

February 13, 2025
REGULAR MEETING MINUTES

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

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

STAFF: Stuart Turille, City Manager
Noah Saldo, City Clerk
Lance Flint, Finance Director
Charles Drew, Fire Chief
Maureen Meehan, Planning Services Director
Tom Stanley, Public Services Director
Todd Coring, Police Chief
ChyAnn Ketchum, Public Information Officer
Bob Jarvis, City Engineer

A. Call to Order

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

B. Invocation

Alderman Davis introduced Mr. Donnie Joyner, local historian and organizer of Black History Month events. Mr. Joyner gave the invocation.

C. Pledge of Allegiance

Mayor Alt led the assemblage in the Pledge of Allegiance.

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 of interest stated.

D. Public Comment

Alderman Mosteller moved, second by Alderman Lai to open Public Comment.

Unanimous vote; motion carried.

Mr. Charles Drew, 112 Park Avenue, addressed the Board. Speaking as Chairman of the Historic Preservation Commission (HPC), he gave a status update.

- Board of Aldermen established Commission September 2022
- Commissioners appointed October 2022
- Members have met to establish rules of Procedure, Goals, Design Standards and Guidelines
- First two years, met twice a month
- Completed inventory of every structure in the 1980 established Historic District
- Met with State Historic Preservation Commission several times
- Some members have taken classes on historic preservation
- Two (2) well attended public meetings held
- Mass mailing announced second public meeting to every citizen
- Mailing comments individually logged and intertwined suggestions and ideas into the design standards
- Public Comment at every meeting
- Joint meeting of HPC and Southport Planning Board
- All wording changed regarding paint standards
- Discussed testimonies from individuals pertaining to certificate of appropriateness of folks that do not live in the proximity of the district and what standing they would have in a hearing
- All meeting minutes on line
- Discussed historic registry of Franklin Square Park
- Discussed condition of Brunswick County Courthouse
- Have changed the language concerning docks and walkways
- Updated use of vinyl, aluminum and other building materials
- Updated landscaping information
- After public meetings, work forwarded to a consultant, hired by City, to draft the Historic Commission Guidelines, Standards and Rules of Procedures
- Have received draft proposal from consultant
- Draft document divided into sections and each commissioner proofing their assigned section
- Special meeting scheduled for February 19, 2025 for report from each commissioner
- When Commission satisfied with the document, it will return to the State Historic Preservation Office for approval
- Will be presented to the Board of Aldermen for adoption

In closing, Mr. Drew reminded everyone that “This is the third attempt in Southport to create a Southport Historic Preservation District. The Commission and many citizens want this to succeed.” He stated his “three P’s of historic value”, *Preserve, Promote and Prevent*

1. Preserve heritage of Southport by protection
2. Promote conservation, education and cultural enrichment
3. Prevent demolition, destruction, and removal of historical character and significance of the City

Mr. Drew stated the Commission has woven consideration and compromise into guidelines, have listened to the citizens, do not want to regulate and restrict, but collectively to

preserve, promote and prevent the demolition of the Southport charm and character; “We have already lost too much of Southport. What is left must be preserved for future generations. That is our whole ideology, and it is our solemn duty to complete the task.” Mr. Drew invited all citizens to attend the HPC meetings, read minutes, and stay informed of the diligence of this commission; “We welcome your feedback, comments, and ideas. Preservation of Southport is in your hands. Next meeting of the HPC, February 19, 2025, 10:00 a.m. at the Indian Trail Meeting Hall (ITMH).”

E. Approval of Agenda

Alderman Kelley made a motion to approve the Agenda. Alderman Mosteller seconded the motion. **Unanimous vote; motion carried.**

F. Approval of Consent Agenda

Alderman Mosteller made a motion to approve the Consent Agenda. Alderman Lai seconded the motion.

Discussion

Alderman Kelley raised a question pertaining to Consent Agenda Item 1. She asked if there was a schedule or any kind of notification would be given to the owners of the homes or businesses directly adjacent to where the sidewalks are going to be repaired. Public Services Director, Mr. Tom Stanley indicated a blanket statement would be posted on line and he would be going to each residence and business that will be affected. He added that a way for those affected to get in and out of their driveways would be provided.

Unanimous vote; motion carried.

1. Sidewalk Repair Contract (Agenda pgs. 3-9)
2. Minutes of the December 10, 2024 Special Aldermen Meeting (Agenda pgs. 10-12)
3. Minutes of the December 12, 2024 Regular Aldermen Meeting (Agenda pages 13-21)
4. Set a Public Hearing, March 13, 2025, for the Rights-of-Way Unified Development Ordinance Update (Agenda pgs. 22-25)
5. Resolution Requesting the General Assembly adopt a Local Bill allowing the City to hold a Referendum for a Prepared Meals Tax
6. Resolution Requesting the General Assembly Adopt House Bill 24, which restores the Authority of Local Governments to Initiate Downzoning

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

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

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

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

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

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

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

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

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

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

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

Section 2. That the prepared meals tax be used to help fund public safety (Police, Fire, and EMS) and City capital infrastructure needs. This will ensure that visitors help contribute to the services they are provided while visiting the city.

Section 3. That a certified copy of this resolution be forwarded to the Hon. William "Bill" Rabon, member of the North Carolina Senate, and the Hon. Charles "Charlie" Miller, member of the North Carolina House of Representatives.

