



TOWN OF SURF CITY

February 21, 2020 WORK SESSION MINUTES

Agenda

2:00 PM / Friday, February 21, 2020

Surf City Welcome Center, 102 N. Shore Drive

Council Members Present:

Douglas C. Medlin, Mayor

Donald Helms

Teresa Batts

Dwight Torres

Call to Order

Mayor Douglas C. Medlin, Mayor

Invocation & Pledge

Introductions & Welcome

Approval of the Agenda

Mr. Helms made a motion to approve the agenda as presented. Mrs. Batts seconded the motion and it was carried.

Town Council Work Plan Items:

Old Business:

1. Final Plat Approval: Waterside Phase 1A

Mrs. Kimes presented the Waterside Phase 1A final plat for approval. The signature of the final plat will not allow them to get a building permit until the fire flow is complete. Nor can a Certificate of Occupancy be issued until the intersection traffic light is complete. She explained the timeline for the installation of the traffic light at JH Batts and Hwy 50.

There were conversations regarding the paving on JH Batts.

Mrs. Batts made a motion for final plat approval for Waterside Phase 1A. Mr. Torres seconded the motion and it was carried.

New Business Discussion Items:

2. Advisory Committee Appointment: Parks & Recreation - Nicholas Tormala
The council made a motion to appoint Nicholas Tormala to the Parks & Recreation Committee.

The council came to a consensus to place Dwight Torres as an alternate to the planning board, emergency management and the TISPC to aid Teresa Batts.

3. Special Events Sponsorship Request

The council came to a consensus to move forward with sponsorships to include the application and park rental fees for Bridge Day 5k, Hampstead Kiwanis Fun Run, and Dolphin Dip 2021.

4. Discussions of MOU with Holly Ridge: Summer Camp Programs

Mr. Chad Merritt, Parks & Recreation Director discussed an agreement with Holly Ridge to expand the town's summer camp program. This would allow for more children and to use the facilities at the Holly Ridge Community Center. The addition could accommodate an additional 400 campers. It would be a 60/40 cost share with Surf City hiring additional personnel, upfront costs of fields trips, t-shirts and other ancillary cost. Holly Ridge would provide the facilities and pay for transportation cost.

The council came to the consensus to move forward with the summer camp program with Holly Ridge.

5. Ordinance Amendment: 2020-01 Fire Prevention & Protection

Chief Wilson, Fire Chief, discussed ordinance amendments for the fire prevention ordinances.

6. Beach Nourishment Update

FEMA Emergency Berm/Sand Haul:

The Town Council approved a \$2 million dollar budget ordinance amendment Tuesday, February 4th at their regular scheduled monthly meeting. The additional funding will continue the construction of the FEMA Emergency berm from the pier, north to the N. Topsail Beach town line. This will be for all properties that have not previously received sand after Hurricane Florence. The current contractor, CM Mitchell Construction is expected to begin in the upcoming weeks. We ask that all homeowners remove stairs if they do not want them covered with the new berm. All properties north of the pier are asked to remove sand fencing as well.

Federal Storm Mitigation Project:

Staff received information pertaining to the potential property acquisition on N. Shore Drive. The dwelling in question was removed from the property in 2013 due to the homes condition at that time. Staff forwarded tax data and pictures to Army Corps for confirmation. We are still awaiting approval from NCDOT on right-of-parking at two specific beach accesses along S. Shore Drive. Utilizing a template provided by the USACE, Staff will utilize current and historical aerial photography to determine property status. Property status is divided into several categories based on location of the dune structure. This data is expected to be collected and completed by early next week. This ultimately determines the ability of the Town to obtain the cost-share provided by the USACE. Staff has scheduled a Hurricane Preparedness and Beach Nourishment meeting for April 18th from 9:00am to Noon at the Welcome Center. The Army Corps design engineer is expected to complete the validation of the real estate lines against the more recent survey information any day. Once these are received the town attorney can draft the perpetual easements for all oceanfront property owners.

The federal project is estimated to add an additional 13 million cubic yards of sand to the beach, build a new dune and widen the beach to 150'. Oceanfront citizens should expect to receive copies of perpetual easements within the next month. These perpetual easements will need to be signed and notarized, and the originals returned to the clerk's office at 201 Community Center Drive or PO Box 2475 Surf City, NC 28445. Surf City offers free printing services and notarization for all easements, Monday – Friday 8:30 am – 4:30 pm. Any questions can be addressed at 910-328-4131x106.

7. Town Hall Update

Overview

Purpose: To construct a new governmental building on new location to accommodate the Town Hall functions of the Town of Surf City, NC. These functions are generally defined as including administration, police/public safety, emergency management, and meeting space for various boards and committees, including the Surf City Town Council.

Need: Due to the effects of Hurricane Florence, the existing Town Hall structure is uninhabitable. Staff of the aforementioned functions have been dispersed throughout Town to accommodate the citizens of Surf City. The Town will have to build a new town hall structure to provide town services.

