrastructure, such as electrical boxes, may be permitted pending design standards are within keeping of UDO Section 3.10.B and UDO Table 3.7. Further standards include:
    - Protective screening may not exceed six (6) inches in height greater than the item enclosed.
    - Shrubbery is not to exceed five (5) feet in height from grade.
    - Fencing material is to be either plain wooden picket or painted white wooden picket.
    - To ensure that all utility assets are accessible, protective screening shall not fully encapsulate the asset. The open side must be the front of the utility, where there is a lock, handle, or other means of interior access.
    - Any fencing or vegetation must be at least 3 feet from any side of the utility structure or as posted on the structure for maintenance access.
- Situations not covered may be reviewed on a case-by-case basis. Final approval will be dependent upon the City Manager's review.



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Noah Saldo, City Manager, on April _______, 2025.