ADOPTED THIS 13th DAY OF FEBRUARY 2025.

/s/ Rich Alt, Mayor

ATTEST: /s/ Noah Saldo, Clerk

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

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

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

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

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

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

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

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

Adopted this the 13th day of February 2025.

/s/ Rich Alt, Mayor

Attest: /s/ Noah Saldo, City Clerk

G. Special Recognition

1. Southport Rotary Club Check Presentation

Mr. Rich Good, of the Southport Rotary Club, explained that 30% of the net proceeds from the Rotary Club owned binoculars, located at Waterfront Park, goes to the City per a long standing agreement. He presented a check, in the amount of \$670 for 2023 & 2024 proceeds, to Mayor Alt.

2. Southport Winterfest Tea Check Presentation

Ms. Karen Martin, Building & Events Manager, and Lynn Geiman, Chair, Southport

Beautification Committee (BC) addressed the Board. Ms. Martin recognized the Beautification Committee for its first time co-hosting the event with the City of Southport. She emphasized the success of the event and the impact it has in the community. Reporting the event raised \$9,000, Ms. Martin presented checks in the amount of \$3,000 each to the Southport PTA, Carousel Center and Providence Home. Representatives of each organizations joined Ms. Martin and Ms. Geiman at the podium. Ms. Martin stated; A heartfelt thank you to these organizations for their commitment to making our community a better place and a difference in lives of others. Your work is inspiring and we are grateful we were able to play a role in supporting your efforts.”

Ms. Martin described the organizations’ missions:

- Providence Home serves as Brunswick County’s Emergency teen shelter providing free short-term and safe housing to youths due to an emergency, high risk or crisis situation and cannot remain with their families. Their work ensures that vulnerable youth have a place of stability and care when they need it most.
- Carousel Child Advocacy Center plays a critical role in helping child survivors heal from physical and sexual abuse across Brunswick, New Hanover and Pender Counties. Their work offers hope and a path towards recovery for children and families in the region.
- Southport Elementary School PTA strives to be a powerful voice for all children, a relevant resource for families and the community and strong advocates for education and well-being of the students. They work to ensure that every child feels valued and encouraged in their educational journey.

In closing, Ms. Martin stated; “Winterfest Tea is a testament to what makes Southport so special, community generosity, collaboration and shared commitment to giving back. We look forward to continuing this tradition and supporting even more organizations in the years to come. Mark your calendars for December 6, 2025 and plan to join us for another wonderful Winterfest Tea.”

Mayor Alt praised the flawless event and thanked the Beautification Committee for stepping up to co-host.

H. Agenda

1. FY 23-24 Audit Presentation (Agenda pgs. 29-127)

Mr. Jay Sharpe, Sharpe & Parel CPA, presented the 2024 audit. He provided a status report; fill work has been completed, financial statements have been prepared and are currently in draft form. He indicated he is waiting on a few items in order to complete the audit and then send it to the Local Government Commission (LGC). He stated that completeness is anticipated next week. He reported the following:

Rules and Objectives:

Plan (including obtaining an understanding of internal controls over key areas)

Test of Controls:

Cash Disbursement
Payroll
Perform risk assessment (risk based approach)
Perform audit procedures to obtain sufficient evidence to render an opinion
Opinion concentrates on whether the financials are free from material misstatement
Reasonable assurance

Mr. Sharpe explained the risk based approach gives the auditor a road map on how to conduct the audit on an annual basis. Audit procedures may change year in and year out depending on what's going on with the City. For example, 2024 the water and sewer fund, being transferred over to Brunswick County, was a significant risk, so close attention was given to the recording of that. Auditors have to perform audit procedures to gain sufficient audit evidence to render an opinion on the financial statements. The opinion concentrates on whether the financial statements are free from material misstatement.

Mr. Sharpe stated that the annual audit is required to be submitted to the LGC by October 31st with a 30 day leeway to December 1. He indicated that requirement is changing for 2025 to December 31.

Mr. Sharpe presented the results of the audit:

Independent Auditor's Report

- Unmodified Opinion
(City received clean audit opinion, best City can receive)

Findings

- Three Material Weaknesses:
 1. Financial Reporting
Budget is required to be balanced at the start of the year. The original budget was not balanced. Revenues were greater than expenditures. It's required by General Statutes that the budget starts out being balanced so that is an automatic finding.
 2. Budget vs. Actual; you are not allowed to over-expend the budget and if it is a material amount, that is a finding also.
 3. Required to issue a communications letter with four (4) main talking points:
 - (i) any significant accounting policy changes that affect the notes to the financial statements. There were none for 2024.
 - (ii) any numbers derived from estimates. There were two (2) major estimates the City has, both appear reasonable (depreciable lives of its capital assets and allowance for doubtful accounts for any amounts owed to the city at the end of the year.) Those appeared reasonable, no issues.
 - (iii) no disagreements with management.
 - (iv) no difficulties encountered working with the staff.

Praising the City Finance Department, Mr. Sharpe reported the one difficulty encountered was a significant delay starting the audit due to a September storm and flooding.

