

Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

www.southernshores-nc.gov

January 3, 2017-COUNCIL MEETING-5:30 P.M.-PITTS CENTER



1. Opening

- A. Call Meeting to Order (all citizens interested in offering Public Comment are reminded to sign up.)
- B. Pledge of Allegiance
- C. Moment of Silence
- D. Amendments/Approval to Agenda
- E. Consent Agenda (TAB 1)
 - i. Approval of Minutes-December 6, 2016
 - ii. Budget Amendment- #10 (travel expense - Council members conference attendance)
 - iii. Resolution 2017-01-01-Public Works Surplus

2. Special Presentations to Council:

- A. Johnny Martin, PE, Moffatt & Nichol - Economic Benefit Analysis of NC Coastal Properties (TAB 2)
- B. Dare County Manager/County Attorney Robert L. Outten - Explanation to Council on procedures and status of Dare County Beach Nourishment Fund (TAB 3)

3. Staff Reports to Council:

- A. Town Planner
- B. Police Chief
- C. Fire Chief, Southern Shores Volunteer Fire Department
- D. Town Manager's Report
- E. Town Attorney's Report

4. General Public Comment (Limit: 3 minutes per speaker.)

5. Board Reports - Planning Board, Planning Board Chairman

6. Old Business (all business subject to action)

7. New Business (all business subject to action)

- A. Presented by Town Planner - Consideration of approval of owner's (WWTP LLC) request to replace Ginguite Woods Wastewater Treatment Plant (TAB 4)
- B. Proposal by Mayor Tom Bennett - Amend Section 6. (a) of Council Rules of Procedure, making the pre-scheduling of monthly Council regular work session meetings discretionary (special meetings called as necessary) (TAB 5)
- C. Proposal by Council Member Gary McDonald - "Manager's report (Weekly) to full council of all town actions, meetings, interactions with council members, etc..."
- D. Proposal by Council Member Gary McDonald - "Notifying the public and council of all meetings involving planning, finance, capital improvement, public safety, etc.. so they may attend."

8. General Public Comment (Limit: 3 minutes per speaker.)

9. Other Business

- a. Mayor's Comments & Responses
- b. Council Member's Comments & Responses

10. Closed Session pursuant to NCGS §143-318.11 (a)(6) for purpose of approving prior closed sessions' minutes in accordance with Town policy (Res. 2010-03-01) - requested by Town Clerk

11. Adjourn

**Town of Southern Shores
Budget Amendment Number # 10**

**Administration
Increases**

Decreases

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>	<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
40-39909	Revenues Unassigned Fund Balance	\$1,170			
42-50103 42-50090	Expenditures Travel Training	\$855 \$315			

Explanation: Cost for Council to attend NCBIWA Conference

Recommended By:

J. Peter Rascoe, III, Town Manager

Approved By:

Tom Bennett, Mayor

Date



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RESOLUTION 2017-01-01

A RESOLUTION DECLARING CERTAIN PROPERTY OF THE TOWN TO BE SURPLUS AND AUTHORIZING THE DISPOSITION OF SAID PROPERTY

WHEREAS, the Town Council of the Town of Southern Shores, North Carolina, has determined that the Town owns certain personal property that is no longer needed or usable by the Town; and

WHEREAS, the property is described below:

DEPT.	MAKE	MODEL	YEAR	V.I.N./DESCRIPTION
PUBLIC WORKS	FORD	CROWN VIC	2005	2FAFP71W75X175796

NOW, THEREFORE, BE IT RESOLVED by the Southern Shores Town Council that the Town Manager or his designee are hereby authorized to dispose of the aforementioned property by any means allowable to include offering for sale at public auction, donation to a nonprofit organization, internet on-line offering, private negotiation and sale, upset bid process, or destruction.

AND BE IT FURTHER RESOLVED that property described in this resolution is surplus as of January 3, 2017.

ATTEST:

Thomas G. Bennett, Mayor

Sheila Kane, Town Clerk



BEACH AND INLET MANAGEMENT PLAN (BIMP)

- Statewide Plan to Best Manage Critical Beach and Inlet Resources
- Baseline Plan (2009)
 - Collect Physical and Economic Data and Identify Gaps
 - Define Beach/Inlet Management Regions
 - Stakeholder Process (Advisory and Public Input)
 - Develop Beach/Inlet Management Strategies
 - Evaluate Economic Value of Beaches/Inlets and Identify Funding Need
- Baseline Plan Updated Every 2 Years As Data Becomes Available

(HB 1840 Section 13.99(d))

BIMP REGIONS



BIMP (2009) – Beach/ Inlet Value and Benefits

- **Creates Jobs and Economic Impacts (\$4.8B and 62,000 Jobs)**
 - Beach Tourism
 - Commercial/ Recreational Fishing
 - Marinas/ Recreational Boating
 - Etc.
- **Sustains Property Values And Reduces Vulnerability**
- **Habitat for Wildlife Resources**
- **Protects Public Infrastructure**

BIMP (2009) – Annual Expenditures to Maintain

- Total Spent Annually is \$55M to \$60M, ultimately rising to \$75M to 85M Annually
- Federal Interest potentially providing \$15M to \$30M (Deep Draft and Long-Term authorized projects)
- State/ Local Share is \$25M to \$30M annually, rising to \$60M to \$70M annually.
- Maintaining AIWW and Inland Waterways is \$5M to \$10M
- Total State/Local Investment may grow to \$70M to \$80M

BIMP (2009) – Beach/ Inlet Value and Benefits

- Return On Investment (ROI) Is ~ \$60 For Every \$1 Spent On Beach/ Inlet Management Spent
- ROI Would Increase With Deep Draft Port Economic Benefits Added

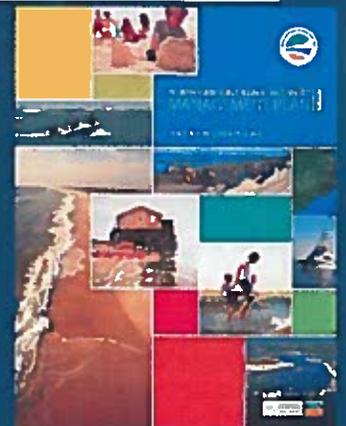


BIMP (2016 UPDATE) – HB 97 2015

- Update Dredging/Beach Nourishment/Sediment Resource Databases
 - Collect Data from Universities, USACE, Local Municipalities
- Refine Projections and Estimate for Beach and Inlet Funding
 - Update Dredge/ Beach Nourishment Volume and Costs by Region and Statewide – Current and Ultimate Conditions
 - Develop a Maintenance Cycle for Beach and Inlet Projects Implementation (4-yr Cycle)

BIMP (2016 UPDATE) – HB 97 2015

- Update Economic Benefit Analysis
 - Dr. Chris Dumas (UNCW) evaluate economic drivers/benefits
 - Deep Draft Ports Added
- Literature Review of Other States Funding Sources/Strategies & FEMA Engineered Beach Case Studies
 - Dr. Nicole Elko leading Other State Funding Sources
- Stakeholder/ Public Input
- Final Report
 - Draft November 2016
 - Final December 2016



BIMP (2016 UPDATE) – HB 1030 Section 14.22

- Literature Review/Executive Summary of Beach Nourishment Benefits (Economic, Storm Mitigation, Safety)
 - Focused on Existing Studies for Out-of-State Projects (Rita, Sandy)
 - DCM/DEQ lead
- Property Ownership Study
 - Electronic List of Addresses (In-County, Other NC County, Outside NC)
 - County Register of Deeds lead
- Economic Impact Study of 8 Coastal Counties
 - Travel/Tourism, Job Creation, Tax Revenues
 - Department of Commerce lead

