

KURE BEACH TOWN COUNCIL  
PUBLIC HEARING  
OCTOBER 30, 2007  
7:30pm

**MINUTES**

**COUNCIL MEMBERS PRESENT:**

Mayor	Tim Fuller
Mayor Pro Tem	Mac Montgomery
Commissioner	Jim Dugan
Commissioner	Dean Lambeth

**COUNCIL MEMBERS ABSENT:**

Commissioner	Bill Ufferman
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**STAFF PRESENT:**

Town Clerk	Nancy Avery
Finance Officer	Susan Suggs
Building Inspector	John Batson

Town attorneys A.A. Canoutas and Holt Moore were in attendance

1. Call to order

Mayor Fuller called the public hearing to order at 7:31pm stating the purpose of the public hearing is to give notice of intent and receive comments on financing the acquisition of real property in the amount of \$3,600,000.00.

Mayor Fuller stated that the Town has entered into a contract assigned by PAW Investment Group, LLC with SF Holdings of Wilmington, LLC to purchase lots 2, 3, 4 and 5 of block 10, 105 Atlantic Avenue, Kure Beach in the amount of \$3,600,000.00. Mayor Fuller said that the property will be used as a public park for public access for such purposes as restrooms, seating, outdoor pavilion, storm water drainage, and parking. The Town intends to finance the acquisition over a 20 year period, at an interest rate of 4.280% with an annual arrears payment of \$334,080, with no prepayment penalty. Earnest money is \$25,000.

Mayor Fuller introduced State Senator Julia Boseman acknowledging that Ms. Boseman's law firm has been acting as the Town's agent on this land acquisition.

Mayor Fuller stated the full Council is behind this land purchase and is in agreement that \$3,600,000 is a great deal of money and the Council has until December 4, 2007 to back out of this agreement without loss of earnest money and will do so if grant funding isn't available. The Council won't continue if the full burden will fall on the taxpayers.

Mayor Pro Tem Montgomery stated that the Town has an excellent track record in the state for receiving grants and recently received approval of a \$541,000 grant to renovate the sewer system along Ft. Fisher and Atlantic Avenues, bringing total grants to \$800,000

in 2007 alone. Mayor Pro Tem Montgomery also stated that the Town has received \$750,000 in grants in the last four years – more than any other area.

Mayor Pro Tem Montgomery commented that the goal is to build a partnership and alliance with agencies across the state for grant assistance in developing the land as a public park. He said that he has personally met with representatives of CAMA (Division of Coastal Management), the NC Parks & Recreation Trust Fund, the Clean Water Management Trust Fund for storm water grant funding, the Division of Marine Fisheries, and Congressman Mike McIntyre's staff along with US representative Danny McComas' staff for funding support. He indicated that every agency is optimistic about this project and this Council feels these agencies will get behind this and we will be successful in acquiring the grants we need.

Commissioner Dugan stated that if this purchase works out, it removes the on going problems we have had. He said he strongly feels like this is building a new mall, and this will be the anchor store to build a new downtown area. He stated that hopefully this will expand on the redevelopment proposal. Commissioner Dugan said that the one thing we don't want to do is put a financial burden on the Town for the sake of a good project. If we believe this is going to be too much of a financial burden for the community, we will walk away.

Commissioner Lambeth stated that he believes this a first step to B1 business district renovation plan and that a lot of midnight hours have been spent over this. He stated that the Council needs the backing of the citizens of Kure Beach to help pull this off.

Mayor Fuller clarified that this will resolve a lot of controversy and legal issues surrounding this property, but it will not impact the Land Use Plan amendment and the council will continue with the amendment. He said that the council is unanimous in it's belief that once this land is acquired, this will become a community effort. He stated Council has spoken with department heads, and will go through Planning & Zoning and all committees for input in the design and effort.

Mayor Fuller stated that the Town can not enter into debt without approval and this is one of the reasons North Carolina municipalities have such good credit standing. He stated that this public hearing is part of the process for application for approval to finance. The Local Government Commission will decide on our application on December 4, 2007.

## 2. Opening of public hearing and receiving of comments

1. Mike Smith, resident of Settlers Lane, stated he was curious whether the Town has discussed on going development costs to this property. Demolition costs alone will be significant.