Referring to graphs displayed, Mr. Sharpe went over the Financials for 2024:

- General Fund (gives a trend analysis)
 - Revenues have gone up each of the last three (3) years.
 - Revenues have outpaced Expenditures each of the last three years.
 - 2024 revenues \$13.1M
 - Expenditures were over \$11.1M.
 - A change in fund balance of over \$2M (that's a good sign for the city)
 - 2021, fund balance was just below \$5M. (2024 fund balance is over \$12M (a positive change in your fund balance)
 - City has over doubled the fund balance relating to the General Fund, or the City's regular operations, in a short time frame showing that the City is doing a very good job with its finances and is financially healthy at the end of 2024.
- Fund Balance Breakdown
 - Restricted; moneys not yet received, Powell Bill funds
 - Assigned by the City
 - Unassigned, allowable to be spent (75% of fund balance)

Mr. Sharpe explained that in order to determine the financial health of a city, the auditor compares the unassigned fund balance to expenditures for that year. For 2024 that calculation for the City was 81%. Generally anything in the 8% to 10% range is the bare minimum. Anything in the 30% to 40% range indicates a really healthy unassigned fund balance. The average unassigned fund balance compared to expenditures is in that 30% - 40% range. The City doubles that. Another thing that indicates a healthy financial position is Cash Reserves (comparing the unrestricted cash to expenditures or how long can operations continue if no more cash is received.) It is recommended a town or city to have three (3) to six (6) months in cash reserves in place. Southport had an outstanding number each of the last three (3) years, almost a years worth of cash in reserve.

- Property Taxes,
 - 2022, \$3.3M
 - 2023, over \$4.5M
 - Down slightly in 2024
- Property Tax Rates
 - There was no increase between 2023 - 2024, they remained consistent
- Other Taxes and Licenses
 - Sales taxes and various taxes that are charged
- Expenditures
 - 2024 expenditures consistent with past two (2) years expenditures
 - General Government, 30%
 - Public Safety, #1 expenditures, 43%
 - Cultural & Recreation, 7%
 - Public Works, 7%
- Electric Fund
 - Run as a business
 - Want to show profits
 - Revenues & Expenditures last three (3) years
 - A loss in 2023
 - Profits in 2022 & 2024
 - Did very well in 2024
 - Cash Reserves
 - 324 days in cash reserves

- Very healthy
- Cash Flows
 - Operating cash flows most important (showing profit; no financial risk with the fund)

Responding to a query from Alderman Kelley, Mr. Sharpe responded the City has a healthy fund balance (anything above 10%) and it is trending upward. Noting Southport is in a hurricane zone, Alderman Kelley spoke about the required 55% fund balance, Southport fund balance realistically in the 20% range when a 30% - 40% range would be preferable.

Alderman Kelley pointed out that sales tax is distributed per population and as population grows throughout the county, Southport will see diminishing returns on sales tax. Mr. Sharpe stated a shift may occur depending on population and the spending of money by tourists.

City Manager Turille asked if in comparison to other towns and cities Southport's size and population, where would Southport stand. Mr. Sharpe indicated that Southport is well above average.

Mayor Alt asked if any standards are going to change next year. Mr. Sharpe indicated that there will be a change that will result in Southport's overall net position but will not affect Southport's fund balance; currently compensated absences have to be recorded, next year sick absences will have to be included in that calculation.

Mayor Alt asked if Sharpe & Patel CPA provides wording/verbage for a policy in advance of any Governmental Accounting Standards Board (GASB) changes. Mr. Sharpe stated he would provide literature from the LGC and he would work with the Southport's Finance Department to develop a policy.

Referring to Alderman Kelley's remarks and western North Carolina's experience during Hurricane Helene, Mayor Alt spoke about living on the water and the need to have a healthy number in fund. He stated; "It's not 312 days of operating money because the next day, as you have seen, the cavalry is not coming in here to give us checks. It's years out before you get the money. You have to front the money. That's going to be a discussion in our budget cycle. It's just not as easy as let's scrape some of this, scrape some of that, because we always have to think over the horizon. I want to prep everyone for that conversation."

2. Public Hearing for Yacht Basin Overlay UDO Text Amendment (Agenda pgs. 128-133)

Alderman Kelley made a motion to open Public Hearing. Alderman Mosteller seconded the motion. **Unanimous vote; motion carried.**

Development Services Director, Ms. Maureen Meehan, explained the request for a text amendment for the Yacht Basin Overlay District.

- November 4, 2024; Board of Alderman asked staff to introduce a Yacht Basin Overlay to the

- Planning Board for review and recommendation.
- Planning Board committee was formed and met with the property owners of the subject parcels on January 27, 2025 to discuss future uses of the properties, materials for parking lot surfaces, way finding, the Yacht Basin, Downtown, and maintenance.
- There was a special Planning Board meeting held on Tuesday, February 4th to consider the zoning text and map amendments. Staff presented the language that was established by the review committee in consultation with the subject property owners.
- The Planning Board voted unanimously to recommend approval of the zoning text amendments.
- Properties are 102 S. Caswell Avenue and 309 W. Moore Street, Parcel ID
- Currently zoned R-10. Parking overlay language would allow commercial parking on those lots.
- Does not require the property owner to use the overlay and establish parking on the property
- Underlying zoning district of R-10, residential, still exists and the property can be used as that Four Different Standards zone.

Director Meehan displayed the proposed Yacht Basin Overlay District on an overhead.