BIMP (2016 UPDATE) – Economic Benefit Analysis

- Analyses and Procedures Similar to 2009 – Baseline Years of 2014-2015 (Dataset Dependent)
- Sectors Included In Study
 - Coastal Property At Risk
 - Beach Recreation
 - For-Hire (Charter and Head Boat) Recreational Fishing
 - Private Boat Recreational Fishing
 - Shore and Pier Fishing
 - Commercial Fishing
 - Seafood Processing and Packaging
 - Marinas
 - Marine Services (Scuba, Wind Surf Board, Paddle Board Rentals, Etc.)
 - Salt Water Boat Building
 - Deep Draft Port Activity

BIMP (2016 UPDATE) – Economic Benefit Analysis

- "Economic Impacts" Is a Measure of "Gross" Economic Effects. Items Included In Economic Impacts Include:
 - Sales (Economic "Output"),
 - Labor Income (Includes Wages, Salaries, and Sole Proprietor/Partnership Income),
 - Capital Income (Rent, Interest, and Corporate Dividend Income),
 - Employment,
 - State and Local Government Tax Collections
- Direct Economic Impacts
 - Based on Local and State Government Agency Data and Reports, Academic Studies, and Relevant Consulting Studies.
 - Multiplier Effects Calculated Using IMPLAN Economic Input-output Modeling Software

BIMP (2016 UPDATE) – Economic Benefit Analysis

- Coastal Property At Risk
 - Properties Identified In Ocean Erodible AEC – 90 X Setback Factor
 - Property Values Taken from NCOneMap
 - Property Ownership Also Included (County, NC, US)
- Comparison Made Between 1997 and 2011 Ocean Erodible AEC
 - 1997 – Pre Widespread Nourishment Activities
 - 2011 – Representative of Current Nourishment Program

BIMP (2016 UPDATE) – Economic Benefit Analysis

- Coastal Property At Risk – All Oceanfront Counties – All Value

Owner Type	All Parcels	Total Value (\$)	% of Total Value (\$)
Coastal Resident	334,608	64,513,960,749	58.5%
NC Resident	77,346	19,173,101,641	17.4%
US Resident	90,989	26,392,936,232	23.9%
Unknown	2,952	160,101,258	0.1%
Total	505,895	\$110,240,099,880	100.0%

BIMP (2016 UPDATE) – Economic Benefit Analysis

- Coastal Property At Risk – All Oceanfront Counties –
1998 Property Value At Risk

Owner Type	All Parcels	Total Value (\$)	% of Total Value (\$)
Coastal Resident	4,841	2,184,726,105	2.0%
NC Resident	7,250	3,552,741,030	3.2%
US Resident	7,973	5,966,919,481	5.4%
Unknown	382	20,715,488	0.0%
Total	20,446	\$11,725,102,104	10.6%

BIMP (2016 UPDATE) – Economic Benefit Analysis

- Coastal Property At Risk – All Oceanfront Counties – 2012 Property Value At Risk

Owner Type	All Parcels	Total Value (\$)	% of Total Value (\$)
Coastal Resident	4,318	2,015,436,016	1.8%
NC Resident	6,061	3,143,148,553	2.9%
US Resident	7,626	5,945,429,993	5.4%
Unknown	344	20,335,018	0.0%
Total	18,349	\$11,124,349,580	10.1%

BIMP (2016 UPDATE) – Economic Benefit Analysis

- Coastal Property At Risk – All Oceanfront Counties – 1998 - 2012 Property Value At Risk

Owner Type	All Parcels	Total Value (\$)	% of Total Value (\$)
Coastal Resident	523	169,290,089	0.2%
NC Resident	1,189	409,592,477	0.4%
US Resident	347	21,489,488	0.0%
Unknown	38	380,470	0.0%
Total	2,097	\$600,752,524	0.5%

BIMP (2016 UPDATE) – Economic Benefit Analysis

- Coastal Property At Risk – Five Oceanfront Counties With Active Beach Nourishment Programs – 1998 - 2012 Property Value At Risk

Owner Type	All Parcels	Total Value (\$)	% of Total Value (\$)
Coastal Resident	554	193,348,189	0.2%
NC Resident	1,212	426,553,577	0.4%
US Resident	531	197,963,288	0.2%
Unknown	22	933,470	0.0%
Total	2,319	\$818,798,524	0.7%

BIMP (2016 UPDATE) – Economic Benefit Analysis

- Beach Recreation (Tourism)
 - Lodging
 - Parking
 - Gas, Rental Cars, Restaurants
 - Groceries, Shopping
 - Entertainment
 - Consumer Surplus
 - Direct and Multipliers Effects Included (County and State)

BIMP (2016 UPDATE) – Economic Benefit Analysis

• Beach Recreation (Tourism)

Region	County	Beach Recreation: Direct Impact Expenditures (2013-2014)	Beach Recreation: Total Impact Output/Sales/Business Activity (2013-2014)	Beach Recreation: Total Impact Employment (2013-2014)	Beach Recreation: Total Local Tax Revenue (2013-2014)	Beach Recreation: Total State Tax Revenue (2013-2014)	Beach Recreation: Total Federal Tax Revenue (2013-2014)	Beach Recreation: Annual Consumer Surplus (2013-2014)
1	Brunswick	\$176,550,385	\$342,231,219	3,992	\$14,503,152	\$13,450,602	\$27,168,895	\$8,674,965
2a	New Hanover	\$207,361,596	\$465,814,306	5,539	\$17,431,052	\$16,243,823	\$36,637,640	\$29,957,391
2b	Pender	\$46,448,698	\$70,630,717	903	\$3,468,370	\$3,140,358	\$5,037,897	\$3,473,212
2b	Onslow	\$25,103,828	\$38,129,598	493	\$1,921,311	\$1,649,488	\$2,734,575	\$2,429,707
2c, 3a	Carteret	\$149,775,460	\$297,370,636	3,730	\$12,817,393	\$12,276,342	\$23,033,681	\$13,334,667
3b	Hyde	\$26,326,920	\$42,852,631	516	\$1,878,153	\$1,768,226	\$3,164,782	\$792,153
3b, 4a, 4b	Dare	\$715,788,182	\$1,509,328,075	16,942	\$52,677,495	\$52,497,776	\$122,574,325	\$21,537,405
4c	Currituck	\$314,835,916	\$569,356,701	6,528	\$23,455,662	\$23,574,367	\$43,763,166	\$9,473,122
Total		\$1,662,190,984	\$3,335,713,884	38,642	\$128,152,589	\$124,600,983	\$264,114,963	\$89,672,622
Total with Statewide Effects		\$1,662,190,984	\$4,741,454,600	48,718	\$155,806,220	\$163,107,645	\$375,840,980	\$89,672,622
Difference		N/A	\$1,405,740,716	10,077	\$27,653,631	\$38,506,663	\$111,726,017	N/A

BIMP (2016 UPDATE) – Economic Benefit Analysis

• Shore and Pier Fishing

Region	County	Annual Pier/Bridge/Jetty Fishing Consumer Surplus (2013-2014)	Annual Shore/Bank Fishing Consumer Surplus (2013-2014)	Total Annual Pier/Shore Fishing Consumer Surplus (2013-2014)
Region 1	Brunswick	\$991,114	\$736,164	\$1,727,278
Region 2a	New Hanover	\$3,546,463	\$1,262,593	\$4,809,056
Region 2b	Pender	\$1,245,356	\$903,358	\$2,148,714
Region 2b	Onslow	\$754,108	\$1,771,077	\$2,525,185
Region 2c & 3a	Carteret	\$8,583,907	\$3,507,270	\$12,091,177
Region 3b	Hyde	\$0	\$81,875	\$81,875
Region 3b, 4a, 4b	Dare	\$10,953,961	\$14,395,428	\$25,349,389
Region 4c	Currituck	\$0	\$262,994	\$262,994
Total		\$26,074,909	\$22,920,759	\$48,995,668

BIMP (2016 UPDATE) – Economic Benefit Analysis

• Marine Recreational Services (Canoe/Jetski Rentals, Ecotourism, Etc.)

