CITY OF SOUTHPORT

Board of Aldermen

Regular Meeting

August 13, 2026 | 6:00 PM
223 E Bay St, Southport, NC 28461
Southport Community Building
Please turn off or silence all cell phones

Agenda

A. Call to Order

B. Invocation

C. Pledge of Allegiance

D. Public Comment

E. 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.

F. Approval of Agenda

G. Approval of the Consent Agenda

1. HPC Ordinance Repeal
2. Meeting Minutes:
   9/11/2025, 10/6/2025,10/9/2025, 6/2/2026, 6/11/2026, 6/17/2026
3. 2026 Paving Project Contract
4. FY27 Budget Amendment — 1, 2 &3
5. Resolution — Support for the preparation of an environmental impact statement for NCDOT project HB-0039, The Cape Fear Memorial Bridge replacement, and supporting the City of Wilmington and other Lower Cape Fear communities in seeking a comprehensive regional environmental review
6. Clerks Letter of Sufficiency — 1501 N Howe St — Annexation
7. Community Building Handrail Replacement Contract

H. Special Recognition

1. Forestry - Proclamation
2. 50th Anniversary of Franklin Square Art Gallery

I. Agenda

1. Golf Cart Ordinance Update
   City Clerk Tori Deviney
2. **Public Hearing** — Annexation — 1501 N Howe St, Southport, NC
   City Clerk Tori Deviney

Meetings are open to the public. If you cannot attend the Board of Aldermen meetings in person, the meeting will be available for to watch via live stream on the City of Southport website (http://cityofsouthport.gov/livestream), Facebook page, and YouTube channel.

3. **Public Hearing** — Annexation Rezoning — 1501 N Howe St, Southport, NC
   Planning Services Director Maureen Meehan
4. **Public Hearing** — Rezoning — 140 Sandy Lane, Southport, NC
   Planning Services Director Maureen Meehan
5. Turtle Bay — Final Plat Approval
   Planning Services Director Maureen Meehan
6. Moratorium Request for Data Centers
   Planning Services Director Maureen Meehan
7. Artificial Intelligence (AI) Software Discussion
   Alderman Spencer
8. Update on the Wilmington Harbor Section 403 Project — Proposed dredging of the Cape Fear River
   Mayor-Pro Tem Mosteller

J. Committee Reports

K. Manager's Report

L. Mayor's Comments

M. Staff Reports

1. Community Relations
2. Finance
3. Permitting & Inspections
4. Planning
5. Police

N. Board Comments

O. Closed Session - § 143-318.11 (3) (6)

1. (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.

   (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.

P. Adjourn

STAFF REPORT

Agenda Item: Repeal of Historic Preservation Commission Ordinance
Department: Administration
Meeting Date: August 13, 2026
Prepared By: Tori Deviney, City Clerk

Background

The City of Southport established the Historic Preservation Commission (HPC) pursuant to authority granted to local governments under North Carolina General Statutes Chapter 160D. The City's Historic Preservation Commission and related provisions are currently contained within Chapter 2, Division 3 of the City Code of Ordinances.

On July 2, 2026, the North Carolina General Assembly enacted Session Law 2026-25 (Senate Bill 876). Section 13 of the Session Law specifically addresses historic preservation within the City of Southport and abolishes the Southport Historic Preservation Commission.

The legislation further provides that the City may not:

- Designate a Historic Preservation Commission;
- Create a new historic district or historic overlay district; or
- Expand an existing historic district or historic overlay district.

The legislation does not eliminate an existing historic district. Any historic district in effect on the effective date of the legislation remains in effect but may not be expanded.

Purpose of Ordinance

The proposed ordinance repeals the provisions of the City Code establishing the Historic Preservation Commission and provides for the removal of obsolete references to the Commission.

The purpose of the ordinance is to bring the City's Code of Ordinances into conformity with Session Law 2026-25. The proposed action is administrative in nature, as the Historic

Preservation Commission has already been abolished by action of the North Carolina General Assembly.

Staff Recommendation

Staff recommends adoption of the ordinance repealing the Historic Preservation Commission provisions of the City Code in order to conform the Code of Ordinances with Session Law 2026-25.

Suggested Motion

Motion to adopt the ordinance as presented, amending the City of Southport Code of Ordinances to repeal the provisions establishing the Historic Preservation Commission and to conform the City Code with Session Law 2026-25.

CITY OF SOUTHPORT, NORTH CAROLINA

Ordinance #26-0813.01

AN ORDINANCE AMENDING THE CODE OF ORDINANCES TO CONFORM TO SESSION LAW 2026-25 (SENATE BILL 876) BY REPEALING THE HISTORIC PRESERVATION COMMISSION PROVISIONS

WHEREAS, the City of Southport previously established a Historic Preservation Commission pursuant to Chapter 160D of the North Carolina General Statutes and adopted provisions governing the Commission within the City Code of Ordinances; and

WHEREAS, on July 2, 2026, the North Carolina General Assembly enacted Session Law 2026-25 (Senate Bill 876); and

WHEREAS, Section 13(a) of Session Law 2026-25 abolishes the Southport Historic Preservation Commission; and

WHEREAS, Section 13(b) of Session Law 2026-25 further provides that the City of Southport shall not have authority to:

1. Designate a Historic Preservation Commission;
2. Create a new historic district or historic overlay district; or
3. Expand an existing historic district or historic overlay district; and

WHEREAS, Section 13(c) of Session Law 2026-25 provides that any historic district in effect on the effective date of the Act shall remain in effect but shall not be expanded; and

WHEREAS, the Board of Aldermen finds it necessary and appropriate to amend the City Code to conform with State law.

NOW, THEREFORE, BE IT ORDAINED by the Board of Aldermen of the City of Southport, North Carolina, as follows:

Section 1. Repeal.

Chapter 2 Article 4 Division 3 of the Southport Code of Ordinances is hereby repealed as follows:

- ~~DIVISION 3. - HISTORIC PRESERVATION COMMISSION~~

- ~~Sec. 2-192. - Creation and appointment.~~

~~There is hereby created, pursuant to G.S. 160D-303, a historic preservation commission, hereafter referred to as the "commission." The commission shall consist of seven (7) full members and two (2) alternate members, who shall be appointed by the board of aldermen. All members appointed to the commission shall, before entering their duties, qualify by taking an oath of office as required by G.S. 160D-309. Initially appointed terms shall be staggered so that two (2) members serve a one-year term, three (3) members serve a two-year term, and two (2) members serve a three-year term. Thereafter, the board of aldermen shall appoint members to terms of three (3) years. (Refer to Table A below for the initial term expiration dates).~~

~~Table A. Scheduled Staggered Term Expirations~~

~~June~~	~~2023~~	~~2024~~
~~Full Members~~		~~2~~
~~Alternates~~		

~~(all terms become three-year after the original term expires)~~

~~Open positions on the commission will be advertised by the city in the spring. Prospective applicants and incumbent members seeking reappointment shall submit an application to the city clerk by April 30. All new applicants will be interviewed by the chair, vice chair and board of aldermen liaison(s), who will recommend the best candidate(s) to the board of aldermen at the next regular June meeting. The board of aldermen will appoint the member(s) from the pool of all prospective applicants. In the event that the chair or vice chair is being interviewed for another term, the mayor shall serve on the interview committee. If the mayor is unavailable, the mayor pro tern shall serve on the interview committee. The commission will strive to have the same interview committee for every interview.~~

~~Any member desiring to resign from the commission shall submit his/her resignation in writing to the secretary. Applications will then be accepted by the city clerk for a period of~~

fourteen (14) days following the resignation, to serve on the commission for the remainder of the term. After the fourteen (14) days, the chair, vice chair and board liaison(s) will conduct interviews and make a recommendation to the board of aldermen at the next regular board of aldermen meeting.

Alternate members shall not be entitled to vote on matters before the historic preservation commission except when a full member is absent from a duly called meeting and is specifically indicated by a majority of regular members. All full and alternate members of the historic preservation commission must be residents within the corporate limits of the city.

The mayor shall appoint an alderman(s) to the committee to act as a liaison(s) between the historic preservation commission and the board of aldermen. The liaison is not a voting member but can observe and discuss ongoing reviews. At least one (1) member of the city's planning department staff will be assigned to serve as administrator to ensure and facilitate enforcement of the provisions of this division.

(Ord. of 9-8-22(1); Ord. of 5-11-23(1); Ord. of 9-12-24(1))

- **Sec. 2-193. - Qualification of members.**

A majority of the members of the commission shall have demonstrated education, experience, special interest, or a combination thereof, in historic preservation, history, architecture, architectural history, archaeology, cultural anthropology, planning, or related field.

(Ord. of 9-8-22(1); Ord. of 5-11-23(1); Ord. of 9-12-24(1))

- **Sec. 2-194. - Rules of procedure.**

(a)

The commission shall adopt rules of procedure necessary to the conduct of its affairs and in keeping with the provisions of this division. The rules of procedure shall provide for at least the following:

(1)

Selection of commission officers.

a.

The officers of the commission shall be chair, and vice chair. Officers will be nominated by the historic preservation commission during the first meeting of a new term (July), or within sixty (60) days after a mid-term vacancy of an officer.

~~(2)~~

~~Time and place of regular meetings and calling of special meetings.~~

~~(3)~~

~~Procedure for conduct of public hearings.~~

~~(4)~~

~~Keeping of minutes and commission records.~~

~~(5)~~

~~Conduct of voting.~~

~~(6)~~

~~Conflicts of interest policy.~~

~~(7)~~

~~Attendance policy.~~

~~(8)~~

~~Forms to be used in applying for certificates of appropriateness.~~

~~(9)~~

~~Sufficient project information to make sound determinations regarding applications for certificates of appropriateness.~~

~~(10)~~

~~List of minor work for which the city staff may issue certificates of appropriateness.~~

~~(b)~~

~~The commission shall meet at least quarterly. All meetings shall be conducted in accordance with the North Carolina Open Meetings Law, G.S. Ch. 143, Art. 33C (G.S. 143-318.9—143-318.18).~~

~~(c)~~

~~The commission shall annually present to the board of aldermen a report of its activities, budget, findings, recommendations, and actions, which shall be made available to the public.~~

(Ord. of 9-8-22(1); Ord. of 5-11-23(1); Ord. of 9-12-24(1))

- **Sec. 2-195. - Powers and duties.**

The commission is hereby empowered to undertake such actions as may be reasonably necessary to the discharge and conduct of its duties and responsibilities as set forth in this division and in the North Carolina General Statutes, including, but not limited to:

(a)

Organizing itself and conducting its business;

(b)

Receiving and spending funds appropriated by the board of aldermen for operating and performing its duties;

(c)

Conducting an inventory of properties of historical, archaeological, architectural, and/or cultural interest;

(d)

Recommending to the board of aldermen that individual buildings, structures, sites, areas, or objects within Southport city limits be designated as "historic landmarks" and that areas within its Southport city limits be designated as "historic districts;"

(e)

Recommending to the board of aldermen that designation of any area as a historic district, or part thereof, or of any building, structure, site, area, or object as a historic landmark, be revoked or removed for cause;

(f)

Reviewing and acting on proposals for:

(1)

Exterior alteration, relocation, or demolition of designated historic landmarks;

(2)

Exterior alteration, relocation, demolition, or new construction of properties within designated historic districts;

(g)

~~Negotiating with property owners who propose to demolish or relocate a designated landmark, or a building, structure, site, area, or object within a designated district, in an effort to find a means of preserving such properties, including consulting with private civic groups, interested private citizens, and other public boards or agencies;~~

~~(h)~~

~~Instituting action, through the city code enforcement department to prevent, restrain, correct, or otherwise abate violations of this division or of ordinances designating historic landmarks or districts;~~

~~(i)~~

~~Entering, at reasonable times and with the consent of the owner occupant, upon private lands to make examinations, conduct surveys and inventories, or other purposes in performance of its official duties. However, no employee, member, or agent of the commission shall enter any private building or structure without the express consent of the owner or occupant thereof;~~

~~(j)~~

~~Reviewing and acting on proposals for alterations of interior features of designated historic landmarks, as specified, and for which owner consent was given, in the ordinance establishing designation;~~

~~(k)~~

~~Appointing advisory bodies or committees as appropriate;~~

~~(l)~~

~~Negotiating with property owners for the acquisition or protection of significant historic properties;~~

~~(m)~~

~~Acquiring by any lawful means, the purchase fee, or any lesser included interest, including options to purchase, properties designated as landmarks, properties located within any designated districts, or land to which historic buildings or structures may be moved; holding, managing, preserving, and restoring such a property and improving the interest; and exchanging or disposing of the interest through public or private sale, lease, or other lawful means, provided the property shall be subject to covenants or other legally binding restrictions which shall secure appropriate rights of public access and the preservation of the property. All lands, buildings, structures, sites, areas, or objects acquired by funds~~

~~appropriated by the local governing body shall be acquired in the name of the city unless otherwise provided by that body;~~

~~(n)~~

~~Accepting grants of funds from private individuals or organizations for preservation purposes;~~

~~(o)~~

~~Conducting educational programs pertaining to historic landmarks or historic districts within its jurisdiction;~~

~~(p)~~

~~Publishing or otherwise informing the public about any matter related to its purview, duties, responsibilities, organization, procedures, functions, or requirements;~~

~~(q)~~

~~Advising property owners about appropriate treatment(s) for characteristics of historic properties;~~

~~(r)~~

~~Cooperating with the state, the United States of America, local governments, public or private organizations, or their agencies, in pursuing the purposes of this division, including entering into contract, provided that such contracts are not inconsistent with the state or federal law;~~

~~(s)~~

~~Preparing and recommending adoption of a preservation element, or elements, as part of a city comprehensive plan;~~

~~(t)~~

~~Proposing to the board of aldermen amendments to this or to any other ordinance and proposing new ordinances or laws relating to historic landmarks and districts or to the protection of the historic resources of the city and its environs.~~

~~(Ord. of 9-8-22(1); Ord. of 9-12-24(1))~~

- ~~**Sec. 2-196. - Inventory.**~~

~~The commission shall use as a guide to identification, assessment, and designation of historic landmarks and districts an inventory of buildings, structures, sites, areas, or~~

objects which are of historic, prehistoric, architectural, archaeological, and/or cultural significance. The commission shall take steps as necessary to ensure that the inventory reflects information current to within twenty (20) years.

(Ord. of 9-8-22(1); Ord. of 9-12-24(1))

- **Sec. 2-197. - Historic landmarks.**

(a)

Adoption of ordinance designation.

(1)

The board of aldermen may adopt and, from time to time, amend or repeal an ordinance designating one (1) or more historic landmarks. The ordinance shall include information which shall:

a.

List the name or names of the owner/s of the property;

b.

Describe each property designated by the ordinance, including the address, if applicable, the physical configuration and orientation of the property so designated;

c.

Describe those elements of the property which are integral to its historic, architectural, archeological, and/or cultural significance;

d.

Provide for each designated historic landmark a suitable sign or plaque indicating that the landmark has been so designated; and

e.

Any other information deemed necessary, within the authority of this division and the general statutes, as determined by the board of aldermen.

(2)

The landmark designation process may be initiated by either the commission or at the request of a property owner. No ordinance to designate any building, structure, site, area,

or object shall be adopted or amended until all of the requirements of this division and its subsections have been satisfied.

(b)

Criteria for designation. To be designated as a historic landmark, a property, building, site, area, or object shall be found by the commission to possess special significance in terms of its history, prehistory, architecture, archaeology, and/or cultural importance, and to retain the integrity of its design, setting, workmanship, materials, feeling, and/or association.

(c)

Procedure for designation.

(1)

The commission shall make, or cause to be made, an investigation and designation report which includes:

a.

The name of the property to be designated, including both common and historic names if they can be determined;

b.

The name(s) and address(es) of the current owner(s);

c.

The location of the property for which designation is proposed, including the street address and county tax map parcel number or parcel identification;

d.

The dates of original construction and of all later additions or alterations, if applicable;

e.

An assessment of the significance of the building or site as prescribed by this division;

f.

An architectural or archaeological description of the area of the site or structure, including descriptions of all outbuildings and appurtenant features, for which designation is proposed;

~~g.~~

~~A historical discussion of the site or structure within its type, period, and locality;~~

~~h.~~

~~A photograph showing, to the fullest extent possible, the overall disposition of the property; one (1) photograph of each facade or elevation and supplementary photographs as necessary to illustrate architectural details or ornamentation, siting, scale, proportion, and relationship of features or buildings, structures, or objects to each other; and~~

~~i.~~

~~A map showing the location of the property, including all outbuildings and appurtenant features.~~

~~(2)~~

~~Pursuant to G.S. 160A-400.6, as amended, the designation report shall be submitted to the state department of cultural resources, division of archives and history, or its successor agency, which, acting in through the state historic preservation office, shall review it and provide written comments and recommendations to the board of aldermen regarding the substance and effect of the proposed designation. Failure of the department to respond within thirty (30) days following its receipt of the report shall constitute approval of the report by the department and relieve the board of aldermen of all responsibility to consider the department's comments or recommendations concerning the report.~~

~~(3)~~

~~At the expiration of the thirty-day review period, the commission shall consider the report and any comments or recommendations from the state historic preservation office, and shall accept it, amend it, reject it, or defer a decision until completion of a period of further study, not to exceed sixty (60) days. The commission shall forward to the board of aldermen a copy of the report, copies of written comments received from the department of cultural resources, and a recommendation either to approve or disapprove designation of the property, stating in its recommendation the extent to which the property meets the criteria for designation as set forth in this division. A recommendation for approval shall be accompanied by a proposed ordinance of designation. A recommendation for disapproval shall not necessarily prevent any future consideration of a property for designation as a historic landmark.~~

~~(4)~~

~~The board of aldermen shall hold a public hearing, either jointly with the commission, or separately, to consider the proposed ordinance. Reasonable notice of the time and place thereof shall be given.~~

~~(5)~~

~~Following the public hearing, the board of aldermen shall consider the commission's designation report, its recommendation(s), the department of cultural resources' recommendation(s), and comments make at the public hearing, and shall adopt the ordinance as proposed, adopt the ordinance with amendments, or reject the ordinance.~~

~~(6)~~

~~Upon adoption of the ordinance, the commission staff shall:~~

~~a.~~

~~Within thirty (30) days of adoption, send the owner(s) of the landmark(s) written notice of such designation, explaining the substance of the commission's decision, via certified mail with a return receipt requested;~~

~~b.~~

~~File one (1) copy of the ordinance, and any other subsequent amendments thereto, in the office of the register of deeds of Brunswick County, which office shall index each historic landmark according to the name of the owner in the grantee and grantor indexes.~~

~~c.~~

~~If the landmark lies within the zoning jurisdiction of Southport, file a second copy of the ordinance, and any subsequent amendments thereto, in the office of the city clerk, where it shall be made available for public inspection at any reasonable time, and shall provide a third copy to the building inspector.~~

~~d.~~

~~Notify the tax assessor of the county of the landmark designation.~~

~~(7)~~

~~Upon notification from the commission, the tax assessor of the county shall clearly indicate the designation on all appropriate tax maps for as long as the designation remains in effect.~~

~~(8)~~

In disapproving a designation report, a copy of the minutes of the meeting at which such decision to deny was made shall be mailed to the owner of the property proposed for designation, together with a letter explaining the substance of the commission's decision.

(Ord. of 9-8-22(1); Ord. of 9-12-24(1))

- **Sec. 2-198. - Historic districts.**

(a)

Adoption of ordinance of designation. The board of aldermen may adopt and, from time to time, amend or repeal an ordinance designating a historic district. The ordinance shall include information which shall describe the physical area proposed for designation, its boundaries, and general historic, architectural, archaeological, and/or cultural significance. The district designation process may be initiated by either the commission or at the request of any number of property owners. No ordinance to designate a district shall be adopted or amended until all of the requirements of this division and its subsections have been satisfied.

(b)

Criteria for designation. To be designated as a historic district, an area shall be found by the commission to possess special significance in terms of its history, prehistory, architecture, archaeology, and/or cultural importance, and to retain the integrity of its design, setting, workmanship, materials, feeling, and/or association.

(c)

Procedure for designation.

(1)

The commission shall make, or cause to be made, an investigation and designation report which includes:

a.

An assessment of the significance of the buildings, sites, structures, features, objects, and environs to be included in a proposed district and description of its boundaries; and

b.

A map clearly indicating the boundaries of the district and the properties, showing their county tax map parcel numbers, contained therein.

(2)

A district designation report shall be:

a.

Referred to the local planning agency for review and comment according to the procedures set forth in the zoning ordinance of the city, depending on which legislative body creates the commission.

b.

Submitted to the state department of cultural resources, division of archives and history, or its successor agency, which, acting through the state historic preservation office, shall review it and provide written comments and recommendations to the board of aldermen regarding the substance and effect of the proposed designation. Failure of the department to respond within thirty (30) days following its receipt of the report shall constitute approval of the report by the department and relieve the board of aldermen of all responsibility to consider the department's comments or recommendations concerning the report.

(3)

At the expiration of the thirty-day review period, the commission shall consider the report and any comments or recommendations from the state historic preservation office, and shall accept it, amend it, reject it, or defer a decision until completion of a period of further study, not to exceed sixty (60) days. The commission shall forward to the board of aldermen a copy of the report, copies of written comments received from the department of cultural resources, and a recommendation either to approve or disapprove designation of the district, stating in its recommendation the extent to which the proposed area meets the criteria for designation as set forth in the ordinance. A recommendation for approval shall be accompanied by a proposed ordinance of designation. A recommendation for disapproval shall not necessarily prevent any future consideration of an area for designation as a historic district.

(4)

Upon receipt of a recommendation and designation report form the commission, the board of aldermen shall proceed in the same manner as would otherwise be required for the adoption or amendment of any other appropriate zoning provision.

(d)

Revisions to districts. Changes in the boundaries of an adopted district subsequent to its initial establishment shall be affected as allowed by subsections (a) (adoption of

ordinance of designation) and (b) (criteria for designation) of section 2-198 of this division and as prescribed in subsection (c) (procedure for designation).

(Ord. of 9-8-22(1); Ord. of 9-12-24(1))

- **Sec. 2-199. - Certificates of appropriateness.**

(a)

Certificate of appropriateness required.

(1)

From and after the designation of a historic landmark or district, no construction, alteration, reparation, rehabilitation, relocation, or demolition of any building, structure, site, area, or object shall be performed upon such landmark or within such district until a certificate of appropriateness (or "certificate") has been granted by the historic preservation commission. A certificate shall be required for any and all exterior work, including masonry walls, fences, light fixtures, steps and pavement, any other appurtenant features, any above ground utility structures, and any type of outdoor advertising sign.

(2)

A certificate shall be required in order to obtain a building permit, or any other permit granted for the purposes of constructing, altering, moving, or demolishing structures, and shall be required whether or not a building permit or other permit is required. Any building permit or other permit not issued in conformity with this section shall be invalid.

(3)

For the purposes of this division, "exterior features" shall include architectural style, general arrangement, kind and texture of material, size and scale, and type and style of all windows, doors, light fixtures, signs, any other appurtenant features, historic signs, historic advertising, color, landscape, and archaeological or natural features.

(4)

A certificate shall be required for specific interior features of architectural, artistic, or historic significance in publicly owned landmarks and in privately owned landmarks for which consent to review has been given in writing by the owner. Such consent shall be filed in the county register of deeds and indexed according to the name of the property owner in the grantee and grantor indexes and shall bind future owners and/or successors in title. The ordinance establishing historic designation of the property shall specify the interior

features subject to review and the specific nature of the commission's jurisdiction over those features.

(5)

In approving a certificate, the commission may attach reasonable conditions necessary to the proper execution of this division.

(6)

Commission staff may issue a certificate for minor works as defined in the commission's rules of procedure. Minor works shall include the ordinary maintenance or repair of any exterior feature of a historic landmark or property located within a historic district, provided such maintenance or repair does not involve a change in design, material, or appearance thereof.

(7)

No application for a minor works certificate shall be denied without deliberation by the commission.

(8)

Under this section, the commission shall institute action, through the office of the local government agency responsible for enforcing zoning and/or codes violations, to prevent, restrain, correct, or otherwise abate the construction, reconstruction, alteration, restoration, relocation, or demolition of buildings, structures, appurtenant features, or any other features which would be incongruous with the special character of the landmark or district.

(b)

Review guidelines. Prior to the designation of any historic landmark or district, the commission shall prepare and adopt guidelines not inconsistent with G.S. 160A-400.1—160A-400.14 for constructing, altering, restoring, rehabilitating, relocating, removing, or demolishing of property designated as historic, which guidelines shall ensure, insofar as possible, that changes in designated landmarks or properties located within designated districts shall be in harmony with the reasons for designation.

(c)

Certain changes not prohibited. Nothing in this division shall be construed to prevent:

(1)

~~The ordinary maintenance or repair of any exterior feature of a historic landmark or property located within a historic district, provided such maintenance or repair does not involve a change in design, material, or appearance thereof;~~

~~(2)~~

~~The construction, alteration, relocation, or demolition of any such feature, building, or structure when the building inspector certifies to the commission that such action is necessary to the public health or safety because of an unsafe or dangerous condition;~~

~~(3)~~

~~A property owner from making of is property any use not otherwise prohibited by statute, ordinance, or regulation; or~~

~~(4)~~

~~The maintenance of, or, in the event of an emergency, the immediate restoration of any existing above ground utility structure without approval by the commission.~~

~~(d)~~

~~*Delay of demolition.*~~

~~(1)~~

~~Except as provided below, a certificate authorizing the demolition of a designated historic landmark or property located within a designated historic district may not be denied. However, the commission may delay the effective date of such a certificate for a period of up to three hundred sixty-five (365) calendar days from the date of approval. The commission may reduce the period of delay where it finds that the owner would suffer extreme hardship or be deprived permanently of all beneficial use of such property as a result of the delay. During the delay period, the commission shall negotiate with the property owner and with any other party in an effort to find a means of preserving the property as provided in Section 3.4.~~

~~(2)~~

~~The commission may deny an application for a certificate authorizing the demolition or destruction of any designated landmark, or of any property, building, site, object, area, or structure located within a designated district, which the state historic preservation office has determined to be of statewide significance, as defined by the criteria of the National Register of Historic Places, unless the commission finds that the owner would suffer~~

~~extreme hardship or be deprived permanently of all beneficial use of the property as a result of the denial.~~

~~(3)~~

~~In the event that the commission has voted to recommend designation of a property as a landmark, or of an area of interest, and such designation has not yet been made by the board of aldermen, the demolition of any building, site, object, or structure located on the property of the proposed landmark or within the proposed district may be delayed by the commission for a period of up to one hundred eighty (180) calendar days or until the board of aldermen takes final action on the proposed designation, whichever occurs first. Should the board of aldermen approve the designation prior to the expiration of the one hundred eighty-day delay period, an application for a certificate of appropriateness authorizing demolition must then be filed; however, the maximum delay period of three hundred sixty-five (365) days shall be reduced by the number of days elapsed during the one hundred eighty-day delay while designation was pending.~~

~~(e)~~

~~*Demolition through neglect.* Failure of an owner to regularly, consistently, and fully maintain a designated landmark or any property located within a designated district shall constitute demolition, through neglect, without a valid certificate of appropriateness and a violation of this division. The commission shall institute action through the code enforcement department, to prevent, restrain, correct, or otherwise abate such demolition, provided such action include appropriate safeguards to protect property owners from undue economic hardship.~~

~~(f)~~

~~*Applications and required procedures.*~~

~~(1)~~

~~An application for a certificate shall be obtained from commission staff. Applications shall be completed in form and in context and filed with the staff at least ten (10) business days prior to the next regularly scheduled commission meeting. Late applications shall be deferred until the following regularly scheduled meeting.~~

~~(2)~~

~~The commission shall have, as detailed in its rules of procedure, broad powers to require the submittal, with the application, of pertinent information sufficient to determine an application.~~

~~(3)~~

~~Incomplete applications shall not be accepted.~~

~~(4)~~

~~Before considering an application for a certificate, the commission shall notify by mail the owners of any adjacent property. Such notices are for the convenience of property owners and occupants and no defect or omission therein shall impair the validity of issuing a certificate or of any subsequent action.~~

~~(5)~~

~~When considering an application for a certificate, the commission shall give the applicant and owners of any property likely to be materially affected by the application an opportunity to be heard.~~

~~(6)~~

~~When considering the application, the commission shall apply the review guidelines required by Section 7.2 and shall, in approving, approving with conditions, disapproving, or deferring an application, make findings of fact, indicating the extent to which the application is or is not in compliance with review criteria, and shall cause these findings of fact to be entered into the minutes of the meetings. The minutes shall also contain a summary of any citation to evidence, testimony, studies, or other authority upon which the commission based its decision.~~

~~(7)~~

~~The commission shall have ninety (90) calendar days following submittal of a complete application within to act. Failure by the commission to take final action within such period shall constitute approval of the application as submitted. This period may be extended by mutual agreement between the commission and the applicant.~~

~~(8)~~

~~A certificate shall be valid for one hundred eighty (180) calendar days from the date of issuance, or, in the case of a certificate for demolition, from the effective date. If the authorized work has not commenced within that period or has been discontinued for more than three hundred sixty-five (365) days from the date of issuance, such certificate shall immediately expire, and the applicant shall be required to reapply.~~

~~(9)~~

If the commission denies a certificate, a new application affecting the same property may be submitted, provided a substantial change in proposed in the plans.

(10)

An appeal of a final action by the commission may be made to the board of adjustment for the city. Written notice of intent to appeal must be sent to the commission, postmarked within twenty (20) calendar days following the commission's decision. Appeals must be filed with the board of adjustment for the city within sixty (60) calendar days following the commission's decision and shall be in the nature of certiorari. A decision by the board of adjustment may be appealed to the superior court of Brunswick County.

(11)

A certificate shall be required for designated landmarks or buildings, structure, sites, areas, or objects within designated districts which are owned by the state or any of its agencies, political subdivisions, or instrumentalities, subject to the regulations of this division and in accordance with G.S. 160A-400.9(f).

(12)

In the case of any building, structure, site, area, or object designated as a historic landmark or of any property located within a designated historic district being threatened with demolition, as a result of willful neglect or otherwise, material alteration, rehabilitation, or removal, except in compliance with this division, the commission, the board of aldermen, or any other party aggrieved by such action may institute any appropriate action or proceeding to prevent, restrain, correct, or otherwise abate such violation, or to prevent any illegal act or conduct with respect to such property.

(Ord. of 9-8-22(1); Ord. of 9-12-24(1))

- **Sec. 2-200. - Conflict with other laws.**

Whenever the provisions of this division are in conflict with any other statute, charter provision, ordinance, or regulation of the board of aldermen, the more restrictive ordinance or regulation shall govern.

(Ord. of 9-8-22(1); Ord. of 9-12-24(1))

- **Secs. 2-201—2-204. - Reserved**

The provisions of the Code of Ordinances establishing the Historic Preservation Commission, including all provisions relating to its creation, membership, powers, duties,

~~procedures, and administration, are hereby repealed in accordance with Session Law 2026-25.~~

Section 2. Codification.

The Code of Ordinances of the City of Southport shall be amended as necessary to reflect the provisions of this ordinance and to remove obsolete references to the Historic Preservation Commission.

Section 3. Effective Date.

This ordinance shall become effective upon its adoption.

ADOPTED this 13 day of August 2026.

CITY OF SOUTHPORT

_____

Dr. Joseph P. Hatem, Mayor

_____

Tori Deviney, City Clerk

CITY OF SOUTHPORT
BOARD OF ALDERMEN – REGULAR MEETING
COMMUNITY BUILDING
223 E BAY ST, SOUTHPORT NC 28461
September 11, 2025 | 9:00 AM

Present Members: Mayor Rich Alt, Frank Lai, Marc Spencer, Rebecca Kelley, Lowe Davis, Robert Carroll Karen Mosteller

Absent Members:

Staff Present: City Manager Noah Saldo, Deputy Clerk Tori Deviney, Public Information Officer ChyAnn Ketchum, Planning Services Director Maureen Meehan, Police Chief Todd Coring, Fire Chief Charles Drew, Battalion Chief Ralph Parks and Recreation Director Heather Hemphill, City Planner Wendell Biddle

Others Present:
City Attorney Brady Herman

A. Call to Order

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

B. Invocation

Chief Drew delivered the invocation.

C. Pledge of Allegiance

Mayor Alt led everyone in the Pledge of Allegiance.

D. Special Recognition - Southport-Oak Island Diamond Youth Baseball

Mayor Alt recognized the Southport Oak Island Diamond Youth Baseball Team with a proclamation honoring their championship victory at the 2025 Dixie Youth Baseball Division U12 World Series, held in West Columbia, South Carolina, where the team defeated KC West Columbia by a score of 8–0 on August 6, 2025. The proclamation acknowledged the contributions of each player and the leadership of manager Charlie Morris and assistant coaches Wes Emmons and Doug Kiger.

E. Public Comment

Mayor Alt read the ethics statement. No conflicts of interested were declared.

Angelo Collins - 1107 N Caswell Ave
Mr. Collins addressed the Board on two agenda items: the historic district and city alleyways. Regarding the historic district, Mr. Collins expressed support for preservation efforts, noting that Southport's charm and architectural character are what attract visitors and filmmakers alike. He emphasized that the goal of the historic district is not to restrict existing homeowners but to protect against inappropriate future development. On the subject of alleyways, Mr. Collins shared his personal experience investing approximately $8,000 to improve the alley behind his home and expressed concern that allowing residents to claim or fence off alleyways could deny access to others downstream. He also briefly commented on stormwater infrastructure, estimating significant costs to bring the city's system up to code, and expressed support for City Manager Noah Saldo's leadership and vision for Southport.

Paul Winter - 715 N Atlantic Ave

Mr. Winter addressed the Board concerning a structure at 109 East Owens that he believes encroaches into the city alleyway behind his vacant lot at 715 N Atlantic Ave. Mr. Winter described construction that began in late January 2024 that appeared to expand the encroachment into the alley. He noted the structure has sat unfinished for approximately 19 months, still showing plywood and exposed studs, and cited UDO Section 3.20(f), which he argued strips a nonconforming structure of its grandfathered status if unused for 180 days. He presented a written packet with photographs and requested the Board assign the matter to staff for action, suggesting three possible remedies: relocation of the structure onto its proper lot, demolition, or a land arrangement with the same property owner's adjacent parcels.

Emily Humphries - 204 E 8th St
Ms. Humphries informed the Board that the Board of Adjustment had recently approved a tattoo establishment's request for a special use permit in the Business District. She explained that when the ETJ was terminated in July 2024, the heavy industrial district designation—where tattoo and piercing establishments had previously been classified—disappeared, creating a gap in the UDO. She warned that until the Planning Board and Board of Aldermen approve updated UDO language, up to 12 unclassified land uses could seek similar special use permits in the Business District. She urged the Board to act quickly, recommending that tattoo and piercing establishments be placed in the highway commercial or light industrial district.

Larry Ashley - 637 Wild Rose Way
Mr. Ashley, Chair of the Planning Board, addressed the Board regarding an

agenda item titled "Anticipated Planning Board Vacancy." Mr. Ashley stated he had no prior knowledge of this agenda item and only learned of it the day before through a neighbor. He noted that he had received no communication from the mayor, the aldermanic liaisons, or city staff. He clarified that no member of the Planning Board had submitted a letter of resignation as required by Section 13 of the Southport Code of Ordinances, and therefore no vacancy existed. Mr. Ashley cited the Planning Board's dedication and recent productivity, and asked the Board to cease what he characterized as a pattern of interference with the board's operations, requesting instead open communication and collaborative engagement.

Laura Sharkey - 432 Cades Cove Trl
Ms. Sharkey addressed the Board regarding the Cades Cove HOA Board of Directors' continued pursuit of road privatization and neighborhood gating despite the Board of Aldermen's denial of that request in February 2025. Ms. Sharkey described how the HOA board had hired an attorney and sent correspondence to the City Attorney in July without sharing the document with residents—information she obtained only through a Freedom of Information Act request. She asked the Board of Aldermen to authorize the City Manager to hold an informational meeting with Cades Cove residents at Indian Trail Hall, with questions submitted in writing in advance, so that residents could receive accurate information about road standards and the costs of various paths forward.

Carolyn Tabarini - 501 Lord Thomas Ave
Ms. Tabarini, also a Cades Cove resident, corroborated Ms. Sharkey's account and provided additional historical context. She stated that research into Board of Aldermen and HOA meeting minutes confirms that the performance bond associated with the neighborhood's original construction was properly released, contrary to the HOA board's longstanding implication that the city bears responsibility for road completion. Ms. Tabarini noted that the HOA has spent tens of thousands of dollars on permitting and legal fees, and recently authorized a $25,000 attorney retainer, without a demonstrated financial plan. She expressed support for Ms. Sharkey's request for a city-sponsored informational meeting and urged that the community work cooperatively with the city to bring roads up to standard and transfer them to city ownership, as was the original plan.

City Clerk Tori Deviney read three written public comments into the record:

- A letter from Jon Langley describing a confrontation at 708 North Howe Street in which the property owner of an adjacent lot claimed the alleyway behind his wife's business was private property. Mr. Langley stated the homeowner had constructed a deck blocking the alley and requested city officials intervene to restore access.

- A letter from Bridget Riechhart and Andrew Laing of 6217 Pebble shore Lane detailing a protracted two-and-a-half-year experience with the Planning Board regarding their "Bullfrog" project in downtown Southport. The letter described a series of successive and, in their characterization, bad-faith requests by the Planning Board that delayed a project they contend had met all applicable requirements from the outset. The letter was sharply critical of the board's conduct, alleging abuse of process and overreach.

- A letter from Liz Fuller, President of the Southport Historical Society, requesting that the phrase "Home of the Salubrious Breezes" be included on the city's welcome signs. The letter provided the historical origin of the phrase, traced to town founder Joshua Potts in 1786, and noted that modern science supports the health benefits of ocean breezes that Potts experienced. Ms. Fuller asked the Board to reconsider its prior rejection of the phrase.

F. Approval of Agenda

A motion to approve the agenda was made by Alderman Kelley and seconded by Alderman Carroll. The motion carried unanimously.

G. Approval of the Consent Agenda

Mayor Alt noted that Consent Agenda Item 5 (the Peace Day Proclamation) would be presented separately. A brief clarifying discussion was held regarding the Osprey Landing Phase Four Annexation Petition, with Mayor Alt explaining that the consent action initiates the statutory process by directing the City Clerk to investigate the sufficiency of the petition and certify it to the Board, after which a public hearing would be scheduled. Alderman Lowe Davis inquired about the number of homes in Phase Four; Mayor Alt and Alerman Mosteller estimated approximately 40 units out of a total project of approximately 200 homes.

A motion to approve the Consent Agenda was made by Aldermen Kelley and seconded by Alderman Mosteller. The motion carried unanimously.

Peace Day Proclamation: Mayor Alt read the Peace Day Proclamation at the podium, joined by Alderman Mosteller and Marjorie Jones, who is leading local promotion of the International Day of Peace. The proclamation designated September 21, 2025, as Peace Day in the City of Southport. Alderman Mosteller

noted that Parks and Recreation has organized numerous related events throughout the month, including tai chi and mindful walking on the Garrison Lawn, and encouraged residents to consult the city's online calendar. Alderman Davis noted a recent Peace Day gathering at Kingsley Park.

1. Set a Public Hearing for October 9, 2025, for the Southport 2050 Comprehensive Plan

2. Set a Public Hearing for October 9, 2025, regarding Zoning Text Amendment - Special Evetns ZTA-24-05

3. Minutes of the June 2, 2025 Aldermen Meeting

4. Osprey Landing Phase Four Annexation Petition

5. Peace Day Proclamation

H. Agenda

1. Southport Welcome Signs

Alderman Carroll opened discussion by stating that in his view, the signage question should never have come before the Board at all, and that moving forward, matters of this operational nature should be delegated to staff. He expressed confidence in City Manager Saldo and city staff to handle such decisions.

Alderman Davis addressed the controversy surrounding the phrase "salubrious breezes," clarifying that a prior remark about possible sexual connotation had been a lighthearted joke referencing an old story attributed to Joshua Potts. She emphasized that her own objection to the phrase on signage was purely practical: the welcome signs are viewed by passing motorists at speed, and smaller type cannot be read. She compared the issue to unreadable historic markers along Route 133 and argued that cluttering the signs with additional text, however meaningful, defeats their purpose.

A motion was made by Alderman Davis that the sign include the City seal and "Location of the NC 4th of July Festival Since 1795" at the bottom of the sign. A second was made by Alderman Lai.

After brief discussion, Alderman Carroll made a motion to send the matter to staff on the content of the sign and the number of signs to be replaced, rescinding the Board's August 4th vote. A second was made by Alderman Lai. The motion passed unanimously.

2. Article 6: Stormwater Regulation Ordinance

City Engineer Tom Zilinek presented a follow-up to the public hearing held at the prior meeting. He reported a typographical error in the definition of "major development": two references to 2,500 square feet should have read 5,000 square feet, while a third reference to 2,500 square feet pertaining specifically to regulated motor vehicle surface area was correct. Alderman Kelley additionally noted that several passages referenced "regulated motor vehicle" without the word "surface" following, which could create confusion, and suggested a comprehensive review to ensure consistent language throughout the document. Staff agreed to incorporate these corrections.

A motion to adopt the amendment to Article 6 of the Stormwater Regulation Ordinance, including the consistency statement and the correction of "vehicle" to "vehicle surface" in applicable references, was made by Alderman Kelley and seconded Alderman Carroll. The motion carried unanimously.

3. Capital Improvement Plan

City Engineer Bob Jarvis presented the Fiscal Year 2026–2031 Capital Improvement Program (CIP), now in its third year of preparation. Mr. Jarvis explained that the CIP is a six-year multi-year planning document intended to define the scope, schedule, and financing of major capital projects. He emphasized that adopting the CIP does not authorize spending in future years but provides a legitimate guiding document that supports grant applications, Local Government Commission financing approvals, and bond ratings. He noted the list of FY2026 projects had already been modified to reflect the Board's budget deliberations during the current fiscal year.

A motion to adopt the Fiscal Year 2026–2031 Capital Improvement Program was made by Alderman Kelley and seconded by Alderman Lai. The motion carried unanimously.

4. Business Advisory Board

Alderman Carroll introduced the item, explaining that City Manager Saldo had been convening informal monthly meetings with local business owners since taking office and that the proposal was to formalize this group as an official Business Advisory Board by ordinance. Alderman Carroll stated the

intent was to create institutional continuity so that the dialogue with businesses would persist regardless of future management changes.

Mayor Alt expressed the importance of keeping politics separate from the board's work.

City Manager Saldo confirmed that the meetings have been well-attended—averaging approximately 20 business owners per session—and that the operational format would remain substantially the same. He noted that official board members would be appointed through an application process, with the mayor appointing aldermen as liaisons, while other business owners would continue to attend and provide input. City Manager Saldo indicated that participants at recent meetings had been supportive of formalizing the structure.

Alderman Kelley expressed enthusiasm for the concept but raised a concern about preserving the current roundtable atmosphere, in which all participants engage as equals rather than as audience members before a board table. City Manager Saldo confirmed that the physical meeting format would not need to change and that the ordinance did not prescribe a particular seating arrangement. Alderman Davis echoed the concern about bureaucratic structure potentially dampening the organic dialogue that has made the informal meetings successful.

Alderman Marc Spencer noted that the ordinance specifically calls for the board to provide input on the city's economic development strategy, small business development, commercial revitalization, and business recruitment—areas he said the city currently lacks a formal approach to addressing. Alderman Frank Lai observed that the existing participants bring direct, practical knowledge and that he could see no downside to formalizing their advisory role.

A motion to adopt the Business Advisory Board ordinance as presented in the meeting packet was made by Alderman Carroll and seconded by Alderman Lai. The motion carried unanimously.

5. City Alleyways

Mayor Alt provided context, noting that the Board had believed it adopted an alleyway policy in December 2023, but the matter had never been properly forwarded to the Planning Board as intended, meaning no formal policy was ever in place. He clarified that under police and general governance authority, the Board may adopt this policy directly without planning board referral.

The proposed policy would allow property owners—not limited to residents—to petition the city to maintain and use the alleyway adjacent to their property. The alley would remain city property, and no use could block the free flow of public access through it. Improvement standards would be consistent with existing right-of-way standards. Alderman Mosteller noted that staff had already been operating informally in this manner, as evidenced by approvals granted earlier in the year, and suggested the policy be incorporated into the existing right-of-way permit process.

Alderman Davis recalled public comment from prior discussions in which Black community members noted a historical pattern of unequal access to alleyways, with requests from Black residents more frequently denied. She stressed the importance of a clear, uniform, and equitable written policy.

Alderman Carroll emphasized that alleyway improvements should adhere to the same standards already in place for right-of-way work and noted the potential for certain alleyways to serve stormwater management purposes. City Planner Wendell Biddle clarified that vegetation clearing alone would not constitute a code violation and would not trigger enforcement. Alderman Davis added that the policy should not be interpreted as automatically granting the right to remove trees; tree removal would remain subject to the city's existing permit process.

Alderman Spencer raised the commercial potential of certain alleyways—particularly the corridor between Owens Street and the hospital—as pedestrian pathways linking downtown businesses, and cautioned against limiting those possibilities by requiring only basic stone and border improvements. Mayor Alt affirmed that alleyways were historically meant to be clear and that the current policy is intended as a baseline, with broader possibilities remaining open for the future.

The motion was amended to replace "residents" with "property owners" to ensure business owners were not excluded.

A motion to allow property owners to petition the city to maintain and use alleyways adjacent to their property, with alleyways remaining city property and subject to right-of-way standards, and with the condition that no use may block the free flow of public access, was made by Alderman Carroll and seconded by Alderman Mosteller. The motion carried unanimously.

6. Discussion Regarding Next Steps Related to The Southport Historic District and Standards

Mayor Alt stated that the item was placed on the agenda to discuss the status of the Historic Preservation Commission's recommendations

regarding the historic district standards. He emphasized the importance of moving the process forward and keeping the public informed.

City Manager Saldo reported that staff was finalizing a clean copy of the Historic Preservation Commission's recommendations and anticipated releasing the document to the Board and the public within the next several days.

Mayor Alt asked for the Board's input regarding the next steps in the process, including the possibility of scheduling a public hearing once the document was available. Alderman Carroll stated that he believed the next step should be a joint workshop between the Board of Aldermen and the Historic Preservation Commission to allow for discussion and questions regarding the recommendations. He noted that the document could still require revisions before proceeding to a public hearing. Alderman Kelley agreed that a joint workshop should occur before scheduling a public hearing.

Mayor Alt summarized that the public had already provided significant input throughout the process and asked whether the Board's next step was to have a discussion with the Historic Preservation Commission. Alderman Mosteller agreed and suggested scheduling the workshop. Board members discussed potential dates and tentatively agreed to schedule a joint workshop with the Historic Preservation Commission on September 29, subject to confirmation of member availability.

7. Anticipated Planning Board Vacancy

Mayor Alt addressed this item directly, explaining that the agenda entry stemmed from information that a Planning Board member was expected to close on the sale of their home and would no longer be a Southport resident, which would create a vacancy. He noted that the anticipated closing did not occur and the property is back on the market, meaning the member remains a city resident and no vacancy exists.

Mayor Alt acknowledged that the item's framing on the agenda lacked adequate context and that the poor communication was his responsibility. Alderman Mosteller noted that agenda items of this nature typically benefit from a summary page explaining the purpose of the discussion.

Alderman Carroll confirmed that a vacancy process has been defined and would be followed if and when a vacancy arises.

No action was taken.

I. Committee Reports

Parks and Recreation (Alderman Davis): Alderman Davis noted the Parks and Recreation Advisory Committee has changed its meeting to the third Tuesday of each month at 5:30 PM at the Parks and Recreation Building on North Atlantic. She also recognized the Crab Derby as a terrific success, sharing a story about constituent enthusiasm for the event.

Planning Board / HPC Liaison (Alderman Carroll): Alderman Carroll commended the volunteers of the Historic Preservation Commission for their work under difficult public scrutiny, noting they had been criticized and yelled at during recent public meetings but had listened carefully and continued their work with dedication.

Beautification Committee (Alderman Mosteller): Mayor Pro Tem Mosteller reported that the most recent monthly cleanup involved 31 volunteers contributing more than 65 man-hours. Activities included sanding and staining lumber donated by a film production company to build a new waterfront park gazebo swing and six benches, laying remaining commemorative bricks at Fort Johnston, installing a new cover on the boat display at Castle and West Bay, staining benches and tables at Taylor Field, and weeding flower beds at the Garrison Lawn, Waterfront Park, and Nash Street substation. The next Beautification Committee meeting is Monday, September 15 at 5:00 PM at Indian Trail Meeting Hall. The next volunteer cleanup is Saturday, October 4 at 9:00 AM at the jail annex on Rhett Street.

Forestry Committee (Alderman Mosteller): Mayor Pro Tem Mosteller announced that the Forestry Committee is accepting nominations for its Tree Champion Award, recognizing individuals and organizations who demonstrate exceptional stewardship of Southport's urban forest. Nomination forms are available on the city website. The committee is also compiling locations for the next annual tree planting and will conduct an on-site tree survey at John N. Smith Cemetery on September 27. The committee meets the second Tuesday of each month at 5:00 PM at Indian Trail Meeting Hall; the next meeting is October 14.

1. ABC Board

   Alderman Lai reported that the ABC Board had another strong month, with sales down only approximately $2,000 from the prior period. He noted the store continues to perform well.

   Alderman Spencer raised the concern addressed during public comment by Emily Humphries regarding the UDO gap created by the loss of the Extraterritorial Jurisdiction (ETJ). City Planner Wendell Biddle clarified that the Board of Adjustment's use of the "unclassified" land use category is a legitimate planning tool, not a loophole, though he acknowledged the situation exposed a gap in the current UDO. He confirmed that the Planning

Board's pending text amendment directly addresses these issues and noted that certain land uses—including adult entertainment and manufactured homes—carry statutory requirements that the city must provide zoning for. Biddle indicated he would provide a full staff presentation on these matters at the October 9 Board of Aldermen meeting. Mayor Alt requested that item be placed on the agenda for that meeting as a matter of urgency.

J. Manager's Report

City Manager Noah Saldo provided the following updates:

- **Lowe White Bridge:** Construction is complete. Building inspections are anticipated within the coming days, after which the bridge will officially reopen. A press release will be issued at that time.
- **Southport Weather Tower:** The tower is in the fabrication stage and is expected to be assembled on site in the near term.
- **Waterfront Stabilization Project:** Currently in the permitting stage with state and federal agencies. Consultants are simultaneously advancing the bidding phase to ensure the project is ready to proceed upon permit approval, with the goal of meeting the state-mandated deadline.
- **Financial Audit:** The audit team completed on-site work at City Hall the prior week and is now finalizing reporting, with the expectation that the FY2025 audit will be submitted to the Local Government Commission on time.
- **Southport Business Group:** The next monthly meeting is Thursday, September 18 at 4:00 PM in City Hall.
- **Southport Specialty License Plate:** The project has surpassed 130 applicants. Residents were encouraged to spread the word so the required threshold can be met for approval.

K. Mayor's Comments

Mayor Alt asked that the Planning Board, in coordination with Board of Aldermen members, compile a prioritized list of UDO changes in need of fast-track attention—including known conflicts and gaps—to be presented at the October 9 Board meeting. He noted one specific example: a right-of-way provision that appears in two places in the UDO and was updated in only one location. Planning Board Chair Larry Ashley noted that a prior list of UDO items had been held pending the Comprehensive Plan and offered that staff could retrieve and update that list. City Manager Saldo confirmed staff would prepare the most current version.

Mayor Alt also made the following community announcements: a Pause for Cause event hosted by APS on September 20 at Taylor Field from 10:00 AM to

1:00 PM; and a Halloween Bowser Bash pet costume event on Saturday, October 25 from 10:00 AM to 12:00 PM on the Fort Johnston Garrison Lawn.

L. Staff Reports

Staff reports were included in the agenda packet.

1. Development Services

M. Board Comments

Alderman Davis announced with regret the passing of Jenna Fountaine, a longtime member of the Board of Adjustment whom she described as a vibrant, enthusiastic, and valued member of the Southport community.

Alderman Kelley thanked the Police and Fire Departments, and specifically Chief Treadway, for organizing the annual 9/11 memorial, calling it a meaningful tribute that reflects well on the city.

Alderman Spencer reflected on the Cades Cove situation, stating that his original vote against the gate was driven by concerns about neighborhood connectivity rather than opposition to the residents themselves. He encouraged City Manager Saldo to arrange a meeting with Cades Cove and other neighborhoods where unresolved issues remain. He also recognized Planning Board Chair Larry Ashley's work ethic and dedication to the cemetery committee, expressing personal friendship despite past disagreements. Alderman Spencer concluded with a personal reflection on the importance of civil discourse and caring for one another as neighbors, prompted by a conversation with his son about a recent public figure's death and the polarization it revealed.

Alderman Lai agreed with Alderman Spencer's comments on Cades Cove, emphasizing connectivity as his primary concern in voting against the gate. He expressed optimism about the Planning Board's current productivity, noting that new members have brought fresh energy and that the board is developing a "cliff notes" summary of the UDO to make the document more accessible.

Alderman Mosteller echoed her colleagues on Cades Cove and encouraged the City Manager to move forward with arranging a meeting with the neighborhood as soon as possible.

Alderman Davis offered a dissenting note on the Cades Cove discussion, suggesting the city wait until the HOA has internally resolved its differences and reached a clear majority position before engaging, given the contested nature of road ownership history in that neighborhood.

Alderman Carroll responded that the core issue is dispelling misinformation that residents have received, and that a city-provided informational meeting is the appropriate tool regardless of the HOA's internal dynamics.

Mayor Alt noted that the city has previously walked the Cades Cove streets and reviewed stormwater infrastructure, and that the city's position on road acceptance has been communicated before—though he acknowledged it has not always reached all residents. He reported a potential breakthrough regarding The Hammocks neighborhood and the connectivity issue, noting that a contractor capable of performing the necessary core sample has been identified and that City Manager Saldo has already begun providing the technical specifications the HOA would need to properly commission that work.

N. Closed Session NCGS 143-318.11

1. Motion to go into Closed Session pursuant to NCGS 143-318.11-
   (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged.
   (5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract.
   (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

   A motion to go into closed session was made by Alderman Carroll and seconded by Alderman Spencer. The motion passed unanimously.

   The Board entered closed session at 8:35 pm.

   A motion to come out of closed session was made by Alderman Kelley and seconded by Alderman Lai. The motion passed unanimously.

   The Board came out of closed session at 9:43 pm.

   A motion was made by Alderman Carroll to appoint Interim City Manager Noah Saldo as the permanent City Manager effective immediately and to adopt an employment between the City and Mr. Saldo. Alderman Kelley seconded the motion. The motion passed unanimously.

A motion was made by Alderman Spencer to appoint Deputy City Clerk, Tori Deviney as the City Clerk effective immediately. Alderman Kelley seconded the motion. The motion carried unanimously.

Alderman Carroll made one last state that he wanted everyone to know that the decisions to appoint both the City Manager and the City Clerk were unanimous, emphasizing that the entire Board, all seven members, were supportive of the appointments.

O. Adjourn

A motion to adjourn was made by Alderman Spencer and seconded by Alderman Kelley. The motion passed unanimously.

The meeting adjourned at 9:44 pm.

_____
Dr. Joseph P Hatem, Mayor

Attest:

_____
Tori Deviney, City Clerk

CITY OF SOUTHPORT
BOARD OF ALDERMEN – REGULAR MEETING COMMUNITY BUILDING 223 E BAY ST, SOUTHPORT NC 28461
October 6, 2025 | 9:00 AM

Present Members: Mayor Rich Alt, Rebecca Kelley, Marc Spencer, Lowe Davis, Robert Carroll (via phone), Karen Mosteller, Frank Lai

Staff Present: City Manager Noah Saldo, Deputy Clerk Tori Deviney, Public Information Officer ChyAnn Ketchum, Police Chief Coring, Planning Services Director Maureen Meehan, Parks and Recreation Director Heather Hemphill

Others Present:

A. Call to Order

Mayor Alt called the meeting to order at 9:00 am.

B. Invocation

The invocation was delivered by Alderman Reverend Davis.

C. Pledge of Allegiance

Mayor Alt led everyone in the Pledge of Allegiance.

The Ethics Statement was read into the record. No conflicts of interest were declared. The Mayor noted that should a conflict arise during the meeting, members were asked to raise their hand so it could be addressed at that time.

D. Public Comment

Larry Ashley - 637 Wild Rose Way

Mr. Ashley opened by acknowledging the tragic events of the prior weekend and expressing gratitude for the community's response, praising the leadership of the Board, police, fire, and emergency medical services. He then turned to the agenda item concerning the Old City Hall/Courthouse architectural services contract, noting that the design cost was approaching $900,000 and that construction costs would likely reach into the millions, potentially borne solely by Southport taxpayers. He dismissed campaign-trail statements suggesting the building would not be used as a government facility as untrue and politically motivated. Ashley acknowledged that the board's decision had been made approximately one year prior and urged the community to move on. He expressed support for the project but asked the Board to consider creating a Courthouse Design Building Committee that would include members of the police department, Board of Aldermen, Planning Board, and the public—particularly those with a historical interest in the building—to ensure the design process was not conducted in a vacuum. He cited the city's ordinance requiring the Planning Board to review public structures and referenced the comprehensive plan process as a successful model for broad community input.

Bonnie Bray - 515 Quartermaster Dr.
Ms. Bray addressed the Board regarding the wisdom of approving the $866,000 architectural services contract. She provided historical context on the building, pushing back against campaign-trail narratives she characterized as false—specifically, claims that nonprofit groups Up Your Arts and the Center for the Arts had intended to take the building from taxpayers or cause excessive spending. She noted the first MOU for use of the building was signed in November 2019, that a Moseley Architects study had not recommended converting the building to a police station, and that a February 2025 estimate placed construction costs alone at $4,900,000. She expressed concern that the building would only serve the police department for approximately seven years given the department's projected growth, and argued that the city was in no financial position to commit to this expenditure. She referenced the recent budget season during which the city had faced a $1,400,000 deficit and questioned whether drawing down the fund balance for this purpose was fiscally responsible. She urged the Board to table the item pending a public hearing, and called for the police department to be given a purpose-built facility designed to last more than seven years.

E. Approval of Agenda

Prior to approval of the agenda, Alderman Mosteller moved to remove Item F.1 (Old City Hall/Courthouse) from the agenda, citing a desire for greater transparency and the view that a budget amendment of nearly $900,000 ought to be presented at a Thursday evening meeting before a broader public audience. She clarified that he supported both the staff's work and the selection of HDR as the architectural firm, but wanted the Board to first understand the full financing picture before starting the clock on the contract. She specifically noted the

contract's 21-month timeline, the clause triggering additional service billing after 24 months, and the likelihood that the full project commitment would reach $5–6 million. She asked that loan financing options be presented alongside the item.

Alderman Davis seconded the motion, agreeing the expenditure warranted further deliberation and a larger audience. She proposed, if not Thursday, that the item be held to the November meeting so that more citizens could hear a presentation from City Engineer Tom Zilinek on how the costs were structured.

Mayor Alt expressed some skepticism at the motion, noting that Mr. Zilinek was present and ready to give his presentation, and that the purpose of Monday meetings is precisely to hear such presentations ahead of a potential Thursday vote. City Manager saldo offered context that the Local Government Commission (LGC) requires architectural drawings before it will entertain loan applications or provide hard financing numbers, meaning the design phase must proceed regardless of financing decisions. He indicated his office had already been in contact with LGC attorneys and financial advisers and could offer general estimates of loan structure—roughly $780,000 per year in combined principal and interest for the first four fiscal years, dropping to $400,000–$605,000 annually thereafter.

Mayor Alt further noted that state legislators had communicated their continued commitment to providing appropriations for the project, but that the stalled North Carolina legislative budget had prevented those funds from being formally earmarked. He recommended the Board hear from City Engineer Zilinek before making any decision.

Alderman Spencer and Alderman Kelley both expressed a preference to hear the presentation without voting that day. Alderman Kelley noted the original purpose of Monday meetings had been agenda review prior to Thursday votes, and that allowing the presentation to proceed would give the media an opportunity to inform the public before Thursday's meeting. Alderman Mosteller, satisfied with this approach, withdrew her motion.

A motion to approve the agenda as presented was then made and seconded.

> A motion to approve the agenda as presented was made by Alderman Carroll and seconded Alderman Kelley. The motion carried unanimously.

F. Agenda

1. Old City Hall/Courthouse

City Engineer Tom Zilinek provided an overview of the process to date. He explained that following the Board's direction to designate the Old City Hall/Courthouse as a police station, staff issued a Request for Qualifications and received approximately ten responses. The field was narrowed to three firms for interviews and a building walk-through, though only two—HDR and Moseley—chose to participate. The Board then directed staff to negotiate with HDR, per North Carolina's quality-based selection requirements, which prohibit price-based selection of architectural and engineering services.

HDR's initial proposal came in significantly higher than the current figure—approximately $1,300,000—and through negotiations, staff reduced it to $866,111. City Engineer Zilinek noted that architectural and engineering fees typically represent 10–15% of total construction cost, and that the current construction cost estimate ranges between $5,000,000 and $8,000,000, making the negotiated fee consistent with expectations. He broke down that approximately $350,000 of the fee covers design and construction documents, while roughly $210,000 covers construction administration, with the remainder covering ancillary services. He emphasized that having a completed set of plans is a prerequisite for any loan, bond, or grant funding, drawing a parallel to the stormwater mapping project which required a 60% design set before grant eligibility.

City Engineer Zilinek also noted that the scope of services includes research and application for up to two grants, with full administration through closeout, and that HDR has an in-house grant specialist with a documented track record—including securing several million dollars in grants for the Cape Fear Bridge project. He noted the contract before the Board is labeled as a draft AIA contract and remains open to negotiation prior to approval.

Board members raised several questions. Alderman Mosteller asked about the distinction between "finishes" included in the scope and "furniture, fixtures, and equipment" that were excluded; City Engineer Zilinek clarified that finishes refer to paint, molding, and similar elements, while the approximately $75,000 furniture and fixture design line item had been deliberately removed to reduce cost, as the police department could select furnishings through a catalog. He confirmed that this exclusion does not affect the spatial design. Alderman Mosteller also asked whether the telecommunications and AV design included meeting-chamber technology; City Engineer Zilinek confirmed it does, noting the plan includes a dedicated clerk's control station with built-in cameras, and that wiring would be routed through structural elements to preserve the building's historic aesthetic. Alderman Davis asked about HDR's grant track record; City Engineer Zilinek affirmed his confidence in them.

Alderman Kelley raised the point that state funding, while unavailable this

budget cycle, may still materialize in a future legislative session, and that having design documents in hand would strengthen the city's case with state legislators. City Manager Saldo noted that the $900,000 budget amendment would move funds from the general fund balance to a capital fund, where they would continue to earn interest, and that the full amount would not be expended at once but drawn down as HDR invoices for completed work phases.

Alderman Mosteller asked whether it would be possible to contractually phase the engagement—approving the design portion first and reserving the option on construction administration—so as not to commit the full timeline prematurely. City Manager Saldo indicated this was technically feasible, as HDR would not move to bidding and construction administration phases until design documents were complete and funding was secured.

Following the presentation, the Board agreed that no vote would be taken at this meeting, and that the item would be placed on the Thursday, October 9 agenda for potential action.

A motion to add the Old City Hall/Courthouse architectural services contract to the Thursday, October 9 agenda for public comment and a potential vote was made by Alderman Kelley and seconded by Alderman Lai. The motion carried unanimously.

2. Public Hearing- Osprey Landing Phase 4 Annexation (City Clerk Tori Deviney Pgs.

City Clerk Tori Deviney presented annexation petition ANX 25-01, submitted by Bill Clark Homes of Wilmington, LLC, the owner and developer of Osprey Landing subdivision, requesting voluntary annexation of Phase 4 under NCGS 160A-31.

The subject parcel (Brunswick County Parcel 221000028) comprises approximately 433,785 square feet (9.96 acres), is currently zoned as a Planned Unit Development (PUD), and is contiguous with the existing Southport corporate limits, satisfying statutory requirements. A certificate of sufficiency was prepared confirming compliance with NCGS 160A-31, and the annexation plat was certified by a licensed surveyor per NCGS 47-30. The plat includes 43 proposed lots. Utilities will be served by Brunswick County's utility system. Roads within the development will remain private. Staff noted the annexation is consistent with the city's growth patterns and service capabilities, and that it will contribute to the city's ad valorem tax base as homes are built and occupied.

Mayor Alt asked a clarifying question about whether the private roads would

remain so permanently; City Clerk Deviney confirmed that to her knowledge, they would. The Mayor indicated he would follow up separately on the matter.

Mayor Alt opened the public hearing.

No members of the public appeared to speak on the annexation petition.

The Mayor closed the public hearing.

Alderman Carroll noted the Board's prior practice of not voting on the same day as a public hearing, which Alderman Davis confirmed. Alderman Davis stated that while she has opposed various aspects of the Osprey Landing development over the years, she recognized that annexation at least returns a financial benefit to the city and indicated her readiness to support it.

A motion to approve Annexation Ordinance ANX 25-01 for Osprey Landing Phase 4 as presented was made by Alderman Spencer and seconded by Alderman Lai. The motion carried unanimously.

G. Manager's Report

City Manager Saldo addressed the Board regarding the tragic shooting incident that occurred at the American Fish Company on the waterfront the prior Saturday. He expressed condolences to the victims and their families and offered particular thanks to the city's police, fire, and EMS first responders who were first on scene, as well as to regional partners—especially the Oak Island Police Department, which assisted in apprehending the suspect. He also recognized civilians at the American Fish Company who, without wearing a uniform, stepped forward to assist victims. The City Manager expressed hope that the community's response to the tragedy would continue to bring residents together, and asked the Board and public to continue uplifting the families and first responders as they recover.

H. Mayor's Comments

Mayor Alt echoed City Manager Saldo's remarks and commented on the community events that followed the shooting. He estimated that approximately 1,000 people attended a Sunday night prayer vigil, with others unable to enter due to capacity, and noted a similarly well-attended remembrance gathering on Monday. He praised the critical incident support team deployed by the city, noting they were present near the American Fish Company for several days and engaged community members with sensitivity and professionalism. Mayor Alt also

addressed concerns raised by some about businesses reopening quickly after the tragedy, stating his view that returning to daily life is an important part of community recovery, while acknowledging that additional mental health resources remain available for those who continue to struggle.

I. Board Comments

Alderman Mosteller expressed heartfelt sympathy for the victims and their families, and for all those in the community affected by the trauma. She proposed that the Board consider passing a resolution to be sent to state legislators and the Governor calling for honest, meaningful conversations about expanded mental health resources—particularly for veterans and others in crisis. She asked that people check on their neighbors and reach out for help if struggling.

Alderman Davis shared that prayers for Southport had already been incorporated into Sunday services at two churches—one local, and one a Zoom congregation in St. Thomas, U.S. Virgin Islands—remarking that "what we can't see can still lift us up." She then addressed persistent public criticism regarding the Board's decision-making process on the Old City Hall. She provided a detailed chronological account of the Board's engagements with representatives of the Center for the Arts, clarifying that the Board met with the group's spokesman, Mark Bates, on at least four public occasions between late 2023 and spring 2024. She noted that an initial request for a private meeting was declined as legally impermissible, and that staff had provided a sample lease template. She recounted that a key non-negotiable emerged from those discussions—that the arts group could not make the arrangement work without exclusive use of the upstairs of the building—and that an alternative scheduling proposal offered by Alderman Carroll was taken under advisement but never responded to. Following the absence of further communication, the Board voted to reserve the building for city use only. Alderman Davis stated the characterization that the Board acted without engaging the arts group was "categorically untrue" and encouraged citizens to review the recorded meetings.

Alderman Carroll thanked the Board, city staff, and first responders for their actions and community presence during and after the shooting. He called on the community broadly to stop undermining decisions already made by the Board, noting that while disagreement is healthy, continued opposition after a decision has been reached is harmful to staff and to forward progress. He asked that the incoming board and community work together more constructively going forward.

Alderman Kelley echoed Alderman Carroll's remarks, noting that the Board frequently disagrees at the table but reaches decisions that all members then have a responsibility to support. She added praise for the multi-jurisdictional response to the shooting, including officers from New Hanover County who stopped traffic to expedite ambulances without being asked. She announced that

on October 18th, a full-day community healing event—"A Day of Healing and Hope"—will be held at the Yacht Basin, featuring seven bands, food from local restaurants, a basket raffle, and a wine pull, with all proceeds going to the victims. She expressed appreciation for the business owners who are leading the effort to restore normalcy to the waterfront.

Alderman Spencer spoke from prepared remarks, describing the shooting as a defining moment for Southport that would test the community's character. He called for meaningful action, including the passage of red flag laws in North Carolina allowing authorities to remove firearms from individuals in mental health crisis, and the promotion of halfway houses and rehabilitation services locally. He reflected on the failure of systems that had received multiple warnings about the individual responsible, and called on the city to build stronger social infrastructure to care for its most vulnerable residents. He concluded: "Southport will rise again—not through fear, but through compassion, vigilance, and unity."

Alderman Lay thanked Chief Drew, Chief Coring, and all responding personnel. He noted that the rapid on-site response made possible by having local first responders stationed within minutes of the waterfront had proven its value in an unmistakable way. He spoke to the broader mental health crisis in the state, noting that two of his relatives who are psychiatrists working with veterans are overwhelmed, and lamenting the closure of North Carolina's historic psychiatric facilities—Dix Hill in Raleigh and Cherry Hospital in Goldsboro—which he attributed to a policy shift toward mainstreaming that he argued left too many people without necessary intervention.

Mayor Alt asked Alderman Mosteller to follow up with the City Manager on drafting the proposed resolution regarding mental health resources for future consideration.

J. Closed Session NCGS 143-318.11

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

   Prior to the motion, Alderman Davis provided public context for the closed session topic, explaining that the Board had recently received public comment from two citizens regarding contested alleyways in the historic district—one a property owner on North Atlantic Street who stated he could not construct a garage due to the alleyway having been claimed as private property, and another, the owner of a sourdough bakery on North Howe Street, who submitted a letter describing an incident involving a delivery truck and an alleyway running between Owens Street and 8th Street.

Alderman Davis explained that the documents at issue involve a Declaration of Withdrawal filed by former Mayor Hatem and his wife claiming a portion of the alleyway at 109 East Owen Street, and that the Board wished to consult legal counsel to fully understand the situation.

Alderman Carroll offered a clarification, noting that the document in question was a declaration of withdrawal, not a deed as Alderman Davis had characterized it, and further noted that neither city staff nor the city attorney had contacted Mr. and Mrs. Hatem prior to retaining outside counsel to review the matter.

A motion to go into closed session was made by Alderman Kelley and seconded by Alderman Spencer. The motion passed unanimously.

The Board entered closed session at 10:36 am.

A motion to come out of closed session was made by Alderman Kelley and seconded by Alderman Spencer. The motion passed unanimously.

The Board came out of closed session at 11:55 am.

Alderman Davis made a motion based on the legal advice received.

A motion to direct the city attorney to file a notice of withdrawal letter regarding the Declaration of Withdrawal filed for 109 East Owen Street, in order to ensure the city retains ownership of the alley, was made by Alderman Davis and seconded by Alderman Lai. The motion carried unanimously.

K. Adjourn

A motion to adjourn was made by Alderman Kelley and seconded by Alderman Lai. The motion passed unanimously.

The meeting adjourned at 11:58 am.

_____

Dr. Joseph P Hatem, Mayor

Attest:

_____
Tori Deviney, City Clerk

CITY OF SOUTHPORT
BOARD OF ALDERMEN – REGULAR MEETING
COMMUNITY BUILDING
223 E BAY ST, SOUTHPORT NC 28461
October 9, 2025 | 6:00 PM

Present Members: Mayor Rich Alt, Frank Lai, Marc Spencer, Rebecca Kelley, Lowe Davis, Karen Mosteller Robert Carroll Via Phone

Absent Members:

Staff Present: City Manager Noah Saldo, City Clerk Tori Deviney, Public Information Officer ChyAnn Ketchum Police Chief Todd Coring, Fire Chief Charles Drew, Planning Services Director Maureen Meehan, City Planner Wendell Biddle

Others Present:
City Attorney Brady Herman

A. Call to Order

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

B. Invocation

Alderman Davis provided the invocation.

C. Pledge of Allegiance

Mayor Alt led everyone in the Pledge of Allegiance.

D. Public Comment

Larry Ashley
Larry Ashley addressed the Board and first spoke regarding the resolution adopted earlier in the meeting. Mr. Ashley referenced his own military service and noted that his daughter also served in the military.

Mr. Ashley then addressed the proposed Old City Hall/Courthouse project and encouraged the Board to move forward with the HDR contract. He stated that there would inevitably be questions about the project for which the Board did not

yet have answers, but emphasized that the City could not begin obtaining those answers without first moving forward with the design process. He encouraged the Board to vote that evening so that the process could begin.

Mr. Ashley also referenced his involvement with the Courthouse Committee and emphasized the historic significance of the building. He acknowledged that restoring and adapting the historic courthouse would be an expensive undertaking and stated that, in the context of the overall project, the approximately $866,000 architectural contract represented only a portion of the ultimate cost. He encouraged the Board to take the necessary first step and proceed with the project.

Sue Hodgin
Sue Hodgin addressed the Board and began by commenting on the September 29 mass shooting. She reflected that, much like September 11, people would remember where they were when the tragedy occurred.

Ms. Hodgin then spoke regarding the Comprehensive Plan and expressed appreciation that the lengthy planning process was nearing completion. She noted that many residents had devoted considerable time to the process and described adoption of the plan as another important item the City could mark as completed.

Ms. Hodgin also referenced the Historic Preservation Commission and the upcoming meeting concerning historic preservation. She expressed hope that the City would ultimately move forward with historic preservation measures and stated that residents who had maintained and cared for their historic homes should be recognized for their efforts.

Ms. Hodgin then addressed the proposed HDR contract for the historic courthouse. She questioned how the proposed contract amount could have been negotiated substantially downward from the earlier estimate without eliminating services that had been included in the original scope. She expressed skepticism that such a significant reduction could be achieved without sacrificing some level of service and stated that the explanation did not make sense to her.

Ms. Hodgin concluded by referencing the upcoming municipal election and stated that, based upon media reports, she understood this to be the final regular Board meeting before the election. She encouraged honesty and transparency in the City's discussions and stated that the truth ultimately prevails.

Kevin Locklin
Kevin Locklin thanked the Board for the resolution adopted earlier in the meeting. He spoke personally about the September 29 tragedy, explaining that his family knew one of the individuals who was killed and had also been connected with others directly affected by the incident. He expressed appreciation for the Board's

recognition of the victims and their families.

Mr. Locklin then discussed the municipal election and expressed concern regarding the tone of the electoral process. He stated that candidates and elected officials should compete on their merits and on truthful information rather than for political gain.

Mr. Locklin also addressed the ongoing discussion concerning an alleyway, stating that he disagreed with characterizations being made about the property and noting that a house had been constructed in the area being discussed. He further addressed statements concerning whether he intended to move from Southport.

Mr. Locklin acknowledged that his home was for sale but explained that he and his family were considering purchasing a smaller condominium near the water and that he would notify the appropriate parties if he intended to leave the community.

Mr. Locklin stated that he believed false or misleading statements during the election process were inappropriate. He referenced his experience working with members of the Board and with local government and encouraged everyone involved in the election to use good judgment and common sense in their public statements.

Emily Humphries
Emily Humphries addressed the Board regarding the proposed UDO amendments and specifically the zoning of tattoo and body-piercing establishments following the loss of the City's ETJ.

Ms. Humphries stated that if the former Heavy Industrial zoning district was no longer available, she did not believe the appropriate response was to place tattoo establishments within the Business District. She encouraged the Board to consider the hierarchy and character of the City's remaining zoning districts and suggested that Highway Commercial would be a more logical location for the use.

Bonnie Bray
Bonnie Bray addressed the Board regarding the proposed HDR contract for the Old City Hall/Courthouse project and the City's long-term facility needs, particularly those of the Police Department.

Ms. Bray stated that the Fire Department had a facility capable of serving its needs for many years but expressed concern that the proposed courthouse project would not provide a similarly long-term solution for the Police Department. In her opinion, the Police Department could outgrow the proposed space within approximately seven years.

Ms. Bray discussed the potential financial implications of the project and expressed concern that the City did not yet have grant funding committed and did not know the final construction cost. She referenced financing information prepared by staff based upon an approximately $8 million project and discussed the potential long-term debt-service costs associated with financing the project over fifteen or twenty years.

Ms. Bray stated that the City also needed a plan for what would happen if the Police Department outgrew the courthouse facility. She expressed the opinion that the Police Department deserved a facility capable of meeting its long-term needs and suggested that construction of a new building should be considered.

Ms. Bray also discussed the cost of proceeding with architectural and construction documents before the City knew whether it would ultimately undertake the project. She compared the proposed HDR costs with previous architectural contracts associated with the building and questioned the differences between those figures.

E. Board Comments

Alderman Lai commented on the importance of mental health and reminded residents that resources are available for those who may be struggling or need assistance. He encouraged individuals to seek help and utilize the resources available within the community.

Alderman Kelley responded to questions raised regarding the HDR contract for the Old City Hall/Courthouse project. She referenced a discussion held earlier in the week and clarified that the approximately $866,000 contract amount would take the project through the construction-document phase. She explained that part of the reduction from the earlier proposal resulted from removing services that City staff could perform internally, including the furniture design package. Alderman Kelley also asked Mr. Locklin to convey the Board's condolences to the family affected by the September 29 tragedy.

Alderman Davis commented on the public hearings scheduled for later in the meeting. She stated that she wanted the Board to move forward on important matters but reiterated a commitment she had made not to vote on an item on the same evening as its public hearing. She explained that public hearings are intended to provide an opportunity for the Board to listen to residents and consider the information presented before making a decision.

Alderman Davis also addressed a rumor regarding the possible widening of Stuart Avenue to Fourteenth St to four lanes. She asked whether any member of the Board was aware of such a proposal. Mayor Alt responded that, according to comments circulating on social media, the proposal had apparently been attributed to him. Alderman Kelley, who stated that she had previously lived on Stuart Avenue, indicated that she would have significant concerns with such a

proposal. Alderman Davis stated that she wanted to clarify the matter publicly and was satisfied that the Board was not pursuing such a proposal.

Alderman Mosteller commented on the amount of staff time required to prepare matters for Board consideration. She noted that the Comprehensive Plan had already been discussed and reviewed on multiple occasions and stated that staff had devoted considerable time to preparing the item for the Board. She indicated that she had one modification she wished to discuss when the Comprehensive Plan came before the Board.

A motion to close public comment was made by Alderman Kelley and seconded by Alderman Spencer. The motion passed unanimously.

F. Mayor's Comments

Mayor Alt then addressed comments concerning the HDR contract and emphasized that the proposed architectural services involved considerably more than simply preparing building drawings. He noted that the work included engineering and coordination with the State, the State Historic Preservation Office, grant-related efforts, and the complexities associated with adapting modern governmental functions within a historic building. He cautioned against evaluating the proposal based solely on individual dollar figures without considering the complete scope of professional services involved.

Mayor Alt also addressed the alleyway matter raised during Public Comment. He discussed a declaration of withdrawal that had been brought to his attention and stated that he subsequently consulted with the City Manager and attorneys regarding the proper process. He questioned whether similar procedures should be consistently available to other property owners with comparable alleyway interests and emphasized the importance of applying City processes consistently rather than differently from one property owner to another.

Mayor Alt concluded by emphasizing the importance of relying on subject-matter experts and maintaining integrity in the Board's decision-making process.

Prior to beginning the public hearings, Alderman Kelley disclosed that she owned a hotel and raised the question of whether that created a conflict of interest regarding the upcoming Bed and Breakfast text amendment. City Attorney Herman and the Board determined that no conflict existed that would prevent Alderman Kelley from participating in the matter.

G. Approval of Agenda

A motion to approve the agenda was made by Alderman Kelley and seconded by Alderman Lai. The motion passed unanimously.

H. Approval of the Consent Agenda

A motion to approve the consent agenda was made by Alderman Kelley and seconded by Alderman Lai. The motion passed unanimously.

1. Minutes of the April 29, 2025 Special Aldermen Meeting

2. A RESOLUTION IN SUPPORT OF EXPANDED MENTAL HEALTH SERVICES FOR VETERANS AND INDIVIDUALS IN CRISIS, AND THE IMPLEMENTATION OF COMMON-SENSE PREVENTION MEASURES THAT PROVIDE FOR PUBLIC SAFETY

I. Agenda

1. Public Hearing—Southport 2050 Comprehensive CAMA Plan (Planning Services Director Maureen Meehan with Jake Petrosky and Andrea Radford, Stewart Consultants, Pgs.

   Mayor Alt opened the public hearing regarding the Southport 2050 Comprehensive Plan/CAMA Land Use Plan.

   Planning Director Maureen Meehan opened the discussion and provided introductory remarks regarding the Comprehensive Plan and the process leading to its consideration by the Board. Director Meehan then introduced Jake Petrosky, with Stewart, who provided an overview of the proposed Plan.

   Jake Petrosky, with Stewart, presented the proposed Comprehensive Plan and provided an overview of the extensive planning and public engagement process undertaken to develop the document. He explained that the Plan was intended to provide long-term policy guidance for the City and establish a framework for future decisions related to land use, transportation, infrastructure, historic preservation, resiliency, parks, housing, and development. He emphasized that the Plan itself did not amend the Unified Development Ordinance (UDO), but identified areas where future UDO amendments could assist in implementing the Plan's recommendations.

   Mr. Petrosky discussed regional growth and the development pressures affecting Southport and Brunswick County. He reviewed transportation recommendations, including access management along major corridors, encouraging more walkable forms of development, improving sidewalk and greenway connections, and providing additional bicycle and golf cart parking. He also discussed opportunities to improve connections between neighborhoods, parks, the waterfront, and other public spaces.

   Historic preservation was identified as a significant theme throughout the public engagement process. Mr. Petrosky stated that the Plan recommended

consideration of a local historic district and local landmark designations, pursuing Certified Local Government status, and increasing recognition of Southport's history through educational programs, signage, and community activities. He explained that, unlike a National Register designation, a local historic district can provide protections through locally adopted standards. He noted that continued development pressure could result in the gradual loss of historic structures if proactive measures were not considered.

Mr. Petrosky also reviewed recommendations related to resiliency, stormwater management, flooding, critical infrastructure, the Yacht Basin, waterfront access, public spaces, emergency services, and coordination with Brunswick County. He explained that the implementation section of the Plan identified priorities involving zoning updates, parks and conservation, historic preservation, walkability, parking, housing, infrastructure, and long-term fiscal considerations.

The Board discussed several recommendations contained within the Plan. Alderman Kelley asked whether the action matrix included the UDO amendments referenced during the presentation. Mr. Petrosky confirmed that those items were included in the action matrix and were also addressed narratively within the Plan.

Alderman Kelley asked about the recommendation to limit building height within the Midtown area. Mr. Petrosky explained that the recommendation was intended to address concerns regarding the scale of future development and to ensure that new development remained compatible with Southport's existing character.

Alderman Kelley asked about property-value data contained within the Plan. Mr. Petrosky explained that the information was derived from county tax parcel data and acknowledged that assessed values may lag behind actual market values.

Mayor Alt discussed the list of potential UDO amendments that had been gathered from staff, the Planning Board, members of the Board of Aldermen, and citizens. He stated that the Board would need to prioritize, or "rack and stack," the proposed amendments rather than sending all of the items to the Planning Board at once. He indicated that a future work session would be appropriate to review and prioritize those items.

Alderman Kelley asked about accessory dwelling units (ADUs) and the relationship between lot size, density, and impervious surface coverage. Mr. Petrosky explained that the City could consider whether its existing lot-size requirements appropriately reflected established development patterns while also implementing performance-based standards addressing impervious surface coverage. He stated that ADUs could provide additional housing

opportunities without significantly altering neighborhood character, but acknowledged that they may not be appropriate for every property, particularly where existing development or impervious coverage could contribute to stormwater concerns.

Mr. Petrosky further explained that determining an appropriate impervious surface standard would require additional analysis of existing neighborhood conditions. The Board noted that the City was already undertaking additional work related to stormwater and impervious surface considerations.

Mayor Alt sought clarification regarding the role of the Comprehensive Plan and emphasized the importance of ensuring that future Boards and the public understood that the document was intended as policy guidance rather than an inflexible set of regulations. Mr. Petrosky confirmed that the Comprehensive Plan was intended to provide policy guidance and was not a static document. He explained that the Board could amend the Plan in the future if circumstances changed or if clarification was necessary.

During public comment, Charles Drew addressed the Board regarding historic preservation. Mr. Drew stated that the presentation reinforced concerns he had previously expressed regarding the potential loss of Southport's historic character. He noted that historic preservation had consistently ranked among the community's primary concerns during the planning and public engagement process and encouraged the Board to recognize its importance when considering the City's future.

With no additional speakers, the public hearing was closed by unanimous vote.

> *Alderman Mosteller made a motion to adopt the Southport 2050 Comprehensive Plan/CAMA Land Use Plan. The motion was seconded by Alderman Spencer.*

During discussion of the motion, Alderman Davis acknowledged her previously expressed preference not to vote on an item on the same evening as its public hearing; however, she stated that she supported taking action because the Comprehensive Plan had been under development and review for an extended period, the Board had received the document previously, and no opposition had been expressed during the hearing.

Alderman Kelley noted that the first portion of the document contained the policy guidance intended for use by the City, while the remaining portion documented the public engagement process and responses received. She acknowledged concerns that had been expressed regarding the same consultant's involvement with both the Comprehensive Plan and historic preservation planning efforts, but stated that the public responses

demonstrated that preservation and protection of historic sites and buildings were among the issues most important to participants.

The previous motion passed unanimously.

2. Public Hearing– Special Events at Bed and Breakfasts Text Amendment (Planning Services Director Maureen Meehan, Pgs.
Planning Director Maureen Meehan introduced the proposed text amendment, 24-05, concerning special events at bed and breakfast establishments. She explained that the amendment had been reviewed by the Planning Board and was intended to provide additional clarification regarding events and gatherings associated with bed and breakfast operations.

The Board discussed the proposed language and the distinction between activities that are incidental to a bed and breakfast stay and events that would constitute a separate commercial use of the property. Discussion focused particularly on whether guests staying at a bed and breakfast should be permitted to invite a limited number of family members or other visitors to the property.

John Mann addressed the Board and expressed concern that the proposed language could be overly restrictive. He provided the example of a guest staying at a bed and breakfast who wanted to have parents or family members visit during their stay, explaining that the proposed language could prevent even a small gathering of that nature. He also referenced situations in which guests might want to hold a small daytime gathering or meeting at the property. Mr. Mann stated that small gatherings involving and benefiting registered guests could occur without being disruptive to the surrounding neighborhood and could remain consistent with the character and charm associated with a bed and breakfast.

The Board discussed the difficulty in establishing language that would distinguish a reasonable gathering of registered guests and their visitors from a separately operated event venue. Members expressed concern that language allowing events could unintentionally permit activities beyond the traditional operation of a bed and breakfast, particularly because these establishments are located within residential neighborhoods.

Alderman Davis discussed the original intent of the proposed amendment and expressed support for language that would allow reasonable activities associated with registered guests while preventing bed and breakfasts from functioning as independent event venues. The Board discussed whether the regulations should focus on the relationship between the event and registered guests rather than attempting to prohibit all gatherings.

Discussion also focused on occupancy and whether an appropriate limitation could be established based upon the permitted occupancy of each bed and breakfast. The Board considered whether attendance could be limited to a multiple of the establishment's approved occupancy rather than establishing one number applicable to every property.
Fire Chief Charles Drew discussed the relationship between occupancy and fire safety. He suggested that staff review the individual bed and breakfast establishments and determine their respective approved occupancy limits so that the Board could better evaluate an appropriate standard. The Board also discussed whether outdoor tents or similar temporary areas could affect occupancy calculations.

The Board expressed general support for finding a reasonable middle ground that would allow customary activities associated with a bed and breakfast while ensuring that the properties did not become event venues within residential neighborhoods.

A motion was made by Alderman Spencer to close the public hearing, which was seconded by Alderman Kelley. The motion passed unanimously.

Alderman Spencer expressed concern regarding selective enforcement and stated that he was opposed to regulations that could be enforced inconsistently.

Alderman Davis asked Mr. Mann to provide examples of the types of activities he envisioned occurring outdoors, noting that several of the examples previously discussed involved indoor activities. Mr. Mann stated that outdoor activities could include guests having coffee together, playing croquet, holding a small wedding ceremony or elopement, or having one person play acoustic music. He stated that outdoor activities at his establishment operated under an honor rule and concluded by approximately 7:30 p.m. He also noted that neighboring residents lived nearby and that he was mindful of the impact on them.

Alderman Davis asked whether Mr. Mann understood the permitted operation of a bed and breakfast and the limitations associated with that use when he purchased the property. Mr. Mann responded that he did and that he had reviewed the Unified Development Ordinance prior to purchasing the property. He distinguished a bed and breakfast from a short-term rental and emphasized that the property was also his home. He stated that he had a personal interest in protecting the property and ensuring that guests did not create problems or damage his home.

Alderman Davis discussed the definition and traditional operation of a bed and breakfast and stated that allowing special events could represent an

entirely different level of use. She noted that there were four bed and breakfast establishments operating within the City and expressed concern that the Board needed to consider not only the current owners but also how the properties could be operated in the future. She explained that an approval associated with the property could remain relevant after a property was sold and that the City could not assume a future owner would operate an establishment in the same manner as the current owner.

Alderman Davis stated that she would like to see revised language clearly distinguishing activities permitted as part of a bed and breakfast operation from a separate event-venue use. She also expressed concern regarding enforceability, noting that the City had previously adopted regulations that were difficult to enforce. She questioned how staff would practically monitor or count attendees and stated that the Board should consider whether the proposed requirements could reasonably be administered before adopting them.
The Board then discussed enforcement of noise regulations. Mayor Alt noted that enforcement ultimately rested with the City.

Alderman Kelley stated that noise complaints were a recurring issue and discussed whether the City could establish a more objective method of determining whether noise from music, conversations, or other activities was appropriate for the surrounding area. She suggested that staff investigate the use of a decibel meter and measurable noise standards rather than relying solely on subjective determinations.

Alderman Davis questioned reliance on a "reasonable person" standard. Alderman Kelley strongly disagreed that such a subjective standard would provide an adequate basis for enforcement. City Attorney Brady discussed concerns regarding the reliability and consistency of noise enforcement methods among different law enforcement agencies.

Discussion then turned to Fire Code requirements and occupancy. Alderman Kelley asked Fire Chief Charles Drew to explain how occupancy requirements could apply to bed and breakfast establishments.

Mr. Mann stated that he supported having the Fire Marshal inspect his establishment and establish an appropriate occupancy rating. He noted that City staff had previously visited the property and stated that he was comfortable complying with applicable Fire Code requirements.

Alderman Kelley noted that, as the operator of a hotel, her establishment was subject to Fire Marshal inspections and occupancy requirements. Chief Drew explained that occupancy is determined based upon applicable Fire Code requirements, including the square footage and use of the space, and that an approved occupancy could be identified through a placard.

Alderman Davis asked whether rezoning would be necessary to address the proposed use. Chief Drew clarified that his comments concerned occupancy and Fire Code requirements rather than zoning.

Alderman Mosteller stated that her concern was that the proposed amendment could effectively create a second use, an event venue, on residential property. She stated that she was not opposed to continuing to explore an appropriate solution but emphasized that the properties under consideration were located within residential neighborhoods.

Alderman Kelley discussed her own experience operating a lodging business and noted that businesses are held to a higher standard regarding impacts on neighboring properties. She referenced occasions when neighbors had raised concerns regarding noise and stated that she would like additional information from the Fire Marshal regarding what an occupancy-based approach might look like before the Board established a standard.

Mayor Alt stated that the discussion had provided perspectives that changed how he viewed the proposal. He noted that an activity might be responsibly managed by a current owner but could create different concerns under future ownership. He stated that the discussion demonstrated how the review process should work by identifying issues that may not have been apparent when the amendment was initially considered. Mayor Alt suggested returning the matter for additional review to determine whether a reasonable middle ground could be developed.

> *Alderman Mosteller made a motion to return the proposed amendment to the Planning Board for further consideration and bring it back to the Board of Aldermen.*

During clarification of the motion, Alderman Davis questioned whether the issue being presented was properly the responsibility of the Planning Board and stated that the Board should provide clearer direction regarding the desired language. She expressed support for language clarifying that a bed and breakfast should operate as a bed and breakfast and not as a separate event venue.

> *Alderman Mosteller clarified that the motion was to return the amendment for further consideration, including Alderman Davis' comments regarding bed and breakfast operations and further clarification of what constitutes a bed and breakfast use.*

Planning Board Chair Larry Ashley asked the Board to clarify what it wanted the Planning Board to consider and the anticipated timeline for bringing the

matter back.

Alderman Spencer asked about the occupancy of the establishment, and the Board discussed whether an attendance limitation could potentially be established based upon the approved occupancy of the individual property, including consideration of a multiple of that occupancy based on what the Fire Marshal says .

Chief Drew suggested reviewing each existing bed and breakfast establishment individually to determine its approved occupancy and then comparing those figures with the characteristics and size of the respective properties. The Board also discussed whether the use of outdoor tents or similar temporary areas would affect occupancy considerations. Chief Drew confirmed it would.

Alderman Spencer seconded the motion. The motion passed unanimously.

A motion to close the public hearing was made by Alderman Kelley and seconded by Alderman Mosteller. The motion passed unanimously.

3. Public Hearing- UDO Article 3&8 Zoning Text Amendments (City Planner Wendell Biddle & Planning Services Director Maureen Meehan & , Pgs.

Mayor Alt opened the public hearing regarding proposed text amendments to the Unified Development Ordinance (UDO).

Planner Wendell Biddle presented the proposed amendments and reviewed the recommendations forwarded by the Planning Board. The Board proceeded through the proposed amendments individually and discussed questions and concerns associated with several of the provisions.

Mobile Food Truck Vendors

Mr. Biddle explained that under the existing process, much of the responsibility for obtaining a food truck permit rested with the property owner. Staff viewed that requirement as a barrier to food truck operations. Under the proposed amendment, the responsibility for obtaining and maintaining the permit would instead be placed primarily on the food truck vendor.

Mayor Alt asked how the permitting process would work when a food truck operated at different locations. Mr. Biddle explained that a vendor with the appropriate license and approvals could obtain a permit and operate at approved locations using separate site plans. The intent was to avoid requiring a vendor to obtain an entirely new permit and Fire Department inspection each time it operated at another approved location.

Mayor Alt asked about the turnaround time for the permitting process and whether food truck operators had been receptive to the proposed regulations. Mr. Biddle stated that the regulations had been well received and reiterated that the process would generally involve one permit and one Fire Department inspection. The Board also discussed food trucks participating in City special events, including the Fourth of July festivities, and staff explained that those events would continue to be coordinated through the City's special-event process.

Planning Director Maureen Meehan clarified that the proposed amendment would not permit a food truck to randomly park along a City street and begin operating. An appropriate location and site approval would still be required.