Four different standards:

- Surfacing materials
Must be pervious pavers or #57 driveway slate
Concrete or asphalt are prohibited
- Borders around the parking lots
Perimeters of the parking lot must be delineated with wooden borders
8" x 8" wooden beam to be used for horizontal borders
Currently there are some 4" x 4" borders
- Driveway entrances
Entrances will include an apron
Must be sized to contain the aggregate
Consist of cast in place concrete or an alternate paving material that has the load bearing characteristics of concrete
- Maintenance
Off street parking areas shall be properly inspected and maintained on a regular basis by the property owners using industry standards best practices

Director Meehan stated that adjacent properties can request a zoning map amendment in the future if they so choose. The Planning Board recommended approval and it was found consistent with the CAMA Core Land Use Plan as well as the Unified Development Ordinance (UDO).

Responding to a question by Alderman Davis, Director Meehan explained that the red depicted parcels on the display were not included in the parking overlay because commercial parking lots are an allowable use on those lots in that zoning district. Other lots depicted in blue on the display are R-10, single family residential zoning, and they did not want to be part of the overlay.

Alderman Kelley made a motion to close Public Hearing. Alderman Mosteller seconded the motion. **Unanimous vote; motion carried.**

Alderman Kelley made a motion to approve the land use consistency statement, statement of reasonableness, the zoning text amendment and map amendment as presented and she

motioned to approve the request. Alderman Mosteller seconded the motion.
Unanimous vote; motion carried.

Comment

Alderman Mosteller stated appreciation for the property owners for working with the City. She point out that this amendment will allow commercial parking on residentially zoned lots and it will bring everyone into compliance.

Alderman Davis pointed out that it is not a requirement, the owners can do it if they want or not if they don't want.

3. Comprehensive Plan Update (Agenda pgs. 132-321)

Director Meehan stated the first full draft of the Comprehensive Plan (CP) was presented to Aldermen at their January 9th meeting. She gave an update:

- The Plan has been reviewed and comments have been submitted by staff to Jake and Andrea of Steward Consulting.
- The most recent version is included in the Board agenda packet with the updates.
- The plan is now ready for submission to the Division of Coastal Management (DCM). DCM staff will review the plan for consistency with the coastal resources commission's requirements for land use planning. Review can take up to 75 days.
- Public review and input of the plan continues.
- A copy of the most recent plan is available on the comprehensive plan page on the city's website
- Anyone can submit comments directly to the planning department or on an input form that is located on the website.

Alderman Davis asked if there are any provision for a public hearing before it is sent to DCM. Noting that the review period is for comments from DCM to make sure the plan is consistent with their rules, Director Meehan indicated a public hearing would be held prior to local adoption of the plan.

Mayor Alt questioned if during the review period, someone comes up with a great idea, does that required going back to the DCM. Director Meehan stated that DCM will be looking at very technical issues that they have very specific requirements for. A lot of the local issues that the community and Aldermen are going to come forward with, or any other boards, won't be affected by the DCM review. Mayor Alt speculated; "So if we were to have a workshop on this and try to drill down on things, like the suggestion that the UDO be changed, we could get more granular as to what that might be and that would not necessarily have to go back to the DCM". Director Meehan responded the Mayor is correct and she added that there are going to be updates to the Board throughout all of these reviews and there will be opportunities to meet with staff and the public itself.

Director Meehan turned the presentation over to Jack Petrosky for his review of the updates and recommendations that have been put together at this point.

Mr. Petrosky, reported that based on feed back received over the last couple weeks, some minor changes had been made and some policies have been moved around from an organizational standpoint. There was also some grammatical errors and updates to wording. He

spoke about the dredging of the Yacht Basin, its inclusion in the Plan, and it's need to be an action item. Also included in the plan are the development of an economic development strategy for the city, focus on improved tax base and maintenance of the electrical system (continuing under grounding and seeking a point of second delivery).

Mr. Petrosky talked about good "to dos"; coordination with partners on maintenance of the cemeteries, seeking out additional revenue sources in terms of grants, food and beverage tax, and prioritization of connectivity between parking lots.

Emphasizing that the amount of visitors is increasing and the surrounding county and US Highway 17 is growing significantly in population, Mr. Petrosky talked about traffic management included in the plan and how to deal with traffic. He indicated that based on recent conversations, it became evident a policy needed to be included pertaining to connectivity between parking lots and new developments, and also public streets built to city standards. He added that some little things can be done to address the parking on Bay Street and at the waterfront, i.e. striping.

Mr. Petrosky outlined some of the big issues in the plan:

Big Issues

- Maintaining Existing Character
 - Building Height
 - Building Footprint
- Affordable Housing
- Increased Tax Base
- Traffic Management
- Infrastructure Upgrades
- Emergency Services
- Parking

Alderman Davis asked what Traffic Management Entails. Mr. Petrosky explained that its an umbrella term dealing with increased demand on your roadways and how to manage that increase demand. Some of it is balancing through traffic, pedestrians, and safety, making sure there are good connections and alternative routes so that traffic can be dispersed so as not to rely solely on NC 211. How does the City manage background traffic and traffic resulting from visitation and regional growth. Traffic Management is something the Board plays a role in, private development plays a role and coordination with NCDOT is important as well.

Referring to visual displays, Mr. Petrosky outlined the following:

Draft Future Lane Use Map

- Recognizes residential and non residential character
 - There are several nonresidential zoning district.