Region	County	Marine Recreational Services: Direct Impact Annual Sales (2013-2014)	Marine Recreational Services: Total Impact Output/Sales/Business Activity (2013-2014)	Marine Recreational Services: Direct Impact Employment (2013-2014)	Marine Recreational Services: Total Impact Employment (2013-2014)	Marine Recreational Services: Total Local Tax Revenue (2013-2014)	Marine Recreational Services: Total State Tax Revenue (2013-2014)	Marine Recreational Services: Total Federal Tax Revenue (2013-2014)
1	Brunswick	\$965,017	\$2,026,972	161	168	\$79,141	\$73,473	\$148,750
2a	New Hanover	\$3,328,528	\$6,991,418	556	581	\$279,800	\$260,743	\$588,100
2b	Pender	\$1,087,866	\$2,285,012	182	190	\$81,232	\$73,550	\$117,992
2b	Onslow	Included in Pender Co. totals.						
2c, 3a	Carteret	\$1,938,733	\$4,072,218	324	339	\$165,938	\$158,888	\$298,050
3b	Hyde	Included in Dare Co. totals.						
3b, 4a, 4b	Dare	\$3,726,270	\$7,826,856	622	651	\$274,230	\$273,294	\$638,101
4c	Currituck	Included in Dare Co. totals.						
Total		\$11,046,413	\$23,202,475	1,844	1,929	\$880,340	\$839,947	\$1,790,992

BIMP (2016 UPDATE) – Economic Benefit Analysis

• Commercial Fishing

Region	County	Commercial Fishing: Direct Impact Landings Value at Dockside (2015)	Commercial Fishing: Total Impact Output/Sales/Business Activity (2015)	Commercial Fishing: Total Impact Employment (2015)	Commercial Fishing: Total Local Tax Revenue (2015)	Commercial Fishing: Total State Tax Revenue (2015)	Commercial Fishing: Total Federal Tax Revenue (2015)
1	Brunswick	\$2,908,338	\$3,818,922	291	\$49,497	\$44,819	\$83,190
2a	New Hanover	\$2,086,239	\$4,157,968	303	\$64,883	\$86,615	\$215,926
2b	Pender	\$1,645,650	\$2,087,987	224	\$23,703	\$32,142	\$58,461
2b	Onslow	\$5,475,273	\$7,342,059	462	\$90,820	\$122,561	\$241,061
2c, 3a	Carteret	\$18,878,984	\$30,948,572	1,141	\$454,489	\$674,400	\$1,494,921
3b	Hyde	\$9,119,176	\$14,359,864	404	\$186,196	\$279,299	\$634,555
3b, 4a, 4b	Dare	\$19,418,969	\$33,901,965	637	\$451,123	\$681,536	\$1,677,495
4c	Currituck	\$0	\$0	0	\$0	\$0	\$0
Total		\$59,532,630	\$96,617,338	3,462	\$1,320,711	\$1,921,371	\$4,405,610

BIMP (2016 UPDATE) – Economic Benefit Analysis

• Seafood Packing and Processing

Region	County	Seafood Packing & Processing: Direct Impact Sales (2015)	Seafood Packing & Processing: Total Impact Output/Sales/Business Activity (2015)	Seafood Packing & Processing: Direct Impact Employment (2015)	Seafood Packing & Processing: Total Impact Employment (2015)	Seafood Packing & Processing: Total Local Tax Revenue (2015)	Seafood Packing & Processing: Total State Tax Revenue (2015)	Seafood Packing & Processing: Total Federal Tax Revenue (2015)
1	Brunswick	\$8,754,780	\$12,207,659	28	60	\$113,825	\$116,174	\$278,935
2a	New Hanover	\$6,396,545	\$7,986,394	20	35	\$67,044	\$68,934	\$169,729
2b	Pender	\$5,045,670	\$6,299,762	16	28	\$51,550	\$55,711	\$133,884
2b	Onslow	\$16,787,540	\$20,960,052	53	93	\$175,090	\$181,781	\$445,449
2c, 3a	Carteret	\$57,884,182	\$72,271,191	182	321	\$591,386	\$639,122	\$1,535,929
3b	Hyde	\$28,133,484	\$36,103,348	87	156	\$289,886	\$312,759	\$787,276
3b, 4a, 4b	Dare	\$59,087,801	\$78,344,977	186	355	\$641,043	\$693,219	\$1,828,269
4c	Currituck	\$0	\$0	0	0	\$0	\$0	\$0
Total		\$182,090,002	\$234,173,385	572	1,047	\$1,929,825	\$2,067,701	\$5,179,471

BIMP (2016 UPDATE) – Economic Benefit Analysis

• Charter/Head Boat Fishing

Region	County	Charter/Head Boat Fishing: Direct Impact Expenditures (2015)	Charter/Head Boat Fishing: Total Impact Output/Sales/Business Activity (2015)	Charter/Head Boat Fishing: Direct Impact Employment (2015)	Charter/Head Boat Fishing: Total Impact Employment (2015)	Charter/Head Boat Fishing: Total Local Tax Revenue (2015)	Charter/Head Boat Fishing: Total State Tax Revenue (2015)	Charter/Head Boat Fishing: Total Federal Tax Revenue (2015)	Charter/Head Boat Fishing: Annual Consumer Surplus (2015)
1	Brunswick	\$6,394,213	\$9,792,965	124	196	\$269,458	\$254,069	\$506,008	\$7,059,111
2a	New Hanover	\$4,544,826	\$9,416,977	168	225	\$223,846	\$249,709	\$587,117	\$8,365,220
2b	Pender	\$535,547	\$713,856	26	31	\$20,226	\$20,591	\$34,450	\$1,033,735
2b	Onslow	\$1,778,442	\$2,379,549	66	84	\$71,332	\$68,514	\$117,184	\$2,848,193
2c, 3a	Carteret	\$6,298,731	\$10,958,324	164	249	\$287,464	\$332,110	\$665,284	\$10,856,531
3b	Hyde	\$641,940	\$917,020	14	20	\$23,458	\$25,986	\$46,354	\$1,444,972
3b, 4a, 4b	Dare	\$17,169,280	\$31,564,717	330	549	\$679,979	\$828,472	\$1,967,118	\$36,479,985
4c	Currituck	\$1,012,887	\$1,772,272	22	34	\$42,601	\$50,723	\$107,692	\$2,279,954
Total		\$38,375,865	\$67,515,681	914	1,388	\$1,618,364	\$1,830,175	\$4,031,208	\$70,367,700