The Board discussed businesses that regularly host food trucks, including Tap & Cellar. Mr. Biddle explained that an approved site plan would remain valid for one year and would approve the designated food truck location on the property.

Alderman Mosteller asked how the regulations would apply to a resident in the older portion of the City who did not have sufficient space on private property to accommodate a food truck for a private gathering. Director Meehan stated that staff would encourage the resident to contact the Planning Department to review the specific circumstances. She explained that there may be situations where use of the adjacent right-of-way could be considered, similar to other circumstances in which a property owner requires temporary use of the right-of-way.

Swimming Pools and Accessory Structures

The Board next discussed proposed changes to swimming pool setbacks. Staff explained that the setback would be measured from the pool coping surrounding the pool, with the intent of preserving additional side and rear yard space.

Mayor Alt questioned how the proposed provisions related to the City's stormwater requirements and expressed concern that someone reviewing the UDO should be clearly directed to any additional regulations that could affect development of the property.

Alderman Mosteller suggested an additional provision to the proposed exception in Section 3.9(B)(1), discussing whether a four-foot setback would be more appropriate than five feet for swimming pools. Mr. Biddle clarified that the proposed amendment addressed both swimming pools and accessory structures. Alderman Mosteller stated that she was primarily interested in applying the exception to swimming pools rather than accessory structures.

Alderman Davis also sought clarification regarding protective fencing surrounding swimming pools, and the Board discussed the applicable maximum fence height.

Salvage Yard

Mr. Biddle explained that salvage operations were among the land uses affected by the loss of the ETJ. Salvage operations had previously been permitted by Special Use Permit within the Heavy Industrial zoning district. Because that zoning district was no longer available, staff reviewed whether the use should be reassigned to another district.

Mr. Biddle stated that staff did not recommend reincorporating salvage operations into the UDO, explaining that there was no appropriate zoning district for the use and staff did not see a benefit to relocating it to another district. The proposed amendment therefore removed salvage operations as an available land use within the City.

Drive-Through Uses

Alderman Mosteller asked about language permitting drive-through uses within the Business District and requested clarification regarding what such a use would entail.
Director Meehan explained that the UDO did not currently contain specific standards governing drive-through facilities and that standards would need to be established if such a use were permitted.

Alderman Kelley questioned whether drive-through uses could instead be restricted to the Highway Commercial District. Alderman Mosteller expressed support for prohibiting drive-through uses in the Business District.

Alderman Kelley stated that a drive-through use adjacent to residential or more traditional commercial development would not necessarily be compatible with the character the City was seeking to maintain. The Board discussed how similar communities addressed drive-through uses and the potential effects on traffic and neighborhood character.

Mr. Biddle noted that certain development could trigger a Traffic Impact Analysis. Alderman Kelley cautioned against relying solely on that threshold because some developments with significant localized impacts might not meet the criteria requiring a Traffic Impact Analysis.

Uses Affected by Removal of the ETJ

The discussion then turned to land uses affected by the City's loss of

extraterritorial jurisdiction (ETJ). Alderman Davis asked whether removal of certain zoning districts meant that uses previously permitted within those districts would no longer be permitted anywhere within the City's jurisdiction.

Mr. Biddle explained that several uses had effectively been left without an applicable zoning district following the loss of the ETJ and that the City needed to determine whether those uses should be eliminated or assigned to another appropriate zoning district.

The Board discussed adult establishments, and Mr. Biddle explained that Highway Commercial appeared to be the most logical district if the use were retained. The Board discussed requiring a Special Use Permit, which would require review by the Board of Adjustment.

Tattoo and body-piercing establishments were also discussed. Alderman Kelley expressed a preference that those uses be limited to Highway Commercial rather than also being permitted within the Business District. Staff discussed retaining the Special Use Permit requirement consistent with the process that existed prior to the loss of the ETJ.

The Board then discussed vape shops. Alderman Kelley suggested that vape shops be treated similarly to tattoo and body-piercing establishments and restricted to the Highway Commercial District with additional review. Alderman Mosteller indicated that she would support such an approach. Staff noted that vape shops were not among the original uses under consideration but could be addressed through a subsequent text amendment.

Flagpoles, Signs, and Other Amendments

Mr. Biddle reviewed proposed provisions relating to signs and flagpoles, including a standard based upon the relationship between the height of a pole and the required setback.
Planning Board Chair Larry Ditton explained that the proposed flagpole provision was intended primarily as a courtesy to neighboring property owners, including concerns associated with the noise generated by a flagpole located immediately adjacent to another residence.

Mayor Alt asked whether the City had received significant complaints concerning flagpoles.

Mayor Alt expressed concern about establishing specific dimensional standards that could inadvertently create nonconformities on smaller lots and stated that he did not support the proposed flagpole regulation as presented.

The Board also discussed proposed revisions to Article 8 and the removal of definitions that were no longer applicable following changes associated with the ETJ. Mr. Biddle stated that the amendments before the Board were only a portion of the work being undertaken and that additional revisions to the UDO remained necessary.

Mayor Alt also questioned proposed language concerning unimproved lots and requirements for maintaining access or a cleared path along property lines. The Board discussed the practical effect such language could have on property owners.

A motion by Alderman Spencer to open public comment was made and seconded by Alderman Kelley. The motion passed unanimously.

Public Comment

Planning Board Chair Ashley encouraged the Board not to allow the desire for a perfect ordinance to prevent progress on amendments that were ready for action. He noted that the Planning Board had been working on the proposed amendments since July and emphasized that delaying action could leave certain uses without clear zoning provisions.

Mayor Alt expressed concern about adopting amendments before the Board was comfortable with their implications and stated that a special meeting could be held if additional consideration was necessary. He suggested that the Board identify those amendments it was prepared to approve and separate them from provisions requiring additional review.

The Board discussed whether the amendments should be divided into separate categories. Mayor Alt emphasized that the immediate issue created by the loss of the ETJ was that certain uses no longer had a zoning district in which they were permitted. He encouraged the Board to remain focused initially on resolving those "orphan uses."

Alderman Spencer questioned how swimming pool setbacks had become part of the ETJ discussion. Mayor Alt explained that the broader list of amendments had been presented so that the Board could review and prioritize the various items rather than allowing unrelated amendments to move forward without adequate discussion.

Alderman Mosteller discussed the reasoning behind the proposed swimming pool setbacks and the need to preserve adequate yard area. Other comments expressed concern that the Board should have additional information regarding stormwater and impervious surface coverage before adopting those provisions.

Alderman Davis suggested dividing the amendments into separate parts so that the Board could act on the ETJ-related provisions while continuing consideration of the remaining amendments at a future meeting.

Dickie Gephardt, 611 North Lord Street, addressed the Board specifically regarding the proposed swimming pool setback amendments. Mr. Gephardt stated that he was a home builder and also lived on a 33-foot-wide lot with his family. Although he did not currently have a swimming pool, he hoped to have one in the future.

Mr. Gephardt expressed concern that adopting new swimming pool setback requirements at that time would be “putting the cart before the horse.” He noted that the City's recently adopted stormwater regulations had only gone into effect on September 11 and stated that there was still uncertainty regarding how those requirements would be implemented. He explained that he had contacted staff shortly after the regulations became effective and that some of the information necessary to fully understand their application was still being developed.

Mr. Gephardt stated that he was not opposed to reconsidering swimming pool setbacks but believed the Board should have a better understanding of the City's stormwater requirements before making additional changes. He specifically noted the distinction between pervious and impervious surfaces and stated that, for example, a wooden deck could have a different than concrete placed near a property line. He encouraged the Board to table the swimming pool amendments until additional information regarding stormwater and impervious surface requirements was available.

A motion was made by Alderman Spencer and seconded by Alderman Kelley to close public comment. The motion passed unanimously.

ETJ-Related UDO Amendments

Alderman Davis made a motion directing Mr. Biddle to identify the proposed amendments involving uses that no longer had an applicable zoning district as a result of the loss of the ETJ so that the Board could vote on those items separately. Alderman Kelley seconded the motion.

Mr. Biddle reviewed the twelve land uses that had been left without an applicable zoning district following the loss of the ETJ. These included manufactured homes on individual lots; adult establishments; private garbage collection and landfill-related uses; liquid petroleum bottle and bulk storage; general manufacturing; intensive manufacturing; motion picture production and distribution; salvage operations; outdoor shooting ranges; solar farms; and tattoo and body-piercing establishments. Mr. Biddle

explained that nine of the twelve uses were recommended for elimination, while manufactured homes on individual lots, adult establishments, and tattoo and body-piercing establishments were recommended for reassignment to appropriate zoning districts.

During the review, the Board clarified that an outdoor shooting range was not considered appropriate and discussed retaining only an indoor shooting-range use where applicable.
The Board determined that nine of the identified orphan uses should be eliminated from the UDO and that the remaining uses should be assigned to appropriate zoning districts.

Alderman Mosteller made a motion to eliminate the nine uses recommended for elimination. Alderman Spencer seconded the motion.

Alderman Mosteller read the applicable consistency statement, finding the proposed amendments consistent with the City's adopted land-use plan and its policy of continually maintaining its official planning documents.

The motion passed unanimously.

Alderman Mosteller then made a motion to adopt the recommended realignment of the remaining uses, including manufactured homes on individual lots to the applicable PUD and single-family provisions, adult establishments to the Highway Commercial District, and tattoo and body-piercing establishments to the Highway Commercial District. Alderman Spencer seconded the motion. The motion passed unanimously.

Alderman Kelley made a motion to consider the remaining proposed UDO amendments at another meeting. Alderman Spencer seconded the motion.

The Board discussed whether the remaining items should wait until the November 3, 2025 meeting or whether an earlier special meeting was warranted. Alderman Mosteller expressed concern about delaying some of the amendments and noted that certain provisions, including swimming pool standards, warranted timely consideration. Alderman Spencer noted the relationship between some of those provisions and the City's ongoing stormwater work.

Planning Board Chair Ashley encouraged the Board to address drive-through uses before concluding its action, expressing concern regarding the potential impact of drive-through facilities in residentially oriented areas if the regulations remained unchanged.

Alderman Kelley made a motion to restrict drive-through uses to the Highway Commercial and Planned Unit Development districts, subject to the applicable consistency statement. The motion was seconded by Alderman Carroll and passed unanimously.

Alderman Kelley then made a motion to refer regulations concerning vape shops to the Planning Board for consideration of limiting the use to the Highway Commercial District.The motion was seconded by Alderman Carroll and passed unanimously.

The Board agreed that the remaining proposed UDO amendments would be brought back for further consideration at the November 3, 2025 meeting.

4. Old City Hall/ Courthouse

City Manager Noah Saldo presented the proposed HDR contract for the Old City Hall/Courthouse project, which had been moved to the regular meeting agenda following the Board's discussion at its previous meeting.

Manager Saldo reviewed the components of the proposed architectural contract. He explained that the estimated costs included approximately $350,000 for schematic design and design development, $237,000 for construction documents, $42,000 for permitting and bidding, $211,000 for construction administration and closeout, and $49,000 for other services, for a total contract amount of approximately $860,000. He emphasized that the contract represented a comprehensive approach and included more than architectural design, including bidding and construction administration as well as grant application and administration services.

Manager Saldo also reviewed potential financing considerations for the overall project. He explained that HDR had provided a preliminary construction estimate ranging from approximately $6 million to $8 million; however, the actual construction cost would not be known until the design process progressed and more current construction pricing was available. He further explained that the City's ultimate financial obligation would depend on several factors, including the final project design, potential State appropriations, available grants, and financing terms. The financing information included in the agenda packet was therefore intended only to illustrate what financing could potentially look like if the City were required to finance the project without grants or State appropriations.

Alderman Mosteller asked several questions regarding the clarifications and assumptions contained within the HDR scope of work. She first asked about language excluding selective demolition services and investigations.
Manager Saldo explained that those services were not anticipated as part of the current scope and therefore were not included.
Alderman Mosteller then asked about the exclusion of programming, design, and detailing associated with holding cells or the detention of individuals

within the building. Manager Saldo explained that the proposed facility was not intended to contain a jail or holding cell. Individuals taken into custody would be transported directly to the appropriate detention facility, although the building itself could be secured temporarily if circumstances required it.

Alderman Mosteller also called attention to language stating that the City was not currently a Certified Local Government and that this could affect eligibility for certain competitive grants. She noted the relationship between Certified Local Government status and local historic preservation efforts and emphasized that such status could provide additional grant opportunities for the City.

Discussion then turned to the financial commitment associated with approving the contract. Alderman Mosteller sought clarification that approval that evening would allow the City to proceed through the approximately eight-month design process but would not commit the Board to constructing an $8 million building. She stated that once the design work was complete, the Board would need the opportunity to evaluate the construction cost, financing options, the City's overall budget, other municipal needs, and what projects or expenditures might have to be postponed before determining whether and when to proceed with construction.

Manager Saldo confirmed that understanding. He explained that although the overall HDR contract and associated budget amendment totaled approximately $860,000, the City's immediate obligation was essentially the approximately $350,000 schematic design and design-development phase. Once that work was completed, the City would have better construction-cost information to present to financial institutions and the Local Government Commission in order to determine the City's potential financing obligation. He emphasized that approval of the contract did not bind the City to future construction obligations.

Alderman Mosteller further asked whether the City could pause the project following the design phase and wait, even for as long as a year, before deciding whether to proceed. Manager Saldo confirmed that it could. Alderman Mosteller noted that completion of the design drawings would also be necessary in order for the City to pursue certain grant opportunities.

Alderman Davis referenced a question raised during public comment regarding how approximately $500,000 had been removed from the original project estimate. Manager Saldo explained that staff had reviewed the proposed scope and removed noncritical services that could be performed in-house. He cited furniture design and selection and landscape planning as examples, noting that Public Works were capable of handling those functions without paying an outside consultant. He stated that removing those services reduced the cost without compromising the essential design,

construction, or administrative components of the project.

Alderman Kelley commended staff for reviewing and negotiating the contract rather than accepting unnecessary expenses. She stated that the City had a responsibility to taxpayers to identify services that could reasonably be completed in-house and remove unnecessary costs from government contracts.

Mayor Alt agreed and commended staff for identifying portions of the proposed scope that were unnecessary and reducing the overall cost while retaining the services needed to move the project forward.

A motion was made by Alderman Carroll to approve the HDR contract and the associated budget amendment. The motion was seconded by Alderman Kelley. The motion passed unanimously.

5. Updates to the Streetlight Policy

Alderman Mosteller presented proposed amendments to the City's Street Light Policy. She stated that street lighting is an important component of community health and safety as well as a design element that contributes to the overall appearance and character of the City. She noted that the City's policy utilizes dark-sky fixtures and explained that the proposed amendments were intended to update and clarify several provisions of the existing policy.

Alderman Mosteller first reviewed proposed changes to the coverage section of the policy. She explained that references to the City's former extraterritorial jurisdiction (ETJ) would be removed and that the policy would apply to outdoor areas within the municipal limits of the City. She also reviewed language addressing the phased implementation of the City's underground utility project. New fixtures and poles consistent with the Street Light Policy would replace existing street lights as the underground project progressed. Obsolete fixtures that failed prior to their scheduled replacement could be temporarily replaced with fixtures selected by the Public Works Department.

Alderman Mosteller then reviewed proposed changes concerning lighting along City-maintained streets. The proposed language clarified that new street light luminaires and poles could replace existing fixtures when necessary to achieve the illumination and foot-candle standards contained within the policy. The appropriate luminaire and pole type could vary depending upon the location, and new or replacement poles constructed of wood, concrete, or composite materials would be permitted.

Mayor Alt asked whether the policy would allow the City to address situations where the topography of a property caused a street light to shine into an elevated residence. Alderman Mosteller explained that such a

situation could be addressed through the installation of a shield and clarified that nothing in the proposed policy prevented the City from installing shielding where appropriate.

Energy Manager Larry Ditton confirmed that approved shields were available for the City's luminaires and could be installed when necessary to prevent light from trespassing into a residence. He stated that the City had successfully used shields in other locations and maintained them in inventory. Mayor Alt asked how a resident could request consideration of a shield, and it was explained that the resident could contact the City Manager's office so the location could be evaluated by the Electric Department.

Alderman Mosteller next explained that the proposed amendments would eliminate the use of Audubon-style street lights in most areas of the City. Southport Special luminaires on concrete poles would instead become the standard in residential areas, continuing the fixture style already used along Howe Street and other portions of the City.

Alderman Mosteller then reviewed the provisions applicable to the waterfront and downtown areas. She explained that the proposed boundary for the Southport Special luminaire along Howe Street had previously extended to 14th Street and was being revised to extend to Robert Ruark Drive.

Alderman Kelley asked whether the City had authority over street lighting in areas extending beyond the municipal limits. Mr. Ditton explained that the City's electric utility service territory extends beyond the City limits and that the City maintains and controls street lighting in those areas because it is the electric service provider. He noted that the City's electric service extends into areas near Walmart, Robert Ruark Drive, and Jabbertown Road.

Alderman Mosteller also discussed eliminating the American Revolution LED fixture with glass. She explained that although the fixture was designed as a dark-sky fixture, the glass caused the light to diffuse outward rather than directing it downward as effectively as other available fixtures. Mr. Ditton confirmed the distinction and discussed the lighting characteristics of the fixtures.

.

The Board further discussed the different fixture styles currently used throughout the City's electric system. Alderman Davis sought clarification regarding the terminology used for the various fixtures, including the Audubon, bell-shaped, and acorn-style fixtures. Mr. Ditton explained the distinctions among the fixtures and stated that the City was not proposing to replace existing functional fixtures immediately, but would discontinue purchasing and installing certain styles as replacements were needed. The Board discussed maintaining consistency in future installations while

allowing existing fixtures to remain until replacement became necessary.

Discussion then turned briefly to electrical service provided to vendors during special events. Alderman Davis questioned whether vendors utilizing City-provided electrical connections were being appropriately charged for that service and suggested that the City's Rate Committee consider whether the applicable rates should be reviewed.

Mr. Ditton explained that permanent businesses are metered in the normal manner, while special events present a different situation. For events such as the Fourth of July celebration along South Howe Street, the City provides electrical connections, including 50-amp circuits, for certain vendors. He understood that Community Relations had a method for addressing charges associated with electrical and water usage, although his department's primary responsibility was ensuring that the necessary and appropriate electrical connections were available for the event.

Alderman Mosteller made a motion to approve the proposed amendments to the Street Light Policy. The motion was seconded by Alderman Spencer. The motion passed unanimously.

6. Public Comment Policy

Alderman Carroll introduced the proposed Public Comment Policy and explained that, following discussion at the previous month's meeting, he had asked City Manager Noah Saldo to determine whether the City already had a formal policy governing public comment. Manager Saldo confirmed that no formal policy was currently in place and prepared a draft for the Board's consideration.

Alderman Carroll stated that he believed establishing a written policy would provide clearer guidance for how public comment is conducted at Board meetings. He noted that the draft included provisions such as a time limit for speakers; however, the specific time limit had intentionally been left blank so that the Board could discuss and determine an appropriate length before adopting the policy. He stated that his intent was not necessarily for the Board to adopt the policy that evening, but rather to begin the discussion and allow members time to review the proposed language.

Mayor Alt expressed support for establishing a consistent policy and asked whether the same time limitation imposed on individuals speaking during public comment should also apply to written comments submitted for the Clerk to read aloud. He noted that some written submissions could be lengthy and suggested that, if speakers were limited to a specified amount of time, written comments read into the record should be subject to the same limitation.

The Board agreed that additional time was needed to review the proposed

policy and consider the appropriate time limits and procedures.

Alderman Carroll made a motion to continue consideration of the Public Comment Policy to the November 3, 2025 meeting to allow the Board additional time to review and refine the proposed policy. The motion was seconded by Alderman Spencer. The motion passed unanimously.

J. Committee Reports

1. ABC Board
   Alderman Lai reported that the ABC Store had another solid month and continued to perform well. He noted increases across sales categories, including mixed beverage sales, and stated that the store remained in a strong position.

K. Manager's Report

Manager Saldo first reminded the Board of the rescheduled joint meeting between the Board of Aldermen and the Historic Preservation Commission, scheduled for Wednesday, October 15 at 11:00 a.m. at the Community Building. He stated that the purpose of the meeting was to review and discuss the proposed Southport Historic District and associated design standards.

Manager Saldo also recognized National Fire Prevention Week and reported that the Southport Fire Department had already participated in more than 20 fire and life-safety programs during the week. He stated that the programs had focused on preschool children, daycare facilities, schools, and senior citizens.

He noted that the year's fire-prevention messaging included an emphasis on lithium-ion battery safety, including avoiding overcharging batteries and unplugging chargers when they are not in use or when residents are away from home. Manager Saldo encouraged residents with questions regarding fire prevention or fire safety to contact the Southport Fire Department and reminded the public to remain mindful of preventable fire hazards.

L. Mayor's Comments

Mayor Alt commented on the community's continued healing efforts and recognized the support being shown by local businesses and organizations. He noted that numerous businesses had held fundraisers to assist those who were injured, the families of those who lost their lives, and affected employees.

Mayor Alt announced another fundraiser planned for October 18 in the Yacht Basin area. He stated that the event was expected to last most of the day and include approximately seven bands. He encouraged those who were available to attend and support the fundraising effort.

M. Staff Reports

1. Development Services

2. Community Relations

3. Parks and Recreation

N. Board Comments

Alderman Davis reminded the public that the Parks and Recreation Advisory Board had changed its regular meeting schedule. She stated that the Board would now meet on the third Tuesday of each month rather than the second Tuesday, and that the meeting time had changed from 6:00 p.m. to 5:30 p.m. The meeting location remained unchanged.

Alderman Davis reminded everyone that the Southport Wooden Boat Show would be held on the first Saturday in November. She noted that the event is traditionally well attended and encouraged the public to attend.

Alderman Kelley added that it would be a particularly busy weekend in Southport, noting that the Stede Bonnet Regatta and the U.S. Open King Mackerel Tournament were also scheduled for that weekend. She further noted that the Southport Cougars football team championship was expected to take place that weekend.

There were no additional Board comments.

O. Closed Session NCGS 143-318.11

1. Motion to go into closed session pursuant to NCGS143-318.11 (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged.
   Mayor Alt entertained a motion to enter Closed Session pursuant to North Carolina General Statute § 143-318.11(a)(3) to consult with an attorney employed or retained by the City in order to preserve the attorney-client privilege between the attorney and the Board.

   A motion was made to enter Closed Session by Alderman Spencer and was seconded by Alderman Kelley. The motion passed unanimously, and the Board entered Closed Session.

The Board entered closed session at 9:51 pm.

A motion was made to come out of closed session by Alderman Kelley and seconded by Alderman Lai. The motion passed unanimously, and the Board entered Closed Session.

The Board came out of closed session at 10:51 pm.

P. Adjourn

Mayor Alt announced that Jack Hilberg would be holding a fundraiser on November 1 at Morning Star Marina.

Alderman Mosteller made a motion to adjourn. Alderman Spencer seconded the motion. The motion passed unanimously.

The meeting adjourned at 10:52 pm.

_____

Attest: Dr. Joseph P Hatem, Mayor

_____

Tori Deviney, City Clerk

CITY OF SOUTHPORT
BOARD OF ALDERMEN – REGULAR MEETING
COMMUNITY BUILDING
223 E BAY ST, SOUTHPORT NC 28461
June 2, 2026 | 6:00 PM

Present Members:
Joseph Hatem, M.D., Paul Gross, Marc Spencer, Rebecca Kelley, Lowe Davis, Robert Carroll, Karen Mosteller
Absent Members:

Staff Present: City Manager Noah Saldo, City Clerk Tori Deviney, Public Information Officer ChyAnn Ketchup, Planning Services Director Maureen Meehan, Police Chief Todd Coring, Fire Chief Charles Drew, Battalion Chief Ralph Treadway

Others Present:
City Attorney Brady Herman

A. Call to Order

Mayor Hatem called the meeting to order at 6:00 pm.

B. Invocation

Mayor Hatem provided the invocation.

C. Pledge of Allegiance

Mayor Hatem led everyone in the Pledge of Allegiance.

D. Agenda

1. Southport Appearance Commission

   Mayor Hatem announced that the purpose of the meeting was to conduct the public hearing on the proposed Local Historic District Overlay Map Amendment and Design Standards. He noted that the previous Town Hall

DRAFT

meeting had been an opportunity for dialogue between staff and citizens, while this meeting was a formal public hearing.

City Manager Noah Saldo reviewed the public hearing procedures, explaining that each speaker would be allotted three minutes in accordance with the Board's Rules of Procedure and applicable state law. He stated that Planning Services Director Maureen Meehan would present the item before the Clerk called speakers and read written comments submitted for the record.

Planning Services Director Meehan stated that the Board was conducting its second public hearing on the proposed Local Historic District Overlay. She explained that the first advertised public hearing had been held on July 10, 2025, and that numerous Historic Preservation Commission meetings, joint meetings with the Board of Aldermen, and public input sessions had occurred since that time. She advised that revisions had been made to the proposed design standards in response to public comments and that the Historic Preservation Commission had formally recommended approval of both the proposed overlay map and the accompanying design standards.

Public Comment

Susan Delaney, 304 West West Street
Ms. Delaney stated that many citizens had already presented compelling reasons to oppose the proposal and that additional speakers would do the same. She said she believed several Board members had already decided how they intended to vote but urged them to represent the wishes of the citizens rather than their personal preferences. She stated that if residents were allowed to vote directly, she believed the proposal would be overwhelmingly rejected and asked the Board to vote against the Historic District Overlay.

City Clerk Deviney read a letter from Davis Herring, Jr., who stated that although he now lived outside the city limits, his family continued to own property within the proposed district. Mr. Herring shared his family's history in Southport and expressed opposition to the Historic Preservation Commission and the proposed overlay. He stated that Southport's historic character had been preserved through the pride of its residents rather than regulations, expressed concerns about potential reductions in property values and tax base, questioned whether affected property owners had received proper notification, criticized the treatment of citizens during Historic Preservation Commission meetings, and voiced concerns about potential litigation and associated taxpayer expense.

Mimi Vargo, 230 North Caswell Avenue
Ms. Vargo stated that she opposed the proposed Historic District Overlay. She expressed concerns regarding representation throughout the

development of the proposal, noting that many commission members did not reside within the proposed district while several residents who had applied were not appointed. She stated that although public comments had been accepted during meetings, meaningful dialogue had been limited and alternative approaches had not been fully considered. Ms. Vargo stated that property owners who would be directly affected should have greater representation and questioned whether regulations should be imposed when a majority of affected property owners opposed them.

City Clerk Deviney read a letter from Carter John Herring Childs, M.D., who expressed opposition to the proposed Historic District Overlay. Dr. Childs stated that Southport's history was defined by its people rather than its buildings and argued that the community had historically preserved itself through cooperation rather than regulation. He expressed concerns regarding additional financial burdens on homeowners, compared the City's actions to ignoring the concerns of patients, and urged the Board to reject the proposal in order to avoid further division within the community.

Kathy Dudley, 105 North Caswell Avenue
Ms. Dudley stated that she opposed the proposed overlay. She questioned the exclusion of portions of the Yacht Basin from the proposed district while subjecting other property owners to additional regulations. She expressed concerns regarding inconsistent application of preservation efforts, potential financial burdens associated with repairing historic features, the absence of references to hurricane-rated windows within the standards, and the level of representation of district residents during the drafting process.

City Clerk Deviney read a letter from Catherine Hufham, a Historic Preservation Commission member, expressing support for the proposed Historic District Overlay and Design Standards. Ms. Hufham stated that the standards were intended to preserve Southport's historic character while guiding compatible new construction and redevelopment. She stated that the guidelines would not function as homeowners' association rules or regulate personal lifestyle choices but would instead help preserve the architectural character that distinguishes Southport. She acknowledged concerns regarding regulation but stated that preserving the City's historic resources required thoughtful design standards.

Rich Alt, 6165 Cottage Creek Road
Mr. Alt stated that he opposed the proposal. He questioned the legal interpretation of down-zoning statutes, stated that a large majority of affected property owners opposed the overlay, and expressed concerns regarding the City's administration of the Historic Preservation Commission process. He cited examples of what he believed were inconsistent enforcement practices and urged the Board not to place additional regulatory authority in a process he believed had demonstrated administrative deficiencies.

City Clerk Deviney read a letter from Jim Lawson, 222 Caswell Avenue, who expressed concerns regarding increasing traffic, community division, and the complexity of the proposed regulations. Mr. Lawson stated that he had found the volume of documents difficult to review and questioned the necessity of the proposal, the perceived lack of opposition during earlier stages of the process, and the composition of the Historic Preservation Commission.

Lane Cooke, 306 North Atlantic Avenue
Ms. Cooke spoke in support of establishing the Local Historic District and Historic Preservation Commission. She stated that she and her husband intentionally purchased a historic home because they valued preservation. Ms. Cook explained that while neighboring property owners had historically maintained the character of the area, she believed future preservation should not rely solely on good fortune. She noted Southport's continued growth and stated that the proposed district would help protect the historic character of neighborhoods surrounding Franklin Square park and other historic resources.

City Clerk Deviney read a letter from Jack Hamilton, 114 North Caswell Avenue, who opposed the proposed overlay. Mr. Hamilton stated that as a real estate professional and property owner within the district, he believed the proposal infringed upon homeowners' property rights and attempted to solve a problem that did not exist. He stated that homeowners had voluntarily preserved the district's historic character and urged the Board to reject the proposal.

James Carroll, 202 West Nash Street
Mr. Carroll stated that he owned multiple properties within the proposed district and reviewed renovations previously completed on the Ports of Call building. He stated that many of those improvements would not have been permitted under the proposed design standards. Mr. Carroll also discussed the subjectivity of compatibility and congruence standards, expressing concern that future Historic Preservation Commissions could interpret the standards more rigidly over time in order to reduce legal risk, thereby limiting flexibility for future property improvements.

City Clerk Deviney read a letter from Stuart Callari encouraging the Board and community to work together to preserve Southport's historic character. The letter stated that the proposal consisted of guidelines intended to preserve the City's character rather than impose homeowners' association-style restrictions and urged support for the Historic District before the community lost its unique identity.

Betsy Carroll, 202 West Nash Street
Ms. Carroll stated that she and her husband owned several properties within

the proposed Historic District and therefore had a vested interest in the proposal. She stated that all residents cared about Southport and its history but believed the debate centered on differing views of how the City's character should be preserved. Ms. Carroll argued that adopting broad regulations in response to a limited number of design concerns was an overreaction and that historic preservation should remain a shared community value rather than a government mandate. She compared the proposed regulations to homeowners' association restrictions, stating that private property owners should not be subject to similar requirements through local government. She further stated that Southport's history reflected continual adaptation and evolution, allowing families and businesses to meet changing needs while preserving the community. Ms. Carroll also expressed concern that the City was imposing aesthetic regulations on private property owners while public infrastructure and signage created visual clutter, urging the Board not to adopt the proposed overlay.

City Clerk Devviney read a letter from Doug and Dama Apperson of 319 East Moore Street expressing opposition to the proposed Historic District Overlay. The letter acknowledged the importance of preserving Southport's history and character but expressed concerns that additional regulations could limit homeowners' freedom to maintain and improve their properties, impose financial burdens, affect property values, and diminish the community's organic character. The authors stated that existing development regulations were sufficient and urged the Board to reject the proposal.

Dane Coker, 208 North Lord Street
Ms. Coker stated that she and her husband had chosen Southport as their permanent home because of its beauty, sense of community, and neighborly spirit. She stated that while future development could not be guaranteed, citizens should be trusted to continue maintaining and improving their properties without additional oversight. Ms. Coker expressed concerns regarding the creation of a quasi-judicial board and the possibility of expanded regulations in the future. She concluded by urging the Board to vote against the Historic District Overlay, stating that additional regulations were unnecessary.

City Clerk Deviney read a letter from Barry Allmon, 212 North Rhett Street, requesting that the Board vote against the Historic District Overlay and proposed Design Standards. Mr. Allmon expressed concerns regarding the City's ability to consistently administer and enforce the proposed regulations, citing what he believed were previous inconsistencies in the enforcement of the Unified Development Ordinance and permitting processes. He questioned the administration of subjective design standards, expressed concern that precedent-setting decisions could create future legal

challenges, and stated that the application process could discourage homeowners from making improvements. Mr. Almond urged the Board to allow property owners to continue maintaining their homes without additional regulatory oversight.

Gwen Tanner, 315 North Caswell Avenue
Ms. Tanner stated that she and her husband, Jamie Deal, owned Mad River Construction and had lived and worked in Southport for nearly 30 years, including more than 20 years within the proposed Historic District. Ms. Tanner referenced numerous homes and renovation projects completed by their company throughout Southport, stating that each had been designed to reflect the historic character of the community because both the builders and homeowners desired that outcome, not because regulations required it. She stated that many of those projects would not have been permitted under the proposed Design Standards, which she described as overly restrictive and limiting practicality and creativity. While acknowledging that those supporting the proposal were motivated by a desire to preserve Southport's historic character, she expressed concern that preservation should not come at the expense of private property rights and urged the Board to vote against the Historic Preservation Commission proposal.

City Clerk Deviney read a letter from Edward Glenn expressing support for the proposed Historic District Overlay. Mr. Glenn stated that Southport faced increasing development pressure as one of the fastest-growing areas in the state and argued that the issue before the Board was whether the City would remain recognizable as it continued to grow. He stated that Southport's historic homes, walkable streets, maritime character, and sense of place distinguished the community and should be protected. The letter asserted that a Historic District would help guide compatible growth rather than prevent development and cited communities including Beaufort, New Bern, Edenton, and Wilmington as examples where historic preservation had strengthened local economies, tourism, investment, property values, and community identity. Mr. Glenn urged the Board to preserve Southport's historic character while allowing continued prosperity and investment.

Bob Gardner, 108 North Caswell Avenue
Mr. Gardner stated that he and his wife resided within the proposed Historic District and opposed the proposed ordinance. Mr. Gardner stated that the proposal sought to address concerns over the possibility of future incompatible development rather than an existing problem. He argued that current property owners already maintained the historic character of the district and that the proposal would unnecessarily regulate those properties by placing decisions under the authority of an appointed committee. Mr. Gardner further stated that a majority of affected property owners had expressed opposition to the proposal and urged the Board to respect those views. He also referenced a November 2025 letter from legal counsel

asserting concerns regarding potential conflicts with state law related to down-zoning and stated that litigation could result if the ordinance were adopted. He urged the Board to consider both the expressed concerns of affected property owners and the legal issues raised before taking action.

City Clerk Deviney read a letter from Southport native, Travis Children, expressing opposition to the proposed Historic District regulations. The letter stated that while preserving Southport's history and character was important, property owners should retain the ability to improve and develop their property with only reasonable regulations in place. The author argued that Southport's transformation had occurred through organic investment rather than burdensome government regulation and cited examples of properties that had evolved over time into successful businesses and attractions. The letter further stated that many structures within the proposed district were not historically significant and expressed concern that the proposed regulations would impose unnecessary restrictions on property owners.

Bob Menches, 406 Clarendon Avenue
Mr. Menches stated that although his property was located just outside the proposed Historic District, he was concerned about the potential future expansion of the district. He expressed concern that nothing within the proposal prevented future Historic Preservation Commissions from expanding the district boundaries to include additional neighborhoods and historic resources. Mr. Menches also compared the proposal to previous right-of-way discussions, stating that he believed both addressed problems that did not currently exist. He stated that local property owners had consistently maintained Southport's character without formal design standards and expressed concern that the proposal would further divide the community.

City Clerk Deviney read a letter from John and Heidi Lazinski, 222 East Moore Street, who stated they had intentionally chosen to move to Southport because of its existing character rather than a formally regulated Historic District. Drawing upon their experience living in various communities, including historic districts, the letter expressed concern that homeowners' insurance premiums and coverage could be adversely affected by the adoption of the proposed Historic District. The authors stated they had confirmed with their insurance agent that coverage changes and premium increases could occur. They also expressed concern regarding recent new construction they believed was incompatible with the historic character of downtown while noting that existing homeowners had voluntarily maintained and improved their properties without additional regulation.

Holly Segalla, 2435 Lake Ridge Drive
Ms. Segalla stated that although she believed property owners should consider the interests of their neighbors, she was also concerned about the

possibility of litigation should the proposal be adopted. She stated that she appreciated the level of public involvement and expressed hope that the community could continue working together to develop a solution acceptable to all parties.

City Clerk Deviney read a letter from Paul Swenson, 706 North Atlantic Avenue, expressing opposition to the proposed Historic District Overlay. Mr. Swenson stated that after personally surveying homes within the proposed district, he observed that homeowners had consistently maintained, renovated, or restored their properties in a manner compatible with Southport's character without the need for additional regulations. He questioned the necessity of creating a Historic District and expressed concerns regarding increased governmental oversight, quasi-judicial review, and the potential limitations that compatibility standards could place on future additions or new construction. Mr. Swenson concluded by stating that preserving Southport's character had resulted from the community itself rather than regulatory requirements.

Larry Ashley, 637 Wild Rose Way
Ms. Ashley, speaking on his own behalf and not as a representative of the Planning Board or Cemetery Committee, stated that the purpose of a Historic District was not to freeze Southport in time but rather to guide inevitable future change in a manner that preserved the City's historic character. He discussed the role of planning in preparing for future growth and compared the proposal to other long-range planning efforts, including infrastructure improvements for storms. Mr. Ashley encouraged attendees to consider the proposal from the perspective of protecting their own investments, noting that existing zoning regulations could not regulate architectural design. He expressed concern that without a Historic District, future property owners could significantly alter or replace historic structures in ways incompatible with surrounding neighborhoods and stated that the proposed Historic District would provide a mechanism to help preserve Southport's unique character.

City Clerk Deviney read a letter from Tal West, announcing his resignation from the Historic Preservation Commission effective June 30, 2026, with the hope that a resident of the proposed Historic District would fill his position. Mr. West thanked the Board of Aldermen for his appointment and expressed appreciation for his fellow Commission members. He shared his background in history, public service, and historic preservation and reflected on lessons learned during his time as an elected official. Mr. West stated that his vision for the Historic Preservation Commission had focused on celebrating Southport's history through historic district signage, interpretive markers, and recognition of significant historic figures and locations rather than imposing burdens on residents.

Dana Hamilton, 114 North Caswell Avenue
Ms. Hamilton stated that after listening to the evening's comments, she believed everyone shared the same goal of preserving Southport's historic character and small-town atmosphere. She stated that because residents already valued and maintained the community's character, the proposed Historic District Overlay was unnecessary and attempted to solve a problem that did not exist. Ms. Hamilton, speaking as a realtor, stated that people intentionally chose Southport because of its history and charm. She also referenced a detached garage recently constructed on her property, stating that while it had been designed to complement the existing home and neighborhood, portions of the project may not have been permitted under the proposed Design Standards. She concluded by stating that Southport residents had consistently demonstrated their ability to preserve the City's character without additional regulations.

City Clerk Deviney read a letter from Allison Fox, 407 West Brown Street, urging the Board to allow Southport to remain the community it had always been. The letter opposed creating regulations that would apply to only a small percentage of property owners, stated that the proposal had divided the community, and encouraged the Board to vote against the Historic District Overlay.

Carl Ward, 231 North Caswell Avenue
Mr. Ward stated that numerous homes throughout the proposed district had been successfully renovated or rebuilt in ways that enhanced Southport's historic character. Speaking as a retired general contractor, he expressed concern that many of those improvements, including renovations to his own home, would not have been permitted under the proposed Design Standards. Mr. Ward questioned whether homeowners would continue to have the flexibility to make compatible improvements and expressed concern regarding statements made during Historic Preservation Commission meetings about what would be permitted. He concluded by stating that the proposal had become increasingly divisive within the community.

City Clerk Deviney read a letter from Scott Fitzgerald, 316 West Moore Street, expressing opposition to the proposed Historic District Overlay. Mr. Fitzgerald stated that during the ten years he had lived within the proposed district, he had observed homeowners consistently investing in and improving their properties in ways that enhanced Southport's historic character without government regulation. He questioned the need for the Historic District, describing it as a solution in search of a problem, and expressed concern that the City was disregarding the wishes of many affected property owners. The letter also questioned whether property owners subjected to additional regulations would receive any form of compensation or tax relief for the increased costs and restrictions associated

with the proposed Historic District.

Kathy Cabral, 308 West West Street
Ms. Cabral stated that while both supporters and opponents of the proposal shared the goal of preserving Southport's historic character, they differed on how best to achieve that objective. She expressed concerns regarding the creation of an unelected quasi-judicial body, the interpretation of subjective design standards, and the potential financial burdens imposed upon homeowners. Ms. Cabral stated that increased regulations could discourage property owners from maintaining or improving their homes, resulting in unintended deterioration rather than preservation. She further stated that residents within the proposed district had already established the character the Historic Preservation Commission sought to preserve through their own investment and stewardship, without regulatory oversight, and urged the Board to vote against the proposal.

City Clerk Deviney read a letter from Benjamin H. Dosher, co-owner of 205 West Moore Street, expressing concern regarding the proposed Historic District Overlay. Mr. Dosher stated that while he appreciated efforts to preserve Southport's historic character, he believed the proposed regulations could diminish private property rights, limit owners' ability to improve their properties, and negatively affect property values. He urged the Board to carefully consider the interests of affected property owners before adopting the proposal.

William Delaney, 315 Brunswick St
Mr. Delaney stated that he had lived and worked in Southport since 1985, operating a land surveying and engineering business and previously serving two terms as an alderman. He explained that he had been contacted several years earlier regarding service on the Historic Preservation Commission and had expressed his support for protecting private property rights. Mr. Delaney stated that, based upon his experience with the City's history and boundaries, he believed the Board should carefully consider the rights of property owners while evaluating the proposed Historic District Overlay.

City Clerk Deviney read a letter from Vernon Ray Martin, Jr., owner of property at 111 South Howe Street and 113 North Howe Street. Mr. Martin stated that he had owned property in Brunswick County for many years and had admired the way downtown property owners had maintained and invested in their homes, helping create the Southport of today. While recognizing their stewardship, he expressed opposition to the proposed Historic Preservation Commission, stating that property owners should not be required to obtain approval or guidance from a governing body before making repairs or improvements to their own property.

Eric Lappala, 215 West Moore Street

Mr. Lappala stated that he had provided the Board with a written presentation summarizing his concerns. He expressed the belief that Southport's historic character had developed organically through the efforts of its residents and that the existing approach had been successful. Mr. Lappala described the restoration of his historic home, including the removal of brick veneer to expose original clapboard siding, reconstruction of a portion of the home to accommodate an addition, relocation of the front entrance, installation of historically compatible hurricane-rated windows, and other improvements completed to preserve the home's historic appearance. He stated that many of those improvements would not have been permitted under the proposed Design Standards, despite enhancing the property's historic character. He concluded by urging the Board not to impose additional regulations on a process he believed was already working effectively.

City Clerk Deviney read a letter from Susan and Everett Moore, owners of 318 East Bay Street, expressing opposition to the proposed Historic District Overlay. The letter stated that after owning several historic homes in Southport over nearly three decades, they had consistently maintained each property's historic character without regulatory requirements. They expressed concern that future improvements to their current home would require approval through a quasi-judicial process, creating delays and limiting their ability to maintain their property. They stated that Southport's historic character had been preserved for generations through the efforts of responsible property owners rather than restrictive regulations.

Woody Wilson, 502 West Brunswick Street
Mr. Wilson stated that he appreciated the time and effort the Board of Aldermen had devoted to the proposal. He encouraged the Board to base its decision upon the comments received from residents, noting that the majority of speakers opposed the Historic Preservation Commission. Mr. Wilson urged the Board to resolve the issue by voting against the proposal so the community could move forward.

City Clerk Deviney read a letter from Tommy Harrelson expressing concern about increasing governmental regulation. Mr. Harrelson stated that he had participated in the renovation of several historic homes in Southport and believed homeowners had consistently preserved the community's historic character without formal oversight. He stated that while he had previously supported the concept of a historic commission, he had since concluded that additional governmental control was unnecessary and urged the Board to reject the proposal.

Bob Holben, 114 West Moore Street
Mr. Holben stated that he supported the views expressed by many property owners within the proposed Historic District. He explained that he and his

wife resided in the historic Julius Newton House and valued Southport's history because of their personal connection to the community rather than governmental regulation. Mr. Holben stated that while he appreciated the extensive work that had gone into preparing the proposed Design Standards, he believed the proposal overlooked the homeowners who had invested in preserving the district. He noted that examples used within the Design Standards included photographs of his own home and neighboring properties that, in his opinion, would not comply with the proposed standards. Drawing on his engineering background, he described the proposal as impractical and encouraged the Board to trust residents to continue preserving Southport's character without additional regulation.

City Clerk Deviney read a letter from Jim Chirico expressing opposition to the proposed Historic District Overlay. Mr. Chirico stated that while he appreciated the committee's efforts to preserve Southport's history and character, he believed the proposal would impose unnecessary restrictions upon property owners, increase costs, complicate permitting, and potentially affect property values. He urged the Board to balance preservation goals with private property rights, economic vitality, and limited governmental intrusion by rejecting the proposed Historic District.

Pat Kirkman,
Ms. Kirkman began her remarks by expressing appreciation to the members of the Historic Preservation Commission for their service over the previous three years. She recognized the Commission members by name and thanked them for the time and dedication they had devoted to the process. Ms. Kirkman offered particular recognition to Chairman Charles Drew for his leadership and service to the Commission.

City Clerk Deviney read a letter from Joe and Marty Laughlin, 410 East Moore Street, expressing opposition to the Historic Preservation Commission and its proposed regulations. The letter objected to additional governmental oversight and described the proposal as creating a process similar to a restrictive homeowners' association. The authors also expressed concern regarding additional review requirements for property improvements, referenced examples of deteriorating historic properties in other communities that they attributed to restrictive preservation requirements, and questioned the necessity of the proposal given the current condition of homes within the proposed district.

Brian Quinn, 316 West Brunswick Street
Mr. Quinn stated that after decades working in real estate development and construction, he had chosen to make Southport his home because of its historic character. He described restoring several homes within the proposed district, including replacing a deteriorated structure while preserving a mature live oak tree and renovating additional historic properties in a manner

he believed respected Southport's architectural character. Mr. Quinn stated that many residents who were not native to Southport nevertheless deeply valued and respected the City's history. He expressed the opinion that the proposed Historic Preservation Commission would increase governmental control over private property rather than preserve history and urged the Board to reject the proposal.

City Clerk Deviney read a letter from Cathy Rogers, 211 North Caswell Avenue, expressing opposition to the proposed Historic Preservation Commission and additional regulations affecting homeowners within the proposed Historic Overlay District. Ms. Rogers stated that while preserving Southport's character was important, homeowners should retain the right to maintain, improve, and adapt their properties without additional governmental oversight. She expressed concern that increased regulation could discourage investment, delay repairs, increase costs, and create unnecessary burdens for property owners. The letter encouraged the Board to pursue voluntary preservation efforts, education, and incentives rather than additional mandates and urged the Board to vote against the proposal.

The Board recessed the meeting for approximately ten minutes. Upon reconvening, Mayor Hatem observed that the comments received reflected a shared desire to preserve Southport's historic character despite differing opinions regarding the proposed method. He noted that a majority of those in attendance appeared to oppose the Historic Preservation Commission and asked whether any additional individuals wished to address the Board before the public hearing concluded. After additional speakers indicated their desire to be heard, the public hearing continued.

Sherol Lappala, 316 West Brunswick Street
Ms. Lappala stated that many residents had devoted significant time to participating in the Historic Preservation Commission process and encouraged the Board to hear all remaining speakers before making a decision. Ms. Lappala described improvements she and her husband had made to their home, including the addition of a second-story porch, which she believed would not have been permitted under the proposed Design Standards. She expressed concern that subjective standards, such as determining whether a project was "congruous," could result in inconsistent decisions. Ms. Lappala stated that the proposed regulations were overly rigid, would increase maintenance costs, and would create unnecessary governmental oversight of homeowners seeking to make routine improvements.

City Clerk Deviney read a letter from Lynn Meekins, 207 North Caswell Avenue, expressing concern regarding the proposed Historic Preservation Commission. The letter stated that while preserving Southport's historic character was important, homeowners had already demonstrated their

commitment to maintaining older homes and should be viewed as partners in preservation rather than subjected to additional regulation. Ms. Meekins expressed concern that the proposed regulations would increase costs, create delays, and make maintaining historic homes more difficult, and urged the Board to reject the proposal.

Mary Bullard, 309 East Moore Street
Ms. Bullard stated that she supported preserving Southport's history and character but did not believe the Historic Preservation Commission, in its proposed form, was the appropriate method. She expressed concern that additional oversight would increase costs, delay property improvements, and require homeowners to seek approval for reasonable changes to their own properties. Ms. Bullard also questioned whether homeowners within the proposed district were adequately represented in the process and noted that many supporters of the proposal did not reside within the affected area. She urged the Board to balance historic preservation with property rights and local representation and encouraged the Board to consider the views of the residents most directly affected by the proposal.

City Clerk Deviney read a letter from Kay Jollif expressing opposition to the proposed Historic District Overlay. Ms. Jollif stated that Southport's appeal had always been rooted in the independent spirit of its residents and neighborhoods rather than formal regulation. She recalled the varying appearance of homes when she moved to Southport in 2001 and stated that the community's character had continued to flourish without additional restrictions. She urged the Board to preserve Southport's spirit rather than impose new regulatory requirements and requested that the proposed Historic District Overlay be denied.

Gabriel Azzato, 609 North Atlantic Avenue
Mr. Azzato stated that his concerns centered on the structure of the proposed Historic Preservation Commission as a quasi-judicial body and the potential legal risks associated with its operation. He discussed the importance of maintaining both actual and perceived impartiality in quasi-judicial proceedings and expressed concern that active City employees serving on such a board could create the appearance of bias. Mr. Azzato stated that although he had no concerns regarding the integrity of individual staff members, he believed the proposed structure could expose the City to legal challenges and additional costs. He urged the Board to consider the legal and fiduciary implications of the Commission's composition before taking action.

City Clerk Deviney read a letter from Peggy Todd, 209 Short Street, expressing opposition to the proposed Historic District Overlay as currently drafted. Ms. Todd stated that she and her husband had chosen Southport because of its historic character and would have supported a proposal

focused on preserving the overall appearance of the community without regulating items such as fencing, landscaping, and specific repair materials. She recommended that the Board reject the current proposal and direct the Historic Preservation Commission to develop a revised version with greater representation from homeowners within the proposed district.

Bonnie Bray, 515 Quartermaster Dr
Ms. Bray, a member of the Historic Preservation Commission, addressed the Board and stated that she wished to clarify several points regarding the Commission's work and the proposed Design Standards. Ms. Bray reviewed the history of the Commission's creation and appointment process, noting that many Commission members either resided within the proposed district or had longstanding ties to Southport. She stated that a significant portion of the Design Standards consisted of historical background information rather than regulatory provisions and explained that numerous categories of routine maintenance and minor work would not require a Certificate of Appropriateness. Ms. Bray also defended the work of City staff and encouraged residents to review the meeting minutes and the proposed standards in their entirety.

City Clerk Deviney read a letter from Jim Todd, 209 Short Street, expressing support for preserving Southport's history while opposing the Historic Preservation Commission as currently proposed. Mr. Todd stated that he believed a preservation board could be appropriate if its authority were more limited and provided greater protections for affected homeowners. He concluded that, given the choice between approving the proposal as written or rejecting it, he supported voting against the ordinance in its current form.

Larry Cabral, 308 West West Street, presented an updated map illustrating properties within the proposed Historic District that he stated opposed the Historic Preservation Commission. He asserted that the majority of affected property owners opposed the proposal, citing previous maps, yard signs, and public participation as evidence of that position. Mr. Cabral also stated that whether Commission members had longstanding ties to Southport was not relevant to whether they should regulate the property of others. He further referenced statements made by candidates during prior election campaigns regarding the Historic Preservation Commission and requested that any elected official changing his or her position publicly explain the reasons for doing so.

City Clerk Deviney advised the Board that all submitted correspondence had been read and noted that if any email had been inadvertently missed, it had not been intentional.

City Clerk Deviney read a final letter from Hayler and Robbie Osborne, owners of the Southport Bank Building at 112 East Moore Street, expressing

opposition to the proposed Historic Preservation Commission. The letter stated that Southport property owners had demonstrated responsible stewardship of their properties without additional governmental oversight and expressed the opinion that another layer of bureaucracy was unnecessary.

Susan Holth, 307 East Moore Street
Ms. Holth stated that while her family's history in Southport was not as extensive as some, she had called Southport home since 1970. She expressed concern regarding the language contained within the proposed Design Standards, noting the repeated use of the terms "shall" and "required" rather than "guidance." Ms. Holth stated that the document functioned as a regulatory framework rather than a set of recommendations and argued that it would unnecessarily limit property owners' flexibility. She urged the Board to reject the proposal.

Jim Brown, 114 South Howe St
Mr. Brown stated that he had lived in Southport for 51 years and owned a home within the proposed Historic District. He expressed support for historic preservation, stating that he believed it was necessary to maintain the value and integrity of historic properties.

Debbie Barnes, 425 West West Street
Ms. Barnes stated that Southport's historic area had become more attractive over the past 30 years through renovations and new construction completed by individual property owners rather than through regulation. She suggested that revisions to the Unified Development Ordinance could accomplish the City's preservation goals without creating a Historic District Overlay. Ms. Barnes also expressed concern that the proposed regulations could discourage restoration of historic homes, increase maintenance costs, and contribute to neighborhood changes experienced by other historic communities.

Siegfried De Smidt, 319 West Brunswick Street
Mr. De Smidt stated that he strongly opposed the proposed Historic District Design Standards and quasi-judicial enforcement process. Mr. Smidt stated that homeowners had preserved Southport's historic character through their own efforts and deserved the Board's trust. He expressed concern that the proposed standards were vague, overly restrictive, and could increase costs, legal disputes, and governmental control over private property without demonstrating a clear public need. He urged the Board to reject the proposal while thanking the Historic Preservation Commission members for their work.

John Bove, 305 East West Street
Mr. Bove, speaking as a Southport resident and not on behalf of the

Planning Board, stated that while most citizens shared the goal of preserving Southport's historic character, he believed an effective Historic District was necessary to prevent gradual erosion of that character over time. He stated that incompatible redevelopment could occur one property at a time and that existing zoning regulations could not prevent demolition or construction that complied with the Unified Development Ordinance but conflicted with the surrounding historic context. Mr. Bove expressed support for the proposed Historic District as the most effective means of preserving Southport's historic character for future generations.

Fred Fiss, 216 North Atlantic Avenue
Mr. Fiss stated that he supported the Historic Preservation Commission and Historic District Overlay. He expressed disappointment with efforts to oppose the proposal and stated that he believed a local Historic District was an important tool for preserving Southport's historic fabric and identity. Mr. Fiss referenced both the CAMA Land Use Plan and the Comprehensive Plan as supporting preservation efforts and argued that future property owners and developers might not share the same commitment to preserving Southport's historic character. He concluded by stating that the Design Standards were intended as guidelines that allowed reasonable flexibility when appropriate.

Steve Harney, 207 Clarendon Avenue
Mr. Harney stated that he strongly opposed the proposed Historic District Ordinance based upon his experience living in multiple historic districts. He expressed concern that the proposal had divided the community and encouraged the Board to consider the views of the residents and property owners who would be directly affected. Mr. Harney also stated that he believed the proposal could result in litigation and suggested that the community work together to develop voluntary preservation efforts rather than adopt the proposed ordinance.

With no additional speakers present, Mayor Hatem declared the public hearing closed.

He thanked the citizens, Board members, City Manager, City staff, Police Chief, and all those in attendance for their participation and for their shared commitment to the City of Southport.

E. Adjourn

A motion was made by Alderman Carroll and seconded by Alderman Kelley to adjourn. The motion carried unanimously.

The meeting was adjourned at 9:03 pm.

_____
Dr. Joseph P Hatem, Mayor

Attest:

_____
Tori Deviney, City Clerk

DRAFT

CITY OF SOUTHPORT
BOARD OF ALDERMEN – REGULAR MEETING
COMMUNITY BUILDING
223 E BAY ST, SOUTHPORT NC 28461
June 11, 2026 | 6:00 PM

Present Members:
Joseph Hatem, M.D., Paul Gross, Marc Spencer, Rebecca Kelley, Lowe Davis, Robert Carroll, Karen Mosteller
Absent Members:

Staff Present: City Manager Noah Saldo, City Clerk Tori Deviney, Public Information Officer ChyAnn Ketchum, Planning Services Director Maureen Meehan, Police Chief Todd Coring, Fire Chief Charles Drew
Others Present:
City Attorney Brady Herman

A. Call to Order

Mayor Hatem called the meeting to order at 6:00 pm.

B. Invocation

Reverend Annette Clemmons, from Carvers Creek AME Zion Church, provided the invocation.

C. Pledge of Allegiance

Mayor Hatem led everyone in the Pledge of Allegiance.

D. Special Recognition

1. FPTower, Inc. Presentation of the Award of A U Safe life buoy To the Southport Fire Department

   Mayor Hatem noted that the representatives from FPTower, Inc. were not present at the meeting. He indicated that the presentation would be

rescheduled for a later meeting, noting that the public may have seen related coverage in the local paper.

2. Gooney Bird Proclamation

Mayor Hatem read the City of Southport Gooney Bird Artist Appreciation Proclamation in full. The proclamation recognized the anonymous artist behind Southport's beloved Gooney Birds, noting that through her whimsical and unmistakable creations she has sparked smiles, inspired conversations, and sent people on delightful adventures to discover where the next Gooney Bird might appear.

Representatives, Hope Taylor Spencer and Kevin Carter, on behalf of the artist, were present to receive the proclamation.

3. Juneteenth Proclamation

Mayor Hatem read the City of Southport Juneteenth Proclamation in full, tracing the history from President Lincoln's issuance of the Emancipation Proclamation on September 22, 1862, through General Gordon Granger's announcement of freedom in Galveston, Texas on June 19, 1865. The proclamation recognized Juneteenth as the oldest nationally celebrated commemoration of the ending of slavery in the United States and affirmed the city's commitment to reflection, education, community involvement, and celebration of the enduring principles of freedom and equality. Mayor Hatem formally proclaimed June 19, 2026 as Juneteenth Day in the City of Southport.

E. Public Comment

Jody Wilmoth - 315 Clarendon Avenue
Mr. Wilmoth addressed the Board on the topic of historic preservation and community cohesion. Speaking from his seat with assistance, hereflected on a time when neighbors gathered on each other's porches and expressed concern that such community bonds have diminished. He urged that residents within the proposed historic district take ownership of preservation efforts rather than expecting the Board alone to carry that responsibility, stating: "I think the people that live in these districts and what you choose as a district should be the ones policing that district and making sure that the houses are built back as close to what they look like before they were pulled apart." He also noted there are properties outside the district in need of attention and concluded by urging citizens and the Board to work together toward a common goal, remarking, "I don't think a building is necessarily what Old Southport's about. It's the people in the town."

City Clerk Deviney read a letter from Jason Robbins, 504 B West Brunswick

Street, a Southport voter, business operator, and resident. Mr. Robbins cited North Carolina case law stemming from *Boone Publishers v. Burlington City Council*, stating that a municipal government must disclose certain material information before discussing a possible purchase of private property — specifically the address or location, the names of the property owners, and the proposed purpose for acquisition — and formally requested that this information be made available to the public prior to the closed session.

Kathy Cabral — 308 W West St
Ms. Cabral stated she had planned to speak on historic preservation but wished to thank the Mayor for his opening remarks, calling them "the right way to go." She expressed that it was difficult to say at that point whether more than fifty percent of residents would favor a historic district, but indicated she looked forward to seeing revised voluntary guidelines.

Katie Boyd - 828 North Caswell Avenue

Ms. Boyd addressed the Board wearing what she described as representing a "Lorax"-like sense of warning she had carried for twenty-three years conducting historic ghost tours in Southport. She described the depth of her oral history work — educating children in schools for free, cleaning up graveyards, and helping neighbors recover after storms — and stated she had never asked for anything in return. Her concern, she said, was that historic preservation efforts must be meaningfully implemented rather than remaining "just words." She raised a specific concern about a competing tour company she alleged had not followed the tour ordinance she herself had been required to follow for years, describing it as operating "under your noses" and using stories she considered her intellectual property. She implored the Board to examine the ordinance closely and to protect local businesses from what she called "vulture businesses" that treat the community as "carcasses" and feed parasitically. In closing, she called on the Board to "walk the walk" on historic preservation and to protect those who give back to the town.

Steve Moore — 102 Park Ave

Mr. Moore spoke on the topic of public trust. He noted that over the past year there had been matters involving elected officials that generated public concern, and while respecting the legal outcomes, his concern was the silence he had encountered. He recounted having emailed the Mayor, City Manager, and select board members several weeks prior regarding a matter of public attention, stating he did not ask for agreement or action, only acknowledgment — and that fourteen days later he had received no response. "Public trust begins with listening," he said. "It begins with acknowledging citizens that take time to participate in their government." He expressed support for adding police officers and acknowledged the excellent work of the department, while encouraging the Board to consider phasing in new officer hiring over several months to create near-term budget savings. He also encouraged the Board to reflect on the conduct of meetings —

that "the purpose of public comment is for citizens to be heard" and "the purpose of the board during that time is to listen." He closed by noting that trust is "earned one decision, one conversation, and one response at a time."

Larry Cabral — 308 W West St
Mr. Cabral addressed the Board briefly, stating that he had come to the podium specifically because of his behavior during the previous public hearing. He acknowledged having disregarded the Mayor's request for decorum and civility, and offered a public apology to Ms. Bray for making a public comment about her while she had every right to defend her position.

Siegfried De Smedt — 319 W Brunswick St

Mr. De Smedt stated he had prepared remarks on the Historic Preservation Commission but that the Mayor's opening statements had substantially addressed his concerns. He noted that he was nevertheless compelled to speak to the matter of words versus action, telling the Mayor directly: "We heard you, mayor. We heard your other words before the election. We heard them after the election, and we hear them tonight. But words without action are just hollow, empty words." He expressed hope that the evening's discussion could move beyond promises and result in a formal vote to dismantle the quasi-judicial Historic Preservation Commission and replace it with a voluntary advisory body, saying: "If you do not vote tonight for the promise that you made this evening to us, mayor, then it's just hollow words." He urged the Board to take a vote to ensure "this quasi-judicial board is no longer in place when we all go home tonight."

David Miller took a moment to draw the Board's and public's attention to a community member present in the audience — Mary Bullard, wife of Captain Bullard of the fire department, who had recently achieved her family nurse practitioner credential. He asked that she be recognized, and the Mayor invited her to stand to receive applause.

F. 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.

Mayor Hatem called for any conflicts of interest or appearances thereof. Alderman Kelly declared that he had the appearance of a conflict of interest regarding the ABC Board appointment, as his brother had applied for that position. No other conflicts were declared.

G. Approval of Agenda

Alderman Kelley motioned to amend the agenda by adding an item regarding the Historic Preservation Commission (HPC) as the first business item. She explained that her intent was to formally direct staff to evaluate next steps for revising the Historic Preservation guidelines and return recommendations to the Board. Alderman Spencer seconded the motion.

During discussion, Alderman Davis stated that because the Historic Preservation Commission was established by ordinance, any changes would require following the appropriate legal process. She suggested directing staff to return with information outlining the available options and the required procedures before any action was taken.

Alderman Carroll noted that staff could be directed without adding the item to the agenda and suggested bringing the matter back at a future meeting. Alderman Kelley responded that she wanted the matter placed on the agenda to obtain formal consensus from the Board.

Mayor Hatem clarified that his understanding of the motion was to add the item to the agenda for consideration. He stated that staff could still receive direction without amending the agenda.

Alderman Gross commented that the Historic Preservation Commission had spent more than three years developing the proposed standards and that the Board had already conducted a workshop and public hearing. He stated that, in his opinion, the Board should formally reject the document in its current form before moving forward with revisions.

Following discussion, the Board voted on the motion to amend the agenda by adding the Historic Preservation Commission item. The vote was called 3-3.

Yea — Alderman Gross
Yea — Alderman Spencer
Yea — Alderman Kelley
Nay — Alderman Davis
Nay — Alderman Carroll
Nay — Alderman Mosteller

The motion failed on a vote of 3-3. Mayor Hatem voted in opposition to break the tie, resulting in the motion failing 4-3.

Mayor Hatem stated that staff had already been instructed to revise the proposal and return it to the Board. He reiterated that the revised program would be voluntary rather than quasi-judicial and would include an appropriate structure moving forward.

Alderman Carroll then motioned to approve the agenda as presented. The motion was seconded by Alderman Mosteller and the motion carried by a vote of 4-2.

H. Approval of the Consent Agenda

Mayor Hatem presented the Consent Agenda, which included support for the Brunswick County school bond referendum, two Finance and Budget items, and the Brough Law Firm rate adjustment.

Alderman Carroll made the motion to approve the consent agenda, which was seconded by Alderman Moteller.

Alderman Gross expressed concern that the Board had not discussed the proposed school bond resolution as a body. While the Board had previously received a presentation from the Brunswick County Board of Education, he believed the resolution warranted separate discussion rather than approval as part of the Consent Agenda.

Mayor Hatem stated that the resolution simply expressed support for allowing the matter to proceed to the voters and reflected support for public education.

Alderman Kelley noted that the resolution included language encouraging eligible voters to vote on the measure and expressed concern that it could be perceived as encouraging support rather than remaining neutral.

Alderman Carroll amended his motion to approve the Consent Agenda by removing the school bond resolution and placing it on the Regular Agenda as Item I-8 for discussion. Alderman Gross agreed with that approach.

The Board then approved the Consent Agenda, excluding the school bond resolution, which was moved to the Regular Agenda, I.8 for separate consideration. The motion carried unanimously.

1. Brunswick County Schools Bond Referendum Letter of Support

   Now Item I.7

   Mayor Hatem introduced the proposed Brunswick County Schools Bond Referendum Letter of Support, noting the importance of public education and inviting Board discussion.

   Alderman Gross stated that his request to remove the item from the Consent Agenda was procedural rather than an expression of opposition to the school bond. He stated that he believed the letter should remain neutral by

supporting the referendum process and allowing voters to make their own informed decision after reviewing the facts. He noted that the Board had received a presentation from the Brunswick County Board of Education regarding the proposed bond and acknowledged the County's school construction needs and the potential impact on the county tax rate. He emphasized that citizens should have the opportunity to review the information before voting on the referendum.

Alderman Kelley agreed with Alderman Gross, stating that she believed the opening language of the proposed letter, expressing the Board's "strong support" for the referendum, could be interpreted as encouraging citizens to vote in favor of the bond. She stated that she supported allowing the referendum to appear on the ballot but preferred that citizens make their own decision after reviewing the information.

Mayor Hatem suggested revising the letter to make it more neutral and asked whether the Board wished to consider a revised draft.

Alderman Davis motioned to revise the letter to support placing the bond issue on the referendum ballot and to place the revised letter on the June 17 agenda for consideration.

The motion died for lack of a second.

City Manager Saldo advised that the referendum had already been approved for placement on the ballot by the Brunswick County Board of Commissioners. He explained that the Board of Education was requesting endorsements in support of passage of the referendum, rather than support for placing the measure on the ballot.

Alderman Spencer moved to approve the Brunswick County Schools Bond Referendum Letter of Support as presented. The motion was seconded by Alderman Mosteller.

During discussion on the motion, Alderman Davis stated she could not support the letter because she did not wish to tell citizens how to vote before they had heard all sides of the issue. Alderman Kelley reiterated her concern that the language expressing the Board's "strong support" for the referendum did not read as neutral. City Manager Saldo again clarified that the School Board was requesting the Board's position regarding support for passage of the referendum and that, if the Board was not comfortable expressing that support, it could choose to take no action.

Following discussion, the motion to approve the Brunswick County Schools Bond Referendum Letter of Support as presented carried on a 3-3 vote. Mayor Hatem voted in favor to break the tie, and the motion passed 4-3.

Yea — Mayor Hatem
Yea — Alderman Spencer
Yea — Alderman Carroll
Yea — Alderman Mosteller
Nay — Alderman Gross
Nay — Alderman Kelley
Nay — Alderman Davis

2. Finance — FY26 Budget Amendment 4

3. Finance — FY26 Budget Amendment 5

4. Brough Law Firm, PLLC - Rate Adjustment

I. Agenda

1. Shoreline Stabilization Contract
City Engineer Bob Jarvis

Mayor Hatem introduced the agenda item, noting that the shoreline stabilization project began under former Mayor Robert Howard through a committee chaired by Tommy Harrelson. He recognized the contributions of state legislators, the City's engineers, and others who helped secure $5 million in state funding for the project. He stated that the City's waterfront had experienced ongoing erosion and emphasized the project's importance to Southport and the State. He then invited City Engineer Bob Jarvis to present the item.

Mr. Jarvis reviewed the history of the project, explaining that surveys, engineering design, easement acquisition, permitting, and public workshops had been completed over several years. He stated that the project includes offshore breakwaters, beach nourishment, dune restoration, native plantings, and rock revetments.

Mr. Jarvis reported that four competitive bids had been received, ranging from approximately $3.3 million to $4.3 million. Civil Works Contracting, LLC submitted the lowest responsive bid of $3,294,674.47. Staff and the City's engineering consultant reviewed the contractor's qualifications, references, and experience and determined the firm was qualified to perform the work. He explained that construction would begin in phases, with initial work

consisting of submittals and material procurement, while on-site construction is anticipated to begin around October 1, 2026, in accordance with environmental permit restrictions. He noted that the project is fully funded through a $5 million State Emergency Response and Disaster Relief Fund grant. Those funds must be obligated by June 30, 2026.

Alderman Mosteller asked about the significant difference between the highest and lowest bids. Mr. Jarvis explained that the three lowest bids were within approximately four percent of one another and closely matched the engineer's estimate of $3.3 million. He stated that the highest bid appeared to be an outlier and staff was confident the recommended bid was appropriate.

Discussion followed regarding contractor staging areas, protection of City streets, parking impacts, and restoration requirements. Mr. Jarvis and Foth representative Jeremy Packard explained that only limited staging would occur on-site, with most materials stored at an off-site location. They further confirmed that the contractor would be responsible for repairing any damage to City infrastructure caused during construction. Mr. Packard noted that the parking lot beside Oliver's restaurant would be used as a small staging area, along with the harbor walk area along the park. Everything else will be staged off-site. Mr. Packard clarified that they were only allowing them to bring in a day's worth of material. It was noted that it was clear in the contract that if the contractors were to damage anything while doing work, they would be required to repair or replace it.

Alderman Gross clarified that the project was funded entirely through a State grant and required no local matching funds. Mr. Jarvis confirmed that the funding was provided through the State Emergency Response and Disaster Relief Fund.

Alderman Kelley asked questions regarding vibration monitoring, post-construction inspections, warranty provisions, environmental monitoring, contract alternates, project completion deadlines, liquidated damages, and construction logistics. Mr. Packard explained that vibration monitoring would occur continuously during construction, pre- and post-construction inspections would document existing conditions and verify any damage, the contractor would provide a one-year warranty, and liquidated damages of $500 per day would apply if the project extended beyond the contract completion date. Mr. Jarvis explained that the bid included a base bid and alternate segments, both of which were recommended because the bids were within the available budget.

Additional discussion addressed anticipated parking impacts during construction, construction phasing, delivery of materials, noise considerations, and the contractor's local presence.

Alderman Mosteller moved to authorize the award of the construction contract between the City of Southport and Civil Works Contracting, LLC, for the Southport for the work contract documents for Southport Shorefront Improvements and authorize the City Manager to execute the necessary contract documents. The motion was seconded by Alderman Kelley and the motion carried unanimously.

Shoreline Stabilization – Construction Engineering and Administration Services

Mr. Jarvis presented the second item, recommending approval of Task Order No. 7 with Foth Olson Associates to provide construction engineering and administration services during the shoreline stabilization project. He explained that the consultant's responsibilities would include full-time construction observation and contract administration, review of contractor submittals, payment applications, progress meetings, quality assurance, project documentation, and project closeout. He also noted that additional post-construction monitoring services would be obtained separately following completion of the project.

Alderman Gross asked whether the project remained within the available budget. Mr. Jarvis confirmed that it did.

Alderman Mosteller motioned to approve Task Order No. 7 with Foth Olson Associates for construction phase services associated with the shoreline protection project. The motion was seconded by Alderman Kelley and the motion carried unanimously.

2. **Public Hearing** — ZTA-26-04 - Zoning Text Amendment — Standards for Mobile Food Vendor or Food Trucks
Planning Services Director Maureen Meehan
Mayor Hatem opened the public hearing for the proposed zoning text amendment regarding standards for mobile vendors and food trucks and recognized Planning Services Director Maureen Meehan to present the item.

Director Meehan explained that the proposed amendment was initiated to simplify the permitting process for mobile vendors and address confusion experienced by vendors, property owners, and staff. She reviewed the current definitions of "mobile vendor" and "food truck," noting that while the definitions would remain unchanged, the ordinance would use the single term mobile vendor, which encompasses food trucks and other mobile vendors.

Ms. Meehan explained that under the current ordinance, both the property owner and the vendor were required to obtain separate permits, resulting in

missed permits and overlooked fire inspections. The proposed amendment would classify mobile vendors as an accessory use to a non-residential property, allowing the vendor to obtain a single annual zoning permit. Vendors would still be required to provide proof of the property owner's authorization, applicable licenses, registrations, and required fire inspections. Vendors participating only in City-sponsored events would be exempt from submitting a site plan or property owner consent. She noted that the Planning Board reviewed the amendment and recommended approval, finding it consistent with both the Unified Development Ordinance and the City's Comprehensive Plan.

Alderman Davis confirmed that the amendment applied only to non-residential properties and clarified that although permits would be valid for one year. Director Meehan explained vendors would still be subject to the ordinance limiting operations to 120 days within a 12-month period and would not be permitted to remain on a property indefinitely. Director Meehan also explained that mobile vendors could operate on any qualifying non-residential property with the owner's permission, provided they met existing ordinance requirements, including the required separation from established restaurants. She further noted that permits could be appealed and that staff had not experienced complaints from nearby restaurants regarding existing food truck operations.

Alderman Kelley asked whether a property owner's consent could be documented electronically, such as through a text message. Director Meehan stated that electronic documentation would be acceptable, particularly because permit applications allow supporting documents to be uploaded electronically. Alderman Kelley also confirmed that the amendment would not affect private residential events, such as hiring a food truck for a birthday party at a residence.

No one appeared to speak during the public hearing. Alderman Kelley motioned to close the public hearing, seconded by Alderman Carroll. The motion carried unanimously, and the public hearing was closed.

Alderman Kelley then motioned to approve the zoning text amendment to Table 3.1, Table of Uses, and Section 3.6, Accessory Use Standards, of the Unified Development Ordinance, and to adopt the attached consistency statement finding the amendment consistent with the Southport 2050 Comprehensive Plan. The motion was seconded by Alderman Mosteller. The motion carried unanimously.

3. **Public Hearing** — ZTA-24-05 - Zoning Text Amendment — Bed & Breakfast
Planning Services Director Maureen Meehan

Mayor Hatem opened the advertised public hearing for the proposed zoning text amendment regarding bed and breakfast standards and recognized

Planning Services Director Maureen Meehan to present the item.

Prior to the presentation, Alderman Kelley disclosed that she owns a small inn within the City. She reminded the Board that she had previously disclosed this interest, noting that her business is not a bed and breakfast and does not provide food service, but she wished to make the Board aware before discussion began.

Director Meehan explained that the amendment originated after a special use permit application for a bed and breakfast proposed hosting larger events, prompting the Board to request that staff research how similar uses are regulated. She reviewed the existing ordinance, noting that bed and breakfasts are permitted by special use permit and currently require compliance with state sanitation regulations, submission of a management plan, and an on-site resident manager. Because the ordinance neither expressly permits nor prohibits events, staff proposed amendments to clarify the regulations.

Director Meehan explained that the proposed amendment would update the definition of a bed and breakfast to recognize low-impact gatherings, define "event" and "low-impact gathering" for purposes of the Unified Development Ordinance, require management plans to address events, limit events in residential zoning districts to indoor gatherings only, limit events to two per month, require neighboring property owners to be notified before events, and establish operating hours for events. She noted that the Planning Board found the amendment consistent with the Unified Development Ordinance and the Southport 2050 Comprehensive Plan and recommended approval.

Alderman Davis stated that, after reviewing regulations from neighboring communities and applicable State law, she believed bed and breakfasts should remain lodging accommodations rather than event venues. She expressed concerns regarding enforcement, neighborhood impacts, and compatibility with residential areas. She stated that she preferred the ordinance prohibit weddings, parties, and similar events and include clearer standards regarding occupancy and the number of guest rooms.

Alderman Gross expressed similar concerns, citing the potential impacts of larger gatherings in residential neighborhoods, including parking, traffic, and compatibility with surrounding uses. He indicated he would prefer additional review before adopting the amendment.

Alderman Kelley stated that she believed the proposed amendment already included significant safeguards, including limitations on the number of events, event hours, notification of neighboring property owners, and fire occupancy requirements. She suggested that small gatherings, such as book clubs or small family celebrations, could occur without negatively

affecting surrounding neighborhoods and questioned whether the Board was attempting to address issues that had not occurred. She also expressed concern about restricting activities that current property owners may have reasonably anticipated conducting.

Additional discussion addressed the distinction between bed and breakfasts, home stays, and short-term rentals, existing State definitions of bed and breakfasts, and whether allowing events would effectively create a separate commercial use within residential zoning districts.

During the public hearing, John Mann, owner of the Carriage House Bed and Breakfast, addressed the Board. Speaking on behalf of his establishment and another local bed and breakfast owner, he expressed appreciation for the revisions made by staff and the Planning Board but requested additional flexibility. He stated that the proposed regulations would prohibit many low-impact community activities, such as business networking events, book clubs, birthday gatherings, and similar small indoor or outdoor gatherings that generate little or no impact on neighboring properties. Mr. Mann supported restrictions on large events, amplified music, event hours, and neighbor notification requirements but requested that the ordinance distinguish between large event venues and small community gatherings. He also stated that bed and breakfasts were not seeking to compete with the City's Community Building as an event venue.

A motion to close the public hearing was made by Alderman Kelley and seconded by Alderman Davis. The motion carried unanimously.

Alderman Davis made a motion to return the proposed amendment to the Planning Board with instructions to review the restrictions and permissions for bed and breakfast establishments in relation to State law and the City's existing ordinance. She stated that the Board should seek language that would "find a way to eliminate large gatherings and events, or any gatherings and events," consistent with State law, which she stated provides that bed and breakfasts are for accommodations. She further requested that the Planning Board develop language that would prevent events, parties, and weddings, establish maximum occupancy related to the number of guest rooms, and further tighten the definitions and standards for bed and breakfast establishments. The motion was later seconded by Alderman Mosteller.

City Manager Saldo stated that if it was the Board's intent not to allow events at bed and breakfast establishments, the appropriate action would be to deny the proposed amendment, noting that the current ordinance does not expressly allow such events.

The Board continued discussing how to proceed. Director Meehan advised that staff had already revised the language multiple times and requested

clearer policy direction from the Board if further revisions were desired. Alderman Davis moved to reject the proposed amendment but, following additional discussion, withdrew her motion. Board members instead expressed interest in further evaluating the issue before taking legislative action.

City Manager Saldo suggested forming an ad hoc committee of Board members to review the issue and develop recommendations that would better reflect the Board's policy direction. Mayor Hatem agreed with that approach and appointed Aldermen Mosteller, Alderman Kelley, Alderman Davis, and Alderman Gross to serve on the committee and continue discussions before the amendment returns for future consideration. The item was tabled, and no action was taken on the proposed text amendment at this meeting.

4. **Public Hearing** — ZMA-26-02 - Zoning Map Amendment — Yacht Basin Parking Overlay Zoning District
Planning Services Director Maureen Meehan

Mayor Hatem opened the advertised public hearing for the proposed zoning map amendment to expand the Yacht Basin Parking Overlay District.

Planning Services Director Maureen Meehan presented the request. She explained that the property owners had petitioned to have two parcels, located at the corner of South Caswell Avenue and West Bay Street and currently zoned R-10, included in the Yacht Basin Parking Overlay District. She noted that inclusion in the overlay would permit commercial parking in accordance with the overlay standards while the underlying R-10 residential zoning would remain unchanged. She reviewed the applicable development standards, including surfacing requirements, perimeter treatments, driveway aprons, and ongoing maintenance obligations. Ms. Meehan reported that the Planning Board found the request consistent with the Southport 2050 Comprehensive Plan and recommended approval.

The Mayor asked if anyone wished to speak during the public hearing. No one came forward.

> *A motion to close the public hearing was made by Alderman Mosteller, seconded by Alderman Spencer. The motion carried unanimously and the public hearing was closed.*

Alderman Kelley confirmed that the property owners had voluntarily petitioned to be included in the overlay district, which Director Meehan affirmed.

Alderman Mosteller commented that approval would bring all of the parcels in the area into compliance and stated that he believed it was a positive step.

Alderman Mosteller motioned to approve the Land Use Consistency Statement, the Statement of Reasonableness, and the proposed zoning map amendment as presented. The motion was seconded by Alderman Davis and the motion carried unanimously.

5. **Public Hearing** - FY 26-27 Budget
City Manager Noah Saldo

Mayor Hatem opened the duly advertised public hearing on the proposed Fiscal Year 2026-2027 Budget. Before recognizing staff, he provided an overview of the principles that guided preparation of the proposed budget.

Mayor Hatem stated that the budget was built upon four primary priorities:

- **Public Safety**, including police, fire, EMS, public health, emergency preparedness, and environmental protection;
- **Infrastructure**, with emphasis on stormwater improvements, roads, buildings, parks, cemeteries, competitive employee salaries and benefits, efficient City operations, and support for local businesses, nonprofits, and volunteers;
- **Preservation of Southport's Historic Heritage and Character**, including its neighborhoods, culture, and fishing village atmosphere; and
- **Enhancement of Quality of Life** for all residents.

Mayor Hatem stated that he did not support balancing the budget through reductions in employee salaries or benefits, emphasizing that competitive compensation supports employee recruitment, retention, performance, and overall service to the community. He further noted that the City is a service organization rather than a profit-generating enterprise and should continue providing high-quality services while collaborating with partners, including Brunswick County.

He discussed the City's ongoing infrastructure needs, particularly stormwater improvements, noting that engineers have estimated approximately $30 million to replace the existing stormwater system and $60 million to construct the system needed for the future. He also referenced ongoing efforts to obtain legislative assistance for stormwater improvements, including the Moore Street/Bonnets Creek area, pursue grant funding, and advocate for a larger share of sales tax revenues generated in Southport.

Mayor Hatem concluded by stating that the proposed budget was intended to position the City for future success while maintaining excellence in municipal services. He then declared the public hearing open and recognized City Manager Noah Saldo to present the proposed Fiscal Year 2026-2027 Budget.

City Manager Noah Saldo summarized the proposed budget and reviewed revisions made following the Board's budget workshops. He reported that, at the direction of a majority of the Board, staff had prepared a balanced budget without a property tax increase. He explained that the revised budget was made possible through reduced insurance premiums from the North Carolina League of Municipalities, changes to Fire Department insurance coverage, reductions in certain part-time salary appropriations within the Community Relations Department, implementation of the Community Building rental rate increase previously approved by the Board, and the use of an additional $68,000 in appropriated fund balance. He also noted that if pending fire fee legislation is approved by the General Assembly, staff anticipates returning with a budget amendment to reduce the amount of fund balance appropriated.

Alderman Carroll questioned several revenue projections, including permitting and inspection revenues and golf cart permit revenues, suggesting that some estimates appeared conservative and could result in additional revenue during the fiscal year. City Manager Saldo responded that staff intentionally budgets revenues conservatively and noted that budget amendments could be made if revenues exceed projections.

Alderman Gross agreed that additional revenues could materialize during the year and supported reducing the use of fund balance through future budget amendments if those revenues are realized.

Discussion also focused on the timing of funding for four additional police officer positions. Alderman Kelley expressed support for delaying two of the positions until the following fiscal year in order to reduce future budget impacts and continue contributing one cent of the tax rate toward the Capital Fund. Alderman Mosteller, Alderman Spencer, Mayor Hatem, and Alderman Carroll expressed support for the previously discussed schedule of hiring two officers in September and two in January, emphasizing the importance of public safety, reducing overtime demands on existing officers, and maintaining adequate staffing levels. City Manager Saldo noted that delaying the positions would require additional overtime and part-time expenditures, reducing the anticipated savings.

Mayor Hatem and Alderman Spencer expressed support for maintaining the proposed hiring schedule, emphasizing the importance of public safety and avoiding excessive overtime for existing officers. Alderman Carroll noted that

delaying the positions would result in only minimal net savings after accounting for additional overtime costs.

Alderman Gross stated that he supported the City Manager's revised budget and believed there were opportunities for revenues to exceed projections during the fiscal year, allowing future budget amendments to reduce the amount appropriated from fund balance.

Alderman Spencer inquired about the elimination of a Public Works facilities line item. City Manager Saldo explained that the funding had been shifted to the Capital Fund for the current fiscal year to reduce pressure on the General Fund and noted that additional funding had been included in the Capital Fund for improvements to the Community Building, including replacement of the railings and exterior painting. He indicated the Public Works line item would likely return to the General Fund in the following fiscal year.

Alderman Gross also encouraged staff to pursue the sale of City-owned surplus properties, including three lots on 11th Street and property located in Boiling Spring Lakes, stating that doing so would eliminate ongoing opportunity costs and generate additional revenue for the City.

Public Comment -

Rich Alt - 6165 Cottage Creek Drive
Mr. Alt addressed the Board and expressed concern that the public hearing was being held after revisions to the proposed budget had been made, stating that citizens had not had sufficient opportunity to review the most recent version before the hearing. He also questioned the justification for adding four police officer positions, stating that he believed a detailed workload analysis and breakdown of calls for service should be completed before additional staffing is approved. Mr. Alt stated that he supports maintaining competitive compensation for City employees but encouraged the Board to rely on workforce analysis when considering future personnel requests.

City Clerk Deviney read a letter from Frank Lai, who expressed support for maintaining funding for emergency services. Mr. Lai stated that employees are the City's most valuable asset and cautioned against reducing funding for police, fire, and EMS, emphasizing that response times can be the difference between life and death based on his family's personal experiences.

Debbie Barnes - 425 West West Street
Ms. Barnes spoke in support of continued investment in the Police Department, stating that Southport's growing population and daily visitors

increase demands on law enforcement services. She also commented on historic preservation, expressing support for replacing the Historic Preservation Commission with a voluntary advisory group that could continue preservation efforts while reducing costs.

City Clerk Deviney read a letter from Edward Glenn expressing support for Fire Chief Charles Drew and the Southport Fire Department. Mr. Glenn commended the department's leadership, professionalism, recent achievement of a Class 2 fire insurance rating, and rapid emergency response times, and encouraged continued support of the department.

Siegfried De Smidt - 319 West Brunswick Street
Mr. De Smidt addressed the Board regarding the proposed budget, expressing concern over the City's financial practices. He stated that personnel costs have increased significantly in recent years, representing an increasing percentage of the General Fund budget, and asserted that these trends are unsustainable. He encouraged the Board to pursue organizational efficiencies, reduce expenditures where appropriate, and improve long-term fiscal planning.

City Clerk Deviney read a letter from Heather Hamilton, who expressed concern about potential reductions affecting emergency services. She stated that Southport's EMS system provides a level of service not available in surrounding areas and urged the Board to preserve employee benefits and explore alternative cost-saving measures rather than reducing funding for first responders.

Bonnie Bray - 515 Quartermaster Dr
Ms. Bray encouraged the Board to maintain the current level of municipal services and not reduce the property tax rate. She stated that residents benefit from quality City services, noted that much of the increase in property taxes has resulted from increased property values rather than tax rate increases, and expressed her willingness to continue supporting investments in City services.

City Clerk Deviney read a letter from Lily Mae Yates, who expressed appreciation for the Southport Fire Department and EMS. She described several occasions when emergency personnel had quickly responded to assist her and urged the Board to continue funding emergency services, emphasizing the importance of rapid response times for Southport's senior population.

Following public comment, Police Chief Coring addressed the Board regarding the proposed addition of four police officer positions. He stated that the request was based on documented workload needs and operational demands rather than speculation, noting that staffing analysis and call data

had been provided to support the request. He invited any interested citizens to review the information with him and emphasized his commitment to transparency and public safety.

Fire Chief Drew also addressed the Board, emphasizing the importance of maintaining adequate police staffing to ensure safe emergency response operations. He referenced a prior critical incident in which limited law enforcement staffing delayed firefighters' ability to enter the scene and provide medical care. Chief Drew also expressed disappointment regarding comments made during a separate public meeting questioning the integrity of the Fire Department, stating that neither he nor his personnel would ever compromise public safety because of differing opinions on unrelated matters.

A motion was made by Alderman Kelley and seconded by Alderman Mosteller to close the public hearing. The motion carried unanimously.

6. **Public Hearing** - Electric Rate Adjustment
City Manager Noah Saldo

Mayor Hatem opened the advertised public hearing regarding the proposed 7% electric rate adjustment.

City Manager Noah Saldo explained that State law requires a separate public hearing whenever an electric rate increase is proposed. He stated that the proposed 7% increase represents a pass-through of increased wholesale power costs from Duke Energy through Electricities and would be incorporated into the Fiscal Year 2026-2027 Budget if adopted.

Public Comment

Debbie Barnes - 425 West West Street
Ms. Barnes suggested that the City consider selling its electric system to a larger utility provider as a way to eliminate debt and potentially stabilize electric rates. She also expressed appreciation for Fire Chief Drew and encouraged continued support for the Fire Department.

A motion was made by Alderman Spencer and seconded by Alderman Kelley, and with a unanimous vote, the public hearing was closed.

In response to Ms. Barnes, made during the public hearing, Alderman Carroll asked City Manager Saldo to address the suggestion of selling the City's electric system. City Manager Saldo explained that the debt associated with the City's electric system had already been paid. He further stated that many municipalities have implemented incremental electric rate increases over time, allowing them to absorb increasing wholesale power

costs, while Southport had delayed such increases. He explained that a significant portion of the current rate adjustment is attributable to the City's underground electric infrastructure and transformer replacement projects and anticipated that electric rates would stabilize once those projects are completed. He also noted that any future wholesale rate increases approved for Duke Energy by the North Carolina Utilities Commission could result in additional increases.

Alderman Spencer recalled that proceeds from the sale of certain electric facilities in eastern North Carolina had previously been used to reduce costs associated with the electric system.

Alderman Kelley clarified that the proposed 7% adjustment was not a City-imposed increase but rather a pass-through of increased wholesale power costs. Alderman Mosteller noted that wholesale electric rates are regulated by the North Carolina Utilities Commission and reminded the Board that approximately $20 million in additional underground utility improvements remain to be completed.

Following discussion, the Board agreed to postpone consideration of the electric rate adjustment until the June 17, 2026 budget meeting, which would require the item to be re-noticed.

Agenda Amendment

Alderman Carroll motioned to amend the agenda by moving Item I.8, Brunswick County Schools Bond Referendum Letter of Support, to the current meeting I.7 and postponing the Board and Committee Appointments until the recessed meeting on June 17, 2026.

The motion was seconded by Alderman Kelley and the motion carried unanimously.

J. Committee Reports

Moved to recessed meeting.

K. Manager's Report

Moved to recessed meeting.

L. Mayor's Comments

Moved to recessed meeting.

M. Staff Reports

Staff reports were included in the agenda packet.

1. Community Relations

2. Finance

3. Permits & Inspections

4. Planning Services

5. Police

N. Board Comments

Moved to recessed meeting.

O. Closed Session

1. **§ 143-318.11.(a)(3)**
(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.

Mayor Hatem announced that the Board would recess the meeting until June 17, 2026, and then enter closed session pursuant to N.C.G.S. § 143-318.11(a)(3) to consult with the City Attorney in order to preserve the attorney-client privilege and N.C.G.S. § 143-318.11(a)(5) to establish or instruct staff concerning the negotiation of the acquisition of real property and an employment contract.

In response to a request made during the public comment period, City Manager Saldo publicly disclosed that the real property matter to be discussed in closed session involved an offer received by the City regarding the possible purchase of Parcel ID 238HG02705, a 2.16-acre parcel adjacent to Lowe-White Park owned by Craver Properties, LLC. When Alderman Davis inquired about the purpose of the potential acquisition, City Manager Saldo responded that no purpose had yet been identified and that the Board would determine in closed session whether it wished to pursue the purchase.

A motion to go into closed session was made by Alderman Carroll and seconded by Alderman Mosteller. The motion passed unanimously.

The Board entered closed session at 9:16 pm.

A motion to come out of closed session was made by Alderman Carroll and seconded by Alderman Mosteller. The motion passed unanimously.

The Board came out of closed session at 9:36 pm.

P. Adjourn

A motion to recess the meeting until June 17 at 9:00 am was made by Alderman Mosteller and seconded by Alderman Kelley.

The meeting recessed at 9:36 pm.

_____
Dr. Joseph P Hatem, Mayor

Attest:

_____
Tori Deviney, City Clerk

CITY OF SOUTHPORT
BOARD OF ALDERMEN – REGULAR MEETING
COMMUNITY BUILDING
223 E BAY ST, SOUTHPORT NC 28461
June 17, 2026 | 1:00 PM

Present Members:
Joseph Hatem, M.D., Paul Gross, Marc Spencer, Rebecca Kelley, Lowe Davis, Robert Carroll, Karen Mosteller
Absent Members:

Staff Present: City Manager Noah Saldo, City Clerk Tori Deviney, Public Information Officer ChyAnn Ketchum, Planning Services Director Maureen Meehan, Police Chief Todd Coring, Fire Chief Charles Drew
Others Present:
City Attorney Brady Herman

A. Call to Order - Recessed meeting from June 11, 2026

Mayor Hatem called the recessed meeting of June 11 back to order at 1:00 p.m.

B. Agenda

1. FY26-27 Budget
   City Manager Noah Saldo
   Mayor Hatem opened discussion on the proposed Fiscal Year 2026–2027 Budget and invited the Board to consider any amendments before final adoption.

   Alderman Carroll reopened discussion regarding employee merit compensation, noting that the proposed budget included a flat $500 merit payment. He asked City Manager Saldo to explain how returning to the percentage-based merit increases used in previous years would compare to the proposed flat amount and whether he recommended the flat payment or a percentage increase. City Manager Saldo explained that the $500 merit payment had been proposed because it allowed the City to maintain a

balanced budget without requiring an additional tax increase. He stated, however, that from an employee's perspective, he believed a percentage-based increase would provide greater long-term value because it became part of an employee's salary rather than a one-time payment. He added that the proposed flat payment was intended to recognize employee performance while minimizing recurring personnel costs associated with retirement and future salary obligations.

Alderman Davis asked how merit compensation would be administered through the employee evaluation process. City Manager Saldo explained that regardless of whether the Board chose a flat bonus or a percentage-based increase, employees would continue to receive annual performance evaluations and merit compensation would be based upon those evaluations. He emphasized that not every employee would automatically receive the maximum amount available. City Manager Saldo further advised that replacing the proposed $500 merit payment with a two percent merit increase would require approximately $62,933 in additional funding above the amount currently budgeted.