- There are unique areas that need to be recognized; Downtown, Midtown, Neighborhood Commercial, Gateway, Highway Commercial
- Four different areas to accommodate different scales of nonresidential use and encourages conservation design in environmentally sensitive areas

Residential

Character Areas:

- Historic Neighborhood
predominately single family homes. Occasional B&B, duplexes, accessory uses, short block lengths. Height 40'
- Traditional Neighborhood
Mostly single family residential with some mix of housing including small scale attached residential. Short block lengths, Generally 6 - 7 units per acre, max Height 40'
- Low to Medium Density
Mostly single family residential. Medium block lengths, 3-4 units per acre. Max height 40'
- Low Density/Conservation Design
Half acre lots or conservation design with smaller lots clustered away from environmental features (flood plains, maritime forest, marshes), minimum 40% open space

Height

Mr. Petrosky stated that height was thoroughly examined. He indicated that Lidar (Light Detection and Ranging) data and actual height of buildings in the downtown and midtown areas were studied so that when making recommendations and saying preservation of the existing character, it is known what is actually out there. For example, the actual elevation is shown as 31' but the building height is 25 - 28 ft. Some of the churches in old downtown are larger, Baptist Church has a 40 ft. height and the steeple is 70 ft. That is the traditional way cities used to be designed. In Midtown there is a 37 ft. mixed use building and a 40 ft. mixed use building.

Scale of Commercial Buildings

2,000 - 6,000 sq. ft.	Main street or neighborhood commercial w/retail, service, or office
3,000 - 8,000 sq. ft.	Midtown, typical small/medium scale, dining, retail, or service
10,000 - 30,000 sq. ft.	Gateway, range of medium scaled to Big Box scaled retail, service, or office
30,000 + sq. ft.	Highway Commercial, typical larger scale retail, service, or office

Noting that Southport is a sought after destination which makes real estate very valuable, and Southport is probably not going to have truly affordable housing but there is concern about workforce and being able to have young families in the community, Mr. P spoke about housing:

Housing

- Updating processes to get the quality of development that blends with existing character
- Considering additional housing types in certain areas with conditions
- Allowance for Accessory Dwelling units for long-term rentals
- Coordination with non-profits and other entities to develop affordable housing units

Mayor Alt spoke about the city's storm water issue in relation to Accessory Dwellings;

“I’m not against the secondary house if the lot’s big enough to do that but to say you have the right to do that and you have no pervious soil left on your property and all you are is a funnel to send water to somebody else’s property. We have to be careful, we have that already. All we are doing is funneling water from one place to the next. We have to balance that out and tie it into our storm water program.”

Mr. Petrosky stated his opinion that the restrictions on short-term rentals is a good thing. Regarding long-term rentals, he said more rentals are needed in the Southport area and he spoke about entry level teachers needing affordable housing.

Alderman Davis asked Mr. Petrosky what he would recommended solution. He responded he would recommend removing the restrictions on long-term rentals from accessory dwelling units.

Alderman Mosteller stated her opinion about lot sizes in relation to permitting accessory dwelling units for long-term rental; “We can’t afford the density, the cars. Permitting long-term rental on 10,000 square foot lots, we need real standards that let us do that; lot size requirement, setbacks requirements, limits on built upon area and permeable space. I want to make sure because we use the plan as a blueprint for our zoning. The performance based approach to accessory dwelling units is needed.”

Emphasizing the need for Board discussion and consideration on the issue, Mayor Alt asked Mr. Petrosky if he would be able to provide suggestions for language detailing standards and requirements for permitting long-term accessory dwelling unit rentals. Mr. Petrosky responded that the Plan speaks to it and he could provide detailed language.

Alderman Kelley pointed out that there are neighborhoods that have a permeable lot limit, i.e. Indigo. Referencing Multi-family housing, Mr. Petrosky acknowledged there is precedence. Mayor Alt noted that Homeowners Associations (HOAs) will set standards for impervious surface and Alderman Mosteller stated that many neighborhoods had to get State Storm Water Permits.

Aldermen Davis stated her impression some of the plan goals and standards are contradictory to each other. She referenced the lesson learned a few months past of how bad it is not to have enough permeable surface. Quoting one of the great rock groups of all time, Alderman Davis said “We won’t be fooled again.”

Referencing the Plan Action Item #179 about accessory structures and dwellings, Alderman Mosteller indicated that accessory dwellings current require a Special Use Permit which then gives adjacent neighbors the ability to have input. She pointed out the Plan has Administrative approval and she recommended a revision to indicate the required Special Use Permit.

Mr. Petrosky pointed out that there is not going to be a place for large scale affordable housing, there is just not the land, but a couple units aimed at veterans, teachers, emergency

personnel could be something to work towards.

Mr. Petrosky talked about encouraging investment while preserving the character of Southport. He talked about supporting tourism, hotel occupancy tax and considering a food and beverage tax.

Economic Development - Invest in Core Areas

- Downtown
- Midtown
- Gateway
 - Support Tourism
 - Food and beverage tax
 - Hotel occupancy tax

Emphasizing that Southport is doing a lot better than other cities as reported by the audit, Mr. Petrosky pointed out that the decisions the Board makes related to land use have a financial impact. He talked about tax revenue needed to pay for services and commercial and industrial uses having a higher return on investment than residential types. He noted that residential return on investment is based on the price point of the house, location, is it near existing services, etc. He gave an example;

- Downtown has the highest property values on a per acre basis, over \$4M per acre in tax revenue
- Some properties downtown exceed \$10M, even \$15M per acre
- The Smith Building has a value of \$12M per acre, whereas Walmart has a value of \$500,000 per acre
- Smith Building is on only .6 acres and Walmart is on 23 acres
- The style of development can be financially beneficial in addition to reinforcing the character of the city

Mr. Petrosky clarified for Mayor Alt that the referenced \$12M is what the owner of that property is taxed on.