BIMP (2016 UPDATE) – Economic Benefit Analysis

• Private Recreational Boating

Region	County	Private Boating: Direct Impact Expenditures (2015)	Private Boating: Total Impact Output/Sales/ Business Activity (2015)	Private Boating: Total Impact Employment (2015)	Private Boating: Total Local Tax Revenue (2015)	Private Boating: Total State Tax Revenue (2015)	Private Boating: Total Federal Tax Revenue (2015)	Private Boating: Annual Consumer Surplus (2015)
1	Brunswick	\$8,096,145	\$15,826,696	206	\$711,394	\$676,644	\$1,347,635	\$444,417
2a	New Hanover	\$6,818,450	\$15,757,131	180	\$600,102	\$578,963	\$1,259,790	\$334,278
2b	Pender	\$636,932	\$965,397	15	\$56,510	\$50,724	\$78,837	\$31,840
2b	Onslow	\$4,531,687	\$6,866,651	107	\$411,954	\$350,110	\$560,611	\$237,817
2c, 3a	Carteret	\$16,890,990	\$34,062,716	447	\$1,538,620	\$1,515,059	\$2,724,400	\$914,525
3b	Hyde	\$2,118,716	\$3,424,742	48	\$175,915	\$163,236	\$262,891	\$138,434
3b, 4a, 4b	Dare	\$35,983,667	\$75,640,399	898	\$2,737,458	\$2,814,916	\$6,377,792	\$3,352,767
4c	Currituck	\$3,998,185	\$7,309,934	96	\$343,837	\$347,535	\$620,644	\$372,530
Total		\$79,074,771	\$159,853,665	1,997	\$6,575,790	\$6,492,187	\$13,232,600	\$5,826,607

BIMP (2016 UPDATE) – Economic Benefit Analysis

• Boat Building

Region	County	Number of Firms	Boat Building: Direct Impact Sales (2015)	Boat Building: Total Impact Output/Sales/ Business Activity (2015)	Boat Building: Direct Impact Employment (2015)	Boat Building: Total Impact Employment (2015)	Boat Building: Total Local Tax Revenue (2015)	Boat Building: Total State Tax Revenue (2015)	Boat Building: Total Federal Tax Revenue (2015)
1	Brunswick	3	\$16,122,642	\$24,377,564	58	138	\$527,742	\$485,598	\$1,246,796
2a	New Hanover	4	\$2,779,766	\$5,172,869	10	30	\$118,123	\$107,232	\$288,281
2b	Pender	2	\$6,949,415	\$8,601,972	25	39	\$119,620	\$115,027	\$329,180
2b	Onslow	1	\$5,559,532	\$6,881,577	20	31	\$39,806	\$92,021	\$263,344
2c, 3a	Carteret	16	\$70,050,102	\$105,916,314	252	601	\$2,292,950	\$2,109,839	\$5,417,114
3b	Hyde	0	\$0	\$0	0	0	\$0	\$0	\$0
3b, 4a, 4b	Dare	11	\$108,410,872	\$174,251,830	390	960	\$3,433,372	\$3,219,478	\$9,065,317
4c	Currituck	1	\$1,389,883	\$2,233,998	5	12	\$44,018	\$41,275	\$116,222
Total		38	\$211,262,212	\$327,436,125	760	1,811	\$6,575,632	\$6,170,470	\$16,726,255

BIMP (2016 UPDATE) – Economic Benefit Analysis

- Marinas

Region	County	Number of Marinas (2015)	Marinas: Direct Impact Sales (2015)	Marinas: Direct Impact Employment (2015)
1	Brunswick	23	\$7,659,272	173
2a	New Hanover	48	\$15,891,573	358
2b	Pender	7	\$2,308,776	52
2b	Onslow	14	\$4,580,904	103
2c, 3a	Carteret	85	\$28,140,677	634
3b	Hyde	4	\$1,154,388	26
3b, 4a, 4b	Dare	29	\$9,647,384	217
4c	Currituck	3	\$989,475	22
Total		213	\$70,372,449	1,586

BIMP (2016 UPDATE) – Economic Benefit Analysis

- Deep Draft Ports

- If No NC Ports, Increased Transportation Costs Equal \$32.8M/yr
- Operating Revenues Have Increased from \$32.4M (2005) to \$43M (2015)
- Including All Jobs and Activities Associated with Ports Shows That Ports Have A Considerable Effect

Port	Sector	Direct Impact Output/ Revenues (2015)	Total Impact Output/Sales/ Business Activity (2015)	Direct Impact Employment (2015)	Total Impact Employment (2015)	Total Local Tax Revenue (2015)	Total State Tax Revenue (2015)	Total Federal Tax Revenue (2015)
Morehead	NCSOA Operations	\$11,700,000	\$19,594,575	43	121	\$170,442	\$241,971	\$839,089
Morehead	Other Operations at Port	\$41,729,747	\$69,886,894	120	400	\$607,907	\$863,025	\$2,992,732
Wilmington	NCSOA Operations	\$29,900,000	\$58,037,814	170	433	\$622,845	\$863,664	\$3,299,674
Wilmington	Other Operations at Port	\$138,751,516	\$269,325,573	798	2,019	\$2,890,323	\$4,007,847	\$15,312,201
Total		\$222,081,263	\$416,844,855	1,131	2,973	\$4,291,516	\$5,976,508	\$22,443,697

BIMP (2016 UPDATE) – Economic Benefit Analysis

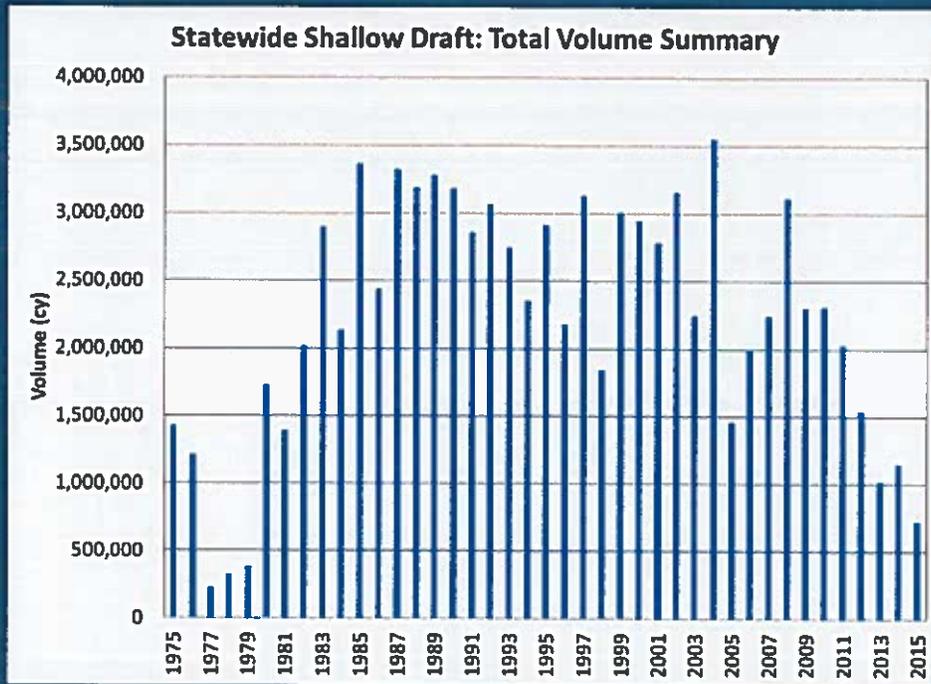
- Scenarios – 50% Reduced Beach Width and Inlet Depth (Selected Inlets)
 - 50% Reduced Beach Width
 - \$524M/yr in Tourism, 6,074 Jobs and \$15.3M/yr in Lost Consumer Surplus
 - 50% Reduced Inlet Depth (Selected Inlets – Ocracoke, Barden, Bogue, North Topsail, Carolina Beach, and Lockwoods Folly)
 - Tens of Millions/yr and Hundreds of Jobs Lost in These Six Inlets Alone