Alderman Gross stated that one of the primary advantages of maintaining a one-time merit payment rather than a recurring salary increase was that it would not permanently increase employee salaries or create additional long-term obligations for taxpayers. He explained that salary increases not only affected base pay but also increased retirement contributions and other personnel costs that continued to compound over time. He noted that the Board had already decided not to require employees to contribute toward their health insurance premiums or the City's 401(k) match and believed those decisions already represented significant employee benefits. He stated that the Board also had a responsibility to consider the long-term financial impact on taxpayers when making compensation decisions.

Alderman Carroll responded that while he understood the concern regarding recurring costs, maintaining competitive compensation remained important if the City hoped to recruit and retain qualified employees. He noted that neighboring municipalities continued to recruit employees and that Southport needed to remain competitive in the current job market. He also stated that employees had expressed a willingness to contribute toward health insurance if the City offered benefits comparable to surrounding jurisdictions and emphasized that continuing to invest in employees was important to reducing turnover.

Alderman Kelley stated that the Board should consider the City's entire employee compensation package rather than focusing solely on merit pay. She commented that Southport already provided strong healthcare and retirement benefits compared to many surrounding municipalities and believed the City Manager's original recommendation appropriately balanced

employee recognition with the City's financial responsibilities.

Finance Director Joey Kronenwetter then provided several cost comparisons requested by the Board. He explained the estimated costs associated with one percent, one and one-half percent, and two percent merit options and clarified the distinction between recurring salary increases and one-time bonuses. He advised that a one percent bonus would average approximately $709 per employee, while a two percent bonus would average approximately $1,420 per employee, although actual amounts would vary based upon salary. He further explained that several lower-paid employees would receive less than $500 under a one percent calculation.

Alderman Mosteller stated that she believed a percentage-based merit award was a fairer approach because it reflected employee salaries and responsibilities rather than assigning an arbitrary dollar amount. She commented that a $500 merit payment did not appear to be a significant recognition of employee performance and expressed support for a higher percentage-based award.

Mayor Hatem stated that percentage-based merit increases had served the City well in previous years and believed they contributed to employee recruitment, retention, and morale. He remarked that employees who felt appreciated generally provided better service to the public and believed the Board should continue investing in its workforce.

As discussion continued, Finance Director Kronenwetter provided additional calculations requested by Board members regarding one percent bonuses with a guaranteed $500 minimum, one and one-half percent bonuses, and two percent merit awards. He explained the budget impact associated with each option and clarified that the figures represented the maximum potential cost for the upcoming fiscal year and did not include future salary growth or cost-of-living adjustments.

Alderman Gross questioned whether the cost estimates reflected only the upcoming fiscal year or included future compounding costs. Finance Director Kronenwetter explained that the figures represented the maximum potential cost for the upcoming fiscal year only. Alderman Gross reiterated that recurring salary increases were not financially sustainable over the long term because they continued to increase retirement obligations and future personnel costs. He observed that personnel expenses had increased substantially over the past several years and stated that the Board should avoid creating additional recurring expenditures whenever possible.

Following additional discussion, Alderman Carroll indicated he remained open to alternatives, including increasing the flat merit payment or establishing a percentage-based bonus that would not permanently increase

employee salaries. Alderman Kelley asked staff to calculate the cost of providing a one percent bonus while ensuring that every eligible employee received at least $500. Finance Director Kronenwetter reported that only eight employees would fall below the $500 threshold and that guaranteeing a minimum payment would increase the overall cost by approximately $250.

Alderman Spencer made a motion to amend the proposed budget by replacing the flat $500 merit payment with a one and one-half percent merit-based employee bonus. Alderman Davis seconded the motion to allow additional discussion.

Following further discussion regarding the financial impacts of the proposal, the Board voted to approve the amendment, replacing the proposed $500 merit payment with a one and one-half percent merit-based employee bonus, resulting in an additional appropriation of approximately $49,075 within the proposed budget.

Alderman Carroll made the amended motion to approve the Fiscal Year 2026–2027 City Budget Ordinance and attached Fee Schedule, as amended, including an additional appropriation of $49,075 from fund balance for the employee merit bonus. The motion was seconded by Alderman Spencer. The motion passed unanimously.

2. **Board and Committee Appointments**

a.

- ABC Board
- Forestry Committee
- Planning Board
- Board of Adjustment
- Historic Preservation Commission
- Cemetery Committee

Mayor Hatem stated that the next item on the agenda was Board and Committee appointments.

Before the Board began the appointments, Alderman Gross asked for a point of order. He stated that questions had come up regarding whether a public hearing would be required before repealing an ordinance, specifically relating to the Historic Preservation Commission. He explained that, in his understanding, the answer depended on what the ordinance did. If the ordinance simply created the Historic Preservation Commission, appointed members, defined duties, and authorized studies or recommendations, then North Carolina law generally would not require a public hearing before repealing it. He stated that the Board would still need to follow open

meetings requirements and any applicable local rules, but a formal public hearing would not typically be required by state statute if the City had not fully adopted a historic preservation overlay.

Mayor Hatem and Alderman Carroll questioned how that issue related to the Board appointments on the agenda. Alderman Gross stated that he questioned why the Board was proceeding with appointments to the Historic Preservation Commission when the direction of the Board appeared to be moving away from a quasi-regulatory body and toward a voluntary advisory role.

ABC Appointments

Alderman Gross then proceeded with the ABC Board appointments. He stated that the ABC Board interviews had been conducted by the ABC Board Chair, William Davis, the Vice Chair, Zach Zuehlke, and himself as the Board liaison. He explained that there were four vacancies, including one open seat because a current member had chosen not to reapply.

Alderman Gross stated that the first recommendation was to reappoint Jim Poppe, a current ABC Board member, for a three-year term. He stated that the interview committee vote was unanimous, three to zero, in favor of reappointment.

> *A motion was made by Alderman Gross to reappoint Jim Poppe, to seat 1. The motion was seconded by Alderman Carroll. The motion passed 5-1 with Alderman Spencer voting nay.*

Alderman Gross stated that the second vacancy was the seat held by Adam Steadman. He explained that the interview committee also unanimously recommended reappointing Mr. Steadman, but for a two-year term in order to help bring the ABC Board into compliance with state law requiring staggered terms.

> *A motion was made by Alderman Gross to reappoint Adam Steadman to seat 2, with a 2029 expiration, which was seconded by Alderman Carroll. The motion carried unanimously.*

Alderman Gross then discussed the third seat, which was the vacant seat held by Zach Zuehlke, who had not reapplied. He stated that the interview committee unanimously recommended David Geary for that seat. Alderman Gross explained that Mr. Geary had a unique skill set and experience related to ABC store marketing. He stated that Mr. Geary conducted tastings through a third-party company and had knowledge of products, marketing, and sales. Alderman Gross stated that the committee believed Mr. Geary could help with marketing recommendations and potentially assist with

improving product drops and revenues.

Concerns were then raised regarding whether Mr. Geary's work created a conflict of interest or an appearance of a conflict. Alderman Mosteller stated that in the past the Board had nominated someone connected with the alcohol industry and later had to correct the appointment. She requested that the matter be reviewed before the Board proceeded. Alderman Gross stated that Mr. Geary did not work directly for a distillery but through a third party. Alderman Davis stated that the Board may be making a premature decision without a legal determination. Mayor Hatem stated that he had no problem seeking a legal opinion, and the Board agreed to delay consideration of Mr. Geary's appointment until the July meeting.

Alderman Gross then addressed the remaining ABC Board seat, which was held by Angela Wadsworth. He stated that the interview committee recommendation was split, with two votes for Angela Wadsworth and one vote for Gabe Azzato. He explained that each member of the interview committee made their recommendation based on the interviews, background, skill sets, and who they believed would best represent the Southport ABC Board.

Alderman Kelley stated that she had previously disclosed that her brother, Gabe Azzato, had applied for the ABC Board. She stated that he was her brother but that neither she nor her family had anything financially to gain from the appointment. City Manager Saldo explained that the Board would need to determine whether it believed a conflict existed and, if so, whether Alderman Kelley should be recused. Alderman Davis stated that she believed it was close to at least the appearance of a conflict. Alderman Gross stated that his understanding was that a conflict of interest required a financial interest under state law and that he did not believe Alderman Kelley had a financial interest. He also clarified that Gabe Azzato did not work for a winery or distillery but had retail marketing experience that impressed him during the interview.

Alderman Carroll stated that he valued the input of the current ABC Board members and understood that there was reasoning behind their support for Ms. Wadsworth. Alderman Gross stated that he did not want to speak for others but believed that when board members serve together, relationships and loyalty can develop. He also reiterated that the Board was attempting to bring the ABC Board terms into compliance with state law so that no more than two terms expired at the same time.

Alderman Spencer disclosed that he had a conflict because one of the applicants was his only paying landscaping customer. Discussion continued regarding whether to delay the remaining appointments until July so the City

Attorney could be present.

A motion was then made by Alderman Spencer to appoint Angela Wadsworth and Gabe Azzato to the ABC Board. Alderman Carroll seconded the motion and clarified that the motion would appoint Angela Wadsworth to Seat 3 and Gabe Azzato to Seat 5.

Before the vote, Alderman Gross reiterated that the interview committee had unanimously recommended Dave Geary because of his background and skill set. He stated that the ABC Board was facing reduced revenues, dropping from approximately $575,000 to $264,000 next year, and that the committee believed Mr. Geary's marketing and product knowledge could assist in increasing sales and revenues returned to Southport.

Following discussion, the motion to appoint Angela Wadsworth to Seat 3 and Gabe Azzato to Seat 5 carried with a 5-1 vote with Alderman Gross voting nay.

Forestry Appointments

Alderman Carroll then presented the Forestry Committee appointments. He stated that there were two seats available and that three applicants had interviewed. The interview committee consisted of Alderman Carroll as liaison, Vice Chair Fred Fiss, and the Mayor sitting in as the chair was up for reappointment. Alderman Carroll stated that the recommendation was to appoint Scott Len and Michael Proctor. Alderman Kelley clarified that Michael Proctor would be appointed to Seat 1 and Scott Lynn to Seat 7.

A motion was made by Alderman Carroll and seconded by Alderman Davis to appoint Michael Proctor to Seat 1 and Scott Len to Seat 7, and the motion carried unanimously.

Planning Board Appointments

The Board then moved to Planning Board appointments. Alderman Mosteller stated the interview committee had reviewed several strong candidates and hoped those not appointed would continue participating and attending meetings. The recommendation was to reappoint Larry Ashley to Seat 4 and Ed Ekert to Seat 5.

A motion was made by Alderman Mosteller and seconded by Alderman Carroll to reappoint Larry Ashley to seat 4 and Ed Ekert to seat 5, and the motion carried unanimously.

Board of Adjustment Appointments

Alderman Spencer then presented the Board of Adjustment appointments. He stated that Chair Pete Haislip, Vice Chair Jason Robbins, and Alderman Spencer conducted the interviews. He stated that there was full consensus to reappoint Chris Eckert to Seat 3 and Tuck Masker to Seat 6 for full terms expiring June 30, 2029.

A motion was made by Alderman Spencer and seconded by Alderman Mosteller to reappoint Chris Eckert and Tuck Masker, and the motion carried unanimously.

Alderman Spencer then made a motion to appoint Jerry Rivenbark to Seat 4 on the Board of Adjustment for a term expiring June 30, 2029. The motion was seconded by Alderman Gross.

Alderman Davis stated that he understood there were pending code enforcement violations and suggested that it may not be an appropriate time to make the appointment. Discussion followed regarding whether the matter should be delayed until additional information could be provided. Alderman Mosteller stated that she believed the Board may need to establish a policy in the future regarding appointments when an applicant has outstanding violations, especially for boards such as the Board of Adjustment.

The Board voted on the motion to appoint Jerry Rivenbark to the Board of Adjustment, and the motion failed 4-2 with Alderman Spencer and Alderman Gross voting yea. The motion failed.

Alderman Kelley then made a motion to bring the matter back at the next meeting, so the Board could receive more information regarding the violations. The motion was seconded by Alderman Gross.

After discussion and clarification, the motion was amended to bring back Seat 4 for consideration at the next meeting with information regarding any code enforcement violations. The motion carried with a 4-2 vote with Alderman Davis and Alderman Mosteller voting nay.

Alderman Spencer then made a motion to appoint Sue Hodgin to Seat 5 on the Board of Adjustment for a term expiring June 30, 2029. The motion was seconded by Alderman Mosteller.

Following discussion, the vote was tied three to three. Mayor Hatem voted in favor of the appointment, and the motion carried.

Yea — Mayor Hatem
Yea — Alderman Davis
Yea — Alderman Carroll
Yea — Alderman Mosteller

Nay — Alderman Kelley
Nay — Alderman Spencer
Nay — Alderman Gross

Historic Preservation Commission Appointments

Alderman Carroll then motioned that appointments to the Historic Preservation Commission be delayed until the July regular Board meeting, noting that the Board would be considering a significant matter related to that subject at the July meeting. Alderman Gross seconded the motion. The Board voted to delay Historic Preservation Commission appointments until the July regular meeting, and the motion carried five to one with Alderman Gross voting Nay.

Cemetery Committee Appointments

Alderman Spencer then presented the Cemetery Committee appointments. He stated that two people had been interviewed.

Alderman Spencer then made a motion to appoint Larry Ashley to seat 2 with a term expiring June 30, 2029. The motion was seconded by Alderman Kelley, and the motion carried unanimously.

Alderman Spencer stated that for the second seat, he preferred an independent applicant because the ordinance provided for representation from certain committees, and he believed fresh independent participation would be beneficial. No additional appointment was made for the second seat.

C. Manager's Report

There was no discussion.

D. Mayor's Comments

There was no discussion.

E. Board Comments

There was no discussion.

F. Adjourn

Mayor Hatem thanked the Board for its work and stated that he was pleased the City had adopted a budget. He thanked everyone who participated in the process and

wished everyone a happy and safe Father's Day.

A motion to adjourn was made by Alderman Mosteller and seconded by Alderman Spencer. The motion carried unanimously.

The meeting was adjourned at 2:44 pm.

_____
Dr. Joseph P Hatem, Mayor

Attest:

_____
Tori Deviney, City Clerk

DATE: July 24, 2026 **DEPARTMENT:** Public Works

PRESENTED BY: Tom Stanley, Public Works Director

ITEM SPONSORED BY: Public Works

ITEM/TOPIC: 2026 Paving Project

COST: NTE $495,000 **BUDGET LINE ITEM:** 230-60005-000-C91000

JUSTIFICATION: Paving deteriorating streets improves safety, enhances accessibility, and strengthens neighborhood connectivity. Smooth, well-maintained roads reduce risks for drivers, cyclists, and pedestrians, while also lowering long-term costs by preventing major infrastructure failures. Proactive investment in paving ensures safe, reliable travel and supports the overall quality of life in our community.

This project represents a necessary investment in both public safety and the longevity of the City's infrastructure network.

IMPACT IF NOT APPROVED: If the paving project is not approved, the streets will continue to deteriorate, increasing the risk of vehicle damage and creating potential safety concerns for motorists. Deferred maintenance will also accelerate infrastructure decline, ultimately resulting in significantly higher long-term repair and rehabilitation costs for the City.

DEPARTMENT HEAD COMMENTS: Proposals were solicited from multiple paving contractors for a total of 3.2 street miles, and Highland Paving submitted the lowest responsive and responsible bid. Staff recommends awarding the contract to Highland Paving for the City's paving project, with funding provided through the allocated Capital Project funds. The project is anticipated to be completed by November 20, 2026.

CITY MANAGER COMMENTS: This contract ensures that we can move forward with the important paving work throughout the City. The funds for the projects were approved in the FY27 Budget.

ATTACHMENTS: Paving Contract, Project Area Map

REQUESTED ACTION: Staff recommends and requests that Board of Alderman approve the paving contract with Highland Paving to address deteriorating roadway conditions, reduce long-term repair costs, and ensure timely project completion by November 20, 2026. Highland Paving has paved previously in the city and has done an outstanding job.

PROPOSED MOTION: I move that the Board of Aldermen award the City's paving contract to Highland Paving and authorize the City Manager to execute the contract.

STATE OF NORTH CAROLINA

COUNTY OF BRUNSWICK

THIS CONTRACT, made and entered into this _____ day of **August** 2026, by and between Highland Paving a North Carolina corporation of the County of New Hanover, State of North Carolina, Party of the First Part (hereinafter sometimes referred to as "Contractor"); and the **CITY OF SOUTHPORT**, a duly chartered municipal corporation and body corporate and politic of the County of Brunswick, State of North Carolina, Party of the Second Part (hereinafter sometimes referred to as "the City");

W I T N E S S E T H:

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

WHEREAS, the City has the need for the services of Contractor to repave/repair various streets in various areas of the city; and

WHEREAS, it has been determined by the City of Southport that it would be in the best interest of the City and its citizens and residents to enter into this agreement with the Contractor for the purpose of engaging its' services to mill and pave various city streets in various areas of the city.

NOW, THEREFORE, for and in consideration of the charges, and the terms, covenants, promises and conditions hereinafter set forth, the City engages the services of the Contractor for the purpose to mill and pave various streets in various areas of the city as set forth on **Exhibit "A"** attached hereto.

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

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

For these services outlined above, the City of Southport shall compensate Contractor in accordance with the schedule and terms not to exceed **four hundred ninety-five thousand ($495,000.00).**

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

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

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

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

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

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

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

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

Highland Paving

_____ Date: _____

Title: _____

_____ County, North Carolina

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

Witness my hand and official seal this the _____ day of _____, 2026

_____
Notary Public

My commission expires: _____

Date: _____

_____
City Manager, City of Southport

Brunswick County, North Carolina

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

Witness my hand and official seal this the _____ day of _____, 2026.

_____
Notary Public

My commission expires: February 21, 2029_____

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

_____
Joey Kronenwetter, Finance Officer

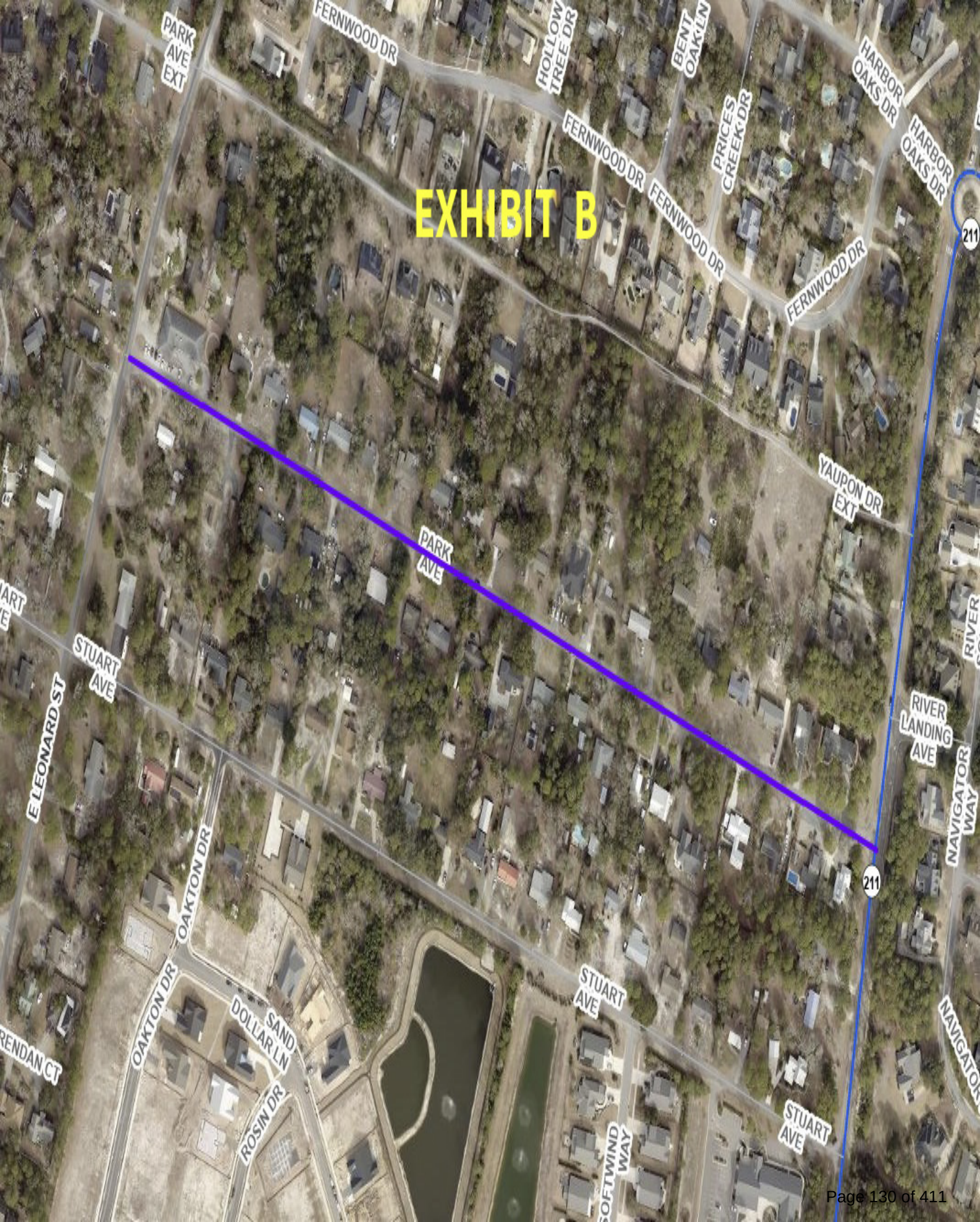


EXHIBIT B
PARK AVE EXT
FERNWOOD DR
HOLLOW TREE DR
BENT OAK LN
PRICES CREEK DR
HARBOR OAKS DR
FERNWOOD DR
FERNWOOD DR
FERNWOOD DR
211
YAUPON DR EXT
PARK AVE
STUART AVE
E LEONARD ST
OAKTON DR
OAKTON DR
SAND DOLLAR LN
ROSIN DR
STUART AVE
STUART AVE
SOFTWIND WAY
RIVER LANDING AVE
NAVIGATOR WAY
211

EXHIBIT A
SAND DOLLAR LN
N FODALE AVE
SOFTWIND WAY
HORSE SEA CT
SOFTWIND WAY
211
CAPE FEAR DR
N FODALE AVE
HERRING DR
HERRING DR
S FODALE AVE
RIVER DR
RIVER DR
RIVER DR
RIVER DR
RIVER DR
RIVER DR
HERRING DR
WILLIS DR
JOSHUAS WAY
WILLIS DR
THOMPSON DR
BONNET CREEK LN

EXHIBIT A
STUART AVE
NATLANTIC AVE
HOLLY DR
DALE AVE
YAUPON DR
W 11TH ST
E 11TH ST
N FODALE AVE
W 10TH ST
CAPE HARBOR DR
ST BRENDAN CT
MEMORY LN
N LORD ST
E 9TH ST
211

EXHIBIT A
EVERETT AVE
DUTCHMAN CREEK RD
SPIKERUSH TRL
INDIGO PLANTATION DR
DUTCHMAN CREEK RD
DUTCHMAN CREEK RD
INDIGO PLANTATION DR
CAROLINA BAY CT
COTTAGE CREEK RD

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: August 13, 2026 **DEPARTMENT:** Fire Department

PRESENTED BY: Noah Saldo, City Manager

ITEM SPONSORED BY: Finance

ITEM/TOPIC: Budget Amendment #1 FY27– Appropriation of Restricted Funds for Ambulance Purchase

COST: $420,787

BUDGET LINE ITEMS: Revenue – Appropriated Fund Balance; Expense – Capital Outlay - Vehicles

JUSTIFICATION: In July 2024, the City closed on a $1,506,000 Installment Financing Agreement with First-Citizens Bank & Trust Company to fund the purchase of a heavy rescue vehicle and an ambulance for the Fire and EMS Departments. Because the ambulance was purchased under a pay-on-delivery agreement with the manufacturer, $434,975 of the loan proceeds was retained in escrow pending delivery.

The ambulance is now ready for delivery, and the manufacturer has submitted a final invoice of $420,787. This budget amendment appropriates funds from the restricted fund balance to pay the final invoice upon delivery and acceptance of the vehicle.

IMPACT IF NOT APPROVED: Vehicle will not be delivered

DEPARTMENT HEAD COMMENTS: This budget amendment is using funds that have been set aside and restricted for this purpose. This is not an increase in appropriated fund balance for unforeseen expenditures. At time of budget adoption we were unsure of when the ambulance would be ready for delivery therefore it was not included in the budget.

CITY MANAGER COMMENTS: The budget amendment is necessary to appropriate the loan proceeds to enable the payment of the invoice and receive the ambulance previously approved.

ATTACHMENTS: Budget Amendment

REQUESTED ACTION: Approve the Budget Amendment on the Consent Agenda

PROPOSED MOTION: Approve on Consent Agenda

Budget Amendment
Fiscal Year 2026-2027
Budget Amendment 1

WHEREAS, Pursuant to a resolution adopted by the Board of Aldermen (the "Board") June 13, 2024, and an Installment Financing Agreement dated as of July 10, 2024, between the City and First-Citizens Bank & Trust Company, the City received an advancement of $1,506,000 to finance the acquisition of a heavy rescue vehicle and an ambulance (the "Equipment") for use by the Fire and EMS Departments; and

WHEREAS, A portion of the proceeds, in the amount of $434,975, was retained in escrow pending delivery of the ambulance, the purchase of which was structured as a pay-on-delivery agreement with the manufacturer; and

WHEREAS, The final inspection of the ambulance has taken place and the ambulance is now ready for delivery, and the manufacturer has submitted a final invoice in the amount of $420,787; and

WHEREAS, these funds were not originally budgeted in Fiscal Year 2026-2027 and the Board desires to expend these funds to finalize purchase of the Equipment:

NOW THEREFORE BE IT ORDAINED, by the Board of Aldermen of the City of Southport, North Carolina that the annual budget ordinance for fiscal year 2026-2027 shall be amended as follows:

Revenue	Increase
Appropriated Fund Balance 100-47001-000-000000	$420,787

Expenditure	Increase
Capital Outlay – Vehicles 100-60003-437-000000	$420,787

Adopted by the Southport Board of Aldermen in regular session, August 13th, 2026

_____
Dr. Joe Pat Hatem
Mayor, City of Southport

_____
Tori Deviney
City Clerk

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: August 13, 2026 **DEPARTMENT:** Fire Department

PRESENTED BY: Noah Saldo, City Manager

ITEM SPONSORED BY: Finance

ITEM/TOPIC: Budget Amendment #2 FY27– Appropriation of Additional Fire Fee Revenue

COST: $567,950

BUDGET LINE ITEMS: Revenue – Appropriated Fund Balance; Revenue – Fire District Fees

JUSTIFICATION: The Southport fire fee committee recommended an increase of 25% to fire fees within the district pending State Legislature approval. In the approved State budget legislation was adopted to allow fire districts within Brunswick County to raise their fire fees by 50% and capped this year's increase at 25% reflecting the vote of the fire fee committee. At the August 3rd, 2026 Brunswick County Board of Commissioners meeting the Board voted to adopt the new fire fees for each fire district in the County. The anticipated 25% fire fee increase for the Southport district is $567,950, these additional funds are to be used for Debt Service payments within the Fire Department and will reduce the amount of fund balance originally appropriated for these expenditures.

IMPACT IF NOT APPROVED: The city will have to use appropriated fund balance for the debt service payments

DEPARTMENT HEAD COMMENTS: This budget amendment is to appropriate additional funding that was expected but not approved by the county at time of budget adoption. Now that the county has approved the additional funding and provided the amounts we are able to adjust our budget accordingly and reduce the amount of fund balance appropriations in the adopted budget

CITY MANAGER COMMENTS: The approval of this budget amendment will reflect the increase in the approved fire fees. It will also reduce the amount of appropriated fund balance that was appropriated at the start of the fiscal year prior to the approval of the increased fire frees.

ATTACHMENTS: Budget Amendment

REQUESTED ACTION: Approve the Budget Amendment on the Consent Agenda

PROPOSED MOTION: Approve on Consent Agenda

Budget Amendment
Fiscal Year 2026-2027
Budget Amendment 1

WHEREAS, the Board previously adopted the annual budget ordinance for Fiscal Year 2026-2027, which appropriated $721,535 of General Fund fund balance to support Fire debt service expenditures; and

WHEREAS, the County has approved an increase in the Fire Fee Cap resulting in additional funding towards the City's Fire Fee revenue in the amount of $567,950; and

WHEREAS, the Board desires to apply this additional Fire Fee revenue to Fire debt service expenditures, thereby reducing the amount of fund balance required to support that debt service from $721,535 to $153,585:

NOW THEREFORE BE IT ORDAINED, by the Board of Aldermen of the City of Southport, North Carolina that the annual budget ordinance for fiscal year 2026-2027 shall be amended as follows:

Revenue Fire District Fees 100-43501-434-000000	Increase $567,950
Revenue Appropriated Fund Balance 100-47001-000-000000	Decrease $567,950

Adopted by the Southport Board of Aldermen in regular session, August 13th, 2026

_____
Dr. Joe Pat Hatem
Mayor, City of Southport

_____
Tori Deviney
City Clerk

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: August 13, 2026 **DEPARTMENT:** Admin

PRESENTED BY: Noah Saldo, City Manager

ITEM SPONSORED BY: Finance

ITEM/TOPIC: Budget Amendment – Appropriation of General Fund Balance to be Transferred to the Capital fund for additional scoping of Old City Hall and completion of work not completed in FY26

COST: $567,950

BUDGET LINE ITEMS: Revenue – Appropriated Fund Balance; Expense – Transfers Out to Other Funds; Revenue – Transfers in from Other Funds; Expense – Capital Improvement – Old City Hall

JUSTIFICATION: The Board previously appropriated $900,000 for the design phase of the Old City Hall/Courthouse project. Also, an additional $80,000 of Capital Fund balance to complete surveying and condition inspections of Old City Hall. During this initial condition inspection by HDR, unexpected discoveries were made that require additional inspections. To complete this an amendment to the contract for an additional $70,000 is necessary. This will allow for exploratory demolition to complete a Mortar Strength Testing and Composition analysis as well as Asbestos, Lead, and Mold Reporting and Consulting in areas that were inaccessible during initial environmental remediation. The original $900,000 of work is still ongoing and all those funds were not spent at the close of FY26. This budget amendment re-appropriates the original funds not spent in FY26 to FY27 so the work can continue and the additional work that is needed to complete the design process and get a solid construction number.

IMPACT IF NOT APPROVED: Work will not be completed and Old City Hall will not be able to be properly inspected before construction begins.

DEPARTMENT HEAD COMMENTS: This budget amendment is necessary to keep progress moving on the Old City Hall restoration project.

CITY MANAGER COMMENTS: This budget amendment is needed to be able to continue the important design phase of Old City Hal/Courthouse project and get us closer to construction and final costs.

ATTACHMENTS: Budget Amendment

REQUESTED ACTION: Approve the Budget Amendment on the Consent Agenda

PROPOSED MOTION: Approve on Consent Agenda

Budget Amendment
Fiscal Year 2026-2027
Budget Amendment 3

WHEREAS, the Board previously adopted the annual budget ordinance for Fiscal Year 2026-2027, which appropriated $80,000 of Capital Fund fund balance to complete surveying and condition inspections of Old City Hall; and

WHEREAS, the Architectural firm contracted with the city completed this initial condition inspection resulting in unexpected discoveries causing further inspections to be necessary and an amendment to the original contract be made; and

WHEREAS, an additional $70,000 is needed for exploratory demolition to complete a Mortar Strength Testing and Composition analysis as well as Asbestos, Lead, and Mold Reporting and Consulting in areas that were inaccessible during initial environmental remediation; and

WHEREAS, the remaining amount of $497,950 will be appropriated to cover the remainder of contracted work that began in Fiscal Year 2025-2026 that was not completed and invoiced before the Fiscal Year end, that is anticipated to be completed this current Fiscal Year; and

WHEREAS, these funds were not originally budgeted in the Capital Fund for Fiscal Year 2026-2027, and the board wishes to appropriate and expend these funds to continue the Old City Hall restoration project:

NOW THEREFORE BE IT ORDAINED, by the Board of Aldermen of the City of Southport, North Carolina that the annual budget ordinance for fiscal year 2026-2027 shall be amended as follows:

Revenue	Increase
Appropriated Fund Balance	$567,950
100-47001-000-000000	

Expense	Increase
Transfers Out to Other Funds	$567,950
100-90003-000-000000	

Revenue	Increase
Transfers In from Other Funds	$567,950
230-47002-000-000000	

Expense	Increase
Capital Improvement – Old City Hall	$567,950
230-60005-000-C98000	

Budget Amendment
Fiscal Year 2026-2027
Budget Amendment 3

Adopted by the Southport Board of Aldermen in regular session, August 13th, 2026

_____
Dr. Joe Pat Hatem

Mayor, City of Southport

_____
Tori Deviney, City Clerk

CITY OF SOUTHPORT, NORTH CAROLINA

A RESOLUTION SUPPORTING THE PREPARATION OF AN ENVIRONMENTAL IMPACT STATEMENT FOR NCDOT PROJECT HB-0039, THE CAPE FEAR MEMORIAL BRIDGE REPLACEMENT, AND SUPPORTING THE CITY OF WILMINGTON AND OTHER LOWER CAPE FEAR COMMUNITIES IN SEEKING A COMPREHENSIVE REGIONAL ENVIRONMENTAL REVIEW

WHEREAS, the Cape Fear Memorial Bridge is a critical regional transportation connection carrying U.S. 17, U.S. 76, and U.S. 421 across the Cape Fear River between Brunswick and New Hanover Counties, and its replacement, identified by the North Carolina Department of Transportation (NCDOT) as Project HB-0039, is a major public infrastructure project with an estimated cost of approximately $1.1 billion; and

WHEREAS, the Board of Aldermen recognizes the need to replace the aging bridge and supports a safe, reliable, resilient, and financially responsible replacement that serves the long-term transportation needs of the Lower Cape Fear region; and

WHEREAS, Project HB-0039 involves federal funding, approvals, and permitting and is therefore subject to the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 et seq.; and

WHEREAS, under 42 U.S.C. § 4336(b)(1), an Environmental Impact Statement (EIS) is required for a proposed agency action requiring an environmental document when the action has a reasonably foreseeable significant effect on the quality of the human environment, while an Environmental Assessment (EA) is used when no such significant effect is reasonably foreseeable or when the significance is unknown; and

WHEREAS, the scale, location, design alternatives, cost, construction duration, and regional importance of Project HB-0039 raise substantial questions regarding reasonably foreseeable effects that extend beyond the immediate bridge footprint and affect communities in both Brunswick and New Hanover Counties; and

WHEREAS, the City of Southport adopted the Southport 2050 Comprehensive CAMA Plan on October 9, 2025, and the Plan was certified by the North Carolina Coastal Resources Commission on January 7, 2026, establishing the community's adopted long-range vision and policy basis for decisions involving physical development, public infrastructure, and environmental protection; and

WHEREAS, the Southport 2050 Comprehensive CAMA Plan describes Southport as a historic coastal village focused on preservation of its natural environment, protection of the character of its built environment, managed growth, a safe and tranquil quality of life, and enjoyment of the scenic Cape Fear River waterfront; and

WHEREAS, the Plan calls for preserving historic resources and community character; maintaining and enhancing water quality in coastal wetlands, rivers, streams, and estuaries; protecting public access and waterfront vistas; increasing resiliency to natural hazards; ensuring safe and reliable transportation; and ensuring that public infrastructure is appropriately scaled and managed while protecting natural assets; and

WHEREAS, the Plan further recommends the City to consider transportation safety, traffic and access management, emergency response capacity, evacuation planning, historic preservation, regional coordination, and the effects of actions outside the City limits that may affect Southport's environment, infrastructure, history, economy, and character; and

WHEREAS, a complete environmental review of Project HB-0039 should evaluate, at a minimum, reasonable bridge and alignment alternatives; traffic and freight movement; emergency access and evacuation; historic and cultural resources; community cohesion and environmental justice; noise and air quality; water quality, wetlands, stormwater, and contaminated materials; visual and waterfront impacts; economic and public-access effects; climate and hazard resiliency; construction impacts; cumulative effects; and avoidance, minimization, and mitigation measures; and

WHEREAS, NCDOT, the Federal Highway Administration, and the United States Army Corps of Engineers previously prepared a Draft Environmental Impact Statement for the proposed Cape Fear Crossing, NCDOT Project U-4738, demonstrating that major transportation projects affecting the Cape Fear River corridor warrant comprehensive analysis of alternatives and regional effects; and

WHEREAS, an EIS provides the appropriate process for detailed alternatives analysis, meaningful interagency coordination, transparent public participation, consideration of cumulative and regional impacts, and development of enforceable mitigation commitments before a final project alternative is selected or actions are taken that could limit reasonable alternatives; and

WHEREAS, the environmental, transportation, economic, historic, and community effects of Project HB-0039 do not stop at municipal or county boundaries, and the City of Southport supports the City of Wilmington and neighboring Lower Cape Fear municipalities and counties in seeking a comprehensive and transparent environmental review of this regionally significant project; and

WHEREAS, the Board of Aldermen finds that preparation of an EIS is consistent with the goals and policies of the Southport 2050 Comprehensive CAMA Plan and is necessary to protect the long-term interests of Southport residents, businesses, visitors, and the broader Lower Cape Fear region.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Southport, North Carolina, as follows:

Section 1. The Board of Aldermen supports and joins the City of Wilmington and other Lower Cape Fear municipalities and counties in requesting that an Environmental Impact Statement be prepared for NCDOT Project HB-0039 before final federal approval of the Cape Fear Memorial Bridge replacement.

Section 2. The Board of Aldermen supports the timely replacement of the Cape Fear Memorial Bridge. This resolution is not opposition to the replacement project; it is a request that the project proceed through the level of environmental review appropriate for a major, federally involved infrastructure project with potentially significant regional effects.

Section 3. The Board of Aldermen requests that NCDOT, in coordination with the Federal Highway Administration, the United States Army Corps of Engineers, the United States Coast Guard, and all other agencies with jurisdiction or special expertise, allocate the resources necessary to prepare a full EIS that evaluates reasonable alternatives and the direct, indirect, and cumulative effects of Project HB-0039.

Section 4. The Board of Aldermen requests that the EIS expressly address consistency with adopted local and regional plans, including the Southport 2050 Comprehensive CAMA Plan, and fully evaluate transportation and evacuation needs, historic and cultural resources, environmental justice and neighborhood impacts, wetlands and water quality, contaminated materials, air and noise impacts, visual and waterfront effects, public access, economic connectivity, climate resiliency, construction impacts, and practicable avoidance, minimization, and mitigation measures.

Section 5. The Board of Aldermen requests that no final alternative be selected and no irreversible or irretrievable commitment of resources be made that would prejudice the NEPA decision or limit the choice of reasonable alternatives before completion of the EIS process and issuance of the appropriate federal decision document.

Section 6. The Board of Aldermen requests meaningful consultation with the City of Southport, the City of Wilmington, affected municipalities and counties, the Wilmington Urban Area Metropolitan Planning Organization, state and federal resource agencies, historically affected neighborhoods, businesses, property owners, and the general public, including accessible public hearings and comment opportunities in both Brunswick and New Hanover Counties.

Section 7. The City Clerk is directed to transmit a certified copy of this resolution to the following:

- Federal Highway Administration
- North Carolina Department of Transportation
- United States Army Corps of Engineers
- United States Coast Guard
- City of Wilmington
- Wilmington Urban Area Metropolitan Planning Organization
- Brunswick County Board of Commissioners

- New Hanover County Board of Commissioners
- Municipal governments in the Lower Cape Fear region
- Governor of the State of North Carolina
- North Carolina Department of Environmental Quality
- North Carolina State Historic Preservation Office
- North Carolina State Ports Authority
- Members of the North Carolina General Assembly representing Brunswick and New Hanover Counties
- North Carolina Congressional Delegation

ADOPTED by the Board of Aldermen of the City of Southport, North Carolina, this 13 day of August 2026.

_____
Dr. Joseph P. Hatem, Mayor

_____
Tori Deviney, City Clerk

CLERK'S CERTIFICATE OF SUFFICIENCY

Pursuant to N.C.G.S. § 160A-31, I hereby certify that I have investigated the Petition for Voluntary Contiguous Annexation submitted by the owners of the property described therein and have determined that:

1. The petition has been signed by all owners of the real property described in the petition.
2. The petition contains a sufficient legal description of the property proposed for annexation.
3. The property is contiguous to the existing corporate limits of the City of Southport as required by law.
4. The petition complies with the applicable requirements of N.C.G.S. § 160A-31.

Therefore, I certify that the petition is sufficient for consideration by the Board of Aldermen.

Dated this 13 day of August 2026.

CITY OF SOUTHPORT CORPORATE SEAL 1792 NORTH CAROLINA

Tori Deviney

Tori Deviney, City Clerk

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: 7/20/2026 **DEPARTMENT:** Public Works

PRESENTED BY: Tom Stanley- Public Works Director

ITEM SPONSORED BY: Public Works

ITEM/TOPIC: Community Building Handrail Replacement

COST: $79,550

BUDGET LINE ITEM: 230-60005-C94000

JUSTIFICATION: The Southport Community Building is the City's premier public facilities and serves as a highly utilized venue for weddings, receptions, community gatherings, meetings, and special events. As Southport's primary rental facilities, it welcomes thousands of residents and visitors each year, making public safety and facility appearance a top priority.

The existing exterior handrails have reached the end of their useful service life. Years of exposure to the coastal environment have resulted in extensive rust, corrosion, and deterioration in multiple locations. While City staff have performed numerous repairs and temporary patches over the years to maintain their functionality, these repairs are no longer a practical or cost-effective solution. The deterioration has progressed to the point where complete replacement is necessary.

The Community Building represents an important public investment and a significant source of rental activity for the City. Maintaining safe, accessible, and attractive facilities is essential to preserving its value and ensuring a positive experience for residents and visitors alike.

Given the continued deterioration of the existing handrails, the repeated maintenance efforts over many years, and the need to bring the facility into compliance with current codes and ADA standards, replacement of the handrail system is both justified and necessary. This project will protect the public, reduce future maintenance expenses, and ensure the Community Building remains a safe and desirable venue for years to come.

IMPACT IF NOT APPROVED: If this project is not approved, the City will continue to rely on aging handrails that are rusting, rotting, and requiring ongoing repairs. These temporary fixes are no longer a long-term solution, and the condition of the handrails will continue to decline.

The deteriorated handrails create a potential safety concern for residents, visitors, and renters using the Southport Community Building for weddings, events, and public gatherings.

Failure to replace the handrails will increase future maintenance costs, expose the City to unnecessary liability, and negatively affect the appearance of one of Southport’s most popular rental facilities. Replacing the handrails now will provide a safer, code-compliant, and more attractive facility for the community and visitors.

DEPARTMENT HEAD COMMENTS: I recommend approval of this project due to the deteriorating condition of the existing handrails and the need to address known safety concerns. The current handrails have been repaired and patched for many years and have reached the end of their useful life. Replacement will provide a safer facility, bring the handrails into compliance with current codes and ADA requirements, reduce future maintenance needs, and protect the City's investment in the Southport Community Building.

ATTACHMENTS: Contract for construction, photos for reference.

REQUESTED ACTION: Approve funding for the replacement of the Southport Community Building handrails. This project will remove deteriorated and unsafe handrails, install a new code-compliant and ADA-accessible system, and ensure the continued safety, functionality, and appearance of this important public rental facility.

PROPOSED MOTION: I motion to approve awarding the contract for the Southport Community Building Handrail Replacement Project to Action Welding and Supply LLC in the amount of $79,550.00**.**

I further move to authorize the City Manager and Public Works Director to execute all necessary documents and take any actions required to complete this project, including coordination, scheduling, and project oversight, consistent with the approved contract amount and project scope.

This project is scheduled to be completed during the month of January 2027 and will replace the existing deteriorated handrail system and preserve the condition of this important City facility.

ESTIMATE

ACTION WELDING AND SUPPLY LLC.
1010 Bussells Turn
Southport, NC 28461-2699

actionweldingandsupply@gmail.com
+1 (919) 412-5816

Exhibit A

Bill to
City of Southport

Ship to
City of Southport

Estimate details
Estimate no.: 1154
Estimate date: 07/20/2026
Expiration date: 08/20/2026

#	Date	Product or service	Description	Qty	Rate	Amount
1.		**Material/Hardware**	Steel (square tube 1/4" square stock 1/2" flat stock 1/4") Anchoring cement Consumables Cedar wood stainless hardware (attaching wooden top rail) Paint/Primer	370	$75.00	$27,750.00
2.		**Welding/Fabricating**	Welding/Fabrication Primer and Paint	370	$75.00	$27,750.00
3.		**Installation**	Removing existing handrails Core drill and clean existing holes for reuse Set new handrails in compliance with ADA Cement/Epoxy all post above flush to prevent water settling and causing rust Fit wooden top rail to new railings Installation	370	$65.00	$24,050.00

Total **$79,550.00**

Expiry date 08/20/2026

Note to customer

Estimate is for replacing the handrails around the community building and bringing them to ADA code while maintaining the same look.
Painted black with wood top rail.

Accepted date **Accepted by**

STATE OF NORTH CAROLINA

COUNTY OF BRUNSWICK

THIS CONTRACT, made and entered into this ___day of **August** 2026, by and between Action Welding and Supply LLC. a North Carolina corporation of the County of Brunswick, State of North Carolina, Party of the First Part (hereinafter sometimes referred to as "Contractor"); and the **CITY OF SOUTHPORT**, a duly chartered municipal corporation and body corporate and politic of the County of Brunswick, State of North Carolina, Party of the Second Part (hereinafter sometimes referred to as "the City");

W I T N E S S E T H:

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

WHEREAS, the City has the need for the services of Contractor to remove/replace the handrails at/around the Southport Community Building located at 223 E. Bay St; and

WHEREAS, it has been determined by the City of Southport that it would be in the best interest of the City and its citizens and residents to enter into this agreement with the Contractor for the purpose of engaging its' services to remove the existing handrails and replace it with new handrails.

NOW, THEREFORE, for and in consideration of the charges, and the terms, covenants, promises and conditions hereinafter set forth, the City engages the services of the Contractor for the purpose of remove/replace the handrail system around the Southport Community Building located at 223 E. Bay St. Contractor to city as set forth on **Exhibit "A"** attached hereto.

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

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

For these services outlined above, the City of Southport shall compensate Contractor in accordance with the schedule and terms **not to exceed eighty-five thousand dollars ($85,000.00).**

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

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

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

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

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

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

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

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

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

Action Welding and Supply LLC.

_____ Date: _____

Title: _____

_____County, North Carolina

I, _____, a Notary Public in and for the state and county aforesaid, do hereby certify that _____, as president of **Action Welding and Supply LLC**, personally appeared before me this day and acknowledged the due execution of the foregoing document in the capacity indicated.

Witness my hand and official seal this the _____day of _____, 2025

_____
Notary Public

My commission expires: _____

CITY OF SOUTHPORT

Date: _____

_____
City Manager, City of Southport

Brunswick County, North Carolina

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

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

_____
Notary Public

My commission expires: February 21, 2029_____

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

_____
Joey Kronenwetter, Finance Officer

Exhibit B

Exhibit B – Liquidated Damages

The Contractor shall commence work and diligently prosecute the handrail removal and replacement project so as to achieve Completion of all Work no later than January 31, 2027. The permitted period for completion shall extend from January 2, 2027, through January 31, 2027.

In the event the Contractor fails to achieve Substantial Completion within the time specified herein, liquidated damages shall be assessed against the Contractor in the amount of Two Hundred Fifty Dollars ($250.00) per calendar day, commencing on February 1, 2027, and continuing until the date Completion is achieved.

The parties agree that such liquidated damages represent a reasonable estimate of the actual damages the Owner would incur as a result of delay in completion of the Work and are not intended as a penalty.

No extension of the Contract Time shall be permitted except by written change order or written time extension executed by the Owner. The Contractor shall not be entitled to any extension of time due to weather conditions, labor disputes, material shortages, or other delays unless such delay is beyond the Contractor's reasonable control and the Contractor provides written notice to the Owner within seven (7) calendar days of the commencement of the delay, stating the cause and estimated duration thereof. Failure to provide such notice shall constitute a waiver of any claim for an extension of time.

Staff Summary Report

Agenda Item: Golf Cart Ordinance Amendments
Department: City Clerk's Office / Police Department
Meeting Date: 8/13/2026
Presenter: Tori Deviney, City Clerk

Purpose

The purpose of the proposed ordinance amendments is to update the City's Golf Cart Ordinance to ensure compliance with North Carolina law, improve public safety, clarify existing regulations, and enhance the overall administration and enforceability of the ordinance.

Background

Staff conducted a comprehensive review of the City's Golf Cart Ordinance and identified several provisions that would benefit from clarification, modernization, and alignment with current state law.

The most significant amendment addresses operator licensing requirements. The current ordinance permits individuals eighteen (18) years of age or older to operate a golf cart without possessing a valid driver's license under certain circumstances. The proposed amendment would instead require all operators to be at least sixteen (16) years of age and possess a valid driver's license, bringing the ordinance into compliance with North Carolina law governing the operation of golf carts and Low-Speed Vehicles (LSVs) on public streets (G.S. 20-7).

In addition to state law compliance, staff is recommending several amendments to improve the clarity, safety, and administration of the ordinance. These revisions eliminate ambiguities, consolidate duplicative provisions, update equipment and operational requirements, and strengthen enforcement. The amendments also ensure the ordinance is consistent with other sections of the City Code, including provisions governing authorized commercial golf cart tour operations.

Proposed Amendments

The proposed amendments include:

- Require all golf cart operators to be at least sixteen (16) years of age and possess a valid driver's license. Required per state law (G.S. 20-7)
- Replace the requirement for an air horn with a horn or other audible warning device to reflect current equipment options and provide greater flexibility for operators.
- Update roadway operating requirements by removing the requirement that golf carts operate on the extreme right side of the roadway to improve visibility and reduce the risk of collisions with turning vehicles, while continuing to require safe operation and yielding to traffic.
- Consolidate and clarify provisions related to alcohol, impaired driving, and open containers to eliminate redundancy and improve enforcement.
- Require proof of liability insurance to be carried in the golf cart and produced upon request, providing law enforcement with an efficient means of verifying compliance during traffic stops or other encounters.
- Make administrative and formatting revisions to improve readability, consistency, and enforceability throughout the ordinance.
- Clarify that commercial use of golf carts is prohibited unless specifically authorized by the City and operated in accordance with all applicable permits and regulations, ensuring consistency with the City's permitted for-hire tour operations.

Benefits

The proposed amendments will:

- Bring the ordinance into compliance with North Carolina law (G.S.20-7).
- Improve public safety for golf cart operators, motorists, bicyclists, and pedestrians.
- Reduce potential legal and liability exposure for the City.
- Clarify operational requirements for residents and visitors.
- Improve consistency with other sections of the City Code.
- Provide clearer standards for law enforcement and ordinance administration.
- Modernize the ordinance through clearer language and improved organization.

Additional Administrative Update

As part of the City's ongoing efforts to improve consistency throughout the Code of Ordinances, staff is also recommending the addition of a reference to N.C.G.S. § 14-4 in all

ordinances that provide for civil penalties. This administrative amendment standardizes the City's enforcement language by clarifying that violations may constitute a misdemeanor or infraction under state law, in addition to any applicable civil penalties authorized by the ordinance. The amendment does not establish new penalties but provides consistent enforcement language throughout the Code.

Staff Recommendation

Staff recommends approval of the proposed ordinance amendments. Collectively, these revisions improve compliance with state law, enhance public safety, clarify existing requirements, strengthen enforcement, and provide a more consistent and user-friendly ordinance for residents, visitors, and City staff.

Motion

I motion to approve the proposed amendments to Article III, Section 17-80, Golf.Carts, as presented and recommended by staff, including the addition of references to N.C.G.S. § 14-4 in the ordinance's civil penalty provisions and in other applicable City ordinances that authorize civil penalties.

Sec. 17-80. Golf carts.

(a) *Definitions.*

(1) *Golf cart.* A vehicle designed and manufactured for operation on a golf course for sporting or recreational purposes and that is not capable of exceeding speeds of twenty (20) miles per hour.

(2) *Operate.* To drive, or be in physical control of a golf cart that is moving or has its key inserted and in the on position.

(b) *Registration and permit requirements.*

(1) *Registration and permit required.* In order to operate a golf cart in the corporate limits of the City of Southport under this section. the golf cart must be registered annually with the City of Southport using an application furnished by the city. A fee according to the current year fee schedule, from January 1 through December 31, must be paid to the city before a registration sticker is issued. The registration sticker must be displayed on the left rear fender of the golf cart. Low speed vehicles subject to state regulation and licenses will be exempt from a permit and inspection, but the City of Southport requests low speed vehicle owners to register with the city and obtain a sticker of charge so the city can maintain an accurate count of low speed vehicles in Southport.

(2) *Basic requirements.* In order to register a golf cart and secure an annual permit, the owner and golf cart must meet the following basic requirements:

a. ~~All golf cart operators must be eighteen (18) years of age or older and possess a full valid driver's license, except any driver or operator eighteen (18) years of age or older with a medical or physical condition that prevents that individual from being able to obtain a valid North Carolina driver's license. Any driver or operator with such a medical or physical condition must have certification from an appropriate medical professional that they can safely operate a golf cart. Any driver or operator that is exempt from the requirement of a valid North Carolina license must still present and have a valid North Carolina Identification card on record and while operating a golf cart.~~ All golf cart operators must be at least sixteen (16) years of age and hold a valid driver's license. No person less than sixteen (16) years of age may operate a golf cart on a public street, road, or highway.

b. The owner must possess and maintain liability insurance in an amount not less than required by North Carolina law for traditional motor vehicles operated on a public street or highway.

c. The golf cart must have an identifiable vehicle identification number.

(3) *Required safety features.* In order to register a golf cart and secure an annual permit, a golf cart must have the following safety features installed:

a. Two (2) operating LED front headlights or an equivalent light bar, visible from a distance of at least two hundred fifty (250) feet;

b. Two (2) operating tail lights, with brake lights and turn signals, visible from a distance of at least two hundred fifty (250) feet;

c. A rear vision mirror;

d. ~~An air horn~~; Horn or other audible warning device

e. Stop lamps;

f. At least one reflector per side;

g. A parking brake;

h. A Type 1 or Type 2 seat belt assembly conforming to section 571.209 of the Federal Motor Vehicle Safety Standard No. 209 installed at each designated seating position.

i. A windshield;

j. Must be limited to a maximum of three (3) rows of seats; and

k. Any modification to the golf cart must comply with all safety requirements of this section and must be inspected by the appropriate city staff prior to operation.

(4) *Unobstructed views.* No golf cart shall be registered, approved for use, or operated on the city's streets if the operator's view is materially obstructed, obscured, or impaired by any sign, poster, sticker, or other nontransparent material placed upon any front windshield, or side or rear window.

(5) *Dimension and weight limits.* No golf cart shall be registered or approved for use, or operated on the city's streets if the overall dimensions and/or weight of the vehicle exceed any of the following dimensions:

a. Length: One hundred sixty (160) inches; thirteen (13) feet four (4) inches;

b. Height: Eighty-four (84) inches; seven (7) feet;

c. Width: Sixty (60) inches; five (5) feet;

d. Weight: One thousand six hundred (1,600) pounds. Weight shall be determined by the manufacturer's published data or, if none is available, then by the vehicle's curb weight. Curb weight, for purposes hereof, is defined as the weight of the vehicle in an operational status with all fluids and components, including batteries, but without driver, passengers or cargo.

(6) *Inspection.* Prior to the issuance of a permit, designated city staff shall inspect the golf cart for compliance with the requirements of this section. No golf cart shall be registered and permitted unless it is in compliance with all requirements.

(7) *Acknowledgment.* Prior to issuance of a permit, the owner shall sign an acknowledgment that he or she has read and understands the provisions of this section.

(8) *Disqualified vehicles.* All-terrain vehicles, four (4) wheel utility vehicles, go-karts, and other similar utility vehicles which are not manufactured for operation on a golf course, and/or a golf cart which has been modified so that it no longer meets the definition of golf cart may not be registered as a golf cart under this section or shall such vehicles be operated on the public roads, streets and highways within the city, unless such vehicles are registered and permitted under the motor vehicle laws of North Carolina.

(9) *Exceptions*:

a. The operation of golf carts on private property, with the consent of the owner;

b. The operation of golf carts within private, gated, or limited access communities, unless the streets of the community are dedicated for public use and maintained by the city;

c. The use of a golf cart in connection with a parade, a festival, or other special event provided the consent of the sponsor is obtained, the police department is notified, and provided the golf cart is only used during such event; and

d. The use of city vehicles by city personnel, or other governmental agencies and/or public service agencies on official business.

(c) *Operation on public streets and roads.* It is unlawful to operate a golf cart on any public street or road within the city except in accordance with the following regulations:

(1) The golf cart may only be operated on streets and roads that have a posted speed limit of thirty-five (35) miles per hour or less.

(2) A golf cart must display a valid city-issued golf cart annual registration sticker.

(3) Golf cart stickers are non-transferable and become void upon transfer of ownership.

(4) All golf cart operators must be sixteen (~~18~~) (16) years of age or older and possess a ~~full~~ valid driver's license. ~~except any driver or operator eighteen (18) years of age or older with a medical or physical condition that prevents that individual from being able to obtain a valid North Carolina driver's license. Any driver or operator with such a medical or physical condition must have certification from an appropriate medical professional that they can safely operate a golf cart. Any driver or operator that is exempt from the requirement of a valid North Carolina license must still present and have a valid North Carolina Identification card on record and while operating a golf cart.~~

(5) No golf cart may be operated at a speed greater than reasonable and prudent for the existing conditions, and in no instance at a speed greater than twenty (20) miles per hour.

(6) No golf cart may be operated in a careless or reckless manner.

(7) The driver and passengers must be properly seated while the golf cart is in motion. ~~the seating capacity with seat belts shall not be exceeded~~ Occupancy shall not exceed the number of factory-installed or approved seating positions.

(8) ~~Golf carts must be operated to the extreme right of the roadway and must yield to all vehicular and pedestrian traffic.~~ Golf cart operators shall not unnecessarily impede the normal flow of traffic and shall, when safe and practicable, pull over to allow accumulated traffic to pass.

(9) Golf carts may not be operated or parked on any sidewalk or in any city park, except for golf carts operated by governmental or public service agencies for official purposes.

(10) ~~Golf carts must be operated in accordance with all applicable state and local laws and ordinances, including all laws, regulations and ordinances pertaining to the possession and use of alcoholic beverages and other impairing substances.~~ Golf carts shall be operated in accordance with all applicable federal, state, and local laws, regulations, and ordinances. No person shall operate a golf cart while under the influence of alcohol, a controlled substance, or any impairing substance. The possession of open containers of alcohol or illegal substances, and/or the consumption of alcoholic beverages or illegal substances by the operator or passengers of a golf cart is prohibited.

(11) Golf carts may only be parked in the same manner and at the same places designated for the parking of motor vehicles or in parking spaces specifically dedicated for golf cart parking.

(12) Golf carts may only park in handicapped parking spaces if the driver has a valid handicapped placard or sticker and the same is clearly posted or displayed in the golf cart.

(13) Golf carts may not be used for the purpose of towing another cart, trailer or vehicle of any kind, including a person on roller skates, skateboard, or bicycle.

~~(14) The possession of open containers of alcohol and/or consumption of alcohol by the driver and/or passengers of a golf cart is prohibited.~~

(14) ~~Golf carts may not be used as a taxicab or bus or for the commercial carrying of passengers or the hauling of freight.~~ A golf cart may be used for the commercial transportation of passengers only if the operator and vehicle have obtained all permits, licenses, and approvals required by this Code, including any for-hire tour permit, and otherwise comply with all applicable federal, state, and local laws and regulations.

(15) All golf carts are required to maintain liability insurance at the same level as required for automobiles~~.~~ and proof of insurance shall be carried on the golf cart and produced upon request of a law enforcement office.

(16) Golf carts shall not be operated on or across any public or private properties without the permission of the property owner.

(17) During an emergency situation or at a special event, any police officer supervising or controlling traffic may direct that golf carts be operated only on or upon certain streets or locations as directed by the officer.

(d) *Penalties.*

(1) In addition to constituting a misdemeanor or infraction as provided by G.S. 14-4, violation of any provision of this section shall subject the offender to a civil penalty in the amount of fifty dollars ($50.00) for each separate of distinct offense to be recovered by the city in an action in the nature of debt if not paid by the offender within seventy-two (72) hours after being cited for the violation.

(2) Operating a golf cart under the influence of an impairing substance (i.e., alcohol or drugs) on a public street or road is a violation of state law, and is punishable as provided therein. The charging officer does not have discretion to issue a civil citation for violation of this subsection.

(3) The city may refuse to register and issue a permit for the operation of a golf cart, or may revoke a previously issued permit, if the registered golf cart and/or the owner of the golf cart is involved in three (3) or more violations of this section and/or violations of state law pertaining to within a three (3) year time period. Said revocation and/or denial of a permit shall be effective for one (1) year.

(e) *Liability disclaimer.*

(1) This section is adopted to address the interest of public safety. Golf carts are not designed or manufactured to be used on the public streets and the city is no way advocates or endorses their operation on public streets or roads. The city, by regulating this operation, is addressing obvious safety issues, and adoption of this section is not to be relied upon as determination that operation on public streets is safe or advisable if done in accordance with this section. All persons who operate or ride upon golf carts on public streets or roads do so at their own risk and peril, and must be observant of and attentive to the safety of themselves and others, including their passengers, other motorists, bicyclists and pedestrians. The city has no liability under any theory of liability and the city assumes no liability, for permitting golf carts to be operated on the public streets and roads under the special legislation granted by the state legislature.

(Ord. of 6-12-14(2), § I; Ord. of 9-14-17)

STAFF REPORT

Voluntary Annexation Petition

Board of Aldermen Meeting: August 13, 2026
Agenda Item: Voluntary Annexation Petition
Applicant/Petitioner: River Road Funding, LLC
Property Location: 1501 North Howe St, Southport, NC 28461
Parcel ID: 221MA03302
Current Zoning: Brunswick County Jurisdiction
Proposed Zoning: Highway Commercial (HC)
Ward: Ward 2

REQUEST

The petitioner has submitted a petition requesting voluntary annexation of the subject property into the corporate limits of the City of Southport pursuant to N.C.G.S. § 160A-31.

The Board of Aldermen previously directed the City Clerk to investigate the sufficiency of the petition. Following review of the petition and applicable property records, the Clerk has completed the required Certificate of Sufficiency.

The Board is now being asked to conduct the required public hearing and consider adoption of the ordinance extending the corporate limits of the City of Southport to include the subject property.

PROPERTY INFORMATION

The subject property is located at 1501 North Howe Street, Southport, NC 28461 and consists of approximately ± 1.422 acres.

The property is currently located outside the corporate limits of the City of Southport. Upon annexation, the property would become part of Ward 2 and would be subject to applicable City ordinances, regulations, taxes, and municipal services.

The property is more particularly shown on the annexation plat prepared by Owen Gidlow, dated June 25, 2026.

ZONING

The property is currently zoned Commercial Low Density (CO-CLD-CZ) (Brunswick County Jurisdiction).

The Planning Board reviewed the rezoning request at their last meeting and recommended Business District (BD) zoning. After further review, staff recommends Highway Commercial (HC) zoning, as it is considered more consistent with the location, surrounding properties, and anticipated use of the property.

The annexation and rezoning are separate actions and should be considered by the Board accordingly.

MUNICIPAL SERVICES

Staff has reviewed the annexation request for potential impacts associated with extending City services and jurisdiction to the property.

Upon the effective date of annexation, the property will be located within the City's corporate limits and will receive municipal services in accordance with applicable City policies, ordinances, service areas, and utility requirements.

Relevant departments have been provided an opportunity to review the request and identify any service-related concerns associated with the annexation.

Departmental Review:

- **Planning/Zoning:** No concerns
- **Police:** No concerns
- **Fire:** No concerns
- **Public Works:** No concerns
- **Electric:** No concerns

ANNEXATION PROCESS

The voluntary annexation process has proceeded as follows:

1. A petition for voluntary annexation was submitted to the City.
2. The Board of Aldermen adopted a Resolution Directing the Clerk to Investigate the Petition.
3. The City Clerk investigated the sufficiency of the petition and prepared the required Certificate of Sufficiency.

4. Notice of the public hearing was provided in accordance with applicable North Carolina General Statutes.
5. The Board will conduct the public hearing on August 13, 2026.
6. Following the public hearing, the Board may consider adoption of the annexation ordinance.

If approved, the annexation ordinance and associated plat will be processed and recorded as required by North Carolina law.

STAFF ANALYSIS

The petition has proceeded through the required voluntary annexation process, and the City Clerk has determined that the petition is sufficient.

Staff has not identified any issues that would prevent the Board from considering the voluntary annexation request, subject to any comments received during the public hearing or departmental review.

Annexation of the property would incorporate the parcel into the City of Southport's municipal limits and provide for the orderly application of City zoning, development regulations, municipal services, and other City requirements.

BOARD ACTION

Following the public hearing, the Board may consider the following motion:

Suggested Motion:

"I motion to adopt the ordinance annexing the property identified as 1501 North Howe St, Southport, NC 28461, Parcel Number 221MA03302 into the corporate limits of the City of Southport."

ATTACHMENTS

1. Petition for Voluntary Annexation
2. Resolution Directing the Clerk to Investigate the Petition
3. Certificate of Sufficiency
4. Annexation Plat
5. Proposed Annexation Ordinance
6. Related Zoning Information/Map

Voluntary Annexation Application

Date: 6-29-26

Property Owner

~~Applicant Name:~~ River Road Funding LLC Phone Number: 716-474-0016

Address: 4956-14 Long Beach Rd Fax Number: —

PMB #324

Southport, NC 28461

Applicant Name

~~Property Owner:~~ Lucinda Arnold Phone Number: 716-474-0016

Address: 4956-14 Long Beach Rd Fax Number: —

PMB #324

Southport, NC 28461

Property Location (Physical Address): 1501 N. Howe St., Southport

Tax ID Number for Property: PID # 221MA03302

Number of Acres: 1.44

Does the property need to be rezoned? Yes

Current Zoning Classification: CO-CLD-C2 Commerical Low Densi

Proposed Zoning Classification: HC - Highway Commercial

The Annexation Application will not be submitted to the City of Southport Board of Aldermen until the City Clerk has received a complete application. The following items **MUST** accompany the application in order for it to be considered complete. Please acknowledge inclusion of each item with a check in the appropriate box, sign, date, and submit to the City Clerk.

- [x] $150.00 Non-Refundable Fee
- [x] Electronic Copy of Legal Metes and Bounds Description
- [x] Map showing property to be annexed. Once approved by the Board, **you must submit a Recordable Mylar with six (6) blue line copies for recordation that should state "Area Annexed by the City of Southport to include date of annexation."**
- [x] Complete list of ALL property owners

Applicant — Date 6-29-26

City Clerk — Date 7/1/2026

PETITION REQUESTING CONTIGUOUS ANNEXATION

Date: 6-29-26

To the Board of Aldermen of the City of Southport, North Carolina:

1. We the undersigned owners of real property respectfully request that the area described in Paragraph 2 below be annexed to the City of Southport.

2. The area to be annexed is **contiguous** to the City of Southport and the boundaries of such territory are as follows:

(Description of Bounds Required)

3. We acknowledge that any zoning vested rights acquired pursuant to G.S. 160A-385.1 or 153A-344.1 must be declared and identified on this petition. We further acknowledge that failure to declare such rights on this petition shall result in a termination of vested rights previously acquired for the property. (If zoning vested rights are claimed, indicate below and attach proof.)

Name	Address	Do You Declare Vested rights?** Indicate Yes or No	Signature
1. River Road Funding			
2.	4956-14 Long Beach Rd., PMB #324		
3.	Southport, NC 28461		
4.			

Limited Liability Company

Actions

- File an Annual Report/Amend an Annual Report
- Online Filing
- Order a Document Online
- Add Entity to My Email Notification List
- View Filings
- Print a Pre-Populated Annual Report form
- Print an Amended a Annual Report form

Legal name: River Road Funding, LLC

Secretary of State Identification Number (SOSID): 1376080

Status: Current-Active

Citizenship: Domestic

Date formed: 4/29/2014

Registered agent: Lucinda Arnold

Mailing address

4956-14 Old Long Beach Road Pmb 324
Southport, NC 28461-9127

Principal Office address

4956-14 Old Long Beach Road Pmb 324
Southport, NC 28461-9127

Registered Office address

4956-14 Old Long Beach Road Pmb 324
Southport, NC 28461-9127

Registered Mailing address

4956-14 Old Long Beach Road Pmb 324
Southport, NC 28461-9127

Company officials

All LLCs are managed by their managers pursuant to N.C.G.S. 57D-3-20.

- **President**

  Lucinda Diane Arnold , Mrs.

  4956-14 Long Beach Road SE
  Southport NC 28461

Return to top

Other Agencies

NC Gov

State Board of Elections

North Carolina Birth Certificate Information

North Carolina State Bar

North Carolina Department of Commerce

North Carolina Department of Revenue

All North Carolina Government Organizations

Links of Interest

National Association of Secretaries of State

Intellectual Property

NASAA - North American Securities Administrators Association

North Carolina Consular Corps

Secretary of State Disclaimer & Privacy

Hours of Operation Monday - Friday 8:00 am - 5:00 pm

SOSKB
Secretary of State Knowledge Base

North Carolina Secretary of State's Office

Contact Us

919-814-5400 Support Division Directory

Payment Receipt

City of Southport

Email:

LUCINDA ARNOLD
0

PIDN: CR1008
Name: LUCINDA ARNOLD
Muni Code:
MAP:
Location:

Receipt #: 1247
Check #: 1717
Date Paid: 06/30/2026
Date Effective: 06/30/2026
User: ktooley@cityofsouthport.gov
Session: 1610

Payment Method

Check

Line Item Description	Rate Code	Date	Year	Payment
Planning & Zoning	PLAN	06/30/2026	2026	$150.00

Amount Processed: $150.00

Amount Received: $150.00

Thank you for your payment!

City of Southport, NC

Voluntary Annexation of Brunswick County PID#221MA03302

1501 North Howe Street, Southport, NC 28461

Metes & Bounds Legal Description

All that Tract or Parcel of land situated in the Smithville Township, Brunswick County, North Carolina, and being all of Brunswick County PID#**221MA03302**, as shown on an annexation map of the property described below, and being more particularly described in North Carolina State Plane, Zone 3200 (2011 Adjusted) coordinates, bearings and ground distances in US Survey Feet, as follows:

Commencing at an Iron Rebar Found at the NW corner of PID#221MA032 and NE corner of PID#221MA03202, whose coordinates are N 69,540.472 E 2,295,210.562, the **POINT OF BEGINNING**; thence along the northern line of PID#221MA03202, S68°43'08"W 50.68 feet to an Iron Rebar Found at the SE corner of PID#221MA03303, which is within the Corporate Limits of the City of Southport, thence along the eastern line of PID#221MA03303, N21°34'09"W 171.05 feet to a Mag Mail Found in the parking lot pavement; thence continuing, N22°10'33"W 9.63 feet to a Mag Nail Found in the pavement and at the NW corner of the subject tract, PID#221MA03302; thence along the northern line of the subject tract, N68°23'55"E 343.52 feet to a Mag Nail Set in the pavement on the eastern Right of Way of North Howe Street / NC 211 , a variable width Right of Way; thence along the western Right of Way of North Howe Street / NC 211, S21°28'28"E 149.07 feet to a Mag Nail Set in pavement; thence S68°04'34"W 10.01 feet to a mag Nail Found in the pavement; thence continuing along the western Right of Way of North Howe Street / NC 211, S20°34'35"E 32.74 feet to an Iron Rebar & Cap Set at the SE corner of the subject tract; thence leaving the Right of Way and along the northern line of PID#221MA032 and the southern line of the subject tract, S68°33'54"W 282.11 feet to the **POINT OF BEGINNING**; containing ±61,923 square feet or ±1.422 acres, according to an annexation map signed and sealed by Owen Gidlow, PLS L-4356 and prepared by North Star Surveying, Inc. F-1558, dated 25 June 2026.

CLERK'S CERTIFICATE OF SUFFICIENCY

Pursuant to N.C.G.S. § 160A-31, I hereby certify that I have investigated the Petition for Voluntary Contiguous Annexation submitted by the owners of the property described therein and have determined that:

1. The petition has been signed by all owners of the real property described in the petition.
2. The petition contains a sufficient legal description of the property proposed for annexation.
3. The property is contiguous to the existing corporate limits of the City of Southport as required by law.
4. The petition complies with the applicable requirements of N.C.G.S. § 160A-31.

Therefore, I certify that the petition is sufficient for consideration by the Board of Aldermen.

Dated this 13 day of August 2026.

CITY OF SOUTHPORT CORPORATE SEAL 1792 NORTH CAROLINA

Tori Deviney

Tori Deviney, City Clerk

CITY OF SOUTHPORT, NORTH CAROLINA

ORDINANCE ANX 26-01

AN ORDINANCE ANNEXING PROPERTY TO THE CORPORATE LIMITS OF THE CITY OF SOUTHPORT, NORTH CAROLINA

WHEREAS, River Road Funding, LLC has filed a petition requesting the voluntary annexation of property owned by the Petitioner, consisting of approximately +1.422 acres, more or less, located at 1501 North Howe St, Brunswick County, North Carolina, identified as Brunswick County Parcel Identification Number(s) 221MA03302. which property is more particularly described in **Exhibit A**, attached hereto and incorporated herein by reference, and the boundaries of which are illustrated on the annexation map attached hereto as **Exhibit B**, and incorporated herein by reference; and

WHEREAS, pursuant to G.S. 160A-31, the petition was referred to the City Clerk for investigation as to its sufficiency; and

WHEREAS, the City Clerk investigated the petition and certified in writing to the Board of Aldermen that the petition met the requirements of G.S. 160A-31; and

WHEREAS, notice of the public hearing was duly published as required by law; and

WHEREAS, on the 13 day of August 2026, the Board of Aldermen conducted a public hearing, at which all interested persons were afforded an opportunity to be heard; and

WHEREAS, after consideration of the petition, the evidence presented, and the applicable law, the Board of Aldermen finds that the petition meets the requirements of G.S. 160A-31 and that the property described herein should be annexed into the corporate limits of the City of Southport.

NOW, THEREFORE, BE IT ORDAINED by the Board of Aldermen of the City of Southport, North Carolina, as follows:

Section 1. Findings.

The Board of Aldermen hereby finds that the voluntary annexation petition complies with the requirements of G.S. 160A-31.

Section 2. Annexation. Pursuant to the authority granted by G.S. 160A-31, the property described in Exhibit A, attached hereto and incorporated herein by reference, consisting of approximately 1.422 acres, more or less, as shown on the annexation plat prepared by _____, dated _____, and recorded in Map Cabinet _____, Page _____ of the Brunswick County Registry (attached hereto as Exhibit B), is hereby annexed into the corporate limits of the City of Southport.

Section 3. Municipal Services.

Upon the effective date of this ordinance, the annexed territory and its citizens and property shall be subject to all debts, ordinances, laws, regulations, and policies applicable within the City of Southport and shall be entitled to the same rights, privileges, services, and benefits as other property located within the corporate limits. The annexed property shall become subject to municipal taxation in accordance with applicable North Carolina law.

Section 4. Ward Assignment.

The territory annexed by this ordinance is hereby assigned to Ward Two of the City of Southport.

Section 5. Recording and Filing.

The City Clerk is hereby directed to:

1. Record a certified copy of this ordinance, together with the annexation map, in the Office of the Brunswick County Register of Deeds;
2. File all reports, notices, and other documents required by North Carolina law with the appropriate state agencies, including the Secretary of State;
3. Provide a copy of the annexation map to the Brunswick County Board of Elections; and
4. Update the official corporate boundary map of the City of Southport to reflect this annexation.

Section 6. Effective Date.

This ordinance shall become effective upon its adoption.

ADOPTED this 13 day of August 2026.

CITY OF SOUTHPORT

_____

Joseph P. Hatem, Mayor

ATTEST

_____

Tori Deviney, City Clerk

EXHIBIT A

Legal Description

See next page

City of Southport, NC

Voluntary Annexation of Brunswick County PID#221MA03302

1501 North Howe Street, Southport, NC 28461

Metes & Bounds Legal Description

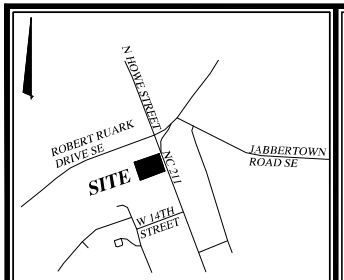
All that Tract or Parcel of land situated in the Smithville Township, Brunswick County, North Carolina, and being all of Brunswick County PID#**221MA03302**, as shown on an annexation map of the property described below, and being more particularly described in North Carolina State Plane, Zone 3200 (2011 Adjusted) coordinates, bearings and ground distances in US Survey Feet, as follows:

Commencing at an Iron Rebar Found at the NW corner of PID#221MA032 and NE corner of PID#221MA03202, whose coordinates are N 69,540.472 E 2,295,210.562, the **POINT OF BEGINNING**; thence along the northern line of PID#221MA03202, S68°43'08"W 50.68 feet to an Iron Rebar Found at the SE corner of PID#221MA03303, which is within the Corporate Limits of the City of Southport, thence along the eastern line of PID#221MA03303, N21°34'09"W 171.05 feet to a Mag Mail Found in the parking lot pavement; thence continuing, N22°10'33"W 9.63 feet to a Mag Nail Found in the pavement and at the NW corner of the subject tract, PID#221MA03302; thence along the northern line of the subject tract, N68°23'55"E 343.52 feet to a Mag Nail Set in the pavement on the eastern Right of Way of North Howe Street / NC 211 , a variable width Right of Way; thence along the western Right of Way of North Howe Street / NC 211, S21°28'28"E 149.07 feet to a Mag Nail Set in pavement; thence S68°04'34"W 10.01 feet to a mag Nail Found in the pavement; thence continuing along the western Right of Way of North Howe Street / NC 211, S20°34'35"E 32.74 feet to an Iron Rebar & Cap Set at the SE corner of the subject tract; thence leaving the Right of Way and along the northern line of PID#221MA032 and the southern line of the subject tract, S68°33'54"W 282.11 feet to the **POINT OF BEGINNING**; containing ±61,923 square feet or ±1.422 acres, according to an annexation map signed and sealed by Owen Gidlow, PLS L-4356 and prepared by North Star Surveying, Inc. F-1558, dated 25 June 2026.

EXHIBIT B

Annexation Map

See next page



SOUTHPORT, NC
VICINITY MAP (Not to Scale)

SURVEY CERTIFICATE

I, OWEN D. GIDLOW, AS A PROFESSIONAL LAND SURVEYOR IN THE STATE OF NORTH CAROLINA, DO HEREBY CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION COMPLETED ON 25 JUNE 2026 USING THE REFERENCES SHOWN HEREON; THAT THE BOUNDARIES NOT SURVEYED ARE INDICATED AS DASHED LINES, DRAWN FROM INFORMATION FOUND IN THE REFERENCES SHOWN HEREON; THAT THE RATIO OF PRECISION, AS CALCULATED, IS 1 : 10,000 +; THAT THIS MAP WAS PREPARED IN ACCORDANCE WITH NORTH CAROLINA GENERAL STATUTES 47-30, AS AMENDED. WITNESS MY ORIGINAL SIGNATURE & SEAL THIS 25TH DAY OF JUNE A.D. 2026.

NORTH CAROLINA PROFESSIONAL SEAL L-4356 LAND SURVEYOR OWEN D. GIDLOW

25 JUNE 2026

TYPE OF PLAT

I, OWEN D. GIDLOW, PROFESSIONAL LAND SURVEYOR No. L-4356, CERTIFY TO THE FOLLOWING:

(G.S.47-30§(f)(11),c,1)

THAT THIS IS A SURVEY OF AN EXISTING PARCEL OR PARCELS OF LAND AND DOES NOT CREATE A NEW STREET OR CHANGE AN EXISTING STREET.

25 JUNE 2026
OWEN D. GIDLOW, PROFESSIONAL LAND SURVEYOR No. L-4356

HORIZONTAL & VERTICAL DATUM STATEMENT

THIS SURVEY WAS PERFORMED USING GEOMETRIC COORDINATES BASED UPON THE NORTH AMERICAN DATUM OF 1983 (NAD '83) (2011 ADJUSTMENT) NORTH CAROLINA ZONE 3200 (LAMBERT PROJECTION) COORDINATE SYSTEM AND THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD '88) WITH CORRECTED COORDINATES AND ELEVATIONS, IN US SURVEY FEET, RECEIVED THROUGH THE NORTH CAROLINA "CORS" GPS DATA NETWORK USING SURVEY GRADE GPS RECEIVERS.

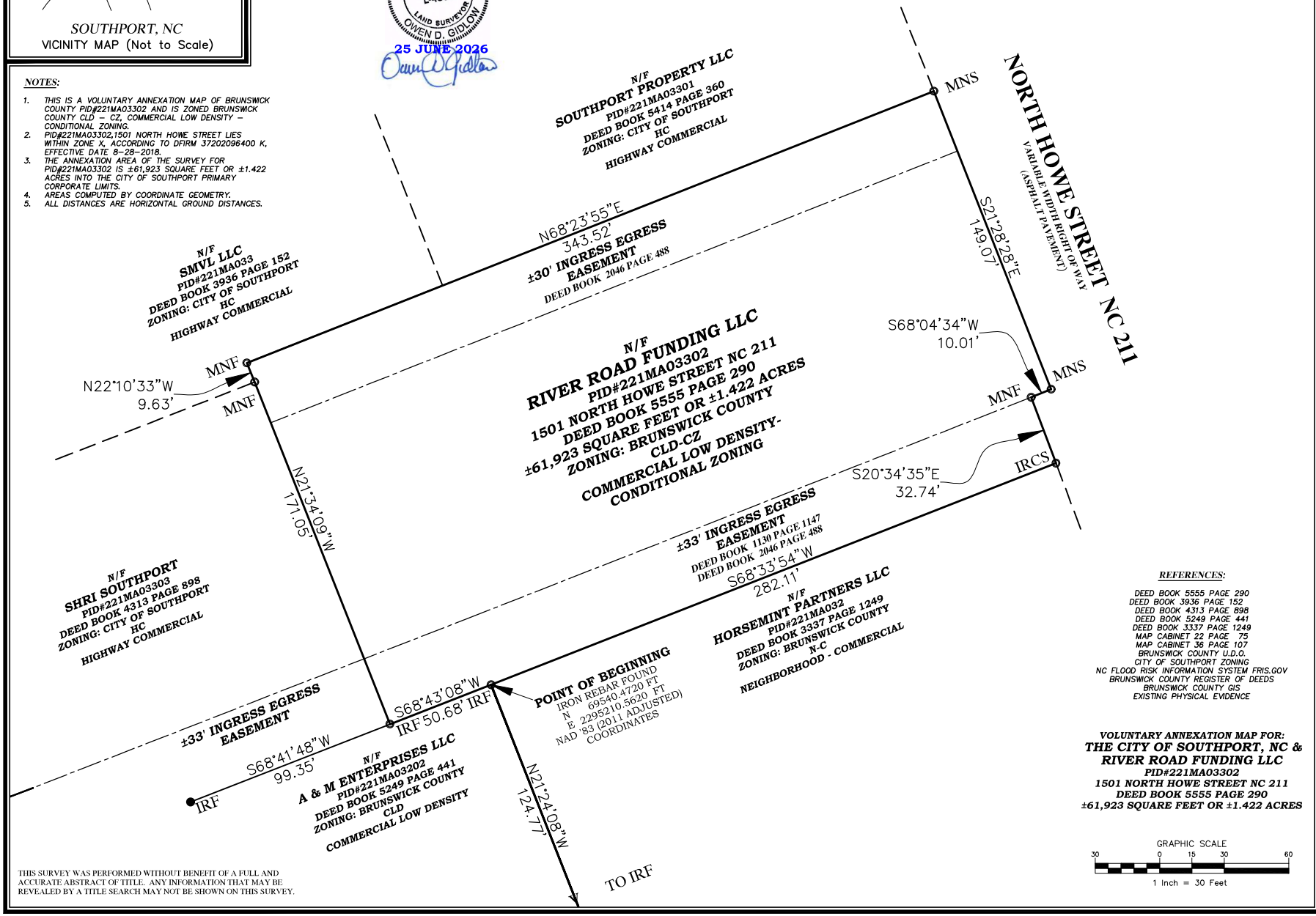
NORTH STAR SURVEYING, INC.
NC FIRM-1558

N W E S

NAD '83 (2011 ADJUSTMENT) COORDINATES
NAVD '88 ELEVATIONS
IN US SURVEY FEET

NOTES:

1. THIS IS A VOLUNTARY ANNEXATION MAP OF BRUNSWICK COUNTY PID#221MA03302 AND IS ZONED BRUNSWICK COUNTY CLD - CZ, COMMERCIAL LOW DENSITY - CONDITIONAL ZONING.
2. PID#221MA03302,1501 NORTH HOWE STREET LIES WITHIN ZONE X, ACCORDING TO DFIRM 37202096400 K, EFFECTIVE DATE 8-28-2018.
3. THE ANNEXATION AREA OF THE SURVEY FOR PID#221MA03302 IS ±61,923 SQUARE FEET OR ±1.422 ACRES INTO THE CITY OF SOUTHPORT PRIMARY CORPORATE LIMITS.
4. AREAS COMPUTED BY COORDINATE GEOMETRY.
5. ALL DISTANCES ARE HORIZONTAL GROUND DISTANCES.



THIS SURVEY WAS PERFORMED WITHOUT BENEFIT OF A FULL AND ACCURATE ABSTRACT OF TITLE. ANY INFORMATION THAT MAY BE REVEALED BY A TITLE SEARCH MAY NOT BE SHOWN ON THIS SURVEY.

REFERENCES:

DEED BOOK 5555 PAGE 290
DEED BOOK 3936 PAGE 152
DEED BOOK 4313 PAGE 898
DEED BOOK 5249 PAGE 441
DEED BOOK 3337 PAGE 1249
MAP CABINET 22 PAGE 75
MAP CABINET 36 PAGE 107
BRUNSWICK COUNTY U.D.O.
CITY OF SOUTHPORT ZONING
NC FLOOD RISK INFORMATION SYSTEM FRIS.GOV
BRUNSWICK COUNTY REGISTER OF DEEDS
BRUNSWICK COUNTY GIS
EXISTING PHYSICAL EVIDENCE

VOLUNTARY ANNEXATION MAP FOR:
THE CITY OF SOUTHPORT, NC &
RIVER ROAD FUNDING LLC
PID#221MA03302
1501 NORTH HOWE STREET NC 211
DEED BOOK 5555 PAGE 290
±61,923 SQUARE FEET OR ±1.422 ACRES

GRAPHIC SCALE
30 0 15 30 60
1 Inch = 30 Feet

NORTH STAR SURVEYING, INC. (F-1558)
OWEN GIDLOW, PLS L-4356
15 TOPSAIL COURT
CAROLINA SHORES, NORTH CAROLINA 28467
OFFICE: 910-579-7811
© COPYRIGHT 2026 NORTH STAR SURVEYING, INC.

VOLUNTARY ANNEXATION MAP & BOUNDARY SURVEY
PID#221MA03302
1501 N HOWE STREET NC 211, SOUTHPORT, NC
SMITHVILLE TOWNSHIP CITY OF SOUTHPORT BRUNSWICK COUNTY, NC
SURVEY FOR RIVER ROAD FUNDING, LLC

NO.	DATE	BY

DATE: 25 JUNE 2026
SCALE: 1" = 30'
FIELD: ODG/MDS
DRAWN/CADD: ODG
SHEET: 1 OF 1
CAD FILE: ANNEXATION / REZONING SURVEY
PROJECT NO: 26013

C:\0____NORTH STAR SURVEYING PROJECTS\26013 CRAIG MOORE 1501 N HOWE ST VOL ANNEXATION\26013_ANNEX_BOUNDARY_SURVEY_1501_N_HOWE_6-25-2026_SSP.dwg, 6/25/2026 4:39:58 PM, ARCH full bleed C (18.00 x 24.00 Inches), 1:1

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: 08/13/2026 **DEPARTMENT: Development Services**

PRESENTED BY: Maureen Meehan, Planning Services Director

ITEM SPONSORED BY: Development Services Department

ITEM/TOPIC: Public Hearing for Zoning Map Amendment/Zoning Assignment for 1501 N Howe Street

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

JUSTIFICATION: A duly advertised public hearing must be held prior to the Board of Aldermen deciding on the proposed amendment. The subject property is being considered for annexation and upon approval must be rezoned to a City zoning district. The owner of property located at 1501 N Howe Street requests a zoning map amendment from Brunswick County zoning CO-CLD-CZ to City of Southport zoning Highway Commercial (HC). The Planning Board, at their July 16, 2026, meeting voted to recommend approval of a zoning assignment of Business District (BD) to the Board of Aldermen.

IMPACT IF NOT APPROVED: This is a legislative decision defined by the NC General Statutes. Zoning must be assigned to property annexed into the city within 60 days. If zoning is not assigned, the property will not have development standards to apply for proposed uses or development on site. A statement of consistency and reasonableness must be adopted in conjunction with a motion to approve or deny the proposal.

DEPARTMENT HEAD COMMENTS: The attached proposed Zoning Map Amendment has been reviewed by staff for consistency with the land use plan and surrounding neighborhood. The existing use of the property is defined as major retail, which is not a permitted land use in the BD zoning district. Staff support the applicant's request to zone the property Highway Commercial and find the proposal reasonable and consistent with the 2050 Comprehensive Plan.

ATTACHMENTS: Staff Report, Consistency Statements

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

PROPOSED MOTION:
1) Motion to open public hearing for the zoning map amendment.

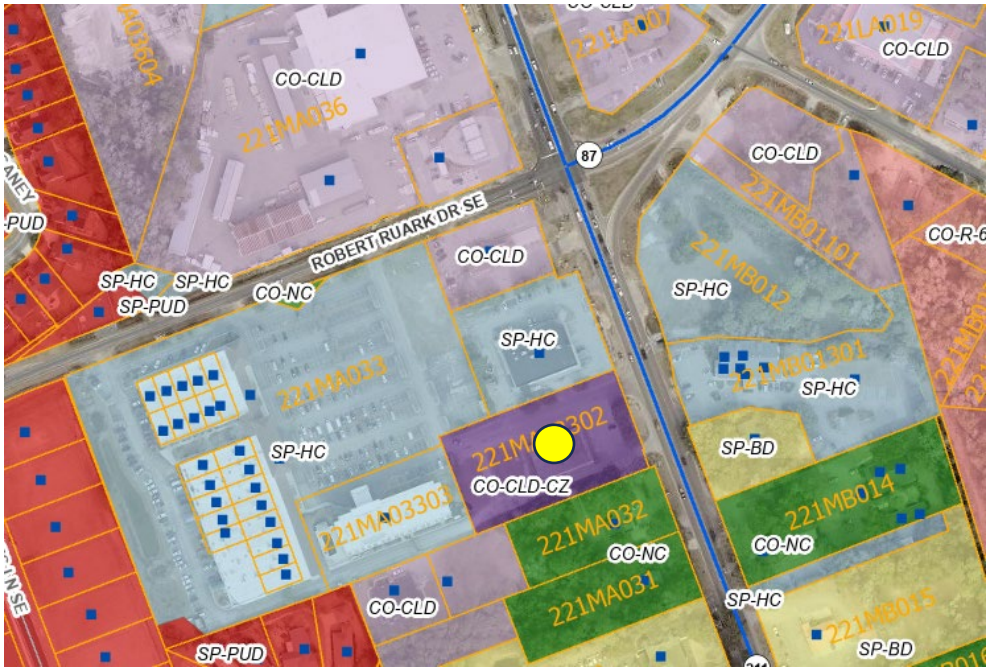
2) Motion to approve Land Use Consistency Statement and Statement of Reasonableness; and the Zoning Map Amendment as presented. OR a Motion to deny the Land Use Consistency Statements and Zoning Map Amendment.

STAFF REPORT
1501 N HOWE STREET
VOLUNTARY ANNEXATION REZONING

APPLICATION SUMMARY	
Presentation Date	August 13, 2026 Board of Aldermen
Applicant	Lucinda Arnold
Property Owner	River Road Funding, LLC
Parcel ID:	221MA03302
Property Size	1.44 acres
Zoning District	Brunswick County Commercial Low Density Conditional – CLD-CZ
Proposed Zoning District	Highway Commercial - HC

REZONING OVERVIEW

Lucinda Arnold, for River Road Funding, LLC has applied for voluntary annexation of property located at 1501 N. Howe Street. The city must designate a zoning district as part of the annexation process. The property is proposed for retail use. Prior to the relinquishment of the extraterritorial jurisdiction (ETJ) the property was zoned Highway Commercial (HC).



PLANNING REVIEW

The proposed map amendment is a requirement of the annexation process. If rezoning does not occur, there will be no zoning district and no way to apply development standards found in the unified development ordinance (UDO).

Land Development Suitability

The subject property is designated as medium-high suitability. Suitability is determined by several inputs including existing infrastructure availability, proximity to other development, and proximity to environmentally sensitive land.

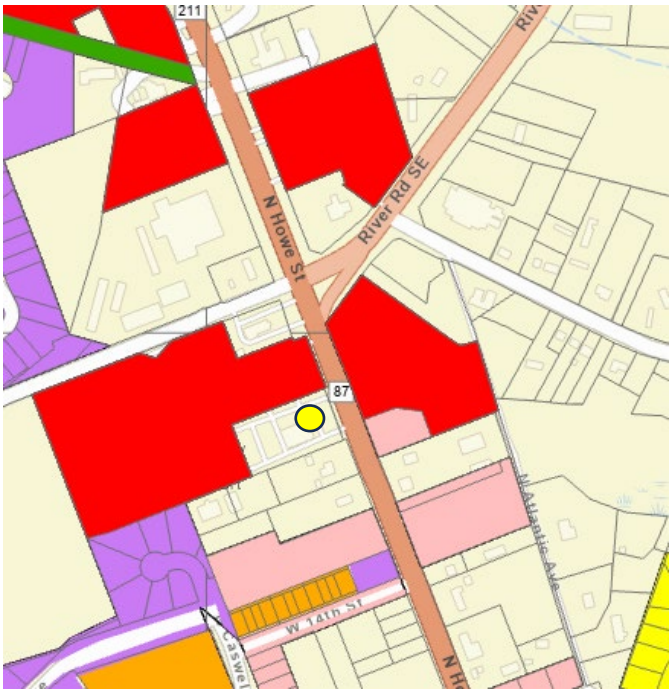
Dark Green – High
Medium Green – Medium – High
Yellow – Medium

Future Land Use Map

The future land use map classifies the parcel as Gateway. This area calls for medium-scale buildings including retail, restaurants, offices, and some residential included in mixed-uses developments. Future land use character areas are not prescriptive but a guide for future development patterns. The maximum height is 40’ and maximum building footprint is 30,000 SF.