Mr. Petrosky displayed the following

Transportation

- Access management on major roadways
- Style of development can support walkability
- Using rights of ways.
 - City has large right of ways being used for different things; beautiful trees, street parking, sidewalks
 - Look at right of ways and different uses for them in the future; storm water, sidewalks, street trees
- Encouraging bicycle and golf cart parking in different places (can be a way to deal with traffic because it could encourage people to use those and they take up less space.)

Pedestrian Crossings

- Prioritizing other areas for improvements similar to those on Howe Street

Infrastructure & Services

- Population projections based on approved development in the area, including outside the city limits
- There is an upward trend; emergency services needs are going to increase, storm water needs are going to increase
- Utility system monitoring, working with the County on urban service areas is recommended.

Mr. Petrosky asked; “What do we do with this plan.”

Priorities

- Zoning updates
- Coordination with Brunswick County
- Parks & Conservation
- Walkability and Parking
- Housing
- Funding & Budget

Next Steps

- Public and Board review (February)
- Division of Coastal Management Staff Review (February, could take up to 75 days)
- Edits from DCM Staff Review
- State Agency Review (30-day review period)
- Planning Board
- Board of Aldermen
- Certification DCM (30-day public comment period)

Mr. Petrosky emphasized that there will be many opportunities for changes between this meeting and when comments come back from the State.

Referring to the map on page 119, Alderman Mosteller suggested the following be included in the plan regarding the White Springs Pond Complex:

- Relocation of the Legend (for better visibility of that part of Southport)
- Include reference to its rating of biodiversity and wildlife

Alderman Mosteller provided Mr. Petrosky with language from Wildlife relating to the area. She added that she would welcome further discussion and review of building heights and sizes. Mayor Alt concurred and stated height and size issues will be a factor in the Overlay District which the City and County will have to compromise on.

City Manager Turille made an observation and shared his opinion that due to County population growth, affordable and workforce housing will be more available adjacent to the City.

Alderman Kelley reported that she has been attending the Brunswick County Planning Board meetings, a precedent has been set, and 5% of the housing units in development in the County are dedicated to affordable housing.

Questioning if Southport should formalize a Social District, Alderman Mosteller asked

about Action Item #727. She pointed out that Wilmington is doing a social district pilot program on Saturdays in February and the district encompasses a 9-10 block radius of downtown Wilmington. Alderman Davis asked Mr. Petrosky what the Comprehensive Plan foresees for the Social District. Mr. Petrosky responded that formalizing a Social District and its geographic boundaries would have to be determined by the Board through discussions with business and property owners. He stated that a Social District is an economic development tool, he has seen it done across the State, and is not aware of any negative impacts in terms of crime or safety. Mayor Alt shared his experience in the Wilmington Social District; "It's short lived, like one weekend, there are lines wrapped around the building trying to get in and that means there are cars that brought the people. Regardless of how many cars we bring in and regardless of how many times that tap goes back, we don't make any money off that. So, the cost benefits of doing something has to be weighed into the whole thing." Alderman Kelley stated; "It we have a Prepared Food Tax, that might be a different thingl."

Alderman Spencer stated his opinion that traffic and the flow of traffic is one of the biggest problems Southport faces. He talked about maintaining generational growth and development. He gave examples:

- A resident of town has a son that works in Southport and a grandson that lives in Southport
- Families staying in Southport for generations has become a rarity
- Children have gone off to college and gotten jobs elsewhere
- There is no economic incentive to return home

Alderman Spencer spoke to maintaining the character of Southport; "There is no character in stone and wood, the character of Southport is in the cemetery, people who made wheelbarrows with engines on them and rode around town, we don't have that anymore, we got bourbon bars and karaoke. So, character is relative to the way you look at things." He suggested internships for young people, help with schooling so they could return to Southport and providing affordable housing. Alderman Spencer continued; "We need to be intend on what we want our future to be. We're learning that making this sales dollar, this tourism economy, doesn't really serve the purpose and it surely is not helping our character. You pointing out the \$11.5M jewel we have, and it's a bar, that's our jewel? We need to be intent on what we want here and how we want to live and it doesn't always mean opening our arms to everybody and come and use us daily for free. So this document here needs to be really taken seriously as to where we want to go, not playing with I want a 40 ft. building or I want a 35 ft. building. I want people that I know day to day and not transients. So, you put that in there for me."

Responding to someone in the audience, Alderman Kelley shared her experience purchasing and operating a hotel in Southport; "Six years ago, I purchased the hotel and the microwaves were used almost by every guest that came to stay. People were going fishing, bringing back their catch, they were cooking microwave meals at the hotels. Now the microwaves are hardly ever used. My guests are going out in the community. They are eating in the community, they are supporting our local businesses, they are spending money in the area. Now, if we had a prepared food tax, they would be contributing beyond the occupancy tax that they are already paying. So these people who are coming and staying are paying the sales and

use tax which goes to the State and is redistributed to the County and we get our teeny tiny piece of that pie. They are also paying occupancy tax, 3% to the City of Southport, 1% to Brunswick County and that all comes back to us. They can go just outside Southport city limits, into the ETJ, and they are not paying that 3% into Southport. So, all of the accommodations that are within the City of Southport are paying 3% of every room night they stay. So, when we are talking about possibly increasing revenue and how we get revenue, we have to think very carefully about whether or not we want to price ourselves out of the ability to have these transients who are spending money in our community from being able to come and stay in our community because they would rather stay out on 211 because they don't have to pay it. So, we need to balance that as we are thinking through what we are doing here."