BIMP (2016 UPDATE) – Economic Benefit Analysis

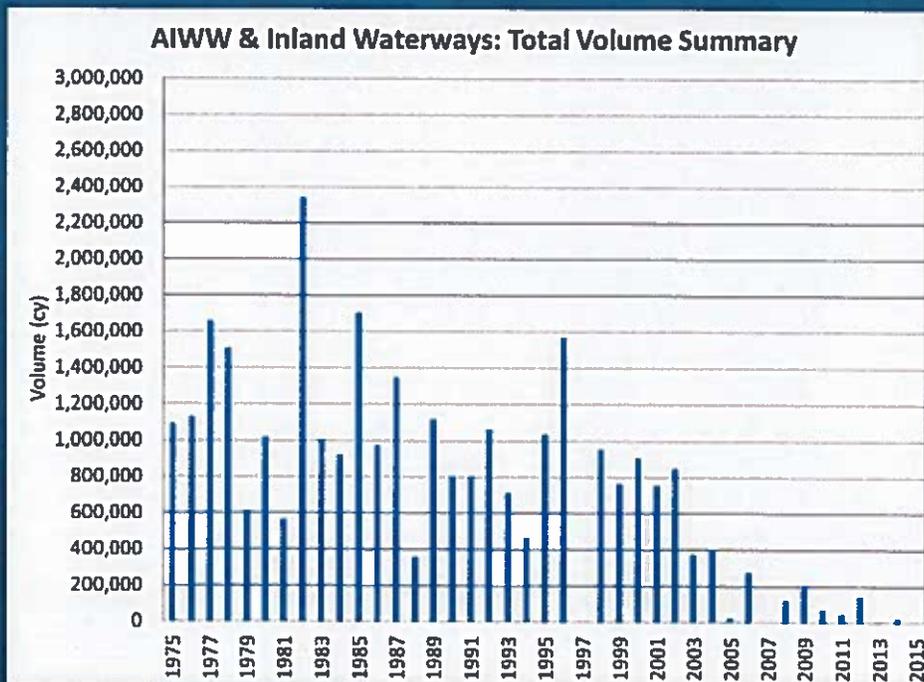
- Summary

Sector	Direct Impact Expenditures	Total Impact Output/Sales/Business Activity	Total Impact Employment	Total Local Tax Revenue	Total State Tax Revenue	Total Federal Tax Revenue	Annual Consumer Surplus
Beach Recreation (2013-2014)	\$1,662,190,984	\$4,741,454,600	48,718	\$155,806,220	\$163,107,645	\$375,840,980	\$89,672,622
Shore and Pier Fishing (2013-2014)	-	-	-	-	-	-	\$48,995,668
Marine Recreational Services (2013-2014)	\$11,046,413	\$23,202,475	1,929	\$880,340	\$839,947	\$1,790,992	-
Commercial Fishing (2015)	\$59,532,630	\$96,617,338	3,462	\$1,320,711	\$1,921,371	\$4,405,610	-
Seafood Packing and Processing (2015)	\$182,090,002	\$234,173,385	1,047	\$1,929,825	\$2,067,701	\$5,179,471	-
Charter/Head Boat Fishing (2015)	\$38,375,865	\$67,515,681	1,388	\$1,618,364	\$1,830,175	\$4,031,208	\$70,367,700
Recreational Boating/Fishing (2015)	\$79,074,771	\$159,853,665	1,997	\$6,575,790	\$6,492,187	\$13,232,600	\$5,826,607
Boat Building (2015)	\$211,262,212	\$327,436,125	1,811	\$6,575,632	\$6,170,470	\$16,726,255	-
Marinas (2015)	\$70,372,449	-	1,586	-	-	-	-
Deep Draft Port Activity (2015)	\$222,081,263	\$416,844,855	2,973	\$4,791,516	\$5,976,508	\$22,443,697	-
NC TOTALS	\$2,536,026,589	\$6,067,098,124	64,911	\$178,998,398	\$188,406,004	\$443,650,812	\$214,862,598

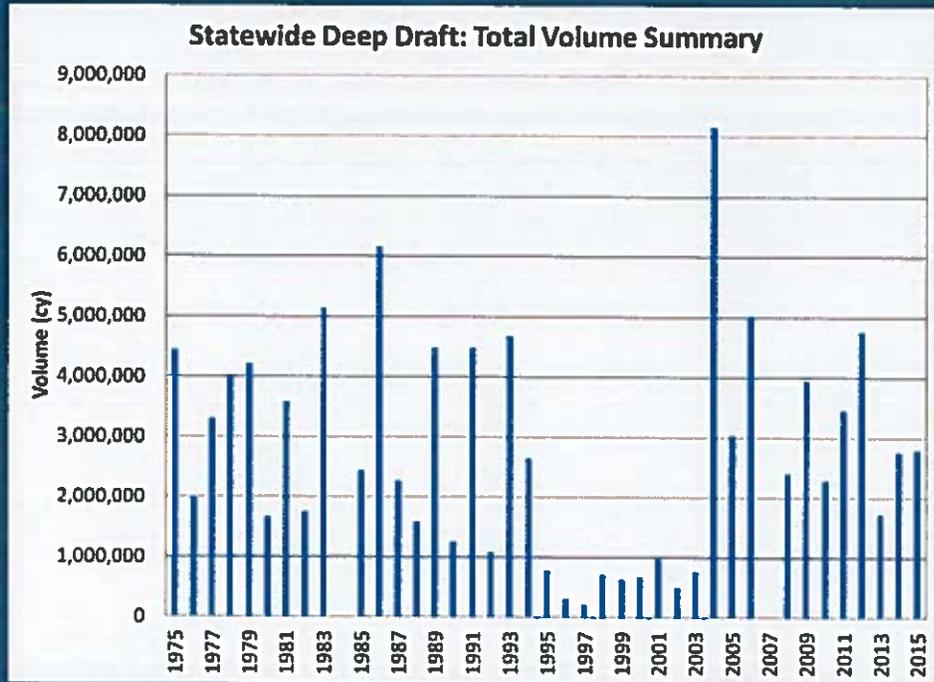
BIMP (2016 UPDATE) – Funding Need – Dredging