Light Blue – Gateway
Pink – Neighborhood Commercial
Red – Highway Commercial
Yellow – Low to Medium Residential
Light Green – Low Density – Conservation

Zoning Map



The surrounding and adjacent City properties to the subject property are zoned highway commercial. Adjacent County properties as noted above are commercial low density and neighborhood commercial.

Tan – County Property
Red – Highway Commercial
Pink – Business District
Purple – PUD

Permitted Uses

A conventional rezoning request does not allow a decision to be made using details of a proposed project, land use or site plan. Decisions made on the rezoning must consider all permitted uses in the proposed district in relation to land use impacts, the character of the district, suitability of certain uses, and reasonableness for a small parcel change.

Since this is a zoning assignment for an annexed property, the existing use must be considered so no nonconforming uses are created. The property owners are renovating the building to be a home building showroom and retail outlet. Since the existing building is over 5,000 SF, the proposed use is classified as major retail, which is only permitted in the highway commercial zoning district.

Table 3.1 Table of Permitted Uses of the UDO is attached at the end of this report. Land uses are classified as permitted (P), permitted with standards (PS), special use (S), and special use with standards (SS). The HC zoning district is highlighted.

Dimensional Requirements

Table 3.2: Dimensional Requirements by Zoning District						
Zoning District	Minimum Lot Size (square feet)	Minimum Lot Width (feet)	Minimum Front Setback (feet)	Minimum Rear Setback (feet)	Minimum Side Setback [1] (feet)	Maximum Height Limit (feet)
HC	10,000	75	25	20	8	40

The property and existing building meet the dimensional requirements of the UDO.

LAND USE PLAN CONSISTENCY

The Southport 2050 Comprehensive Plan is used for policy decisions in the City. The Planning Board and Board of Aldermen shall consult the plan's policies when considering a zoning change. Each rezoning must be recommended and ultimately adopted with a statement describing whether the proposal is consistent with the adopted land use plan. The following policies and implementing actions support the proposed rezoning request.

Policy 1.2: Limit building size and height in different areas based on character and context.

Action 1.2.4: Encourage medium building footprints and heights in Gateways

- In Gateways, limit building footprint size to under 30,000 square feet and height max of 40ft.
-

Policy 7.2: Support existing small businesses and encourage new businesses.

Action 7.2.1: Encourage the development of new businesses and context-sensitive mixed-use development in Gateway, Neighborhood Commercial, and Midtown character areas.

The existing building onsite has been vacant for many years. The new use as described by the owner will be a home design showroom and retail outlet. This zoning change will provide the opportunity for a new business to locate in the City of Southport.

PLANNING BOARD RECOMMENDATION

The Planning Board, after consideration of the request and review of the 2050 Comprehensive Plan recommend **APPROVAL of a zoning assignment of Business District** rather than Highway Commercial. The determination is due to the current future land use map designation of Gateway. The proposal is consistent with the 2050 Comprehensive Plan and is reasonable due to the size, character, and other attributes of the area.

While the Planning Board recommends a zoning assignment of BD, staff recommend the approval of a zoning assignment of Highway Commercial (HC). The existing building is over 5,000 SF and the use is retail, which is defined as major retail. Major retail uses are not permitted in the BD zoning district. The proposal is consistent with the 2050 Comprehensive Plan and is reasonable due to the size, character, and other attributes of the area.

Attachments:
Consistency Statements
Annexation Application
Table of Permitted Uses

City of Southport Board of Aldermen
Ordinance 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: **ZMA-26-03 – 1501 N Howe Street Zoning Map Amendment/Zoning Assignment from CO-CLD-CZ to Highway Commercial (HC)**

STATEMENT OF CONSISTENCY AND RECOMMENDATION:
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 map amendment. The amendment is consistent with the City's 2050 Comprehensive Plan, adopted on October 9, 2025, and Certified by the Coastal Resources Commission on January 7, 2026. Specifically, the proposal is consistent with Action 1.2.4: Encourage medium building footprints and heights in Gateways - In Gateways, limit building footprint size to under 30,000 square feet and height max of 40ft., Policy 7.2: Support existing small businesses and encourage new businesses and Action 7.2.1: Encourage the development of new businesses and context-sensitive mixed-use development in Gateway, Neighborhood Commercial, and Midtown character areas.

NOW THEREFORE, be it ordained 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 August 2026.

Ayes: _____
Noes: _____
Absent or Excused: _____

_____
Dr. Joseph P. Hatem, Mayor

Attest:

_____
Tori Deviney, City Clerk

City of Southport Board of Aldermen
Ordinance 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: **ZMA-26-03 – 1501 N Howe Street Zoning Map Amendment/Zoning Assignment from CO-CLD-CZ to Highway Commercial (HC)**

STATEMENT OF CONSISTENCY AND RECOMMENDATION:
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 **DENY** the proposed map amendment. The amendment is consistent with the City's 2050 Comprehensive Plan, adopted on October 9, 2025, and Certified by the Coastal Resources Commission on January 7, 2026, although the amendment is unreasonable due to the surrounding neighborhood characteristics.

NOW THEREFORE, be it ordained 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 August 2026.

Ayes: _____
Noes: _____
Absent or Excused: _____

_____
Dr. Joseph P. Hatem, Mayor

Attest:

_____
Tori Deviney, City Clerk

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: July 9, 2026 **DEPARTMENT:** Board/Administration

PRESENTED BY: City Clerk Tori Deviney

ITEM/TOPIC: Petition for Annexation

CITY CLERK COMMENTS: The City has received a petition for annexation of 1501 North Howe St. PID#221MA03302. The first step in the statutorily required process is for the Board to adopt a resolution directing the City Clerk to investigate the petition and certify it to the Board. Following the investigation process we will then notice for a public hearing and the Board can then consider adopting an ordinance annexation the requested property.

RESOLUTION DIRECTING THE CITY CLERK TO INVESTIGATE A PETITION RECEIVED UNDER G.S. 160A-31(c)

WHEREAS, a petition requesting annexation of the area described in said petition was received by the Board of Aldermen on July 9, 2026 for 1501 North Howe St. PID#221MA03302; and

WHEREAS, G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

WHEREAS, the Board of Aldermen of the City of Southport deems it advisable to proceed in response to this request for annexation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Southport that:

1. The City Clerk is hereby directed to investigate the sufficiency of the above-described petition and to certify the results of the investigation to the Board of Aldermen.

Adopted this 9th day of July 2026.

_____

Dr. Joseph P. Hatem, Mayor

_____

Tori Deviney, City Clerk

Voluntary Annexation Application

Date: 6-29-26

Property Owner

~~Applicant Name:~~ River Road Funding LLC Phone Number: 716-474-0016

Address: 4956-14 Long Beach Rd Fax Number: —

PMB #324

Southport, NC 28461

Applicant Name

~~Property Owner:~~ Lucinda Arnold Phone Number: 716-474-0016

Address: 4956-14 Long Beach Rd Fax Number: —

PMB #324

Southport, NC 28461

Property Location (Physical Address): 1501 N. Howe St., Southport

Tax ID Number for Property: PID # 221MA03302

Number of Acres: 1.44

Does the property need to be rezoned? Yes

Current Zoning Classification: CO-CLD-C2 Commerical Low Densi

Proposed Zoning Classification: HC - Highway Commercial

The Annexation Application will not be submitted to the City of Southport Board of Aldermen until the City Clerk has received a complete application. The following items **MUST** accompany the application in order for it to be considered complete. Please acknowledge inclusion of each item with a check in the appropriate box, sign, date, and submit to the City Clerk.

- ☑ $150.00 Non-Refundable Fee
- ☑ Electronic Copy of Legal Metes and Bounds Description
- ☑ Map showing property to be annexed. Once approved by the Board, **you must submit a Recordable Mylar with six (6) blue line copies for recordation that should state "Area Annexed by the City of Southport to include date of annexation."**
- ☑ Complete list of ALL property owners

Applicant 6-29-26 Date

City Clerk 7/1/2026 Date

PETITION REQUESTING CONTIGUOUS ANNEXATION

Date: 6-29-26

To the Board of Aldermen of the City of Southport, North Carolina:

1. We the undersigned owners of real property respectfully request that the area described in Paragraph 2 below be annexed to the City of Southport.

2. The area to be annexed is **contiguous** to the City of Southport and the boundaries of such territory are as follows:

(Description of Bounds Required)

3. We acknowledge that any zoning vested rights acquired pursuant to G.S. 160A-385.1 or 153A-344.1 must be declared and identified on this petition. We further acknowledge that failure to declare such rights on this petition shall result in a termination of vested rights previously acquired for the property. (If zoning vested rights are claimed, indicate below and attach proof.)

Name	Address	Do You Declare Vested rights?** Indicate Yes or No	Signature
1. River Road Funding			
2.	4956-14 Long Beach Rd., PMB #324		
3.	Southport, NC 28461		
4.			

Limited Liability Company

Actions

- File an Annual Report/Amend an Annual Report
- Online Filing
- Order a Document Online
- Add Entity to My Email Notification List
- View Filings
- Print a Pre-Populated Annual Report form
- Print an Amended a Annual Report form

Legal name: River Road Funding, LLC

Secretary of State Identification Number (SOSID): 1376080

Status: Current-Active

Citizenship: Domestic

Date formed: 4/29/2014

Registered agent: Lucinda Arnold

Mailing address

4956-14 Old Long Beach Road Pmb 324
Southport, NC 28461-9127

Principal Office address

4956-14 Old Long Beach Road Pmb 324
Southport, NC 28461-9127

Registered Office address

4956-14 Old Long Beach Road Pmb 324
Southport, NC 28461-9127

Registered Mailing address

4956-14 Old Long Beach Road Pmb 324
Southport, NC 28461-9127

Company officials

All LLCs are managed by their managers pursuant to N.C.G.S. 57D-3-20.

- **President**

  Lucinda Diane Arnold , Mrs.

  4956-14 Long Beach Road SE
  Southport NC 28461

Return to top

Other Agencies

NC Gov

State Board of Elections

North Carolina Birth Certificate Information

North Carolina State Bar

North Carolina Department of Commerce

North Carolina Department of Revenue

All North Carolina Government Organizations

Links of Interest

National Association of Secretaries of State

Intellectual Property

NASAA - North American Securities Administrators Association

North Carolina Consular Corps

Secretary of State Disclaimer & Privacy

Hours of Operation Monday - Friday 8:00 am - 5:00 pm

SOSKB
Secretary of State Knowledge Base

North Carolina Secretary of State's Office

Contact Us

919-814-5400 Support Division Directory

Payment Receipt

City of Southport

Email:

LUCINDA ARNOLD
0

PIDN: CR1008
Name: LUCINDA ARNOLD
Muni Code:
MAP:
Location:

Receipt #: 1247
Check #: 1717
Date Paid: 06/30/2026
Date Effective: 06/30/2026
User: ktooley@cityofsouthport.gov
Session: 1610

Payment Method

Check

Line Item Description	Rate Code	Date	Year	Payment
Planning & Zoning	PLAN	06/30/2026	2026	$150.00

Amount Processed: $150.00

Amount Received: $150.00

Thank you for your payment!

City of Southport, NC

Voluntary Annexation of Brunswick County PID#221MA03302

1501 North Howe Street, Southport, NC 28461

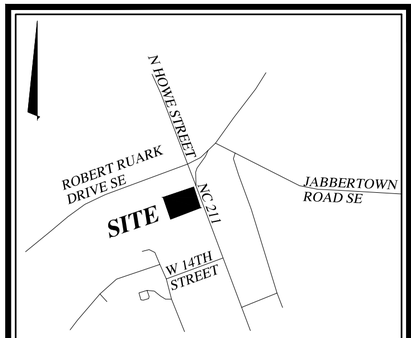
Metes & Bounds Legal Description

All that Tract or Parcel of land situated in the Smithville Township, Brunswick County, North Carolina, and being all of Brunswick County PID#**221MA03302**, as shown on an annexation map of the property described below, and being more particularly described in North Carolina State Plane, Zone 3200 (2011 Adjusted) coordinates, bearings and ground distances in US Survey Feet, as follows:

Commencing at an Iron Rebar Found at the NW corner of PID#221MA032 and NE corner of PID#221MA03202, whose coordinates are N 69,540.472 E 2,295,210.562, the **POINT OF BEGINNING**; thence along the northern line of PID#221MA03202, S68°43'08"W 50.68 feet to an Iron Rebar Found at the SE corner of PID#221MA03303, which is within the Corporate Limits of the City of Southport, thence along the eastern line of PID#221MA03303, N21°34'09"W 171.05 feet to a Mag Mail Found in the parking lot pavement; thence continuing, N22°10'33"W 9.63 feet to a Mag Nail Found in the pavement and at the NW corner of the subject tract, PID#221MA03302; thence along the northern line of the subject tract, N68°23'55"E 343.52 feet to a Mag Nail Set in the pavement on the eastern Right of Way of North Howe Street / NC 211 , a variable width Right of Way; thence along the western Right of Way of North Howe Street / NC 211, S21°28'28"E 149.07 feet to a Mag Nail Set in pavement; thence S68°04'34"W 10.01 feet to a mag Nail Found in the pavement; thence continuing along the western Right of Way of North Howe Street / NC 211, S20°34'35"E 32.74 feet to an Iron Rebar & Cap Set at the SE corner of the subject tract; thence leaving the Right of Way and along the northern line of PID#221MA032 and the southern line of the subject tract, S68°33'54"W 282.11 feet to the **POINT OF BEGINNING**; containing ±61,923 square feet or ±1.422 acres, according to an annexation map signed and sealed by Owen Gidlow, PLS L-4356 and prepared by North Star Surveying, Inc. F-1558, dated 25 June 2026.

NORTH CAROLINA PROFESSIONAL SEAL L-4356 LAND SURVEYOR OWEN D. GIDLOW

25 JUNE 2026



SOUTHPORT, NC
VICINITY MAP (Not to Scale)

SURVEY CERTIFICATE

I, OWEN D. GIDLOW, AS A PROFESSIONAL LAND SURVEYOR IN THE STATE OF NORTH CAROLINA, DO HEREBY CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION COMPLETED ON 25 JUNE 2026 USING THE REFERENCES SHOWN HEREON; THAT THE BOUNDARIES NOT SURVEYED ARE INDICATED AS DASHED LINES, DRAWN FROM INFORMATION FOUND IN THE REFERENCES SHOWN HEREON; THAT THE RATIO OF PRECISION, AS CALCULATED, IS 1 : 10,000 +; THAT THIS MAP WAS PREPARED IN ACCORDANCE WITH NORTH CAROLINA GENERAL STATUTES 47-30, AS AMENDED. WITNESS MY ORIGINAL SIGNATURE & SEAL THIS 25TH DAY OF JUNE, A.D. 2026.

NORTH CAROLINA PROFESSIONAL SEAL L-4356 LAND SURVEYOR OWEN D. GIDLOW

25 JUNE 2026

TYPE OF PLAT

I, OWEN D. GIDLOW, PROFESSIONAL LAND SURVEYOR No. L-4356, CERTIFY TO THE FOLLOWING:

(G.S.47-30§(f)(11),c,1)

THAT THIS IS A SURVEY OF AN EXISTING PARCEL OR PARCELS OF LAND AND DOES NOT CREATE A NEW STREET OR CHANGE AN EXISTING STREET.

25 JUNE 2026
OWEN D. GIDLOW, PROFESSIONAL LAND SURVEYOR No. L-4356

HORIZONTAL & VERTICAL DATUM STATEMENT

THIS SURVEY WAS PERFORMED USING GEOMETRIC COORDINATES BASED UPON THE NORTH AMERICAN DATUM OF 1983 (NAD '83) (2011 ADJUSTMENT) NORTH CAROLINA ZONE 3200 (LAMBERT PROJECTION) COORDINATE SYSTEM AND THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD '88) WITH CORRECTED COORDINATES AND ELEVATIONS, IN US SURVEY FEET, RECEIVED THROUGH THE NORTH CAROLINA "CORS" GPS DATA NETWORK USING SURVEY GRADE GPS RECEIVERS.

NORTH STAR SURVEYING, INC.
NC FIRM-1558

N W E S

NAD '83 (2011 ADJUSTMENT) COORDINATES
NAVD '88 ELEVATIONS
IN US SURVEY FEET

NOTES:

1. *THIS IS A VOLUNTARY ANNEXATION MAP OF BRUNSWICK COUNTY PID#221MA03302 AND IS ZONED BRUNSWICK COUNTY CLD – CZ, COMMERCIAL LOW DENSITY – CONDITIONAL ZONING.*
2. *PID#221MA03302,1501 NORTH HOWE STREET LIES WITHIN ZONE X, ACCORDING TO DFIRM 37202096400 K, EFFECTIVE DATE 8-28-2018.*
3. *THE ANNEXATION AREA OF THE SURVEY FOR PID#221MA03302 IS ±61,923 SQUARE FEET OR ±1.422 ACRES INTO THE CITY OF SOUTHPORT PRIMARY CORPORATE LIMITS.*
4. *AREAS COMPUTED BY COORDINATE GEOMETRY.*
5. *ALL DISTANCES ARE HORIZONTAL GROUND DISTANCES.*

N/F
SOUTHPORT PROPERTY LLC
PID#221MA03301
DEED BOOK 5414 PAGE 360
ZONING: CITY OF SOUTHPORT
HC
HIGHWAY COMMERCIAL

MNS

NORTH HOWE STREET NC 211
VARIABLE WIDTH RIGHT OF WAY
(ASPHALT PAVEMENT)

S21°28'28"E
149.07'

S68°04'34"W
10.01'

MNS

MNF

N68°23'55"E
343.52'

±30' INGRESS EGRESS EASEMENT
DEED BOOK 2046 PAGE 488

N/F
SMVL LLC
PID#221MA033
DEED BOOK 3936 PAGE 152
ZONING: CITY OF SOUTHPORT
HC
HIGHWAY COMMERCIAL

N/F
RIVER ROAD FUNDING LLC
PID#221MA03302
1501 NORTH HOWE STREET NC 211
DEED BOOK 5555 PAGE 290
±61,923 SQUARE FEET OR ±1.422 ACRES
ZONING: BRUNSWICK COUNTY
CLD-CZ
COMMERCIAL LOW DENSITY-
CONDITIONAL ZONING

MNF

N22°10'33"W
9.63'

MNF

N21°34'09"W
171.05'

±33' INGRESS EGRESS EASEMENT
DEED BOOK 1130 PAGE 1147
DEED BOOK 2046 PAGE 488

S20°34'35"E
32.74'

IRCS

S68°33'54"W
282.11'

N/F
SHRI SOUTHPORT
PID#221MA03303
DEED BOOK 4313 PAGE 898
ZONING: CITY OF SOUTHPORT
HC
HIGHWAY COMMERCIAL

±33' INGRESS EGRESS EASEMENT

S68°43'08"W

IRF 50.68' IRF

POINT OF BEGINNING
IRON REBAR FOUND
N 69540.4720 FT
E 2295210.5620 FT
NAD '83 (2011 ADJUSTED)
COORDINATES

N/F
HORSEMINT PARTNERS LLC
PID#221MA032
DEED BOOK 3337 PAGE 1249
ZONING: BRUNSWICK COUNTY
N-C
NEIGHBORHOOD - COMMERCIAL

S68°41'48"W
99.35'

IRF

N/F
A & M ENTERPRISES LLC
PID#221MA03202
DEED BOOK 5249 PAGE 441
ZONING: BRUNSWICK COUNTY
CLD
COMMERCIAL LOW DENSITY

N21°24'08"W
124.77'

TO IRF

THIS SURVEY WAS PERFORMED WITHOUT BENEFIT OF A FULL AND ACCURATE ABSTRACT OF TITLE. ANY INFORMATION THAT MAY BE REVEALED BY A TITLE SEARCH MAY NOT BE SHOWN ON THIS SURVEY.

REFERENCES:

DEED BOOK 5555 PAGE 290
DEED BOOK 3936 PAGE 152
DEED BOOK 4313 PAGE 898
DEED BOOK 5249 PAGE 441
DEED BOOK 3337 PAGE 1249
MAP CABINET 22 PAGE 75
MAP CABINET 36 PAGE 107
BRUNSWICK COUNTY U.D.O.
CITY OF SOUTHPORT ZONING
NC FLOOD RISK INFORMATION SYSTEM FRIS.GOV
BRUNSWICK COUNTY REGISTER OF DEEDS
BRUNSWICK COUNTY GIS
EXISTING PHYSICAL EVIDENCE

VOLUNTARY ANNEXATION MAP FOR:
THE CITY OF SOUTHPORT, NC &
RIVER ROAD FUNDING LLC
PID#221MA03302
1501 NORTH HOWE STREET NC 211
DEED BOOK 5555 PAGE 290
±61,923 SQUARE FEET OR ±1.422 ACRES

GRAPHIC SCALE
30 0 15 30 60
1 Inch = 30 Feet

NORTH STAR SURVEYING, INC. (F-1558)
OWEN GIDLOW, PLS L-4356
15 TOPSAIL COURT
CAROLINA SHORES, NORTH CAROLINA 28467
OFFICE: 910-579-7811
© COPYRIGHT 2026 NORTH STAR SURVEYING, INC.

VOLUNTARY ANNEXATION MAP & BOUNDARY SURVEY
PID#221MA03302
1501 N HOWE STREET NC 211, SOUTHPORT, NC
SMITHVILLE TOWNSHIP CITY OF SOUTHPORT BRUNSWICK COUNTY, NC
SURVEY FOR RIVER ROAD FUNDING, LLC

NO.	DATE	BY

DATE:	SCALE:
25 JUNE 2026	1" = 30'
FIELD:	DRAWN/CADD:
ODG/MDS	ODG

SHEET: 1 OF 1

CAD FILE: ANNEXATION / REZONING SURVEY

PROJECT NO: 26013

C:\0____NORTH STAR SURVEYING PROJECTS\26013 CRAIG MOORE 1501 N HOWE ST VOL ANNEXATION\26013_ANNEX_BOUNDARY_SURVEY_1501_N_HOWE_6-25-2026_SSP.dwg, 6/25/2026 4:39:58 PM, ARCH full bleed C (18.00 x 24.00 Inches), 1:1

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
Accessory Uses											
ACCESSORY STRUCTURES OR USES, GENERAL		PS	PS	PS	PS	PS	PS	PS	PS		3.6.A
ACCESSORY DWELLING, COMMERCIAL					SS	SS	SS	SS	SS		3.6.B
ACCESSORY DWELLING, RESIDENTIAL		SS	SS	SS	SS	SS					3.6.C
CEMETERIES AND MAUSOLEUMS		SS	SS	SS	SS	SS	PS	PS	PS		3.6.D
DOCKS, PIERS, GAZEBOS, BULKEADS, AND LIVING SHORELINES		PS	PS	PS	PS	PS	PS	PS		SS	3.6.E
HOME DAYCARE, ADULT AND CHILD		SS	SS	SS	SS						3.6.F
HOME OCCUPATION		SS	SS	SS	SS						3.6.G
HOMESTAY		PS	PS	PS	PS						3.6.H
MODULAR UNIT					PS	PS	PS	PS	PS		3.6.J
OUTDOOR DISPLAY							PS	PS	PS		3.6.K
OUTDOOR STORAGE								PS	PS		3.6.L
OUTDOOR VENDING MACHINE					PS	PS	PS	PS	PS		3.6.M
PORTABLE STORAGE CONTAINERS		PS	PS	PS	PS	PS	PS	PS	PS		3.6.N
RECREATIONAL VEHICLE OR TRAVEL TRAILER		PS	PS		PS	PS					3.6.O
SELF-SERVICE ICE VENDING MACHINES								SS	SS		3.6.P
SOLAR ENERGY SYSTEMS		PS	PS	PS	PS	PS	PS	PS	PS		3.6.Q
SWIMMING POOLS		PS	PS	PS	PS	PS	PS	PS	PS		3.6.R
TEMPORARY SALES OFFICES		PS	PS	PS	PS	PS	PS	PS	PS		3.6.S
TEMPORARY HEALTHCARE STRUCTURES		PS	PS	PS	PS						3.6.T
Residential Uses											

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
DWELLING, SINGLE-FAMILY		P	P	P	P	P					
DWELLING, TWO-FAMILY (DUPLEX)		S	S	P	P	P					
DWELLING, MULTI-FAMILY				PS	SS	SS					3.7.A
DWELLING, TRIPLEX OR QUADRAPLEX				PS	SS	SS					3.7.B
FAMILY CARE HOME		PS	PS	PS	PS						3.7.C
MANUFACTURED HOME ON SINGLE LOT				PS	PS						3.7.D
MIXED USES					PS	PS	PS	PS			3.7.F
MODULAR HOMES		PS	PS	PS	PS	PS					3.7.G
Nonresidential Uses											
ADULT ESTABLISHMENT									SS		3.8.A
ALCOHOLIC BEVERAGES, PACKAGED, RETAIL SALES							P	P	P		
AUTOMOTIVE, MAJOR								SS	P		3.8.B
AUTOMOTIVE, MINOR							SS	P	P		3.8.B
BED & BREAKFAST	721191	SS	SS	SS	SS	SS	SS	SS	SS		3.8.C
BOTTLE SHOP AND WINE BAR					P		P	P	P		
BUILDING MATERIAL DEALERS	444180							S	P		
BUSINESS,COMMERCIAL, OR OTHER NON-RESIDENTIAL USE NOT ELSEWHERE CLASSIFIED	561					SS	SS	SS	SS		3.8.D
BUS TERMINALS AND RAILROAD STATIONS								P	P		
CHURCHES, SYNAGOGUES & OTHER ASSOC. ACTIVITIES, INCL. OFFICES, ACTIVITY CENTER, ETC.	813110	SS	SS	SS	SS	SS	PS	PS	PS		3.8.E

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
CLUBS OR LODGE	813410	SS	SS		SS		SS	PS	PS		3.8.F
COMMERCIAL PARKING LOTS	812930					SS	SS	SS	PS		3.8.G
COMMERCIAL RECREATION, INDOOR					S		S	P	P		
COMMERCIAL RECREATION, OUTDOOR									P		
CONTRACTORS, EQUIPMENT & SUPPLY DEALERS & SERVICE	811310								P		
CONTRACTORS, HEAVY CONSTRUCTION; GRADING, PAVING, MARINE, ETC.	234										
CULTURAL ARTS CENTER, INCL. THEATERS, OFFICES, CLASSROOMS, ETC.					P	P	P	P	P		
DANCE STUDIOS	611610				P	P	P	P	P		
DAYCARE, ADULT AND CHILD	624120					SS	SS	PS	PS		3.8.H
DIVERS, COMMERCIAL							P	P	P		
DRY CLEANERS	812320				SS		PS	PS	PS		3.8.I
DRY STORAGE									PS		3.8.J
EDUCATIONAL FACILITY		S	S	S	S	P	P	P	P		
ELECTRONIC GAMING OPERATIONS									SS		3.8.K
EXTERMINATING SERVICES	561710						PS	P S	P		3.8.L
FARMERS'S MARKET	445230	SS			SS		SS	PS	PS	SS	3.8.M
FARM MACHINERY SALE AND SERVICE								S	P		
FEED, SEED, AND FERTILIZER SALES, RETAIL								S	P		
FISHING, COMMERCIAL	11411						P	P	P		

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
FLEA MARKET									SS		3.8.N
FRUIT & VEGETABLE MARKET, WHOLESALE WITH INCIDENTAL RETAIL	445230						SS	SS	PS		3.8.O
FUEL & ICE DEALERS	422710							P	P		
FUNERAL HOMES	812210					P	~~P~~	P	P		
GOLF COURSE, PRIVATE OR PUBLIC, W/RELATED SERVICES INCL. PRO SHOP	713910	P	P	P	P						
GOVERNMENT USE, CITY OF SOUTHPORT		P	P	P	P	P	P	P	P	P	
GOVERNMENT USES WITH BUILDINGS, NON-CITY OF SOUTHPORT		SS	SS	SS	SS	SS	SS	SS	SS		3.8.P
GROCERY STORES	445110				P		P	P	P		
HARDWARE, LAWN, OR GARDEN STORE	444130						P	P	P		
HEALTH SERVICES,					P	P	P	P	P		
HELIPAD						SS					3.8.Q
HOSPITALS	622110					P	P	P	P		
HOTEL, MOTEL, OR INN	721110				SS	SS		SS	PS		3.8.R
HOTEL, RESIDENTIAL OR BOUTIQUE					SS	SS	PS	PS	PS		3.8.S
INSTITUTIONAL CARE FACILITY, ADULT									S		
INSTITUTIONAL CARE FACILITY, CHILD HANDICAPPED								S	S		
JAIL	922140								PS		3.8.T
KENNEL	812910								SS		3.8.U
LAUNDRY, INDUSTRIAL	812332	-	-	-	-	-	-	-	P	-	

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
LAUNDRY, COIN-OPERATED								P	P		
LIBRARY	514120				P	P	P	P	P		
LIQUOR STORES	445310						P	P	P		
MANUFACTURED HOME DEALERS	453930								P		
MANUFACTURED HOME (INDIVIDUAL) FOR OFFICE AND/OR EXHIBITION					S	S	S	S	S		
MANUFACTURING, ARTISAN								P	P		
MANUFACTURING, LIMITED									P		
MARINA, COMMERCIAL	713930				PS		PS	PS	PS		3.8.W
MARITIME SALES, RENTAL, AND SERVICE								P	P		
MICROBREWERY AND MICRODISTILLERY							SS	PS	PS		3.8.X
MOBILE VENDOR OR FOOD TRUCK							PS	PS	PS		3.8.Y
MOTOR FREIGHT COMPANIES, MOVERS, VAN LINES, AND STORAGE									P		
MUSEUMS, ART GALLERIES	712110					P	P	P	P		
NIGHTCLUB	722410						SS	SS	SS		3.8.Z
NURSING & PERSONAL CARE FACILITY	623110				SS	SS		SS	PS		3.8.AA
OFFICE, GENERAL					P	P	P	P	P		
PACKAGE DELIVERY SERVICES, COMMERCIAL	492210					SS	SS	SS	PS		3.8.BB
PARKS & RECREATION AREAS, MUNICIPAL	924120	P	P	P	P	P	P	P	P	P	

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
PERSONAL SERVICE ESTABLISHMENT					P	P	P	P	P		
RADIO & TELEVISION STATIONS, STUDIOS, AND OFFICES								PS	PS		3.8.CC
RECREATION FACILITY PRIVATE, INCL. CLUBS & RECREATION FACILITIES ASSOC. WITH MULTIPLE FAMILY COMPLEXES, GOLF COURSES, TENNIS FACILITIES, COUNTRY CLUBS, ETC.		SS	SS	SS	SS	SS	SS	SS	SS		3.8.F
RECREATIONAL VEHICLE PARK									SS		3.8.DD
RESEARCH & DEVELOPMENT						SS	SS		PS		3.8.EE
RESTAURANT, CARRY-OUT	722211				S		P	P	PS		3.8FF
RESTAURANT, STANDARD & FAST-FOOD	722211				S		P	P	PS		3.8FF
RETAIL SALES, MAJOR									P		
RETAIL SALES, MINOR					P		P	P	P		
RETAIL SALES, MODERATE								P	P		
SHOPPING CENTER	233320				SS		SS	PS	PS		3.8.GG
SHOOTING RANGE, INDOOR									PS		3.8.HH
SHORT- TERM VACATION RENTALS					PS		PS	PS			3.8II
STORAGE, SELF-SERVICE									PS		3.8.KK
TATTOO AND PIERCING ESTABLISHMENT									S		
TAXICAB STANDS							SS	PS	PS		3.8.MM
TELEPHONE COMMUNICATION FACILITY, UNATTENDED	513340	SS	SS	SS	SS	SS	SS	SS	SS		3.8.NN

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
TRANSITIONAL HOUSING FACILITIES						S					3.8.OO
US POSTAL SERVICE	491110				P	P	P	P	P		
UTILITY STATIONS & PLANTS (PUBLIC & PRIVATE) INCL. LIFT STATIONS, SUBSTATIONS, ETC.		P	P	P	P	P	P	P	P	P	
VETERINARY SERVICES WITH OPEN PENS	541940								P		
VETERINARY SERVICES WITH PENS ENCLOSED IN A BUILDING	541940							S	P		
WAREHOUSING, GENERAL	493110								PS		3.8.PP
WATER TRANSPORTATION INCL. DOCKS, TUGBOATS, BARGES, AND EXCURSIONS								P	P		
WELDING, REPAIR	811310							P	P		
WIRELESS TELECOMMUNICATION FACILITY OR COMPLEX, FREESTANDING AND SUBSTANTIAL MODIFICATIONS									SS		See Article 7
WIRELESS TELECOMMUNICATION FACILITY, COLLOCATION OR COLLOCATED SMALL/MICRO-WIRELESS FACILITY		PS	PS	PS	PS	PS	PS	PS	PS		See Article 7
YARD SALES		P	P	P	P	P	P	P	P		

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: 08/13/2026 **DEPARTMENT: Development Services**

PRESENTED BY: Maureen Meehan, Planning Services Director

ITEM SPONSORED BY: Development Services Department

ITEM/TOPIC: Public Hearing for Zoning Map Amendment for 140 Sandy Lane from R-20 to HC

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

JUSTIFICATION: A duly advertised public hearing must be held prior to the Board of Aldermen deciding on the proposed amendment. The owner of property located at 140 Sandy Lane has requested a zoning map amendment from R-20 residential to HC commercial. The Planning Board, at their June 18, 2026, meeting voted unanimously to recommend approval of the map amendment to the Board of Aldermen.

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

DEPARTMENT HEAD COMMENTS: The attached proposed Zoning Map Amendment has been reviewed by staff for consistency with the land use plan and surrounding neighborhood. Amending the zoning for the subject property will create a consistent land-use pattern on Sandy Lane that is predominantly commercial. Staff finds the proposal to be reasonable and consistent with the 2050 Comprehensive Plan.

ATTACHMENTS: Staff Report, Consistency Statements

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

PROPOSED MOTION:
1) Motion to open public hearing for the zoning map amendment.

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

STAFF REPORT
CASE NUMBER ZMA-26-01
ZONING MAP AMENDMENT (R-20 – HC)

APPLICATION SUMMARY	
Presentation Date	August 13, 2026 Board of Aldermen
Applicant	Kevin Henry
Property Owner	Louis Levenson
Address	140 Sandy Lane
Parcel ID	22100025
Property Size	.84 acres (~36,590 SF)
Zoning District	R-20
Proposed Zoning District	HC

BACKGROUND

Kevin Henry, applicant, on behalf of the property owner, Louis Levenson, is requesting approval of a zoning map amendment. The request is to rezone property located at 140 Sandy Lane from Rural Residential (R-20) to Highway Commercial (HC). The applicant states that the request is to ensure consistent zoning between the subject lot and the adjacent properties that are also designated as HC.

LOCATION AND SITE CONDITIONS

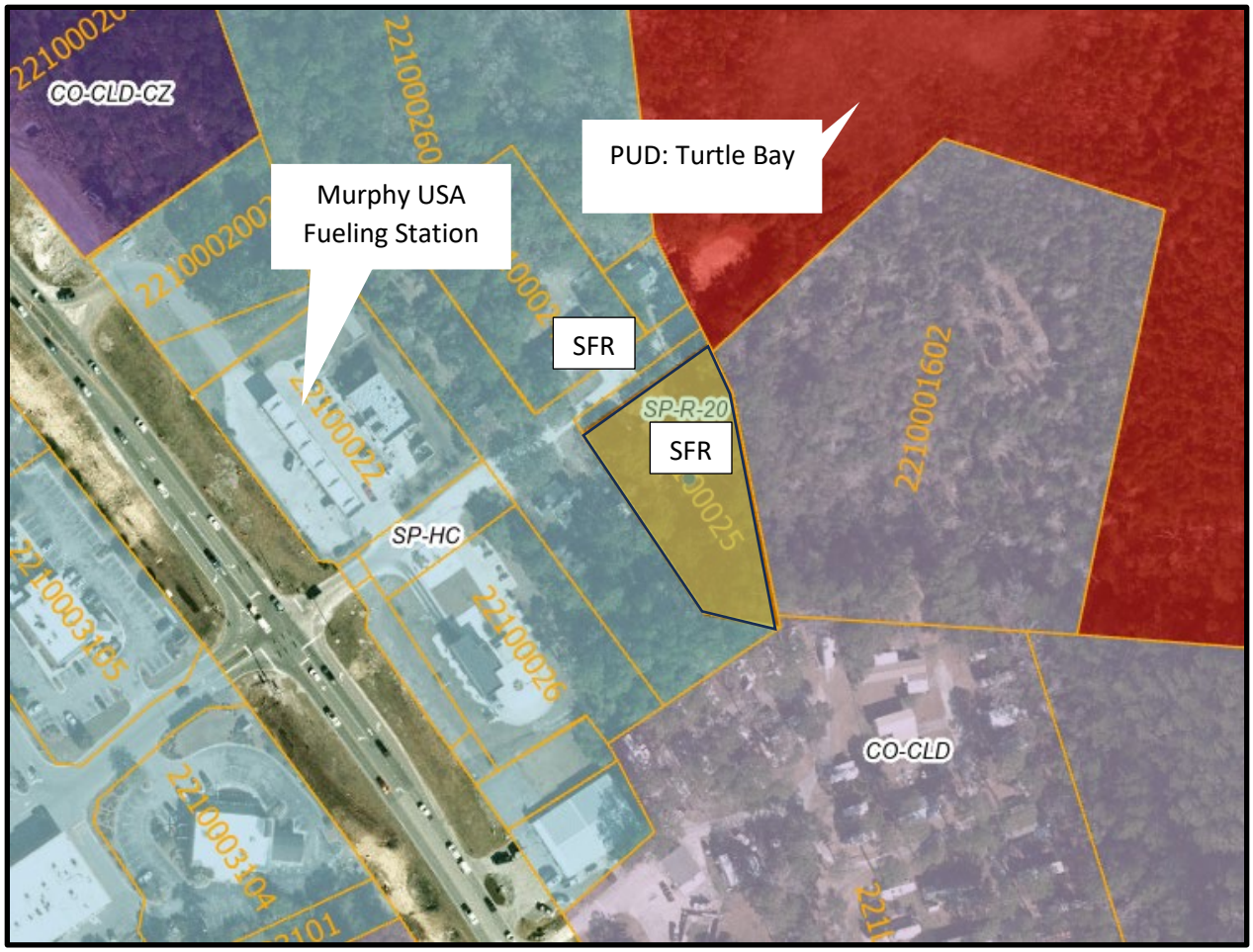
140 Sandy Lane, also identified as parcel number 22100025, is accessible from Highway 211. The property is adjacent to existing commercially zoned properties included the highway commercial corridor found on the future land use map.

The existing use of the lot is single-family residential with a dwelling on site. Since this is a zoning request by the property owner, the creation of a legal nonconforming use is allowable per NCGS 160D-601(d). Public water and sewer services are available through Brunswick County Public Utilities and electric service is available through the City of Southport.

Google Maps Aerial

EXISTING LAND USE & ZONING IN THE AREA

While the subject lot is zoned residential R-20, the primary land use in the immediate area is HC and CO-CLD (Brunswick County's Zoning designation for Commercial Low-Density). North and across the street from the subject lot is a single-family residence within the HC district. To the northeast is a utility pump station and the Turtle Bay Subdivision. East and south are undeveloped commercially zoned county lots. To the west are parcels zoned HC that include Murphy USA fuel station and Ecoshine Autowash.



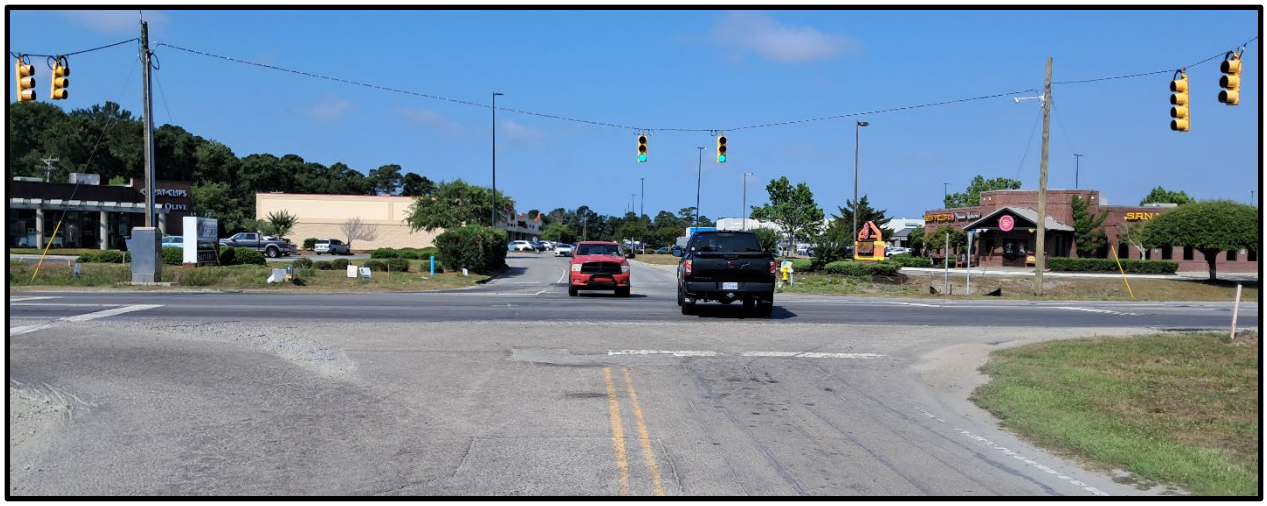
Zoning Map Aerial

140 Sandy Lane

Adjacent SFR (Zoned HC)

Pump Station

Murphy USA



Intersection of Sandy Ln & Hwy 211

A rezoning request does not allow the applicant to provide a proposed project or site plan. Decisions made on the rezoning must consider all permitted uses in the proposed district in relation to land use impacts, the character of the district and suitability for certain uses, and reasonableness for a small parcel change. The HC district permits a broad range of retail, office, service, and commercial uses, whereas the R-20 district primarily permits residential uses and limited institutional uses.

Table 3.1 Table Uses of the Unified Development Ordinance (UDO) is attached to this report and outlines the allowable uses in each zoning district.

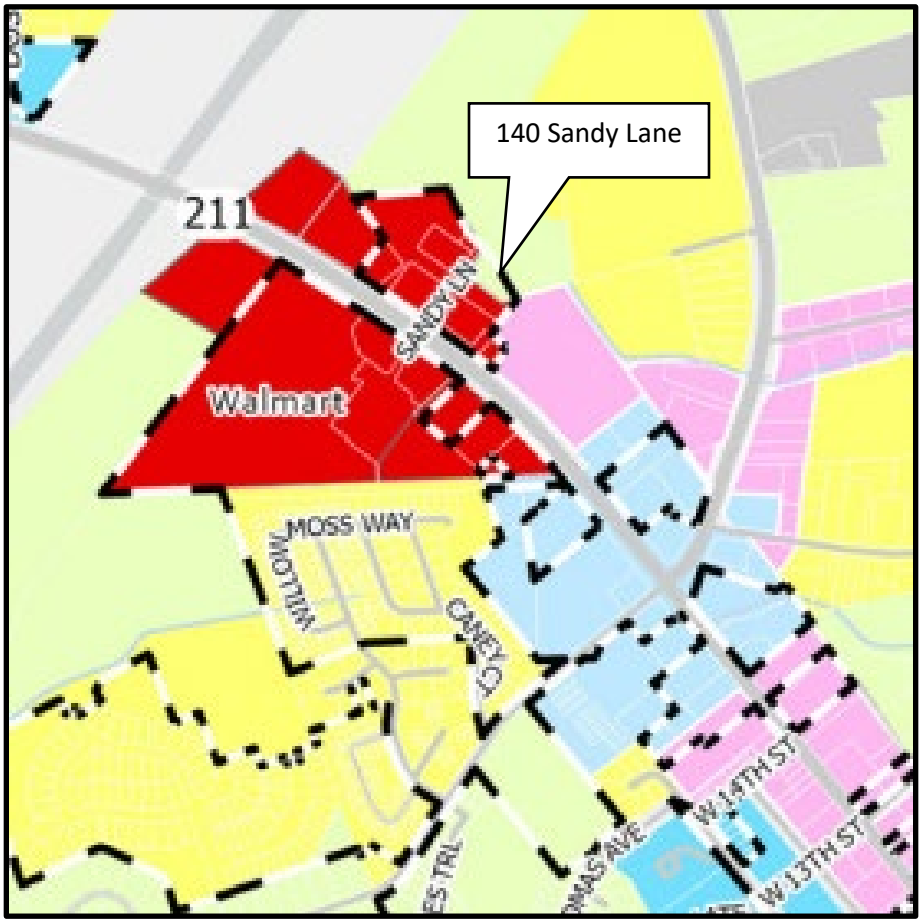
LAND USE PLAN CONSISTENCY

The City of Southport 2050 Comprehensive Plan is the plan that is used for policy decisions in the City. The Board of Aldermen shall consult the plan's policies when considering a zoning change. Further, each rezoning must be recommended and ultimately adopted with a statement describing if the action is consistent or inconsistent with the adopted land use plan.

The Future Land Use Map (FLUM) and character areas represent the community's vision for the future of Southport and is one of the factors used to guide rezoning, land use, infrastructure and development decisions. The FLUM is descriptive, not prescriptive. It identifies predominant land use types and character of future development for different parts inside and outside of Southport's planning jurisdiction. The FLUM should be used as a guide to transition areas into their desired future state.

While the parcel itself is identified as Low Density/Conservation Design, the property is situated at the edge of a larger Highway Commercial character area and is surrounded by commercially zoned properties. The proposed rezoning is more reflective of the existing development pattern than the individual parcel's FLUM designation. If a parcel's designation is not consistent with the

rezoning, the FLUM is updated in conjunction with the zoning map amendment without the need for a subsequent map amendment. The new designation if approved will be Highway Commercial on the FLUM.



Future Land Use Map

Since this is a residential-to-commercial district rezoning request, most specific policies are not applicable. The following policies support the proposed rezoning request.

Policy 7.2 "Support existing small businesses and encourage new businesses."

Policy 7.4 "Pursue a balanced economy and retain and attract young people and families."

Policy 7.5 "Develop an Economic Development Strategy that focuses on improving the tax base."

The proposed HC zoning represents a logical extension of the existing commercial corridor along Highway 211. The subject property is adjacent to commercial zoning and commercial land uses on multiple sides and is located within an area already served by public infrastructure. The rezoning will eliminate an isolated residential zoning designation and create greater consistency between the zoning map and existing development patterns.

PLANNING BOARD RECOMMENDATION

The City of Southport Planning Board recommends **APPROVAL** of the rezoning request from R-20 to HC based on the following findings:

- The proposed rezoning is consistent with the City of Southport 2050 Comprehensive Plan;
- The proposed rezoning is reasonable and in the public interest;
- The proposed rezoning is compatible with surrounding land uses and development patterns; and
- Public infrastructure and services serve the property.

Attachments:

1. Consistency Statement of Approval
2. Consistency Statement of Denial
3. Application
4. Table 3.1 Table of Uses

City of Southport Board of Aldermen
Ordinance 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**:** **ZMA-26-01 Zoning Map Amendment: 140 Sandy Lane from R-20 to HC**

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 map amendment. The amendment is consistent with the City's 2050 Comprehensive Plan, adopted on October 9, 2025, and Certified by the Coastal Resources Commission on January 7, 2026. Specifically, the proposal is consistent with Policy 7.2 "Support existing small businesses and encourage new businesses;", Policy 7.4 "Pursue a balanced economy and retain and attract young people and families;" and Policy 7.5 "Develop an Economic Development Strategy that focuses on improving the tax base." Further, this map amendment is reasonable due to the physical condition and existing land uses of adjacent properties.

NOW THEREFORE, be it ordained 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 August 2026.

Ayes: _____
Noes: _____
Absent or Excused: _____

_____
Dr. Joseph P. Hatem, Mayor

Attest:

_____
Tori Deviney, City Clerk

City of Southport Board of Aldermen
Ordinance 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**:** **ZMA-26-02 Zoning Map Amendment to Rezone 140 Sandy Lane from R-20 to HC**

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 **DENY** the proposed map amendment. The amendment is consistent with the City's 2050 Comprehensive Plan, adopted on October 9, 2025, and Certified by the Coastal Resources Commission on January 8, 2026, although the amendment is unreasonable due to the existing use of the property.

NOW THEREFORE, be it ordained 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 August 2026.

Ayes: _____
Noes: _____
Absent or Excused: _____

_____
Dr. Joseph P. Hatem, Mayor

Attest:

_____
Tori Deviney, City Clerk

Rezoning Application

City of Southport, North Carolina

1029 N. Howe St, Southport NC 28461
www.southportnc.org

Planning & Inspections
Phone 910-457-7961 Fax 910-457-7957

Date: April 22, 2026

FEE: $ $750.00

Permit#: z PIA — _____ Z C — 01 Project Name (If Applicable): Sandy Lane - Southport

A complete application for any amendment shall contain a description of the proposed zoning regulation or zoning map amendment. The application shall state in detail whether the proposed amendment is consistent with CAMA Core Land Use Plan and any other officially adopted plan that is applicable. The application shall also give detailed evidence that the proposed amendment is in the interest and will benefit the general public and not solely be of benefit to the applicant; that the uses within the proposed zoning district are similar or comparable to the uses in the district as currently zoned, or that none of the uses permitted in the proposed zoning district may potentially adversely affect property values or the health, safety, morals, or general welfare of the residents of the surrounding area. Such application shall be filed with the Administrator to be processed in accordance with Section 12-5 of the UDO.

The Planning Board and Board of Aldermen may consider the following when deciding: Impact on neighbors and neighborhood, traffic, environment, utilities, suitability of land, harmony with area, schools, economic impact, tax base increase, spot zoning created, road capacity, adequate infrastructure, community opinion, property values, consistency with the Land Use Plan, future land use map, jobs, public services, buffering requirements, environmental impact, site limitations, and consistency with plans and prior decisions. The Boards cannot consider ethnicity, income, affordable housing, owner vs. renter housing, or who the owner is when deciding.

Petitioner Name: Louis Levenson repped by Kevin Henry

Mailing Address: 4300 Peres Ferry Road **City:** Atlanta

State: GA **Zip Code:** 30339

Phone: (910-232-3238 **Email:** louis@levensonlaw.com
kevin.henry40@gmail.com

Street Address and/or Description of Location: 140 Sandy Lane
Southport, NC

Petitioner Name: Keogh

State:

Parcel ID 1000

Site Acreage: .24 /Acre, QI Number of Lots: 1

Current Zoning District: /3-zD Proposed Zoning District: SP-HC

C:\Users\tlloyd\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\2WJ7BDXA\RezoningApplicationJuly20

If the proposed change would require a change in the zoning map, attach an accurate diagram of the property proposed for rezoning showing:

1. All property lines with dimensions and north arrow.
2. Adjoining streets with rights-of-way and paving widths.
3. The location of all existing structures on the property.
4. The existing land uses associated with the property.
5. The zoning classification of all abutting zoning districts.
6. A list of all abutting property owners.

Future Land Use Map Designation: Town Center Municipality

Is the proposed zoning consistent with the Land Use Plan? (Describe how it is consistent below if so) (Please Circle One): Yes No

Please describe the changing conditions in the area or in the City of Southport that makes the proposed amendment necessary to the promotion of the public health, safety and general welfare, or that identifies an obvious error in the zoning map based upon the zoning classification or current land use of surrounding properties. Also include an explanation on why the proposed zoning is or is not consistent with the Land Use

lan and other adopted plans (Attach separate sheet if necessary)

This request would ensure consistent zoning with 4 parcels owned by applicant on Sandy Lane / 211. The properties to the North, West and South are all Highway Commercial. The existing home on this lot is old and the highest and best use is no doubt commercial, as there are a gas station + car wash on Sandy Lane. This request was deemed reasonable by Southport Planning staff in our previous conversations

Adjacent property owners:

PID: 221000160Z
Delores Yvonne Adams
303 W. 10th St
Southport, NC 28461
Vacant site

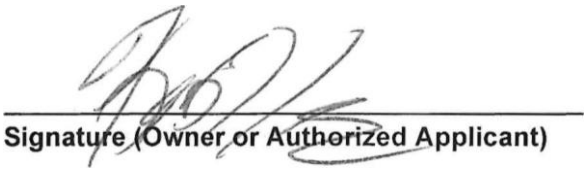
PID: 221LA003
Woodside Properties
1648 N. Howe St
Southport, NC 28461
Single Family / Mobile Home

Plan
and other adopted plans (Attach separate sheet if necessary)

C:\Users\tlloyd\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\2WJ7BDXA\RezoningApplicationJuly20

Rezoning Fees as of July 1, 2018	
Rezoning: Less than 3 Acres	$500.00
Rezoning:3.01-6.00 Acres	$1,000.00
Rezoning: 6.01 + Acres	$1,000.00 + $100/acre

In filing this Rezoning Petition, I hereby certify that I am authorized to submit this application and that all of the information presented in this application is accurate to the best of my knowledge, information, and belief.



Signature (Owner or Authorized Applicant)

4-22-26

Date

C:\Users\tlloyd\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\2WJ7BDXA\RezoningApplicationJuly20

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
Accessory Uses											
ACCESSORY STRUCTURES OR USES, GENERAL		PS	PS	PS	PS	PS	PS	PS	PS		3.6.A
ACCESSORY DWELLING, COMMERCIAL					SS	SS	SS	SS	SS		3.6.B
ACCESSORY DWELLING, RESIDENTIAL		SS	SS	SS	SS	SS					3.6.C
CEMETERIES AND MAUSOLEUMS		SS	SS	SS	SS	SS	PS	PS	PS		3.6.D
DOCKS, PIERS, GAZEBOS, BULKEADS, AND LIVING SHORELINES		PS	PS	PS	PS	PS	PS	PS		SS	3.6.E
HOME DAYCARE, ADULT AND CHILD		SS	SS	SS	SS						3.6.F
HOME OCCUPATION		SS	SS	SS	SS						3.6.G
HOMESTAY		PS	PS	PS	PS						3.6.H
MOBILE VENDOR OR FOOD TRUCK					PS	PS	PS	PS	PS		3.6.I
MODULAR UNIT					PS	PS	PS	PS	PS		3.6.J
OUTDOOR DISPLAY							PS	PS	PS		3.6.K
OUTDOOR STORAGE								PS	PS		3.6.L
OUTDOOR VENDING MACHINE					PS	PS	PS	PS	PS		3.6.M
PORTABLE STORAGE CONTAINERS		PS	PS	PS	PS	PS	PS	PS	PS		3.6.N
RECREATIONAL VEHICLE OR TRAVEL TRAILER		PS	PS		PS	PS					3.6.O
SELF-SERVICE ICE VENDING MACHINES								SS	SS		3.6.P
SOLAR ENERGY SYSTEMS		PS	PS	PS	PS	PS	PS	PS	PS		3.6.Q
SWIMMING POOLS		PS	PS	PS	PS	PS	PS	PS	PS		3.6.R
TEMPORARY SALES OFFICES		PS	PS	PS	PS	PS	PS	PS	PS		3.6.S
TEMPORARY HEALTHCARE STRUCTURES		PS	PS	PS	PS						3.6.T

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
Residential Uses											
DWELLING, SINGLE-FAMILY		P	P	P	P	P					
DWELLING, TWO-FAMILY (DUPLEX)		S	S	P	P	P					
DWELLING, MULTI-FAMILY				PS	SS	SS					3.7.A
DWELLING, TRIPLEX OR QUADRAPLEX				PS	SS	SS					3.7.B
FAMILY CARE HOME		PS	PS	PS	PS						3.7.C
MANUFACTURED HOME ON SINGLE LOT				PS	PS						3.7.D
MIXED USES					PS	PS	PS	PS			3.7.F
MODULAR HOMES		PS	PS	PS	PS	PS					3.7.G
Nonresidential Uses											
ADULT ESTABLISHMENT									SS		3.8.A
ALCOHOLIC BEVERAGES, PACKAGED, RETAIL SALES							P	P	P		
AUTOMOTIVE, MAJOR								SS	P		3.8.B
AUTOMOTIVE, MINOR							SS	P	P		3.8.B
BED & BREAKFAST	721191	SS	SS	SS	SS	SS	SS	SS	SS		3.8.C
BOTTLE SHOP AND WINE BAR					P		P	P	P		
BUILDING MATERIAL DEALERS	444180							S	P		
BUSINESS,COMMERCIAL, OR OTHER NON-RESIDENTIAL USE NOT ELSEWHERE CLASSIFIED	561					SS	SS	SS	SS		3.8.D
BUS TERMINALS AND RAILROAD STATIONS								P	P		

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
CHURCHES, SYNAGOGUES & OTHER ASSOC. ACTIVITIES, INCL. OFFICES, ACTIVITY CENTER, ETC.	813110	SS	SS	SS	SS	SS	PS	PS	PS		3.8.E
CLUBS OR LODGE	813410	SS	SS		SS		SS	PS	PS		3.8.F
COMMERCIAL PARKING LOTS	812930					SS	SS	SS	PS		3.8.G
COMMERCIAL RECREATION, INDOOR					S		S	P	P		
COMMERCIAL RECREATION, OUTDOOR									P		
CONTRACTORS, EQUIPMENT & SUPPLY DEALERS & SERVICE	811310								P		
CONTRACTORS, HEAVY CONSTRUCTION; GRADING, PAVING, MARINE, ETC.	234										
CULTURAL ARTS CENTER, INCL. THEATERS, OFFICES, CLASSROOMS, ETC.					P	P	P	P	P		
DANCE STUDIOS	611610				P	P	P	P	P		
DAYCARE, ADULT AND CHILD	624120					SS	SS	PS	PS		3.8.H
DIVERS, COMMERCIAL							P	P	P		
DRY CLEANERS	812320				SS		PS	PS	PS		3.8.I
DRY STORAGE									PS		3.8.J
EDUCATIONAL FACILITY		S	S	S	S	P	P	P	P		
ELECTRONIC GAMING OPERATIONS									SS		3.8.K
EXTERMINATING SERVICES	561710						PS	P S	P		3.8.L
FARMERS'S MARKET	445230	SS			SS		SS	PS	PS	SS	3.8.M
FARM MACHINERY SALE AND SERVICE								S	P		

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
FEED, SEED, AND FERTILIZER SALES, RETAIL								S	P		
FISHING, COMMERCIAL	11411						P	P	P		
FLEA MARKET									SS		3.8.N
FRUIT & VEGETABLE MARKET, WHOLESALE WITH INCIDENTAL RETAIL	445230						SS	SS	PS		3.8.O
FUEL & ICE DEALERS	422710							P	P		
FUNERAL HOMES	812210					P	~~P~~	P	P		
GOLF COURSE, PRIVATE OR PUBLIC, W/RELATED SERVICES INCL. PRO SHOP	713910	P	P	P	P						
GOVERNMENT USE, CITY OF SOUTHPORT		P	P	P	P	P	P	P	P	P	
GOVERNMENT USES WITH BUILDINGS, NON-CITY OF SOUTHPORT		SS	SS	SS	SS	SS	SS	SS	SS		3.8.P
GROCERY STORES	445110				P		P	P	P		
HARDWARE, LAWN, OR GARDEN STORE	444130						P	P	P		
HEALTH SERVICES,					P	P	P	P	P		
HELIPAD						SS					3.8.Q
HOSPITALS	622110					P	P	P	P		
HOTEL, MOTEL, OR INN	721110				SS	SS		SS	PS		3.8.R
HOTEL, RESIDENTIAL OR BOUTIQUE					SS	SS	PS	PS	PS		3.8.S
INSTITUTIONAL CARE FACILITY, ADULT									S		
INSTITUTIONAL CARE FACILITY, CHILD HANDICAPPED								S	S		
JAIL	922140								PS		3.8.T

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
KENNEL	812910								SS		3.8.U
LAUNDRY, INDUSTRIAL	812332	-	-	-	-	-	-	-	P	-	
LAUNDRY, COIN-OPERATED								P	P		
LIBRARY	514120				P	P	P	P	P		
LIQUOR STORES	445310						P	P	P		
MANUFACTURED HOME DEALERS	453930								P		
MANUFACTURED HOME (INDIVIDUAL) FOR OFFICE AND/OR EXHIBITION					S	S	S	S	S		
MANUFACTURING, ARTISAN								P	P		
MANUFACTURING, LIMITED									P		
MARINA, COMMERCIAL	713930				PS		PS	PS	PS		3.8.W
MARITIME SALES, RENTAL, AND SERVICE								P	P		
MICROBREWERY AND MICRODISTILLERY							SS	PS	PS		3.8.X
MOTOR FREIGHT COMPANIES, MOVERS, VAN LINES, AND STORAGE									P		
MUSEUMS, ART GALLERIES	712110					P	P	P	P		
NIGHTCLUB	722410						SS	SS	SS		3.8.Z
NURSING & PERSONAL CARE FACILITY	623110				SS	SS		SS	PS		3.8.AA
OFFICE, GENERAL					P	P	P	P	P		
PACKAGE DELIVERY SERVICES, COMMERCIAL	492210					SS	SS	SS	PS		3.8.BB
PARKS & RECREATION AREAS, MUNICIPAL	924120	P	P	P	P	P	P	P	P	P	

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
PERSONAL SERVICE ESTABLISHMENT					P	P	P	P	P		
RADIO & TELEVISION STATIONS, STUDIOS, AND OFFICES								PS	PS		3.8.CC
RECREATION FACILITY PRIVATE, INCL. CLUBS & RECREATION FACILITIES ASSOC. WITH MULTIPLE FAMILY COMPLEXES, GOLF COURSES, TENNIS FACILITIES, COUNTRY CLUBS, ETC.		SS	SS	SS	SS	SS	SS	SS	SS		3.8.F
RECREATIONAL VEHICLE PARK									SS		3.8.DD
RESEARCH & DEVELOPMENT						SS	SS		PS		3.8.EE
RESTAURANT, CARRY-OUT	722211				S		P	P	PS		3.8FF
RESTAURANT, STANDARD & FAST-FOOD	722211				S		P	P	PS		3.8FF
RETAIL SALES, MAJOR									P		
RETAIL SALES, MINOR					P		P	P	P		
RETAIL SALES, MODERATE								P	P		
SHOPPING CENTER	233320				SS		SS	PS	PS		3.8.GG
SHOOTING RANGE, INDOOR									PS		3.8.HH
SHORT- TERM VACATION RENTALS					PS		PS	PS			3.8II
STORAGE, SELF-SERVICE									PS		3.8.KK
TATTOO AND PIERCING ESTABLISHMENT									S		
TAXICAB STANDS							SS	PS	PS		3.8.MM
TELEPHONE COMMUNICATION FACILITY, UNATTENDED	513340	SS	SS	SS	SS	SS	SS	SS	SS		3.8.NN

Table 3.1: Table of Uses	Use Standard										
Uses	ICS	R-10	R-20	MF	PUD	O-I	CBD	BD	HC	OS	Section #
TRANSITIONAL HOUSING FACILITIES						S					3.8.OO
US POSTAL SERVICE	491110				P	P	P	P	P		
UTILITY STATIONS & PLANTS (PUBLIC & PRIVATE) INCL. LIFT STATIONS, SUBSTATIONS, ETC.		P	P	P	P	P	P	P	P	P	
VETERINARY SERVICES WITH OPEN PENS	541940								P		
VETERINARY SERVICES WITH PENS ENCLOSED IN A BUILDING	541940							S	P		
WAREHOUSING, GENERAL	493110								PS		3.8.PP
WATER TRANSPORTATION INCL. DOCKS, TUGBOATS, BARGES, AND EXCURSIONS								P	P		
WELDING, REPAIR	811310							P	P		
WIRELESS TELECOMMUNICATION FACILITY OR COMPLEX, FREESTANDING AND SUBSTANTIAL MODIFICATIONS									SS		See Article 7
WIRELESS TELECOMMUNICATION FACILITY, COLLOCATION OR COLLOCATED SMALL/MICRO-WIRELESS FACILITY		PS	PS	PS	PS	PS	PS	PS	PS		See Article 7
YARD SALES		P	P	P	P	P	P	P	P		

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: 08/13/2026 **DEPARTMENT: Planning Services**

PRESENTED BY: Maureen Meehan, Planning Services Director

ITEM SPONSORED BY: Planning Services

ITEM/TOPIC: Final Plat – Turtle Bay Subdivision

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

JUSTIFICATION: In accordance with the Unified Development Ordinance and the adopted major subdivision process, Turtle Bay Subdivision is requesting Final Plat approval.

IMPACT IF NOT APPROVED: A Final Plat is an administrative approval. If all applicable standards of the UDO and preliminary plat are met or conditionally met, the final plat should be approved. If not approved, the applicant can reapply for Final Plat or appeal to Superior Court.

DEPARTMENT HEAD COMMENTS: The Preliminary Plat for this project was approved in 2024. The applicant has installed the streets, stormwater system, mail kiosk, and common-area multi-use path. The remaining multi-use path segments adjacent to individual lots are being completed, and the applicant is requesting conditional approval of the final plat to allow its recording while the path is being completed. The required improvements that are complete conform to all applicable standards. The multi-use path under construction is being built to the required standards and will be signed off by the design engineer upon completion. Staff supports the request for conditional approval.

CITY MANAGER COMMENTS: Staff recommends approval of the final plat consistent with the attached motion. Approval will allow the project to move forward while ensuring compliance with the City's UDO requirements.

ATTACHMENTS: Memorandum, Final Plat Application, Final Plat

REQUESTED ACTION: Conditional Approval of the Final Plat for Turtle Bay Subdivision.

PROPOSED MOTION: A motion to **approve** the Final Plat of Turtle Bay Subdivision, based on conformance with the previously approved Preliminary Plat and with the applicable standards of the City of Southport Unified Development Ordinance, with the following conditions:

1. The multi-use pathway will be completed within 60 days of the approval of the final plat. In the event the walkway is not complete within the promised time frame, no building permits will be issued until completion and certification of installation. Staff will monitor the installation of the pathway to ensure completion within the set timeframe.

2. Building permits for lots 83, 85, and 94 will be the only permits allowed to be issued prior to completion of the pathway. Certificates of occupancy for building permits issued after recordation of the final plat will not be issued if the pathway network is not complete.

MEMORANDUM

To: Mayor Joseph P. Hatem, Members of the Board of Aldermen
From: Maureen Meehan, Planning Services Director
Date: August 13, 2026
Re: Major Subdivision Final Plat, Turtle Bay

Project Request and Overview

Terrance Ando, on behalf of the owners of Turtle Bay at Southport, requests Final Plat approval for Turtle Bay Subdivision. The properties are on newly constructed private streets off River Road SE/NC Highway 87.

The property is zoned PUD and is consistent with the development plans previously approved by the Board in 2024, as well as the approved Preliminary Plat. Construction of homes on these lots will require the submittal and approval of all applicable building and trade permits and shall be subject to any relevant building permit fees. Additionally, staff will review each home permit to ensure its conformance to the Master Land Use Plan and Unified Development Ordinance including setbacks, height, tree removal and mitigation, and all other development requirements.

Tree mitigation is required for regulated live oak trees removed in the 'tree removal zone,' which includes the areas that must be cleared for utility, infrastructure, and drainage needs. Individual lots have not been cleared, and mitigation will be calculated for each lot as they are developed. Twenty-seven inches of mitigation are required for the tree removal zones. Over 200 inches of mitigation have been installed at the main entrance and mail kiosk area. There are four live oak trees, nine Nellie Stevens holly trees, twelve sabal palms, and fifteen dwarf palmettos at the main entrance and three dwarf palmettos planted at the mail kiosk. In addition, at the time of development, three native trees will be planted per lot along with any required mitigation.

The developer has installed the required street, stormwater, lighting, and community amenity improvements. Per City Engineer Tom Zilinek, since the request is for private dedication of the roads and infrastructure, a walkthrough is not required. A certification from the design engineer is provided to ensure that all improvements are installed in accordance with the plans and specifications. The applicant's submission of as-builts and test results is sufficient to support the conclusion that the street and stormwater improvements are installed. Water and sewer infrastructure is under the purview of Brunswick County and approved by the county's engineering department.

Instead of sidewalks on both sides of the street, the developer chose, per Section 4.11 of the UDO, to include a connected multi-use path along one side of the street connecting to recreation and open space areas. The common area and open-space paths are complete. The pathway adjacent to individual lots is in the final stages. The complete pathway network will be finalized within sixty (60) days.

The applicant is requesting approval of the final plat, with the good-faith belief that the pathways are currently being installed. In addition, the applicant has requested that conditions of the approval include: 1) the pathway will be complete within 60 days of the approval of the final plat, 2) that lots 83, 85, and 94 will be the only building permits issued before the completion of the pathway, and 3) no certificates of occupancy will be issued if the pathway is not complete.

Staff Recommendation
Staff recommend a motion to **approve** the Final Plat of Turtle Bay subdivision, based on conformance with the previously approved Preliminary Plat and with the applicable standards of the City of Southport Unified Development Ordinance, with the following conditions:

1. The multi-use pathway will be completed within 60 days of the approval of the final plat. In the event the walkway is not complete within the promised time frame, no building permits will be issued until completion and certification of installation. Staff will monitor the installation of the pathway to ensure completion within the set timeframe.

2. Building permits for lots 83, 85, and 94 will be the only permits allowed to be issued prior to completion of the pathway. Certificates of occupancy will not be issued if the pathway network is not complete.

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N 25°36'08" W	28.15'
L2	N 28°20'29" W	30.46'
L3	N 27°01'51" W	82.95'
L4	N 12°22'48" W	3.54'
L5	N 27°29'18" W	35.17'
L6	N 16°44'30" W	36.74'
L7	N 34°01'42" W	38.70'
L8	N 17°27'25" W	48.35'
L9	N 20°25'06" W	31.88'
L10	N 45°30'20" W	32.39'
L11	N 40°23'37" W	36.42'
L12	N 45°28'05" W	30.64'
L13	N 35°06'25" W	22.62'
L14	N 02°34'28" W	35.36'
L15	N 32°57'10" W	29.77'
L16	S 67°18'01" W	39.38'
L17	N 59°16'42" W	40.02'
L18	S 86°21'57" W	41.79'
L19	N 72°14'09" W	34.14'
L20	S 80°54'36" W	38.42'
L21	N 73°23'42" E	2.00'
L22	S 65°01'49" W	24.00'
L23	S 61°37'10" W	13.13'
L24	N 08°38'13" E	13.12'
L25	N 05°18'24" E	24.42'
L26	N 85°52'07" W	8.36'
L27	S 45°37'12" W	19.30'
L28	S 70°23'04" W	21.39'
L29	S 81°35'38" W	28.88'
L30	S 23°46'06" E	13.77'
L31	S 72°18'42" E	71.19'
L32	N 25°06'33" E	27.38'
L33	N 11°49'11" E	29.47'
L34	N 63°38'47" W	4.54'
L35	S 73°41'05" E	105.24'
L36	S 58°02'38" E	31.35'
L37	S 44°43'30" E	28.19'
L38	S 81°54'25" E	29.61'
L39	N 61°09'15" E	19.12'
L40	S 70°09'39" E	25.46'
L41	N 10°04'25" E	18.75'
L42	N 24°50'26" W	19.87'
L43	N 31°38'31" W	39.18'
L44	N 16°52'36" E	26.77'
L45	N 87°13'54" W	10.37'
L46	N 02°46'06" E	25.00'
L47	N 02°46'06" E	25.00'
L48	S 87°13'54" E	31.00'
L49	N 02°46'06" E	28.00'
L50	S 87°13'54" E	50.00'
L51	S 02°46'06" W	28.00'
L52	S 38°38'46" W	25.97'
L53	S 12°56'06" W	38.77'
L54	S 18°00'38" W	18.49'
L55	S 55°58'29" E	18.71'
L56	N 65°37'48" E	31.79'
L57	S 66°55'31" E	31.11'
L58	S 35°50'03" E	20.49'
L59	S 41°25'40" W	13.08'
L60	S 15°51'35" W	37.16'
L61	S 06°23'24" E	31.08'
L62	S 87°13'54" E	9.81'
L63	S 02°46'06" W	21.95'
L64	S 25°09'14" E	23.38'
L65	S 65°41'58" E	6.50'
L66	S 84°27'55" E	0.73'
L67	S 73°25'30" E	25.09'

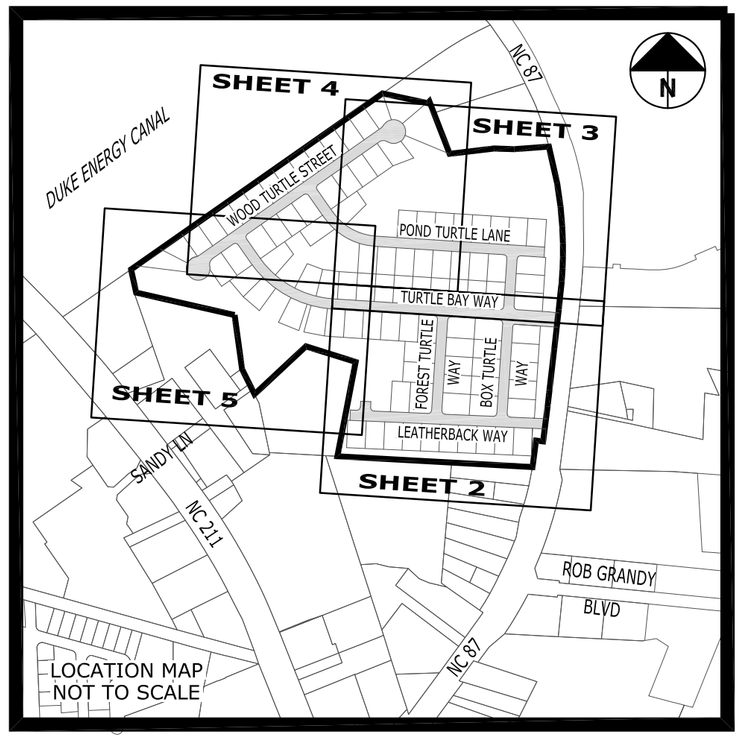
LINE TABLE		
LINE	BEARING	DISTANCE
L68	S 03°56'02" W	25.00'
L69	S 03°56'02" W	25.00'
L70	S 86°03'58" E	8.50'
L71	S 86°22'01" E	45.80'
L72	N 83°19'06" W	55.44'
L73	S 39°41'18" W	59.09'
L74	S 20°34'03" W	5.53'
L75	S 08°18'14" W	58.53'
L76	S 20°37'53" W	3.40'
L77	S 73°01'04" W	17.29'
L78	N 15°14'40" W	5.49'
L79	N 03°31'53" E	59.13'
L80	N 67°48'03" W	81.25'
L81	N 78°24'53" W	20.71'
L82	S 70°01'41" W	21.31'
L83	S 41°36'01" W	77.23'
L84	S 44°37'58" W	30.02'
L85	S 35°57'18" W	60.84'
L86	S 40°19'23" W	28.92'
L87	S 81°01'00" W	52.26'
L88	S 87°13'54" E	17.47'
L89	S 87°13'54" E	32.03'
L90	N 07°11'26" E	16.53'
L91	N 02°20'13" E	84.60'
L92	N 00°37'04" E	43.07'
L93	N 62°30'14" E	20.04'
L94	N 32°44'29" E	84.94'
L95	N 79°38'08" E	35.76'
L96	N 81°48'25" E	101.09'
L97	N 79°18'35" E	3.32'
L98	N 84°04'20" E	210.12'
L99	N 81°29'09" E	148.03'
L100	S 07°18'50" E	223.56'
L101	N 85°18'01" W	448.92'
L102	N 86°03'58" W	271.12'
L103	N 81°55'26" W	11.91'
L104	N 54°44'51" E	78.22'
L105	S 84°39'18" W	59.68'
L106	S 71°34'40" W	73.18'
L107	S 86°25'52" W	58.67'
L108	N 87°29'41" W	64.26'
L109	N 80°42'06" W	33.22'
L110	S 73°25'05" W	25.96'
L111	S 74°20'57" W	76.41'
L112	S 84°50'52" W	31.41'
L113	S 88°51'32" W	59.22'
L114	S 45°42'07" W	43.81'
L115	S 89°21'29" W	62.20'
L116	S 66°45'56" W	85.09'
L117	S 58°34'48" W	56.07'
L118	S 65°13'51" W	81.41'
L119	N 42°31'06" E	96.39'
L120	N 56°44'33" E	63.26'
L121	N 33°20'57" E	19.58'
L122	N 15°25'37" W	20.30'
L123	S 88°40'21" E	66.30'
L124	N 60°58'03" E	51.53'
L125	N 60°58'03" E	8.36'
L126	N 81°21'10" E	28.65'
L127	N 25°42'57" W	24.00'
L128	N 03°56'02" E	14.00'
L129	S 03°08'50" E	82.06'
L130	S 75°50'23" W	15.51'
L131	S 14°09'37" E	30.00'
L132	S 75°50'23" W	15.00'
L133	S 15°13'04" E	33.61'
L134	S 03°37'49" W	32.58'

CURVE TABLE			
CURVE	RADIUS	CHORD BEARING	CHORD LENGTH
C1	17.00'	N 41°38'56" W	24.28'
C2	10.00'	N 48°55'43" E	14.14'
C3	17.00'	S 41°03'58" E	24.04'
C4	17.00'	S 48°21'04" W	23.80'
C5	17.00'	N 41°38'56" W	24.28'
C6	17.00'	N 48°56'02" E	24.04'
C7	17.00'	N 47°46'06" E	24.04'
C8	17.00'	S 42°13'54" E	24.04'
C9	17.00'	N 48°21'04" E	23.80'
C10	17.00'	N 41°03'58" W	24.04'
C11	525.00'	N 73°25'30" W	19.99'
C12	525.00'	N 35°17'45" W	9.49'
C13	17.00'	N 79°46'41" W	24.04'
C14	35.00'	S 21°24'08" W	38.96'
C15	57.00'	S 03°03'10" E	18.55'
C16	57.00'	S 56°58'54" W	88.18'
C17	57.00'	N 62°06'01" W	20.28'
C18	57.00'	N 34°13'42" W	34.51'
C19	59.00'	N 05°17'06" E	43.99'
C20	59.00'	N 55°05'47" E	55.25'
C21	19.00'	N 78°11'12" E	3.20'
C22	19.00'	N 64°17'19" E	5.99'
C23	10.00'	S 87°41'49" W	15.39'
C24	68.01'	N 33°29'09" W	20.14'
C25	5.02'	S 18°05'48" W	6.89'
C26	109.96'	S 56°17'18" E	102.97'
C27	4.99'	N 52°14'24" E	6.89'
C28	10.00'	N 32°07'05" W	15.37'
C29	15.00'	N 40°56'44" E	7.40'
C30	59.00'	N 53°25'44" E	53.30'

CURVE TABLE			
CURVE	RADIUS	CHORD BEARING	CHORD LENGTH
C31	59.00'	S 71°16'08" E	56.22'
C32	59.00'	S 12°35'59" E	59.39'
C33	59.00'	S 35°03'48" W	35.38'
C34	57.00'	S 87°41'07" W	65.67'
C35	35.00'	S 89°02'30" W	38.96'
C36	17.00'	S 10°13'19" W	24.04'
C37	15.00'	N 41°03'46" W	21.21'
C38	17.00'	N 48°56'02" E	24.04'
C39	17.00'	N 48°56'02" E	24.04'
C40	17.00'	N 41°03'58" W	24.04'
C41	325.00'	N 70°28'54" W	24.73'
C42	17.00'	N 79°46'41" W	24.04'
C43	17.00'	S 10°13'19" W	24.04'
C44	475.00'	S 35°13'47" E	7.49'
C45	475.00'	S 50°58'35" E	37.24'
C46	475.00'	S 57°50'10" E	76.40'
C47	737.95'	N 38°36'38" E	150.92'
C48	382.77'	N 57°06'50" E	235.49'
C49	49.96'	S 48°54'12" E	64.35'
C50	31.31'	S 34°04'42" W	45.41'
C51	31.54'	N 14°37'09" W	53.39'
C52	85.47'	S 25°20'58" E	61.08'

LEGEND

- PROPERTY LINE
- ADJOINERS LINE
- CENTER LINE
- RIGHT OF WAY
- EASEMENT
- SETBACK
- 25' PERIPHERY BUFFER
- "404" WETLAND
- PASSIVE RECREATION
- ACTIVE RECREATION
- 25 — LOT NUMBER
- CA-5 — COMMON AREA
- CP — COMPUTED POINT
- RW-DISC — RIGHT OF WAY MONUMENT w/DISC
- EIP — EXISTING IRON PIPE
- EIPP — EXISTING IRON PIPE PINCHED
- EIR — EXISTING IRON ROD
- NIRS — NEW IRON ROD SET
- NMSS — NEW MAGNETIC SPIKE SET
- X — NEW "X" MARK IN CONCRETE
- R= — RADIUS
- CH= — CHORD
- M.C., PG. — MAP CABINET, PAGE
- OHW — OVERHEAD WIRE(S)
- EXISTING GUY WIRES
- PP — EXISTING POWER POLE
- SSMH — SANITARY SEWER MANHOLE



GENERAL NOTES:
1) PARCEL ID: 22100017
2) ADDRESS: 8675 RIVER ROAD SE, SOUTHPORT
3) ALL DISTANCES SHOWN ARE HORIZONTAL GROUND MEASURED IN FEET UNLESS OTHERWISE NOTED.
4) THIS MAP WAS DRAWN WITHOUT THE BENEFIT OF A COMPLETE TITLE SEARCH. THE OWNERSHIP INFORMATION WAS OBTAINED FROM THE TAX RECORDS OF THE COUNTY REGISTRY.
5) AREAS COMPUTED BY COORDINATE METHOD.
6) PROPERTY ZONE: SP-PUD.
7) NCGS MILLER NOT FOUND - BELIEVED TO HAVE BEEN DESTROYED BY CONSTRUCTION.
8) IRON RODS SET AT ALL LOT CORNERS UNLESS OTHERWISE NOTED
9) THE SUBDIVISION IS NOT WITHIN A FLOOD HAZARD AREA ACCORDING TO THE FLOOD INSURANCE RATE MAP OF THE CITY OF SOUTHPORT, BRUNSWICK COUNTY, NORTH CAROLINA (COMMUNITY PANEL No. 370028-2097-K; EFFECTIVE 08/28/2018)
10) OPERATION AND MAINTENANCE AGREEMENT FOR TURTLE BAY AT SOUTHPORT RECORDED IN D.B. 5494, PG. 667. BRUNSWICK COUNTY REGISTRY.
11) THERE IS A 10' UTILITY ALONG THE FRONT OF ALL LOTS

SITE DATA

TOTAL AREA = 54.09 ACRES
- ROADS = 7.74 Acres
- PARKING = 0.10 Acres
- WETLAND = 1.45 Acres
- POND = 3.82 Acres
- OPEN SPACE = 12.24 Acres
- LOTS = 28.74 Acres

BUILDING SETBACKS
FRONT = 10'
REAR = 15'
REAR PERIPHERY = 25'
SIDE = 8'

OPEN SPACE
REQUIRED = 20% OF TRACT AREA EXCLUDING WETLANDS
54.09 Acres - 1.45 Acres = 52.64 Acres x 20% = 10.53 Acres
PROVIDED OPEN SPACE = 12.24 Acres (6.70 Acres PASSIVE; 5.54 Acres ACTIVE)

TITLE REFERENCES
D.B. 5043, PG. 1074; M.C. 143, PG. 47; M.C. 158, PG. 18; M.C. 173, PG. 47
D.B. 4598, PG. 224; D.B. 3016, PG. 470; D.B. 613, PG. 959; D.B. 1845, PG. 985; M.C. 6, PG. 167;
D.B. 1159, PG. 41; D.B. 3802, PG. 1205; M.C. 21, PG. 386; M.C. 36, PG. 526; M.C. 56, PG. 43;
D.B. 1538, PG. 54; D.B. 3725, PG. 454; D.B. 4196, PG. 895; D.B. 4554, PG. 461; M.C. 63, PG. 27;
D.B. 3965, PG. 502; M.C. 106, PG. 15; D.B. 4950, PG. 377; D.B. 5043, PG 1074
BRUNSWICK COUNTY REGISTRY.

CERTIFICATION OF APPROVAL OF THE FINAL PLAT BY THE SOUTHPORT BOARD OF ALDERMEN

THE SOUTHPORT BOARD OF ALDERMEN HEREBY APPROVES OR APPROVES CONDITIONALLY THE FINAL PLAT OF TURTLE BAY SUBDIVISION. IF APPROVED CONDITIONALLY, THE SPECIFIC CONDITIONS SHALL BE LISTED.

_____ _____
MAYOR, CITY OF SOUTHPORT DATE

REVIEW OFFICER CERTIFICATE

I, _____REVIEW OFFICER FOR BRUNSWICK COUNTY, NC CERTIFY THAT THE MAP TO WHICH THIS CERTIFICATE IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING

_____
DATE

_____
MAP REVIEW OFFICER

CERTIFICATE OF REGISTRATION BY REGISTER OF DEEDS
BRUNSWICK COUNTY
NORTH CAROLINA

FILED FOR REGISTRATION ON THE_____DAY OF_____, 2026

AT_____ A.M./P.M. AND DULY RECORDED IN MAP CABINET_____ AT PAGE_____ .

DANA VARNAM
REGISTER OF DEEDS

CERTIFICATE OF APPROVAL FOR RECORDING:

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE REGULATIONS OF THE CITY OF SOUTHPORT FOR RECORDING IN THE OFFICE OF THE REGISTER OF DEEDS OF BRUNSWICK COUNTY.

_____ _____
UDO ADMINISTRATOR DATE

I, STEVEN L. BUIE, CERTIFY:
THAT THE SURVEY CREATES A SUBDIVISION OF LAND WITHIN THE AREA OF A COUNTY OR MUNICIPALITY THAT HAS AN ORDINANCE THAT REGULATES PARCELS OF LAND;

I, STEVEN L. BUIE, CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION (DEED DESCRIPTION RECORDED IN DEED BOOK 5043, PAGE 1074; MAP CABINET 143, PAGE 47); THAT THE BOUNDARIES NOT SURVEYED ARE CLEARLY INDICATED AS DRAWN FROM INFORMATION FOUND (SEE TITLE REFRENCES); THAT THE RATIO OF PRECISION AS CALCULATED IS GREATER THAN 1:10,000; THAT THIS PLAT WAS PREPARED IN ACCORDANCE WITH NCGS 47-30 AS AMENDED.

WITNESS MY ORIGINAL SIGNATURE, REGISTRATION NUMBER AND SEAL THIS

THE _____ DAY OF _____, A.D. 2026.

_____
STEVEN L. BUIE
NC PROFESSIONAL LAND SURVEYOR No. L-3402

NORTH CAROLINA PROFESSIONAL SEAL L-3402 LAND SURVEYOR STEVEN L. BUIE

CERTIFICATE OF APPROVAL OF THE DESIGN AND INSTALLATION OF STREETS, UTILITIES, AND OTHER REQUIRED IMPROVEMENTS.

THE UNDERSIGNED HEREBY CERTIFIES THAT THE REQUIRED IMPROVEMENTS
(LIST ALL IMPROVEMENTS THAT HAVE BEEN INSTALLED AND APPROVED BY APPROPRIATE AGENCY)
*WATER SYSTEM, SEWER SYSTEM, STORMWATER SYSTEM, ROADS (ALL PRIVATE), WALKING TRAILS AND SIDEWALKS** HAVE BEEN INSTALLED IN AN ACCEPTABLE MANNER AND IN ACCORDANCE WITH THE REGULATIONS OF THE CITY OF SOUTHPORT UNIFIED DEVELOPMENT ORDINANCE.

*LOTS WITHOUT SIDEWALKS (1 thru 10, 18 thru 22, 62 thru 73, 37 thru 53, 75 thru 83, 59, & 93 thru 95) ARE EXCLUDED AND ARE BEING GUARANTEED ON AN INDEPENDENT AGREEMENT BETWEEN THE DEVELOPER AND THE CITY

_____ _____ _____
DEVELOPER OR AUTHORIZED AGENT SIGNATURE(S) DATE

_____ _____ _____
PROFESSIONAL ENGINEER(s) *(INDLUDE SEAL)* DATE

_____ _____ _____
UDO ADMINISTRATOR DATE

CERTIFICATE OF OWNERSHIP:

I HEREBY CERTIFY THAT I AM THE OWNER OF THE PROPERTY SHOWN AND DESCRIBED HEREON, WHICH IS LOCATED IN THE SUBDIVISION JURISDICTION OF THE CITY OF SOUTHPORT AND THAT I HEREBY ADOPT THIS PLAN OF ANNEXATION WITH MY FREE CONSENT, ESTABLISH MINIMUM BUILDING SETBACK LINES AS NOTED.

_____ _____
OWNER DATE

CERTIFICATE OF DISCLOSURE, 404 WETLANDS

WETLANDS CAUTION: PROSPECTIVE BUYERS ARE CAUTIONED THAT PORTIONS OF THE LOTS SHOWN ON THIS PLAT ARE RESTRICTED IN USE BY WETLANDS AND WATERS JURISDICTION PURSUANT TO THE US ARMY CORPS OF ENGINEERS SECTION 404 REGULATIONS. INDIVIDUAL LOT REVIEWS TO ENSURE COMPLIANCE WITH THEIR FEDERAL LAWS AND REGULATIONS ARE ENCOURAGED. VERIFICATION OF LOCATION AND RESTRICTIONS SHOULD BE MADE PRIOR TO INDIVIDUAL LOT DEVELOPMENT

_____
OWNER'S SIGNATURE

_____
DATE

ACKNOWLEDGEMENT OF COMPLIANCE (PRIVATE DEVELOPMENTS)

I, _____ HEREBY CERTIFY THAT THE STREETS, PARKS, OPEN SPACE, OR OTHER AREAS DELINEATED HEREON AND DEDICATED TO PRIVATE USE, AND ALL MAINTENANCE AND UPKEEP OF PRIVATE FACILITIES, INCLUDING TRAFFIC MARKING AND CONTROL DEVICES, SHALL NOT BE THE RESPONSIBILITY OF THE PUBLIC OR THE MUNICIPALITY, ACTING ON BEHALF OF THE PUBLIC, TO MAINTAIN. FURTHERMORE, PRIOR TO ENTERING ANY AGREEMENT OR ANY CONVEYANCE WITH ANY PROSPECTIVE BUYER, I SHALL PREPARE AND SIGN, AND THE BUYER OF THE SUBJECT REAL ESTATE SHALL RECEIVE AND SIGN, AN ACKNOWLEDGEMENT OF RECEIPT OF DISCLOSURE STATEMENT. THE DISCLOSURE STATEMENT SHALL FULLY AND COMPLETELY DISCLOSE THE PRIVATE AREAS AND INCLUDE AN EXAMINATION OF THE CONSEQUENCES AND RESPONSIBILITY AS TO THE MAINTENANCE OF THE PRIVATE AREAS, AND SHALL FULLY AND ACCURATELY DISCLOSE THE PARTY OR PARTIES UPON WHOM THE RESPONSIBILITY FOR CONSTRUCTION AND MAINTENANCE OF SUCH PRIVATE AREAS SHALL REST.