Sharing his parents operated a restaurant, Alderman Lai commented that restaurants run on a razor thin margin and if there were no tourists coming, those restaurants would not exist.

Alderman Mosteller made a motion to send the Southport 2050 Comprehensive Plan to the North Carolina Department of Coastal Management to review the plan for consistency with the CRC's Land Use Plan requirements. Alderman Kelley seconded the motion.

Ayes: Aldermen Mosteller, Kelley, Lai, Spencer

Nay: Alderman Davis

Vote 4-1: motion carried.

4. Shoreline Stabilization Task Order #5 (Agenda pgs. 322-329)

City Engineer Bob Jarvis addressed the Board and spoke about the Shoreline Stabilization Project. The Cape Fear River Shoreline in Southport has been undergoing increasing erosion primarily due to the effects of wave action generated by storm generated winds, recreational and commercial boat and ship traffic, and the effects of the ongoing sea level increase. Since 2023 the engineering consultant, Olsen Associates have been providing services to aid the City in design, permitting and construction of the shoreline protection elements. To date they have provided comprehensive, topographic and cultural resource surveys to support the design and permitting activity and they have made multiple presentations to the Board presenting erosion mitigation alternatives and they have advanced the design, refined cost estimates and gained Board consensus for phasing and erosion mitigation preferences. Olsen Associates recently prepared their Task Order 5 for the next phase of their work on the project. Olsen's proposed work items will include design, permitting, contract document preparation and bid services for the next phase of the shoreline stabilization improvements. That portion of the project is shown as Phase 1 (on displayed graphic). It encompasses the installation rock revetment to stabilize the shoreline and it is going to encompass 500 feet east and 500 feet west of the City Pier. The project is expected to be bid in late Spring, construction to commence in the Summer and be wrapped up by the end of the year. Mr. Chris Creed with Olsen Associates was in attendance.

Answering a question by Alderman Kelley, City Engineer Jarvis confirmed that budget number provided is for Phase 1 only. Mayor Alt clarified that the budget number is for the design, permitting and bidding assistance of the project, not the actual installation.

Alderman Davis asked what the estimated cost would be for Phase 1. City Engineer Jarvis indicated the preliminary conceptual estimate cost of Phase 1 is in the neighborhood of \$1M.

Responding to a query by Aldermen Kelley and Lai, City Engineer Jarvis confirmed that funding would be lost if not encumbered by June 30, 2026. He stated the City is on track to do that. He defined “encumbered” as “the project has to be awarded to a contractor.”

Mayor Alt pointed out that there is no reason why work on the next phase (American Fish, East) cannot be started while Phase 1 is in the permitting stage. City Engineer Jarvis agreed and indicated there are activities currently ongoing with the other phase. He added that the CAMA representative stated the permitting for the first phase of the project was somewhat simplistic in its nature and staff and the consultant are expediting that phase of the project in order to start utilizing the funding that has been made available.

Alderman Davis asked if the project was behind schedule. City Engineer Jarvis indicated the project start predated his involvement. He added that since the consultant was engaged in 2023, the project has been steadily moving forward. He stated there are elements of the project that simply take time.

Responding to a query by Alderman Davis, City Engineer Jarvis stated there were no particular glitches that were not anticipated.

Referencing the Statement of Conditions and Exceptions of the proposed Comprehensive Plan, City Attorney Herman pointed out an oversight regarding easement acquisition and Item Number 8. Chris, consultant with Olsen Associates agreed there was an oversight and he recommended deletion of those items. Attorney Herman advised the Board that if a motion to the effect of approving the proposal is made to also not elimination of #7 and #8 on Page 5 of the draft proposal.

Alderman Kelley made a motion to accept the proposed contract with Olsen Associates to continue design and permitting activities related to the Shoreline Stabilization Project but remove on Page 5, number 7 and number 8 of the draft proposal. Alderman Mosteller seconded the motion. **Unanimous vote; motion carried.**

I. Committee Reports

1. ABC Board (Agenda pgs. 330-331)

Alderman Lai reported that the ABC store had a solid month but was 4 - 5% less than what it could have made had there not been a snowstorm that cut down on traffic and people going to restaurants. He pointed out that the ABC store continues to be a revenue generator for the City.