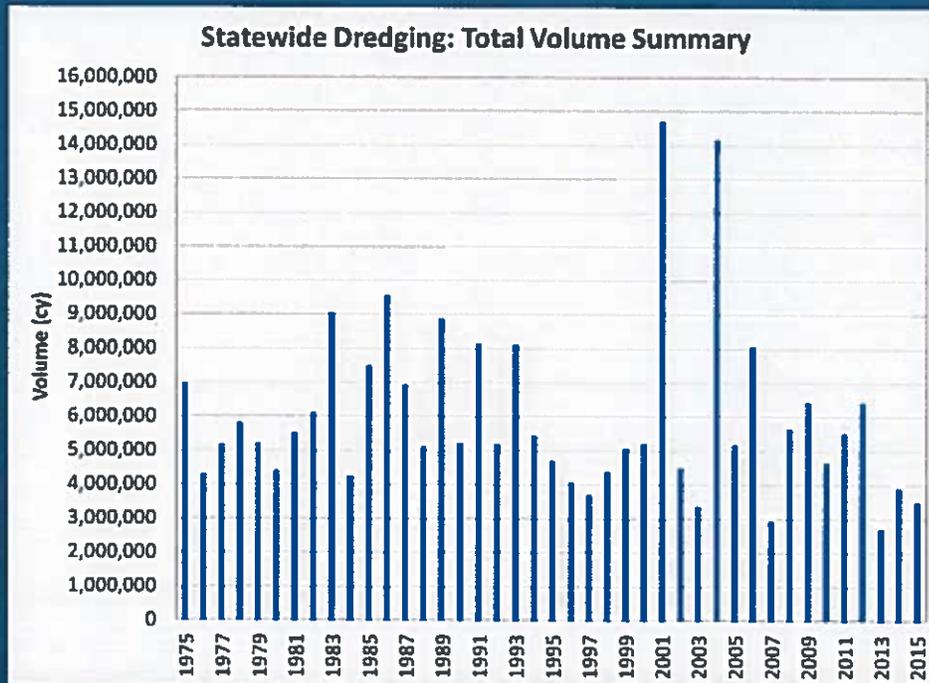
BIMP (2016 UPDATE) – Funding Need – Dredging



BIMP (2016 UPDATE) – Funding Need – Dredging



BIMP (2016 UPDATE) – Funding Need – Dredging



BIMP (2016 UPDATE) – Funding Need – Dredging

Table IV-1: Summary of Statewide Dredging Volumes (1975-2015)

Location	Shallow (cy)	Deep (cy)	Total (cy)	Average Volume (CY/YR)
Region 1	7,832,507	86,703,332	94,535,839	2,305,752
Region 2a	7,393,055	-	7,393,055	180,318
Region 2b	14,380,414	-	14,380,414	350,742
Region 2c	6,845,789	38,541,862	45,387,651	1,102,138
Region 3a	863,949	-	863,949	21,072
Region 3b	8,135,110	-	8,135,110	199,417
Region 4a	278,527	-	278,527	6,793
Region 4b	45,829,291	-	45,829,291	1,112,910
AJWW & Inland Waterways	29,748,306	-	29,748,306	725,571
Statewide Total	129,907,838	125,245,194	245,152,232	6,003,713
Statewide Average	2,948,952	3,954,761	6,003,713	N/A

Table IV-3: Summary of Statewide Dredging Volumes (2010-2015)

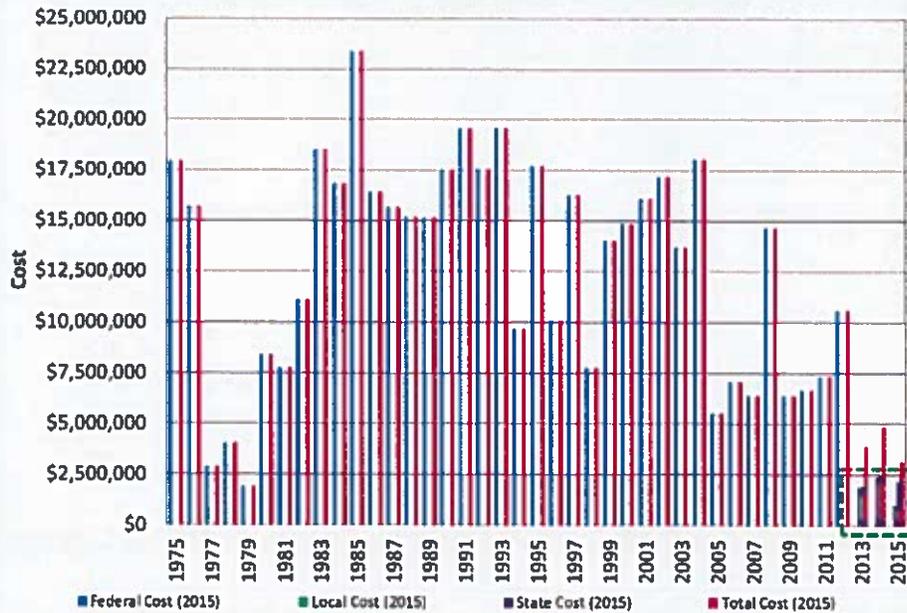
Location	Shallow (cy)	Deep (cy)	Total (cy)	Average Volume (CY/YR)
Region 1	597,025	15,800,902	16,397,927	2,732,988
Region 2a	732,305	-	732,305	122,051
Region 2b	1,114,350	-	1,114,350	185,725
Region 2c	656,734	1,905,434	2,622,168	437,028
Region 3a	-	-	-	-
Region 3b	1,935,443	-	1,935,443	322,574
Region 4a	143,650	-	143,650	23,942
Region 4b	3,580,760	-	3,580,760	590,793
AJWW & Inland Waterways	289,767	-	289,767	48,295
Statewide Total	9,050,034	17,766,336	26,816,370	4,469,395
Statewide Average	1,508,339	2,961,056	4,469,395	N/A

Table IV-2: Summary of Statewide Dredging Volumes (2005-2015)

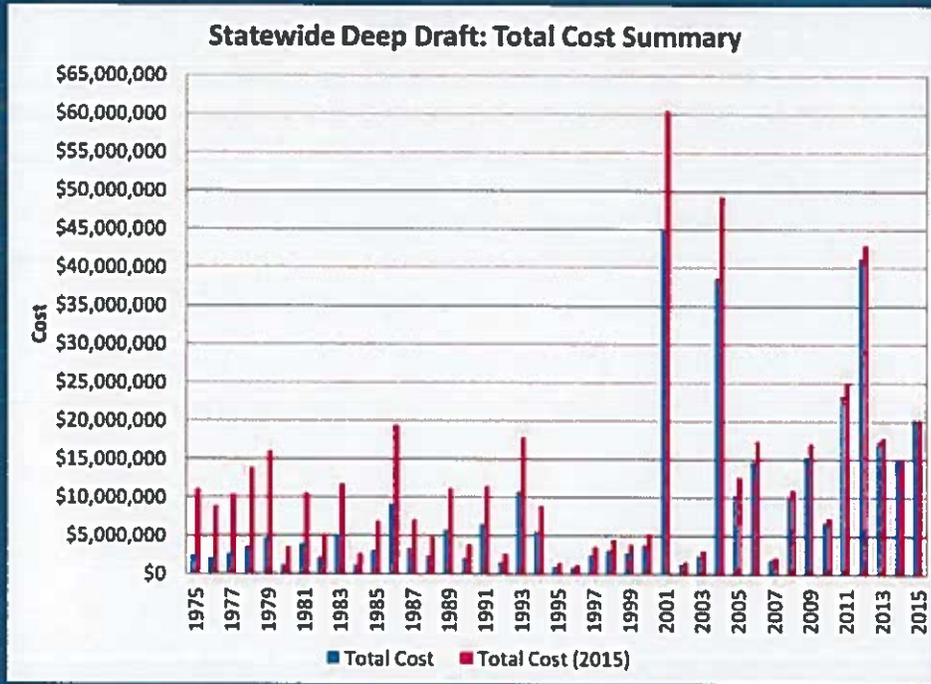
Location	Shallow (cy)	Deep (cy)	Total (cy)	Average Volume (CY/YR)
Region 1	2,124,170	28,641,073	30,765,243	2,796,840
Region 2a	1,893,565	-	1,893,565	172,142
Region 2b	3,849,533	-	3,849,533	349,958
Region 2c	1,344,688	5,679,428	7,024,112	638,556
Region 3a	-	-	-	-
Region 3b	3,248,554	-	3,248,554	295,323
Region 4a	151,650	-	151,650	13,786
Region 4b	7,277,712	-	7,277,712	661,610
AJWW & Inland Waterways	904,155	-	904,155	82,190
Statewide Total	20,794,025	34,320,499	55,114,524	5,010,411
Statewide Average	1,890,366	3,120,045	5,010,411	N/A