Site: The site of the proposed Surf City Town Hall project is located on Pender County PIN 4235-28-0282-0000, consisting of approximately 2.9 acres. The site sits internal to the existing "Publix" shopping center located at 2761/2765 NC 210. Main point of ingress and egress is provided by a stop light off NC 210.

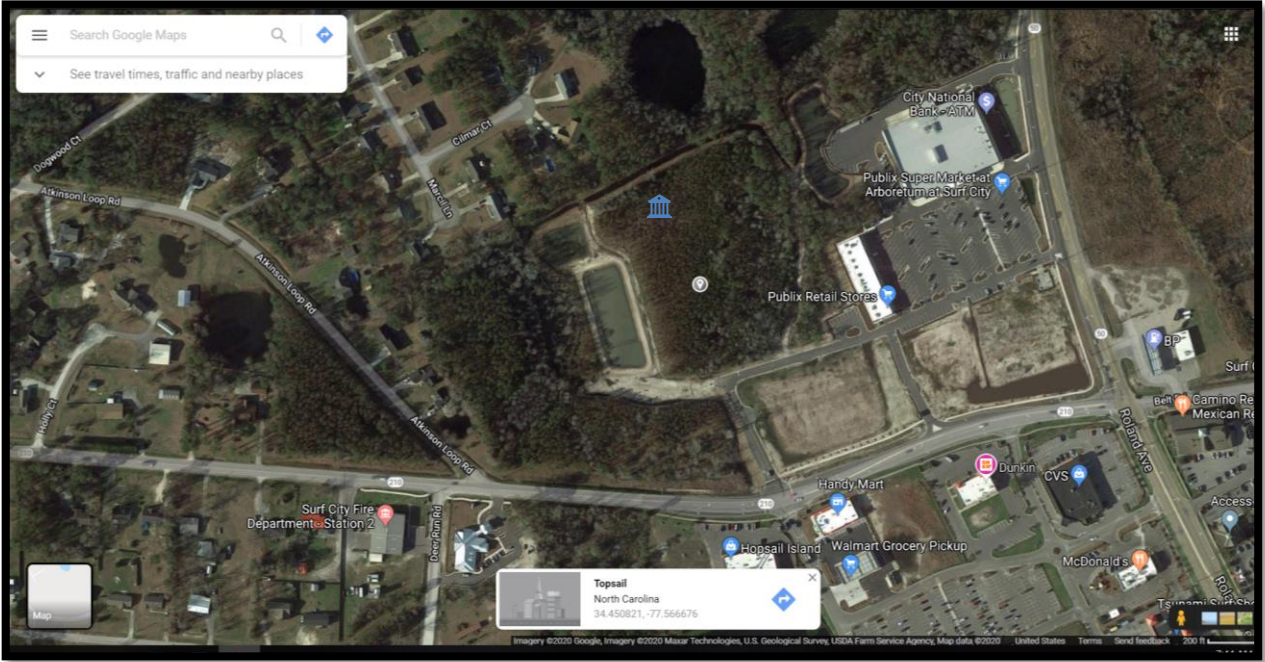


Figure 1 - Town Hall Site

Funding: Due to the loss incurred by Hurricane Florence, the Town was able to secure funding from two separate sources to execute the project, one being through FEMA and Insurance proceeds and the second being grant funding provided by the Golden LEAF Foundation (see *Figure 2-Budget Breakdown*). It is anticipated that the overall project cost will exceed the grant funding and therefore, to offset those costs, it is being recommended that the Town consider selling six separate but adjacent tracts of land as well as the site in which the current police department is located. The Town has secured an appraisal on these tracts to determine fair market value, timing of delivering these to market will need to be determined and a Realtor will need to be obtained to facilitate this transaction (NCGS 160A-268-270).

| Surf City Municipal Complex | | | |
|--|------------------------|----------------------|------------------------|
| | Revenues: | | Expenditures: |
| Town Hall: | | | |
| FEMA | \$ 1,713,549.56 | | |
| Insurance Proceeds | \$ 117,567.44 | | |
| GoldenLEAF Foundation | \$ 1,679,883.00 | | |
| | \$ 3,511,000.00 | | \$ 3,139,240.00 |
| Police Department: | | | |
| USDA Facilities Loan (30 yr term; 2.75%) | \$ 3,139,240.00 | | \$ 3,139,240.00 |
| | | | |
| Total: | \$ 6,650,240.00 | | \$ 6,278,480.00 |
| Total Revenues over Expenditures: | | \$ 371,760.00 | |
| | | | |
| | | | |
| Debt Service Requirements: | Balance owed | Payoff Date | Annual Payment |
| Town Hall property: \$1,330,000 | \$ 490,000.00 | 12/21/2022 | \$ 151,238.50 |
| Police Department property: \$1,800,000 | \$ 360,000.00 | 1/17/2022 | \$ 128,151.00 |

Figure 2 - Budget Breakdown – Expenditure Figures are an estimate only.