_____
SIGNATURE OF DEVELOPER and/or SELLER

_____
DATE

FINAL PLAT
OF
TURTLE BAY
FOR
PREMIER HOMES, LLC
PARCEL 22100017
RIVER ROAD SE - N.C. HIGHWAY 87
SOUTHPORT, NC 28461
SMITHVILLE TOWNSHIP,
BRUNSWICK COUNTY
NORTH CAROLINA
SCALE: 1" = 60' DATE: 07/22/2026

0 60 120 180

PORT CITY LAND SURVEYING, PLLC
FIRM LICENSE No. P-1493
1144 SHIPYARD BLVD.
WILMINGTON, NC 28412
910-791-0080

OWNER / DEVELOPER
TURTLE BAY AT SOUTHPORT LLC
5106 LANCOME CT.
WILMINGTON, NC 28409-2735

SEE SHEET 3

SEE SHEET 5

TURTLE BAY WAY 50' PRIVATE R/W

FOREST TURTLE WAY 50' PRIVATE R/W

GOLDEN TURTLE WAY 50' PRIVATE R/W

LEATHERBACK WAY 50' PRIVATE R/W

OLD BAKER AVE — BELIEVED TO BE PERSCRIPTIVE EASEMENT

RIVER ROAD SE
NC HIGHWAY 87
SEE NCDOT PROJECT R-5021 SHEET 38

N.C. GRID - NAD '83
GPS SURVEY DEC. 2022

30	2,054 SF	28 ACRES
29	12,060 SF	0.28 ACRES
28	12,060 SF	0.28 ACRES
27	12,060 SF	0.28 ACRES
26	12,060 SF	0.28 ACRES
25	12,132 SF	0.28 ACRES
24	14,712 SF	0.34 ACRES
23	14,769 SF	0.34 ACRES
18	13,539 SF	0.31 ACRES
17	13,539 SF	0.31 ACRES
19	12,060 SF	0.28 ACRES
16	12,060 SF	0.28 ACRES
20	12,060 SF	0.28 ACRES
15	12,060 SF	0.28 ACRES
21	12,060 SF	0.28 ACRES
14	12,060 SF	0.28 ACRES
11	13,442 SF	0.31 ACRES
12	16,146 SF	0.37 ACRES
22	13,719 SF	0.31 ACRES
13	13,359 SF	0.31 ACRES
96	12,018 SF	0.28 ACRES
97	12,045 SF	0.28 ACRES
98	12,049 SF	0.28 ACRES
99	12,054 SF	0.28 ACRES
100	12,116 SF	0.28 ACRES
10	12,060 SF	0.28 ACRES
9	12,060 SF	0.28 ACRES
8	12,060 SF	0.28 ACRES
7	12,060 SF	0.28 ACRES
6	12,060 SF	0.28 ACRES
5	12,060 SF	0.28 ACRES
4	12,060 SF	0.28 ACRES
3	12,060 SF	0.28 ACRES
2	12,060 SF	0.28 ACRES
1	12,060 SF	0.28 ACRES

CA-1 ACTIVE 169,133 SF 3.88 ACRES

CA-1 PASSIVE 8,543 SF 0.20 ACRES

"404" WETLAND 10,751 SF 0.25 ACRES

"404 WETLAND DELINEATION" AS DESIGNATED AND SIGNED BY THE U.S. ARMY CORP OF ENGINEERS ON DECEMBER 30, 2024 (USACE ACTION ID No. SAW-2022-02764)

CA-4 PASSIVE 32,797 SF 0.75 ACRES

CA-5 PASSIVE 51,801 SF 1.19 ACRES

13' WIDE GRAVEL PATH

WETLANDS

CITY OF SOUTHPORT ZONING (SP-PUD)

BRUNSWICK COUNTY ZONING (CO-CLD)

25' PERIPHERY BUFFER

10' UTILITY EASEMENT

13' FENCE EASEMENT

10' UTILITY & FENCE EASEMENT

UTILITY EASEMENT IS 15 FEET FROM CENTER OF POLE LINE PER DUKE-ENERGY-PROGRESS

EIR
EIR-DISTURBED
EIP
EIPP
NIRS
RW-DISC
PP
CP

SWAIN, JENNIFER
D.B. 5290 PG. 1244
P.B. 6, PG. 167
PARCEL ID No. 221LA010
ZONING: CO-CLD

LOT 1
P.B. 11, PG. 59
CAROLYN HANKINS
D.B. 674 PG. 570
PARCEL ID No. 221LA011
ZONING: CO-CLD

LOT 2
P.B. 11, PG. 59

EIP
N: 71,793.4204 FT
E: 2,296,296.7202 FT
NAVD '88

FINAL PLAT
OF
TURTLE BAY
FOR
PREMIER HOMES, LLC
PARCEL 22100017
RIVER ROAD SE - N.C. HIGHWAY 87
SOUTHPORT, NC 28461
SMITHVILLE TOWNSHIP,
BRUNSWICK COUNTY
NORTH CAROLINA
SCALE: 1" = 60' DATE: 07/22/2026

0 60 120 180

PORT CITY
LAND SURVEYING, PLLC
FIRM LICENSE No. P-1493
1144 SHIPYARD BLVD.
WILMINGTON, NC 28412
910-791-0080

FINAL PLAT
OF
TURTLE BAY
FOR
PREMIER HOMES, LLC
PARCEL 22100017
RIVER ROAD SE - N.C. HIGHWAY 87
SOUTHPORT, NC 28461
SMITHVILLE TOWNSHIP,
BRUNSWICK COUNTY
NORTH CAROLINA
SCALE: 1" = 60' DATE: 07/22/2026

0 60 120 180

PORT CITY
LAND SURVEYING, PLLC
FIRM LICENSE No. P-1493
1144 SHIPYARD BLVD.
WILMINGTON, NC 28412
910-791-0080

SHEET 3 OF 5

SEE SHEET 4

SEE SHEET 2

BRUNSWICK COUNTY ZONING (CO-IG)
CITY OF SOUTHPORT (SP-PUD)
ZONING (SP-PUD)
CITY OF SOUTHPORT ZONING (CO-CLD)
S 78°06'01" E 221.42'
N 18°19'22" W 135.76'
112.84'
90.00'
25' PERIPHERY BUFFER
N 34°46'41" W 133.68'
N 34°46'41" W 133.71'
14.02'
10' UTILITY EASEMENT
90.00'
N 34°46'41" W 133.74'
N 34°46'41" W 133.76'
T POLE
ORNER
LP
FH
FIRE HYDRANT ON CORNER
WOOD TURTLE STREET 50' PRIVATE R/W
N 55°13'19" E 491.14'
N 55°13'19" W 364.06'
S 55°13'19" W 90.00'
S 34°46'41" E 134.00'
S 69°37'00" W 108.42'
S 37°29'27" E 102.13'
S 37°29'27" E 104.13'
S 34°46'41" E 25.00'
S 37°29'27" E 59.00'
S 37°29'27" E 57.00'
NIRS
S 67°09'28" E 231.90' TOTAL
182.00'
49.90'
N 82°57'42" E 216.68'
CLAY BOTTOM BRANCH
S 87°09'42" E 93.00'
N 84°39'18" E 178.96'
"404 WETLAND DELINEATION" AS DESIGNATED AND SIGNED BY THE U.S. ARMY CORP OF ENGINEERS ON DECEMBER 30, 2024 (USACE ACTION ID No. SAW-2022-02764)
WETLANDS
25' PERIPHERY BUFFER
"404" WETLAND
20,260 SF
0.47 ACRES
STORM WATER POND
DRAINAGE EASEMENT
(SEE NOTE 10)
166,395 SF
3.82 ACRES
#8953 RIVER ROAD SE
CIRCUS LIFE ENTERPRISES LLC
D.B. 5088, PG. 933
PARCEL ID No. 2210001702
ZONING: CO-CLD
UTILITY EASEMENT IN FAVOR OF CIRCUS LIFE ENTERPRISES, LLC D.B. 5088, PG. 673 M.B. 173, PG. 47
CITY OF SOUTHPORT ZONING (SP-PUD)
25' PERIPHERY BUFFER
BRUNSWICK COUNTY ZONING (CO-CLD)
S 20°27'57" E 213.05'
173.44'
N 59°0[illegible] 12.51'
S 20°15'29" E 59.79'
10'
EIR
EIP
CP
EXISTING DITCH
SET MARK ON SSMH
S 45°34'19" W 142.45'
S 44°00'47" E R=275.00'
CH=88.27'
CH=104.81'
S 64°14'03" E R=275.00'
CH=51.98'
S 80°38'34" E R=275.00'
CH=73.87'
N 41°18'12" W R=325.00'
S 60°25'20" E CH=259.67' R=300.00'
CH=115.51'
N 38°03'53" W R=325.00'
CH=75.86'
N 79°21'51" W R=325.00'
CH=84.17'
S 80°58'59" E R=475.00'
R=525.00'
N 78°56'25" W CH=81.00'
CA-3 PASSIVE 117,016 SF 2.69 ACRES
CA-3 ACTIVE 43,410 SF 1.00 ACRES
CA-2 PASSIVE 33,176 SF 0.76 ACRES
CA-2 ACTIVE 28,718 SF 0.66 ACRES
N 86°03'58" W 720.00'
S 86°03'58" E 825.43'
N 86°03'58" W 670.43'
N 86°03'58" W 628.43'
S 86°03'58" E 814.20'
N 86°03'58" W 1100.72'
N 86°03'58" W 538.20'
N 86°03'58" W 496.20'
N 86°03'58" W 318.00'
S 86°03'58" E 234.00'
S 86°03'58" E 155.00'
N 86°03'58" W 113.00'
S 86°03'58" E 121.50'
S 86°03'58" E 138.50'
N 86°03'58" W 150.44'
N 86°03'58" W 244.52'
S 86°04'37" E 123.76'
S 85°47'39" E
S 04°28'35" E ch=728.72' R=1878.87'
RIVER ROAD SE
NC HIGHWAY 87
SEE NCDOT PROJECT R-5021 SHEET 38
S 06°40'54" W 140.35'
GOLDEN TURTLE WAY 50' PRIVATE R/W
TURTLE BAY WAY 50' PRIVATE R/W
50' PRIVATE R/W
13' FENCE EASEMENT
UTILITY EASEMENT IS 15 FEET FROM CENTER OF POLE LINE PER DUKE-ENERGY-PROGRESS
APPROXIMATE DEEDED LINE D.B. 3016, PG. 470
N.C. GRID - NAD '83
GPS SURVEY DEC. 2022

50	12,033 SF 0.28 ACRES	51	12,074 SF 0.28 ACRES
49	12,035 SF 0.28 ACRES	52	16,502 SF 0.38 ACRES
48	12,037 SF 0.28 ACRES	53	27,354 SF 0.63 ACRES
54	12,113 SF 0.28 ACRES	55	12,060 SF 0.28 ACRES
56	12,060 SF 0.28 ACRES	57	12,060 SF 0.28 ACRES
58	13,170 SF 0.30 ACRES	84	13,954 SF 0.32 ACRES
85	12,060 SF 0.28 ACRES	86	12,060 SF 0.28 ACRES
87	12,060 SF 0.28 ACRES	88	12,060 SF 0.28 ACRES
89	12,060 SF 0.28 ACRES	90	12,060 SF 0.28 ACRES
91	12,060 SF 0.28 ACRES	92	12,060 SF 0.28 ACRES
93	12,126 SF 0.28 ACRES	94	12,188 SF 0.28 ACRES
95	12,031 SF 0.28 ACRES	65	12,594 SF 0.29 ACRES
66	12,060 SF 0.28 ACRES	67	12,060 SF 0.28 ACRES
68	12,060 SF 0.28 ACRES	69	12,060 SF 0.28 ACRES
70	12,060 SF 0.28 ACRES	71	12,060 SF 0.28 ACRES
72	12,060 SF 0.28 ACRES	73	12,060 SF 0.28 ACRES
74	12,065 SF 0.28 ACRES	75	12,065 SF 0.28 ACRES
76	12,060 SF 0.28 ACRES	77	12,060 SF 0.28 ACRES
78	12,060 SF 0.28 ACRES	79	12,060 SF 0.28 ACRES
80	12,060 SF 0.28 ACRES	81	12,060 SF 0.28 ACRES
82	12,279 SF 0.28 ACRES		

FINAL PLAT
OF
TURTLE BAY
FOR
PREMIER HOMES, LLC
PARCEL 22100017
RIVER ROAD SE - N.C. HIGHWAY 87
SOUTHPORT, NC 28461
SMITHVILLE TOWNSHIP,
BRUNSWICK COUNTY
NORTH CAROLINA
SCALE: 1" = 60' DATE: 07/22/2026

0 60 120 180

PORT CITY
LAND SURVEYING, PLLC
FIRM LICENSE No. P-1493
1144 SHIPYARD BLVD.
WILMINGTON, NC 28412
910-791-0080

SHEET 4 OF 5

N.C. GRID - NAD '83
GPS SURVEY DEC. 2022

DUKE ENERGY PROGRESS INC
D.B. 4554, PG. 461
M.C. 125, PG. 58
M.C. 63, PG. 27
PARCEL ID No. 20600001
ZONING: CO-IG

#8573 RIVER ROAD SE
CROM ABU INC.
D.B. 5372, PG. 1063
M.C. 106, PG. 15
PARCEL ID No. 2210001701
ZONING: CO-CLD

#8953 RIVER ROAD SE
CIRCUS LIFE ENTERPRISES LLC
D.B. 5088, PG. 933
PARCEL ID No. 2210001702
ZONING: CO-CLD

DUKE ENERGY PROGRESS INC
D.B. 4554, PG. 461
M.C. 125, PG. 58
M.C. 63, PG. 27
PARCEL ID No. 20600001
ZONING: CO-CP

ZONING DISTRICT CO-IG
ZONING DISTRICT CO-CP

BRUNSWICK COUNTY ZONING (CO-IG)
BRUNSWICK COUNTY ZONING (CO-CLD)
CITY OF SOUTHPORT (SP-PUD)
CITY OF SOUTHPORT 25' PERIPHERY BUFFER
CITY OF SOUTHPORT ZONING (SP-PUD) 25' PERIPHERY BUFFER

WOOD TURTLE STREET 50' PRIVATE R/W
TURTLE BAY WAY 50' PRIVATE R/W
50' PRIVATE R/W

35	12,178 SF	0.28 ACRES
36		
39	12,058 SF	0.28 ACRES
40	12,057 SF	0.28 ACRES
41	12,055 SF	0.28 ACRES
42	12,052 SF	0.28 ACRES
43	12,050 SF	0.28 ACRES
44	12,047 SF	0.28 ACRES
45	12,045 SF	0.28 ACRES
46	12,042 SF	0.28 ACRES
47	12,040 SF	0.28 ACRES
48	12,037 SF	0.28 ACRES
49	12,035 SF	0.28 ACRES
50	12,033 SF	0.28 ACRES
51	12,074 SF	0.28 ACRES
52	16,502 SF	0.38 ACRES
53	27,354 SF	0.63 ACRES
54	12,113 SF	0.28 ACRES
55	12,060 SF	0.28 ACRES
56	12,060 SF	0.28 ACRES
57	12,060 SF	0.28 ACRES
58	13,170 SF	0.30 ACRES
59	12,065 SF	0.28 ACRES
60	12,060 SF	0.28 ACRES
61	12,060 SF	0.28 ACRES
62	13,103 SF	0.30 ACRES
63	12,787 SF	0.29 ACRES
78	12,060 SF	0.28 ACRES
79	12,060 SF	0.28 ACRES
80	12,060 SF	0.28 ACRES
81	12,060 SF	0.28 ACRES
82	12,279 SF	0.28 ACRES
83	12,317 SF	0.28 ACRES
84	13,954 SF	0.32 ACRES
85	12,060 SF	0.28 ACRES
86	12,060 SF	0.28 ACRES
87	12,060 SF	0.28 ACRES

CA-3 PASSIVE 117,016 SF 2.69 ACRES
CA-3 ACTIVE 43,410 SF 1.00 ACRES
CA-2 PASSIVE 33,176 SF 0.76 ACRES
CA-2 ACTIVE 28,718 SF 0.66 ACRES
"404" WETLAND 20,260 SF 0.47 ACRES
STORM WATER POND DRAINAGE EASEMENT (SEE NOTE 10) 166,395 SF 3.82 ACRES

UTILITY EASEMENT IN FAVOR OF CIRCUS LIFE ENTERPRISES, LLC D.B. 5488, PG. 673 M.B. 173, PG. 47
10' UTILITY EASEMENT
20' DRAINAGE EASEMENT
EXISTING DITCH
WETLANDS
FIRE HYDRANT ON CORNER
LIGHT POLE ON CORNER
SET MARK ON SSMH
8' x 15' SIDEWALK EASEMENT

EIPP
EIR
EIP
NIRS
NMSS
LP
FH
S

N 55°14'22" E 1494.33' TOTAL
N 78°06'01" E 221.42'
N 59°01'41" E 12.51'
S 20°15'29" E 59.79'
S 20°27'57" E 213.05'
S 67°09'28" E 231.90' TOTAL
N 82°57'42" E
N 18°19'22" W 135.76'
S 34°46'41" E 25.00'
S 37°29'27" E 50.00'
S 37°29'27" E 102.13'
S 37°29'27" E 104.13'
S 69°37'00" W 108.42'
N 55°13'19" E 491.14'
S 55°13'19" W 364.06'
S 55°13'19" W 90.00'
N 55°13'19" E 418.75'
S 55°13'19" W 334.75'
S 55°13'19" W 90.50'
N 55°13'19" E 134.59'
S 55°13'19" W 90.00'
N 55°13'19" E 90.11'
S 55°13'19" W 90.00'
N 55°13'19" E 144.00'
N 55°13'19" E 142.98'
S 55°13'19" W 249.96'
S 55°13'19" W 122.88'
S 83°41'17" E 67.00'
S 69°09'03" E 79.87'
S 82°16'07" E 81.20'
S 41°16'13" W 134.00'
S 86°03'58" E 90.00'
N 86°03'58" W 670.43'
N 86°03'58" W 628.43'
S 86°03'58"
S 03°56'02" W 142.79'
N 03°56'02" E 134.00'
S 03°56'02" W 134.00'
N 03°56'02" E 134.00'
S 60°25'20" E CH=259.67' R=300.00'
CH=104.81' S 64°14'02" E R=275.00'
CH=51.98' S 80°38'34" E R=275.00'
CH=115.51' N 58°03'53" W R=325.00'
CH=75.86' N 79°21'51" W R=325.00'
CH=73.87' N 41°16'13" W R=325.00'
CH=107.94' S 42°12'20" E R=475.00'
CH=88.27' S 44°40'41" E R=275.00'

SEE SHEET 5
SEE SHEET 2
SEE SHEET 3

SEE SHEET 4

SEE SHEET 3

SEE SHEET 2

N.C. GRID - NAD '83
GPS SURVEY DEC. 2022

DUKE ENERGY PROGRESS INC
D.B. 4554, PG. 461
M.C. 125, PG. 58
M.C. 63, PG. 27
PARCEL ID No. 20600001
ZONING: CO-CP

BRUNSWICK COUNTY ZONING (CO-CP)

TRACT 1
EIP IN A DITCH
IN THE LINE WITH
CAROLINA POWER
AND LIGHT COMPANY

N 55°14'22" E 1494.33' TOTAL

CITY OF SOUTHPORT ZONING (SP-PUD)

N 62°36'22" W 149.24'

N 82°39'27" W 247.04'

N 07°20'43" W 114.03'

DITCH

CITY OF SOUTHPORT ZONING (SP-PUD)

CITY OF SOUTHPORT ZONING (SP-HC)

25' PERIPHERY BUFFER

N 77°33'00" W 504.32'

CITY OF SOUTHPORT ZONING (SP-HC)

BRUNSWICK COUNTY ZONING (CO-CLD-CZ)

McCLOSKEY, JOHN A ETUX
D.B. 4972, PG. 4108
PARCEL ID No. 2210002001
ZONING: CO-CLD-CZ

LEVENSON, LOUIS
D.B. 5435, PG. 1364
PARCEL ID No. 2210002001
ZONING: SP-HC

LEVENSON, LOUIS
D.B. 5435, PG. 1364
PARCEL ID No. 2210002001
ZONING: SP-HC

LEVENSON, LOUIS
D.B. 5435, PG. 1364
PARCEL ID No. 22100025
ZONING: SP-R20

DELORES YVONNE ADAMS
D.B. 3802 PG. 1205
M.C. 21, PG. 386
M.C. 36, PG. 526
PARCEL ID No. 2210001602
ZONING: CO-CLD

BRUNSWICK CO. LIFT STATION
M.C. 56, PG. 43
PARCEL ID No. 2210002603
ZONING: SP-HC

WOOD TURTLE STREET 50' PRIVATE R/W

TURTLE BAY WAY 50' PRIVATE R/W

TURTLE BAY WAY 50' PRIVATE R/W

SANDY LANE M.C. 56, PG. 43

37 14,667 SF 0.34 ACRES

38 12,018 SF 0.28 ACRES

39 12,058 SF 0.28 ACRES

40 12,057 SF 0.28 ACRES

35 12,178 SF 0.28 ACRES

36 12,020 SF 0.28 ACRES

34 12,125 SF 0.28 ACRES

33 25,017 SF 0.57 ACRES

62 13,103 SF 0.30 ACRES

61 12,060 SF 0.28 ACRES

63 12,787 SF 0.29 ACRES

83 12,317 SF 0.28 ACRES

CA-2 PASSIVE 33,176 SF 0.76 ACRES

CA-2 PASSIVE 33,176 SF 0.76 ACRES

CA-2 ACTIVE 28,718 SF 0.66 ACRES

64 12,960 SF 0.30 ACRES

65 12,594 SF 0.29 ACRES

66 12,060 SF 0.28 ACRES

PARKING AREA 4,227 SF 0.10 ACRES

CA-1 ACTIVE 169,133 SF 3.88 ACRES

CA-1 PASSIVE 12,987 SF 0.30 ACRES

32 12,753 SF 0.29 ACRES

31 12,135 SF 0.28 ACRES

CA-1 PASSIVE 3,019 SF 0.07 ACRES

30 12,054 SF 0.28 ACRES

29 12,060 SF 0.28 ACRES

"404" WETLAND 28,409 SF 0.65 ACRES

"404" WETLAND 2,956 SF 0.07 ACRES

CA-1 PASSIVE 32,370 SF 0.74 ACRES

"404 WETLAND DELINEATION" AS DESIGNATED AND SIGNED BY THE U.S. ARMY CORP OF ENGINEERS ON DECEMBER 30, 2024 (USACE ACTION ID No. SAW-2022-02764)

30' UTILITY EASEMENT

10' UTILITY EASEMENT

8' x 15' SIDEWALK EASEMENT

TREE ON CORNER

S 46°52'56" W 341.73' (TOTAL)

N 11°10'51" E 468.99' TOTAL

N 11°10'51" E 245.26'

N 72°45'07" W 253.01'

N 07°12'07" W 259.52'

S 40°04'29" E 102.84'

S 49°01'58" E 102.93'

S 58°15'41" E 109.13'

N 62°23'38" W 111.37'

EIP

EIR

NMSS

NIRS

NIRS @ 1' OFFSET

FINAL PLAT
OF
TURTLE BAY
FOR
PREMIER HOMES, LLC
PARCEL 22100017
RIVER ROAD SE - N.C. HIGHWAY 87
SOUTHPORT, NC 28461
SMITHVILLE TOWNSHIP,
BRUNSWICK COUNTY
NORTH CAROLINA
SCALE: 1" = 60' DATE: 07/22/2026

0 60 120 180

PORT CITY
LAND SURVEYING, PLLC
FIRM LICENSE No. P-1493
1144 SHIPYARD BLVD.
WILMINGTON, NC 28412
910-791-0080

SHEET 5 OF 5

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: 08/13/2026 **DEPARTMENT: Development Services**

PRESENTED BY: Maureen Meehan, Planning Services Director

ITEM SPONSORED BY: Development Services Department

ITEM/TOPIC: Consideration of a 15-month moratorium on development permits for data centers.

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

JUSTIFICATION: Proposed land use standards for data centers were presented at the July 16, 2026, Planning Board meeting. The PB discussed the impacts of data centers on the environment, infrastructure, and citizens' health. A moratorium was considered when the board created a list of issues and standards they would like to assess without the pressure of a data center submitting an application before regulations are adopted.

IMPACT IF NOT APPROVED: With no regulations in place for specific land uses, there can be unintended consequences if a data center submitted a zoning application. The Planning Board will continue refining the draft UDO language.

DEPARTMENT HEAD COMMENTS: Local governments may, on occasion, need to pause development permits when land-use regulations are not in place to address development trends. Per NCGS 160D-107, local governments may adopt temporary moratoria following specific procedures. The first step in establishing a moratorium is holding a duly advertised public hearing.

ATTACHMENTS: Staff Report

REQUESTED ACTION: Call a public hearing for September 13, 2026, for the consideration of a 15-month moratorium on development permits for data centers.

PROPOSED MOTION:
Motion to call a public hearing for September 13, 2026, for the consideration of a 15-month moratorium on development permits for data centers.

MEMORANDUM

To: Mayor Joseph P. Hatem, Members of the Board of Aldermen
From: Maureen Meehan, Planning Services Director
Date: August 13, 2026
Re: Development Moratorium to Establish Data Center Regulations

Background and Overview

November 2025, Staff presented Unified Development Ordinance (UDO) updates to the Board of Aldermen for consideration. The proposed updates included priorities from the BOA, Planning Board, and Staff, including references to the 2050 Comprehensive Plan policies. Since that time, Staff, with the Planning Board, have been working through the list.

To date, Staff have completed or are in the process of updating or adding the following topics to the UDO/City Code of Ordinances:

- Yacht Basin Parking Overlay
- Tree Protection and Landscape Preservation
- Stormwater Regulations
- Mobile Vendors
- Data Centers

After following nationwide development trends, the Planning Board (PB) requested that the addition of data center development standards be prioritized. A data center UDO committee was created to research industry standards, both for data centers and local development, to formulate the best approach for Southport.

The data center UDO committee first met in May providing updates to the PB as necessary, and proposed land use standards were formally presented at their July 16, 2026, meeting. The full PB held in-depth conversations about the impacts of data centers on the environment, infrastructure, and citizens' health. A moratorium was considered when the board created a list of issues and standards they would like to assess without the pressure of a data center submitting an application before regulations are adopted.

Per NCGS 160D-107, local governments may adopt temporary moratoria following specific procedures. The need to pause development permits during regulatory updates is recognized, although local governments must be explicit about their needs and how and when they will be addressed.

Moratoria Procedure
A moratorium can be established by ordinance after holding a legislative hearing. The local government must provide public notice for the hearing.

- A moratorium lasting **60 days or less** must provide public notice in a newspaper of general circulation not less than seven days before the hearing.

- For moratoriums lasting **more than 60** days, the local government must follow the notice and hearing requirements of NCGS 160D-601, which is publishing the notice in a newspaper of general circulation for 2 consecutive weeks at least 10 days and not more than 25 days prior to the hearing.

At the time of establishing a moratorium on development permits the local government must address four (4) statements outlined in the statute. The statements are listed below.

1. A statement of the problems or conditions necessitating the moratorium and what courses of action, alternative to a moratorium, were considered by the local government and why those alternative courses of action were not deemed adequate.
2. A statement of the development approvals subject to the moratorium and how a moratorium on those approvals will address the problems or conditions leading to imposition of the moratorium.
3. A date for termination of the moratorium and a statement setting forth why that duration is reasonably necessary to address the problems or conditions leading to the imposition of the moratorium.
4. A statement of the actions, and the schedule for those actions, proposed to be taken by the local government during the duration of the moratorium to address the problems or conditions leading to the imposition of the moratorium.

These statements will be addressed and presented to the Board with a draft ordinance prior to a public hearing.

Request
The Planning Board and staff request that the Board of Aldermen set a public hearing for September 10, 2026, to consider a 15-month moratorium on development permits for data centers, to allow sufficient time to develop and adopt comprehensive land-use standards. A draft project timeline outlining anticipated milestones and deliverables is attached for the Board's review.

Motion
Motion to Set a Public Hearing for September 10, 2026, to consider a 15-month moratorium on development permits for data centers.

Data Center Ordinance Development Calendar – Draft - 20260731

Calendar Overview (All dates are subject to change based on outcome of Aldermen's decision) Dates are based on a fifteen-month moratorium period.

- 7/16/26 – Planning Board – Vote Requesting Data Center Moratorium
- 8/13/26 – Board of Aldermen – Discussion on 15 Month Data Center Moratorium
- Dates TBD – Public Notices for Hearing on Data Center Moratorium
- 9/9/26 – 4/28/27 – Data Center Subcommittee develops data center UDO
- 9/10/26 – Board of Aldermen – Vote on 15 Month Data Center Moratorium
- 9/30/26 – Data Center UDO Development Status Due
- 10/28/26 – Date calibration (calendar status check)
- Dates TBD – Data Center Public Workshops
- 12/31/26 – Data Center UDO Development Status Due
- 2027
- 1/27/2027 – Date calibration (calendar status check)
- 3/31/27 – Data Center UDO Development Status Due
- 4/28/2027 - Date calibration (calendar status check)
- 5/20/2027 – Planning Board – Data Center UDO Presentation and recommendation
- 6/30/27 - Data Center UDO Development Status Due
- 7/8/2027 – Board of Aldermen – Data Center UDO Presentation and vote
- Four-Month built in slack
- 9/30/27 - Data Center UDO Development Status Due
- 11/13/2027 – Data Center Moratorium Expires

Data Center Subcommittee Meeting Dates

All meetings are to be held at 9 AM at the City Hall unless otherwise agreed upon.

- September 2026
  - September 9, 2026
  - September 23, 2026
- October 2026
  - October 14, 2026
  - October 28, 2026
- November 2026
  - November 11, 2026
  - November 25, 2026

- December 2026
    - December 9, 2026
    - December 23, 2026
- January 2027
    - January 13, 2027
    - January 27, 2027
- February 2027
    - February 10, 2027
    - February 24, 2027
- March 2027
    - March 10, 2027
    - March 24, 2027
- April 2027
    - April 14, 2027
    - April 28, 2027

Subcommittee – Data Center Section Review Schedule

Dates to be determined

- **SECTION 1. TABLE OF PERMITTED AND SPECIAL USES**
    1. Purpose and Intent
    2. Applicability and Approval
    3. Prohibited Activities
    4. Definitions and Measurement Rules
    5. Municipal Size Categories and Minimum Siting Standards
    6. Site Design, Architecture, and Screening
    7. Exterior Lighting
    8. Electrical Service and Energy Usage Plan
    9. Water Supply, Cooling, and Wastewater
    10. Cooling-Tower Legionella Prevention and Water Management
    11. Noise, Low-Frequency Sound, Tonality, and Vibration
    12. Generators, Fuel, and Air Quality
    13. Battery Energy Storage and Emergency Response
    14. Thermal Performance
    15. Coastal Flood, Storm, Wind, and Corrosion Resilience
    16. Stormwater, Natural Resources, and Heat-Island Mitigation
    17. Construction and Transportation Management

18. Application, Peer Review, Commissioning, and Reporting by Size
19. Independent Review, Fees, and Confidential Information
20. Complaint Response and Corrective Action
21. Major Expansion, Modification, and Ownership Transfer
22. Abandonment, Decommissioning, and Reuse
23. Inspection, Records, and Enforcement

- **SECTION 3. ARTICLE 8 DEFINITIONS AND MEASUREMENTS**

- **SECTION 4. CONFLICT, SEVERABILITY, AND EFFECTIVE DATE**

- **Other Items**

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: August 13, 2026

PRESENTED BY: Aldermen Spencer

ITEM/TOPIC: Artificial Intelligence (AI) Software Discussion

JUSTIFICATION: Alderman Spencer would like to discuss the City's use of artificial intelligence (AI) and explore opportunities to leverage emerging technologies to improve City operations. The discussion will focus on identifying innovative software solutions and AI tools that can assist the Board and staff in enhancing efficiency, streamlining processes, improving decision-making, and delivering services more effectively to the community.

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: August 13, 2026

PRESENTED BY: Mayor Pro-Tem Mosteller

ITEM/TOPIC: Wilmington Update on the Wilmington Harbor Section 403 Project Proposed dredging of the Cape Fear Rive

JUSTIFICATION: Mayor Pro-Tem Mosteller will provide an update on the proposed Wilmington Harbor Section 403 Project, the proposed dredging of the Cape Fear River. The Board has previously received presentations on the project and expressed opposition to the proposal, while also advocating for robust mitigation funding should the project move forward.

The update will focus on raising public awareness of the proposed project and continuing the City's advocacy for robust mitigation efforts to help minimize the potential negative impacts of the project. The materials included are from neighboring municipalities and organizations that are engaged in similar efforts.

July 28, 2026

Submitted via USPS, FedEx and Electronically

Major General Jason E. Kelly
Deputy Commanding General for Civil and Emergency Operations
U.S. Army Corps of Engineers
441 G Street NW
Washington, DC 20314

Subject: Wilmington Harbor Section 403 Project – Request to Defer Transmittal of Final Letter Report and Final Environmental Impact Statement (FEIS) to the Assistant Secretary of the Army for Civil Works (ASA(CW))

Dear Major General Kelly,

The undersigned organizations appreciate the work the Wilmington District has undertaken on the Wilmington Harbor Section 403 Final Letter Report and FEIS. We recognize the complexity of these efforts, including multiple technical, environmental, and stakeholder considerations.

We write to express serious concerns regarding the proposed project and to request that the U.S. Army Corps of Engineers defer transmittal of the Final Letter Report and FEIS to the ASA(CW). As you are aware, the project was conditionally authorized under Section 403 of the Water Resources Development Act of 2020 (WRDA 2020).

As detailed in the attached memorandum, which documents these deficiencies with citation to governing policy, the current administrative record does not demonstrate compliance with the conditions of Section 403(b) of the WRDA 2020 or with Corps planning standards under ER 1105-2-103 and related Civil Works policy. These standards require that a recommended plan be technically sound, economically justified,

environmentally acceptable, and fully compliant with applicable laws and policies prior to a final authorization recommendation.

In addition, the design maturity determination for cost certification (see the Cost Appendix) asserts that overall design maturity is 50%. However, the full record does not demonstrate that the 35% design maturity threshold established by the Chief of Engineers has been achieved, and several caveats in the Cost Appendix outline significant risks. Because WRDA 2020 only granted conditional authorization, final authorization must be held to contemporary agency standards. The institutional risk identified by the Chief still applies. Review of available information in the Final Letter Report and FEIS and from resource agencies and stakeholders indicates that more complete engineering, environmental, and historical analyses are necessary to gain environmental acceptability and are therefore likely to result in substantial cost increases. Currently, the overall project contingency is at 27%. Proceeding without valid 35% design maturity violates the Corps' own established standard for fiscal and structural responsibility and could result in a need to seek reauthorization due to exceedance of the Section 902 limit.

Significant questions also remain regarding the rigor of the economic analysis to include: unsupported favorable traffic forecasts; transparency and support for benefit-cost evaluations; the completeness of engineering analyses and lifecycle cost assumptions; the disposition of PFAS which is a non-federal sponsor responsibility; and, the adequacy of the environmental review, including indirect and direct effects without the benefit of sufficient technical analysis. For example, the FEIS does not fully address site-specific geotechnical risks, such as potential impacts to the structural integrity of the Orton Plantation protective earthen dike system which recognizes and honors the significant cultural history of enslaved African Americans who built the system in the antebellum and postbellum period in the South. In addition, the construction plan appears to: require the repeated mobilization of multiple heavy in demand and scarce large dredges on an annual basis; backloads mitigation until contract 9 inconsistent with WRDA 1986 Section 906(b); and contains no costs for cultural resources mitigation raising further questions regarding cost and feasibility.

Although a Final Independent External Peer Review (IEPR) Report, dated November 25, 2025, has been completed, the administrative record does not clearly demonstrate how key IEPR findings and recommendations have

been resolved and incorporated into the final documentation. Moreover, the IEPR did not have the benefit of the North Carolina resources agencies' input received subsequent to its completion.

Advancing the report under these circumstances would be premature and risks undermining the transparency, defensibility, and integrity of the Corps' decision-making process. The ASA(CW) depends on a complete and policy-compliant administrative record, and transmittal with unresolved issues diminishes the reliability of that review and undermines HQ review integrity. Proceeding prior to resolution of these issues may also expose the decision to legal and procedural challenges. To protect taxpayers and coastal communities, final authorization must be withheld until a valid 35% design threshold is achieved, ensuring the project's cost estimates, economic benefits and environmental mitigations are grounded in reality rather than conceptual extrapolations.

Accordingly, we respectfully request that transmittal to ASA(CW) be deferred until:

(1) IEPR comments and recommendations are fully resolved and documented;

(2) the economic, engineering, cost and environmental analyses are updated and strengthened consistent with ER 1105-2-103 and related Corps Civil Works policy; and

(3) all required reviews and consultations – including Section 106 consultation, Endangered Species consultation, Section 401 Water Quality Certification and Coastal Zone Management Act consistency – are complete.

As long-term stakeholders, we value our ongoing engagement with the Wilmington District and the Corps and remain committed to constructive collaboration to ensure that any final recommendation under Section 403 of WRDA 2020 is supported by a final assessment that is technically sound, economically justified, and environmentally compliant.

We appreciate your consideration of this request and respectfully request a site visit within the Wilmington District to further discuss these issues in person. Alternatively, we can arrange for coalition members to visit your Headquarters in Washington, D.C.

Sincerely,

Orton Plantation Holdings — Louis Bacon, Owner
Audubon North Carolina — Zach Wallace, Policy Director
Cape Fear River Watch — Kemp Burdette, Cape Fear Riverkeeper
Center for Biological Diversity — Will Harlan, Southeast Director
CleanAIRE NC — Jeff Robbins, Executive Director
Dark Branch Descendants Association — Dr. Charles Chavis, President
Historic Wilmington Foundation - Carol Bullock, Executive Director
North Carolina Coastal Federation — Kerri Allen, Coastal Management Program Director
North Carolina Coastal Land Trust — Jesica Blake, Associate Director
North Carolina Conservation Network — Brian Buzby, Executive Director
North Carolina Sierra Club — Erin Carey, State Conservation Policy Director
Town of Kure Beach — Allen Oliver, Mayor
Village of Bald Head Island — Peter Quinn, Mayor

Cc:

Brigadier Zachary Miller
Commanding General
U.S. Army Corps of Engineers, South Atlantic Division
60 Forsyth Street SW, Room 10M15
Atlanta, GA 30303-8801
Zachary.L.Miller@usace.army.mil

Lieutenant Colonel Kenneth Porter
Commander
U.S. Army Corps of Engineers, Wilmington District
69 Darlington Avenue
Wilmington, NC 28403
Kenneth.M.Porter@usace.army.mil

Attachments:

Attachment A: Memorandum - Subject “Wilmington Harbor Section 403 Project – Request to Defer Transmittal of Final Letter Report and FEIS to ASA(CW) Due to Material Unresolved Issues Under the National Historic Preservation Act (NHPA), Coastal Zone Management Act (CZMA), Clean

Water Act (CWA), Endangered Species Act (ESA), ER 1105-2-103 (Policy for Conducting Civil Works Planning Studies) and Related Laws and Policies”

Memorandum

To: Major General Jason E. Kelly, Deputy Commanding General for Civil and Emergency Operations (DCG(CEO))

From:
Orton Plantation Holdings — Louis Bacon, Owner
Audubon North Carolina — Zach Wallace, Policy Director
Cape Fear River Watch — Kemp Burdette, Cape Fear Riverkeeper
Center for Biological Diversity — Will Harlan, Southeast Director
CleanAIRE NC — Jeff Robbins, Executive Director
Dark Branch Descendants Association — Dr. Charles Chavis, President
Historic Wilmington Foundation - Carol Bullock, Executive Director
North Carolina Coastal Federation — Kerri Allen, Coastal Management Program Director
North Carolina Coastal Land Trust — Jesica Blake, Associate Director
North Carolina Conservation Network — Brian Buzby, Executive Director
North Carolina Sierra Club — Erin Carey, State Conservation Policy Director
Town of Kure Beach — Allen Oliver, Mayor
Village of Bald Head Island — Peter Quinn, Mayor

Date: July 29, 2026

Subject: Wilmington Harbor Section 403 Project – Request to Defer Transmittal of Final Letter Report and FEIS to ASA(CW) Due to Material Unresolved Issues Under the National Historic Preservation Act (NHPA), Coastal Zone Management Act (CZMA), Clean Water Act (CWA), Endangered Species Act (ESA), ER 1105-2-103 (Policy for Conducting Civil Works Planning Studies) and Related Laws and Policies

---

Executive Summary

We respectfully request deferral of transmittal of the Final Letter Report and FEIS for the Wilmington Harbor Section 403 Project to the Assistant Secretary of the Army for Civil Works (ASA(CW)). Significant unresolved technical, economic, environmental, and legal deficiencies prevent the documents from demonstrating full compliance with WRDA 2020 Section 403 and Corps planning requirements under ER 1105-2-103.

Key Risks of Premature Transmittal Include:

- Incomplete Administrative Record: Lack of a transparent crosswalk demonstrating resolution of the 2020 ASA(CW) Review Assessment concerns.

- Economic Vulnerability: Skewed BCR (~1.3) with insufficient sensitivity analysis, including evaluation at a 7-percent discount rate, as applied in Corps annual program development budget guidance, to support cross-program comparison

and assess economic robustness; unrealistic growth assumptions and understated lifecycle/O&M costs.

- Engineering and Site-Specific Uncertainties: Inadequate analysis of sedimentation, shoaling, Orton Plantation dike stability, and construction inconsistencies, with key studies deferred post-authorization.

- Regulatory Gaps (Environmental, Cultural Resources and Historic Preservation): Incomplete NEPA impact analysis; non-concurrence from NC resource agencies; incomplete NHPA Section 106 consultation; formal CZMA objection by NC Division of Coastal Management; and pending CWA Section 401 issues (e.g., PFAS); the National Marine Fisheries Service (NMFS) has declined to consult on this project based on the lack of sufficient detail in the administrative record.

- IEPR and Decision Readiness: Unresolved Independent External Peer Review (November 25, 2025) comments and lack of transparent documentation.

- Broader Consequences: Increased litigation risk, potential cost growth, project delays or reversal at higher levels, and reputational harm to the Corps.

The project record is incomplete. These issues must be resolved, but until the adequacy of those resolutions can be evaluated, it cannot be determined whether the record will ultimately support informed, defensible decision-making in the public interest. Absent clear documentation demonstrating that the concerns identified in the 2020 Review Assessment have been fully addressed, it is difficult to conclude that the statutory conditions of WRDA 2020 Section 403 have been satisfied.

Background

Section 403(b) of the Water Resources Development Act of 2020 authorized the Secretary to carry out the Wilmington Harbor, North Carolina project for navigation described in North Carolina State Port Authority's Section 203 Feasibility Study and Environmental Report dated February 2020, subject to the following:

(b) REQUIREMENTS.—The Secretary may only carry out a project authorized under subsection (a)—

(1) substantially in accordance with the applicable review assessment for the project submitted by the Secretary under section 203(c) of the Water Resources Development Act of 1986, as identified in subsection (a) of this section, and subject to such modifications or conditions as the Secretary considers appropriate and identifies in a final assessment that addresses the concerns, recommendations, and conditions identified by the Secretary in the applicable review assessment; and

(2) after the Secretary transmits to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate such final assessment.

Purpose

This memorandum provides details of significant technical, economic, environmental, and procedural deficiencies in the Final Letter Report and Final Environmental Impact Statement (FEIS) for the Wilmington Harbor Section 403 Project. These unresolved issues prevent the documentation from demonstrating compliance with WRDA 2020 Section 403. These unresolved issues include core Corps planning requirements under ER 1105-2-103, the remaining applicable provisions of ER 1105-2-100 and other Corps Civil Works policy (technically sound, economically justified, environmentally acceptable, and legally compliant).

We respectfully recommend that transmission to the ASA(CW) be deferred until the District addresses these deficiencies. As currently documented, the administrative record cannot support a recommendation to ASA(CW) because it does not demonstrate technical feasibility, economic justification, environmental acceptability or legal sufficiency.

---

1. The Final Letter Report Does Not Demonstrate Resolution of the 2020 ASA(CW) Review Assessment

The central purpose of the Section 403 process was to address the planning deficiencies identified by the Assistant Secretary of the Army for Civil Works (ASA(CW)) in the 2020 Review Assessment of the original Section 203 recommendation. Accordingly, the Final Letter Report should do more than assert that those concerns have been resolved—it should clearly demonstrate, through documented analysis and reasoned explanation, how each significant planning, engineering, economic, and environmental issue identified in the 2020 Review Assessment has been addressed. To the extent the Final Letter Report departs from, modifies, or rejects recommendations arising from that assessment, the administrative record should identify the technical and policy basis for those decisions. Without a transparent crosswalk demonstrating how the Section 403 study remedied the deficiencies that prompted congressional review, the Final Letter Report fails to demonstrate that the statutory purpose of Section 403 has been fully satisfied or that the record supports transmittal to the ASA (CW).

---

2. Consistency with Corps Planning Principles (ER 1105-2-103 (Policy for Conducting Civil Works Planning Studies) and Other Corps Civil Works Policy)

ER 1105-2-103 (Policy for Conducting Civil Works Planning Studies) and other Corps planning policy require that recommended plans be:

- **Technically sound**;
- **Economically justified**;
- **Environmentally acceptable**; and
- **Compliant with applicable laws and policies**.

The current FEIS and Letter Report fall short on multiple fronts, as detailed below. Advancing the project in its present form would introduce unnecessary legal, technical, and reputational risk to the Corps.

---

3. Economic Justification and Benefit-Cost Analysis

- **Underutilization and Market Constraints Undermine the Need for Deepening:** Projected vessel traffic and channel utilization assumptions are not sufficiently validated in light of evolving shipping patterns and regional port competition (USACE Wilmington Harbor Navigation Improvement Study; NC State Ports Authority annual reports). While Post-Panamax vessels called (last vessel May 2025) at Wilmington can carry over 14,000 TEUs, they typically transfer only about 1,000 TEUs per call and have operated at sailing drafts well below design capacity—generally 38 feet or less (USACE vessel call data, 2020). This disparity indicates significant underutilization and suggests that channel depth is not the primary constraint; rather, market demand and carrier network dynamics govern utilization, calling into question the economic justification for further deepening. At this time, no Asia based services are calling on the Port.

- **Lack of Growth and Network Dependence Weaken Deepening Justification:** Container volumes at the Port of Wilmington have plateaued at roughly 320,000 TEUs in recent years despite expanded capacity and investments to accommodate vessels of up to 14,000 TEUs, indicating that throughput is not constrained by channel depth (ncports.com; wilmingtonbiz.com). As a secondary, network-dependent port within carrier service rotations, Wilmington's volumes are driven primarily by regional demand and routing decisions, and there is no clear evidence that additional deepening would materially increase cargo volumes or alter service patterns. The benefit cost ratio (BCR) appears heavily skewed towards unsubstantiated growth using 2020 as a base year, a year severely warped by pandemic-related global supply chain disruptions and volatile shipping data (multiple versions of the report maintain a 1.3 BCR – see Final Letter Report, Tables 2-2 and 2-4). A complete analysis consistent with ER 1105-2-103 and in accord with 33 U.S.C. § 541 is necessary. The economic documentation does not appear to include the additional benefit-cost sensitivity analysis applicable to budget development updates under the Civil Works Program Development Guidance (PDG), including evaluation of the benefit-cost ratio under a 7-percent discount rate which would currently be under unity and not meet budgeting criteria. The supporting assumptions underlying the BCR require additional sensitivity analysis to demonstrate robustness. Because the reported BCR is only modestly above 1.0, relatively small changes in volume (such as the current decline and adjusted downward forecast) traffic assumptions, construction costs, maintenance costs, mitigation requirements, or lifecycle costs could materially affect economic justification. If this analysis was not required or performed, the Letter Report should clearly explain the basis for that determination.

- **Sensitivity and Risk:** ER 1105-2-103 and other Corps Civil Works guidance emphasize the need for sensitivity testing and uncertainty analysis. The current documentation does not provide sufficient sensitivity testing or probabilistic analysis to demonstrate that the benefit-cost ratio is robust under reasonable downside scenarios. Potential real estate taking costs and mitigation costs are not addressed sufficiently after collaboration with the resource agencies. The analysis uses different data points and does not use the latest traffic data. The estimated 25.5% annual growth rate between 2030 and 2036 is not supported and appears unrealistic. The 2000 project resulted in severe erosion impacting Bald Head Island and nearby historic sites, with the Village of Bald Head Island bearing approximately $2 million (and far higher cumulative costs) for related mitigation and beach protection measures. The Letter Report should explain how experience from the prior project informed the current cost estimates and should provide additional sensitivity analysis supporting the projected annual growth assumptions, including evaluation of lower-growth scenarios and their implications for project benefits.

- **Incomplete Lifecycle Costs:** Long-term maintenance dredging volumes, frequency, and especially dredged material management costs (including potential PFAS handling) are not fully quantified, limiting confidence in net economic benefits.

  Future operation and maintenance costs appear to be unrealistically low relative to annual historical appropriations of $18-$25 million. The Letter Report should better explain how projected O&M costs compare with historical maintenance expenditures.

- **Importance of Deferred Studies and Coordination:** Deferring critical studies, as well as required reviews and consultations, until after project authorization undermines the reliability of the project's cost estimate. Without the benefit of fully completed engineering analyses, environmental review, and interagency consultation, key cost drivers and risks remain insufficiently defined. This creates a significant likelihood of cost growth, lifecycle cost uncertainty, and mischaracterization of the project's economic justification at the time of decision-making as discussed in Sections 4 and 5, below.

---

4. Engineering Feasibility and Risk

- **Technical Adequacy:** ER 1110-2-1150 and other Corps Civil Works policy require engineering analyses sufficiently advanced to support decision-making. Outstanding issues regarding sedimentation, shoaling rates, ship simulation, and long-term channel performance are not sufficient to support a decision. The project's claim of 50% design maturity (Level 3 Cost Estimate Classification) is technically unsupportable and procedurally flawed under ER 1110-2-1302. The District has erroneously conflated predictive hydrodynamic and vessel-wake computer modeling with true civil and structural design. Modeling merely

establishes localized feasibility parameters; it cannot substitute for the mandatory geotechnical site investigations, multi-beam hydrographic surveys, and sub-surface rock borings required to justify a Level 3 precision threshold for a deep-draft dredging project of this magnitude. Currently the underlying lithology (Sand vs. Soft/Hard Rock) remains heavily unconfirmed across multiple reaches of the river channel. This is concerning as the project expects to blast and excavate massive volumes of material, including a calculated 1,142,600 cubic yards of hard rock. For a Class 3 estimate to be valid, the geotechnical profile must be highly accurate. Yet, the underlying lithology, moving from soft sand/mud to unpredicted hard rock, entirely changes the required equipment (shifting from standard dredging to intensive underwater blasting and specialized rock-cutterheads). The cost differential between dredging sand versus fracturing hard rock is exponential and a 27% contingency is extremely insufficient to cover deep geotechnical variance across a 26-mile channel. Furthermore, the documentation completely leaves out highly volatile civil engineering contingencies—such as detailed underwater utility and pipeline relocations and specific structural dike modifications for Dredged Material Placement Sites (DMPS) —while simultaneously acknowledging that true Preconstruction Engineering and Design (PED) tasks are deferred to a later phase. Forwarding a project with a Class 4 or 5 planning-level reality under the guise of an advanced 50% design introduces unmitigated cost and engineering risks to the agency, and the Letter Report should be returned to the District for physical data validation before any further action is taken. Proceeding without valid 35% design maturity violates the Corps' own established standard for fiscal and structural responsibility and could result in a need to seek reauthorization due to exceedance of the Section 902 limit.

- **Construction and Implementation:** Execution in a dynamic coastal/estuarine environment presents risks that are not fully quantified or incorporated into cost and schedule estimates. Deepening 26+ miles of channel from 42 to 47 feet requires a highly coordinated fleet of specialized hopper and cutterhead pipeline dredges over a massive 109-month (9+ year) total timeline. The current annual construction window for dredging is from November 16 through April 30. Recent appropriations have been outside this window, and the cost assumption includes execution of O&M dredging prior to construction dredging for each contract. The current plan assumes use of multiple high in demand dredges for each construction contract. Large-scale Jones Act-compliant dredges in the U.S. are a critical commodity. Assuming the District can seamlessly secure multiple high-demand assets annually over six sequential construction windows without suffering severe scheduling delays is highly unrealistic. The Letter Report indicates there are 6 contracts while the cost estimate appendix indicates 9 contracts, with the last contract (contract 9) planned to accomplish mitigation. This is inconsistent with Section 906(b) of WRDA 1986, as amended which requires mitigation be accomplished prior to construction or concurrent with construction (delaying mitigation until a multi-year dredging project is completely finished means local fisheries, wetlands, and marine habitats endure unmitigated, potentially irreversible ecological degradation during the construction phase). The construction cost estimate and plan also do not include

any cultural/historic resources avoidance, minimization and mitigation (Code of Account 18 cultural resources preservation). Excluding cultural resources mitigation costs from the project budget represents a major failure in Section 106 compliance under the National Historic Preservation Act.

- **Site-Specific Risks:** The resource agencies continue to express concern for known site-specific risks and have requested more detailed information prior to completion of the ROD. For example, Orton Plantation has submitted technical reviews by Foth Infrastructure & Environment, LLC and Lynker Corporation, which conclude that the proposed Wilmington Harbor deepening project is likely to compromise the structural integrity and long-term stability of its historic protective earthen dike system, leading to slope failure, increased erosion, and saltwater intrusion resulting in the destruction of hundreds of acres of restored rice fields dating to the 1700s that are listed under the National Register of Historic Places. The District indicated that they are unable to review this information at this time and will not review it until preconstruction, engineering and design, AFTER project authorization, citing that the use of a programmatic agreement was preferred due in part to the inability to access known sites (yet, Orton has not been asked for access to its property). This approach appears to reflect circular logic: the Corps relies on its general H&H modeling to assert that there will be no impacts to historic properties, while simultaneously deferring the detailed Section 106 analysis and site-specific geotechnical review that would test or validate that very assertion. Certain site-specific risks that could materially affect project feasibility, cost, mitigation obligations, or environmental acceptability cannot be deferred where they are necessary to support an informed decision. Reliance on general modeling, without adequate site-specific geotechnical analysis for this and similar features, is insufficient to support informed decision-making or accurate cost estimation for the proposed project. For example, potential increased costs to operate the sand transport system for a deeper channel are not considered. The record does not appear to adequately quantify the potential cost implications if additional stabilization measures become necessary.

- **Placement Site Sustainability:** The long-term viability, capacity, and performance of Ocean Dredge Material Disposal Site (ODMDS) and beneficial use/nearshore placement sites remain uncertain and are likely to materially affect project costs and environmental risks. The uncertainty associated with the nature of dredged materials could lead to significant cost and time increases. Millions of cubic yards of dredged material are slated for offshore disposal or beneficial upland placement. If extensive testing during construction reveals concentrated PFAS, that sediment cannot be openly dumped or placed on local public beaches due to state liability. Though Corps policy states that any Hazardous, Toxic, and Radioactive Waste is a non-federal responsibility, the Corps still has NEPA and CWA obligations regarding characterization and impacts. The Corps concedes that known Chemours-related PFAS contamination exists upstream but claims they do not know if the specific sediment to be dredged is contaminated, officially labeling it an "unresolved issue" and there is no

estimated costs assigned to the NCSPA and this remains a significant project risk.

---

5. Environmental Acceptability

- **Incomplete Impact Analysis:** The FEIS does not fully evaluate indirect (e.g., salinity intrusion, vessel wake-induced erosion) and other impacts as required to support a determination of environmental acceptability under Corps policy and NEPA. The North Carolina Division of Coastal Management's February 2026 objection letter to the USACE Wilmington Harbor deepening project identifies critical environmental risks, including PFAS resuspension, sea level rise, increased flooding, dredged material placement and habitat destruction. Key concerns also focus on wetland loss, threats to fisheries, and inadequate dredging plans.

- **Nearshore Placement Effects:** Potential long-term effects on shoreline stability, benthic habitats, and sediment dynamics have not been adequately evaluated to ensure impacts are fully understood and disclosed. For example, Cape Fear River Islands host 30% of North Carolina's nesting coastal waterbirds, including at least 25 "at risk" species. Accelerated erosion due to ship wakes endangers nest destruction.

- **Mitigation Adequacy:** Proposed mitigation lacks the specificity, feasibility, and enforceability required by NEPA, ER 1105-2-103 and other Corps planning policy to offset project impacts commensurately. The North Carolina resource agencies do not concur with the project as currently proposed. The National Marine Fishery Service has not provided consultation documentation under the Endangered Species Act and the Marine Mammal Protection Act.

---

6. Independent External Peer Review (IEPR)

The Final IEPR Report (November 25, 2025) raised concerns in key areas. However:

- **Resolution of Comments:** The administrative record does not clearly identify how each significant IEPR recommendation was resolved or incorporated into the final planning rationale. Where recommendations were not adopted, the report should identify the technical basis for those decisions.

- **Significance of Findings:** To the extent the IEPR identified concerns related to economic analysis, engineering assumptions, or environmental impacts, those findings should be clearly reconciled prior to advancement.

- **Transparency and Documentation:** ER 1105-2-103 and Corps review policy (including ER 1165-2-217) require transparent documentation of IEPR outcomes — including how comments are addressed and resolved — to support risk-informed, high-level decision-making. This gap must be closed to satisfy Corps review policy and support risk-informed decision-making prior to transmittal.

---

7. Procedural and Legal Compliance

- **Section 106 Consultation:** Consultation under the NHPA remains incomplete, inconsistent with advancing a final recommendation especially considering the many concerns expressed by the North Carolina State Historical Preservation Office (signatory), the Orton Plantation, the Brunswick Town/Fort Anderson State Historic Site, the National Trust for Historic Preservation, the North Carolina Coastal Federation, Audubon of North Carolina, the Southern Environmental Law Center, the owners of Campbell Island and others[1]. The record does not demonstrate completion of Section 106 consultation or identify enforceable commitments sufficient to ensure that unresolved adverse effects will be avoided, minimized, or mitigated prior to authorization.

- **CZMA Consistency:** The North Carolina Division of Coastal Management has objected, citing insufficient information to support the Corps' determination that the project is consistent with North Carolina's coastal plan as required by the CZMA. Outstanding coastal consistency issues, including potential state objections, must be resolved or a clear "maximum extent practicable" determination fully documented.

- **CWA Section 401 Water Quality Certification (WQC):** The North Carolina Division of Water Resources (DWR) continues its review of the individual 401 WQC application and has issued a Request for Additional Information. Critical data gaps persist regarding PFAS sediment characterization, resuspension/fate and transport, water quality impacts (including salinity intrusion and dissolved oxygen), and the adequacy of proposed mitigation to protect state water quality standards and public health. Proceeding without a clear path to certification creates substantial legal and implementation risk.

- **Administrative Record Sufficiency:** A complete and defensible record is a foundational Corps requirement. Advancing the decision document and recommendation to ASA(CW) before completion or resolution of NHPA, CZMA, and CWA processes is not just risky—it is inconsistent with Corps policy requiring environmental acceptability and legal sufficiency prior to decision transmittal. Proceeding with transmittal while these reviews remain unresolved

[1] Under Section 106, the NC SHPO is a signatory for this project whereas consulting parties include the Orton Plantation, the Brunswick Town/Fort Anderson State Historic Site, and the National Trust for Historic Preservation. All other parties listed expressed concerns through the public comment period following the draft EIS relating to cultural and historic site impacts.

increases legal and implementation risk and raises questions regarding whether the administrative record presently demonstrates environmental acceptability and legal sufficiency.

---

8. Decision Readiness

- Under ER 1105-2-103 and Corps review policy, decision documents forwarded to the ASA(CW) must be supported by a complete, transparent, and defensible record demonstrating technical, economic, and environmental adequacy.

- The concerns identified in the 2020 Review Assessment have not been fully addressed. Therefore, it does not demonstrate that the statutory conditions of WRDA 2020 Section 403 have been satisfied.

- Corps policies are intended to ensure that Headquarters and ASA(CW) receive a decision document that allows informed decision-making. Where significant technical questions remain unresolved or where supporting analyses are deferred until post-authorization, the record does not provide decision-makers with the requisite information necessary to evaluate the project's technical, economic, environmental, and legal merits.

- The current FEIS and Letter Report do not yet meet this threshold. Forwarding at this time risks avoidable delays, rework, or reversal at higher levels. Accordingly, the record is not decision-ready under Corps policy.

Conclusion and Recommendation

In light of these concerns, we, the undersigned organizations, respectfully urge the DCG(CEO) to **defer transmittal** of the Final Letter Report and FEIS to the ASA(CW) until the following actions are completed:

1. **Full documentation and resolution of all IEPR comments**, including how findings from the November 25, 2025 report have been addressed;

2. **Strengthened economic analysis** with robust sensitivity, uncertainty, and life cycle cost evaluations consistent with ER 1105-2-103 and Corps Civil Works policy;

3. **Expanded engineering and geotechnical analysis** to sufficiently support decision-making, resolving questions about erosion, sedimentation, shoaling, ship simulation, long-term channel behavior, lifecycle maintenance requirements, and especially the unverified geotechnical profile. The analysis should resolve the underlying sediment and rock conditions to validate the magnitude of blasting, use of specialized equipment, and appropriate contingencies.

4. **Comprehensive evaluation of indirect, direct, and placement-related environmental impacts** with commensurate mitigation (including avoidance and minimization measures); and

5. **Completion (or clear path to completion) of all required consultations**, including Section 106, CZMA consistency, Endangered Species Compliance and Section 401 WQC.

Granting this requested deferral will strengthen compliance with Corps policies, reduce technical and legal risk, and allow the Corps to address outstanding issues and determine whether a complete and defensible record can be established to support an informed decision on the viability of the proposed project.

The Village of Bald Head Island

July 31, 2026

Submitted via USPS, FedEx, and electronically

Major General Jason E. Kelly (Jason.E.Kelly@usace.army.mil)
Deputy Commanding General for Civil and Emergency Operations
U.S. Army Corps of Engineers
441 G Street NW
Washington, DC 20314

Subject: Wilmington Harbor Section 403 Project – Request to Defer Transmittal of Final Letter Report and Final Environmental Impact Statement to the Assistant Secretary of the Army for Civil Works (ASA(CW))

Dear General Kelly,

I am writing on behalf of the Village of Bald Head Island ("VBHI")[1] to supplement the letter and memorandum submitted to you by The Moore Foundation and Orton Foundation and endorsed by several other communities and entities, including VBHI, requesting deferral of transmittal to the ASA(CW) of the Final Letter Report and EIS ("Deferral Request"). We are submitting this supplement because VBHI had earlier engaged a well-recognized expert in port-deepening projects (Dr. Asaf Ashar[2]), who analyzed the benefits included in the Economic justification for this Project. We submitted his analysis to the Corps during the Comment period. His analysis (summarized in Attachment C, with the full analysis in Attachment D) criticizes many elements of the Economic justification and finds compelling evidence that the benefit to cost ratio ("BCR") for this Project is well below 1.0. In particular, the critical forecast of containerized cargo is deeply flawed so as to double the forecasted Project benefit. The Report of the Independent External Peer Review ("IEPR Report") specifically questioned the basis for the containerized cargo forecast (Final Panel Comment 4, Report p. 11) and suggested additional documentation and, in Final Comment 7, Report p. 17, analysis of the risk and uncertainty associated with this critical forecast. In response, the Corps' revised

[1] VBHI's interest is described in Attachment A.

[2] Dr. Ashar has over forty years' experience in port planning and operations and is a recognized expert on several port deepening projects. *See* Attachment B.

Economic Considerations confirms Dr. Ashar's finding that the flawed forecast for future containerized traffic, when corrected, yields a BCR of 0.7. Nevertheless, the Final Letter Report recommendation repeats the BCR of 1.3, completely ignoring any adjustment for risk or uncertainty.

The IEPR Report also noted other significant uncertainties in the forecast assumptions.

> **Without a transparent assessment of uncertainty, decision-makers cannot fully evaluate the reliability of the economic justification, nor can they determine the extent to which benefits may vary under alternative but reasonable future conditions.**

Final Panel Comment 7, IEPR Report, p. 17 (emphasis added). The revised Economic Conditions analysis does not adequately address the uncertainties of the forecasts on which the BCR analysis depends. Dr. Ashar did address each of the uncertainties identified in the IEPR Report and concluded that these factors also show that the Project BCR has been significantly overstated and fails to model the real world of global maritime commerce affecting the Port of Wilmington.

Dr. Ashar only examined the benefit side of the Economic analysis. While the Corps regularly defers the quantification of some costs until the construction phase, this deferral normally would not materially impact the BCR (*e.g.*, the Port of Savanah BCR was approximately 7.3). Here, where even by the flawed benefit analysis the BCR is barely over 1.0, closer examination of these unquantified costs is critical to an informed judgment about the feasibility of this Project. Attachment F summarizes the significant deficiencies in identifying and quantifying the Project costs, many of which are directly related to the unresolved issued raised in State of North Carolina's objection to the CZMA Concurrence request, which Objection is Attachment G. In particular, we ask that the Corps consider as part of resolving that Objection adoption of a Monitoring and Adaptive Management Plan similar to that incorporated into the Savannah Harbor Expansion Project, discussed in Attachment F, Section E.

Finally, we are also aware that the IEPR Response is still being prepared.

> The purpose of the Independent External Peer Review (IEPR) panels is to provide the Chief of Engineers with a (*sic*) independent assessment of the project or work product, including the panel's assessment of the adequacy and acceptability of the economic, engineering, and environmental methods, models, data, and analyses used as well as the range of alternatives, **and the adequacy of risk and uncertainty analyses**. The Chief of Engineers will consider recommendations from the panel, prepare a written response to those recommendations, and publish and disseminate that information, as required by law.

https://www.usace.army.mil/Missions/Civil-Works/Project-Planning/Completed-Peer-Review-Reports/ (emphasis added). The Final Letter Report and Environmental Impact Statement fail to adjust the critical analyses for uncertainty, and we urge you to address these failures in the final IEPR Response document[3] and in your review of the Final Letter Report and EIS.

We therefore join in the Deferral Request and ask that transmittal of the Final Letter Report and EIS to ASA(CW) be deferred until the matters raised in this submission and the Deferral Request have been fully resolved and documented. We appreciate your consideration of this request and would be glad to provide additional information, if helpful.

Respectfully,

Peter Quinn, Mayor

Village of Bald Head Island

[3] "Responses should focus on the USACE position as opposed to the District position." Independent External Peer Review (IEPR) U.S. ARMY CORPS OF ENGINEERS (USACE), National Planning Centers of Expertise Standard Operating Procedure (SOP), E-1. https://planning.erdc.dren.mil/toolbox/library/Misc/IEPR%20SOP_FINAL_2022-04-21.pdf

CC:
Orton Plantation Holdings — Louis Bacon, Owner
Audubon North Carolina — Zach Wallace, Policy Director
Cape Fear River Watch — Kemp Burdette, Cape Fear Riverkeeper
Center for Biological Diversity — Will Harlan, Southeast Director
CleanAIRE NC — Jeff Robbins, Executive Director
Dark Branch Descendants Association — Dr. Charles Chavis, President
Historic Wilmington Foundation - Carol Bullock, Executive Director
North Carolina Coastal Federation — Kerri Allen, Coastal Management Program Director
North Carolina Coastal Land Trust — Jesica Blake, Associate Director
North Carolina Conservation Network — Brian Buzby, Executive Director
North Carolina Sierra Club — Erin Carey, State Conservation Policy Director
Town of Kure Beach — Allen Oliver, Mayor

Brigadier Zachary Miller
Commanding General
U.S. Army Corps of Engineers, South Atlantic Division
60 Forsyth Street SW, Room 10M15
Atlanta, GA 30303-8801
Zachary.L.Miller@usace.army.mil

Lieutenant Colonel Kenneth Porter
Commander
U.S. Army Corps of Engineers, Wilmington District
69 Darlington Avenue
Wilmington, NC 28403
Kenneth.M.Porter@usace.army.mil

Attachments:
Attachment A: Interest of Village of Bald Head Island
Attachment B: Summary of Education and Experience of Asaf Ashar, PhD
Attachment C: Summary of Analysis of Project Benefits
Attachment D: Feasibility of Deepening the Port of Wilmington Channel (2025), Asaf Ashar, PhD, Nov. 17, 2025 ("Ashar Analysis")
Attachment E: Corps Economic PowerPoint, Oct. 25, 2025
Attachment F: Considering Additional Project Costs Lowers the BCR
Attachment G: CZMA Objection: NC Div. Coastal Management Letter, Feb. 24, 2026

Attachment A

Interest of Village of Bald Head Island

Bald Head Island sits at the mouth of the Cape Fear River and is immediately adjacent to the shipping channel which is the subject of the Project. VBHI performs the responsibilities of a municipality in areas of public safety, utilities, and public works for the Island and, representing the interests of its property owners, public, and the thousands of visitors to the Island, is vitally interested in, invested in, and affected by the health of the entire Cape Fear River and the near-shore it directly affects. While VBHI property owners and visitors utilize vast stretches of the River, VBHI is also interested in the channel's historical impact on the sand transport systems at its mouth and near-shore. These systems impact the integrity and health of the adjacent beaches and their related aquatic and terrestrial habitats and on the infrastructure threatened by degradation of those beaches, which provide protection to habitats and infrastructure from extreme weather events. The last deepening[1] of the Channel, the 2000 Wilmington Harbor Project resulted in extreme, harmful effects to the Island's beaches, roads, homes, infrastructure, and critical environmental habitat for endangered and threatened species of sea turtles, birds (including the Piping Plover and Wilson's Plover), and other wildlife. Since 2000, VBHI has spent almost $70 million in public funds to address these direct impacts from the 2000 WHP, as detailed on the following pages. Based on the experience of the 2000 WHP, as well as on consultation with experts, the harm to VBHI from the Project as proposed will be at least comparable to that experienced since 2000. In addition, VBHI believes there will be other synergistic, harmful effects to the River and adjacent environs, habitats, residents, and visitors.

[1] "Deepening" as used in this letter includes the former and planned widening of the channel.

Bald Head Island
Mitigation Costs of Navigation Channel Impacts

Previous Projects

• Engineered Beach Project 2009/2010		
• Dredging Contract	$	14,800,000
• Interest Expense	$	1,536,000
• Permitting – *Land Management Group, Inc., Olsen Associates, Inc., Legal*	$	1,000,000
• Sand Filled Geotextile Groinfield		
• 1995	$	320,000
• 2005	$	850,000
• 2009/2010	$	1,150,000
• Road Overwash		
• South Bald Head Wynd Road Repair 2004	$	250,000
• Sandbag Revetment Wall	$	250,000
• Sandpiper Trail Sandbag Wall + 2009 Repairs	$	65,000
• 2007 Sand Placement (Assist USACOE- limited funds)	$	900,000
• Periodic Beach Profile Monitoring	$	595,000
• Required Jay Bird Shoal Biological Monitoring per Permit	$	50,985
• Required Beach Front Biological Monitoring per Permit	$	30,030
• Install Emergency Sandbag Revetment at the Point	$	230,000
• Repair & Maintenance of Revetment at the Point	$	8,000
• BH Creek 2006 dredging Project w/ sand placed on West Beach	$	737,858
Total	$	**22,772,873**

Additional Expenditures Reimbursed through FEMA Public Assistance Funds

• Bald Head Creek Dredging Project (Emergency Sand Source to mitigate Erosion due to Hurricane Irene)	$	1,230,000
• Sand-filled Tube Groin Field Repairs due to Hurricane Irene	$	650,000
	$	**1,880,000**

Additional Expenditures Reimbursed through State of NC/DENR Water Resources Development Grant Funds

• Bald Head Creek Dredging Project 2006 (Southwind Construction Co.)	$	**260,000**

Bald Head Island
Mitigation Costs of Navigation Channel Impacts

The Terminal Groin Project (2015)

- Terminal Groin GO Bond Expenditures @ 2-28-18 (2015 Project)
  Engineering/Design/Modeling/NEPA EIS costs $ 1,177,000
  (Phase I Construction/Orion w/ Corps 2015 O&M Sand)
  - Terminal Groin Construction, part of the T6 project, placing approximately 1 million for the fillet sand to place behind the T6 structure $ 7,876,858
  - Harbor Jetty Extension w/ Spurs $ 1,456,316
  - West Beach and Row Boat Row (Bald Head Creek Dredging) $ 1,261,026
    - Army COE Reimbursement $ 105,341
    - MECA Reimbursement 830,514
    - Contract Reimbursements 140,363
      - Total $ 1,076,218 $ (1,076,218)

    Total Cost, Phase I $ **9,517,982**

- Breakwaters Project:
  - Construction of two detached rock breakwaters located north of the Marina
    - Intercoastal Maine, LLC $ **895,052**

Sand Re-nourishment / Groin Tube Project (2018-19)

- Sand Re-nourishment / Groin Tube Replacements (2019 Project)
  (Phase II Construction/ SJ Hamill Construction, Bradley Textile Tubes)
  - Beach Nourishment 1million cubic yards, including mobilization $ 11,767,000
  - Groin Tube manufacture and installation 1,514,429
  - Engineering Costs 445,000
  - Legal Costs $ 62,500

  Total Cost, Phase II $ **13,788,929**

Marina Channel Maintenance Program

(Grant received from Department of Environmental Quality Resource Development Project to reimburse the Village for 66% of the cost, current expiration of Grant May 2019.)

- Village portion of expenses paid for Dredging the Channel:
  2017 – 2023: $ **289,140**

Bald Head Island
Mitigation Costs of Navigation Channel Impacts

Sand Re-nourishment / Groin Tube Project (2024-25)

- Sand Re-nourishment / Groin Tube Replacements (2025 Project)
  Beach Fill Construction/Marinex, Flint Textiles Geotubes, McPherson Marine Service
  - Beach Nourishment 1 million cubic yards, including mobilization $ 16,175,000
  - Groin Tube Installation $ 1,517,430
  - Tube manufacturing (Flint) $ 446,425
  - Engineering Costs – JBS Borrow Site Permitting $ 230,200
  - Beach Fill Design/Construction Document (including groins) $ 350,000
  - Construction Management/observation $ 425,000
  - Legal – Construction Contracts Review/Bid $ 7,500

  Total Cost $ **19,151,555**

Beach Monitoring

Annual Shoreline Monitoring Program Expenses (last 10 years): **$2,000,000**
(Includes spring/fall surveying and aerial imagery documentation w/ final report from Coastal Engineer)

Total Accumulated Costs Associated with the Mitigation of the Navigation Channel **$69,303,391**

Overall Total To Date - $71,732,531

(25-year average expenditure annually - $2.87M)

Summary of Education and Experience

Asaf Ashar, PhD

Research Professor (emeritus) and Independent Consultant, Ports, Shipping and Intermodal Transportation

Dr. Ashar is Research Professor (emeritus) with the National Ports & Waterways Institute (NPWI), USA, and independent consultant. NPWI is a maritime research program of The University of New Orleans and, previously, Louisiana State University, with offices in New Orleans, LA and Washington D.C. Dr. Ashar had been with NPWI for 30 years (1985 - 2015). Before that he was Senior Port Planner and Transportation Analyst with the Port of Seattle, WA, USA (1981 - 1985), and Senior Advisor for Operations with the Port and Rail Authority of Israel, Ports of Haifa & Ashdod (1972 - 1980). His academic background includes degrees in Industrial Engineering & Management (Technion, Israel, 1967), Marine System Management (Massachusetts Institute of Technology, USA,1982), and Maritime Studies and International Transport (University of Cardiff, United Kingdom,1993).

Relevant Assignments:

***Expert Witness, Port Concession Assessment**, for White and Case LLP (2021).*

***Expert Witness, Home Port vs. Port of Registration in Cruise Shipping,** for Palter, Stokley & Sims LLC, Houston, TX (2018).*

***Expert Witness, Prospect of Ferry Services in New York,** for Emery, Celli, Brinckerhoff & Abady LLP (2015).*

***Expert Witness, Patent Application for Ship Handling System, USA,** for Mintz, Levin, Cohn, Ferris, Glovsky & Popeco, P.C. (2015).*

Expert Witness, Port of Savannah's Channel Deepening, for Natural Resources Defense Council, Inc., New York, USA (2012).

Expert Witness, Port of Miami's Channel Deepening, for Natural Resources Defense Council, Inc., New York, USA (2012).

Expert Witness, Maher Terminals, Elizabeth, NJ, USA, for Winston & Strawn LLP, Washington DC, USA (2012).

***Expert Witness, Private Ports in USA and UK and their Relationships with Surrounding Communities,** for the Port of Los Angeles and Kaye Scholer LLP (2009).*

Expert Witness, Costs of Coal Shipping and Port Handling in Florida, for Michael Twomey Law Office, Gainesville, FL, USA (2004).

Attachment C

Summary of Analysis of Project Benefits

On November 3, 2025, the Village of Bald Head Island ("VBHI") submitted to the Corps comments on the Draft Letter Report ("DLR") and Draft EIS ("DEIS"). On November 17, 2025, VBHI submitted to the Corps Supplemental Comments Regarding Economic Analysis, including a copy of a report by Dr. Asaf Ashar (Attachment D below, "Ashar Analysis").[1] *See* Attachment B above for a summary of Dr. Ashar's experience and qualifications. The Ashar Analysis examined the benefits side of the benefit cost ratio ("BCR") in the DLR Economic Considerations ["Attachment 5-Economic Considerations, 09/05/2025" ("2025 EC")] and concludes that **the BCR is less than 1.0** for several reasons. Subsequently, the IEPR Report (Nov. 25, 2025) also criticized the 2025 EC, citing many of the same factors examined by Dr. Ashar. The Final Letter Report ("FLR") attached a new "Attachment 5-Economics Considerations, June 2026" ("2026 EC") containing slight modifications to 2025 EC that only **partially** address **one** of the IEPR criticisms (the containerized or TEU cargo forecast), discussed below, but not the other deficiencies identified in the IEPR Report.

The major economic deficiencies (ranked by the IEPR as being of "High Significance") are the lack of explanation and documentation of the forecast for containerized cargo (TEU) throughput and vessel calls assumptions. IEPR Report, Final Panel Comment 4, p. 11.

> **Accurate forecasting of containerized shipping volumes is a critical determinant of project benefits,** vessel call patterns, transportation cost savings, and the justification of channel deepening. **If future shipping volumes are overstated or insufficiently supported, the economic benefits of the project may be mischaracterized**.

Id., p. 12 (emphasis added). Similarly,

> **Without a transparent assessment of uncertainty, decision-makers cannot fully evaluate the reliability of the economic justification, nor can they determine the extent to which benefits may vary under alternative but reasonable future conditions.**

[1] On Oct. 25, 2025, the Corps responded to a VBHI request for additional explanation of the DLR economic justification analysis by supplying a "PowerPoint" (Attachment E, below) and granted VBHI an extension to submit comments on that analysis.

Final Panel Comment 7, IEPR Repot, p. 17 (emphasis added). The 2026 EC does not adequately address these criticisms, as discussed below.

A. Containerized Forecast

1. Base data for forecasting

Commodity cargo (largely containerized and measured in TEUs or tons) account for the majority of Wilmington's cargo and dominate the Corps' analyses. Both the 2025 and 2026 ECs forecast future East Asian containerized trade by starting with **2020 actual data** as a base year "to represent the baseline from which forecasted commerce was conducted." 2026 EC, 5.3.1.1.1, p. 32. Using a single year is analytically unsound: as the Ashar Analysis recommends, the forecast base should be either an average of recent historical data or a trend forecast, where a trend is evident. Ashar Analysis, III.2, p. 8. *Id*. The Corps recognizes these principles, using a linear regression trend to establish the baseline for forecasting liquid and dry bulk goods,[2] and calculating the prior 5-year average for containerized goods.[3] However, it does not then employ that 5-year average, selecting as the base year the highest single year (2020—38% higher than the average) in a five-year period characterized by high variability[4] and ignoring the calculated average in EC Tables 5.16 and 5.17, p. 33. No methodological justification for this approach is offered, and it is not consistent with sound forecasting principles as described in the PowerPoint and the Ashar Analysis.

The impact on the feasibility decision is significant: simply changing this assumption to the five-year average drops the BCR to **1.01**, even if all of the other 2025 and 2026 EC assumptions remain the same. Ashar Analysis, III.2, p. 8.

2. Growth forecast assumptions

a. Adjusting the benefit base year

The year 2036 is the expected completion of Project construction and the beginning of the measurement of Project benefits, so the 2026 EC must forecast growth in trade from the present[5] to 2036 and then for 50 more years. Apparently responding to the IEPR Report's criticism of a lack of clarity and explanation of the containerized growth forecast, 2026 EC adds a detailed discussion of its

---

[2] PowerPoint (Attachment E), p. 16.

[3] *Id*., p. 15: "5-year average of historical tonnage as a baseline for future projections--**Minimize effects of anomalies and fluctuations.**" (emphasis added).

[4] For Far East Imports, 2020 was 38% higher than the five-year average and 108% higher than the volume three years earlier. EC Table 5.16, p. 33.

[5] The Ashar Analysis criticizes the 2025 EC for relying on outdated data, but the 2026 EC does not update its calculations.

investigation of various external data sources and estimates Far East containerized imports as growing at 3.1%/yr. through the foreseeable future. It applies this assumption until 2030 and after 2036, but, in the single most critical assumption to the feasibility finding, it uses a different assumption for this interval, forecasting containerized imports growing at **an annual growth rate of 25.5%,** from 728,635 tons in 2030 to 2,840,505 tons in 2036 (2026 EC Table 5.20, p. 37), an increase of 389.8%. *See* Ashar Analysis, p. 9, Table 2. Applying the historic 3.1% growth rate would have resulted in a 2036 imports forecast of 875,109 tons, a 20% increase from 2030. This assumption in the Corps' analysis inflates the starting level of commerce for the benefit period by 370%. Without this assumption, the BCR drops to **0.72**, Ashar Analysis, III.5, p.10, and if both this assumption and the outlier base year (2020) assumption discussed above are rejected, the BCR drops to **0.55**. *Id*., III.6, p. 11. The 2026 EC defense of its forecast does not meet the Corps' standards for rigorous analysis.

b. EC explanation

As the IEPR Report notes, p. 11, the containerized forecast is unexplained in the original EC beyond a vague reference (2025 EC, p. 34) to improved landside facilities, which the IEPR Report notes require more detailed support.[6] The 2026 EC adds an analysis of historic containerized cargo growth rates but does not apply them for the period 2030-2036. Instead, the analysis cites "landside improvements" and then defers to undocumented projections made by the Project Sponsor—the North Carolina State Ports Authority ("NCSPA")— which "provided estimated annual TEU volumes associated with each improvement." 2026 EC, p.36. This is the only support for the forecasted 25.5% annual growth rate for this period, and ignores the advice of the IEPR:

> Conversely, if the forecast assumptions are not transparent or **traceable to external sources, reviewers and decision-makers cannot assess the reliability of the economic justification** or the **consistency of the forecast with national and global container trade trends.**

Final Panel Comment 7, IEPR Repot, p. 17 (emphasis added). Additionally, there is no evidence in the EC that imports are currently being restricted by the lack of those new facilities or that demand will suddenly increase, either of which is the necessary inference that imports will jump dramatically when those facilities begin operations.

The Corp here eschewed macro-economics, national trends, and independent analysis. Instead of relying on its own economic analysis of import trends and

[6] The IEPR Report attempted to corroborate the 2025 EC forecast with publicly available shipping data but found that those source suggest a growth rate of 2%/yr., *id*. (compared to the 25.5% rate assumed in the 2025 and 2026 EC Table 5.20).

growth, the Corps relies entirely on the Project Sponsor, NCSPA, for the forecast's most critical assumption. NCSPA's Project assumptions have heretofore been found to be unreliable. The ASA(CW) criticized the NCSPA 203 Report's economic justification because NCSPA provided "no data to support this assumption" [that "Wilmington will be removed from service if not deepened"] (Review Assessment, May 2020,p. 5). NCSPA's original economic forecasts in the 203 Report were ultimately shown to be unsound and biased.[7] The FLR, pp. 4-4, 4-5, resolves the Assessment Comments on this point against the NCSPA's assumptions. C-4 through C-8. Undeterred, the FLR now recommends this Project based on NCSPA estimates, unsupported by data, in the face of analysis showing the Project is unfeasible if the NCSPA is wrong, and data showing that it is wrong.

c. Empirical data contradict the 2026 EC's assumption that imports to Wilmington will dramatically increase between 2030 and 2036.

Dr. Ashar correctly observed that imports do not increase simply because a port builds facilities to handle them. Ashar Analysis, p. 31. He examined the literature and concluded that the only logical source of a sudden increase in imports unique to Wilmington would be related to the EV batteries and vehicles market emerging in North Carolina. *Id*., VIII.6-VIII.12, pp. 31-32. However, he concludes that even the EV battery and vehicle market does not support a forecasted increase in imports, but rather a likely decrease. *Id.* The IEPR likewise "did not find supporting documentation or data to substantiate the assumption of increased electric vehicle (EV) imports from the Far East." IEPR Report, p. 12.

d. Sensitivity of BCR to TEU forecast

"Accurate forecasting of containerized shipping volumes is a critical determinant of project benefits…." IEPR Report, p. 12. The Report goes on to stress the importance of a rigorous analysis of the uncertainty and risk associated with the benefit and cost forecasts quoted above, Comment 7, p. 17. The importance of evaluating uncertainty and risk related to all of the major benefit forecast assumptions would seem self-evident for a 50-year forecast.

The 2026 EC, pp. 61-64, adds a new Section 5.4 "Uncertainty," which only specifically addresses uncertainty in the containerized shipping forecast. Applying "lower growth rates" for containerized cargo based on historic growth trends instead of the 2030-36 NCSPA predicted growth spurt, and assuming the same levels of bulk cargo, the 2026 EC finds that **Project benefit drops "approximately 50%"** and lowers the BCR to **0.7**, 2026 EC, p. 64 (emphasis added), as predicted by Dr. Ashar.

[7] The BCR for this Project has dropped from the NCSPA original estimate of 5.4 to the current Corps estimate of 1.3, without considering the defects identified by Dr. Ashar or the uncertainties identified by the IEPR Report.

> **Therefore, the recommendation from this report is very sensitive to the projected container volumes. The uncertainty around those volume projections is characterized as moderate**, even though estimates of additional container volumes are specific and based on best professional judgement and information provided by shippers and other customers.

Id. (emphasis added). Nevertheless, the final 2026 EC conclusion is that the Project BCR is 1.3 (2026 EC, first page, Table 5.0), unadjusted for any uncertainty or risk. The 2026 EC thus disregards the acknowledgement of "moderate" uncertainty in a forecast assumption that generates 50% of the Project benefit and instead assumes that **all** of said Project benefit will be realized. In addition, as discussed below, NONE of the other benefit assumptions were tested for uncertainty and their impact on the BCR. Dr. Ashar did examine the sensitivity of the benefit forecast to other assumptions, including fleet composition and service patterns and trends.

B. Fleet forecasts overstates Project Benefit

Independent of the flawed containerized forecast, the Corps has inflated the Project benefit by making unsupported future fleet assumptions. Because the same amount of cargo is assumed with and without the Project, the Project benefit arises entirely from the efficiency with which that cargo is moved. The critical assumption is how that cargo will be moved *without* the Project, which the Corps posits will be largely using a fleet of PPX1 vessels. 2026 EC, 5.3.1.2.1, p. 41. PPX1s are less efficient than light-loaded PPX2s or PPX3s: the increase in efficiency from using many PPX1s in the without Project scenario (instead of light-loaded larger vessels) to fewer, fully loaded PPX3s with the Project is much greater than the increase from using light-loaded PPX2s and PPX3s without the Project. *See* Ashar Analysis, VI, pp. 23-26. If the without Project scenario assumes light-loaded PPX2s and PPX3s instead of PPX1s , the Project benefit falls and in most alternative loading assumptions the BCR falls below 1.0 based on adjusting only for this assumption (*i.e.*, still using the inflated forecast). *Id*. Therefore, heeding the IEPR Report caveat to test the sensitivity of critical fleet assumptions, Comment 7, p. 17, the PPX1 assumption is critical to a finding of feasibility, under any forecast.

Using data from the original 203 Report, Dr. Ashar found that **PPX1s have already stopped calling on Wilmington**: 0% of the fleet calling on Wilmington from 2009-2019 are PPX1s. *Id*., p. 23, Figure 8. In addition: "**My review of professional literature did not yield any evidence supporting a future revival of PPX1**…." Id., VI.3, p. 24 (emphasis in original). His research further concludes "**PPX1 is likely to disappear in 2036 from the world's fleet**." *Id*. (emphasis added). The Corps' calculation of the fifty years of Project benefit—2036 to 2085—depend on the without Project scenario being serviced by a ship class that has already gone out of service.

C. Other Invalid and Untested Assumptions

The 2026 EC ignores the current global market. Fundamentally, the Corps fails to ground the 2026 EC in the real world by ignoring: (a) the current service patterns in Wilmington; (b) trends in service patterns globally that change how ports are being and will be served in the future; and (c) changes in global fleet composition. The IEPR Report highlighted the importance of assessing the impact of uncertainties, and the 2026 EC does not address this criticism in its assumptions about the future of global maritime trade. Dr. Ashar, an expert in global maritime markets, did conduct such sensitivity tests and concluded that adjusting for uncertainty also lowers the BCR below 1.0.

1. Asian services

The 2026 EC forecast assumes Wilmington will be served by the four Asian shipping services that previously called there, despite the fact that all four services have, *for reasons unrelated to channel depth*, already stopped calling on Wilmington. Ashar Analysis, IV.1-IV.5, pp. 11-14. Even the earlier 203 Report (Appendix C-Economics,[8] Table 1-25, p. 32) recognized that only two Asian services were calling in 2020 (the base year selected by the Corps for its forecast). The Corps' erroneous assumption that the prior level of Asian services (that haven't been seen since 2019) reflects future service patterns is necessary to attain a BCR greater than 1.0. Ashar Analysis, III.3, p. 9. Moreover, the 2026 EC does not analyze either the factors causing this change in service pattern or the reason for assuming they will revert to pre-2019 patterns. The impact on the conclusion of Project feasibility is significant: while the 2026 EC assumes a 100% certainty of a full return of Asian service, assuming a 50% chance of a full return of four Asian services reduces the BCR to **0.65**. *Id.*, IV.5, p. 14.

2. Fleet Composition and Feedering

Globally, maritime shipping is changing fundamentally in two ways that the 2026 EC analysis does not take into account in its calculations: (1) maritime shipping lines are commissioning ever-larger ships, which many ports cannot accommodate; and (2) as a result, feeder or hub-and-spoke operations ("feedering") are growing to facilitate distribution through ports that can accommodate the largest (*i.e.*, newest) vessels. *Id.*, IV.6-IV.7, pp. 14-16. Constraints in the Panama Canal and shifts to larger vessels using the Suez Canal serve only to increase this shift in service organization. *Id.*, IX.2-3, p. 33. Feedering reduces the demand for deep-water capacity at all ports. The increased reliance on feedering is already evident: 100% of Wilmington's Asian cargo is feedered (*id.*, IV.8, p. 16)—a fact that

[8] https://eft.usace.army.mil/saw-nav/Dredging/Projects/Wilmington_Harbor_Navigation_Improvement_Project_203/NC_State_Ports_203_Study/WHNIP%20Sec%20203%20Appendix%20C%20Economics%20FEB%202020.pdf

the Corps' analysis ignores. As the Ashar Analysis explains (including through actual analysis of one other port already deepened), feedering provides significant benefits unrelated to depth that the 2026 EC ignores. The 2026 EC's failure to account for feedering is both imprudent and contrary to rational economic planning. Indeed, the 2026 EC statistically assumes that feedering will not happen, even though it is plainly already happening. The Ashar Analysis tests the sensitivity of the BCR of this assumption by assuming fifty percent of Wilmington's future traffic will be feedered (even though 100% is currently feedered). Assuming only 50% feedering reduces the BCR to **0.65**. *Id*., IV.8, p. 16.

D. Combining Risk Assessment of Multiple Assumptions

Finally, Dr. Ashar considered the effect of adjusting for multiple assumptions simultaneously. *See* Ashar Analysis, VII, pp.26-27. Because many of the factors he analyzed are independent, their combined effects can be calculated. *Id*., VII.2, p. 27. Without adjusting the containerized forecast, and assuming 50% of future Asian trade will be by feedering while the other 50% will be by light-loaded PPX3 (instead of PPX1) drops the BCR to 0.47. *Id*. Add the containerized forecast adjustment (based on historical data instead of NCSPA estimates) **drops the BCR to 0.25**. *Id*. The only way to achieve a BCR of 1.0 is:

- Start the forecast with an inflated, non-representative year (2020);
- Growth of 25.5% annually from 2030-36 based solely on the Sponsor's estimates;
- Service the without Project scenario with an inefficient vessel type that has already gone out of service;
- Assume a full return of Asian services that departed before 2019; and
- Ignore both the reality of current service patterns—feedering—and the high probability that this pattern will grow rather than disappear.

The 2026 EC makes all of these assumption and, despite recognizing that 50% of the Project benefit arises from just one "moderately uncertain" assumption (the containerized forecast), contains no adjustment for risk or uncertainty.

E. 2026 EC Uniquely Rejects Traditional Economic Principles

In addressing the ASA(CW) Noted Concern about the commodity forecast, the Corps states in the Section 403 Discussion: "The analysis … is fully consistent with other USACE Navigation analyses." Item C-3, FLR p. 4-4. However, as Dr. Ashar stated he has not seen another port project forecast depend almost entirely on an abrupt growth spurt. "The common methodology assumes a moderate and steady growth rate, derived from a national, macro-economic study by outside consultants." Ashar Analysis, VIII.3, p. 29. Indeed, the Corps' studies of seven other ports employed this method and applied growth rates similar to Wilmington's, except for the extraordinary 2030-36 growth spurt. *Id*., Table 8 and Figure 11, pp. 29-20. This distorting one-time jump is unique in Corps forecasting, compared to other ports. In

addition, unlike the typical consideration of several forecast scenarios (low, moderate, high), the 2026 EC uniquely relies on only one forecast, based on projections "estimated" by the Project Sponsor. *Id.*, VIII.4, p. 30. Finally, **it contains no adjustment for risk and uncertainty** despite admitting that its recommendation is "very sensitive" to one "moderate[ly] uncertain" assumption that, alone, generates 50% of the Project benefit.

Feasibility of Deepening the Port of Wilmington Channel (2025)

For the

Village of Bald Head Island

By

Asaf Ashar, PhD

Ports & Shipping Consultant

November 17, 2025

Feasibility of Deepening the Port of Wilmington Channel (2025)

Contents

List of Tables 4

List of Figures 4

I Introduction 5

I.1 Purpose of the Report 5

I.2 Reviewed Documents 5

I.3 Summary of Findings 6

II Methodology 6

II.1 Benefit Cargo 6

II.2 Project Benefits = Savings in Shipping Costs 6

II.3 Wide Variability in BCR Calculations Mandates Sensitivity Testing 6

III Cargo (Commodity) Forecast 7

III.1 Same Forecast for With and Without Project 7

III.2 BCR Adjustment to Base Year Assumption 8

III.3 BCR Adjustment to Past Termination of Direct Asian Services 9

III.4 Unexplained Increase in Asian Imports 9

III.5 BCR Adjustment to Steady Future Growth 10

III.6 Combining BCR Adjustments 11

IV Asian Shipping Services 11

IV.1 Shipping Services Assumed in the Cargo Forecast 11

IV.2 No Direct Asian Shipping Services Presently at Wilmington 11

IV.3 Shipping Alliances, Port Rotations and Service Patterns 11

IV.4 Temporary or Permanent Termination of Wilmington 13

IV.5 BCR Adjustment to Future of No Asian Services 14

IV.6 Feeder vs. Direct Services 14

IV.7 Feeder & Regional Integrated Services 15

IV.8 BCR Adjustment to Future Feedering 16

IV.9 PPX4-based Asia/USEC Services 17

V Savings due to Deeper Channel 18

V.1 Benefit Vessels 18

V.2 Two Categories of Savings in Vessel Costs 18
V.3 Increase in vessel Capacity due to Additional Draft 19
V.4 Reduction in Number of Port Calls 20
VI Fleet Forecast 2036 - 2056 21
VI.1 Future Reappearance of PPX1 21
VI.2 No PPX1 in Previous Studies 23
VI.3 Future World Fleet Has no PPX1 24
VI.4 Call Reduction of PPX1 vs. PPX3Max 24
VI.5 Cost Savings due to Call Reduction for PPX1 and PPX3Max 24
VI.6 BCR Adjustments to Future Asia/USEC Services by PPX3Max 26
VII Summary Conclusion 26
VII.1 Adjusted BCRs 26
VII.2 Combining Risk Factors 27
VIII Appendix A – The Forecasted Growth of Asian Container Imports 27
VIII.1 Sudden Increase in Asia Imports (2030 – 2036) 27
VIII.2 Growth is Unrelated to Deeper Channel 29
VIII.3 Forecasting Methodology 29
VIII.4 Forecasting Scenarios 30
VIII.5 New and Expanded Industries 30
VIII.6 Toyota Battery Manufacturing (TB) 31
VIII.7 Containerized Portion of Raw Materials 31
VIII.8 Asian, Non-Asian and Domestic Sourcing 31
VIII.9 Slowdown in EV 32
VIII.10 Competing USEC Ports 32
VIII.11 Difficulties in Forecasting Methodology 32
VIII.12 Wilmington's EV Forecast 33
IX Appendix B – Asia/USEC Services with PPX1 33
IX.1 Current Asia/USEC Services 33
IX.2 Panama Canal Constraints 34
IX.3 Future Shift from Through-Panama to Through-Suez Services 34
IX.4 Future Fleet Composition 35
IX.1 Special PPX1-Based, Asia/USEC Services for Secondary Ports 35

List of Tables

Table 1 Adjustment to 2016 – 2020 average instead of 2020 8
Table 2 Cargo Forecast Growth Rates 9
Table 3 Adjustment to Steady Growth 10
Table 4 Wilmington Calls Distribution by PPX Categories 21
Table 5 Port-Call Costs of PPX1 & PPX3Max 25
Table 6 Vessel TEU-1,000 Mile for PPX1 and PPX3Max 26
Table 7 Summary of Adjusted BCRs 27
Table 8 Growth Rates of USEC Ports 29
Table 9 Port of Charleston Asian Services 33

List of Figures

Figure 1 Restructuring Shipping Lines' Alliances 12
Figure 2 Restructuring of Asia/USEC EC2 Service 13
Figure 3 Maersk's South Atlantic Express (SAE) 15
Figure 4 Jacksonville's Asia/USEC Services 16
Figure 5 Vessel Operating Costs 18
Figure 6 Vessel Capacity by Draft 20
Figure 7 Wilmington's Calls Distribution by PPX Categories 22
Figure 8 Historical Composition of Wilmington's Fleet 23
Figure 9 Fleet Forecast and Vessel Call 23
Figure 10 The "Jump" in Wilmington's Forecast 28
Figure 11 Cargo Forecast for the Port of Oakland 30
Figure 12 World Fleet by PPX Categories 35

Feasibility of Deepening Port of Wilmington Channel (2025)

I Introduction

I.1 Purpose of the Report

The following is a summary of a study prepared for the Village of Bald Head Island by Dr. Asaf Ashar, a consultant and emeritus research professor for ports, shipping and intermodal transportation, University of New Orleans.