BIMP (2016 UPDATE) – Funding Need – Dredging

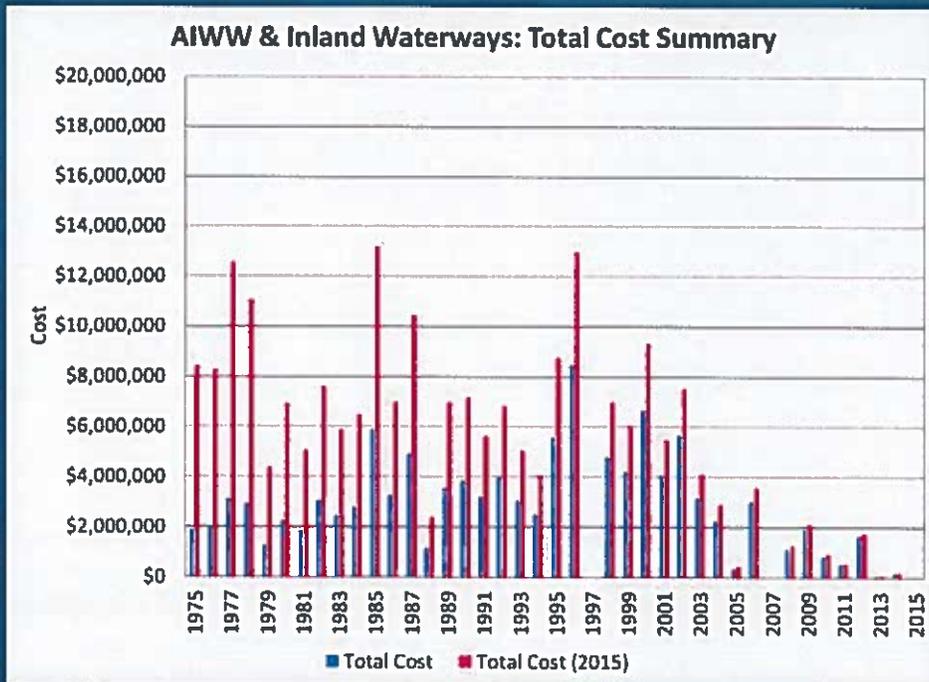
Statewide Shallow Draft: Total Cost Summary



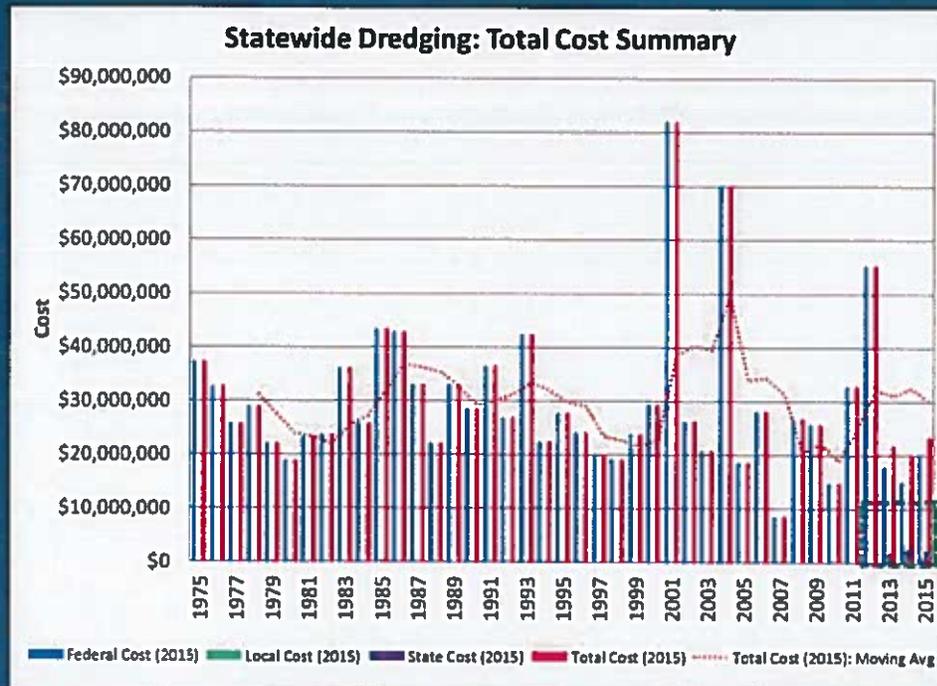
BIMP (2016 UPDATE) – Funding Need – Dredging



BIMP (2016 UPDATE) – Funding Need – Dredging



BIMP (2016 UPDATE) – Funding Need – Dredging



BIMP (2016 UPDATE) – Funding Need – Dredging

Table IV-4: Dredging Costs - Statewide (1975-2015)

Location	Shallow (2015 \$)			Deep (2015 \$)	Total (2015 \$)	Average Cost (2015 \$/yr)
	Federal	State	Local			
Region 1	\$ 38,191,224	\$ 514,440	\$ 454,090	\$ 338,524,877	\$ 377,684,630	\$ 9,211,820
Region 2a	\$ 29,343,028	\$ 571,418	\$ 489,818	-	\$ 30,404,263	\$ 741,567
Region 2b	\$ 56,692,490	\$ 811,343	\$ 545,395	-	\$ 58,049,229	\$ 1,415,835
Region 2c	\$ 29,739,641	\$ 200,384	\$ 200,384	\$ 168,980,380	\$ 199,120,796	\$ 4,956,605
Region 3a	\$ 4,873,704	-	-	-	\$ 4,873,704	\$ 118,871
Region 3b	\$ 45,124,573	\$ 1,949,541	\$ 1,634,291	-	\$ 48,708,406	\$ 1,188,010
Region 4a	\$ 2,547,286	\$ 147,935	\$ 147,935	-	\$ 2,843,157	\$ 89,345
Region 4b	\$ 278,395,020	\$ 2,314,018	\$ 1,868,023	-	\$ 282,547,062	\$ 8,891,382
AIWW & Inland Waterways	\$ 219,790,621	-	-	-	\$ 219,790,621	\$ 5,360,747
Statewide Total	\$ 794,867,687	\$ 6,509,079	\$ 5,338,938	\$ 697,696,265	\$ 4,734,024,866	\$ 28,854,483
Statewide Average	\$ 17,187,014	\$ 158,758	\$ 138,242	\$ 12,378,177	\$ 25,854,192	N/A

Table IV-5: Dredging Costs - Statewide (2005-2015)