Potential Property Disposal: The Town has identified several tracts of land to consider declaration as surplus which will offset the overall liability of funding the Municipal Complex Project. These tracts encompass the current Police Department location as well as several ancillary tracts directly adjacent. These tracts are shown on the following Figure (Figure 3 – Potential Surplus Tract List) as well as on the map provided (Figure 4 – Potential Surplus Properties)

| Potential Surplus Tract List | | | | | | | | |
|------------------------------|-------------------|-------------------|---------------------|-------------------------------|------------------------|----------------------|------------------------|------------------------|
| | PIN | NAME | PROPERTY_ADDRESS | PROPERTY_DESCRIPTOR | LAND VALUE (TAX) | BUILDING VALUE | TOTAL VALUE (TAX) | APPRAISED VALUE |
| Tract 1 | 4235-90-2395-0000 | TOWN OF SURF CITY | 213 N NEW RIVER DR | L7 PB 12/24 E L YOW SURVEY | \$ 347,677.00 | \$ 2,210.00 | \$ 349,887.00 | |
| Tract 2 | 4235-90-2408-0000 | TOWN OF SURF CITY | 409 GOLDSBORO AVE | L9PB 12/24 E L YOW SURVEY | \$ 333,971.00 | | \$ 333,971.00 | |
| Tract 3 | 4235-90-2452-0000 | TOWN OF SURF CITY | 405 GOLDSBORO AVE | L8 PB 12/24 E L YOW SURVEY | \$ 206,706.00 | \$ 2,090.00 | \$ 208,796.00 | \$ 982,000.00 |
| Tract 4 | 4235-90-2564-0000 | TOWN OF SURF CITY | | LT 10 PB 12/24 E L YOW SURVEY | \$ 55,424.00 | | \$ 55,424.00 | |
| Tract 5 | 4235-90-3484-0000 | TOWN OF SURF CITY | 404 N GOLDSBORO AVE | L2PB 3/45 SURF CITY #2 | \$ 18,145.00 | \$ 1,370.00 | \$ 19,515.00 | |
| Tract 6 | 4235-90-3574-0000 | TOWN OF SURF CITY | 305 N NEW RIVER DR | L1 MAP 3/45 TOWN OF SURF CITY | \$ 1,122,000.00 | \$ 875,416.00 | \$ 1,997,416.00 | \$ 2,750,000.00 |
| | | | | | \$ 2,083,923.00 | \$ 881,086.00 | \$ 2,965,009.00 | \$ 3,732,000.00 |

Figure 3 - Potential Surplus Tract List



Figure 4 - Potential Surplus Properties

Two separate appraisals were completed on May 6, 2019, by Suzanne Nelson, MAI, of Realty Services of Eastern Carolina, Inc. for Tracts 1-3; and 4-6, as noted in Figure 4. Tracts 1-3 are valued at \$982,000 and Tracts 4-6 are valued at \$2,750,000 with a combined total of \$3,732,000. The Town is carrying debt service on Tract 6 (Police Department Tract) as well as the former site of Town Hall (not shown) at a total of \$850,000 which will need to be deducted from any proceeds realized from the sale of these properties which is a net revenue of **\$2,882,000**. With the combined revenues from FEMA, Insurance Proceeds, and Golden LEAF, the Town will have identified total revenues of \$6,393,000.00 compared to the overall budget of \$6,278,480, equating to a net estimated difference of **\$114,520**.

North Carolina General Statutes provide limited options for a local unit of government to dispose of real property (Attachment 1 – Property Disposal Options). The Town will need to follow Article 12, NCGS § 160A-268 or 269. These two methods (sealed bid process or upset bid process), will need to be considered to begin actively marketing the properties. Since the Town has an understanding of value, the advertisement for said options should include a minimum acceptable bid to reduce unnecessary or non-serious bids:

Statute References:

§ 160A-268. Advertisement for sealed bids.

The sale of property by advertisement for sealed bids shall be done in the manner prescribed by law for the purchase of property, except that in the case of real property the advertisement for bids shall be begun not less than 30 days before the date fixed for opening bids. (1971, c. 698, s. 1.)

§ 160A-269. Negotiated offer, advertisement, and upset bids.

A city may receive, solicit, or negotiate an offer to purchase property and advertise it for upset bids. When an offer is made and the council proposes to accept it, the council shall require the offeror to deposit five percent (5%) of his bid with the city clerk and shall publish a notice of the offer. The notice shall contain a general description of the property, the amount and terms of the offer, and a notice that within 10 days any person may raise the bid by not less than ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder. When a bid is raised, the bidder shall deposit

with the city clerk five percent (5%) of the increased bid, and the clerk shall readvertise the offer at the increased bid. This procedure shall be repeated until no further qualifying upset bids are received, at which time the council may accept the offer and sell the property to the highest bidder. The council may at any time reject any and all offers. (1971, c. 698, s. 1; 1979, 2nd Sess., c. 1247, s. 25.)

8. Budget Overview

Mr. Breuer gave an update for the 2020-2021 Fiscal Year and budget cycle.

Mr. Helms requested the council take into consideration the court system place a magistrate at the Pender County Annex. He asked that we coordinate with Topsail Beach as well.

Mr. Helms made a motion to adjourn. Mrs. Batts seconded the motion and it was carried.