The purpose of my study is to review the USACE's reports on the economic feasibility of the Port of Wilmington (**Wilmington**), NC channel-deepening project **(Project**), from its current depth of 42 ft to 47 ft. For this, I intend to critically examine the reliability of the methodology, data, assumptions and calculations of the economic criterion used to determine this project's feasibility, the Project's **Benefit-to-Cost ratio (BCR).** More specifically, I intend to test the reliability of the Project's calculated BCR of 1.3: 1 and, along with it, the feasibility of Wilmington's Project. My study only discusses the benefit side of the BCR, assuming that costs side is kept unchanged.

I.2 Reviewed Documents

My study includes the review and examination of the following documents:

- USACE 2025 403 Draft Letter Report, Attachment 5 -- Economic Considerations – hereafter referred to as **2025 EC**
- Assistant Secretary of the Army May 2020 Review Assessment of Wilmington Harbor, North Carolina Navigation Improvement Project Integrated Section 203 Study & Environmental (February 2020) – hereafter referred to as **ASA Review Assessment**
- USACE 2025 403 Draft Letter Report – hereafter referred to as **2025 Letter**
- June 2024 USACE Virtual Presentation (Scoping Public Meeting), summarizing the Wilmington Harbor 403 Letter Report & Environmental Impact Statement – hereafter referred to as **2024 Presentation**
- 2024 USACE "Economic Considerations" PowerPoint provided by Corps to VBHI counsel – hereafter referred to as **2024 PowerPoint**
- 2020 North Carolina Ports Section 203 Study Economic C – hereafter referred to as **2020 NCP**.

In addition, and for comparison only, I briefly reviewed the USACE Section 203 Study Economic Appendices of the Ports of Charleston, Savannah, Jacksonville, Mobile, Norfolk, Oakland and Coose Bay.

2025 EC, recently submitted for comments by USACE, is the main document reviewed in my study.

I.3 Summary of Findings

My analysis concludes that both the Project's cargo forecast and the related Project's savings are incorrectly calculated in the 2025 EC report and, therefore, in **need of adjustment**. My study identifies a total of eight (8) different adjustments required to address the assumptions in the 2025 EC that I consider as unsupported. Five (5) of those adjustments result, independently, in turning the Project infeasible (BCR < 1); the other three (3), very close to it. Because these adjustments are statistically independent, any two (or more) of them can turn the Project infeasible.

II Methodology

II.1 Benefit Cargo

My examination of the Project's BCR focuses on the expected **savings** to Wilmington's cargo that can be directly **attributed to the channel-deepening projects**. This so-called **benefit cargo** is carried by shipping lines employing large vessels that can benefit from the deeper channel. In the case of Wilmington, as will be further discussed later, the benefit cargo is Asian imports & exports, carried by direct Asia/USEC services employing post-Panamax vessels.

II.2 Project Benefits = Savings in Shipping Costs

The savings in shipping costs of the benefit cargo are defined as project benefits (**benefits**). The calculation of benefits is based on a simple formula:

- **Benefits ($) = Benefit Cargo (TEUs) x Cost Savings ($/TEU)**

With,

- **Cost Savings ($/TEU) = Costs Without-Project ($/TEU) – Costs With-Project ($/TEU)**

My report critically examines **both** the forecast of benefit cargo (TEU) and cost savings by this cargo attributed to the deeper channel ($/TEU). The benefit cargo (TEU) is addressed in Sections III Cargo (Commodity) Forecast and Section III Asian Shipping Services and Section IV Asian Shipping Services; the savings ($/TEU) in Section V Benefits due to Deeper Channel. Again, my study only addresses the benefit side of the BCR, assuming that the Project costs and the cost side of the BCR, are kept unchanged.

II.3 Wide Variability in BCR Calculations Mandates Sensitivity Testing

The 2025 EC calculates the BCR of Wilmington's channel-deepening Project at 1.3 : 1 (or simply 1.3), and, based on it, determines that the Project is feasible. A BCR of 1.3 is relatively small, indicating that the feasibility of the Project, even prior to my suggested adjustments, is marginal. My review of BCRs of other project-deepening assessment by USACE found that in the case of Savannah, which had a similarly long channel, it was 7.3; Charleston 3.89; Jacksonville 3.3 and Mobile 3.1. The advantage of a large BCR is that it allows for a wide margin of errors in the forecast and benefits assumptions. For

example, in the case of Savannah, even a mistake of 100% in estimating benefits will still keep the BCR>1 (7.3 / 2 = 3.65), and the Project feasible. In the case of Wilmington's 1.3, a misestimate of only 23% (1 / 1.3 = 0.77) can turn the Project from feasible to infeasible. In other words, in Wilmington's case, the determination of feasibility is highly sensitive to assumptions, eight of which I found unsupported by historical and current industry data and in need of adjustment.

Moreover, even in the BCR calculations of Wilmington there is a wide variability as seen below:

Evolution of the BCR of Wilmington Channel Deepening Project

Date	BCR	Discount Rate %
June 2019[1]	5.4	2.875
Feb. 2020[2]	2.5	2.750
Aug. 2025[3]	1.3	3.000

There is no indication in the 2025 EC that the wide range in Wilmington's BCRs, 1.3 – 5.4, is due to changes on the cost side of the BCR. The construction cost is mostly incurred during the first years of the Project (and therefore not affected by changes in discount rates), and USACE has multi-year experience in estimating them. The benefits extend 50 years and are the BCR's component most affected by present value discounting. The wide range (5.4 / 1.3 = 4.15, 415%) of BCR results demonstrates the high **uncertainty** inherent in calculating benefits, considered the most critical part of the assessment of the economic feasibility of channel deepening projects. This uncertainty, which calls into question the Project's feasibility, is not reflected in the BCR calculations in 2025 EC, since it has **no sensitivity testing** to its main assumptions.

III Cargo (Commodity) Forecast

III.1 Same Forecast for With and Without Project

The channel-deepening Project is not expected to affect the volume of cargo (throughput) handled by Wilmington. More specifically, 2025 EC (p.32, top) assesses that local cargo using competitive, nearby ports, e.g., Charleston and Norfolk, will not be repatriated following the channel deepening. Interestingly, Savannah, presumably one of Wilmington's main competitors, is not even mentioned there. The report predicts that "*In the without and in the future with project conditions, **the same volume of cargo is assumed to move through Wilmington Harbor**"*. *Id*. (emphasis in the original). I agree with the economic reasoning for this prediction: the efficiency of maritime transport will continue to drive cargo through the Port of Wilmington regardless of whether its channel is deepened. Accordingly, there is a need to prepare only one forecast, which is applicable to both the With and

[1] NCSPA Integrated Main Report-28 June 2019 Draft, p. ES-14, Table ES-7; that Table also calculates a BCR of 2.6, using a 7% discount rate.
[2] NCSPA Integrated Main Report-February 2020, p. 304 (following review of the Draft by the Office of the Secretary of the Army for Civil Works. *Id*., pp. 6-7). It also calculates a BCR of 1.2, using a 7% discount rate.
[3] 2025 EC, which does not do a BCR calculation using 7%.

Without cases. The effect of the Project is limited to *"allow for more efficient vessel use." (Id.,* p. 32). Later, in the fleet forecast, the 2025 EC anticipates that the deeper channel will have a significant impact on fleet composition. 2025 predicts the reappearance of PPX1, the smallest category of Post-Panamax (**PPX**) vessels although, in 2020, the two Asian services calling at Wilmington were already provided by vessels belonging to the larger category, PPX2&3. As will be discussed later, the PPX1 assumption, although it is unsupported in the 2025 EC, is critically important for determining the Project's feasibility.

III.2 BCR Adjustment to Base Year Assumption

The forecasting method employed by 2025 EC has two components: (a) **base year**, or a starting point for calculation of growth (tons, TEUs); and (b) **annual growth** (or decline) factors (% / year). In the case of a stable situation, to avoid the influence of short-term fluctuations, the base year is commonly selected as the average of the most recent period of 3 or 5 years. Alternatively, if the data exhibits clear, up or down trends, a regression line is fitted. The 2025 EC reports "Receipts" (imports) and "Shipments" (exports) (Tables 5.16 & 5.17, 2025 EC, p. 33) for the years 2016 through 2020 computes the average for that time period. However, despite the wide variability in that data and the absence of a trend (up or down), the 2025 EC rejects this average and selects for base year the highest (most recent) year in those Tables, 2020 -- but not 2024, the most recent information as of the time of the issuance of 2025 EC (discussed below in Section IV).

Table 1 below, based on the Far East Trade[4] figures in 2025 EC Tables 5.16 & 5.17, compares the impact on BCR of basing the forecast on 2020 as base year, with using the 2016 – 2020 average.

Table 1 Adjustment to 2016 – 2020 average instead of 2020

Period	2020	Average 2016 - 2020
Imports (MT)	563,937	387,411
Exports (MT)	804,171	671,597
Total (MT)	1,368,108	1,059,008
Average 2016-2020 / 2020		**0.77**
Report BCR		1.30
Modified BCR		1.01

As seen in Table 1, selecting the average as base year, which seems logical in light of the fluctuations during these years, reduces the Total (MT) to 0.77 of the value selected by 2020 EC – and reduces the cargo forecast and Project benefits accordingly. The effect on the Project's BCR is to reduce its value from 1.3 to 1.01.

[4] The bulk of the projected savings relates to the Far East Trade, which is entirely containerized.

III.3 BCR Adjustment to Past Termination of Direct Asian Services

Another adjustment of the 2025 EC's use of 2020 as base year would be to replace 2020 with more **updated** cargo throughput data. The data in 2025 EC Tables 5.16 & 5.17 ends at 2020. The 2025 EC asserts (p. 59, bottom): *"Ultimately, this economic analysis was conducted with the **historica**l Wilmington cargo share remaining the same in both the future without-Project and future with-Project conditions." (emphasis added)*. Presumably, a study on the feasibility of a $1.4 billion investment, submitted for evaluation in 2025, should include data for the years 2021 – 2024, or, if unavailable(?), consider an indirect method of updating the historical data. In the case of Wilmington, inclusion of the most recent cargo throughput data is critical, since during this period, especially during 2023 and 2024, it seems that there was a significant decline in Asian cargoes handled by direct Asian services (benefit cargo) due to partial or complete termination of their Wilmington calls. Moreover, my recent review of Wilmington's berthing schedule revealed that the termination trend has continued. For most of this year, 2025, there are **no direct Asian services calling at Wilmington.** This recent service termination calls into further question the assumption underlying the supposition of the outlier year 2020, the highest throughput year reported in 2025 EC, as the base year for the forecast calculation.

The termination of Asian services is likely to have a dramatic effect on the Project's BCR. If the base-year is calculated as the average of 5 years, during one of which there is no Asian cargo handled by direct Asian services (benefit cargo), this average is reduced by 4 / 5, or 0.8 which, in turn, reduces the BCR from 1.3 to 1.04 (1.3 x 0.8); if there are a total of 2 years with no Asian services, the BCR will be further reduced to 0.78 (1.3 x 0.6).

The past and present termination of Wilmington's Asian services raises the prospect of **future years with no direct Asian services and no benefit cargoes**. The critical issue of no direct Asian services is further discussed in Section IV.

III.4 Unexplained Increase in Asian Imports

As noted above, the second component of the cargo forecast is the annual growth rate. **Table 2**, based on Table 5.22 in 2025 EC, (p. 35), shows the forecast for the Asian imports & exports (benefit cargoes) for 5-year intervals during the period of 2020 – 2056, with my calculation of the average 5-year annual growth rates (%).

Table 2 Cargo Forecast Growth Rates

Far East	2020	2025	2030	2036	2042
Import (MT)	536,937	625,485	728,635	2,840,505	3,411,517
Annual Growth (%)		3.1%	3.1%	**25.5%**	3.1%
Export (MT)	804,171	985,946	1,205,332	1,557,351	1,935,507
Annual Growth (%)		4.2%	4.1%	4.4%	3.7%
Import+Export (MT)	1,341,108	1,611,431	1,933,967	4,397,856	5,347,024
Annual Growth (%)		3.7%	3.7%	14.7%	3.3%

The 3.1% for imports and the 4.2% - 3.7% for exports are based on the long-range, average growth rate projected for the US East Atlantic ports as presented in 2025 EC Table 5.19 (p. 34). The assumption of regional growth rates, instead of a port-specific ones, is common in USACE's studies, reflecting its focus on national and not port-specific benefits. USACE attempt to stay away from port competition on market share, an approach that I consider reasonable for a federal agency. **Appendix A** further discusses the issue of growth rates assumed in USACE studies of 6 USEC ports.

The 2025 EC's assumption of a dramatically-higher **average** annual growth rate of 25.5% (Table 2, in red) for 2030 – 2036 is apparently based on a specific industrial development expected in the Port of Wilmington catchment area (p. 34, middle): "*Over $10.0 Billion in new or upgraded manufacturing and processing facilities are planned over the next 10 years, as well as $523 Million in the construction of 10 new storage and distribution facilities.*" However, there is no detailed listing of specific projects with their cargo-generation projections. This lack of specification seems baffling to me, considering that this development is expected to increase Wilmington's Asian imports almost 4 times (2.8 / 0.7). **Appendix A** summarizes my research of Wilmington's potential increase in imports generated by the "*new or upgraded manufacturing and processing facilities.*"

III.5 BCR Adjustment to Steady Future Growth

The gross estimate in Appendix A of future cargo growth attributed to the above-mentioned economic developments is in the range of 20,000 - 80,000 TEUs. This estimate is way below the 2025 EC forecasted growth in Asian imports of 2.1 million ton (2.8 – 0.7), which according to Table 5.22 is equivalent to 306,068 TEUs. Hence, for the sake of analysis, I adjust the imports projection to the more realistic (in my opinion) growth rate of the previous and following year. I assume a continuation of the 3.1% growth rate during the 2030-2036 period. **Table 3** shows the cargo forecast for 2036, the base year, with USACE 25.5% vs. my assumption of 3.1%.

Table 3 Adjustment to Steady Growth

Base Year	**2036**	
Scenario	USACE	Adjusted
Import (MT)	2,840,505	875,109
Export (MT)	1,557,351	1,557,351
Total (MT)	4,397,856	2,432,460
Adjusted / USACE		**0.55**
Report BCR		1.30
Modified BCR		0.72

As seen in this table, the explosive growth rate assumed by 2025 EC for the 2030 – 2036 period has a critical impact on the cargo forecast. My adjusted forecast is for 2.4 million tons vs. 4.4 million tons in 2025 EC. The project benefits are directly related to these tonnages of Asian cargo (benefit cargo). Adjusting the cargo forecast to align with the historical growth rate results in an adjustment factor for the benefit cargo of 0.55 which, in turn, reduces the BCR from 1.3 to 0.72 (1.3 x 0.55).

To recap, **The BCR is highly sensitive to 2025 EC 25.5% annual growth assumption (Table 2), and even minor deviations significantly affects the feasibility determination.** It is unprecedented, in my experience, to assume such a major forecast shift ("jump"), on which the ultimate feasibility finding hinges, without a detailed support.

III.6 Combining BCR Adjustments

The adjustments discussed above are unrelated, so two or more of them could happen simultaneously. For example, the two adjustments, the first for assuming the average 2016 – 2020 instead of 2020 as based year, and the second for assuming steady growth instead of a one-time "jump" in new imports, could both simultaneously happen. Accordingly, their combined adjustment impact will be multiplied, resulting in BCR of 0.43 (0.77 x 0.55).

IV Asian Shipping Services

IV.1 Shipping Services Assumed in the Cargo Forecast

The above discussion of cargo forecast disregards the type of shipping (liner) services and size of vessels projected to handle this cargo. The implicit assumption of 2025 EC is that ALL the Asian imports and exports included in the cargo forecast is, and continue to be till 2056, handled by direct Asian all-water services employing post-Panamax (**PPX**) vessels (the "vessel" is omitted hereafter). Currently, as will be elaborated later, there are 3 generations and sizes of PPX: PPX1, PPX2 and PPX3, along with a slightly larger design of PPX3 called PPX3Max. The emphasis is on PPX, since smaller vessels can be efficiently served by the existing 42-ft channel. Indeed, the main justification for the Wilmington's $1.4 billion channel-deepening Project is the savings generated by allowing PPX to sail with deeper draft and respective higher capacity utilization during their Wilmington call.

IV.2 No Direct Asian Shipping Services Presently at Wilmington

The PPX calling at Wilmington are deployed on Asia/USEC (**Asian**) shipping services. My review of Wilmington's berthing plan indicates that presently, October 2025, there are no direct Asian services and/or PPX calling at the port. In contrast, 2025 EC, Table 5.12 (p. 28), assuming 2021 as a base year for predicting long-term trends in shipping, shows 4 Asian services employing PPX2 and PPX3: EC2, TP10, Amberjack and ZCP. Interestingly, the earlier 2020 NCS, Table 1-25, only mentions 2 Asian services calling at Wilmington with direct services: ZCP and EC2. The discrepancy between the two documents indicates the instability in Asia/USEC service structure during these years. The difference between the assumptions of 4, 2 or no weekly Asian service calling at Wilmington as a basis for future projections is significant. The number of services defines the **level of service** by Asian services offered to Wilmington shippers, a key factor in their decision to prefer this ports over its nearby and much better served competitor ports.

IV.3 Shipping Alliances, Port Rotations and Service Patterns

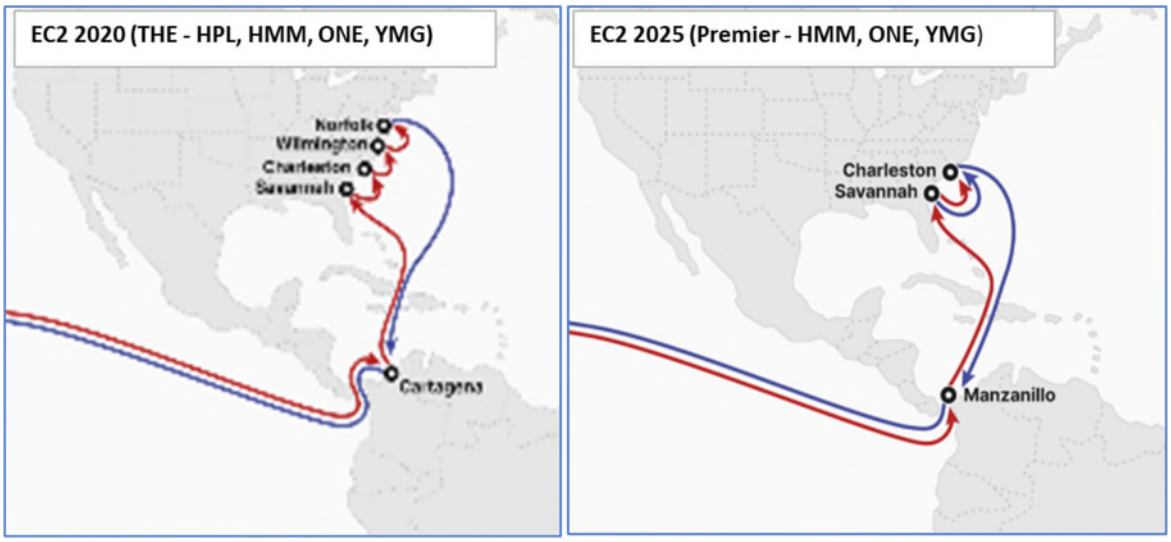
My review of professional media on Asia/USEC direct services indicates that the last call at Wilmington of EC2 service of the THE Alliance was on October 13, 2024, by the vessel YM Warranty, a PPX3 with

capacity of 14,220 TEU, operated by Yang Ming line. In 2024, the THE Alliance, the largest group at that time, was comprised of 4 lines: Hapag-Lloyd (HPL), HMM, Ocean Network Express (ONE), and Yang Ming (YMG). THE Alliance was restructured in February 2025, with HPL exiting to form the Gemini Cooperation with Maersk. The remaining members, ONE, HMM, and YMG, continued their cooperation under the name Premier Alliance. A parallel change was the dismantling of the 2M alliance of Maersk and MSC, leaving MSC, currently the largest line worldwide, as a standalone line. MSC, later on, began cooperation with Zim Line. **Figure 1** illustrates the profound restructuring in the world of liner shipping, which encompasses all the lines involved in Asia/USEC services (source: *https://market-insights.upply.com/en/the-recomposition-of-the-shipping-alliances-in-2025)*.

Figure 1 Restructuring Shipping Lines' Alliances

Following the restructuring, the Premier Alliance revised its network of Asian services, including the EC2 service that used to call at Wilmington. The updated EC2's port rotation dropped Wilmington and Norfolk, following a decline in the Asia/USEC trade route. **Figure 2** shows the route maps of the EC2 Asia/USEC service before and after restructuring. The service pattern of EC2 is through-Panama and it is operated by a mixture of PPX2 & 3 (see Table 9 in Appendix B).

Figure 2 Restructuring of Asia/USEC EC2 Service



The second Asian service that used to call Wilmington and is also mentioned in the 2020 NCS, is the ZCP, a joint service by Zim and the 2M alliance. The ZCP has a complicated history. My research yielded that in its final form, called Emerald, a joint service of MSC and Zim (also called Emerald/ZXB), ZCP dropped Wilmington in mid-2025. As is the case with EC2, Emerald presently only calls Savannah and Charleston in the South Atlantic. Unlike EC2, which was (and still) following a through-Panama service pattern, the pattern of Emerald is round-the-world (**RTW**), sailing through both Panama and Suez Canals. It also deploys PPX2 vessels. A third service pattern for the Asia/USEC is through-Suez. Unlike the two previous patterns, this service is not constrained by the Panama Canal and therefore can be provided by PPX4, the largest container vessel presently in service (see follow-up discussion).

IV.4 Temporary or Permanent Termination of Wilmington

Wilmington has gone from 4 direct Asian services in 2020 to none in 2025. During the 5-year, in-between period, there have been many "upheavals" in worldwide shipping and in the South Atlantic, including introduction and termination of Asian services in Wilmington. Will direct Asian services ever return to calling at Wilmington?

A more relevant question is whether the deepening project is critically important factor in shipping lines' decisions to renew direct Asian services in Wilmington. The main reasons given in professional media for the departure of Asian services in 2025 is a decline in local Asian cargo and restructuring of shipping alliances. It seems that the first reason, insufficient local generation of Asian cargo is the more critical. Would the deeper channel providing for the more efficient deployment of larger vessels enhance local generation of cargo? According to 2025 EC (p. 59, top): "*Larger vessels alone do not drive growth for the harbor…. Harbor dimensions are just one of many factors involved in determining growth and market share for a particular port.*" The report continues to list many factors that do drive growth.

Presently Wilmington does not generate sufficient Asian cargo to justify a weekly call by a PPX3, the vessels dominating Asia/USEC ports. What is the probability that Wilmington will reach the threshold volume of Asian cargo?

IV.5 BCR Adjustment to Future of No Asian Services

It is difficult to assess the probability of the decision by shipping lines to renew direct calls by Asia/USEC services at Wilmington following the channel-deepening project. It seems that the deeper channel will only have a limited effect, since PPX3 and even PPX3Max have already been calling Wilmington despite its 42-ft channel.

An indirect way to cope with the probability assessment is by defining the **minimum (threshold) probability** required to make the Project feasible. Accordingly, in order for the Project to be feasible, the probability of services return should exceed 77% (1/ 1.3 = 0.77); below 77% the Project is infeasible. The probability is for a **full return to the 2020 level-of-service**, the base year in the cargo forecast, or **4 weekly, direct services by PPX vessels** by 2036. In light of the never-ending changes in the shipping industry and the increase in vessel size (including PPX4, see later), a probability of 77% and higher seems to me an unrealistic expectation. A 50% chance of resuming 4 or more direct Asia/USEC services in Wilmington seems to me more realistic. In this case, the adjusted BCR is 0.65 (1.3 x 0.5).

IV.6 Feeder vs. Direct Services

There is a growing worldwide trend of converting the traditional liner shipping system based on direct calls to a hub & spoke (feedering, transshipment) model, based on a **network of feeder and mother (main) services.** Approximately 30 - 35% of the global containerized trade by volume (measured in TEUs) is currently transshipped worldwide, reaching 65 – 70% on the Asia/Europe trade lane, but still in its early stage on the Asia/USEC trade lane. The advantages of a hub & spoke system are: higher vessel utilization, shorter transit times, and wider coverage of regional ports; the disadvantage: extra port handling at the hub ports, and longer overall sailing distances, in case of a large deviation. Another advantage of the hub & spoke, often unmentioned, is the **savings in port investments** at smaller, regional ports that are only required to handle smaller feeder ships.

The hub & spoke system is expected to become more advantageous in the future due to the combination of increase in vessel size, enhanced port automation, growing pressure to reduce emissions, increased involvement of shipping lines in ports, and further consolidation in the shipping line industry.

Still, a hub & spoke system is difficult to develop. To facilitate a fast and efficient transfer of boxes between mother and feeder ships, a shipping line, or an alliance, needs to control feeder services and, especially, hub ports. While every shipping line already employs feedering system to a varying degree, for one alliance, Gemini, it is a declared strategy. Gemini owns or control 15 key hub terminals, giving it greater operational control to prioritize its vessels and manage capacity, which is crucial for making the hub-and-spoke model reliable. It is estimated that Gemini controls about 25% of the Asia/USEC

service capacity of which about 20% is feedered. MSC also is involved in feedering, but to a much lesser extent.

IV.7 Feeder & Regional Integrated Services

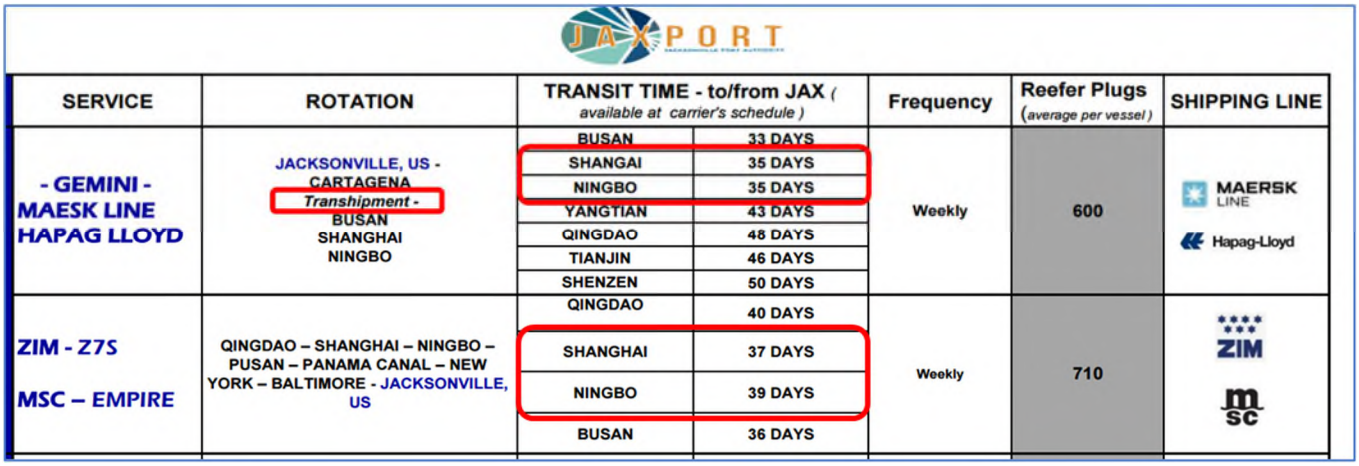
The geography of the Americas is especially supportive for feedering, since it provides for integrating the regional, inter-American trade with the Asian trade. Also, locating the hub ports outside the US significantly lowers the vessel-to-vessel transfer cost.[5] A case in point is Maersk's South Atlantic Express (SAE) service, operated by its regional brand Sealand, with vessels of 2,500 TEU. The SAE feeders the Asian trade of Wilmington, Port Everglades and Philadelphia and, in addition, serves the direct, Central American trade of these ports, and other USEC ports, including Savannah. The SAE's and Maersk use Manzanillo, at the northern entrance of Panama Canal, as its hub port. **Figure 3** shows the route map of SAE in the southbound direction. Other Maersk's feeder/regional services use Cartagena, Colombia as their hub.

Figure 3 Maersk's South Atlantic Express (SAE)

The decision on feedering is not dependent on channel depth. One example is Jacksonville, already with a deepened channel to 47 ft. Jacksonville's Asian trade is served by one direct and one feeder service. **Figure 4** shows part of the service matrix published by the Port of Jacksonville (Jaxport).

[5] A feeder service between US ports has to be provided by US-flagged vessels, which are prohibitively costly. Also, a mother-feeder transfer of containers in a US port is much more costly than in foreign port.

Figure 4 Jacksonville's Asia/USEC Services



JAXPORT

SERVICE	ROTATION	TRANSIT TIME - to/from JAX (available at carrier's schedule)		Frequency	Reefer Plugs (average per vessel)	SHIPPING LINE
- GEMINI - MAESK LINE HAPAG LLOYD	JACKSONVILLE, US - CARTAGENA - *Transhipment* - BUSAN SHANGHAI NINGBO	BUSAN	33 DAYS	Weekly	600	MAERSK LINE, Hapag-Lloyd
		SHANGAI	35 DAYS			
		NINGBO	35 DAYS			
		YANGTIAN	43 DAYS			
		QINGDAO	48 DAYS			
		TIANJIN	46 DAYS			
		SHENZEN	50 DAYS			
ZIM - Z7S MSC – EMPIRE	QINGDAO – SHANGHAI – NINGBO – PUSAN – PANAMA CANAL – NEW YORK – BALTIMORE - JACKSONVILLE, US	QINGDAO	40 DAYS	Weekly	710	ZIM, msc
		SHANGHAI	37 DAYS			
		NINGBO	39 DAYS			
		BUSAN	36 DAYS			

Jacksonville's feeder, which also calls at Miami, uses Cartagena, Colombia as its hub. Interestingly, as seen in this figure (emphasized by red squares), Gemini's feeder service, despite the transshipment in Cartagena, has shorter transit times to Asia's main ports than Zim/MSC direct service. My estimate is that in addition to shorter transit times, the feeder provides a much wider coverage of Asian ports (through Cartagena) than the direct service. Apparently, **feeder services can provide as good and perhaps better service then direct services to local shippers**.

IV.8 BCR Adjustment to Future Feedering

Wilmington's only all-water shipping service to Asia at the present is the SAE feeder. Hence, 100% of the Asian trade is presently transshipped. How much of Wilmington's future Asian services will be provided by feeders? Figure 1 above showed the shipping-line's worldwide market structure, consisting of 3 alliances and 1 standalone line, MSC. Maersk/Hapag's **Gemini** Cooperation has fully embraced the hub-and-spoke architecture; **MSC** is reported to begin building its own, hub-centered east/west network; the **Ocean Alliance** and the **Premier Alliance** are reported to prefer a blended approach rather than a pure "every-port direct" model.[6]

As I already calculated, for a BCR > 1, 77% of Wilmington's past-2036 trade has to be handled by PPX-based **direct** Asian services. Put differently, a future market share of feeders at 23% or larger is sufficient to knock down the BCR below 1. In lights of the worldwide trend toward hub & spoke and, especially, considering the emergence of Suez-routed, PPX4-based Asia/USEC services (see below), my expectation is that the future share of feeders of the Asian containerized trade of Wilmington, as well as other smaller USEC ports, is likely to be 50% or higher, resulting in BCR of 0.65 (1.3 x 0.5). It is worth

[6] The largest shipping lines already have their own, in-house (subsidiary) port operators. Maersk has APM; MSC has TIL; Cosco has Cosco Ports; and CMA CGM, the CMA-Terminals (recently negotiating to acquire Eurogate, the largest terminal in Germany). Moreover, Maersk is reportedly interested in having its own hub terminal in Panama; MSC almost completed the acquisition of Freeport, Bahama. MSC already feeders Asian cargo to USEC ports, including Savannah(!) in order to take advantage of PPX3Max full draft, since Savannah is still 47 ft. CMA CGM, through its subsidiary Kingston Freeport Terminal Limited (KFTL), is the operator of the Kingston Container Terminal (KCT). In its latest publication, Maersk, attributed some of its strong financial results for the 2025 to the efficiency of the hub & spoke model.

noting that 2025 EC totally disregards the prospects of feedering Asian trends, as if it is unaware that presently 100% of Wilmington's Asian trade is feedered.

IV.9 PPX4-based Asia/USEC Services

PPX4, also referred to as Ultra Large Container Vessels (ULCV), is the largest category of post-Panamax vessels, with capacity of (up to) 24,000 TEU, 50% larger than the PPX3Max, presently with 16,000 TEU. Both vessels are expected to continue growing in size, with the PPX3 reaching by 2036 18,000 TEU[7], and the PPX4 28,000 TEU.

PPX4s are too large to fit through the expanded Panama Canal locks and therefore their deployment on Asia/USEC must be Suez-routed. While no PPX4s are deployed on present Suez-routed Asia/USEC services, they already dominate Asia/Europe trades, accounting for approximately 70-75% of this route's total capacity.

For efficient operations, PPX4 require 52-ft and desirably 55-ft channel depth and about 215-ft air-draft clearance. Currently, on the USEC, only Halifax and Norfolk have 55-ft, followed by Charleston with 52-ft and New York with 50-ft. Savannah, currently with 47-ft, is pursuing a second harbor deepening to 52 ft, expected to be completed by the Project base year of 2036. Both Savannah and Charleston have low bridges that have to be raised. New York is pursuing a 55-ft channel, at a cost of $4 billion, also expected to be completed by 2036.[8]

It seems, therefore, that by 2036 the main USEC ports will be ready for PPX4. The PPX4 are too wide and long for Panama's new locks, so these services will have to be Suez-routed. Suez-routed services will get a further boost due the trade shift from North Asia (China) to Southeast Asia (Vietnam) and, especially, South Asia (India). **Appendix** B discusses the limitations of Panama Canal and the possible changes in service patterns of Asia/USEC services.

Based on the analysis in Appendix B, it is reasonable to expect a significant **conversion of Panama-routed/PPX3 to Suez-routed/PPX4 services** by 2036, the Project's base year. This conversion is likely to increase **load-centering** in USEC, with the larger ports, those with big cargo-base, deep channels, modern port and expansive intermodal facilities that can efficiently handle PPX4, to become even larger – at the expense of the smaller ports. The deployment of PPX4 will also enhance the trend of feedering the Asian trade of smaller USEC ports. An assessment of the BCR adjustment due to these trends is beyond the scope of my study. As before, it is worth noting that 2025 EC disregards the long-term trends in shipping patterns and shift in vessel size of the Asia/USEC trade.

[7] The largest Neo-Panamax (PPX3Max) vessels dimensions are 366 x 51.25 m and the largest vessel that transited through the Panama thus far is the MSC Fatma-Class, with nominal capacity of 17,640 TEUs.
[8] USACE's feasibility studies of these channel-deepening projects have not been published yet.

V Savings due to Deeper Channel

V.1 Benefit Vessels

As stated at the outset, my study focuses on the benefits side of the Wilmington's channel-deepening Project, generally defined as the savings in vessel costs that can be directly attributed to the Project. In our case, these savings and respective benefits are solely generated by the vessels deployed on Wilmington's direct Asia/USEC container services provided by PPX. The rest of Wilmington's services (e.g., to Europe, South America, etc.) and vessels deployed on them are not expected to reach the PPX size during the life of the Project, and will benefit very little or not at all from the increase in channel depth. The PPX of the Asian services are therefore defined as **benefit vessels** and the cargo handled by them to/from Wilmington, **benefit cargo**.

V.2 Two Categories of Savings in Vessel Costs

The benefits generated by savings in vessel costs due to the Projects can be divided into two categories, depending on the Project's influence on shipping lines' decisions regarding vessel deployment and vessel operations. In response to deepening of a port channel, a shipping line serving Wilmington could decide to:

- **Replace** existing vessels with l**arger** and more economical ones; and/or
- **Keep** the same vessels, but **increase their capacity** utilizations.

The traditional USACE method of calculating savings relates to the first category, vessel replacement. Indeed, savings due to replacement are much larger than those due to draft increase during a port call, since they relate to the entire vessel voyage costs along the 12,000 nautical-mile route between the USEC and Asia. **Figure 5**, taken from 2020 NCS, p. 38, Table 2-4 and, presumably, originally from USACE sources), shows vessel operating cost of PPX as a function of their sailing draft in $/1,000 mile (probably nautical mile).

Figure 5 Vessel Operating Costs(

Table 2-4
Operating Costs per TEU per 1,000 miles at Various Vessel Drafts

	40	42	44	46	48
PPX1	$57.35	$51.52	$46.76	$43.91	$43.91
PPX2	$55.75	$50.37	$45.94	$42.23	$41.64
PPX3	$52.68	$48.03	$44.[illegible]	$40.84	$39.28
PPX3Max	$39.81	$36.46	$33.63	$31.20	$29.11
PPX4	$30.59	$28.34	$26.40	$24.71	$23.22

I will use the cost data in Figure 5 to demonstrate the two saving categories. The per-1,000-mile savings generated by replacing PPX1 sailing at 40-ft draft with PPXMax3 sailing at 44-ft draft[9] (the diagonal red arrow) is $ 23.72 (57.33 – 33.63). The vessel replacement is usually considered for the entire Asia/USEC (or vice versa) voyage, typically around 12,000 miles. Hence the total replacement generates savings of $284.64/TEU (12 x 23.72). This is a considerable amount which, indeed, generates sufficient benefits to justify the deepening of Savannah, Jacksonville, Charleston and the rest of the ports in the USACE feasibility studies that I reviewed.

Vessel replacement, however, is NOT the case in Wilmington. Wilmington is typically the smallest port on the Asia/USEC rotation, and the size of its vessels is usually determined by the larger ports on the rotations involving Wilmington, typically Savannah, Charleston and Norfolk. To restate, **since for Asia/USEC services Wilmington is a secondary port in terms of local generation of Asian cargo, Wilmington's channel depth has little or no effect on vessel size, and Wilmington's deeper channel will not trigger replacing present vessel with larger ones**. Hence, the benefits of the deeper channel are confined to the second and much smaller category, the increase in vessel capacity utilization due to the deeper draft enabled by the deepen channel. Moreover, the savings will only relate to the portion of voyage directly associated with the port call, or the short in/out navigation leg. These savings in navigation are a small fraction of the total vessel's voyage cost from/to Asia. Assuming a service provided by PPX1, the per-1,000-mile savings generated by increasing the draft of PPX1 sailing at 40-ft to 44-ft is $10.59 (57.33 – 46.76), and assuming 200 miles of additional navigation sailing distance (including deviation), the total cost savings will only amount to $2.12/TEU (0.2 x 10.59). The difference between $284.64 and $2.12 is one reason why the BCR of Savannah, which has an equally long channel to Wilmington was much higher than Wilmington's. Another reason is the much higher volume of Savannah's benefit cargo.

V.3 Increase in vessel Capacity due to Additional Draft

The 2025 EC agrees with my claim above, that the second category is the **only** savings that can be attributed to the channel-deepening Project of Wilmington. The Project allows vessels presently sailing light-loaded to/from Wilmington to increase their sailing draft and carry more containers onboard. However, the 2025 EC does not provide data and/or show the calculations of the additional capacity that each type of vessel can carry. More important, 2025 EC does not provide any **explanation of methods, data and assumptions employed for determining the composition of the fleet, by PPX size that is forecasted to call at Wilmington**.

Figure 6, taken from Table 2-3 of 2020 NCP, p. 38, shows data (probably taken from USACE sources) on vessel capacity as a function of its sailing draft, with the latter determined by the channel depth and underkill safety clearance.

[9] A 47-ft channel minus 3 ft under keel

Figure 6 Vessel Capacity by Draft

Table 2-3
TEUs on Board at Various Vessel Drafts

	40	42	44	46	48
PPX1	3,931	4,376	4,821	5,135	5,135
PPX2	5,039	5,577	6,115	6,653	6,747
PPX3	5,936	6,509	7,082	7,654	7,958
PPX3Max	7,337	8,012	8,687	9,361	10,036
PPX4	10,346	11,166	11,987	12,808	13,629

Let's take for example the PPX3, presently the dominant vessel category of Asia/USEC services, including those calling Wilmington in the past. PPX3, sailing at a draft of 40 ft provided by Wilmington's present 42-ft channel, has capacity of 5,936 TEU; its capacity increases to 7,082 TEU if it sails at 44 ft provided by the 47-ft deepened channel, assuming 3 ft under keel (the horizontal red arrow). The additional volume of 1,136 TEU, a capacity increase of 19%, is the basis for the cost reductions shown in Figure 5 above.

V.4 Reduction in Number of Port Calls

The benefits included in 2025 EC are based on the second category of savings, the increase in vessel capacity due to the deeper channel. But instead of using Figure 5 to calculate savings, 2025 EC selects a cost savings methodology based on the reduction in the number of port calls per annum, and this assumption provides main source of benefits attributed to Wilmington's deeper channel. This reduced-call methodology is better suited to bulk shipping. Unlike liner shipping, based on fixed schedules and multi-port rotation, bulk shipping is contract-based (e.g., for X tons/year) and a port-to-port rotation, with no fixed schedule. The number of voyages in bulk shipping is calculated by dividing the total contracted volume by vessel capacity. 2025 EC disregards the fact that liner shipping is based on a fixed schedule (mostly weekly), and assumes that the larger capacity of deeper-draft vessels (additional TEUs/call) will be utilized to **reduce the number of calls** (calls/year) for carrying the same volume of cargo (TEUs/year). Accordingly, the above-calculated 19% increase in the deeper-drafting PPX3 capacity allows a respective reduction of 16% in the number of calls (1 - 1 / (1 – 0.19)), resulting in a respective reduction in vessel and port costs. To re-emphasize, my understanding is that this reduction in calls/year is the **sole source of benefits** considered in the 2025 EC. Unfortunately, 2025 EC does not explain its methodology of savings calculation.

The report does not specify **how** this elimination of vessel calls would be implemented. All Asia/USEC services (and most container services worldwide) are provided on a weekly basis, whereby all vessels follow a fixed, multiport rotation. This also was the case in the past with Wilmington, which due to its location and relatively small cargo base, was typically included as a mid-port. Theoretically, a future weekly service could occasionally skip Wilmington by calling it only every two (or more) weeks, or on an ad hoc basis. However, the assumption of **occasionally dropping the Wilmington call** seems to me

impractical considering its impact on the level of service offered to Wilmington's shippers. They would likely prefer nearby ports which offer a much higher service level e.g. Savannah with 14 weekly call or Charleston with 11 weekly calls (in 2025, and much more in 2036). Another option is to eliminate an entire service, which is possible when a shipping line has several services with overlapping rotations. However, this option also is impractical in the case of Wilmington considering its small number of Asian services even in 2036.

To restate, reduction in number of calls in response to higher capacity vessels is common in bulk shipping, but uncommon in liner shipping. There are cases that due to delays a port is dropped or a voyage is declared "blank". However, the assumption in 2025 EC, of a permanent reduction in vessel calls of existing services is unfounded. I do not know how to quantify this impracticality that could undermine the entire calculation of savings in 2025 EC. Hence, I did not include an adjustment to the Project's BCR to account for it.

VI Fleet Forecast 2036 - 2056

VI.1 Future Reappearance of PPX1

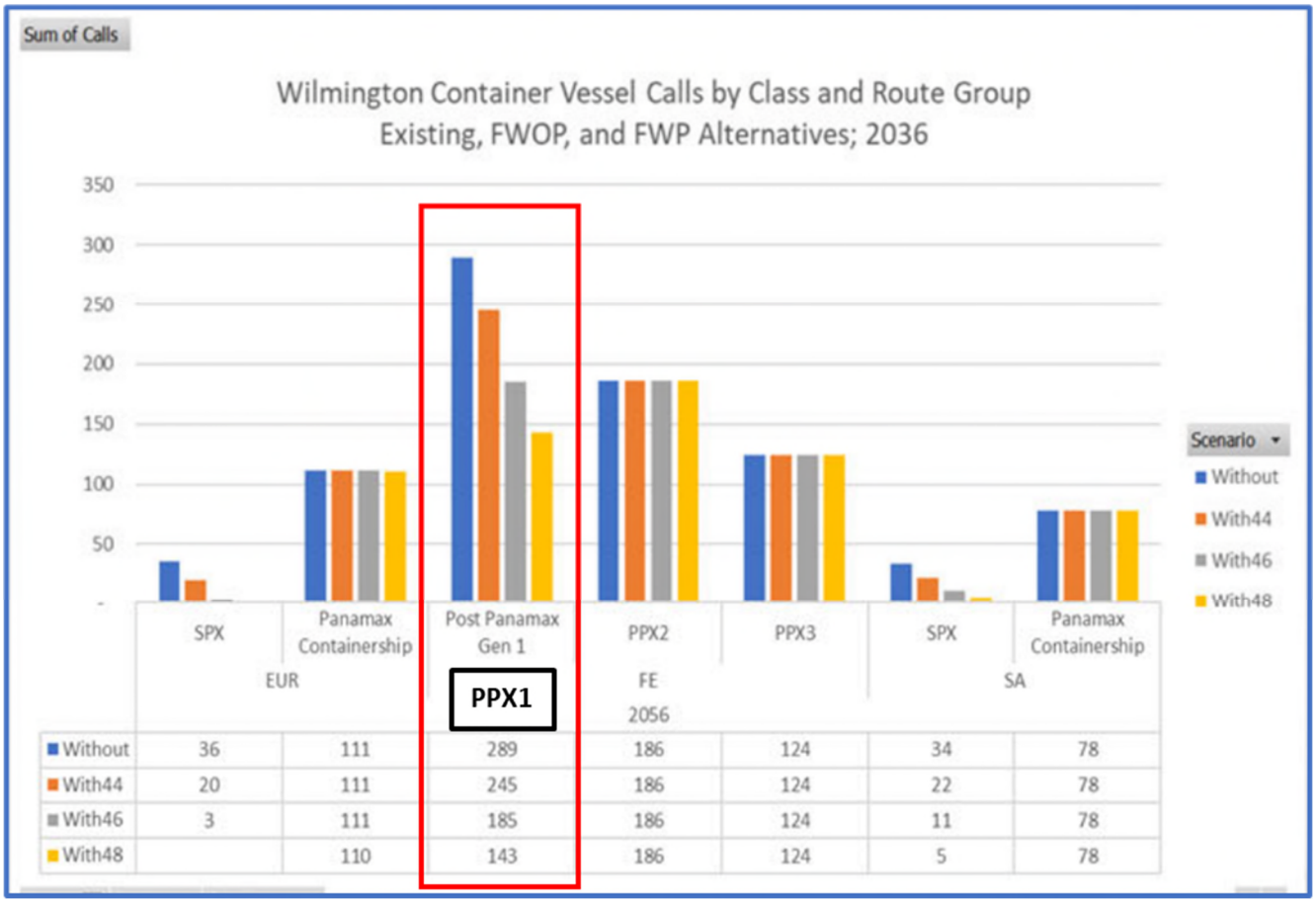
To calculate the future reduction in the number of calls, the report develops a fleet forecast for the years 2036 and 2056, using 2021 as a base year. The forecast relates to the number of calls of PPX1, PPX2 and PPX3 in the With and Without Project channel depths. PPX3Max are omitted, with no explanation given, although they are already deployed on Asia/USEC and have even called at Wilmington in the past. Moreover, this omission contradicts the fleet forecast in the earlier 2020 NCP report, which states: *"The future without-Project condition fleet forecast for vessels on the USEC-Asia services transiting the Panama Canal will consist of PPX3 and PPX3Max"* (p. 46).

As I already noted, 2025 EC does not present the method and the calculations in support of its fleet forecast. The report's Table 5.38 (2025 EC, p. 48) simply shows the distribution of ship calls by categories in the Without-Project base year (2021) and 2 forecast years (2036, 2056); and Table 5.41 (2025 EC, p. 55) shows the With-Project call distribution. **Table 4** summarizes these two tables and analyzes With/Without changes.

Table 4 Wilmington Calls Distribution by PPX Categories

Depth	Without 42 ft			With 46 ft		With 48 ft		48 ft -- 42 ft
Year	2021	2036	2056	2036	2056	2036	2056	2036
PPX1	1	237	289	148	185	115	143	**122**
PPX2	4	**157**	**186**	**157**	**186**	**157**	**186**	**0**
PPX3	83	**103**	**124**	**103**	**124**	**103**	**124**	**0**
Total	88	497	599	408	495	375	453	**122**

Figure 7 Wilmington's Calls Distribution by PPX Categories



	SPX	Panamax Containership	Post Panamax Gen 1	PPX2	PPX3	SPX	Panamax Containership
	EUR		PPX1	FE 2056		SA	
Without	36	111	289	186	124	34	78
With44	20	111	245	186	124	22	78
With46	3	111	185	186	124	11	78
With48		110	143	186	124	5	78

As seen in Table 4 and illustrated in Figure 7, the number of calls of PPX2 & 3 (in red) remained **unchanged,** despite the dramatic, 320% growth in cargo volume (Table 2) and the increase in channel depth in the With cases. **The only change is in the number of calls of PPX1**. It seems, that 2025 EC assumes that PPX1, which already in 2021 became extinct on Asia/USEC services, are expected to re-emerge 15 years later, in 2036 and remain fully deployed even in 2056. To re-emphasize, in 2021, the base year for the 2025 EC report, Wilmington had 2 Asian services: ZCP provided by PPX2 and EC2 PPX3 – **no PPX1**. Moreover, **Figure 8** below, taken from 2020 NCP, p. 29, shows that PPX1 had already become extinct in 2019 (red square).

Figure 8 Historical Composition of Wilmington's Fleet

Table 1-22
Vessel Class Distribution for Container Ships Asia Services Calling at the Port of Wilmington

Class	2009	2013	2018	2019
SPX	1%	1%	0%	0%
PX	99%	99%	33%	0%
PPX1	0%	0%	5%	0%
PPX2	0%	0%	41%	20%
PPX3	0%	0%	21%	74%
PPX3Max	0%	0%	0%	6%

Sources: www.lloydslistintelligence.con accessed 14Feb19; NCSPA Data; https://www.zim.com/schedules/schedule-by-port accessed 23Feb19; and https://www.one-line.com/ accessed 23Feb19

VI.2 No PPX1 in Previous Studies

2020 NCP also studies the future fleet composition of Wilmington stating: "*The future without-project condition fleet forecast for vessels on the USEC-Asia services transiting the Panama Canal will consist of PPX3 and PPX3Max vessels."* (p. 46) A follow up review of the existing (in 2020, EC2 & ZCP) Asian services indicates that "The *shift towards PPX3 Max vessels on the two Asia services in question is also supported by the historical trend in carriers reducing the transportation cost per TEU by shifting to larger more efficient vessels*" (p. 187). **Figure 9** taken from 2020 NCSPA Integrated Main Report, p. 124, Table 4-7, uses the USACE HaborSym to calculate the number of Wilmington's future vessel calls – **no PPX1 and PPX2, only PPX3 and PPX3Max.**

Figure 9 Fleet Forecast and Vessel Call

Table 4-7
Port of Wilmington Hinterland Asia Cargo Without-project Containership Fleet Forecast

Vessel Class	Port	2023	2028	2030	2040	2045-2076
PPX3 & PPX3Max	USEC Alternate	64	83	89	126	126

2020 NCP assumes that future fleet composition will be identical to the present (2020), i.e., PPX3 and PPX3Max. Hence, "*Deepening the existing channel would allow for deeper and more efficient loading of the existing fleet; and also allow for the efficient use of larger vessels which may not call on the Port under without project conditions*." NCSPA Integrated Main Report, p. 156, bottom. What is reason for the dramatic difference in future fleet composition between 2020 NCE and 2025 EC? What prompts the assumption of PPX1 reappearance in 2025 EC?

VI.3 Future World Fleet Has no PPX1

My review of professional literature did not yield any evidence supporting a future revival of PPX1, especially since PPX3 and PPX3Max already are the backbone of Asia/USEC services. PPX1 was an initial design, with capacity only slightly larger than Panamax. PPX were temporarily deployed on Asia/USEC services following the 2016 Canal expansion, and shortly after were replaced by PPX2. In fact, even the first, full-blown PPX-based Asia/USEC service, established in 2017, was already provided by PPX2 vessels of 10,000 TEU. Interestingly, this service's main East Coast port of call was Savannah, despite Savannah's constraining 42-ft channel. **Appendix B**, already mentioned above, shows the list of Asia/USEC services calling Charleston (and other USEC) – none of which is provided by PPX1. The Appendix also shows that PPX1 is likely to almost disappear in 2036 from the world's fleet. To recap, **2025 EC forecast of fleet composition, with PPX1 re-emerging to provide about third of Asia/USEC services, is evidently unfounded**.

VI.4 Call Reduction of PPX1 vs. PPX3Max

Table 4, already discussed above, summarizes Tables 5.38 & 5.51 of the 2025 EC report. The last column of this table shows the call reduction in 2036, assuming that the channel depth increases from 42 ft (the present depth) to 48 ft (the deepest in 2025 EC report). As noted above, the **ONLY change between the 2036 42-ft and the 48-ft cases is in the number of PPX1 calls**, 122 (237 – 115). In a more realistic case, all Asia/USEC services in 2036, and probably long before it, would be provided by PPX3Max. According to Figure 6 (vertical red arrow), at 44 ft, PPX3Max capacity is 1.83 that of PPX1 (8,867 / 4,821). If all the services in 2036 are based on PPX3Max, the equivalent reduction in the number of calls decreases from 122 to 66 (122 / 1.83). Because of scale economies of the larger vessel, this decrease in the number of calls also results in a reduction in savings as will be discussed below.

VI.5 Cost Savings due to Call Reduction for PPX1 and PPX3Max

Table 5 shows a rough estimate of vessel and port call costs of PPX1 and PPX3Max, based on published data.

Table 5 Port-Call Costs of PPX1 & PPX3Max

Vessel Category	Unit	PPX1	PPX3Max
Vessel Capacity	**TEU**	**5,800**	**12,450**
Vessel Cost			
OPEX	$/Day	47,000	68,000
Charter	$/Day	55,000	100,000
Total Vessel	$/Day	102,000	168,000
Port Costs			
Dockage	$/24-hr	12,300	14,950
Pilotage	$/Call	20,000	27,000
Tuggage	$/Call	30,000	42,500
Total Port	$/Call	62,300	84,450
Total Vessel + Port	$/Call	**164,300**	**252,450**
Calls Saved	Call/Year	122.00	56.84
Cost Savings	$/Year	20,044,600	14,348,082
PPX3Max / PPX1			**0.72**
Vessel Capacity 44 ft	**TEU**	**4,821**	**8,687**
Calls Saved	Call/Year	122.00	67.71
Cost Savings	$/Year	20,044,600	17,092,379
PPX3Max / PPX1			**0.85**

For simplicity, the assumption in the above comparative cost calculation is that a Wilmington call requires one vessel-day (24 hours), including channel navigation time. Accordingly, as seen in the Table 5, p. 25 above, the total call costs, including both the vessel and the port costs, are $164,300 and $252,450 for PPX1 and PPX3Max respectively. Vessel capacity (TEU) is calculated for two cases, the first assumes nominal vessel capacity and the second light-loading at 44 ft. In the nominal-capacity case, the ratio between the PPX3-based savings and PPX1-based savings is 0.72; in the light-loading case at 44 ft, the ratio is 0.85.

Another, indirect way to figure out the reduction in savings due to the replacement of PPX1 with PPX3Max, is to assume the vessel operating costs shown in Figure 5, based on Table 2-4 of 2020 NCS. My assumption is that the savings are directly proportional of the change in operating costs. **Table 6** shows the calculations. The per-TEU vessel cost figures in Table 6 are represented by the horizontal red arrows in Table 2-4. The PPX3Max costs reduction due to draft increase from 40 ft to 44 ft is about 0.58 of PPX1.

Table 6 Vessel TEU-1,000 Mile for PPX1 and PPX3Max

	$/ TEU-1,000 Mile	
Vessel Category	**PPX1**	**PPX3Max**
Vessel Draft		
40 ft	57.35	39.81
44 ft	46.76	33.63
Cost Difference	10.59	6.18
PPX3Max / PPX1		**0.58**

VI.6 BCR Adjustments to Future Asia/USEC Services by PPX3Max

The deeper channel in the With-Project case allows for better draft utilization for PPX vessels calling at Wilmington which, in turn, results in reduction in the number of vessel-calls and the respective costs. This cost reductions, or savings, are the Project benefits to be compared against its costs. 2025 EC assumes, that about one third of the vessels deployed on Wilmington service in the 2036 – 2056 period are PPX1, which is unfounded. A more realistic assumption is that future Asia/USEC will deploy PP3Max (and PPX4). Since 2025 EC does not provide data or explanation for the methods and assumptions underlying its calculation of savings, I resorted to three, indirect ways of estimating the **relative reduction** in savings caused by adjusting the fleet by replacing PPX1 with PPX3Max. My assumed deployment of PPX3Max instead of PPX1 is supported by: (a) Figure 7, showing that PPX1 was a bygone already in 2019, while the PPX3 was already dominant and PPX3Max just appeared; (b) Appendix B, showing that in 2025, most of the Asia/USEC employ PPX3, and none PPX1; and (c) the world's fleet composition. The benefit adjustment factors for fleet composition are 0.72, 0.85 and 0.58. Accordingly, the adjusted BCR should be 0.94, 1.10, and 0.75, meaning that at least in 2 scenarios, Wilmington's channel deepening Project is infeasible.

VII Summary Conclusion

VII.1 Adjusted BCRs

2025 EC determined that Wilmington's channel-deepening Project is feasibly based on its calculation of the Project's BCR as 1.3 > 1. However, a 1.3 BCR has a narrow, 23% margin of error. A relatively small downside change (risk) in the assumptions underlying the Project's benefits calculations can result in BCR < 1, turning the project status from feasible to infeasible. My study examines 8 such assumptions, for which I did not find a reliable basis in the 2025 EC. Therefore, for each assumption, I propose modifications and corrections based on my own study, resulting in adjustments to the benefits calculated in the 2025 EC.

Table 7 summarizes the impact of the modifications for the 8 assumptions along with their respective BCR's adjustment factors. The adjustment factors are, in fact, the risk factors of the Project, since they can determine the Project's feasibility.

Table 7 Summary of Adjusted BCRs

	Category	Risk Factor	Scenario Description	Adjustment Factor	Adjusted BCR
1	Benefit TEUs	Base Year	Based on Average 2016 - 2020 instead of just 2020	0.77	1.01
2		Base Year	Past Years with no Direct Asia/USEC Service	0.80	1.04
3		Growth Rate	Future Growth Rate Aligned with USEC Ports	0.55	0.72
4		Abandonment	Future Intermodal Replacing Direct Asia/USEC Services	0.50	0.65
5		Feedering	Future Feeder Replacing Direct Asia/USEC Services	0.50	0.65
6	Savings $/TEU	PPX3Max Instead of PPX1	Based on Call Cost at Nominal Capacity	0.72	0.94
7			Based on Call Cost at 44 ft	0.85	1.11
8			Based on Vessel Cost per 1,000 TEU-mile	0.58	0.75

As seen in Table 7, the 8 scenarios (each related to one assumption/risk factor) are grouped into two categories, according to their main impact, on benefit cargo (TEUs), and on savings ($/TEU). Then, in each category, the Table includes a description of the scenarios mandating adjustments, along with their respective adjustment factors and adjusted BCRs. The adjusted BCRs of 5 scenarios is negative (BCR<1), while the remaining 3, are very close to 1. Put differently, in 5 scenarios the Project is infeasible; in 3 barely feasible.

VII.2 Combining Risk Factors

The adjustment factors in Table 7 are mostly unrelated and therefore their combined effect can be calculated by multiplying them. For example, 50% of future Wilmington's Asian trade could be served by feeders (instead of direct services assumed in 2025 EC), while the other 50% provided by direct services employing PPX3Max (instead of PPX1 assumed in 2025 EC). The combined effect on the adjusted BCR is 0.47 (1.3 x 0.5 x 0.72). In addition, and at the same time, the cargo forecast could also be adjusted due to aligning Wilmington's growth rate with the rest of USEC ports (instead of the one-time "jump" assumed in 2025 EC), the resulting BCR due to the three adjustments is 0.25 (0.47 x 0.55).

Altogether, I find the methodology, data, assumptions, and calculations of the BCR, the economic criteria employed by 2025 EC to assess Project feasibility, as **unreliable**. Moreover, based on my adjustments to the Project's BCR, I conclude that the Project, as presented in 2025 EC, is most likely **infeasible.**

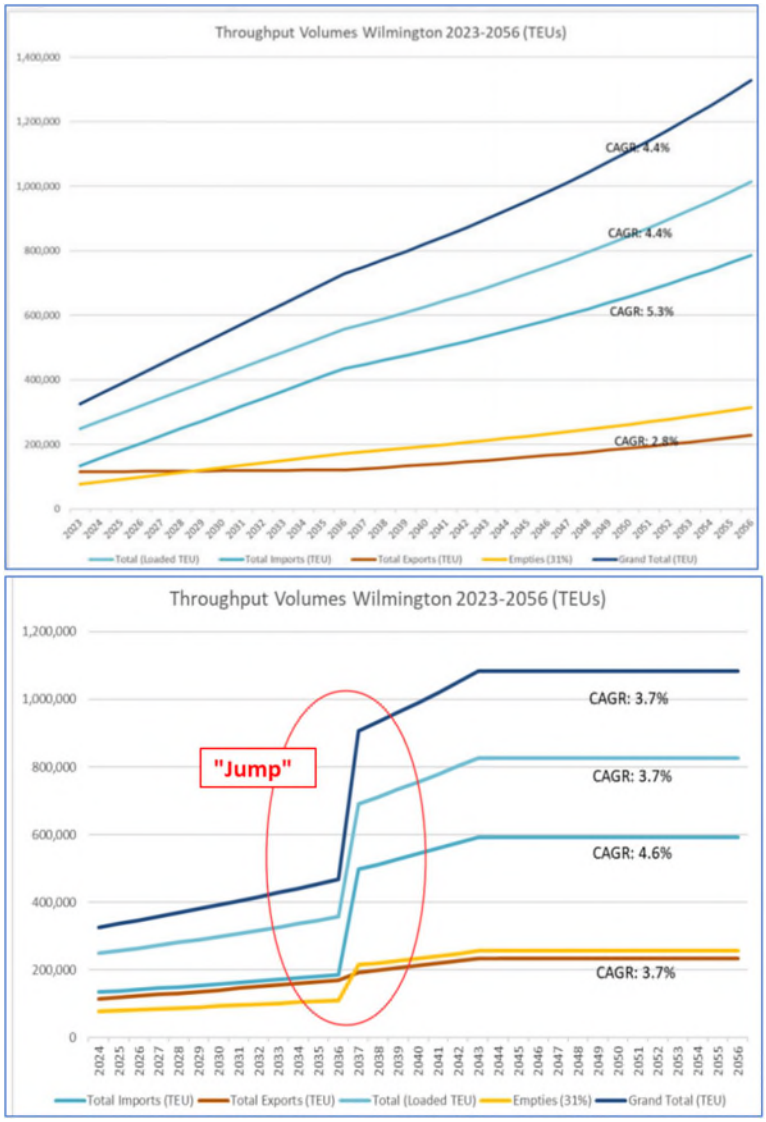
VIII Appendix A – The Forecasted Growth of Asian Container Imports

VIII.1 Sudden Increase in Asia Imports (2030 – 2036)

The cargo forecast presented in Table 2, based on Table 5.22 in 2025 EC (p. 35), shows a huge, one-time "jump" in Wilmington's imports during the 6-year period 2030 – 2036. This jump, which apparently ends right in 2035, the base year of the evaluation of the Project, is quite dramatic; the 2.8 million tons in 2036 is almost 4 times(!) the 0.7 million tons of 2030 (2.8 / 0.7). To facilitate the

discussion, I will convert the tonnage figures to TEUs. Accordingly, assuming the 6.9 tons/TEU used in 2025 EC, the increase in imports is by 306,000 TEUs, from 106,000 TEUs in 2030, to 412,000 TEUs in 2036. **Figure 10** shows two different growth charts, the upper one, taken from the 2024 PowerPoint, and the lower one from 2024 Presentation.

Figure 10 The "Jump" in Wilmington's Forecast



The upper part shows gradual and stable growth rates, with no bumps and no jumps, similar to the one presented below for the Port of Oakland in the following Figure 11, and similar to the many USACE channel studies I have reviewed in recent years. The lower part of Figure 8 shows the "jump" (red circle added by me). Interestingly, both charts were prepared and presented in 2024, perhaps by two separate researchers.

As I noted in Section II, 2025 EC does not offer an explanation for the "jump" or the emergence of these 306,000 TEUS, except for indicating, somewhat causally, that it is presumably the result of *"$10 billion investments planned for the next years"*. 2025 EC does not provide a list of the planned, new or expanded, local industries, and for each an estimate of tonnage and TEUs projections for each. There is also no reference to studies that discuss and explain this unusual growth in imports. In this appendix, I attempt to provide my own, although rough, estimate of Wilmington's expected growth in Asian imports, resulting from the above-mentioned investments.

VIII.2 Growth is Unrelated to Deeper Channel

2025 NC explicitly states that the growth in Asian imports is unrelated to the deeper channel, i.e., not the result of repatriating of Wilmington cargoes presently handled intermodally by nearby USEC ports. Accordingly, 2025 EC only includes one cargo forecast, unrelated to the channel depth. Put differently, the With and Without Project forecasts are the same.

To assess the "net" impact on Asian imports of the above investment, I deduct from the total growth the portion attributed to the "natural growth" of existing cargo. To calculate the natural growth of Wilmington's cargo, I assume that the growth rate of 3.1% during the period 2025 – 2030 remains unchanged in the following period 2030-2036, resulting in the addition of about 20,000 TEUs. Hence the net addition attributed to the above investment is about 286,000 TEUs (306,000 – 20,000).

VIII.3 Forecasting Methodology

The forecasting methodology applied by USACE in Wilmington is different from that assumed in the many USACE's channel studies that I have reviewed. That is, I do not recall a case of a long-term, 36-year forecast (2020 – 2056) prepared for a public container port, where the forecast is almost entirely driven by a one-time development of a new industry. The common methodology assumes a moderate and study growth rates, derived from a national, macro-economic study by outside consultants. This also is the assumption in 2025 EC, for the periods before and after the "jump".

Table 8 shows a compilation of growth rates taken from USACE port-channel studies of 6 USEC ports. As seen there, the growth rates are very similar among ports, and also are similar to those applied for Wilmington, except for the 2030 – 2036 one-time "jump".

Table 8 Growth Rates of USEC Ports

Port	Forecast Period		Annual Growth Rates		
	Begin	End	Low	Moderate	High
Boston	2020	2060	1.6%	2.7%	4.3%
New York/New Jercey	2020	2045	1.7%	2.8%	4.1%
Norfolk	2025	2065	1.9%	3.2%	4.7%
Charleston	2020	2050	1.8%	3.0%	4.5%
Savannah	2025	2030	2.1%	3.4%	4.8%
Jacksonville	2015	2050	2.0%	3.1%	4.6%

Figure 11 shows the Port of Oakland's forecast for 40 years, taken for USACE study of Oakland, CA. This figure shows steady growth rates similar also for a USWC port. Why does 2025 EC apply a different forecasting methodology to Wilmington?

Figure 11 Cargo Forecast for the Port of Oakland

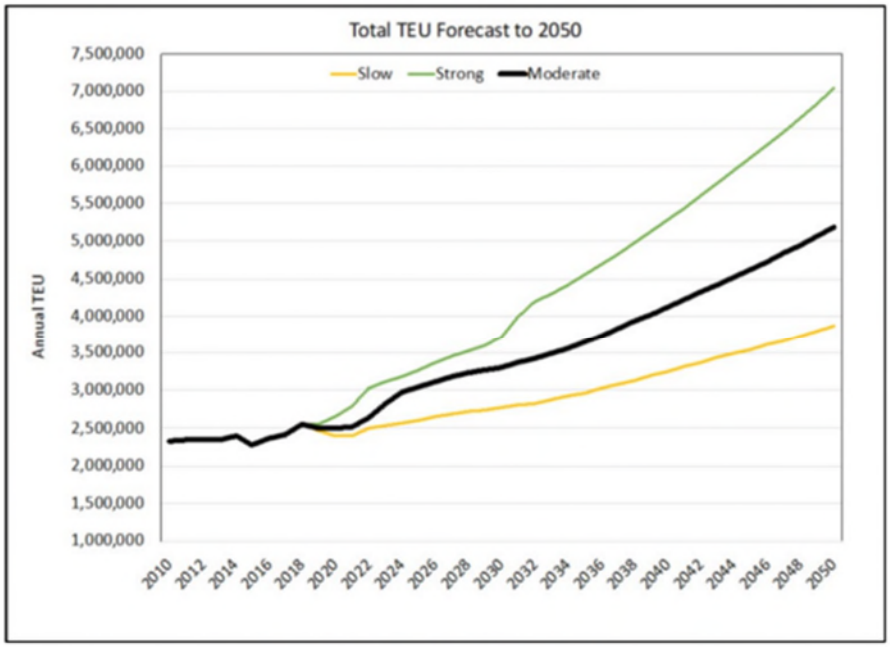


Figure 3-2. Total TEU Forecast to 2050

VIII.4 Forecasting Scenarios

In both Table 8 and Figure 11, the forecast includes 3 growth scenarios, low, moderate and high. This also is the case in Figure 10, upper part, that shows Wilmington's forecasts in 2024 PowerPoint. However, 2025 EC provides **only one scenario**, presumably the moderate growth, with no explanation given. As will be seen in the following sections devoted to a discussion of the specifics of the "jump", there also are no scenarios there. It seems that this avoidance of scenario-based assessment is in line with the overall analytical approach of 2025 EC, which for unknown reasons excludes sensitivity testing of its assumptions.

VIII.5 New and Expanded Industries

The four-fold jump in Asian cargo claimed in 2025 EC is because "*The area surrounding the Port of Wilmington is seeing significant growth in landside facilities. Over **$10.0 Billion** in new or upgraded manufacturing and processing facilities are planned over the next 10 years, as well as $523 million in the construction of 10 new storage and distribution facilities*" (p. 34, bottom). The earlier 2024 PowerPoint includes much larger investment figures, stating: *"The area surrounding the Port of Wilmington is seeing significant growth in landside facilities. Over **$28.2 Billion** in new or upgraded manufacturing and processing facilities are planned over the next 10 years, as well as $2 .2 billion in the construction of 14 new storage and distribution facilities."* (p. 18, bottom). The gap seems too wide, implying problems with the reliability of the data.

Storage and distribution facilities do not generate **new** cargo, but handle existing one, presumably more efficiently. Any new cargo which will be attracted to Wilmington because of these more efficient facilities, investments is presumably presently handled by adjacent ports and, accordingly, its diversion to Wilmington should not count as a new benefit cargo, from the national point of view (NED). Hence, my goal here is to identify and quantify only the new cargo generated by the new manufacturing and processing facilities above.

VIII.6 Toyota Battery Manufacturing (TB)

My review of public media indicates that the "jump" in Asian imports is likely related to planned investments in the production of EV batteries and vehicles. The main EV investors are 4 companies: Toyota Battery Manufacturing NC (Liberty), Epsilon Advanced Materials' graphite anode plant (Brunswick County, near Wilmington), VinFast EV manufacturing plant (Chatham County), and an unnamed EV battery factory (Brunswick).

A detailed assessment of the expected generation of Asian containerized imports of each of the above-mentioned companies, as well as many smaller ones, is beyond the scope of my study. I also assume that there is much similarity among them regarding Asian-imports generation. Hence, I chose to only assess the potential Asian imports of Toyota, being the largest by far and seemingly the more likely to follow on its investment plans.

According to Toyota publications, TB produces lithium-ion batteries. TB plant is located in Liberty, a small city in central NC. The total investment is $13.9 billion and the expected employment 5,100 people. The plant began production in April 2025. In its final, 2030 phase, TB's production will reach 2030 30 GWh, to be installed in 300,000 – 800,000 vehicles, pending on battery size.

VIII.7 Containerized Portion of Raw Materials

The raw materials of TB (and other battery manufacturers) include typical battery components such as: lithium (hydroxide/carbonate), nickel (sulfate), cobalt (sulfate), and related chemicals/precursors. The common method of estimating the volume of raw material is by using indicators of tons/GWh for each of the raw materials. This method is somewhat rough, since indicators have a wide range based on type and size of EV.

EV materials are transported in a mix of containerized and non-containerized cargo forms, optimized for density, value, and perishability. My understanding is that most of the imports are non-containerized, in bulk and breakbulk. For example, it seems that most of lithium will be imported in bulk, as brine (liquid) and hard-rock. The containerized portion includes processed lithium hydroxide/carbonate, nickel/cobalt sulfates, synthetic graphite powder, and battery chemicals/APIs.

VIII.8 Asian, Non-Asian and Domestic Sourcing

EV battery imports originate from geopolitically diverse sources, influenced by U.S. tariffs (e.g., 25% on Chinese batteries, 100% on EVs) and Foreign Entity of Concern (FEOC) rules under the Inflation Reduction Act, which restricts China-sourced materials for tax credits. China still dominates global

production (72% lithium hydroxide, 77% graphite), but diversification favors US allies like Australia, Chile, and Indonesia.

I reviewed 3 separate assessments of TB expected Asian containerized imports for full production level. The first assessment estimated that the Asian share of raw materials ranges 50 – 70%, resulting in a projected volume of 20,000 - 40,000 TEUs/year. The second assessment came up with a much smaller estimate, based on production batteries for 500,000 vehicles and 45% of raw materials sourced in Asia, resulting in 10,000 – 20,000 TEUs/year. Some of the imports include finished cells and packs. The third assessment was between the first two, at 26,000 – 30,000 TEUs/year.

All three assessments indicated that **future imports are likely to gradually decline** due to domestic sourcing, including a proposed Piedmont Lithium mine and Redwood Materials recycling.

VIII.9 Slowdown in EV

The development of the EV industry in the US, and especially in NC, is heavily dependent on a broad range of product subsidies and public investments, beginning with consumer incentives ($7,500 federal tax credit per EV), federal funding for charging stations, production incentives, etc., most of which have been terminated, adding to the cost of EVs. Another addition caused by tariffs on imported raw materials and components, particularly from Asian countries. The lower demand for EV and removal of incentives are reported to cause a reassessment of EV manufacturers' plans. A relevant example is the above-mentioned VinFast, that delayed the opening of its 2024-planned NC factory to 2028.

VIII.10 Competing USEC Ports

There are 4 gateway ports that compete on handling TB's Asian imports. Land distances from TB's location in Liberty to these ports are: Wilmington (210 miles), Norfolk (235 miles), Charleston (278 miles), and Savannah (320). Most TB's imported materials will be shipped by rail using Greensboro inland rail terminal, about 30 miles away from Liberty, presently served by both CSX and NS. These two Class I railroads connect to all 4 ports, and the differences in distances among them are not considered significant (for rail). Moreover, Wilmington's competitors are much larger and offer a much wider selection of Asian (and non-Asian) shipping services. Also, these ports have better rail connection to the Midwest, especially Savannah. It is reasonable to assume, that while Wilmington is the main gateway port for TB's imports, some of it will be using other ports. Perhaps this is the reason why Toyota hasn't yet announced a specific port of entry for its Asian imports.

VIII.11 Difficulties in Forecasting Methodology

As seen above, the methodology for forecasting Wilmington TB-related Asian container imports is based on the examination and estimation of 6 (at least) factors:

TB's Asian Imports through Wilmington =

f (Annual Production (GWh/year) x Raw Materials per unit (tons/GWh) x % sourced in Asia x % in containers x Stowage Factor (tons/TEU) x % through Wilmington gateway)

Accordingly, there is a wide uncertainty in calculating the Asian imports of TB. This probably is the reason for the wide range of results of the 3 above-mentioned assessments, from 10,000 – 40,000 TEUs, or 400% (!). This wide range only relates to TB, the manufacturer for which there is the most accurate information. It is much wider for the other manufacturers.

VIII.12 Wilmington's EV Forecast

TB is by far the largest EV manufacturer, and the one for which there is more detailed and reliable information than the other manufacturers. Nevertheless, for the sake of analysis, I assume that TB's Asian imports are equal to that of the rest of the planned NC plants. I also assume the highest forecast for TB, 40,000 TEUs. Accordingly, the forecast of total Wilmington's imports attributed to the EV industry is around 80,000 TEUs (40,000 x 2). This 80,000 TEU has to increase 3.5 times to reach the 285,000 TEUs (see first section) that 2025 NC ascribes to the EV-related, imports growth in the 2030 – 2036. For comparison, again, the BCR = 1.3 indicates that a downward deviation of 23% is sufficient to turn the project infeasible.

IX Appendix B – Asia/USEC Services with PPX1

IX.1 Current Asia/USEC Services

Table 9 shows a recent (October 2025) listing of Asia/USEC services published by the Port of Charleston. Charleston is the closest USEC to Wilmington, located only 134 nautical miles away or 8 sailing hours. The USEC port rotation of the direct Asian services that called in the past at Wilmington, also called at Charleston (see the EC2 rotation in Figure 2).

Table 9 Port of Charleston Asian Services

ade Route	Rotation	Alliance	Service	Participating Carriers	Avg TEU Size	First In	Last Out	Vessel Category	Routing Pattern
ASIA	Singapore / Cai Mep / Haiphong / Yantian / Kaohsiung / Cartagena / **CHARLESTON** / Savannah / NY/NJ / Boston / Singapore		Emerald / ZXB	MSC / ZIM	7,400	X		PPX2	RTW-EB
ASIA	Yantian / Xiamen / Ningbo / Shanghai / Busan / Manzanillo Mex / Kingston / Savannah / **CHARLESTON** / Norfolk / Kingston / Busan		Amberjack / ZCP	MSC / ZIM	14,600	X		PPX3Max	Panama
ASIA	Singapore / Haiphong / Ningbo / Shanghai / Lazaro Cardenas / **CHARLESTON** / Savannah / NY/NJ / Singapore	Gemini	TP11 / US1	Maersk / Hapag-Lloyd	13,100	X		PPX3Max	Panama
ASIA	Nansha / Yantian / Vung Tau / Tanjung Pelepas / Colombo / NY/NJ / Norfolk / Baltimore / **CHARLESTON** / Savannah / Colombo / Nansha	Gemini	TP16 / US4	Maersk / Hapag-Lloyd	13,100			PPX3Max	Suez
ASIA	Qingdao / Shanghai / Ningbo / Busan / Colon / Savannah / **CHARLESTON** / Boston / NY/NJ / Colon / Qingdao	OCEAN	Vespucci / NUE / AWE1 / ECC2	CMA CGM / COSCO / Evergreen / OOCL	11,200			PPX2	Panama
ASIA	Laem Chabang / Cai Mep / Hong Kong / Yantian / Xiamen / Shanghai / NY/NJ / Savannah / **CHARLESTON** / Laem Chabang	OCEAN	SAX / AWE4 / ECX1	CMA CGM / COSCO / Evergreen / OOCL	13,500		X	PPX3Max	Panama
ASIA	Kaohsiung / Yantian / Cai Mep / Singapore / Port Kelang / Colombo / Halifax / NY/NJ / Norfolk / Savannah / **CHARLESTON** / Port Kelang / Singapore / Laem Chabang / Cai Mep / Yantian / LA / Oakland / Kaohsiung / Yantian	OCEAN	Columbus JAX (CJX) / PE1 / AWE5 / SEA2 / SEAP	CMA CGM / COSCO / Evergreen / OOCL	14,000		X	PPX3Max	RTW-WB
ASIA	Port Kelang / Haiphong / Yantian / Ningbo / Shanghai / Busan / Yokohama / Norfolk / Savannah / **CHARLESTON** / Miami / Port Kelang	OCEAN	CBX / AWE7 / ECC3	CMA CGM / COSCO / Evergreen / OOCL	8,500			PPX2	RTW-EB
ASIA	Xiamen / Yantian / Ningbo / Shanghai / Busan / Manzanillo / Savannah / **CHARLESTON** / Manzanillo / Busan / Xiamen	Premier	EC2	HMM / ONE / Yang Ming	13,500		X	PPX3Max	Panama
ASIA	Laem Chabang / Cai Mep / Singapore / Colombo / Halifax / NY/NJ / Jacksonville / Savannah / **CHARLESTON** / Norfolk / NY/NJ / Halifax / Singapore / Laem Chabang	Premier	EC3	HMM / ONE / Yang Ming	14,000			PPX3Max	Suez
ASIA	Shanghai / Ningbo / Taipei / Yantian / Shekou / Cai Mep / Singapore / Colombo / NY/NJ / Norfolk / **CHARLESTON** / Savannah / Cristobal Panama / Shanghai		AA7	Wan Hai / Hapag-Lloyd	13,000			PPX3Max	RTW-WB

I have divided Charleston's 11 services first according to their vessel-size category and second, their service (routing) patterns. As seen in Table 9, **none of the present Asia/USEC services is provided by PPX1**. For comparison, 2025 NC assumes, as seen in the above Table 4, that PPX1 will be the largest vessel category (by the number of calls/year) in 2036, although in 2021, the base year for fleet projection in this Table, there was only 1 call of PPX1 in Wilmington.[10] The categorization by routing pattern is important since it affects vessel-size. As seen in Table 9, last column, out of 11 Asia/USEC services, 5 are routed through-Panama (**Panama),** 2 through-Suez **(Suez)** and 4 round-the-world (**RTW).** Due to the hostility at the entrance to the Red Sea, the actual routing of some of the Suez is around the Cape of Good Hope, which adds 2,100 nautical miles. Also, because of the hostility, some Suez services switched to Panama. Hence, it is quite likely that once the hostility ends, there will be shift of Panama back to Suez. The shift to Suez will be further boosted by Panama Canal's constraints as discussed below.

IX.2 Panama Canal Constraints

The first constraint of Panama Canal (**Panama**) is its lock's dimensions. The largest current vessel that can transit through the Canal is about 16,000 TEU, which will probably grow to 18,000 TEU in the future, while the dominant vessels already deployed on Asia/Europe trade are 24,000 TEU.

The second and rarely-mentioned constraint is the number of daily transits. The third lock (neo-lock) was designed specifically for post-Panamax vessels, both container and non-container (mainly tankers). It is estimated that the current utilization of the neo lock already reaches 60 – 70%. The combined effect of future increase in maritime trade and increase in vessel size is likely to increase the demand for this lock. Accordingly, the utilization in 2036 is expected to reach the range of 80 – 90%. At such a high utilization, vessel delays are unavoidable. While delays are common in bulk shipping, they disrupt operations of liner shipping, whereby vessels follow a strict schedule, including fixed berthing windows at ports. Panama also has problems with seasonal shortage in the supply of fresh water, resulting in draft limitations, which are expected to get worse in the future. The construction of a 4th lock is a very long and expensive prospect. In contrast to the Panama, the Suez Canal is a sea-level and sea-water canal, with no locks, no capacity constraints and no problems with water shortage.

IX.3 Future Shift from Through-Panama to Through-Suez Services

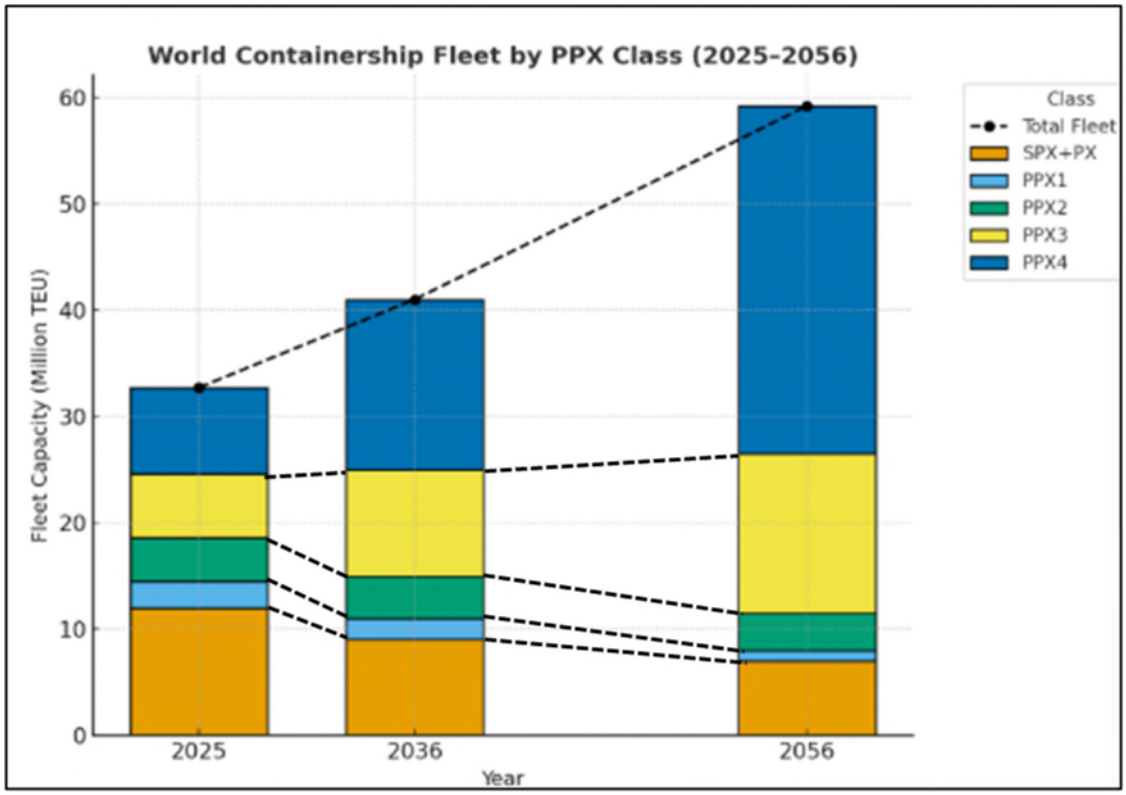
The first driver for a shift (or conversion) of Asia/USEC services from through-Panama to through-Suez pattern is the increase in vessel size, from 18,000 to 24,000 and eventually 28,000 TEU, as discussed in Section IV.9 on PPX4. The second driver, also mentioned in that section, is the shift of trade from North Asia to Southeast and South Asia. The third driver is the operational constraints of Panama Canal as discussed above. The combined effects of these drivers may take some time, but considering that the Project's first year is 2036 and extends till 2086, it certainly has to be taken into considerations. 2025 EC does not include an assessment of the above drivers and their possible impact on future fleet composition.

[10] It seems that the PPX1's 1 call in Table 4 is a typo or one-time event, since shipping services usually call on a weekly basis.

IX.4 Future Fleet Composition

Figure 12 shows the present (2025) and future (2036, 2056) fleet composition of container vessels by size category, based on public sources. The years 2036 and 2056 are selected to accord with Table 4, which shows the future fleet composition of Wilmington Asian services.

Figure 12 World Fleet by PPX Categories



As seen in Figure 12, PPX1, the dominant vessel in 2025 EC, and the main source of savings due to the predicted reduction in the number of calls, is bound to almost disappear. The largest category of the PPX in 2025, PPX3, is expected to further grow, while PPX2 remains unchanged. Another trend is the tremendous growth in PPX4. These 24,000-TEU vessels, already dominating the Asia/Europe trade are likely, eventually (2036?), following the next round of USEC-ports' deepening, to also dominate Asia/USEC services, which by then will mostly be through-Suez.

Another trend that favors larger newbuildings is decarbonization. Only 8% of the present fleet uses alternative fuels. However, most newbuildings, especially the ULCV, are dual-fuel. It is quite likely that carbon pricing will accelerate scrapping of older, dirtier vessels, including the first-generation of PPX, the PPX1.

IX.1 Special PPX1-Based, Asia/USEC Services for Secondary Ports

How can one predict the reappearance of PPX1-based services in 2036, when most of them are already bygone as seen in Figure 12?

It seems that there is confusion regarding the rejuvenation of PPX1-based Asian services in the various USACE publications. For example, the most recent one, 2024 PowerPoint, attempting to justify taking PPX3 as a design vessel, states: "*Deepening could eliminate some smaller vessels on Asian and South American routes, and lower total PPX3 calls needed" (p.11, bottom).* Then, apparently unaware of this statement, makes a contradictory prediction that *"**In the long-term**, 50-year period of analysis, cargo is more likely to get to NC area using **smaller vessels to Wilmington than on larger vessels to alternate ports, such as Charleston, SC or Norfolk, VA**, with extended landside transportation (truck, rail)*." (p.14, bottom). Put differently, a key assumption in the benefit calculation is the future emergence of Wilmington-special, Asia/USEC services based on PPX1. Presumably, according to USACE prediction, for some reason, in 2036 (Figure 12) there will be an "evolutionary split" in the Asia/USEC service pattern into big-port and small- port services. Let me examine this possibility.

USEC ports can roughly be categorized into main and secondary ports. To justify a call by a 15,000-TEU, PPX3 vessel with a USEC rotation of 4 ports, each of the main ports should generate about 5,000 TEUs in/out. This apparently is already the case since, as seen with Charleston above, the main ports are already served by PPX3 and PPX3Max vessels and, in 10 or so years, by PPX4. The smaller, secondary ports presumably can only generate 2,500 TEUs in/out, which is only sufficient to justify a call by PPX1. A hypothetical rotation of such a PPX1-based service could include Port Everglades, Wilmington NC, Wilmington DE and Philadelphia. However, the cost disadvantages of using PPX1 vs. PPX3Max are significant. As seen in Figure 5, at 44 ft, the PPX1 is 39% (46.76 / 33.63); at 48 ft, **PPX1 is 50% (43.91 / 29.11) more expensive than the PPX3**. The 48 ft is the more likely case since by 2030 the main ports' channel are likely to be deepen to 50+ ft. **In light of this huge cost disadvantage, a 2036 emergence of PPX1, small-port services is unlikely.**

Another hurdle for such a service is a severe shortage in PPX1. As seen in Figure 12 above, the availability of smaller PPXs will sharply decline in the future. The reason is simple, there is and will be a limited worldwide use for this historical, small-capacity vessel design.

As to the secondary USEC ports, the more reasonable prediction for their Asian services pattern is the hub & spoke model, or feedering, which already is the practice worldwide, including Wilmington.

ATTACHMENT E

403 ECONOMIC CONSIDERATIONS

Wilmington Harbor Section 403 Letter Report

Economic Analysis Overview

Prepared by Andrew Bazzle

Economist
Deep Draft Navigation
Planning Center of Expertise

PRESENTATION AGENDA

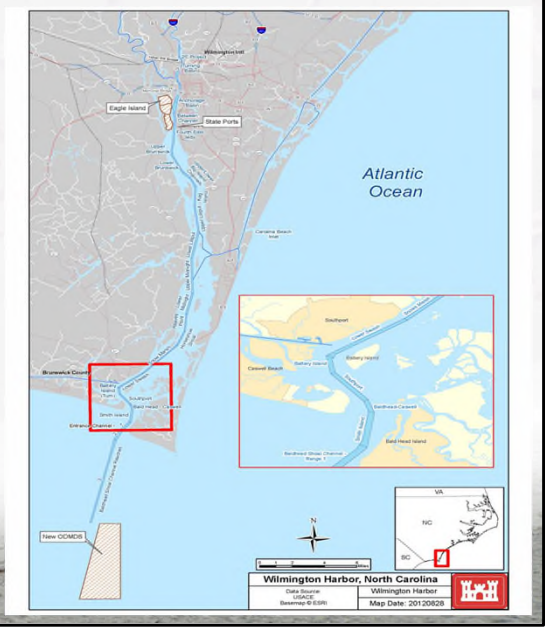
- Existing Conditions overview
  - Channels and Port
  - Cargo Details
  - Vessel Fleet Details
- Future Without-Project Economic Conditions
  - Commodity Forecast
  - Vessel Fleet Forecast
  - Multiport Considerations
- Future With-Project Condition
  - Assumptions
  - HarborSym Modeling
  - Load Factor Analysis
- Transportation Cost Savings Benefit Calculations

2

403 STUDY ECONOMIC CONSIDERATIONS

Existing port conditions

- 38-mile federal channel
- - 42 feet MLLW up to Cape Fear Memorial Bridge
- 23 different channel segments (reaches) of varying width
- 12 deep draft docks for liquid bulk, dry bulk, container cargo, general cargo, Ro/Ro
- Use of harbor pilots and tugs throughout
- Inherent limitations on traffic volume (continued next slide)
  - Captured in HarborSym economic model
  - Carried forward into Environmental Impact Statement (EIS)



All inform economic modeling later

403 ECONOMIC CONSIDERATIONS

Inherent Limitations on Traffic Volume
- One-way channels
- Safe Speeds
- Terminal Berth space
  - Container berths =>
  - Bulker/Tanker berths
    - Typically, 3-6 berths/terminal
    - Rarely all used at once
- Cargo handling capacity
  - Based on Commodity Transfer Rates per terminal by vessel class

Terminal	Ship Berths	Total Length (ft.)	Ship Berths	Vessel Capacity	Dwell Time (hrs)**	Max Calls/Year*	Vessel Capacity	Avg TEUs (Un)Loaded	Max TEU
NCSPA 7-9	3	2,700	SPX-PX (<=106' Beam)	3	15	520	2,000	540	280,800
			PPX (106'>Beam<=144')	2	15	520	6,000	772	401,440
			Super PPX (>144' Beam)	1	15	520	12,000	686	356,720
								Total Estimate	1,038,960

Terminal	Crane Size	Cranes	Working Hours	Sustainable Hours (80%)	Crane Capacity (TEUs)
NCSPA 7-9	PPX (17-19 Across/6k+ TEU)	2	8,000	6,400	275,200
	Super PPX (20-24 Across/12k+ TEU	5	20,000	16,000	688,000
	Total	**7**	**28,000**	**22,400**	**963,200**

All must be modeled in HarborSym
- Reasonably model a port's capacity
- Not create "artificial" congestion
- Reasonably capture effects of a deepened channel (capacity unchanged with a project)

4

*Limited to 5 calls per week per berth (520 per terminal)
**explore.dot.gov/views/VesselDwellTimes

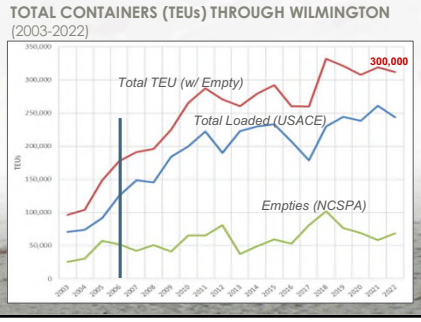
- 7 cranes @ max of 4,000 hrs/yr = 28,000 crane hours
- 80% = 22,400 sustainable crane hrs
- Max crane productivity of 35 containers per hr
- 80% = 28 cont./hr x 1.54 TEU/container = 43 TEU/hr
- Sustainable crane capacity = 43 x 22,400 = 965,888 TEU/yr

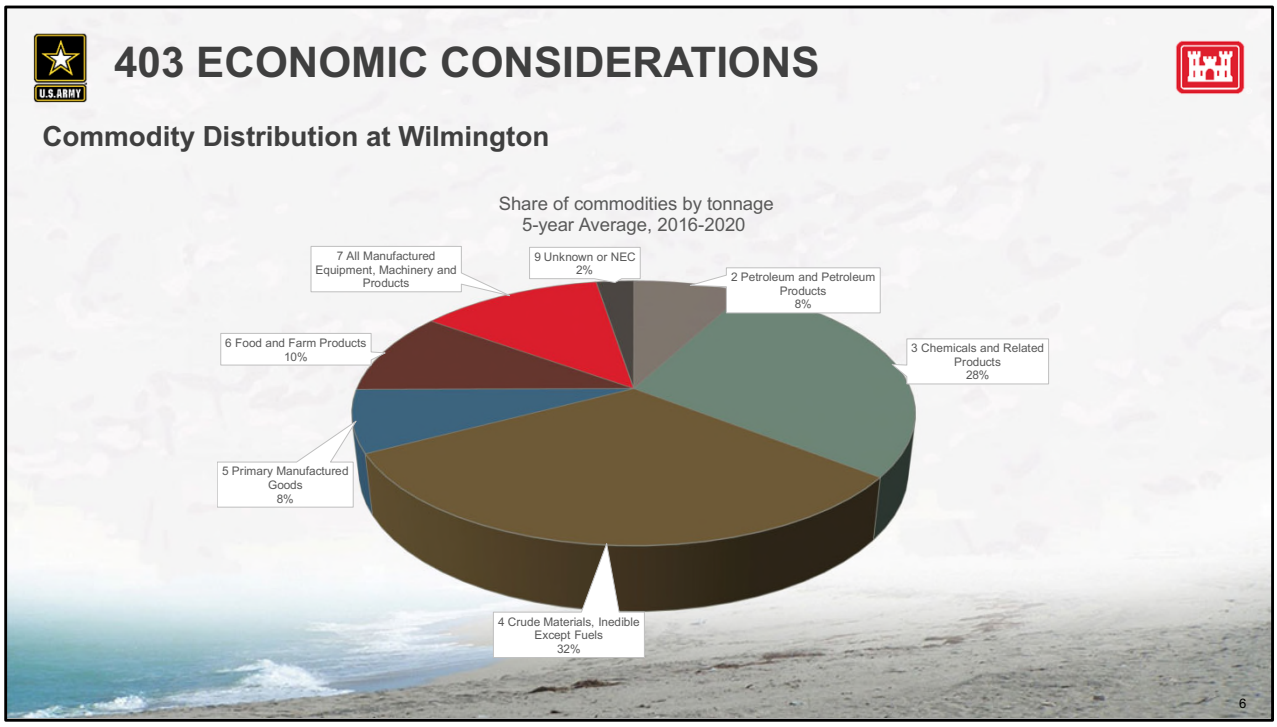
- Pilots prefer to keep speeds constant with deeper/wider channels and gain greater safety margin for environmental conditions and contingencies.