J. Manager’s Report

1. City Manager Report (Agenda Pg. 332)

City Manager Turille gave his monthly Manager's Report:

1. FEMA
 - Meeting with FEMA officials on Potential Tropical Cyclone #8 (PTC) reimbursement
 - Weekly meetings with FEMA officials continued for reimbursement categories B, D, E and F
 - Uploading all invoices, time sheets and costs for reimbursement
 - Once the CCT are finalized and there is a clear scope of work for repair, step one, the base cost will be completed
 - When FEMA receives data, they will analyze it to determine if the City qualifies for any mitigation grants
2. Moore Street Bridge
 - Contractor is working on the demolition of the old roadway debris
 - Project is scheduled for installation of the bridge by mid May
 - In touch with NCDOT about that progress
 - Will keep Board informed
3. Preserve at Fisher Landing Sidewalk Installation
 - Called in the bond for uncompleted sidewalks
 - Developer is out there now installing the sidewalks
 - Work began on February 5
 - Nearing completion
4. Right-of-way Ordinance Enforcement
 - Courtesy letters were sent the last week of January
 - Code Enforcement staff fielding calls and meeting with citizens.
 - In the courtesy and educational period right now.
 - Property owners have until June 12, 2025, six months from the day of adoption, to remove the identified structures.
 - Working with property owners at this stage.
 - Right-of-way online permit is live on the website and staff are issuing permits as necessary for the allowable uses in the right-of-way
 - To date, with almost 100% complete, 83 have been contacted
 - Letters have been sent to landscaping companies and contractors to make them aware
 - Moving along on the action plan sent to the Board and providing weekly updates
5. Forestry Committee
 - Will be distributing door hangers throughout the City this week
 - Door hangers remind citizens to call before they cut any trees and apply for a permit if necessary
 - Links to the Tree Preservation Ordinance and online permit portal are included on the door hangers
6. Prepared Meals Tax
 - Include new financial forecast model as a supplement to a Resolution

- Model clearly shows the underlying need for the tax
- 7. North Howe Street Overlay
 - Board needs to meet to discuss the latest County revisions to the City's Overlay District proposal
 - Suggest February 24, 2025 meeting; could have a closed session

City Manager Turille stated appreciation to Finance Director Flint and the entire Finance Department staff for their work on the audit and the water/sewer merger.

K. Mayor's Comments

Pointing out that everyone was involved, Mayor Alt stated appreciation for the Board, staff, and landowners working together on the Entry Corridor Overlay District Project which started five (5) years ago and finally came to a conclusion.

Mayor Alt announced that a Rural Planning Organization (RPO) meeting would be held February 14. He explained that the RPO is a planning group made up of Brunswick, Pender and Columbus Counties representatives that get together to discuss future traffic and transportation issues, i.e., ferry boats, bicycle paths, interstate highways, airports.

Mayor Alt reminded everyone that the Legislative Session had started in Raleigh.

Mayor Alt announced that a Mayors Meeting is being set up. He indicated that 19 municipalities make up the group and eight (8) Mayors are particularly focused on the Fire District Fees topic; the fees are not meeting the fire district expenditures and what are the options.

Mayor Alt indicated that the agenda for this meeting had been split due to its size, 386 pages, and the second half of the meeting would be held Monday, February 17, 12:30 p.m. in the Community Building. Additionally, Mayor Alt stated that Congressman David Rouzer had asked for the Mayor or Aldermen to attend an event that date.

L. Staff Reports

1. Public Works (Agenda pg. 333)
2. Code Enforcement (Agenda pgs. 334-337)
3. Development Services (Agenda pgs. 338-339)

M. Board Comments

There were no comments from Aldermen Mosteller, Davis, Spencer and Lai.

Noting Joey Kronenwetter is a first time dad, Alderman Kelley congratulated the family

on the birth of their child.

N. Closed Session; 7:53 p.m.

Alderman Spencer made a motion to go into closed session pursuant to NCGS 143-318.11 (5), (6). Alderman Kelley seconded the motion. **Unanimous vote; motion carried.**

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

Alderman Kelley made a motion to come out of closed session. Alderman Mosteller seconded the motion. **Unanimous vote; motion carried.** 10:10 p.m.

Mayor Alt reported that Robert Carroll had joined the meeting via teleconference during , Closed Session, was fully versed, and is currently on the phone on the Diaz. His voice will be heard on any motions or votes that take place.

Alderman Kelley made a motion to hire Noah Saldo as our Interim City Manager. Alderman Lai seconded the motion.

Discussion

City Clerk Saldo asked Mayor Alt if he would announce the resignation. Mayor Alt indicated that issue would be taken up with Mr. Turille at a later date.

Unanimous vote; motion carried.

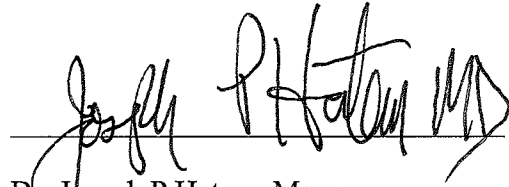
Interim City Manager Noah Saldo was sworn in by Mayor Alt.

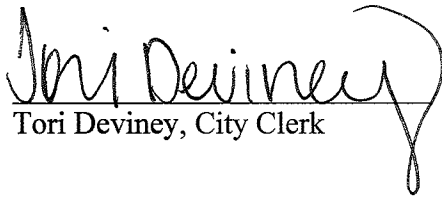
Interim City Manager Saldo thanked the Board for the opportunity to continue to serve the residents and the community; "It has been an honor to serve over these last few months as City Clerk and I know we will continue to work together on behalf of all Southport to continue to make this city the best place it can be for all people. Thank you for this and I look forward to continuing to work with you, our department heads, our employees and our community members."

O. Adjourn

Alderman Kelley made a motion to adjourn at 10:14 p.m. Alderman Mosteller seconded the motion. **Unanimous vote; motion carried.**

ATTEST:


Dr. Joseph P Hatem, Mayor


Tori Deviney, City Clerk

(SEAL)