Mayor Fuller responded that yes, we have, and we are still assessing costs for improvements, enforcement, fire protection, zoning etc. He said the Council has developed a sketch to use as a basis for determining costs. He stated that the sale price is

\$3,600,000, but Council feels the rough total project budget will be \$4,000,000. Mayor Fuller also commented that this will dovetail with grants to improve the boardwalk.

Mayor Pro Tem Montgomery replied that grants the Council is pursuing now are for acquisition, but that the same agencies offer grants for improvements.

2) Gilbert Alphin, resident and business owner, stated that since the Rolling Surf motel was a commercial business that closed 3 or so years ago and produced income for the Town, was this loss of income considered? Do you know what the income was? What was the amount of the earnest money?

Mayor Fuller stated that the motel had been closed for at least 5 years, was appraised at \$3.1million, but we haven't done the arithmetic on the tax. The earnest money is \$25,000.

3) Barry Nelder, resident asked why do we have such a deadline of December 5? Do we have enough time to do what we need to do?

Senator Boseman replied that Dec. 4<sup>th</sup> is the date the Local Government Commission meets and that the seller is only willing to sell by the end of this year.

4) Gabby Krause, resident, expressed his appreciation for the efforts, fine job and thoroughness in preparing for this meeting. He said he understands that Senator Boseman is doing all this work pro bono, and thinks she should be congratulated.

Senator Boseman stated she will receive a commission from the seller, but that there is no cost to the Town.

4) Tommy Full, resident, stated he hopes this doesn't hit the fan.

5) Tom Barber, resident of Settlers Lane, thanked the Council saying I think it is great and it will be good for Kure Beach. Mr. Barber asked how much of a reasonable finance shortage is the Council willing to take on? He said that he would hate to see this fall to the south side because of being \$250,000 short. He stated that a penny on the tax base would raise \$120,000.

Mayor Fuller replied that is a good point and Council would appreciate hearing the residents comfort zone with taking on debt. He said that the Council has verbal commitments of well over \$2 million dollars and we still haven't talked with everyone. He stated the Council is also meeting with the county and getting financial advice from our banker and the Local Government Commission. Mayor Fuller said that Council feels if we get reasonable confirmations of \$3million, we'd feel ok with proceeding.

6) Fred Tesch, resident, stated he thought it would be in the neighborhood of \$400,000 to fix up this property. He said that before making this statement, Council needs to decide how much tearing down and disposing of the building is going to cost.

Mayor Fuller replied that Council expects it to be in the range of \$100-\$200,000 and we need everybody's support, comments and advice.

3. Closing of public hearing

After determining there were no more comments from the public, Mayor Fuller closed the public hearing at 8:03pm.

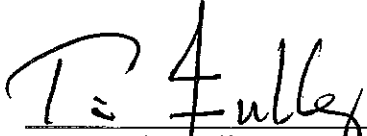
ACTION – Commissioner Dugan MADE THE MOTION to excuse Commissioner Ufferman from the voting due to illness. Commissioner Lambeth seconded the motion THE VOTE OF APPROVAL WAS UNANIMOUS

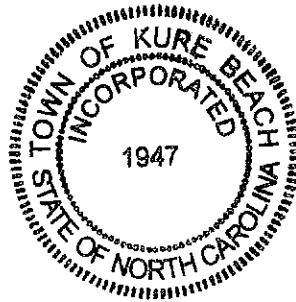
ACTION – Commissioner Lambeth MADE THE MOTION to approve the contract between SF Holdings of Wilmington, LLC and Paw Investment Group LLC, as assigned to the Town, adopt resolution R07-15 notice of intent to finance acquisition of real property in the amount of \$3,600,000.00, adopt resolution R07-16 approving financing terms with BB&T bank, approve budget amendment number 5 transferring \$25,000 from the general fund to land acquisition and authorize staff to submit an application to the Local Government Commission.

Mayor Fuller read both resolutions R07-15 and R07-16. Mayor Pro Tem Montgomery seconded the motion. THE VOTE OF APPROVAL WAS UNANIMOUS

6. Adjournment

ACTION - Mayor Pro Tem Montgomery MADE THE MOTION to adjourn at 8:12pm. Commissioner Dugan seconded the motion. THE VOTE OF APPROVAL WAS UNANIMOUS

  
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Tim Fuller, Mayor



ATTEST:

  
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Nancy Avery, Town Clerk