403 ECONOMIC CONSIDERATIONS

Commodity Movements

- 7.6 million tons throughput in 2022
  - 6.6 million tons foreign cargo
    - 3.7 million tons imports
      - 1.2 million tons containerized
    - 2.9 million tons exports
      - 1.1 million tons containerized
  - 1.0 million tons domestic cargo
- Total tonnage variable since 2004 (42-foot deepening complete in 2006)
  - Decline mainly due to petroleum products, coal changes
  - Containerized cargo climbed 2003-2011, plateaued since 2012





- Petroleum products: gasoline (26%), kerosene (13%), residual fuel oil (9%), distillate fuel oil (22%), asphalt, tar and pitch (13%) and petroleum coke (14%). The port does not handle crude petroleum.
- Chemicals: alcohols (29%), nitrogenous fertilizers (32%) and sodium hydroxide (9%).
- Crude materials: fuel wood (43%), wood in the rough (14%), pulp and wastepaper (14%), lumber (5.0%), and gypsum (10%).
- Primary manufactured goods: paper and paperboard (14%), cement and concrete (15%), misc. mineral products (11%), fabricated metal products (19%), and iron and steel plates and sheets (10%).
- Food and farm products: soybeans (19%), animal feed (10%), and fresh and frozen meat (38%).

403 ECONOMIC CONSIDERATIONS

Commodity Movements

- Liquid Bulk (Tankers)
  - Origins: Europe, Middle East, India, Caribbean, S. Amer.
  - Destinations: U.S. ports via AIWW
- Dry Bulk (Bulkers)
  - Origins: Canada, S. Amer., Europe, Middle East
  - Destinations: Europe, U.S. ports, Asia, Africa
- Containers (Containerships)
  - Origins/Destinations (liner routes): Asia, Central America, Europe

Route distance X *vessel speed* = voyage time

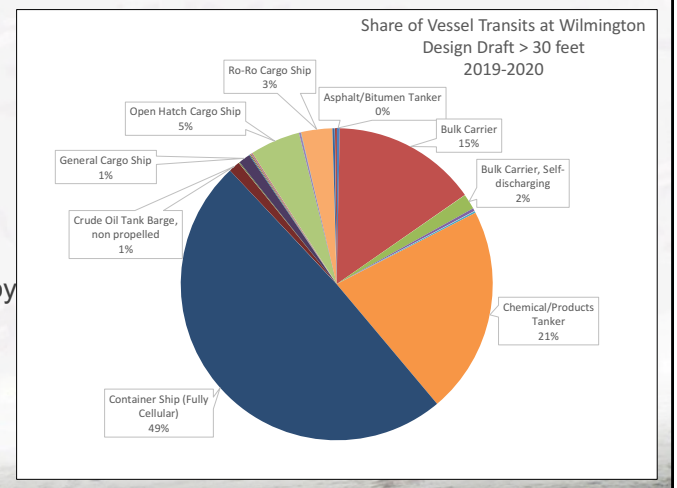
Voyage time X *hourly operating cost* = transportation cost

403 ECONOMIC CONSIDERATIONS

Vessel Fleet Operations

Multiple vessels transit with depth >38 feet, occasionally > 40 feet with tide

- Tankers:
  - Alcohols, fertilizers, sodium hydroxide hauled by small/medium tankers (< 35 feet)
  - Gasoline, kerosene, other chemicals hauled by larger tankers (< 44 feet)
- Bulkers:
  - Pulp, lumber, concrete, gypsum hauled by small/medium bulkers (< 37 feet)
  - Wood pellets, rough wood products hauled by larger bulkers (<50 feet)
- Containerships:
  - Raw materials, manufactured products, liquids, agricultural products, and refrigerated goods (38-51 feet)



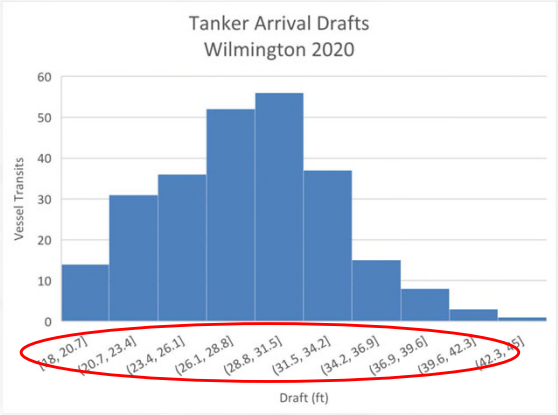
8

The resulting distribution is approximately 50% containerships, 25% tankers, and 25% general cargo vessels, including bulkers.

403 ECONOMIC CONSIDERATIONS

Tanker Transits by class, 2016-2021

Tanker Class	Size (DWT)	Design Draft Range (ft)	2016	2017	2018	2019	2020	2021	Grand Total
General Purpose (GP)	10,000-24,999	22.2-33.5	52	55	34	76	86	108	411
Medium Range (MR)	25,000-44,999	30.2-44.0	145	103	88	113	107	101	657
Large Range 1 (LR-1)	45,000-79,999	39.5-43.9	44	68	22	41	38	48	261
Grand Total			**241**	**226**	**144**	**230**	**231**	**257**	**1,329**



Liquid bulk cargo percentage of tonnage by class, 2016-2020

Vessel Class	2016	2017	2018	2019	2020	Average
GP	67	50	65	72	61	62
MR	33	50	35	26	27	35
LR-1	0	0	0	2	12	3
Total	100	100	100	100	100	100

By 2020, 39% of liquid bulk volume is carried on tankers that could be loaded deeper than the current channel (42 feet), but aren't doing so

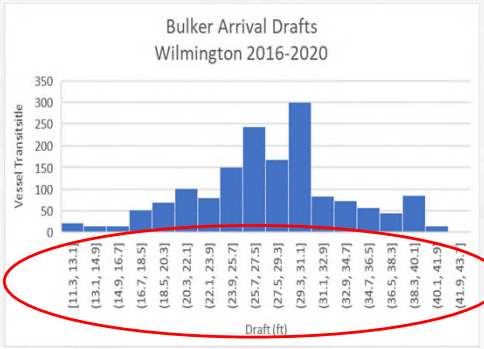
9

Over the past 5 years, tonnage has begun to shift from smaller to larger tankers. The more efficient use of larger LR-1 class tankers (60,000-80,000 DWT) would reduce transportation costs for the petroleum firms operating at Wilmington. Larger vessels are not frequently used due to the depth constraint of the Federal navigation channel. If greater channel depth were available, petroleum firms would likely increase the shift of cargo onto larger vessels already in the fleet of vessels calling to take advantage of the economies of scale.

403 ECONOMIC CONSIDERATIONS

Dry bulk cargo percentage of tonnage by class, 2016-2020

Bulker Size	Capacity Range (DWT)	Design Draft Range (feet)	2016	2017	2018	2019	2020	Average
Very Small	3,000–20,000	25–30	1	1	2	1	2	1
Small	20,001–30,000	31–35	2	3	2	0	0	1
Medium Small	30,001–40,000	36–37	15	12	20	14	19	16
Medium Large	40,001-–50,000	38–40	24	18	12	13	10	15
Large	50,001–60,000	41–43	21	27	21	20	11	19
Very Large	60,001–105,000	44–50	37	39	43	52	57	47
Total			100	100	100	100	100	100



By 2020, 68% of dry bulk volume is carried on bulkers that could be loaded deeper than the current channel (42 feet), but aren't doing so

10

Over the past 5 years, tonnage has begun to shift from smaller to larger tankers.
The more efficient use of Very Large Bulkers would be more efficient. It is likely they will shift to those more over time, given the width of the Panama Canal, and the shift in shipbuilding to these larger vessels.

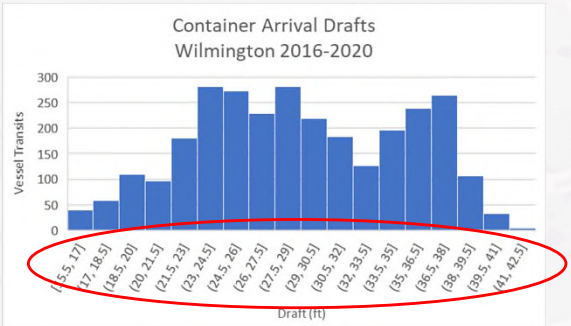
403 ECONOMIC CONSIDERATIONS

Containership Transits by class, 2016-2021

Tanker Class	Capacity Range (TEU)	Design Draft Range (ft)	2016	2017	2018	2019	2020	2021	Grand Total
Subpanamax	< 2,800	< 38	173	185	140	120	162	163	943
Panamax (PX)	2,801-4,800	31-45	43	64	62	37	32	73	311
Post-PX Gen1	4,801-6,800	35-48	51	43	28	4	1	1	128
Post-PX Gen2	6,801-9,900	39-49	6	17	21	25	4	1	74
Post-PX Gen3	9,901-15,000	< 51	3	16	19	69	85	83	275
Grand Total			**276**	**325**	**270**	**305**	**284**	**321**	**1,731**

Container cargo percentage of tonnage by class, 2016-2020

Vessel Class	2016	2017	2018	2019	2020
Sub Panamax	33	32	26	30	22
Panamax	25	32	34	14	13
PPX Generation I	39	16	10	1	0
PPX Generation II	3	10	13	13	3
PPX Generation III	0	10	17	42	61
Total	100	100	100	100	100



By 2020, 77% of container volume is carried on containerships that could be loaded deeper than the current channel (42 feet), but aren't doing so

PANAMA CANAL

Max beam: 106.2 ft (Panamax), 168.14 ft (Post-Panamax)

Max draft: 40 ft (Panamax), 50ft (Post-Panamax)

11

Over the past 5 years, tonnage has begun to shift from smaller to larger containerships. PPX3 has a beam of 168 feet, the largest supported by the expanded Panama Canal.

In 2021, PPX Gen III made up about 10% of the In-Service total containership world fleet but accounted for 21% of newbuilding's in the Orderbook. Its relatively new age supports more growth in the forecast period by 2050; rather than being outpaced by scrapping's.

Deepening could eliminate some smaller vessels on Asian and South American routes, and lower total PPX3 calls needed

403 ECONOMIC CONSIDERATIONS

Problem statements:

- Existing cargo shippers are experiencing increased operating costs due to light loading, congestion delays, and tidal delays;

- Light loading, congestion delays, and tidal delays will increase as present harbor users increase their annual tonnage throughput and as larger ships that require deeper channels replace older, smaller ones.

12

403 ECONOMIC CONSIDERATIONS

Future Without-Project Conditions

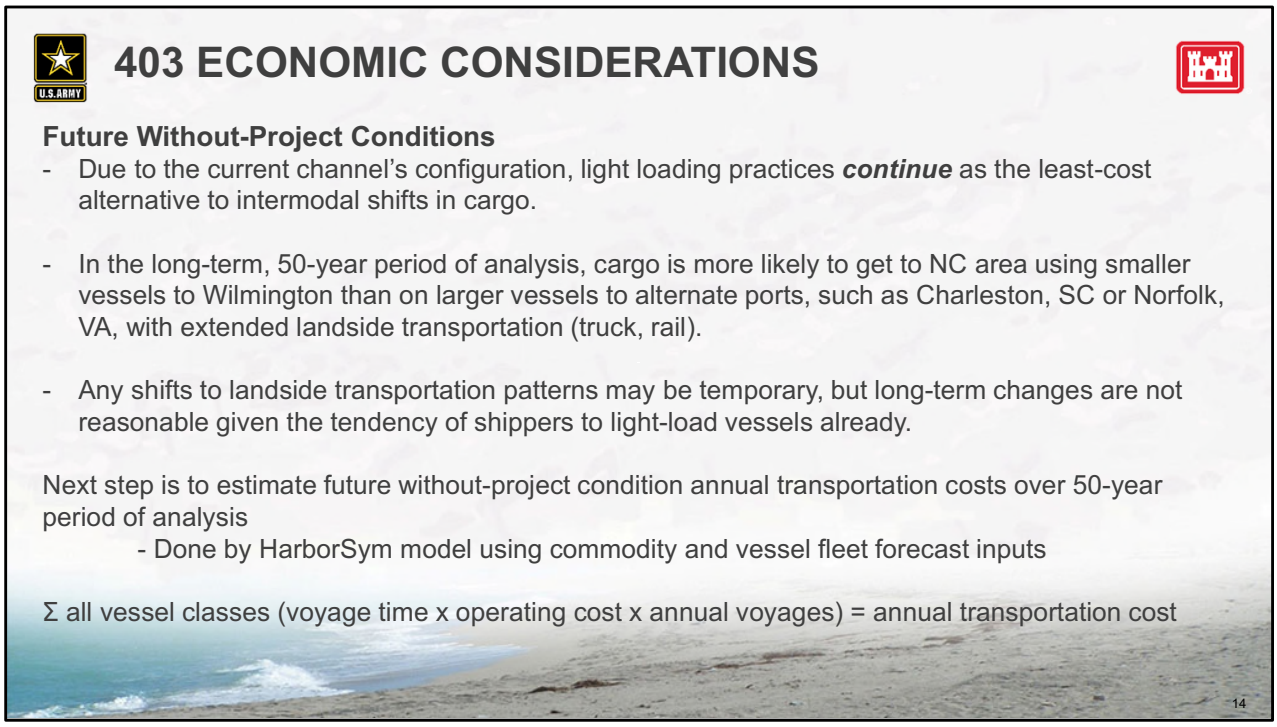
Future Port Conditions Assumptions

- Total cargo throughput is expected to increase in the future, according to overall economic trends visible at this point. *Detailed forecast to follow*

- The port will see an increase in vessel traffic to accommodate this increase in volume.

- Expansion projects at the port will be completed, adding needed capacity to handle vessel and cargo increases
  - NCSPA terminal has container handling capacity of 750K TEUs now and 1.1M with future projects completed.
  - Resurfacing and upgrade of multiple areas
  - Reefer Phase II (704 additional plugs)
  - On-dock Intermodal Yard Redesign to double daily rail capacity (4 x 1,250' working track)
  - Berth 9 Crane upgrade to Neo-Panamax capability

13



Market share between the Port of Wilmington and nearby regional ports like Charleston and Savannah is multi-faceted and very dynamic. Specific business relationships that drive the fluctuation of market share between them are the manufacturer-to-shipper relationships, shipper-to-port, or port-to-processor relationships. Some companies only ship to one port, others may ship to and from all three, depending on those involved. Given the relative closeness of these three ports geographically, it is likely that the market share will continue to fluctuate between the ports as capital improvements are made and the demand for goods change.

Ultimately, this economic analysis was conducted with the historical Wilmington cargo share remaining the same in both the future without-project and future with-project conditions. To restate the multiport considerations in another way, justification of the recommendation for this study is not based on the assumption that cargo will shift to Wilmington with deepening alone. The analysis assumes Wilmington receives the same share of regional cargo volumes with or without the widening of the waterway.

403 ECONOMIC CONSIDERATIONS

Commodity Forecast

- Forecasted benefiting commodities
  - Containerized cargo, liquid bulk, and dry bulk
  - Sets the requirement for future vessel fleet in modeling

- 5-year average of historical tonnage as baseline for future projections
  - Minimize effects of anomalies and fluctuations
  - Long-term forecast that captures economic prosperity and downturns

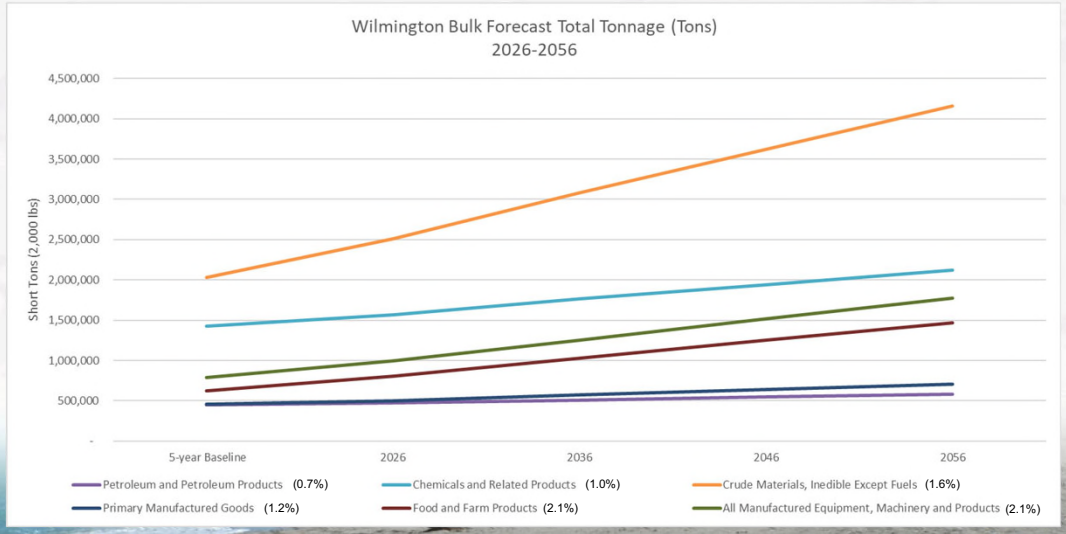
- Forecast period ran from Base Year of 2036 to 2056, or 20 years.

- Due to uncertainty in distant future, forecasted volumes and vessel traffic is held constant to the end of the 50-year period of analysis (2057-2085)

15

403 ECONOMIC CONSIDERATIONS

Liquid and Dry Bulk forecast



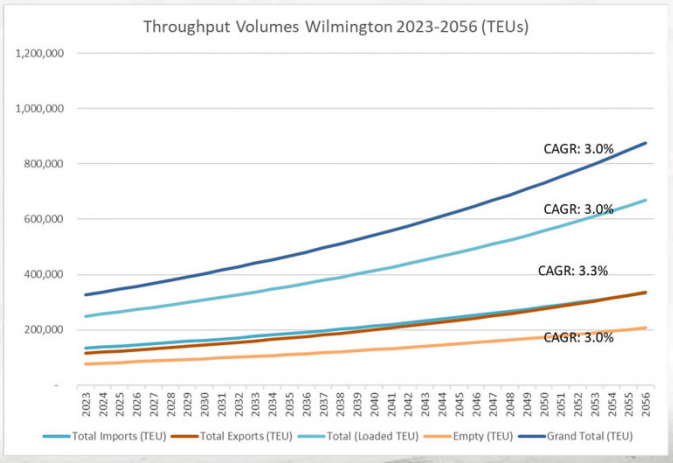
16

- Future volumes of liquid and dry bulk cargo were projected over the forecast period using a linear regression of the empirical data from 2016-2020.
- In the cases of petroleum products receipts, Food and Farm receipts, chemical shipments, and Primary Manufacture shipments, trends in tonnage were negative. In these cases, tonnages were held constant from the baseline over the forecast period. These no growth forecasts kept overall growth rates fairly conservative.

403 ECONOMIC CONSIDERATIONS

Containerized cargo forecast (step 1)

	Route Group	2023	2025	2030	2035	2040	2045	2050	2055
Imports									
	Far East	3%	3%	3%	3%	3%	3%	3%	3%
	Europe	2%	2%	2%	2%	2%	2%	2%	2%
	Caribbean	3%	3%	3%	3%	3%	3%	3%	3%
Exports									
	Far East	4%	4%	4%	4%	4%	4%	4%	4%
	Europe	2%	2%	2%	2%	2%	2%	2%	2%
	Caribbean	3%	3%	3%	4%	4%	4%	4%	4%



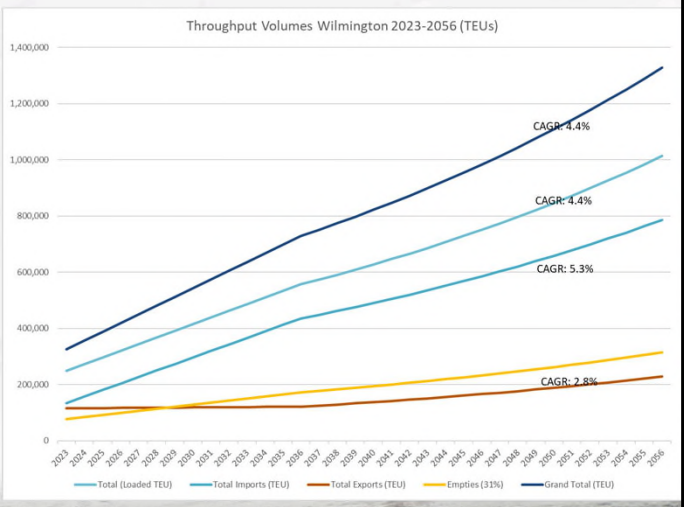
17

- From the containerized baseline, future volumes of containerized cargo were projected over the forecast period using long-term growth rates established by S&P Global (formerly IHS Global Insight) for international seaborne trade by World region. To validate that these growth rates were appropriate for the Port of Wilmington, forecasted containerized cargo for 2022 using these rates was compared to actual 2022 containerized volumes provided by the NCSPA. The difference was about 1.5%, so the growth rates were acceptable.

403 ECONOMIC CONSIDERATIONS

Containerized forecast (step 2)

- Qualitative factors
  - Local landside facility growth
    - $2.2 Billion in new storage and distribution facilities
    - $28.2 Billion in new/upgraded manufacturing and processing facilities
  - Most of this is under construction
  - Assumed to be operational by base year of 2036
  - NCSPA-provided estimates of increased cargo volume added to appropriate world region in step 1 forecast
- Port's future landside container capacity assumed to be 1.3 Million TEUs per year
- Will reach capacity by 2056 with this forecast



18

The last step of the forecast calculation is implementing qualitative factors, like COVID-19 impact factors, tariffs, infrastructure developments, and export/import restrictions. The area surrounding the Port of Wilmington is seeing significant growth in landside facilities. Over $28.2 Billion in new or upgraded manufacturing and processing facilities are planned over the next 10 years, as well as $2.2 Billion in the construction of 14 new storage and distribution facilities. In discussions with the NCSPA, about half these improvements are either permitted for construction, or currently under construction; therefore, the PDT assumed that most of those would be operational by the base year of the analysis. The NCSPA provided estimated annual TEU volumes associated with each improvement, based on discussions with the respective facility, or their own professional judgement. These estimates of new volumes were further grouped into their appropriate World region and direction (import/export) and added to the initial forecast.

The Port's landside container cargo capacity in the future without-project condition was estimated at 1.3 million TEUs per year, based on their planned facility upgrades as of the time of this report. As a result of the estimated additional volumes reported by the NCSPA as part of this forecast, that 1.3 million TEU capacity may be reached by 2056. Therefore, container growth was not capped for the remainder of the forecast period ending in 2056.

403 ECONOMIC CONSIDERATIONS

Bulker Vessel Fleet Forecast
- Using existing loading data from 2016-2020, developed an average tonnage per vessel, by vessel class.
- For the bulker fleet, loading practices were separated by commodity type; specifically crude materials (including wood pellets) from the rest of the dry bulk commodities, to accurately project future loading patterns for the bulker fleet.

- Bulk loading patterns small & sporadic
  Reasonable to assume patterns will continue; therefore, used to estimate the number of bulker vessel calls expected to move the forecasted levels of bulk commodities.

- Bulk Loading Tool (BLT) in HarborSym's Suite of Tools to estimate the number of bulker vessel calls needed to satisfy the commodity forecast, over the forecast period of 2036-2056

Commodity Type	**Crude Materials**		**Other Dry Bulk Cargo**	
Vessel Class	Receipts	Shipments	Receipts	Shipments
Very Small	9,792	0	10,338	0
Small	0	0	6,000	0
Medium	11,151	11,732	15,390	21,946
Large	0	27,394	19,844	27,394
Very Large	28,314	43,318	29,759	43,318

Vessel Class	**2036**	**2056**
Very Small Bulker	9	13
Small Bulker	1	1
Medium Bulker	71	93
Large Bulker	12	13
Very Large Bulker	71	97
Total Bulk Vessel Calls	**288**	**356**

19

403 ECONOMIC CONSIDERATIONS

Tanker Fleet Forecast

- Using existing loading data from 2016-2020, developed an average tonnage per vessel, categorized by vessel class.

– Only receipts were used in determining vessel calls effected by the depth of the channel.
  - Outbound tanker shipments are very small, domestic movements on AIWW, not modeled in this scenario.

– Additionally, the estimated share of liquid bulk cargo was adjusted over the forecast period from its existing share in 2020.
  - Shippers will continue to take advantage of available economies of scale in shipping by using an increasing share of LR-1 tankers to move their cargo. Given that most of the existing liquid cargo uses smaller, Medium Range tankers today, the most likely shift would be to the next larger class of Long-Range 1 tankers, and not all the way to Aframax class tankers, even with most of the world fleet containing Aframax tankers. This is reflected in a slight shift in cargo share over the forecast period.

– Bulk Loading Tool (BLT) in HarborSym's Suite of Tools to estimate the number of tanker vessel calls needed to satisfy the commodity forecast, over the forecast period of 2036-2056

		Share of liquid bulk cargo by vessel class		
Vessel Class	**2016-2020 Avg Receipts per call (metric tons)**	**2020 (existing)**	**2036**	**2056**
GP	6,353	18%	18%	18%
MR	15,990	49%	42%	32%
LR-1	29,085	33%	40%	50%

Vessel Class	2036	2056
General Purpose Tanker	49	57
MR Tanker	49	44
LR-1 Tanker	26	38

20

403 ECONOMIC CONSIDERATIONS

Containership Fleet Forecast

- Used an analysis of historical calls and forecasted share of capacity by vessel class to distribute forecasted tonnage.

– Considered new buildings and scrapping
  - Vessel Cascading

– Considered changes in the world containership fleet
  - Growth in Post-Panamax Generation III vessels(9k TEU+) is predicted to impact the Trans-Pacific trade (23-24,000 TEU vessels would impact the Asia to Europe trade, by contrast), and should provide significant additional capacity for services between the Far East and U.S. East Coast, such as the services currently calling the Port of Wilmington.

– Container Loading Tool (CLT) in HarborSym's Suite of Tools to estimate the number of containership vessel calls needed to satisfy the commodity forecast, over the forecast period of 2036-2056

FWOP Forecasted Shares of Containership Capacity

Route	Class	2036	2056
Far East	PPX1	24%	24%
Far East	PPX2	26%	26%
Far East	PPX3	50%	50%
Europe	SPX	53%	53%
Europe	PX	47%	47%
Caribbean	SPX	50%	50%
Caribbean	PX	50%	50%

World Containership Fleet by TEU band, 2013-2023

TEU Band	2013	2017	2023
0.1 - 1.3 k TEU	1,600	1,553	1,497
1.3 - 2.9 k TEU	1,352	1,476	1,634
2.9 - 3.9 k TEU	303	271	294
3.9 - 5.2 k TEU	762	656	643
5.2 - 7.6 k TEU	519	468	447
7.6 - 12 k TEU	379	670	665
12 k TEU +	151	422	570
TOTAL	**5,066**	**5,516**	**5,750**

FWOP Forecast of Containerized Vessel Calls over forecast period

Route Group	Vessel Class	Without Project Year 2036	Without Project Year 2056
Far East	PPX1	237	289
Far East	PPX2	157	186
Far East	PPX3	103	124
Europe	SPX	30	36
Europe	PX	102	111
Caribbean	SPX	29	34
Caribbean	PX	64	78
Total		**722**	**858**

As new, larger vessels become a greater percentage of the world fleet and are deployed to Wilmington, they replace smaller vessels which are redeployed to shorter routes, which may utilize the smaller vessels more efficiently

403 ECONOMIC CONSIDERATIONS

Combined FWOP Vessel Fleet Forecast

- Overall, vessel fleet is assumed to remain the same, burdened by the same set of problems and navigational constraints.
- Bulkers would shift towards larger sub-classes of Very Large Bulker vessels but remain draft constrained.
- Chemical tankers would shift cargo towards the larger classes of LR-1 tankers, away from smaller classes. LR-1 will continue to light-load because of the current channel depth.
- Containership calls will increase to accommodate the significant North Carolina landside development.
  - Since this will require more vessels than only a single class of container vessel can provide, the amount of liner services may increase from the two currently scheduled, and the fleet mix of vessels may grow to mirror those calling on other U.S. East Coast ports. Significantly more PPX1 and PPX2 vessels would be required to fulfill the commodity forecast without a project. These classes would continue to light-load over forecast period.

Vessel Class	2021	2036	2056
Sub-Panamax Containership (SPX)	163	59	70
Panamax Containership (PX)	73	166	189
Post-Panamax Containership 1 (PPX1)	1	237	289
Post-Panamax Containership 2 (PPX2)	4	157	186
Post-Panamax Containership 3 (PPX3)	83	103	124
GP Chemical Tanker	43	49	57
MR Chemical Tanker	54	49	44
LR Chemical Tanker	19	26	38
Very Small Bulker	5	9	13
Small Bulker	1	1	1
Medium Bulker	38	71	93
Large Bulker	12	12	13
Very Large Bulker	38	71	97
Total	**534**	**1,010**	**1,214**

22

- New vessel classes are not assumed to arrive.
- 2036 and 2056 containership fleet mix is more like Charleston and Savannah than the 2021 fleet mix

403 ECONOMIC CONSIDERATIONS

Future With-project condition

- Navigation benefits generated from more efficient use of existing vessels and reductions in transit time
- By allowing deeper vessels, fewer voyages needed to move forecasted cargo
- Reducing delays for conditions makes existing voyages faster and more efficient

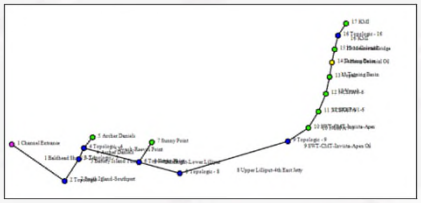
- **Multiport Analysis**
  - Assessed qualitatively as it relates to shifting of cargo from one port to another port based on deepening of a harbor. Wilmington will receive same cargo with or without a deepening.
  - Vessel loading alone does not drive growth for the harbor (see charts on slide 4)
  - Harbor dimensions are just one of many factors involved in determining growth and market share for a particular port. Other historical factors:
    - landside development and infrastructure
    - location of distribution centers for receipts
    - source locations for shipments
    - population and income growth and location
    - port logistics and fees
    - business climate and taxes
    - carrier preferences and business relationships
    - labor stability and volatility
  - Shipper inputs revealed that modifications at Wilmington alone will not be sufficient to change the vessel fleet servicing the U.S. (such as a shift to larger vessels).
    - Carriers visit multiple U.S. ports on a typical voyage. Even though Savannah and Charleston have completed large channel dredging projects in the last 20 years, more comprehensive change to the East Coast/ Gulf Coast port system would be needed to result in changes to the fleet (Panama Canal).

403 ECONOMIC CONSIDERATIONS

NED benefits were estimated by calculating the reduction in transportation cost at each alternative using the HarborSym Modeling Suite of Tools (HMST).

Capabilities:

- Incorporates existing traffic limitations and rules
- Creates forecasted vessel call lists with synthetic shipping based on fleet and commodity forecasts
  - Uses Bulk and Container Loading Tools (load factor analysis)
- Calculates vessel transiting time in harbor
- Captures inefficient delay times
- Calculates transportation cost from prior/next port and overseas distance
- Incorporates risk and uncertainty
  - discrete event Monte-Carlo simulation model (sampling)
- Transportation cost calculator
  - Hourly operating cost X vessel voyage duration = voyage transportation cost
  - Cumulative voyage transportation costs over a single simulated year
  - Sum of transportation costs over 50-year period of analysis



FWOP average annual transportation costs – FWP average annual transportation costs = Avg annual cost savings benefit

403 ECONOMIC CONSIDERATIONS

BLT/CLT Load factor analysis

- Commodity levels remain same as FWOP, load factors updated for deeper channels using:
  - Alternative depth
  - maximum loaded draft of each vessel class
  - the load factor percentage of each class
  - resulting increased capacity per their tons per inch immersion factor (BLT) or available container share (CLT)

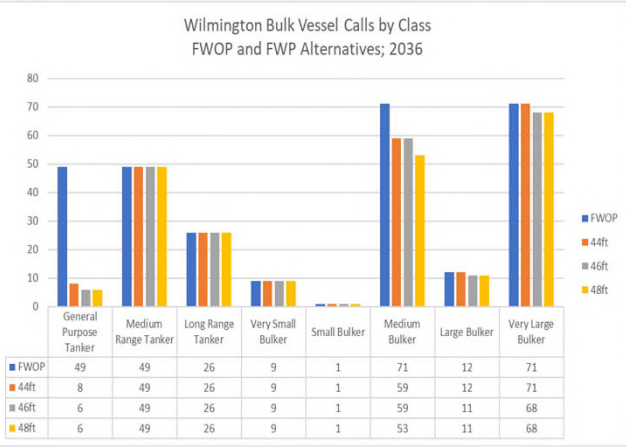
- Adjusts fleet's available capacity in each alternative scenario, then loads the largest vessel class completely, down to the smallest class, until the forecasted commodity volumes are satisfied.

Future Bulk Vessel Load Factors

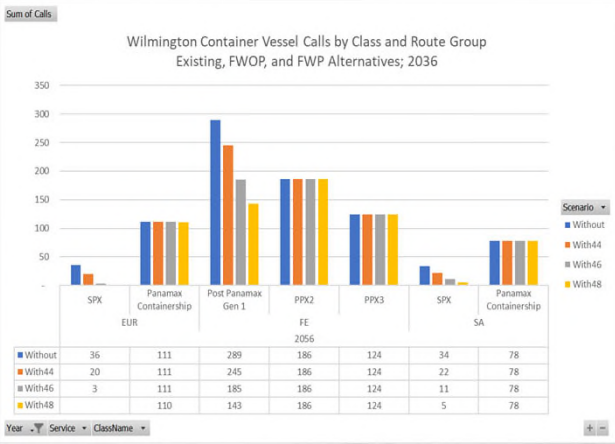
Vessel Class	FWOP Load factor Min/ML/Max	44 ft Load Factor	46 ft Load Factor	48 ft Load Factor
GP Tanker	10/50/90	10/55/90	10/55/90	10/55/90
MR Tanker	10/50/90	10/75/91	10/75/92	10/75/92
LR-1 Tanker	10/50/90	10/75/91	10/75/92	10/75/92
Very Small Bulker	63/71/90	63/75/91	63/75/91	63/75/91
Small Bulker	20/40/90	20/40/92	20/40/92	20/40/92
Medium Bulker	20/50/90	20/50/92	20/50/92	20/75/92
Large Bulker	20/40/90	20/55/90	20/55/92	20/75/92
Very Large Bulker	20/35/50	23/38/53	25/40/55	30/45/60

403 ECONOMIC CONSIDERATIONS

Vessel Calls Changes from BLT/CLT



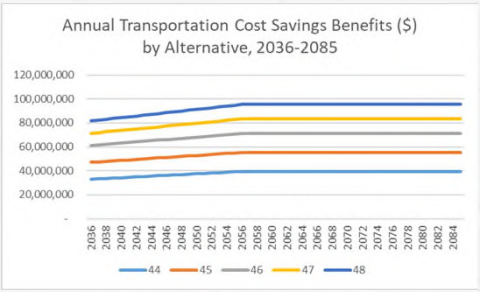
	General Purpose Tanker	Medium Range Tanker	Long Range Tanker	Very Small Bulker	Small Bulker	Medium Bulker	Large Bulker	Very Large Bulker
FWOP	49	49	26	9	1	71	12	71
44ft	8	49	26	9	1	59	12	71
46ft	6	49	26	9	1	59	11	68
48ft	6	49	26	9	1	53	11	68



	EUR		FE			SA	
	SPX	Panamax Containership	Post Panamax Gen 1	PPX2	PPX3	SPX	Panamax Containership
Without	36	111	289	186	124	34	78
With44	20	111	245	186	124	22	78
With46	3	111	185	186	124	11	78
With48		110	143	186	124	5	78

403 ECONOMIC CONSIDERATIONS

- Transportation cost benefits estimated by summarizing and annualizing HarborSym results from multiple simulations
- Commodity and transportation cost growth is held constant after 2056 due to the uncertainty surrounding such long-term forecasts.
  - Benefit levels remain constant through the remaining period of analysis (2056-2085)
- The net present value (NPV) was estimated using interpolation between the modeled years and adding remaining years
- Transportation costs were annualized to determine average annual equivalent (AAEQ) cost savings by discounting the cost stream from year 2036 to 2085 with the FY 2023 Federal Discount rate of 2.5 percent.



Alternative/ Depth	Total Benefits (NPV) ($1,000s)	AAEQ Benefits ($1,000s)
Without Project	$0	$0
44 feet	$959,859	$31,834
45 feet	$1,352,151	$44,832
46 feet	$1,744,443	$57,831
47 feet	$2,040,667	$67,648
48 feet	$2,336,890	$77,465

403 ECONOMIC CONSIDERATIONS

Preliminary Economic Results
- Focused array of alternatives for Environmental Impact Statement analyses

		ALTERNATIVES				
		-44 FEET	-45 FEET	-46 FEET	-47 FEET	-48 FEET
SECTION 403	AAEQ Benefits	$31,834,000	$44,832,000	$57,831,000	$67,648,000	$77,465,000
	AAEQ Costs	$24,099,000	$31,072,000	$38,860,000	$47,719,000	$56,174,000
	Net Benefits	**$7,735,000**	**$13,760,000**	**$18,971,000**	**$19,929,000**	**$21,291,000**
	Net Benefit diff (%)		38%		5%	7%
	BCR @ 2.5% (@7%)	1.3 (0.6)	1.4 (0.7)	1.5 (0.7)	1.4 (0.6)	1.4 (0.6)
SECTION 203	AAEQ Benefits	$44,791,000	$62,121,000	$75,291,000	$85,161,000	$94,131,000
	AAEQ Costs	$18,434,000	$23,426,000	$28,838,000	$33,890,000	$41,512,000
	Net Benefits	**$26,357,000**	**$38,695,000**	**$46,453,000**	**$51,271,000**	**$52,619,000**
	BCR @ 2.75%	2.43	2.65	2.61	2.51	2.27

Section 902 limit based on WRDA 20 Authorized Cost: $1,599,557,000
Latest Project Cost Estimate for 47-foot Alternative: $1,271,520,000

Future Capacity Limits Future Forecast

28

Thank you!

Attachment F

Considering Additional Project Costs Lowers the BCR

The discussions of the deficiencies in the benefit analysis and the resulting impact, lowering the BCR (Attachments C and D), assume all Project costs have been fully and accurately recognized and quantified. The FLR and FEIS acknowledge this is not the case: "Unresolved Issues and Controversies," EIS pp. ES-15-16,[1] identify some open issues that inevitably will generate additional costs as yet unquantified. Others could occur but are not acknowledged or quantified. While many projects defer until construction the quantification of certain costs, that practice usually has no significant impact on a project's BCR. Here, the BCR is marginal at best, and unaddressed expenses could be substantial enough to impact the acceptability of the BCR. Many of these are related to issues identified in the letter from the North Carolina Department of Environmental Quality, Division of Coastal Management ("NCDCM") objecting to and declining to concur in the Corps' Coastal Zone Management Act Consistency Determination, attached as Attachment G ("NCDCM Objection").

A. PFAS

The EIS Executive Summary glosses over the NCDCM's concerns about PFAS and defers evaluation until construction. EIS pp. ES 15-16. More detail is found in EIS Appendix O, "Draft LR & EIS Public Involvement Summary" beginning on page 1817, "Appendix O Attachment G--NC Public Comment Response." It confirms that the Corps has not evaluated the presence in the Cape Fear River sediment of PFAS (pp. 31-32[2]), despite the known presence of this "forever chemical" deposited over forty years along the length of the River.[3] As noted by NCDCM:

---

[1] PFAS; Endangered Species Act; National Historic Preservation Act; Water quality certification; CZMA Concurrence.

[2] Page references are to the Public Comments Response, Attachment G; to access via Appendix O, add 1818 to that page number.

[3] Basinwide Water Resources Management Plan Cycle 4 – Cape Fear River Basin 2026, Chapter 12: PFAS Related Emerging Contaminants in the Cape Fear River Basin – DRAFT, North Carolina Department of Environmental Quality Division of Water Resources Basin Planning Branch. https://www.deq.nc.gov/water-resources/planning-section/basin-planning/cpfdraftapril2026-ch12pfasemergingcontaminants/open

> The [DEQ Sediment] study results clearly demonstrated that PFAS adsorbs to finer grain sediments with higher organic content and that PFAS-laden sediments have been deposited downstream in the floodplain as result of years of flooding and severe weather events impacting the Cape Fear River.

Id., p. 12-102. This study found 90% of sediment samples contain PFAS. *Id.* Numerous commentors have raised questions about disturbing and re-suspending these bioaccumulative and bio persistent chemicals. The Corps plans to use 46% of the 35 million cubic yards of dredged material beneficially, depositing it in marshes and constructing bird islands. Beneficial Use of Dredged Material [BUDM] Plan, EIS Appendix D, p. 1. If the material cannot be so used,[4] the Corps estimates an increased disposal cost of $35 million. Public Comments Response, p. 40. If this is hazardous waste, which is much more expensive to dispose of, the Corps asserts that NCSPA will be responsible for any additional disposal cost, *id.*, p. 32, but this would still be a Project cost in the NED sense of societal costs/benefits and therefore relevant to the BCR.

B. Cultural Resources

The comments separately filed by The Moore Charitable Foundation and Orton Foundation (with other co-signatories) address potentially significant costs associated with avoiding and mitigating Project impacts to those sites. Because these are Project impacts requiring mitigation under NEPA and WRDA, and the expense for this mitigation must be incurred at the Project inception for two reasons. First WRDA requires impacts to fish and wildlife to be funded before or concurrently with construction. 33 USC § 2283(a)(1)(i). Second, a "commitment" to take future action not funded in the EIS as part of the Project cost [*see* Environmental Commitments, EIS Section 6] is not enforceable where it is contingent on future Corps funding or discretion[5] and thus is not consistent with NCDCM's obligation to assure compliance with the State's CZMA Plan and protect AECs. *Currently* funding the avoidance and on-going future mitigation expenses (*see* Section E below) will be both substantial and not subject to discounting, like the distant projected benefits.

---

[4] *E.g.*, if a disposal standard is adopted by EPA or DCM, or if DCM determines that PFAS contaminated sediment cannot be deposited in areas of environmental concern ("AECs") and must instead be transported to the offshore disposal site.

[5] *Vill. of Bald Head Island v. U.S. Army Corps of Eng'rs*, 714 F.3d 186 (4th Cir. 2013) (FONSI "commitment" to follow Sand Management Plan unenforceable).

C. Sand Transport Disruption and Beach Erosion Impacts

As noted in Attachment A, the last Wilmington Harbor deepening project (2000) caused severe beach erosion and has cost VBHI approximately $70 million. VBHI and its experts submitted detailed objections to the DEIS's inadequate modeling of these complex sand transport systems, pointing out they are contradicted by 20 years of actual monitoring data. VBHI's experts predicted the impacts of the 2000 deepening, but were ignored. The IEPR Report raised questions about the adequacy of the modeling, Comments 2, 3, 5, 8, and 9, as did the NCDCM denial of CZMA concurrence.

> DCM finds that the USACE, in their Federal Consistency Concurrence, does not demonstrate consistency with 15A NCAC 07H .0207(d) and .0209, which require shoreline development to avoid significant erosion and protect public trust resources.

NCDCM Objection, p. 13. Adequately evaluating these impacts and mitigating them, both for VBHI and other nearby beaches, will require *current* funding or other security mechanism (*see* Section E below) in light of the judicial unenforceability of EIS "Commitments," such as the Sand Management Plan.[6] Fifty years of beach protection and nourishment, currently funded or secured, will be a significant Project cost, considering that the last 25 years have cost VBHI alone $70 million. The other impacted beaches must also be protected.

D. Riverine Shoreline Protection

The comments above (Section C) are equally applicable to the 56 miles of shoreline (both sides of the 28-mile reach from ocean to Wilmington). The concerns raised by NCDCM and the IEPR Report about the Corps' modeling of hydrodynamics and erosion effects apply to the vulnerable shorelines along the River, as starkly demonstrated by Orton Foundation's expert's analysis of the devastating effects that historic property will suffer. History demonstrates the validity of this concern. Following the 2000 deepening project, the historic Brunswick Town/Fort Anderson complex was threatened by severely increased erosion, forcing it to obtain over $2 million in funding for additional shoreline protection.[7] Numerous commentors raised other concerns, such as threat to ground-nesting birds along the River that will be threatened by even occasional increases in wake impacts, as are predicted for the larger ships, as noted by the NCDCM

---

[6] *VBHI v. USACE, supra*, footnote 2: because the Sand Management Plan was performed as part of O&M dredging and maintenance, it is within the Corps' discretion and not reviewable final agency action.

[7] https://www.dncr.nc.gov/news/press-releases/2025/08/05/25-million-grant-noaa-will-fund-shoreline-restoration-and-coastal-resiliency-efforts-brunswick

Objection, p. 13. The City of Southport has raise concerns about impacts to its waterfront, especially related to the proposed channel re-alignment.

E. Monitoring and Adaptive Management

The long life of this Project creates a significant element of uncertainty, which is best addressed by requiring on-going monitoring of the Project impacts and a flexible response mechanism, rather than trying today to dictate the mitigation that will be needed in the distant future for each year's impacts. In Savannah, the Corps made the following observations which are at least equally applicable here:

> The Savannah Harbor Expansion Project is an important one, as it has the potential to adversely affect nationally important resources. In addition, since predictions are made about future effects to biological resources, there is a degree of uncertainty about the impacts which the recommended action would actually produce. Those uncertainties include both the accuracy of the predictive impact tools, the changes to the environment, and the biological responses that will occur as a result of changes in the environment.

Savannah Harbor Expansion Project ["SHEP"] EIS, App. D, p. 1.[8] To address these uncertainties and assure protection of the important resources, the Corps incorporated in the SHEP EIS a **Monitoring and Adaptive Management Plan** that monitors post-construction changes:

- "evaluating the accuracy of the predicted environmental impacts,"
- "assessing the effectiveness of the mitigation features,"
- and "modifying the project as needed to ensure the levels of environmental effects predicted in the EIS are not exceeded."

Id., p. 2. This Plan was incorporated into the SHEP Project cost, originally (2012) projected in the EIS to be $36.7 million, later increased to $60 million.[9]

In the present Wilmington EIS, the Corps rejected requests/suggestions to incorporate a forward-looking protection system like this. Neither monitoring of the actual Wilmington Harbor Project impacts nor a mechanism to respond to impacts later observed as the Project progresses are provided in the Wilmington EIS. The only monitoring is of the specific limited mitigation projects described in EIS

---

[8] https://www.sas.usace.army.mil/Portals/61/docs/SHEP/Reports/EIS/Appendix%20D%20Monitoring%20and%20Adaptive%20Mgmt%20SHEP%20FINAL%20EIS.pdf

[9] *See* item 42, Savannah Harbor Expansion Project Frequently Asked Questions (FAQs) (Dec. 8, 2021) https://www.sas.usace.army.mil/Portals/61/docs/SHEP/SHEP%20FAQs%20-%2008%20Dec%202021.pdf

Appendix M and is not funded as part of the Project cost.[10] The only on-going adaptive management is likewise limited to those mitigation projects. By comparison, the Savannah Harbor Monitoring and Adaptive Management Plan

The specific uncertainties discussed above in Sections A-D, and the other inherent uncertainties of such a massive, long-term project, militate in favor of the same approach here, to assure protection of North Carolina's "nationally important resources." A request is being submitted to NCDCM to incorporate into any resolution of the NCDCM Objection a Monitoring and Adaptive Management Plan that is comprehensive, robust, **and funded**. We ask that the Corps embrace that approach as part of resolving the NCDCM Objection and the deficiencies in the LR and EIS.

[10] "Most post-construction monitoring costs are part of operations and maintenance and are the responsibility of the non-Federal sponsor." FLR App. M, p. M-56.

JOSH STEIN
Governor
D. REID WILSON
Secretary
TANCRED MILLER
Director

NORTH CAROLINA
Environmental Quality

February 24, 2026

Bret L. Walters
Chief, Planning and Environmental Branch
Wilmington District, U.S. Army Corps of Engineers
69 Darlington Avenue
Wilmington, NC 28403

By Email to Address: bret.l.walters@usace.army.mil

SUBJECT: **North Carolina Division of Coastal Management's Response to the U.S Army Corps of Engineers Consistency Determination for the Wilmington Harbor 403 Navigation Project, North Carolina (CD 2026009)**

Dear Mr. Walters,

The North Carolina Division of Coastal Management (DCM) received the U.S. Army Corps of Engineers' (USACE) federal Consistency Determination for the Wilmington Harbor 403 Navigation Project (the 403 Project) dated September 18, 2025 (received by DCM on October 17, 2025). USACE determined that the 403 Project, as described and analyzed in the September 2025 Draft Environmental Impact Statement (DEIS), is consistent, to the maximum extent practicable, with North Carolina's Coastal Management program. Pursuant to 16 U.S.C § 1456(c), USACE has requested DCM's review and concurrence on behalf of the State of North Carolina.

After review of the Consistency Determination, the DEIS, and stakeholder and public comment, DCM informally advised the USACE of concerns it had, particularly with regard to the lack of necessary information. In response, on January 16, 2026, the USACE, in coordination with the non-Federal sponsor of the 403 Project (North Carolina Ports Authority), asked DCM to pause its review of the Consistency Determination to allow time for more thorough and detailed discussion of DCM's concerns. During the pause, the USACE and DCM discussed DCM's concerns and possible resolutions that might allow DCM to concur with USACE's Consistency Determination, including in a meeting on February 5, 2026. During that pause, DCM detailed its concerns along with possible paths forward to address the information deficiencies. By email of February 16, 2026, the USACE informed DCM that it wished to resume the Consistency Determination review. Accordingly, DCM's concurrence or objection decision became due on February 24, 2026.

While DCM must issue its determination now, the USACE is still authorized to postpone final federal action on the 403 Project until DCM's concerns have been resolved through the dispute resolution mechanisms as described in the CZMA regulations at 40 C.F.R. § 930.43(d). If the USACE invokes the dispute resolution mechanisms, DCM will continue to work with the USACE to address the concerns detailed below that prevent the agency's concurrence.

A. The 403 Project

The Consistency Determination pertains to the proposed extension, deepening, and widening of the Wilmington Harbor Federal Navigation System (FNS), including new and modified channel reaches authorized under Section 403 of the Water Resources Development Act of 2020. As part of its consistency submission, the USACE provided a link to the DEIS, which was prepared pursuant to the National Environmental Policy Act (NEPA).The DEIS describes a federal activity which intends to extend, deepen, and widen up to 35 miles of the FNS to accommodate larger commercial container vessels, reduce tidal and loading restrictions, and improve overall navigation efficiency at the Port of Wilmington.

In the DEIS, three alternatives for the 403 Project were evaluated in detail: a No Action Alternative, which would maintain the FNS at its currently authorized depth of −42 feet Mean Lower Low Water (MLLW), and two action alternatives that would deepen most of the FNS to either −47 feet MLLW under Alternative 1 (AA1) or −46 feet MLLW under Alternative 2 (AA2).The USACE identified AA1 as the tentatively selected and conditionally authorized plan for the 403 Project. Under AA1, approximately 35 million cubic yards of material would be excavated from the Wilmington Harbor FNS, including the offshore Entrance Channel and newly proposed extension, as well as multiple lower, middle, and upper reaches of the Cape Fear River where channel deepening and widening are proposed, while AA2 would require approximately 30 million cubic yards, or about five million cubic yards less than AA1. Under both alternatives, several existing channel reaches would also be widened, and a new reach would be added to the Entrance Channel, extending the FNS further offshore. The proposed Entrance Channel extension (Baldhead Shoal Channel Range 3) would be approximately nine miles long and would connect the channel to the nearest naturally occurring area of sufficient depth. Dredged sediment generated from the proposed deepening and widening, as well as from future maintenance dredging, would be placed at the Ocean Dredged Material Disposal Site (ODMDS) and at multiple beneficial use sites. Proposed beneficial use of dredge material (BUDM) placement areas were generally identified in the DEIS and include beaches, bird islands, intertidal marsh restoration areas, fish habitat enhancement structures, riverbank protection projects, and back-bay marsh restoration areas. Approximately half of the material dredged during initial construction is proposed for beneficial use, with the remaining material being placed at the ODMDS.

B. DCM's Consistency Determination Review

To better assess the USACE's proposed 403 Project, DCM provided public notice of and an opportunity to comment in writing on the Consistency Determination for the 403 Project along with a link to the DEIS on both the Department of Environmental Quality's (DEQ) and DCM's website for a period of 45 days, ending on December 20, 2025. In total, 132 written comments were received by DCM, with 7 comments supporting and 125 comments opposing the proposed deepening and widening of the FNS. Among the submissions were detailed comment letters from Orton Plantation, the Village of Bald Head Island, Bald Head Island Conservancy, City of Wilmington, Clean Cape Fear, and the Southern Environmental Law Center (SELC) on behalf of (Audubon North Carolina, Cape Fear River Watch, Center for Biological Diversity, CleanAIRE NC, Defenders of Wildlife, NAACP North Carolina State Conference, North Carolina Coastal

Federation, North Carolina Conservation Network, and North Carolina Sierra Club), each providing extensive technical, legal, and resource-specific analysis of the DEIS and raising substantive concerns regarding the impacts of the proposed action. Additionally, DCM received Letters of Resolution from the Town of Kure Beach, Town of Southport, Town of Caswell Beach, Town of Leeland, and the Village of Bald Head Island opposing the USACE's Consistency Determination and the 403 Project as currently described in the DEIS and collectively requesting the USACE develop and implement an Adaptive Management Plan for the proposed 403 Project.

DCM also conducted a public hearing on November 17, 2025, in Wilmington, North Carolina to provide additional opportunity to comment on the 403 Project and the USACE's Consistency Determination in person. DCM documented an attendance of 72 individuals at this hearing, with unanimous opposition towards both AA1 and AA2. In both written and verbal comments received by DCM at the hearing, speakers raised concerns about the presence, disturbance, and placement on land of Per- and Polyfluoroalkyl substances (PFAS) believed to be located within the sediment which would be dredged as part of the 403 Project. Commenters raised concerns about the anticipated short-term and long-term impacts deepening would have on the coastal ecosystems, including impacts to bird nesting areas, loss of habitat due to changes in salinity, as well as a general lack of need for the project and concerns over increased shoreline erosion due to increased vessel traffic along the length of the 403 Project. Several speakers also raised concerns over the exacerbation of Sea Level Rise (SLR) and sunny day flooding due to the deepening. Several individuals cited their experiences during and after the previously authorized Wilmington Harbor Section 96 deepening project which took place during the early 2000s, noting long-lasting effects on shoreline erosion, wetland loss, and estuarine quality, and expressing concern that similar or more severe impacts could result from the proposed deepening and widening of the FNS. An audio recording of the public hearing is available at: www.deq.nc.gov/about/divisions/division-coastal-management/coastal-management-permits/federal-consistency/usace-wilmington-harbor-403-dredging-project

As part of North Carolina's Consistency Determination review process, DCM also solicited input from interested state resource agencies and received substantive comments from the N.C. Division of Marine Fisheries (DMF), the N.C. Wildlife Resources Commission (WRC), the N.C. Natural Heritage Program (NHP), N.C. State Historic Preservation Office (SHPO), and the N.C. Coastal Reserve and National Estuarine Research Reserve (Reserve). These agencies identified concerns regarding potential impacts to North Carolina's coastal zone resources that could result from the actions proposed in the USACE's Consistency Determination and the 403 Project as currently described in the DEIS, including potential mobilization and redistribution of PFAS and other contaminants during dredging and disposal activities; increased erosion risk and shoreline instability associated with channel deepening, vessel wake energy, and altered sediment transport dynamics; and adverse impacts to fisheries resources such as essential fish habitat, oyster reefs, submerged aquatic vegetation, and nursery areas. The agencies also identified deficiencies in the USACE's assessment within the DEIS, including insufficient site-specific analysis, limited baseline data, inadequate modeling resolution, and a lack of detailed avoidance, minimization, and mitigation measures within the proposed mitigation plan. Many of these comments have been submitted directly to the USACE during their own public comment period. These comments can also be found on the North Carolina Department of Environmental Quality's website at: https://www.deq.nc.gov/about/divisions/division-coastal-management/coastal-management-

permits/federal-consistency/usace-wilmington-harbor-403-dredging-project#Tab-RelatedDocuments-20537

C. North Carolina's Approved Coastal Management Program and Enforceable Policies

North Carolina's Coastal Management Program consists of approved enforceable policies within, but not limited to, the Coastal Area Management Act (N.C.G.S. § 113A-100 et seq., (the CAMA)), the State's Dredge and Fill Law (N.C.G.S.§ 113-229 et seq.), and Chapter 7 of Title 15A of North Carolina's Administrative Code. As set forth in the CAMA at N.C.G.S. § 113A-102, North Carolina's Coastal Management Program goals include the preservation and enhancement of the recreational and aesthetic values of the coastal area; ensuring the orderly and balanced use and preservation of our coastal resources; protection, preservation, and conservation of natural resources including but not limited to water use, scenic vistas, fish and wildlife; economic development of the coastal area, including but not limited to construction, location, and design of industries; and protection of present common-law and statutory public trust rights in the lands and waters of the coastal area.

The specific North Carolina enforceable policies that apply to USACE's Consistency Determination for the 403 Project and related DEIS include the following:

- **G.S. § 113A-102(a):** "In the implementation of the coastal area management plan, the public's opportunity to enjoy the physical, esthetic, cultural, and recreational qualities of the natural shorelines of the State shall be preserved to the greatest extent feasible; water resources shall be managed in order to preserve and enhance water quality and to provide optimum utilization of water resources; land resources shall be managed in order to guide growth and development and to minimize damage to the natural environment; and private property rights shall be preserved in accord with the Constitution of this State and of the United States."

- **G.S. § 113A-120:** "The responsible official or body shall deny an application for a permit upon finding:…
  (4) In the case of a fragile or historic area, or other area containing environmental or natural resources of more than local significance, that the development will result in major or irreversible damage to one or more of the historic, cultural, scientific, environmental or scenic values or natural systems identified in subdivisions a through h of G.S. 113A-113(b)(4)
  (8) In any case, that the development is inconsistent with the State guidelines or the local land-use plans..."

- **G.S. § 113-229(e):** "Applications for permits except special emergency permit applications shall be circulated by the Department among all State agencies and, in the discretion of the Secretary, appropriate federal agencies having jurisdiction over the subject matter which might be affected by the project so that such agencies will have an opportunity to raise any objections they might have. The Department may deny an application for the dredge or fill permit upon finding: (1) that there will be significant adverse effect of the proposed dredging and filling on the use of the water by the public; or (2) that there will be significant adverse effect on the value and enjoyment of the property of any riparian owners; or (3)

that there will be significant adverse effect on public health, safety, and welfare; or (4) that there will be significant adverse effect on the conservation of public and private water supplies; or (5) that there will be significant adverse effect on wildlife or fresh water, estuarine or marine fisheries."

- **15A NCAC 07H .0205:** "It is the objective of the Coastal Resources Commission to conserve and manage coastal wetlands so as to safeguard and perpetuate their biological, social, economic and aesthetic values, and to coordinate and establish a management system capable of conserving and utilizing coastal wetlands as a natural resource necessary to the functioning of the entire estuarine system."

- **15A NCAC 07H .0206(c):** The management objectives of the Estuarine Waters AEC require DCM "to conserve and manage the important features of estuarine waters so as to safeguard and perpetuate their biological, social, aesthetic, and economic values; to coordinate and establish a management system capable of conserving and utilizing estuarine waters so as to maximize their benefits to man and the estuarine and ocean system."

- **15A NCAC 07H .0206(d):** "Suitable land and water uses shall be those consistent with the management objectives in this Rule. Highest priority of use shall be allocated to the conservation of estuarine waters and their vital components. Second priority of estuarine waters use shall be given to those types of development activities that require water access and use which cannot function elsewhere such as simple access channels; structures to prevent erosion; navigation channels; boat docks, marinas, piers, wharfs, and mooring pilings. In every instance, the particular location, use, and design characteristics shall be in accord with the general use standards for coastal wetlands, estuarine waters, and public trust areas described in Rule .0208 of this Section."

- **15A NCAC 07H .0207(d):** "In the absence of overriding public benefit, any use which jeopardizes the capability of the waters to be used by the public for navigation or other public trust rights which the public may be found to have in these areas shall not be allowed. The development of navigational channels or drainage ditches, the use of bulkheads to prevent erosion, and the building of piers, wharfs, or marinas are examples of uses that may be acceptable within public trust areas, provided that such uses shall not be detrimental to the public trust rights and the biological and physical functions of the estuary."

- **15A NCAC 07H .0209(c):** Within the Estuarine Shorelines and Public Trust Shorelines AECs, "All shoreline development shall be compatible with the dynamic nature of coastal shorelines as well as the values and the management objectives of the estuarine and ocean system. Included in management objectives are the necessity to conserve and manage the important natural features of the estuarine and ocean system so as to safeguard and perpetuate their biological, social, aesthetic, and economic values; to coordinate and establish a management system capable of conserving and utilizing these shorelines so as to maximize their benefits to the estuarine and ocean system and the people of North Carolina."

- **15A NCAC 07H .0209(d):** "Acceptable uses shall be those consistent with the management objectives in Paragraph (c) of this Rule. These uses shall be limited to those types of development activities that will not be detrimental to the public trust rights and the biological and physical functions of the estuarine and ocean system. Every effort shall be made by the permit applicant to avoid or minimize adverse impacts of development to estuarine and coastal systems through the planning and design of the development project. To ensure a project avoids and minimizes adverse impacts, development shall comply with the following standards:…

    (4) Development shall not have a significant adverse impact on estuarine and ocean resources. Significant adverse impacts include development that would directly or indirectly impair water quality increase shoreline erosion, alter coastal wetlands or Submerged Aquatic Vegetation (SAV), deposit spoils waterward of normal water level or normal high water, or cause degradation of shellfish beds. Development shall not interfere with existing public rights of access to, or use of, navigable waters or public resources…

    (5) Development shall not interfere with existing public rights of access to, or use of, navigable waters or public resources…

    (7) Development shall not cause irreversible damage to valuable, historic architectural or archaeological resources as documented by the local historic commission or the North Carolina Department of Natural and Cultural Resources."

- **15A NCAC 07H .0301:** "Development in ocean hazard areas shall be sited to minimize danger to life and property and achieve a balance between the financial, safety, and social factors that are involved in hazard area development."

- **15A NCAC 07M .0801(a):** "The waters of the coastal area are a valuable natural and economic resource of statewide significance. Traditionally these waters have been used for such activities as commercial and recreational fishing, swimming, hunting, recreational boating, and commerce. These activities depend upon the quality of the waters. Due to the importance of these activities to the quality of life and the economic well being of the coastal area, it is important to ensure a level of water quality which will allow these activities to continue and prevent further deterioration of water quality. It is hereby declared that no land or water use shall cause the degradation of water quality so as to impair traditional uses of the coastal waters. To the extent that statutory authority permits, the Coastal Resources Commission will take a lead role in coordinating these activities."

D. The 403 Project Proposal and USACE's Supporting Documentation Fail to Supply Sufficient Information to allow DCM to adequately evaluate Consistency with North Carolina's Enforceable Coastal Policies.

State agencies are explicitly authorized to object to Federal Consistency Determinations when the Federal agency fails to provide sufficient information 15 C.F.R. § 930.43(b). Here, USACE did not provide any information or evaluation regarding PFAS in sediment that would be dredged and

disposed of in coastal areas, including in Areas of Environmental Concern; failed to provide sufficient information to evaluate cumulative flooding impacts, including the interaction of project-induced changes with sea level rise and storm-driven water levels; and did not include site-specific details regarding the proposed placement of beneficial use dredged material, such as defined placement footprints, design elevations, stabilization measures, or proximity to sensitive coastal resources. Additionally, based on the information provided, the Corps' proposed mitigation measures do not adequately address the scope and magnitude of anticipated resource impacts. These deficiencies are described in detail below.

PFAS and Sediment Contaminants

Of particular concern was the lack of information regarding PFAS, including consideration of the risks associated with dredging in areas known to contain these "forever chemicals", and management of potentially contaminated material. According to the DEIS, comprehensive sediment sampling was conducted in the mid-2010s (2013 for the entire Wilmington Harbor Navigation Project and then again in 2016 for Battery Island improvements) to support evaluation of dredging and placement alternatives. Sediment samples were analyzed for a suite of conventional contaminants (i.e., metals, PAHs, PCBs, pesticides and semi-volatile contaminants) in accordance with Section 103 of the Marine Protection, Research, and Sanctuaries Act, and in coordination with EPA Region 4 to ensure compatibility for ocean disposal. Based on these analyses, the USACE concluded in the DEIS that dredged material generally meets applicable criteria for proposed placement options. However, while the USACE acknowledges in the DEIS that historic and ongoing concerns regarding marine and industrial contaminants in the Cape Fear River Basin (CFRB), it relies primarily on legacy contaminant screening and does not include any characterization of emerging contaminants, particularly for PFAS chemicals which are of significant concern in North Carolina and specifically in the Cape Fear River and Wilmington Harbor. PFAS is such a concern because it is well known that this region is home to one of the largest PFAS manufacturing facilities in the country and other industries that use PFAS material whose emissions and discharges have been released to environment through air deposition, surface water/groundwater releases, and soil/sediment contamination. The DEIS does not evaluate the potential for contaminant resuspension during dredging and the resulting fate and transport of these chemicals into nearby water bodies and land areas. This is of particular concern since extensive scientific research has documented the presence and persistence of PFAS over the past decade within the CFRB, including a growing body of research indicating significant negative ecological implications of PFAS in fish, birds, and reptiles. Of the 82 written comments received during the public comment period and the 25 additional comments provided during the public hearing, no fewer than 44 raised concerns regarding PFAS and the lack of consideration within the DEIS.

Studies beginning as early as 2016 identified elevated concentrations of legacy and replacement (also considered "emerging" in the environment) PFAS compounds in surface water, sediments, and drinking water supplies downstream of industrial discharges, demonstrating that PFAS are widely distributed and environmentally persistent within the CFRB. Subsequent monitoring and research conducted through the late 2010s and into the mid-2020s by academic institutions and state agencies confirmed the presence of dozens of PFAS compounds in surface waters (river, streams, tributaries, lakes, etc.), sediments, and aquatic organisms, including commercially and recreationally important fish species, resulting in a growing number of fish consumption advisories

and requiring ongoing monitoring and remediation efforts. One NCDEQ study also showed that PFAS compounds would adsorb to organic carbon such that sediments with higher total organic carbon (TOC) values would also have higher PFAS concentrations. More importantly, the serum levels of residents living in the CFRB have been documented to contain higher levels of PFAS compared to residents in other parts of the state and nationally.

Much of the material proposed to be excavated in the middle and upper reaches of the Cape Fear River FNS likely contains high levels of TOC, causing concerns over the remobilization and further dispersion of PFAS compounds within the ecosystem and public trust areas among state resource agencies and the public. Additionally, the placement of PFAS containing dredged material along riverbanks, back barrier island areas, surrounding bird island areas, marshes in the Cape Fear River, beach nourishment in New Hanover and Brunswick Counties, fish habitat rock placement, and other areas are of great concern. The potential exposure to humans and wildlife, water quality impacts, and long-term effects to the environment and ecosystems must be considered.

DCM finds that the DEIS does not demonstrate consistency with State water quality and dredge and fill standards under G.S. § 113A-102(a), G.S. § 113-229(e), and 15A NCAC 07M .0801(a) due to the absence of PFAS characterization and evaluation of mitigation strategies. Without such information, DCM's implementation of the coastal area management plan is hindered; particularly related to the public's opportunity to enjoy the physical, aesthetic, cultural, and recreational qualities of the natural shorelines of the State; preservation of water quality; negative effects on the natural environment; and preservation of private property rights. Additionally, under its current authorization, DCM is not able to assure that the project will not result in major or irreversible damage to one or more of the historic, cultural, scientific, environmental or scenic values or natural systems. The absence of adequate PFAS assessment introduces the risk of PFAS resuspension, redistribution, bioaccumulation, and human exposure associated with dredging and/or beneficial use. Without this analysis, the project cannot be shown to avoid significant adverse effects on the value and enjoyment of property, on public health, safety and welfare, on the conservation of public and private water supplies, and on wildlife, freshwater, estuarine or marine fisheries.

Cumulative Flooding Impacts and Sea Level Rise

The Cape Fear River Basin (CFRB) is a complex estuarine system with a substantial freshwater component, wetland adjacent "blackwater" streams, and a wide mouth opening to the Atlantic Ocean. Wilmington and other CFRB communities are increasingly experiencing compound flooding driven by the interaction of drivers of flooding such as storm surge, extreme precipitation, and tidal flooding. The region is frequently affected by tropical systems during hurricane season, including Florence (2018), Dorian (2019), Isaias (2020), Ian (2022), and Potential Tropical Cyclone 8 (2024), all of which have produced damaging flooding from storm surge and heavy precipitation. Research indicates that historical channel deepening has altered the tides in Wilmington, contributing to a rise in sunny day flooding. Tidal changes led to an additional 123 days of sunny day flooding in 2019 alone when compared to historical baseline[1].

[1] *S. Li, T. Wahl, S. A. Talke, D. A. Jay, P. M. Orton, X. Liang, G. Wang, L. Liu, Evolving tides aggravate nuisance flooding along the U.S. coastline. Sci. Adv. 7, eabe2412 (2021).*

In the DEIS, the USACE evaluated potential flooding impacts associated with channel deepening and widening under existing conditions and multiple sea level rise (SLR) scenarios, concluding that the proposed action would result in minimal changes to flood levels when considered independently of SLR. Hydrodynamic modeling indicates that increases in tidal prism and conveyance associated with the deeper and wider navigation channel would result in slight increases in tidal range but would not meaningfully increase flood elevations during extreme river flow or storm events when compared to baseline conditions. The DEIS further notes that projected increases in Mean High Water attributable solely to channel modifications are small relative to those driven by long-term sea level rise in 2086, which is 50 years beyond the start date of the project.

Considering end-of-century sea level rise in isolation neglects the impacts to the region in the intervening decades in an area that is already exposed to more frequent flooding. Under higher SLR scenarios, the DEIS acknowledges that flooding frequency, duration, and extent would increase throughout the lower Cape Fear River system but attributes these changes primarily to sea level rise rather than the proposed action. DMF and WRC commented, however, that the Corps analytical framework within the DEIS may underestimate the effects of channel deepening and SLR by evaluating them largely in isolation and not synergistically. Both agencies emphasized that project-induced increases in tidal extent and water levels would occur on a much shorter timescale than SLR, effectively accelerating situations like sunny day flooding and flooding due to storm surge).

DCM finds that the USACE, in their Federal Consistency Determination, does not adequately evaluate cumulative flooding impacts in a manner consistent with G.S. § 113A-102(a) and G.S. § 113-229(e). By largely assessing channel deepening and sea level rise in isolation, without consideration of the other drivers of flooding in this region and their interactions with one another, the USACE underestimates how project-induced changes may accelerate tidal flooding and storm surge impacts on a shorter timescale than the end of the century. This approach does not sufficiently demonstrate that the project would minimize risk to life, property, and coastal resources as required under the State's Enforceable Policies.

Proposed Beneficial Use of Dredge Material

Compared to the No Action Alternative, both AA1 and AA2 would require the excavation of substantially greater volumes of material to achieve the proposed channel depths, thereby increasing the amount of dredged material requiring management and disposal over the life of the project. The DEIS indicates that an estimated 46 percent of this material would be beneficially used in accordance with USACE policy goals to reach a BUDM capacity of 70 percent by 2030. However, both DMF and WRC raised concerns regarding the adequacy of information provided to evaluate the environmental implications of proposed placement strategies. From DCM's perspective, the DEIS does not explicitly state that dredge material would be placed directly on top of intertidal areas that contain coastal wetlands, yet the boundaries identified in the DEIS for intertidal BUDM placement sites are coarsely drawn and currently encompass large areas of Coastal Wetlands. Coastal Wetlands are managed under North Carolina's Coastal Management Program and are identified as an Area of Environmental Concern (AEC). North Carolina's enforceable policies [G.S. § 113A-113, 15A NCAC 07H .0208(b)(1)(C)] currently do not allow

for the placement of fill material, dredged or otherwise, on Coastal Wetlands. Coastal Wetlands are specifically defined within State Dredge and Fill law [G.S. § 113-229 and -230] as marshlands and proposed dredging or filling requires prior Department approval. Additionally, DCM does not believe sufficient site-specific information has been provided for each of the potential intertidal placement sites provided within the DEIS, excluding areas with active authorizations for dredge placement (e.g. South Pelican Island, Ferry Slip Island).

DCM finds that the lack of site-specific detail for dredged material placement prevents a determination that the project is consistent with Coastal Wetlands and estuarine protection policies under G.S. § 113-229 and 15A NCAC 07H .0205, .0206, and .0209. The inclusion of intertidal placement areas that encompass Coastal Wetlands conflicts with State prohibitions on fill placement in these AECs absent specific authorization. Without defined footprints, stabilization measures, and avoidance criteria, the project has not been shown to minimize impacts to wetlands, nursery areas, and water quality.

Mitigation of Proposed Impacts

Currently, the DEIS proposes compensatory mitigation to replace ecological services lost as a result of unavoidable direct loss of fish habitat and the indirect loss of freshwater wetland function. Proposed mitigation includes preservation of forested freshwater wetlands, restoration and enhancement of brackish marsh through invasive species removal using herbicides, native plantings on Eagle Island, and construction of fish passage structures at Lock and Dam 1 and 2 to improve anadromous fish access to upstream habitats. While both DMF and WRC acknowledge the effort to identify mitigation opportunities, they raised concerns that the proposed measures may not fully account for the scale, permanence, and uncertainty of project-induced impacts, particularly those affecting Primary Nursery Areas, Anadromous Fish Spawning Areas, and tidal freshwater wetlands. Both agencies noted that functional losses associated with salinity intrusion, hydrologic change, and vessel wake effects may be underestimated, and questioned whether reliance on preservation alone, limited restoration acreage, and conceptual fish passage designs would provide sufficient ecological function to offset the impacts. DMF and WRC further emphasized the need for clearer success criteria, adaptive management commitments, and consideration of alternative or additional mitigation strategies to ensure impacts to fisheries resources and wetlands are adequately addressed over the long term. Additionally, DCM is aware that the Division of Water Resources (DWR) is currently reviewing a submitted 401 Individual Water Quality Certification application for the activities outlined in the DEIS. DCM has also been notified that DWR has issued the USACE a Request for Additional Information seeking clarification on several aspects of the project, including data sources and modeling assumptions, methodologies used for mitigation credit determination, and whether the proposed mitigation adequately satisfies the requirements of applicable State and Federal Laws.

DCM finds that the proposed mitigation framework does not adequately demonstrate consistency with mitigation requirements under G.S. § 113A-120 and 15A NCAC 07H .0206 and .0209. Agency comments indicate that the scale and permanence of salinity-driven habitat losses may exceed the functional replacement capacity of the proposed mitigation measures. The absence of defined performance standards and adaptive management commitments further limits assurance that impacts would be adequately offset.

E. Substantial Data and Information Demonstrate the 403 Project Would Result in Significant Adverse Impacts to Coastal Resources and is Not Consistent, to the Maximum Extent Practicable, With North Carolina's Enforceable Coastal Policies.

State agencies are authorized to object to a Federal Consistency Determination when the State agency finds that a proposed project is not consistent, to the maximum extent practicable, with enforceable policies of the State's coastal management program. 16 U.S.C § 1456(c); 15 CFR C.F.R. § 930.43(a).

The USACE's consistency determination evaluates the proposed action largely through citation to Areas of Environmental Concern definitions and general policy objectives, with limited project-specific analysis linking those policies to the anticipated impacts of the proposed channel extension, deepening, and widening. In many instances, the Federal Consistency Determination relies on summary conclusions of consistency without demonstrating how identified uncertainties, modeling limitations, or unresolved impact questions were reconciled under North Carolina's enforceable coastal policies. In consideration of the enforceable policies of North Carolina's Coastal Management Program identified above, the following sections outline where the USACE's DEIS and Federal Consistency Determination fails to demonstrate, with reasonable certainty, that the proposed actions would avoid significant adverse impacts or comply with those policies to the maximum extent practicable. These sections draw from the DEIS, public comments, and agency input to identify critical data gaps and analytical deficiencies that preclude a reliable consistency finding.

Loss of Fisheries Habitat and Freshwater Wetland Functions

Both the USACE's DEIS and Federal Consistency Determination identifies two primary types of meaningful adverse impacts that would directly result from channel widening and deepening presented in AA1 and AA2. These impacts include the direct loss of fish habitat and indirect impacts to wetland functions associated with increased salinity in the lower Cape Fear River. Following excavation, the deeper and wider navigation channels would allow increased mixing of ocean water with riverine freshwater, resulting in elevated salinity levels farther upstream. The USACE indicates that this shift in salinity would cause salt-tolerant wetland vegetation to migrate upstream within and adjacent to the deepened reaches of the river. Although the DEIS concludes that total wetland acreage would not be reduced, the proposed action would convert freshwater forested wetlands to more saline wetland types, resulting in a functional loss of freshwater wetland resources. DCM received comments from both the DMF and the WRC expressing concern that the USACE underestimates the ecological significance of projected salinity changes associated with channel deepening and widening. While acknowledging that the DEIS presents hydrodynamic and water quality modeling results, both agencies emphasized that even small increases in salinity can cause substantial and permanent changes to aquatic and wetland communities. WRC noted that slight salinity increases are sufficient to shift entire wetland community types, such as converting tidal freshwater wetlands to oligohaline systems, with corresponding losses of habitat suitability for freshwater-dependent species and raised concerns regarding potential impacts to submerged aquatic vegetation (SAV) that were not fully evaluated within the DEIS. DMF similarly emphasized that the proposed action could accelerate saltwater

intrusion upstream over a much shorter timescale than sea level rise, thereby reducing the ability of aquatic organisms and habitats to adapt. Both agencies further noted that project-induced salinity changes and sea level rise represent additive stressors, concluding that salinity-driven impacts to wetlands and aquatic habitats may be more extensive and consequential than characterized in the DEIS. The Reserve also expressed concerns over the impacts of salinity regime shifts would have on protected habitats within Zeke's Island Reserve, adding that continued monitoring would be required to assess project impacts on these public trust resources

State regulations prohibit new or expanded dredging within Primary Nursery Areas unless proposed actions are appropriately mitigated and the applicant has demonstrated public benefit outweighs any identified adverse environmental impacts. The USACE acknowledges that dredging in the upper reaches of the FNS would result in both direct and indirect impacts to Primary Nursery Areas and Anadromous Fish Spawning Areas. As a result, DMF and WRC raised concerns that salinity-driven shifts in wetland function and habitat composition, when combined with direct dredging effects, could adversely affect nursery and spawning habitats by increasing turbidity, reducing water quality and clarity, and elevating the likelihood of larval and post-larval burial and mortality. Both agencies emphasized that these impacts are particularly consequential in designated nursery and spawning areas, where relatively small changes in salinity and hydrology can alter habitat function and reduce the capacity of these areas to support early life stages of fish. Based on this analysis, DMF concluded that the proposed deepening and widening of the Wilmington Harbor FNS would have significant adverse impacts to fisheries resources due to the permanent loss of state-designated nursery and anadromous fish spawning areas along the Cape Fear River estuary and its tributaries. DMF also concluded that the project may also have significant adverse impacts on documented low salinity SAV species and shellfish resources found within the project area.

DCM finds that the functional conversion of tidal freshwater wetlands and impacts to designated nursery and spawning areas are inconsistent with G.S. § 113A-102(a), G.S. § 113A-120, and the wetland and estuarine protection standards of 15A NCAC 07H .0205 and .0206. The conversion of freshwater wetlands to more saline systems represents a permanent loss of ecological function, even where total acreage is maintained, and conflicts with the State's priority to conserve estuarine and wetland resources. Additionally, salinity-driven degradation of Primary Nursery Areas and Anadromous Fish Spawning Areas is inconsistent with G.S. § 113-229(e).

Erosion Risk and Shoreline Instability

In the DEIS, the USACE states that channel deepening and widening under both AA1 and AA2 would not result in substantial increases in shoreline erosion when compared to existing conditions. Based on hydrodynamic modeling, the DEIS states that changes in tidal range, water levels, and current velocities would be relatively small and that erosion patterns along riverbanks and wetlands would be driven primarily by sea level rise rather than the proposed navigation improvements. In the DEIS, the USACE also indicates that, although vessel size would increase, the overall number of vessel transits is expected to decrease which would suggest vessel wake–related erosion would not increase in a manner that results in significant additional impacts. As a result, the USACE has characterized erosion-related effects as minor and manageable and does not identify erosion as a primary driver of adverse impacts differentiating AA1 from AA2.

Both DMF and WRC questioned whether erosion risks were adequately characterized in the DEIS. WRC specifically raised concerns that the USACE does not sufficiently evaluate shoreline and wetland erosion resulting from increased vessel wakes associated with the expectedly larger container ships, noting that even small increases in wake energy can inundate nesting and roosting habitats, destabilize shorelines, and accelerate erosion of wetlands and islands. WRC emphasized that wake-induced erosion may occur independently of changes in tidal range and water levels and could lead to direct habitat loss not fully captured by the modeling approach used in the DEIS. DMF similarly expressed concern that the DEIS underestimates indirect and cumulative effects, including erosion associated with altered hydrodynamics, increased tidal extent, and vessel activity. DMF noted that erosion, when combined with salinity intrusion and rising water levels, could contribute to loss of wetland elevation, conversion of freshwater habitats, and degradation of nursery areas and anadromous fish spawning habitat, even if individual stressors (e.g. SLR, vessel wake) appear modest when evaluated in isolation.

DCM finds that the USACE, in their Federal Consistency Concurrence, does not demonstrate consistency with 15A NCAC 07H .0207(d) and .0209, which require shoreline development to avoid significant erosion and protect public trust resources. State resource agencies identified credible mechanisms by which increased vessel wakes and altered hydrodynamics could accelerate erosion beyond what is captured in the DEIS modeling. Without adequately evaluating these effects, the project has not been shown to avoid or minimize adverse impacts to shorelines and wetlands.

Direct and Indirect Impacts to State, Historic, and other Properties

The identification and lack of detail provided for utilizing the Masonboro Island Reserve as a proposed BUDM site is of particular concern. While the USACE identified proposed disposal sites in the DEIS as not economically feasible for BUDM during initial construction, the site's consideration as an option for potential placement in the future conflicts with the Reserve program and the NHP's management plans which dedicate uses of the state-owned properties managed by the Reserve. As noted by comments submitted to both USACE and DCM by the Reserve and NHP, intertidal placement at Masonboro Island Reserve is not currently permissible under the State Nature Preserve dedication. While the dedication could possibly be amended, and Reserve approval given through the required compliance with applicable federal and state requirements, this is not certain to happen. Additionally, even though beach nourishment may offer sediment benefits, its suitability depends on further coordination to refine placement areas within the Reserve given ecological sensitivities, ongoing research, and existing State agreements and use standards.

The State Historic Preservation Office (SHPO) raised additional concerns that the DEIS does not adequately identify or evaluate indirect and foreseeable effects associated with channel deepening, ongoing maintenance dredging, dredge material placement, and erosion that may affect historic properties within the area of potential effects. SHPO further noted that based on their assessment, the USACE has not sufficiently identified, notified, or consulted all potentially affected historic property owners, site stewards, and interested parties, limiting the ability of those entities to meaningfully participate in the review process or raise site-specific concerns. SHPO emphasized

that these consultation and notification gaps, combined with the lack of detailed, site-specific analysis of long-term effects, undermine the DEIS's ability to assess impacts to historic resources over the life of the project.

In general, the USACE provides limited site-specific detail for proposed estuarine and intertidal placement locations, making it difficult to fully assess potential impacts to aquatic habitats, wetlands, and designated nursery areas. DCM similarly remains concerned that the lack of detailed placement design, footprint, and site-specific stabilization information prevents meaningful evaluation of indirect and cumulative impacts of these large-scale placement efforts, including water quality and contaminant-related considerations that warrant significant review and assessment prior to proceeding with dredging operations.

DCM finds that the identification of state-owned conservation lands, including Masonboro Island Reserve, as potential dredged material placement sites is inconsistent with G.S. § 113A-102(a) and 15A NCAC 07H .0207(d). The DEIS does not demonstrate that such uses would be compatible with reserve management objectives or public trust protections. Additionally, insufficient identification and consultation regarding historic properties conflicts with G.S. § 113A-120 and 15A NCAC 07H .0209(d)(7).

Economics

In addition to resource impacts, significant economic concerns accompany the proposed deepening and widening of the Wilmington Harbor Federal Navigation System. The DEIS frames economic benefits primarily in terms of enhanced navigation efficiency and forecasted vessel usage, but provides limited rigorous analysis of net economic benefits versus project costs and risks compared to similar port expansions. Unlike comprehensive analyses in other large East Coast port DEIS/FEIS documents, such as the Charleston Harbor Deepening and Savannah Harbor Expansion Projects, which included detailed cost-benefit modeling, regional trade projections, and sensitivity analyses tied to global shipping trends, the Wilmington Harbor DEIS does not adequately address key economic uncertainties. It lacks in-depth evaluation of alternatives, does not fully quantify potential economic losses associated with environmental degradation (e.g., impacts to commercial and recreational fisheries, tourism, and waterfront property values), and does not compare projected benefits under changing global shipping patterns or the increasing prevalence of extreme weather and supply chain shifts. These economic unknowns, when paired with the environmental and community risks identified throughout this letter, leads DCM to conclude that the economic rationale for the proposed project remains insufficiently substantiated and fails to demonstrate that the purported benefits outweigh foreseeable costs to North Carolina's coastal economy and public welfare.

DCM finds that the DEIS does not sufficiently demonstrate consistency with G.S. § 113A-102(a), which requires balancing economic development with protection of coastal resources and public welfare. The DEIS lacks rigorous analysis of net economic benefits and does not adequately evaluate potential economic losses associated with environmental degradation. Without this information, the 403 project has not been shown to represent a balanced use of North Carolina's coastal resources.

Conclusion

DCM has completed its review of the USACE's Consistency Determination for the 403 Project proposal. In accordance with 15 C.F.R. §§ 930.41 and 930.43, DCM objects to the 403 Project proposal because USACE has failed to supply sufficient information to determine consistency with the relevant enforceable policies of North Carolina's coastal management program. Further, to the extent the 403 Project proposal does include sufficient information to evaluate consistency, DCM concludes that the 403 Project, as proposed, would cause significant adverse impacts to coastal resources in violation of North Carolina's enforceable coastal management policies. The USACE has not fully demonstrated how these adverse impacts will be avoided, minimized or mitigated. The USACE's Consistency Determination and DEIS fail to demonstrate, with reasonable certainty, that the deepening and widening of the Wilmington Harbor FNS would avoid significant adverse impacts or be consistent to the maximum extent practicable with North Carolina's enforceable coastal policies. As detailed above, substantial data gaps, modeling limitations, and unresolved questions remain regarding the severity of salinity-driven loss of wetland functions, degradation of Primary Nursery Areas and Anadromous Fish Spawning Areas, erosion and shoreline instability associated with altered hydrodynamics and vessel wakes, cumulative flooding risks under accelerating sea level rise, the handling and potential remobilization of PFAS-contaminated sediments, the adequacy and feasibility of proposed mitigation measures, and clear economic necessity justifying a determination of overriding public benefit. For these reasons, DCM concludes that the proposed project is inconsistent with North Carolina's Coastal Management Program and the enforceable policies cited herein, which mandate the conservation and careful management of the State's estuarine and ocean systems and the resources and uses they support.

DCM recognizes the North Carolina Ports Authority's interest in the Wilmington Harbor 403 Navigation Project and the benefits it could provide. Accordingly, should the USACE choose to postpone final federal action on the 403 Project and participate in the dispute resolution mechanisms described at 40 C.F.R. § 930.43(d), DCM is committed to working with the USACE to try to resolve the concerns detailed in this objection.

Sincerely,

Tancred Miller
Director,
N.C. Division of Coastal Management

Cc: D. Reid Wilson, Secretary, N.C. Department of Environmental Quality
Cameron Luck, Federal Consistency Coordinator, N.C. Division of Coastal Management
Keelin S. Kuipers, Acting Director, NOAA Office for Coastal Management
David Kaiser, Senior Policy Analyst, NOAA, Office for Coastal Management
Kerry Kehoe, Federal Consistency Specialist, NOAA, Office for Coastal Management
Brian Clark, Executive Director, North Carolina State Ports Authority
Justin P. McCorcle, District Counsel, USACE, Wilmington District

Department of Community Relations
Monthly Report – July

July was another busy month for the Community Relations Department as staff, volunteers, and community partners celebrated the success of the NC 4th of July Festival and continued supporting a variety of community programs and initiatives. The NC 4th of July Festival was a tremendous collaborative effort, and the dedication of the NC 4th of July Festival Committee, City departments, and partners helped create a memorable experience for residents and visitors alike.

The Fort Johnston-Southport Museum & Visitors' Center welcomed nearly 3,000 visitors during the month, while the Gift Shop continued to see strong sales. Summer Markets and the Concert Series remained popular community gathering opportunities, with consistent attendance throughout the month. The Southport Community Building continued to serve as a hub for events and celebrations, while staff continued planning future programming and preparations for the fall season.

Community partnerships also remained a key focus, with continued work by the Beautification Committee and Cemetery Committee to preserve and enhance Southport's public and historic spaces. We are grateful for the continued support and collaboration of our volunteers and community partners who contribute so much to the success of these efforts.

Submitted by Jessie Labell, Assistant Director of Community Relations

Fort Johnston Visitors Center and Museum

Number of Visitors: 2978

- The Gift Shop generated $5,385.25 in gross revenue during July.
- Our volunteers continue to be one of the greatest strengths of the Community Relations Department. Whether they're welcoming visitors at the Museum and Visitors' Center, assisting at the Mobile Visitors' Center Booth, supporting our events, or lending a hand behind the scenes, they consistently give their time, talents, and enthusiasm to help us serve our community.

Southport Community Building

Number of Events: 10 | Number of Venue Tours: 26

- We hosted several of the NC 4th of July events in the Southport Community Building – some new, some time-honored traditional ones! These included the Colonial Dinner, Salute to Veterans, and the reception for the Naturalization Ceremony. We also hosted the Welcoming Reception, Patriot's Ball, and the Brunswick Arts Council "Pirates Life for Me" play, at the beginning of the festival, June 26-June 28.
- After the NC 4th of July Festival, focus shifted back to preparing for the fall wedding season, updating our webpage and materials with the new rates, and planning marketing and client experience improvements.

Special Events

Summer Markets

- Summer markets continue, with a full set of vendors each week. Just one cancellation in July necessary due to high winds that morning. We are appreciative of the support from Southport Police Department for their support regarding traffic logistics.

Summer Concert Series

- The Summer Concert Series continues to be a successful community event, with attendance consistently exceeding 100 people each week. Residents and visitors alike have enjoyed a variety of live musical performances throughout the season, creating a welcoming atmosphere in downtown Southport.

4th of July Festival

- The NC 4th of July Festival was a success. The Committee continues to work on the Battle of Fort George Block Party event, in partnership with the Old Baldy Foundation, in September. Our team is assisting with the website, social media advertisement, and will be there day-of for preparations and logistics.

Beautification Committee

- Southport Beautification usually takes a break from their monthly workdays in July and August, but an opportunity arose to have some outside volunteers from Generations Church, so a morning pop up session was arranged for July 11th. Knowing that 45 members of Generations church were looking to lend a hand in Southport, Beautification decided to work on five major projects: Raking, pruning and leaf pickup at Old Smithville Burying Grounds. Sixty bags of leaves were collected as well as large piles of brush, making an impact on the look of the cemetery. Raking and removal of pine straw and fallen leaves at John Smith Cemetery. Cleanup of fine debris and paper pickup starting on Garrison Lawn, continuing to Waterfront Park and along Bay Street including the walkway and the sand, and ending at the start of the Yacht Basin. Raking and bagging leaves around Fort Johnston building. The next workday will be Saturday, September 5th.
- The next Beautification meeting will be September 21, 5pm, at Indian Trail Meeting Hall.

Cemetery Committee

- The Cemetery Committee met to discuss budget priorities for the upcoming fiscal year. Topics included proposals for maintenance of the fence surrounding Old Smithville Burying Ground, development of a gravesite database to improve cemetery records and accessibility, and the purchase of materials needed for ongoing monument care and preservation efforts. The Committee's regularly scheduled August 2026 meeting has been canceled.

Attended this Month

- NC 4th of July Festival: 7/1/26 - 7/4/26
- Winterfest Ice Rink Meeting: 7/9/26
- NC 4th of July/Old Baldy Fort George Meeting: 7/10/26
- Summer Market Logistics Meeting: 7/14/26
- NC 4th of July Follow-up meetings: 7/14/26
- Art Gallery Meeting: 7/14/26
- Jaycee Building Meeting: 7/16/26
- First Responder’s Appreciation Cookout: 7/17/26

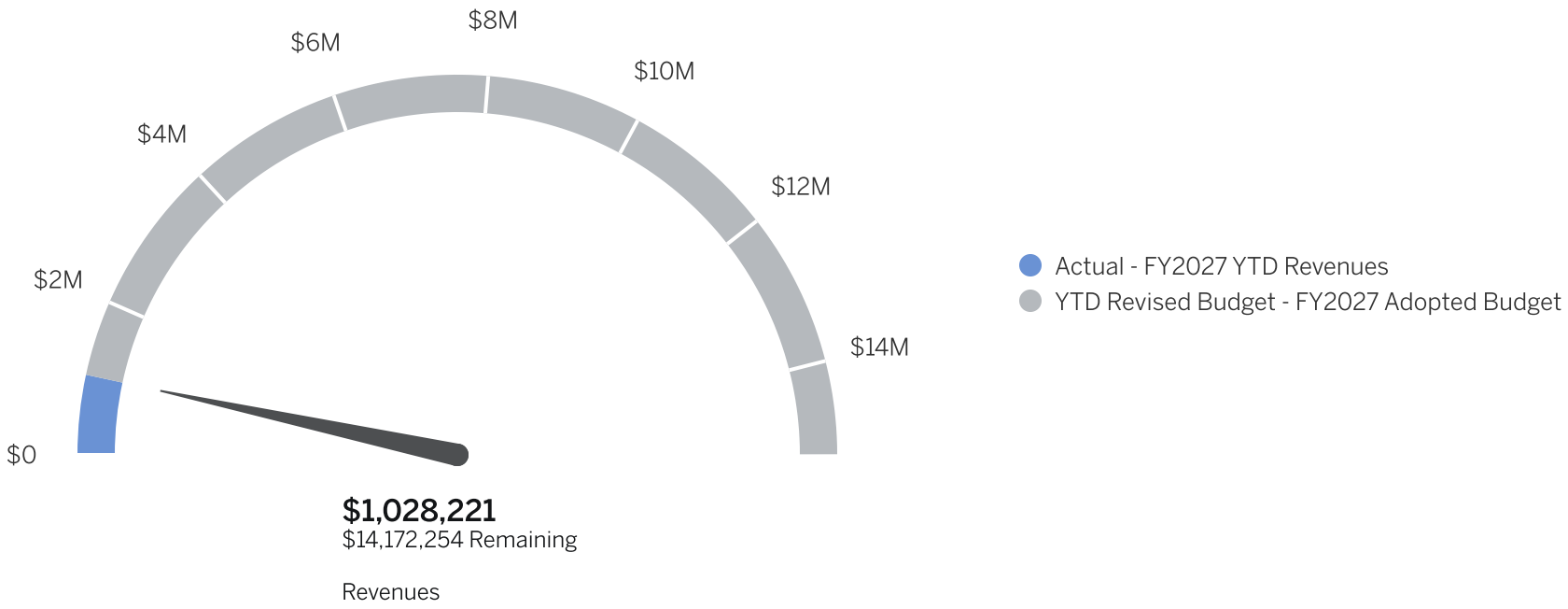
Department of Community Relations
Monthly Report – July

- Beautification Committee Meeting: 7/20/26
- Cemetery Committee Meeting: 7/22/26
- Miles for Mammo Event Meeting: 7/23/26
- Wooden Boat Show Meeting: 7/24/26
- Tour Permit Meeting: 7/28/26

City of Southport

Budget vs Actuals - FY2027 Revenues

General Fund Budget vs Actuals as of August 5th, 2026



	YTD REVISED BUDGET	ACTUAL	CALCULATION	CALCULATION
	FY2027 Adopted Budget	FY2027 YTD Revenues	Budget Revenue Remaining	% Remaining

City of Southport

Budget vs Actuals - FY2027 Revenues (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	CALCULATION	CALCULATION
	FY2027 Adopted Budget	**FY2027 YTD Revenues**	**Budget Revenue Remaining**	**% Remaining**
Revenues				
000 - GENERAL GOVERNMENT				
40001 - MOTOR VEHICLES TAX COLLECTIONS	$277,700	$28,298	$249,402	90%
40002 - INTEREST/PENALTIES -TAXES	$10,321	$0	$10,321	100%
40003 - MOTOR VEHICLE INTEREST	$2,094	$238	$1,856	89%
40004 - AD VALOREM TAX PRIOR YEARS	$33,119	$0	$33,119	100%
40000 - AD VALOREM TAXES - CY	$4,892,400	$11,754	$4,880,646	100%
40502 - PRIVILEGE LICENSES	$1,500	$0	$1,500	100%
40503 - ITINERANT/PEDDLER PERMIT	$150	$0	$150	100%
43000 - LOCAL OPTION SALES TAX	$2,198,950	$179,431	$2,019,519	92%
43001 - BEER & WINE TAX	$23,934	$0	$23,934	100%
43002 - UTILITY FRANCHISE TAX	$505,177	$0	$505,177	100%
43003 - SOUTHPORT ABC DISTRIBUTION	$264,750	$0	$264,750	100%
43506 - GRANT REVENUE	$25,000	$0	$25,000	100%
44003 - CEMETERY LOT SALES & FEES	$500	$100	$400	80%
45000 - INTEREST EARNED	$600,000	$43,355	$556,645	93%
46000 - DONATIONS	$5,000	$450	$4,550	91%
46010 - FORESTRY COMMITTEE DONATIONS	$750	$0	$750	100%
46020 - MISCELLANEOUS REVENUES	$7,000	$2,087	$4,913	70%

City of Southport

Budget vs Actuals - FY2027 Revenues (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	CALCULATION	CALCULATION
	FY2027 Adopted Budget	**FY2027 YTD Revenues**	**Budget Revenue Remaining**	**% Remaining**
46012 - SALE OF FIXED ASSETS	$0	$6,525	($6,525)	–
46013 - INSURANCE RECOVERY	$0	$2,651	($2,651)	–
47001 - APPROPRIATED FUND BALANCE	$1,070,232	$0	$1,070,232	100%
000 - GENERAL GOVERNMENT TOTAL	**$9,918,577**	**$274,890**	**$9,643,687**	**97%**
411 - BOARD				
47002 - TRANSFERS IN FROM OTHER FUNDS	$42,000	$3,768	$38,232	91%
411 - BOARD TOTAL	**$42,000**	**$3,768**	**$38,232**	**91%**
412 - ADMINISTRATION				
47002 - TRANSFERS IN FROM OTHER FUNDS	$229,714	$22,952	$206,762	90%
412 - ADMINISTRATION TOTAL	**$229,714**	**$22,952**	**$206,762**	**90%**
414 - FINANCE				
47002 - TRANSFERS IN FROM OTHER FUNDS	$163,923	$18,545	$145,378	89%
414 - FINANCE TOTAL	**$163,923**	**$18,545**	**$145,378**	**89%**
417 - SOLID WASTE				
43503 - SOLID WASTE DISPOSAL TAX	$3,750	$0	$3,750	100%
44004 - REFUSE REVENUE	$375,000	$0	$375,000	100%
417 - SOLID WASTE TOTAL	**$378,750**	**$0**	**$378,750**	**100%**
451 - STREETS				
42000 - INSPECTION PERMITS	$0	$100	($100)	–

City of Southport

Budget vs Actuals - FY2027 Revenues (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	CALCULATION	CALCULATION
	FY2027 Adopted Budget	**FY2027 YTD Revenues**	**Budget Revenue Remaining**	**% Remaining**
40505 - MUNICIPAL VEHICLE FEE	$125,000	$13,050	$111,950	90%
43500 - NC POWELL BILL FUNDS	$179,000	$0	$179,000	100%
45001 - INTEREST EARNED - POWELL BILL	$0	$574	($574)	–
451 - STREETS TOTAL	**$304,000**	**$13,724**	**$290,276**	**95%**
456 - PUBLIC WORKS				
47002 - TRANSFERS IN FROM OTHER FUNDS	$98,636	$10,355	$88,281	90%
456 - PUBLIC WORKS TOTAL	**$98,636**	**$10,355**	**$88,281**	**90%**
431 - POLICE				
40501 - PET LICENSE & TAGS	$1,000	$15	$985	99%
42005 - GOLF CART FEES	$35,000	$2,225	$32,775	94%
43505 - ABC REVENUE FOR LAW ENF.	$15,000	$0	$15,000	100%
43506 - GRANT REVENUE	$5,000	$0	$5,000	100%
46000 - DONATIONS	$500	$0	$500	100%
46003 - POLICE SHOP WITH A COP	$15,000	$0	$15,000	100%
46004 - POLICE ODM VEHICLE REVENUE	$12,000	$0	$12,000	100%
46020 - MISCELLANEOUS REVENUES	$5,000	$521	$4,479	90%
431 - POLICE TOTAL	**$88,500**	**$2,761**	**$85,739**	**97%**
434 - FIRE				
42004 - FIRE INSPECTIONS & PERMIT FEES	$40,000	$1,110	$38,890	97%
43501 - FIRE DISTRICT FEES	$2,178,650	$522,774	$1,655,876	76%

City of Southport

Budget vs Actuals - FY2027 Revenues (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	CALCULATION	CALCULATION
	FY2027 Adopted Budget	**FY2027 YTD Revenues**	**Budget Revenue Remaining**	**% Remaining**
46002 - FIRE RESPONSE FEES	$12,000	$0	$12,000	100%
46020 - MISCELLANEOUS REVENUES	$60,000	$75	$59,925	100%
434 - FIRE TOTAL	**$2,290,650**	**$523,959**	**$1,766,691**	**77%**
437 - RESCUE				
44000 - RESCUE SQUAD FEES	$400,000	$3,030	$396,970	99%
437 - RESCUE TOTAL	**$400,000**	**$3,030**	**$396,970**	**99%**
435 - PLANNING AND PERMITTING				
40500 - CIVIL PENALTIES	$5,000	$0	$5,000	100%
42003 - PLANNING & ZONING FEES	$35,000	$2,500	$32,500	93%
435 - PLANNING AND PERMITTING TOTAL	**$40,000**	**$2,500**	**$37,500**	**94%**
438 - INSPECTION PERMITS				
42000 - INSPECTION PERMITS	$600,000	$55,291	$544,709	91%
42001 - PERMITTING PENALTIES	$3,500	$0	$3,500	100%
42002 - REINSPECTION FEES	$1,000	$680	$320	32%
46001 - HOME OWNERS RECOVERY FUND	$500	$32	$468	94%
438 - INSPECTION PERMITS TOTAL	**$605,000**	**$56,003**	**$548,997**	**91%**
612 - PARKS & RECREATION				
44002 - RENT RECREATION FACILITIES	$19,500	$700	$18,800	96%
46000 - DONATIONS	$2,000	$0	$2,000	100%

City of Southport

Budget vs Actuals - FY2027 Revenues (Continued)

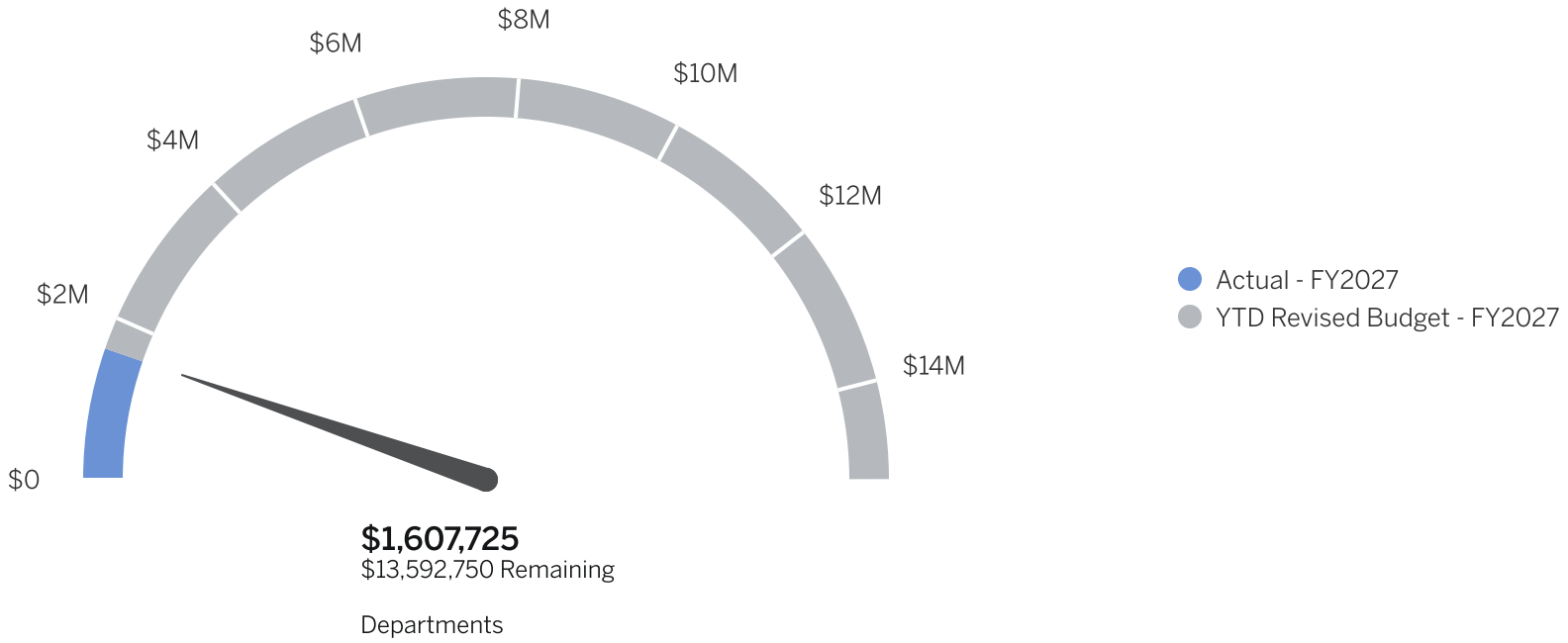
General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	CALCULATION	CALCULATION
	FY2027 Adopted Budget	**FY2027 YTD Revenues**	**Budget Revenue Remaining**	**% Remaining**
612 - PARKS & RECREATION TOTAL	**$21,500**	**$700**	**$20,800**	**97%**
615 - COMMUNITY BUILDING				
44006 - COMMUNITY BLDG RENTAL	$275,000	$49,711	$225,289	82%
46005 - SPECIAL EVENTS	$525	$0	$525	100%
46014 - CREDIT CARD FEES	$500	$0	$500	100%
615 - COMMUNITY BUILDING TOTAL	**$276,025**	**$49,711**	**$226,314**	**82%**
617 - COMMUNITY RELATIONS				
40504 - LOCAL OCCUPANCY TAX	$247,000	$32,864	$214,136	87%
44007 - GARRISON HOUSE RENTALS	$600	$0	$600	100%
44008 - COMMUNITY BLDG ANNEX RENTALS	$3,000	$0	$3,000	100%
44009 - FILMING FEES	$5,000	$0	$5,000	100%
44010 - FT. JOHNSTON GIFT SHOP	$15,000	$5,385	$9,615	64%
46005 - SPECIAL EVENTS	$65,000	$6,657	$58,343	90%
46020 - MISCELLANEOUS REVENUES	$7,600	$417	$7,183	95%
617 - COMMUNITY RELATIONS TOTAL	**$343,200**	**$45,324**	**$297,876**	**87%**
REVENUES TOTAL	**$15,200,475**	**$1,028,221**	**$14,172,254**	**93%**

City of Southport

Budget vs Actuals - FY2027 Expenditures

General Fund Budget vs Actuals as of August 5th, 2026



	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
Departments						
411 - BOARD						
51000 - FULL-TIME SALARIES	$84,000	$7,000	$0	$7,000	$77,000	92%
52001 - FICA	$6,426	$536	$0	$536	$5,891	92%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$351	$17	$0	$17	$334	95%
52006 - WORKERS COMPENSATION INSURANCE	$31	$31	$0	$31	$0	0%
53000 - TRAVEL & TRAINING	$6,500	$0	$156	$156	$6,344	98%
53010 - PROFESSIONAL FEES	$38,000	$0	$0	$0	$38,000	100%
53011 - CONTRACT SERVICES	$140,000	$0	$5,500	$5,500	$134,500	96%
53012 - INSURANCE & BONDING	$2,937	$2,937	$0	$2,937	$0	0%
53022 - DEPARTMENTAL SUPPLIES	$3,502	$195	$32	$227	$3,275	94%
53050 - OTHER SERVICES	$200	$0	$0	$0	$200	100%
53053 - COMMUNICATIONS	$2,625	$187	$0	$187	$2,438	93%
411 - BOARD TOTAL	**$284,572**	**$10,902**	**$5,688**	**$16,590**	**$267,982**	**94%**
412 - ADMINISTRATION						
51000 - FULL-TIME SALARIES	$581,143	$26,620	$0	$26,620	$554,523	95%
51001 - EMPLOYEE OVERTIME	$2,214	$142	$0	$142	$2,072	94%
51002 - PART-TIME SALARIES	$0	$3,281	$0	$3,281	($3,281)	–
52000 - 401K RETIREMENT SUPPLEMENT	$24,904	$1,338	$0	$1,338	$23,566	95%
52001 - FICA	$44,169	$2,291	$0	$2,291	$41,878	95%
52003 - LGERS RETIREMENT	$75,210	$4,052	$0	$4,052	$71,158	95%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
52004 - HEALTH/LIFE/DENTAL INSURANCE	$59,888	$24,309	$0	$24,309	$35,579	59%
52006 - WORKERS COMPENSATION INSURANCE	$1,103	$1,103	$0	$1,103	$0	0%
53000 - TRAVEL & TRAINING	$20,500	$465	$5,872	$6,337	$14,163	69%
53011 - CONTRACT SERVICES	$42,690	$13,071	$10,128	$23,199	$19,491	46%
53012 - INSURANCE & BONDING	$8,332	$8,332	$0	$8,332	$0	0%
53021 - VEHICLE SUPPLIES	$500	$0	$0	$0	$500	100%
53022 - DEPARTMENTAL SUPPLIES	$22,000	$35	$2,532	$2,568	$19,432	88%
53040 - UTILITIES	$6,300	$274	$0	$274	$6,026	96%
53050 - OTHER SERVICES	$2,000	$27	$250	$276	$1,724	86%
53053 - COMMUNICATIONS	$6,000	$390	$0	$390	$5,610	93%
53069 - NCDOT SPECIALTY PLATE FEE	$5,000	$0	$0	$0	$5,000	100%
60003 - CAPITAL OUTLAY - VEHICLES	$3,575	$0	$0	$0	$3,575	100%
60005 - CAPITAL OUTLAY - IMPROVEMENTS	$10,000	$0	$0	$0	$10,000	100%
70000 - DEBT - PRINCIPAL PAYMENTS	$105,400	$105,384	$105,384	$210,769	($105,369)	(100%)
70002 - LEASE - PRINCIPAL PAYMENTS	$0	$30	$0	$30	($30)	–
412 - ADMINISTRATION TOTAL	**$1,020,928**	**$191,145**	**$124,166**	**$315,311**	**$705,617**	**69%**
414 - FINANCE						
51000 - FULL-TIME SALARIES	$427,936	$22,893	$0	$22,893	$405,043	95%
51001 - EMPLOYEE OVERTIME	$750	$0	$0	$0	$750	100%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
52000 - 401K RETIREMENT SUPPLEMENT	$21,101	$1,145	$0	$1,145	$19,956	95%
52001 - FICA	$32,574	$1,685	$0	$1,685	$30,889	95%
52003 - LGERS RETIREMENT	$63,724	$3,466	$0	$3,466	$60,258	95%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$71,057	$9,062	$0	$9,062	$61,995	87%
52006 - WORKERS COMPENSATION INSURANCE	$793	$793	$0	$793	$0	0%
53000 - TRAVEL & TRAINING	$9,500	($315)	$270	($45)	$9,545	100%
53011 - CONTRACT SERVICES	$185,450	$10,870	$147,211	$158,081	$27,369	15%
53012 - INSURANCE & BONDING	$9,752	$9,752	$0	$9,752	$1	0%
53022 - DEPARTMENTAL SUPPLIES	$8,000	$231	$1,056	$1,287	$6,713	84%
53040 - UTILITIES	$3,000	$45	$0	$45	$2,955	98%
53053 - COMMUNICATIONS	$1,000	$90	$0	$90	$910	91%
53054 - PROPERTY TAX FEES	$36,700	$0	$0	$0	$36,700	100%
53055 - MOTOR VEHICLE FEES	$12,000	$1,145	$0	$1,145	$10,855	90%
53089 - MISC OTHER EXPENSE	$0	$3,114	$0	$3,114	($3,114)	–
414 - FINANCE TOTAL	**$883,337**	**$63,976**	**$148,537**	**$212,513**	**$670,824**	**76%**
440 - IT						
53011 - CONTRACT SERVICES	$107,600	$7,917	$87,085	$95,002	$12,598	12%
53053 - COMMUNICATIONS	$55,400	$4,916	$0	$4,916	$50,484	91%
60001 - CAPITAL OUTLAY - EQUIPMENT	$5,000	$0	$0	$0	$5,000	100%
440 - IT TOTAL	**$168,000**	**$12,833**	**$87,085**	**$99,918**	**$68,082**	**41%**
417 - SOLID WASTE						

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
53011 - CONTRACT SERVICES	$378,750	$15,227	$343,667	$358,893	$19,857	5%
417 - SOLID WASTE TOTAL	**$378,750**	**$15,227**	**$343,667**	**$358,893**	**$19,857**	**5%**
419 - BUILDING & GROUNDS						
51000 - FULL-TIME SALARIES	$602,251	$32,483	$0	$32,483	$569,768	95%
51001 - EMPLOYEE OVERTIME	$4,000	$584	$0	$584	$3,416	85%
52000 - 401K RETIREMENT SUPPLEMENT	$29,627	$1,653	$0	$1,653	$27,974	94%
52001 - FICA	$45,909	$2,325	$0	$2,325	$43,584	95%
52003 - LGERS RETIREMENT	$89,474	$5,006	$0	$5,006	$84,468	94%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$152,716	$18,059	$0	$18,059	$134,657	88%
52006 - WORKERS COMPENSATION INSURANCE	$8,781	$8,781	$0	$8,781	$0	0%
53000 - TRAVEL & TRAINING	$3,000	$0	$0	$0	$3,000	100%
53011 - CONTRACT SERVICES	$15,500	$40	$1,660	$1,700	$13,800	89%
53012 - INSURANCE & BONDING	$17,180	$17,180	$0	$17,180	$0	0%
53020 - UNIFORMS & PROTECTIVE GEAR	$7,500	$66	$4,884	$4,950	$2,550	34%
53021 - VEHICLE SUPPLIES	$16,000	$933	$0	$933	$15,067	94%
53022 - DEPARTMENTAL SUPPLIES	$20,000	$0	$7,000	$7,000	$13,000	65%
53030 - R/M EQUIPMENT	$9,000	$118	$909	$1,027	$7,973	89%
53031 - R/M VEHICLES	$5,000	$229	$0	$229	$4,771	95%
53032 - R/M FACILITIES	$0	$46	$0	$46	($46)	–
53040 - UTILITIES	$14,400	$1,460	$0	$1,460	$12,940	90%
53050 - OTHER SERVICES	$18,000	$0	$0	$0	$18,000	100%
53053 - COMMUNICATIONS	$1,750	$138	$0	$138	$1,612	92%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
53064 - FORESTRY PROJECTS	$5,250	$0	$0	$0	$5,250	100%
60000 - CAPITAL PURCHASES UNDER $5000	$5,000	$0	$0	$0	$5,000	100%
60003 - CAPITAL OUTLAY - VEHICLES	$21,875	$0	$0	$0	$21,875	100%
70002 - LEASE - PRINCIPAL PAYMENTS	$0	$1,321	$0	$1,321	($1,321)	–
419 - BUILDING & GROUNDS TOTAL	**$1,092,213**	**$90,422**	**$14,453**	**$104,875**	**$987,338**	**90%**
425 - GARAGE						
51000 - FULL-TIME SALARIES	$157,954	$8,244	$0	$8,244	$149,710	95%
51001 - EMPLOYEE OVERTIME	$600	$116	$0	$116	$484	81%
52000 - 401K RETIREMENT SUPPLEMENT	$7,716	$418	$0	$418	$7,298	95%
52001 - FICA	$11,921	$640	$0	$640	$11,281	95%
52003 - LGERS RETIREMENT	$23,300	$1,266	$0	$1,266	$22,034	95%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$23,956	$2,878	$0	$2,878	$21,078	88%
52006 - WORKERS COMPENSATION INSURANCE	$2,233	$2,232	$0	$2,232	$1	0%
53000 - TRAVEL & TRAINING	$700	$0	$0	$0	$700	100%
53011 - CONTRACT SERVICES	$3,450	$353	$0	$353	$3,097	90%
53012 - INSURANCE & BONDING	$3,436	$3,436	$0	$3,436	$0	0%
53020 - UNIFORMS & PROTECTIVE GEAR	$2,700	$0	$1,700	$1,700	$1,000	37%
53021 - VEHICLE SUPPLIES	$4,110	$146	$0	$146	$3,964	96%
53022 - DEPARTMENTAL SUPPLIES	$6,750	$0	$0	$0	$6,750	100%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
53030 - R/M EQUIPMENT	$3,400	$0	$0	$0	$3,400	100%
53031 - R/M VEHICLES	$1,000	$293	$0	$293	$707	71%
53040 - UTILITIES	$9,000	$174	$0	$174	$8,826	98%
53053 - COMMUNICATIONS	$1,250	$108	$0	$108	$1,142	91%
60003 - CAPITAL OUTLAY - VEHICLES	$3,300	$0	$0	$0	$3,300	100%
70002 - LEASE - PRINCIPAL PAYMENTS	$0	$485	$0	$485	($485)	–
425 - GARAGE TOTAL	**$266,776**	**$20,788**	**$1,700**	**$22,488**	**$244,288**	**92%**
451 - STREETS						
51000 - FULL-TIME SALARIES	$409,035	$15,622	$0	$15,622	$393,413	96%
51001 - EMPLOYEE OVERTIME	$10,110	$838	$0	$838	$9,272	92%
51002 - PART-TIME SALARIES	$504	$5,609	$0	$5,609	($5,105)	(1,013%)
52000 - 401K RETIREMENT SUPPLEMENT	$14,976	$823	$0	$823	$14,153	95%
52001 - FICA	$31,167	$1,628	$0	$1,628	$29,539	95%
52003 - LGERS RETIREMENT	$60,889	$3,341	$0	$3,341	$57,548	95%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$64,129	$10,737	$0	$10,737	$53,392	83%
52006 - WORKERS COMPENSATION INSURANCE	$5,141	$5,141	$0	$5,141	$0	0%
53000 - TRAVEL & TRAINING	$3,000	$0	$0	$0	$3,000	100%
53011 - CONTRACT SERVICES	$23,425	$11,974	$503	$12,477	$10,948	47%
53012 - INSURANCE & BONDING	$15,247	$15,246	$0	$15,246	$1	0%
53020 - UNIFORMS & PROTECTIVE GEAR	$6,200	$66	$2,684	$2,750	$3,450	56%
53021 - VEHICLE SUPPLIES	$25,000	$3,246	$0	$3,246	$21,754	87%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
53022 - DEPARTMENTAL SUPPLIES	$65,000	$832	$868	$1,700	$63,300	97%
53030 - R/M EQUIPMENT	$20,000	$0	$0	$0	$20,000	100%
53031 - R/M VEHICLES	$25,000	$0	$0	$0	$25,000	100%
53040 - UTILITIES	$2,250	$344	$960	$1,304	$946	42%
53053 - COMMUNICATIONS	$2,200	$92	$0	$92	$2,108	96%
60000 - CAPITAL PURCHASES UNDER $5000	$5,000	$0	$0	$0	$5,000	100%
60003 - CAPITAL OUTLAY - VEHICLES	$29,750	$0	$0	$0	$29,750	100%
70002 - LEASE - PRINCIPAL PAYMENTS	$0	$2,470	$0	$2,470	($2,470)	–
451 - STREETS TOTAL	**$818,023**	**$78,009**	**$5,015**	**$83,024**	**$734,999**	**90%**
456 - PUBLIC WORKS						
51000 - FULL-TIME SALARIES	$193,617	$10,377	$0	$10,377	$183,240	95%
51001 - EMPLOYEE OVERTIME	$163	$0	$0	$0	$163	100%
52000 - 401K RETIREMENT SUPPLEMENT	$9,499	$519	$0	$519	$8,980	95%
52001 - FICA	$14,649	$769	$0	$769	$13,880	95%
52003 - LGERS RETIREMENT	$28,685	$1,571	$0	$1,571	$27,114	95%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$28,197	$3,591	$0	$3,591	$24,606	87%
52006 - WORKERS COMPENSATION INSURANCE	$317	$317	$0	$317	$0	0%
53012 - INSURANCE & BONDING	$3,436	$3,436	$0	$3,436	$0	0%
456 - PUBLIC WORKS TOTAL	**$278,563**	**$20,581**	**$0**	**$20,581**	**$257,982**	**93%**
431 - POLICE						
51000 - FULL-TIME SALARIES	$1,512,199	$73,692	$0	$73,692	$1,438,507	95%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
51001 - EMPLOYEE OVERTIME	$45,000	$7,801	$0	$7,801	$37,199	83%
51002 - PART-TIME SALARIES	$15,000	$1,212	$0	$1,212	$13,788	92%
51004 - SEPARATION ALLOWANCE-LEO	$22,907	$1,259	$0	$1,259	$21,648	95%
52000 - 401K RETIREMENT SUPPLEMENT	$74,670	$4,075	$0	$4,075	$70,595	95%
52001 - FICA	$119,707	$6,225	$0	$6,225	$113,482	95%
52003 - LGERS RETIREMENT	$254,278	$13,874	$0	$13,874	$240,404	95%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$281,286	$33,830	$0	$33,830	$247,456	88%
52006 - WORKERS COMPENSATION INSURANCE	$23,412	$23,411	$0	$23,411	$1	0%
53000 - TRAVEL & TRAINING	$16,000	$271	$0	$271	$15,729	98%
53010 - PROFESSIONAL FEES	$578	$0	$0	$0	$578	100%
53011 - CONTRACT SERVICES	$164,305	$13,619	$57,853	$71,471	$92,834	56%
53012 - INSURANCE & BONDING	$70,826	$70,826	$0	$70,826	$0	0%
53020 - UNIFORMS & PROTECTIVE GEAR	$16,500	$155	$124	$279	$16,221	98%
53021 - VEHICLE SUPPLIES	$57,000	$6,710	$0	$6,710	$50,290	88%
53022 - DEPARTMENTAL SUPPLIES	$16,000	$378	$489	$867	$15,133	95%
53024 - ANIMAL CARE	$6,500	$0	$677	$677	$5,823	90%
53030 - R/M EQUIPMENT	$2,500	$0	$0	$0	$2,500	100%
53031 - R/M VEHICLES	$11,000	$998	$135	$1,133	$9,867	90%
53040 - UTILITIES	$6,500	$629	$0	$629	$5,871	90%
53050 - OTHER SERVICES	$500	$0	$0	$0	$500	100%
53053 - COMMUNICATIONS	$25,300	$1,701	$0	$1,701	$23,599	93%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
53056 - ABC TAX EXPENDITURES	$5,000	$0	$0	$0	$5,000	100%
53061 - COMMUNITY RESOURCE PROGRAM	$15,000	$0	$1,076	$1,076	$13,924	93%
60001 - CAPITAL OUTLAY - EQUIPMENT	$5,000	$0	$0	$0	$5,000	100%
60003 - CAPITAL OUTLAY - VEHICLES	$193,950	$0	$0	$0	$193,950	100%
70002 - LEASE - PRINCIPAL PAYMENTS	$0	$11,926	$0	$11,926	($11,926)	–
431 - POLICE TOTAL	**$2,960,918**	**$272,591**	**$60,355**	**$332,946**	**$2,627,972**	**89%**
434 - FIRE						
51000 - FULL-TIME SALARIES	$1,440,606	$68,906	$0	$68,906	$1,371,700	95%
51001 - EMPLOYEE OVERTIME	$144,888	$13,425	$0	$13,425	$131,463	91%
51002 - PART-TIME SALARIES	$45,422	$563	$0	$563	$44,859	99%
51003 - VOLUNTEER FEES	$20,000	$0	$0	$0	$20,000	100%
51005 - PAYMENTS TO RETIREES	$28,500	$2,265	$0	$2,265	$26,235	92%
52000 - 401K RETIREMENT SUPPLEMENT	$71,280	$4,117	$0	$4,117	$67,163	94%
52001 - FICA	$113,518	$6,222	$0	$6,222	$107,296	95%
52003 - LGERS RETIREMENT	$215,265	$12,465	$0	$12,465	$202,800	94%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$196,867	$20,172	$0	$20,172	$176,695	90%
52006 - WORKERS COMPENSATION INSURANCE	$23,509	$23,508	$0	$23,508	$1	0%
53000 - TRAVEL & TRAINING	$20,000	($60)	$500	$440	$19,560	98%
53010 - PROFESSIONAL FEES	$5,000	$725	$0	$725	$4,275	86%
53011 - CONTRACT SERVICES	$40,000	$7,482	$422	$7,903	$32,097	80%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
53012 - INSURANCE & BONDING	$76,720	$78,246	$0	$78,246	($1,526)	(2%)
53020 - UNIFORMS & PROTECTIVE GEAR	$15,000	$0	$0	$0	$15,000	100%
53021 - VEHICLE SUPPLIES	$40,000	$4,887	$16	$4,903	$35,097	88%
53022 - DEPARTMENTAL SUPPLIES	$25,000	$601	$1,158	$1,759	$23,241	93%
53030 - R/M EQUIPMENT	$12,000	$1,317	$0	$1,317	$10,683	89%
53031 - R/M VEHICLES	$45,000	$2,625	$4,055	$6,679	$38,321	85%
53032 - R/M FACILITIES	$18,000	$628	$110	$738	$17,262	96%
53034 - SUBSTATION LEASE	$15,000	$1,250	$12,500	$13,750	$1,250	8%
53040 - UTILITIES	$35,000	$184	$0	$184	$34,816	99%
53053 - COMMUNICATIONS	$8,000	$1,046	$0	$1,046	$6,954	87%
53057 - FIRE PREVENTION	$20,000	$0	$0	$0	$20,000	100%
70000 - DEBT - PRINCIPAL PAYMENTS	$526,700	$231,202	$105,384	$336,587	$190,113	36%
434 - FIRE TOTAL	**$3,201,275**	**$481,777**	**$124,144**	**$605,921**	**$2,595,354**	**81%**
437 - RESCUE						
51000 - FULL-TIME SALARIES	$688,414	$33,533	$0	$33,533	$654,881	95%
51001 - EMPLOYEE OVERTIME	$61,126	$8,465	$0	$8,465	$52,661	86%
51002 - PART-TIME SALARIES	$46,731	$765	$0	$765	$45,966	98%
52000 - 401K RETIREMENT SUPPLEMENT	$33,973	$2,100	$0	$2,100	$31,873	94%
52001 - FICA	$56,076	$3,126	$0	$3,126	$52,950	94%
52003 - LGERS RETIREMENT	$102,599	$6,358	$0	$6,358	$96,241	94%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$133,245	$18,876	$0	$18,876	$114,369	86%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
52006 - WORKERS COMPENSATION INSURANCE	$22,038	$22,037	$0	$22,037	$1	0%
53000 - TRAVEL & TRAINING	$5,000	$0	$0	$0	$5,000	100%
53011 - CONTRACT SERVICES	$45,000	$1,121	$251	$1,373	$43,627	97%
53012 - INSURANCE & BONDING	$24,010	$24,009	$0	$24,009	$1	0%
53020 - UNIFORMS & PROTECTIVE GEAR	$15,000	$0	$0	$0	$15,000	100%
53021 - VEHICLE SUPPLIES	$25,000	$3,128	$16	$3,144	$21,856	87%
53022 - DEPARTMENTAL SUPPLIES	$18,000	$0	$742	$742	$17,258	96%
53030 - R/M EQUIPMENT	$12,000	$32	$0	$32	$11,968	100%
53031 - R/M VEHICLES	$18,000	$9,108	$0	$9,108	$8,892	49%
53032 - R/M FACILITIES	$7,000	$0	$0	$0	$7,000	100%
53025 - MEDICAL SUPPLIES	$30,000	$1,034	$4,312	$5,346	$24,654	82%
53040 - UTILITIES	$10,000	$1,081	$0	$1,081	$8,919	89%
53053 - COMMUNICATIONS	$2,500	$129	$0	$129	$2,371	95%
60003 - CAPITAL OUTLAY - VEHICLES	$12,500	$0	$0	$0	$12,500	100%
70000 - DEBT - PRINCIPAL PAYMENTS	$97,250	$48,923	$0	$48,923	$48,327	50%
70002 - LEASE - PRINCIPAL PAYMENTS	$0	$1,024	$0	$1,024	($1,024)	–
437 - RESCUE TOTAL	**$1,465,462**	**$184,849**	**$5,322**	**$190,171**	**$1,275,291**	**87%**
435 - PLANNING AND PERMITTING						
51000 - FULL-TIME SALARIES	$189,416	$11,231	$0	$11,231	$178,185	94%
51001 - EMPLOYEE OVERTIME	$679	$119	$0	$119	$560	82%
52000 - 401K RETIREMENT SUPPLEMENT	$9,289	$568	$0	$568	$8,722	94%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
52001 - FICA	$14,327	$833	$0	$833	$13,494	94%
52003 - LGERS RETIREMENT	$28,051	$1,718	$0	$1,718	$26,333	94%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$30,883	$5,899	$0	$5,899	$24,984	81%
52006 - WORKERS COMPENSATION INSURANCE	$318	$317	$0	$317	$1	0%
53000 - TRAVEL & TRAINING	$10,000	$0	$156	$156	$9,844	98%
53011 - CONTRACT SERVICES	$309,600	$88	$966	$1,054	$308,546	100%
53012 - INSURANCE & BONDING	$4,424	$4,424	$0	$4,424	$0	0%
53021 - VEHICLE SUPPLIES	$1,500	$34	$0	$34	$1,466	98%
53022 - DEPARTMENTAL SUPPLIES	$5,000	$35	$2,010	$2,046	$2,954	59%
53031 - R/M VEHICLES	$1,000	$0	$0	$0	$1,000	100%
53040 - UTILITIES	$3,000	$63	$0	$63	$2,937	98%
53053 - COMMUNICATIONS	$4,000	$328	$0	$328	$3,672	92%
90000 - TRANSFERS BTWN DEPARTMENTS	$0	($5,883)	$0	($5,883)	$5,883	–
60003 - CAPITAL OUTLAY - VEHICLES	$6,000	$0	$0	$0	$6,000	100%
70002 - LEASE - PRINCIPAL PAYMENTS	$0	$467	$0	$467	($467)	–
435 - PLANNING AND PERMITTING TOTAL	**$617,487**	**$20,241**	**$3,133**	**$23,373**	**$594,114**	**96%**
438 - INSPECTION PERMITS						
51000 - FULL-TIME SALARIES	$267,585	$15,233	$0	$15,233	$252,352	94%
51001 - EMPLOYEE OVERTIME	$2,300	$0	$0	$0	$2,300	100%
51002 - PART-TIME SALARIES	$529	$0	$0	$0	$529	100%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
52000 - 401K RETIREMENT SUPPLEMENT	$12,949	$762	$0	$762	$12,187	94%
52001 - FICA	$20,348	$1,141	$0	$1,141	$19,207	94%
52003 - LGERS RETIREMENT	$39,106	$2,306	$0	$2,306	$36,800	94%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$40,174	$5,037	$0	$5,037	$35,137	87%
52006 - WORKERS COMPENSATION INSURANCE	$476	$476	$0	$476	$0	0%
53000 - TRAVEL & TRAINING	$7,000	$0	$916	$916	$6,084	87%
53011 - CONTRACT SERVICES	$19,900	$178	$966	$1,144	$18,756	94%
53012 - INSURANCE & BONDING	$5,648	$5,648	$0	$5,648	$0	0%
53020 - UNIFORMS & PROTECTIVE GEAR	$1,200	$0	$0	$0	$1,200	100%
53021 - VEHICLE SUPPLIES	$1,600	$157	$0	$157	$1,443	90%
53022 - DEPARTMENTAL SUPPLIES	$5,000	$35	$385	$420	$4,580	92%
53031 - R/M VEHICLES	$1,500	$0	$0	$0	$1,500	100%
53040 - UTILITIES	$1,800	$63	$0	$63	$1,737	97%
53053 - COMMUNICATIONS	$2,200	$167	$0	$167	$2,033	92%
90000 - TRANSFERS BTWN DEPARTMENTS	$0	$5,883	$0	$5,883	($5,883)	–
60003 - CAPITAL OUTLAY - VEHICLES	$15,000	$0	$0	$0	$15,000	100%
70002 - LEASE - PRINCIPAL PAYMENTS	$0	$1,210	$0	$1,210	($1,210)	–
438 - INSPECTION PERMITS TOTAL	**$444,315**	**$38,296**	**$2,266**	**$40,562**	**$403,753**	**91%**
612 - PARKS & RECREATION						

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
51000 - FULL-TIME SALARIES	$337,055	$16,570	$0	$16,570	$320,485	95%
51001 - EMPLOYEE OVERTIME	$12,784	$352	$0	$352	$12,432	97%
51002 - PART-TIME SALARIES	$25,000	$0	$0	$0	$25,000	100%
52000 - 401K RETIREMENT SUPPLEMENT	$16,557	$846	$0	$846	$15,711	95%
52001 - FICA	$25,622	$1,262	$0	$1,262	$24,360	95%
52003 - LGERS RETIREMENT	$50,001	$2,562	$0	$2,562	$47,439	95%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$59,888	$7,156	$0	$7,156	$52,732	88%
52006 - WORKERS COMPENSATION INSURANCE	$3,311	$3,310	$0	$3,310	$1	0%
53000 - TRAVEL & TRAINING	$2,750	$0	$0	$0	$2,750	100%
53011 - CONTRACT SERVICES	$22,200	$11,561	$503	$12,064	$10,136	46%
53012 - INSURANCE & BONDING	$10,072	$10,071	$0	$10,071	$1	0%
53020 - UNIFORMS & PROTECTIVE GEAR	$3,000	$108	$0	$108	$2,892	96%
53021 - VEHICLE SUPPLIES	$3,250	$249	$0	$249	$3,001	92%
53022 - DEPARTMENTAL SUPPLIES	$29,000	$256	$325	$581	$28,419	98%
53030 - R/M EQUIPMENT	$2,000	$0	$0	$0	$2,000	100%
53031 - R/M VEHICLES	$6,075	$208	$0	$208	$5,867	97%
53032 - R/M FACILITIES	$42,000	$13,186	$0	$13,186	$28,814	69%
53040 - UTILITIES	$23,100	$2,953	$0	$2,953	$20,148	87%
53053 - COMMUNICATIONS	$4,000	$532	$0	$532	$3,468	87%
60001 - CAPITAL OUTLAY - EQUIPMENT	$15,100	$0	$2,905	$2,905	$12,195	81%
60003 - CAPITAL OUTLAY - VEHICLES	$35,700	$0	$0	$0	$35,700	100%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
60005 - CAPITAL OUTLAY - IMPROVEMENTS	$6,000	$0	$0	$0	$6,000	100%
70002 - LEASE - PRINCIPAL PAYMENTS	$0	$2,918	$0	$2,918	($2,918)	–
612 - PARKS & RECREATION TOTAL	**$734,465**	**$74,101**	**$3,733**	**$77,834**	**$656,631**	**89%**
615 - COMMUNITY BUILDING						
51000 - FULL-TIME SALARIES	$118,059	$6,312	$0	$6,312	$111,747	95%
51001 - EMPLOYEE OVERTIME	$500	$555	$0	$555	($55)	(11%)
51002 - PART-TIME SALARIES	$13,403	$715	$0	$715	$12,688	95%
52000 - 401K RETIREMENT SUPPLEMENT	$5,721	$343	$0	$343	$5,378	94%
52001 - FICA	$10,130	$579	$0	$579	$9,551	94%
52003 - LGERS RETIREMENT	$17,276	$1,040	$0	$1,040	$16,236	94%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$23,956	$2,861	$0	$2,861	$21,095	88%
52006 - WORKERS COMPENSATION INSURANCE	$476	$476	$0	$476	$0	0%
53011 - CONTRACT SERVICES	$5,500	$0	$0	$0	$5,500	100%
53012 - INSURANCE & BONDING	$3,673	$3,672	$0	$3,672	$1	0%
53022 - DEPARTMENTAL SUPPLIES	$7,000	$0	$0	$0	$7,000	100%
53032 - R/M FACILITIES	$5,000	$0	$0	$0	$5,000	100%
53040 - UTILITIES	$12,500	$1,308	$0	$1,308	$11,192	90%
53052 - MARKETING	$4,100	$0	$0	$0	$4,100	100%
53053 - COMMUNICATIONS	$4,000	$88	$0	$88	$3,912	98%
615 - COMMUNITY BUILDING TOTAL	**$231,294**	**$17,949**	**$0**	**$17,949**	**$213,345**	**92%**

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
617 - COMMUNITY RELATIONS						
51000 - FULL-TIME SALARIES	$159,191	$5,658	$0	$5,658	$153,533	96%
52000 - 401K RETIREMENT SUPPLEMENT	$7,777	$283	$0	$283	$7,494	96%
52001 - FICA	$12,015	$429	$0	$429	$11,586	96%
52003 - LGERS RETIREMENT	$23,487	$857	$0	$857	$22,630	96%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$23,956	$2,886	$0	$2,886	$21,070	88%
52006 - WORKERS COMPENSATION INSURANCE	$318	$317	$0	$317	$1	0%
53000 - TRAVEL & TRAINING	$5,205	$0	$0	$0	$5,205	100%
53011 - CONTRACT SERVICES	$5,000	$186	$2,041	$2,227	$2,773	55%
53012 - INSURANCE & BONDING	$2,450	$2,448	$0	$2,448	$2	0%
53022 - DEPARTMENTAL SUPPLIES	$11,500	$0	$0	$0	$11,500	100%
53040 - UTILITIES	$12,500	$882	$0	$882	$11,618	93%
53053 - COMMUNICATIONS	$16,000	$92	$0	$92	$15,908	99%
53059 - TOURISM COMMUNITY EVENTS	$30,698	$0	$0	$0	$30,698	100%
53060 - SPECIAL MARKETING OPPS	$15,000	$0	$0	$0	$15,000	100%
53063 - GIFT SHOP INVENTORY/EXPENSES	$9,000	$0	$0	$0	$9,000	100%
53065 - BEAUTIFICATION COMMITTEE	$5,000	$0	$0	$0	$5,000	100%
53068 - NC A250 PLANNING	$5,000	$0	$0	$0	$5,000	100%
53070 - GRANT MATCHING FUNDS EXPENSE	$10,000	$0	$0	$0	$10,000	100%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

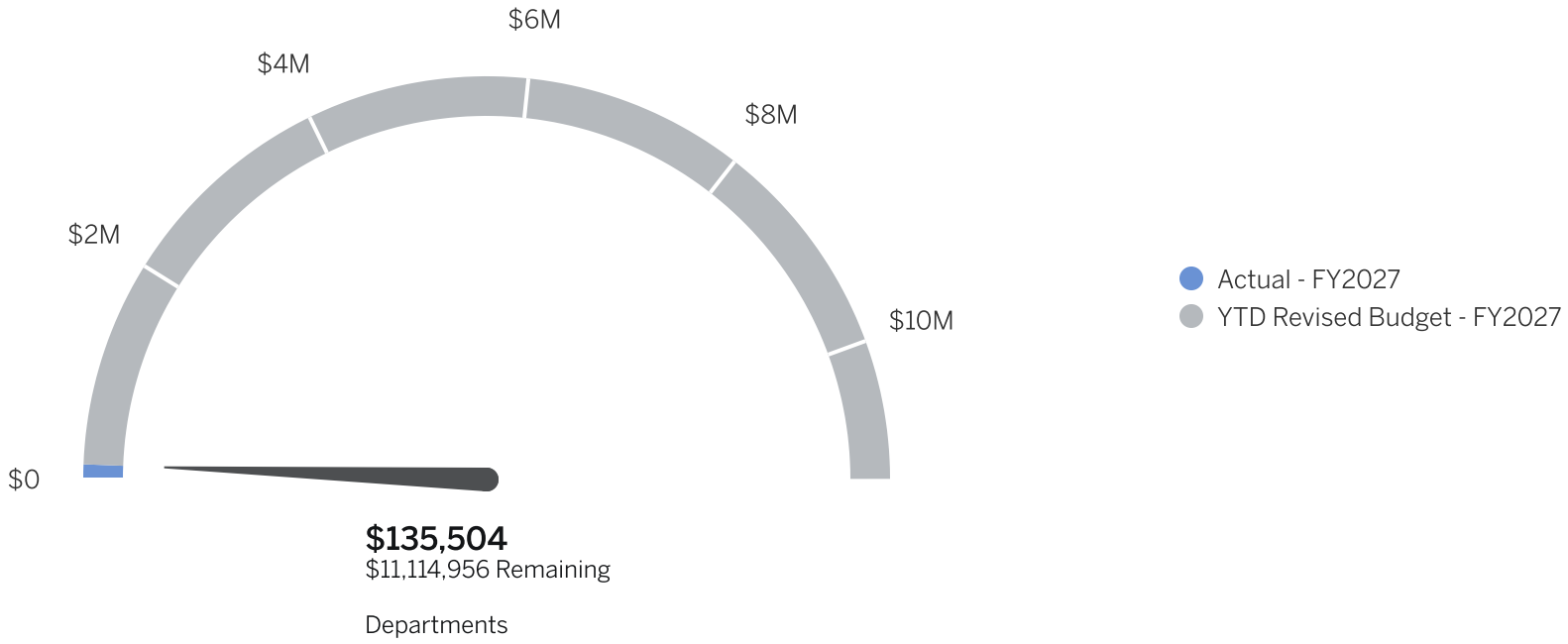
General Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
617 - COMMUNITY RELATIONS TOTAL	**$354,097**	**$14,039**	**$2,041**	**$16,081**	**$338,016**	**95%**
DEPARTMENTS TOTAL	**$15,200,475**	**$1,607,725**	**$931,304**	**$2,539,029**	**$12,661,446**	**83%**

City of Southport

Budget vs Actuals - FY2027 Expenditures

Electric Fund Budget vs Actuals as of August 5th, 2026



	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

Electric Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
Departments						
000 - GENERAL GOVERNMENT						
90003 - TRANSFERS OUT TO OTHER FUNDS	$534,273	$55,620	$0	$55,620	$478,653	90%
000 - GENERAL GOVERNMENT TOTAL	**$534,273**	**$55,620**	**$0**	**$55,620**	**$478,653**	**90%**
721 - ELECTRIC						
51000 - FULL-TIME SALARIES	$73,388	$4,150	$0	$4,150	$69,238	94%
51001 - EMPLOYEE OVERTIME	$928	$0	$0	$0	$928	100%
52000 - 401K RETIREMENT SUPPLEMENT	$3,632	$207	$0	$207	$3,425	94%
52001 - FICA	$5,615	$282	$0	$282	$5,333	95%
52003 - LGERS RETIREMENT	$10,968	$628	$0	$628	$10,340	94%
52004 - HEALTH/LIFE/DENTAL INSURANCE	$11,978	$2,593	$0	$2,593	$9,385	78%
52006 - WORKERS COMPENSATION INSURANCE	$160	$159	$0	$159	$1	1%
53000 - TRAVEL & TRAINING	$5,000	$0	$0	$0	$5,000	100%
53011 - CONTRACT SERVICES	$115,600	$1,109	$84,238	$85,347	$30,253	26%
53012 - INSURANCE & BONDING	$2,225	$2,212	$0	$2,212	$13	1%
53020 - UNIFORMS & PROTECTIVE GEAR	$1,100	$66	$534	$600	$500	45%
53021 - VEHICLE SUPPLIES	$650	$69	$0	$69	$581	89%
53022 - DEPARTMENTAL SUPPLIES	$2,000	$0	$0	$0	$2,000	100%
53031 - R/M VEHICLES	$1,000	$0	$0	$0	$1,000	100%
53032 - R/M FACILITIES	$20,000	$0	$4,000	$4,000	$16,000	80%
53040 - UTILITIES	$115,500	$8,981	$0	$8,981	$106,519	92%

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

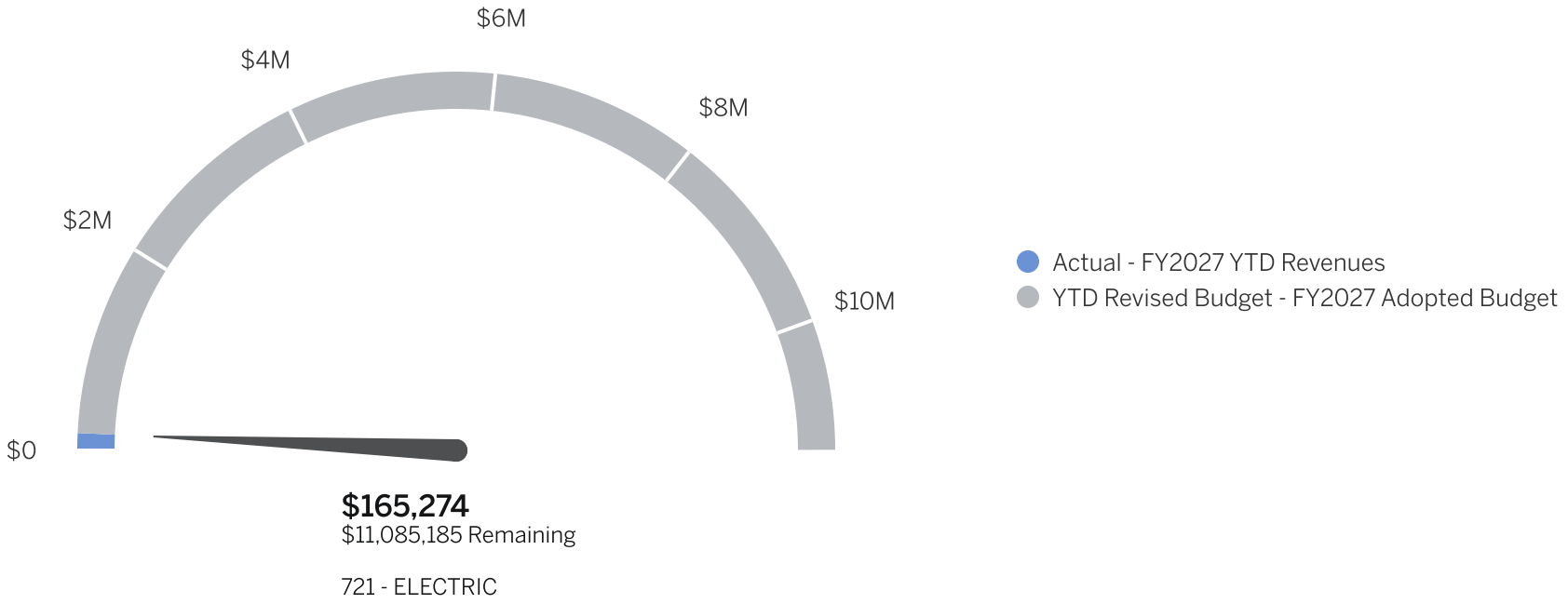
Electric Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
53041 - UTILITIES PURCHASED FOR RESALE	$6,562,342	$0	$0	$0	$6,562,342	100%
53043 - UTILITY SALES TAX EXPENSE	$642,000	$0	$0	$0	$642,000	100%
53044 - OPERATIONS & MAINTENANCE BEMC	$670,000	$58,493	$643,425	$701,919	($31,919)	(5%)
53045 - BILLING CONTRACT	$300,000	$0	$0	$0	$300,000	100%
53053 - COMMUNICATIONS	$5,100	$396	$4,651	$5,047	$53	1%
53090 - CONTINGENCY EXPENSES	$300,000	$0	$300,000	$300,000	$0	0%
60003 - CAPITAL OUTLAY - VEHICLES	$7,000	$0	$0	$0	$7,000	100%
60005 - CAPITAL OUTLAY - IMPROVEMENTS	$200,000	$0	$0	$0	$200,000	100%
60007 - CAPITAL OUTLAY - SYSTEM	$1,660,000	$0	$1,655,000	$1,655,000	$5,000	0%
70002 - LEASE - PRINCIPAL PAYMENTS	$0	$537	$0	$537	($537)	–
721 - ELECTRIC TOTAL	**$10,716,186**	**$79,883**	**$2,691,849**	**$2,771,732**	**$7,944,454**	**74%**
DEPARTMENTS TOTAL	**$11,250,459**	**$135,504**	**$2,691,849**	**$2,827,352**	**$8,423,107**	**75%**

City of Southport

Budget vs Actuals - FY2027 - Revenues

Electric Fund Budget vs Actuals as of August 5th, 2026



	YTD REVISED BUDGET	ACTUAL	CALCULATION	CALCULATION
	FY2027 Adopted Budget	FY2027 YTD Revenues	Budget Revenue Remaining	% Remaining

City of Southport

Budget vs Actuals - FY2027 - Revenues (Continued)

Electric Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	CALCULATION	CALCULATION
	FY2027 Adopted Budget	**FY2027 YTD Revenues**	**Budget Revenue Remaining**	**% Remaining**
Revenues				
721 - ELECTRIC				
44500 - SALE OF ELECTRICITY	$8,776,495	$141,617	$8,634,878	98%
44501 - UTILITY SALES TAX REVENUE	$642,000	$9,715	$632,285	98%
44502 - ELECTRIC LATE CHARGES	$11,390	$0	$11,390	100%
44503 - ELECTRIC METER TAMPERING	$10,321	$0	$10,321	100%
44504 - ELECTRIC AGREEMENTS	$1,071	$0	$1,071	100%
44505 - ELECTRIC RECONNECT/DISCONNECT	$4,058	$0	$4,058	100%
44506 - SERVICE CHARGES	$613	$0	$613	100%
45000 - INTEREST EARNED	$210,683	$13,941	$196,742	93%
47001 - APPROPRIATED FUND BALANCE	$1,593,828	$0	$1,593,828	100%
721 - ELECTRIC TOTAL	**$11,250,459**	**$165,274**	**$11,085,185**	**99%**
REVENUES TOTAL	**$11,250,459**	**$165,274**	**$11,085,185**	**99%**

City of Southport

Budget vs Actuals - FY2027 Expenditures

Capital Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available

City of Southport

Budget vs Actuals - FY2027 Expenditures (Continued)

Capital Fund Budget vs Actuals as of August 5th, 2026

	YTD REVISED BUDGET	ACTUAL	ENCUMBRANCES	CALCULATION	CALCULATION	CALCULATION
	FY2027	FY2027	FY2027	YTD with Encumbrances	Remaining Available	% Available
Departments						
000 - GENERAL GOVERNMENT						
60005 - CAPITAL OUTLAY - IMPROVEMENTS						
C91000 - CAPITAL - STREET RESURFACING	$512,000	$0	$0	$0	$512,000	100%
C92000 - CAPITAL - SIDEWALK IMPROVEMENT	$150,000	$0	$0	$0	$150,000	100%
C93000 - CAPITAL - STORMWATER IMPROV	$558,000	$0	$558,000	$558,000	$0	0%
C94000 - CAPITAL - CITY BUILDING REPAIR	$236,000	$200	$13,909	$14,109	$221,891	94%
C96000 - CAPITAL - FSP IMPROVEMENTS	$50,000	$0	$12,845	$12,845	$37,155	74%
C97000 - CAPITAL - OTHER FY2026	$0	$1,230	$0	$1,230	($1,230)	–
C98000 - CAPITAL - OLD CITY HALL	$80,000	$0	$82,127	$82,127	($2,127)	(3%)
C27001 - FY27 FIRE DEPT EQUIPMENT	$80,000	$0	$0	$0	$80,000	100%
C27002 - FY27 RESCUE DEPT EQUIPMENT	$40,000	$0	$0	$0	$40,000	100%
C27003 - FY27 CEMETERY IMPROVEMENTS	$10,000	$0	$0	$0	$10,000	100%
60005 - CAPITAL OUTLAY - IMPROVEMENTS TOTAL	**$1,716,000**	**$1,430**	**$666,881**	**$668,311**	**$1,047,689**	**61%**
000 - GENERAL GOVERNMENT TOTAL	**$1,716,000**	**$1,430**	**$666,881**	**$668,311**	**$1,047,689**	**61%**
DEPARTMENTS TOTAL	**$1,716,000**	**$1,430**	**$666,881**	**$668,311**	**$1,047,689**	**61%**

2026 Inspections Monthly Report

Month	New Construct	Building	Plumb	Mech	Electric	Gas	Accessory	Demo	Inspections	Permits Issued
January	7	164	74	67	80	44	2	1	448	165
February	7	140	74	44	74	15	2	0	369	127
March	5	193	102	48	90	27	5	0	497	153
April	12	203	70	76	93	29	2	0	525	185
May	9	155	66	53	81	40	0	1	422	193
June	14	198	80	72	92	41	1	1	540	213
July	8	213	70	63	105	16	3	1	543	205
August										
September										
October										
November										
December										

Planning Services Update – August 2026

Planning Board: Regular meetings of the Planning Board are every 3rd Thursday at 6 p.m. at the Indian Trail Meeting Hall.

- August 20, 2026, meeting is canceled since there are no zoning applications to review.
- July 16, 2026, meeting included a zoning map amendment for 1501 N Howe St and consideration of a UDO text amendment for data centers. Both items are on the August BOA agenda.

Board of Adjustment: Regular meetings of the Board of Adjustment are every 4th Tuesday at 4:30 p.m. at the Indian Trail Meeting Hall.

- The July 28, 2026, meeting was canceled since there were no cases for this meeting.
- The next meeting of the Board of Adjustment is August 25 and will include the swearing-in of new members and election of the chair and vice chair. There is a special use permit for an ADU, a variance, and an appeal of a code enforcement violation.

Forestry Committee: Regular meetings of the Forestry Committee are held every 2nd Tuesday at 5:00 p.m. at the Indian Trail Meeting Hall.

- The August 11th meeting includes continuing review of the draft UDO language for Section 3.18 Tree Protection and Landscape Preservation. The update of the ordinance will provide clear guidance on the tree removal process and mitigation requirements for all types of development and land uses throughout the city.

Other Projects/Updates:

- A community action team (CAT) meeting for the NC Resilient Coastal Communities Program (RCCP) Phase 1 & 2 was held on August 4. Members of the CAT reviewed critical assets for the city that will be included in the vulnerability analysis. A comprehensive risk and vulnerability assessment is used to develop a portfolio of prioritized resilience projects tailored to the community's needs.

- **RCCP Public Input Meeting – Receive input from the community about the risk and vulnerability assessment findings and projects proposed for implementation. This will be a free-flowing meeting with no formal presentation. Citizens can drop in when most convenient for their schedule.**
    - **Wednesday, September 2 from 5 p.m. to 8 p.m.**
    - **Community Center – 223 E Bay Street**

Information about the project is located on the city's website. https://www.cityofsouthport.gov/departments/development_services/southport_resilience_planning_project.php This project is fully funded by a grant from the RCCP and the Division of Coastal Management, through the General Assembly, and the National Fish & Wildlife Foundation.

- Staff attended the Rural Technical Coordination Committee (RTCC) meeting on Wednesday, August 5. The P.8 Prioritization for the State Transportation Improvement Program has started. Point assignments for regional impact projects were reviewed and the committee sent a recommendation of project funding to the Regional Transportation Advisory Committee (RTAC). Regional impact projects include US or Statewide transportation needs for air, rail, ferry or highway and multi county transit projects. The top scoring highway project in Brunswick County is the widening of NC 211 from Sunset Harbor Dr. to Midway Rd. The top non-highway project is the construction of additional ramps at Southport and Ft. Fisher ferry terminals.

    - The meeting also included a presentation by NCDOT introducing the newly launched web application that provides information on transportation projects across the state. Transportation categories include aviation, bicycle and pedestrian, bridge and structure, ferry, highway, public transportation, rail and other miscellaneous projects. The interactive map provides information on progress, timing, state and local contacts and plans of the project when available. You can check out the map at the following link. https://www.ncdot.gov/projects/ProjectsNearMe/default.aspx

- The annual Powell Bill statement of certification, street listing, map of municipal streets, and cost of maintenance and construction was completed and submitted for continued funding. Planning, Engineering, and Finance departments worked to complete the final submission.

- Staff meet monthly with regional partners to find ways to develop and extend the Gullah Geechee Heritage Trail corridor through Brunswick County. The goal is to have a trail extend from Navassa to Southport.

- The Multimodal Acceleration Plan has been distributed to the NCDOT IMD staff for review and comment. Upon completion, the plan includes project details for prioritized pedestrian and bicycle improvements, including cost estimates and funding opportunities. The list of prioritized projects helps communities be more competitive for grant funding. A multimodal grant from NCDOT funds the plan.

UDO/Map Amendments:

- Sandy Lane Map Amendment – Public Hearing August 13, 2026
- 1501 N Howe Street Annexation and Zoning Assignment – Public Hearing August 13, 2026
- Southport Crossings PUD Modification – Distributed for August 18, 2026, Technical Review Committee (TRC)

Minor/Major Site Plan

- Major Site Plan application for a retail project at Dutchman Village is being reviewed for compliance with TRC comments.

2026 Legislation Related to Zoning/Land Development

The UDO will be updated to reflect changes from the 2025-2026 Legislative Session. There will be one update with all changes when the session is complete.

The adopted State Budget includes changes to 160D Local Planning and Development Regulation and other sections of the statutes that relate to zoning and development. I have included excerpts from SL2026-41 for the zoning/development changes.

(25) The Auditor is responsible for receiving reports of disbursements from local governments in accordance with G.S. 159-28(b1). The Auditor shall (i) develop and make available to local governments the forms required to be submitted under G.S. 159-28(b1) and (ii) annually send all reports it receives from local governments under this subdivision to the Local Government Commission and the Joint Legislative Commission on Governmental Operations.

…."

SECTION 39.3.(d) This section is effective when it becomes law and applies to local government budgets adopted, and disbursements occurring, on or after that date.

ANNEXATION/PROHIBITED AREA CHARACTERISTICS

SECTION 39.4.(a) G.S. 160A-58.54 reads as rewritten:

"**§ 160A-58.54. Character of area to be ~~annexed.~~annexed; exception.**

…

(d) Notwithstanding the provisions of this section, a municipal governing board may not extend the municipal corporate limits to include any area that meets the criteria provided in subsection (a) of this section if the area, as a planned community, also meets all of the following:

(1) Has a minimum of 1,000 contiguous acres.

(2) Has the essential characteristics of a municipality, such as (i) a detailed plan of development, including residential and mixed-use properties, (ii) medical facilities, (iii) grocery stores, (iv) family recreational facilities, (v) schools, and (vi) a method of sharing expenses to support and maintain the area.

(3) Has access to services on substantially the same basis as services provided within a municipality, including police protection, fire protection, solid waste collection, street maintenance, and water and sewer."

SECTION 39.4.(b) This section is effective when it becomes law.

LOCAL LAND DEVELOPMENT REGULATORY CHANGES

SECTION 39.5.(a) G.S. 160D-1403.1 reads as rewritten:

"**§ 160D-1403.1. Civil action for declaratory relief, injunctive relief, other remedies; joinder of complaint and petition for writ of certiorari in certain cases.**

(a) Civil Action. – ~~Except as otherwise provided in this section for claims involving questions of interpretation, in~~ In lieu of any remedies available under G.S. 160D-405 or G.S. 160D-108(h), a person with standing, as defined in subsection (b) of this section, may bring an original civil action seeking declaratory relief, injunctive relief, damages, or any other remedies provided by law or equity, in superior court or federal court to challenge the enforceability, validity, or effect of a local land development regulation for any of the following claims:

(1) The ~~ordinance,~~ local land development regulation, either on its face or as applied, is unconstitutional.

(2) The ~~ordinance,~~ local land development regulation, either on its face or as applied, is ultra vires, preempted, arbitrary or capricious, or is otherwise in excess of statutory authority.

(3) The ~~ordinance,~~ local land development regulation, either on its face or as applied, constitutes a taking of property.

(4) A decision implementing a local land development regulation by an administrative official or decision-making board is unconstitutional, on its face or as applied, is in excess of statutory authority, is ultra vires, preempted, arbitrary or capricious, made upon unlawful procedure, made in error of law, or is an abuse of discretion.

(a1) Appeals of Administrative Decisions. – If the decision being challenged under subsection (a) of this section is from an administrative official charged with enforcement or interpretation of a local land development regulation, the party with standing ~~must first~~ may, but is not required to, bring ~~any~~ that claim ~~that the ordinance was erroneously interpreted~~ to the applicable board of adjustment pursuant to G.S. 160D-405. An adverse ruling from the board of adjustment may then be challenged in an action brought pursuant to this subsection with the court hearing the matter de novo together with any of the claims listed in this subsection. Failure to appeal to the board of adjustment shall not be deemed a failure to exhaust administrative remedies for purposes of an action brought under this section.

(b) Standing. – Any of the following criteria provide standing to bring an action under this section:

(1) The person has an ownership, leasehold, or easement interest in, or possesses an option or contract to purchase the property that is the subject matter of a final and binding decision made by an administrative official or decision-making board charged with applying or enforcing a land development regulation.

(2) The person was a development permit applicant or a person applying for a development approval before the decision-making board whose decision is being challenged.

(3) The person was a development permit applicant or a person applying for a development approval who is aggrieved by a final and binding decision of an administrative official charged with applying or enforcing a land development regulation.

(4) An association, organization, society, or entity whose membership is comprised of an individual or entity identified in subdivision (1), (2), or (3) of this subsection and whose purposes are germane to the matter in controversy; provided, however, that an action brought by an association, organization, society, or entity under this subdivision may not seek damages that require individualized proof of injury to one or more individual members. An association, organization, society, or entity under this subdivision may seek a declaration that a tax, fee, or monetary contribution imposed for a development or development approval is illegal and, upon a final determination that it is illegal, the tax, fee, or monetary contribution shall be returned, as provided by G.S. 160D-106.

(c) Time for Commencement of Action. – Any action brought pursuant to this section shall be commenced within ~~one year after the date on which written notice of the final decision is delivered to the aggrieved party by personal delivery, email, or by first-class mail.~~three years of the accrual of the cause of action. Such an action accrues when the party bringing the action first has standing to do so. A cause of action for the recovery of a tax, fee, or monetary contribution related to a land development regulation, as defined in G.S. 143-755, a development regulation, or a development or development approval, accrues upon the payment of the tax, fee, or monetary contribution.

(d) Joinder. – An original civil action authorized by this section may, for convenience and economy, be joined with a petition for writ of certiorari and decided in the same proceedings. The Rules of Civil Procedure govern the parties for the claims raised in the original civil action. The record of proceedings in the appeal pursuant to G.S. 160D-1402 shall not be supplemented by discovery from the civil action unless supplementation is otherwise allowed under G.S. 160D-1402(i). The standard of review in the original civil action for the cause or causes of action pled as authorized by ~~subsection (a)~~ subdivisions (1), (2), and (3) of subsection (a) of this section is de novo. The standard of review in the original civil action for any cause of action pled as authorized by subdivision (4) of subsection (a) of this section challenging a quasi-judicial

decision is the standard set forth in G.S. 160D-1402(j), and the court shall review the record made before the decision-making board. The standard of review of the petition for writ of certiorari is the standard established in G.S. 160D-1402(j).

(e) Action Not Rendered Moot by Loss of Property. – Subject to the limitations in the State and federal constitutions and State and federal case law, an action filed under this section is not rendered moot, if during the pendency of the action, the aggrieved person loses the applicable property interest as a result of the local government action being challenged and exhaustion of an appeal described herein is required for purposes of preserving a claim for damages under this section.

(f) Stays. – An appeal under this section is stayed as provided in G.S. 160D-405.

(g) Definitions. – ~~The definitions in G.S. 143-755 apply in this section.~~In addition to the definitions set forth in G.S. 143-755, the following definitions apply to this section:

(1) Decision implementing a local land development regulation. – Includes any of the following:
  a. The grant or denial of a development approval, as defined in G.S. 160D-102, including any conditions imposed on the development approval.
  b. An issuance or denial of a development permit, as defined in G.S. 143-755, including any conditions imposed on the development permit.
  c. A decision made in response to an application or a request relating to a development permit, including a conditional zoning or rezoning decision.
  d. A determination under G.S. 160D-403(b1).
  e. A notice of violation, order, or other enforcement action issued by an administrative official or decision-making board.

(2) Local land development regulation. – Includes the following legislative decisions made by a local government:
  a. A development regulation, as defined in G.S. 160D-102.
  b. A land development regulation, as defined in G.S. 143-755."

SECTION 39.5.(b) G.S. 1-54(10) is repealed.

SECTION 39.5.(c) G.S. 1-52 is amended by adding a new subdivision to read:

"(21) Actions contesting the validity of any zoning or unified development ordinance or any provision adopted under Chapter 160D of the General Statutes or other applicable law, other than an ordinance adopting or amending a zoning map. Such an action accrues when the party bringing the action first has standing to challenge the ordinance."

SECTION 39.5.(d) G.S. 160D-1405 reads as rewritten:

"**§ 160D-1405. Statutes of limitation.**

(a) Zoning Map Adoption or Amendments. – A cause of action as to the validity of any regulation adopting or amending a zoning map adopted under this Chapter or other applicable law or a development agreement adopted under Article 10 of this Chapter accrues upon adoption of the ordinance and shall be brought within 60 days as provided in G.S. 1-54.1.

(b) Text Adoption or Amendment. – Except as otherwise provided in subsection (a) of this section, an action challenging the validity of a development regulation adopted under this Chapter or other applicable law shall be brought within ~~one year~~ three years of the accrual of the action as provided in ~~G.S. 1-54(10).~~ G.S. 1-52(21). The action accrues when the party bringing the action first has standing to challenge the ordinance. A challenge to an ordinance on the basis of an alleged defect in the adoption process shall be brought within three years after the adoption of the ordinance as provided in ~~G.S. 1-54(10).~~G.S. 1-52(21).

(c) Enforcement Defense. – Nothing in this section or in ~~G.S. 1-54(10)~~ G.S. 1-52(21) or G.S. 1-54.1 bars a party in an action involving the enforcement of a development regulation or in an action under G.S. 160D-1403.1 from raising as a claim or defense the enforceability or the invalidity of the ordinance. Nothing in this section or in ~~G.S. 1-54(10)~~ G.S. 1-52(21) or G.S. 1-54.1 bars a party that files a timely appeal from an order, requirement, decision, or determination made by an administrative official contending that the party is in violation of a development regulation from raising in the judicial appeal the invalidity of the ordinance as a defense to the order, requirement, decision, or determination. A party in an enforcement action or appeal shall not assert the invalidity of the ordinance on the basis of an alleged defect in the adoption process unless the defense is formally raised within three years of the adoption of the challenged ordinance.

…

(d) Quasi-Judicial Decisions. – ~~Unless specifically provided otherwise,~~ Except as otherwise provided in G.S. 160D-1403.1 or any other law, a petition for review of a quasi-judicial decision shall be filed with the clerk of superior court by the later of 30 days after the decision is effective or after a written copy of it is given in accordance with G.S. 160D-406(j). When first-class mail is used to deliver notice, three days shall be added to the time to file the petition.

(e) Others. – Except as provided by this section, the statutes of limitations are as provided in Subchapter II of Chapter 1 of the General Statutes."

SECTION 39.5.(e) G.S. 160D-403 is amended by adding a new subsection to read:

"(b1) Interpretive Determinations. – Upon written request by a person listed under G.S. 160D-1403.1(b), a local government, acting through an administrative official or staff designated pursuant to subsection (b) of this section, shall issue a written determination regarding the applicability or interpretation of a development regulation enacted under the authority of this Chapter to a given state of facts. Upon issuance, the determination shall be binding on the local government and the person requesting the determination, unless the determination is altered or set aside by a decision-making board or a court of competent jurisdiction. The notice and posting requirements of subsection (b) of this section shall apply to any determination requested under this subsection."

SECTION 39.5.(f) G.S. 160D-405(b) reads as rewritten:

"(b) Standing. – Any person who has standing under G.S. 160D-1402(c) or G.S. 160D-1403.1(b), or the local ~~government~~ government, may appeal an administrative decision to the board. An appeal is taken by filing a notice of appeal with the local government clerk or a local government official designated by ordinance. The notice of appeal shall state the grounds for the appeal."

SECTION 39.5.(g) G.S. 143-755 reads as rewritten:

"**§ 143-755. Permit choice.**

(a) If a development permit applicant submits a permit application for any type of development and a rule or ordinance is amended, including an amendment to any applicable land development regulation, between the time the development permit application was submitted and a development permit decision is made, the development permit applicant may choose which adopted version of the rule or ordinance will apply to the permit and use of the building, structure, or land indicated on the permit application. If the development permit applicant chooses the version of the rule or ordinance applicable at the time of the permit application, the development permit applicant shall not be required to await the outcome of the amendment to the rule, map, or ordinance prior to acting on the development permit. If an applicable rule or ordinance is amended after the development permit is wrongfully denied or after an illegal condition is imposed, as determined in a proceeding challenging the permit denial or the condition imposed, the development permit applicant may choose which adopted version of the rule or ordinance will apply to the permit and use of the building, structure, or land indicated on the permit application. Provided, however, any provision of the development permit applicant's chosen

version of the rule or ordinance that is determined to be illegal for any reason shall not be enforced upon the applicant without the written consent of the applicant.

(a1) If an applicant submits a rezoning application, including an application for conditional rezoning, and the land development regulations are amended between the time the rezoning application is submitted and a decision on the rezoning application is made, the rezoning applicant may choose which adopted version of the land development regulations will apply to the property requested to be rezoned. If the rezoning applicant chooses the version of the land development regulations applicable at the time of the rezoning application, the rezoning applicant shall not be required to await the outcome of the amendment to the land development regulations prior to having the rezoning application determined.

(b) This section applies to all development permits issued by the State and by local governments.

…

(e) For purposes of this section, the following definitions apply:

(1) Development. – Without altering the scope of any regulatory authority granted by statute or local act, any of the following:

a. The construction, erection, alteration, enlargement, renovation, substantial repair, movement to another site, or demolition of any structure.
b. Excavation, grading, filling, clearing, or alteration of land.
c. The subdivision of land as defined in G.S. 160D-802.
d. The initiation of substantial change in the use of land or the intensity of the use of land.

(2) Development permit. – An ~~administrative~~ administrative, legislative, or quasi-judicial approval that is written and that is required prior to commencing development or undertaking a specific activity, project, or development proposal, including any of the following:

a. Zoning permits.
b. Site plan approvals.
c. Special use permits.
d. Variances.
e. Certificates of appropriateness.
f. Plat approvals.
g. Development agreements.
h. Building permits.
i. Subdivision of land.
j. State agency permits for development.
k. Driveway permits.
l. Erosion and sedimentation control permits.
m. Sign permit.
n. Conditional zoning approvals.
o. Rezoning approvals.
p. Stormwater permits.

(3) Land development regulation. – Any State statute, rule, or regulation, or local ordinance affecting the development or use of real property, including any of the following:

a. Unified development ordinance.
b. Zoning regulation, including zoning maps.
c. Subdivision regulation.
d. Erosion and sedimentation control regulation.
e. Floodplain or flood damage prevention regulation.

f. Mountain ridge protection regulation.
g. Stormwater control regulation.
h. Wireless telecommunication facility regulation.
i. Historic preservation or landmark regulation.
j. Housing code."

SECTION 39.5.(h) G.S. 6-21.7 reads as rewritten:

"**§ 6-21.7. Attorneys' fees; cities or counties acting outside the scope of their authority.**

(a) In any action in which a city or county is a party, upon a finding by the court that the city or county violated a statute or case law setting forth unambiguous limits on its authority, the court shall award reasonable attorneys' fees and costs to the party who successfully challenged the city's or county's action. For purposes of this subsection, "unambiguous" means that the limits of authority are not reasonably susceptible to multiple constructions.

(b) In any action brought under G.S. 160D-1403.1 in which a city or county is found to be liable, the court shall award reasonable attorneys' fees and costs to the party who successfully challenged the city's or county's action.

(c) In any action in which a city or county is a party, upon finding by the court that the city or county took action inconsistent with, or in violation of, G.S. 160D-108(b) or G.S. 143-755, the court shall award reasonable attorneys' fees and costs to the party who successfully challenged the local government's failure to comply with any of those provisions.

(d) ~~In all other matters,~~ Except as otherwise provided in this section, the court may award reasonable attorneys' fees and costs to the prevailing private litigant. ~~For purposes of this section, "unambiguous" means that the limits of authority are not reasonably susceptible to multiple constructions.~~"

TRIBAL SPORTS WAGERING TECHNICAL CORRECTION

SECTION 39.6.(a) G.S. 14-292.2(e)(3) reads as rewritten:

"(3) Sports wagering. ~~– The placing of wagers on the outcome of professional and collegiate sports contests.~~ As defined in G.S. 18C-901. For purposes of this subdivision, the wager shall be deemed to occur where it is initiated and received, all of which must occur on Indian lands within the State lawfully permitted to conduct Class III gaming activities pursuant to G.S. 14-292.2(a)."

SECTION 39.6.(b) Subsection (a) of this section is effective when this section becomes law and applies to wagers placed on or after that date.

LABOR ORGANIZATION AGREEMENT CHANGES

SECTION 39.7.(a) G.S. 95-79 reads as rewritten:

"**§ 95-79. Certain agreements declared illegal.**

(a) Any agreement or combination between any employer and any labor union or labor organization whereby persons not members of such union or organization shall be denied the right to work for said employer, or whereby such membership is made a condition of employment or continuation of employment by such employer, or whereby any such union or organization acquires an employment monopoly in any enterprise, is hereby declared to be against the public policy and an illegal combination or conspiracy in restraint of trade or commerce in the State of North Carolina.

(b) Any provision that directly or indirectly conditions the purchase of agricultural products, the terms of an agreement for the purchase of agricultural products, or the terms of an agreement not to sue or settle litigation upon an agricultural producer's status as a union or nonunion employer or entry into or refusal to enter into an agreement with a labor union or labor organization is invalid and unenforceable as against public policy in restraint of trade or commerce in the State of North Carolina. Further, notwithstanding G.S. 95-25.8, an agreement requiring an agricultural producer to transfer funds to a labor union or labor organization for the

Protecting Quality of Life

Alliance Code Enforcement LLC

July Monthly Report
City of Southport

Updated
August 3, 2026

ADDRESS	VIOLATION	STATUS
416 E Bay St	ZV	OPEN
724 N Lord St	MH/JP	ORDINANCE
806 Clarendon Ave	MH/JV/JP	ORDINANCE
803 Clarendon Ave	JV	OPEN
813 Clarendon Ave	MH	ORDINANCE
801 N Caswell Ave	MH	OPEN
306 W 9th St	MH/OL	ORDINANCE
926 Hankinsville Rd	MH/JP/OL	ORDINANCE
913 Hankinsville Rd	MH	ORDINANCE
301 W 11th St	MH	HOLD
712 Clarendon Ave	JV	OPEN
409 N Lord St	MH	OPEN
410 N Lord St	MH	ORDINANCE
305 Yaupon Dr Ext	JP/OL	OPEN
503 Clarendon Ave	JP	OPEN
401 N Fodale Ave	OL	ABATED
605 Clarendon Ave	MH/JP	ORDINANCE
315 W 8th St	JV/JP	OPEN
825 N Caswell Ave	OL/JP/MH	ORDINANCE
829 N Caswell Ave	MH/OL	ORDINANCE
228 W 9th St	JP	OPEN
609 W 11th St	ZV	HOLD
514 W 11th St	JV/JP	ABATED
1012 N Caswell Ave	JP	ABATED
210 N Fodale Ave	JP	OPEN
210 E Brown St	JV	OPEN
807 N Howe St	JV	OPEN
1211 N Caswell Ave Apt 3C	MH	OPEN
1211 N Caswell Ave Apt 6C	MH	OPEN
PID 237EC036 Clarendon Ave	OL/JV	OPEN
718 Clarendon Ave	OL/JP	OPEN
520 N Caswell Ave	OL	OPEN

Protecting Quality of Life

Alliance Code Enforcement LLC

July Monthly Report
City of Southport

Updated
August 3, 2026

115 E Owens St	OL	**OPEN**
620 N Caswell Ave	OL	**OPEN**
206 Frink Dr	OL	**OPEN**
507 N Caswell Ave	JV	**OPEN**
215 W 11th St	JP	**OPEN**
803 Clarendon Ave	MH/JP	**OPEN**
609 N Caswell Ave	OL	**OPEN**
116 E Owens St	MH	**OPEN**
306 N Fodale Ave	OL	**OPEN**
315 Clarendon Ave	OL/JP/MH	**OPEN**
730 N Lord St	OL	**OPEN**
PID 237LA01901 Clarendon Ave	OL/MH/JP	**OPEN**
914 Hankinsville Rd	JP	**OPEN**
802 Clarendon Ave	MH	**OPEN**
705 Cape Harbor Rd	JV/JP	**ABATED**
314 E Moore St	MH/JP/OL	**OPEN**
914 Hankinsville Rd	JP	**ABATED**
700 E Leonard St	OL	**ABATED**
PID 237EA02202 N Lord St	JV	**OPEN**
202 W 8th St	OL	**OPEN**
615 N Caswell Ave	OL	**ABATED**
PID 237EB041 Clarendon Ave	ZV	**OPEN**
1023 N Caswell Ave	MH	**ABATED**
314 N Rhett St	OL	**ABATED**
402 N Lord St	OL	**OPEN**
608 Burrington Rd	OL	**ABATED**
630 N Fodale Ave	JP/OL	**ABATED**
402 N Atlantic Ave Apt 1	JP	**ABATED**
1110 N Lord St	JP	**ABATED**
1126 N Caswell Ave	JP	**ABATED**
1013 N Caswell Ave	JP	**ABATED**
PID 237ED034 N Lord St	JV/JP	**OPEN**
313 W 11th St	OL	**OPEN**

Protecting Quality of Life

Alliance Code Enforcement LLC	July Monthly Report City of Southport	Updated August 3, 2026

502 W 11th St	OL	**OPEN**
504 W 11th St	OL	**OPEN**
603 N Fodale Ave	JP	**OPEN**
605 N Fodale Ave	JP	**OPEN**
607 N Fodale Ave	OL	**ABATED**
613 N Fodale Ave	OL	**OPEN**
804 Cape Harbor Dr	OL	**OPEN**
829 N Caswell Ave	OL	**OPEN**

MONTHLY HIGHLIGHTS

- During the month of July, we focused on previously opened cases in an effort to bring properties into compliance and opened an additional 15 Cases. After contacting property owners, we successfully ABATED and CLOSED 16 cases. We have opened and addressed a total of 556 Cases to date.

- **630 N Fodale Ave.** – Case was opened in reference to Nuisance/Junk pile due to multiple items stored around multiple accessory structures including but not limited to trash/debris/building materials/totes/etc. and Nuisance/Overgrowth. After contacting the property owner, the overgrowth was cut and the junk was removed. Case is Abated and Closed.

- **402 N Atlantic Ave. Apt 1** – Case was opened in reference to an Nuisance/ Junk pile due to mattresses being discarded near the road. After contacting the property owner, the mattresses were removed. Case is Abated and Closed.

- **1126 N Caswell Ave.** – Case was opened in reference to Nuisance/Junk Pile of wood boards and OSB Board as well as various other open storage items. After contacting the property owner, the open storage /junkpile was removed. Case is Abated and Closed.

Protecting Quality of Life

Alliance Code Enforcement LLC | July Monthly Report City of Southport | Updated August 3, 2026

MONTHLY HIGHLIGHTS CONT.

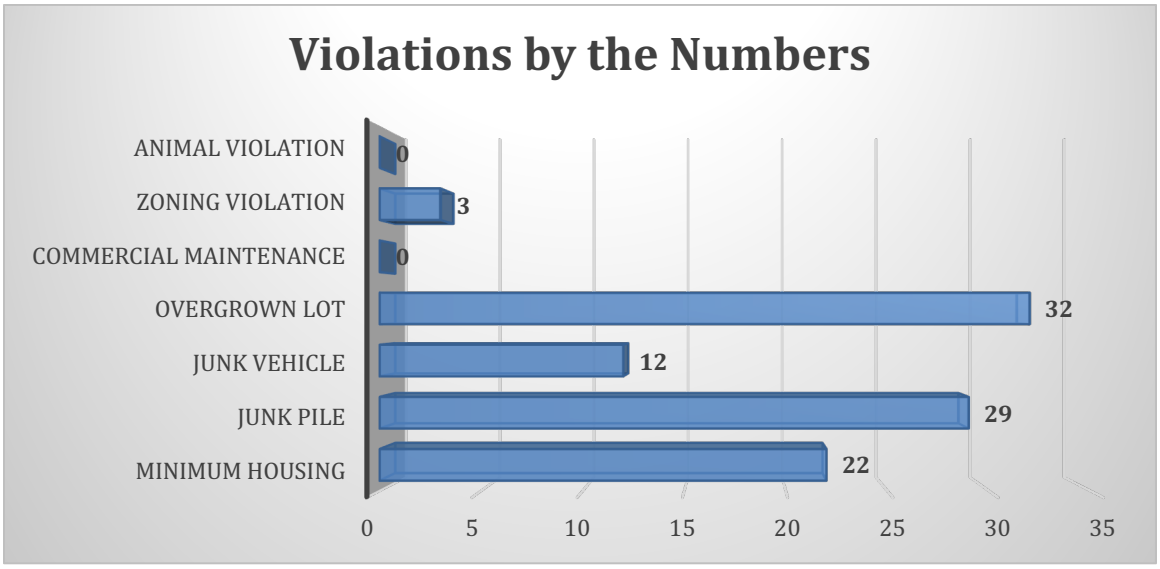
- **1110 N Lord St.** – Case was opened in reference to a Nuisance/Junk Pile/Open Storage of a boat motor in the yard. After contacting the property owner, the motor was removed. Case is Abated and Closed.
- **607 N Fodale Ave.** – Case was opened in reference to an Overgrown Lot due to grass and weeds exceeding the maximum limit allowed per the City Ordinances. After contacting the property owner, the overgrowth was cut. Case is Abated and Closed.
- **1013 N Caswell Ave.** – Case was opened in reference to Nuisance of open storage due to two row boats being stored outside the property fence and by the road. After contacting the property owner, the boats were removed. Case is Abated and Closed.
- **608 Burrington Rd.** – Case was opened in reference to an Overgrown Lot due to grass and weeds exceeding the maximum limit allowed per the City Ordinances. After contacting the property owner, the overgrowth was cut. Case is Abated and Closed.
- **1023 N Caswell Ave.** – Case was opened in reference to Minimum Housing Due to a Residential structure with a deteriorated/warped roof with a chimney that is separating from the structure. After contacting the property owner, the chimney was removed, and the roof was repaired. Case is Abated and Closed.
- **314 N Rhett St.** – Case was opened in reference to an Overgrown Lot due to grass and weeds exceeding the maximum limit allowed per the City Ordinances. After contacting the property owner, the overgrowth was cut. Case is Abated and Closed.

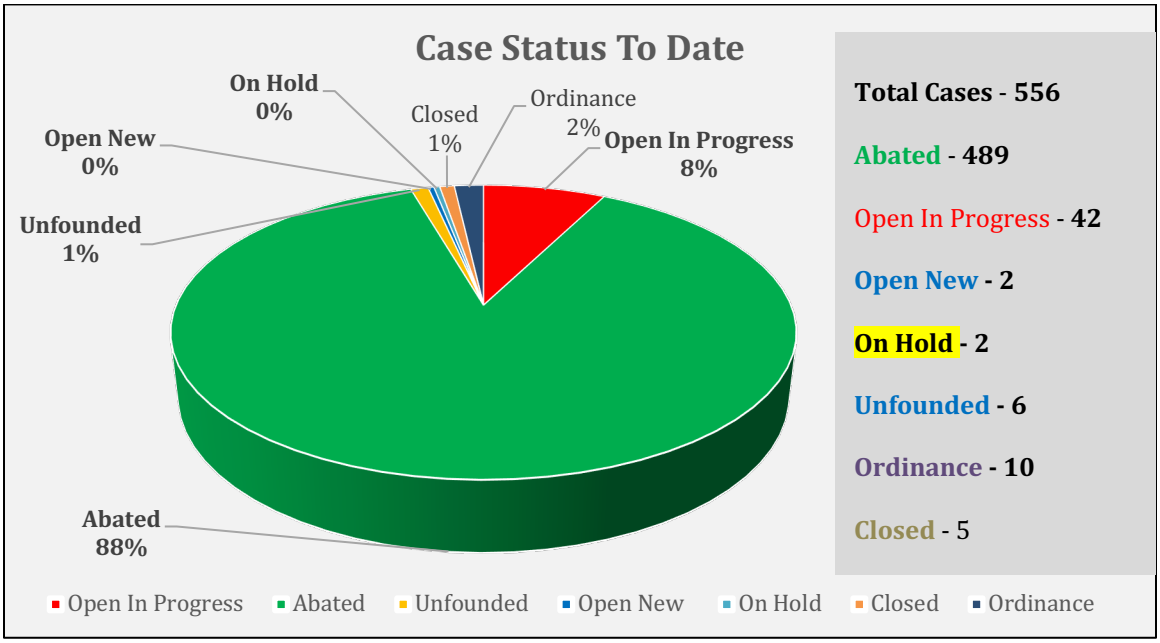
Protecting Quality of Life

Alliance Code Enforcement LLC

July Monthly Report
City of Southport

Updated
August 3, 2026





POLICE

Monthly Summary

Police Department

Animal Protective Services

JULY 2026

Chief Todd Coring
910-457-7913
tcoring@cityofsouthport.com

Southport Police Department

INCIDENT / OFFENSES

Total Calls for Service: 1393

General Calls *(some)*

Alarms – 14
Meet Complainant – 81
Suspicious Persons/Activity –35
Shoplifter – 2
Disturbance & Domestic Calls – 23
911 Hang-Ups – 5

Traffic Calls

Traffic Stops – 107
Motor Vehicle Accidents – 22
Hit/Runs – 2
Drunk Driver/C&R/ATL – 32

ARREST / CITATION / CHARGES

Arrest – 10
Citations & Warnings – 94 City – 9

APS Division

Service Calls – 58
Bites – 0 Rabies – 0 Impound – 12 (surrenders)
Citation/Warnings – 2 Docupet – 51 of 696

PD Community Engagement

Special Events/Checks/Patrols – 808
Golf Cart Registrations – 945
ABC Permits Issued – 3 Film – 1
Special Event Permits – 8
Community Events – 16

2026 NC4th of July at Waterfront Park. Another great festival.

Professionalism, Integrity & Service Above Self