Location	Shallow (2015 \$)			Deep (2015 \$)	Total (2015 \$)	Average Cost (2015 \$/yr)
	Federal	State	Local			
Region 1	\$ 4,889,139	\$ 514,440	\$ 454,090	\$ 153,045,008	\$ 158,902,677	\$ 14,445,698
Region 2a	\$ 4,673,967	\$ 571,418	\$ 489,818	-	\$ 5,735,202	\$ 521,382
Region 2b	\$ 9,685,578	\$ 811,343	\$ 545,395	-	\$ 11,042,316	\$ 1,003,847
Region 2c	\$ 4,391,679	\$ 200,384	\$ 200,384	\$ 34,909,439	\$ 39,701,805	\$ 3,609,262
Region 3a	-	-	-	-	-	-
Region 3b	\$ 15,270,320	\$ 1,949,541	\$ 1,634,291	-	\$ 18,854,152	\$ 1,714,014
Region 4a	\$ 163,685	\$ 147,935	\$ 147,935	-	\$ 459,555	\$ 41,778
Region 4b	\$ 25,504,507	\$ 2,314,018	\$ 1,868,023	-	\$ 29,686,548	\$ 2,698,777
AIWW & Inland Waterways	\$ 10,670,284	-	-	-	\$ 10,670,284	\$ 970,028
Statewide Total	\$ 75,249,158	\$ 6,509,079	\$ 5,338,938	\$ 187,954,447	\$ 275,052,829	\$ 25,004,784
Statewide Average	\$ 8,840,833	\$ 691,734	\$ 485,449	\$ 17,086,768	\$ 25,004,784	N/A

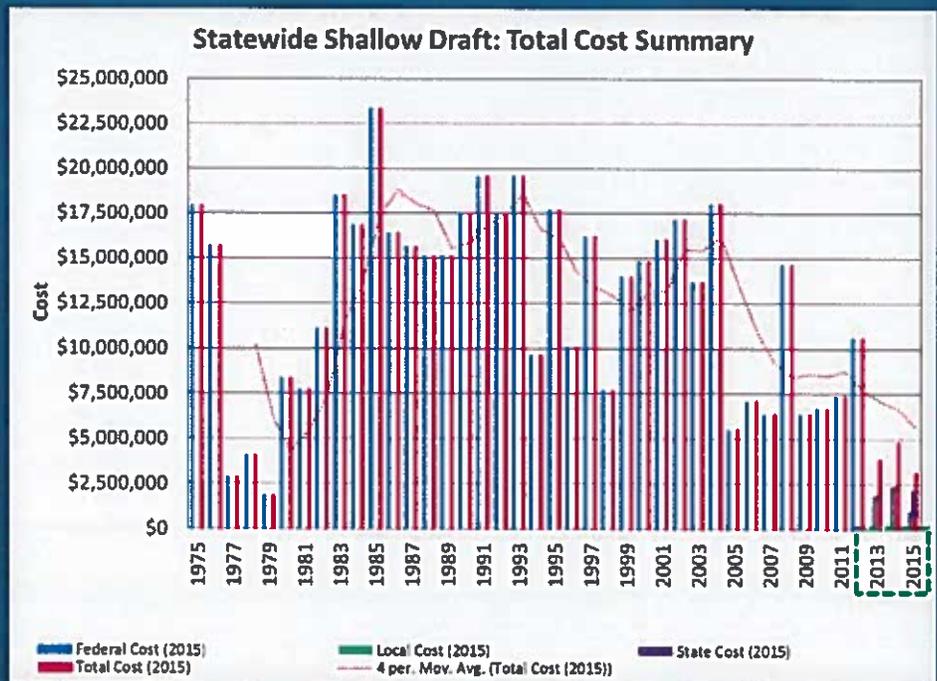
BIMP (2016 UPDATE) – Funding Need – Dredging

Table IV-6: Dredging Costs - Statewide (2010-2015)

Location	Shallow			Deep (2015 \$)	Total (2015 \$)	Average Cost (2015 \$/ yr)
	Federal	State	Local			
	(2015 \$)					
Region 1	\$ 996,018	\$ 514,440	\$ 454,090	\$ 103,146,635	\$ 105,111,183	\$ 17,518,530
Region 2a	\$ 1,473,364	\$ 571,418	\$ 489,818	-	\$ 2,534,599	\$ 422,433
Region 2b	\$ 2,075,660	\$ 811,343	\$ 545,395	-	\$ 3,432,398	\$ 572,066
Region 2c	\$ 1,643,355	\$ 200,384	\$ 200,384	\$ 24,683,145	\$ 26,727,267	\$ 4,454,545
Region 3a	-	-	-	-	-	-
Region 3b	\$ 5,594,282	\$ 1,949,541	\$1,634,291	-	\$ 9,178,115	\$ 1,529,686
Region 4a	\$ 139,273	\$ 147,935	\$ 147,935	-	\$ 435,144	\$ 72,524
Region 4b	\$ 12,678,053	\$ 2,314,018	\$1,868,023	-	\$ 16,860,094	\$ 2,810,016
AIWW & Inland Waterways	\$ 3,384,839	-	-	-	\$ 3,384,839	\$ 564,140
Statewide Total	\$ 27,984,845	\$ 6,509,079	\$5,339,936	\$ 127,829,780	\$ 167,663,639	\$ 27,943,940
Statewide Average	\$ 4,664,141	\$ 1,084,846	\$ 889,989	\$ 21,304,963	\$ 27,943,940	N/A

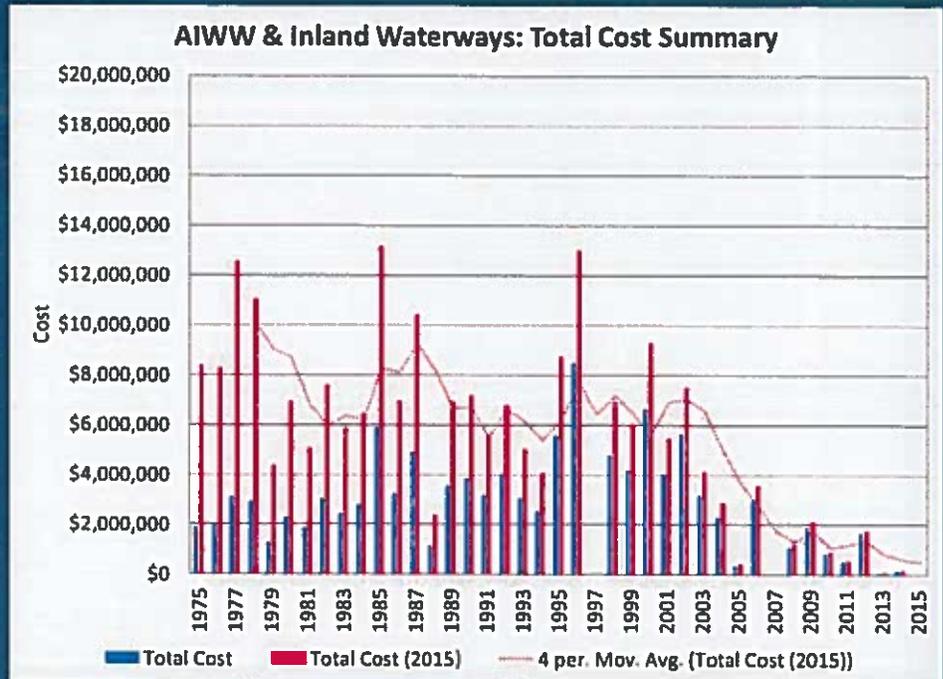
BIMP (2016 UPDATE) – Funding Need – Dredging

- Shallow Draft
– \$16.25M/yr



BIMP (2016 UPDATE) – Funding Need – Dredging

- AIWW/Inland
 - \$7M/yr
- Total Shallow Draft
 - \$23.25M/yr



BIMP (2016 UPDATE) – Funding Need – Dredging

- Deep Draft Funding Need
 - NC Ports Are Losing Ground Nationally to Other Ports Based on Tonnage
 - Funding Is Strained
 - NCGA Set Up Fund But No Appropriation to Date

“We Can’t Wait” Ports Compared to North Carolina Ports

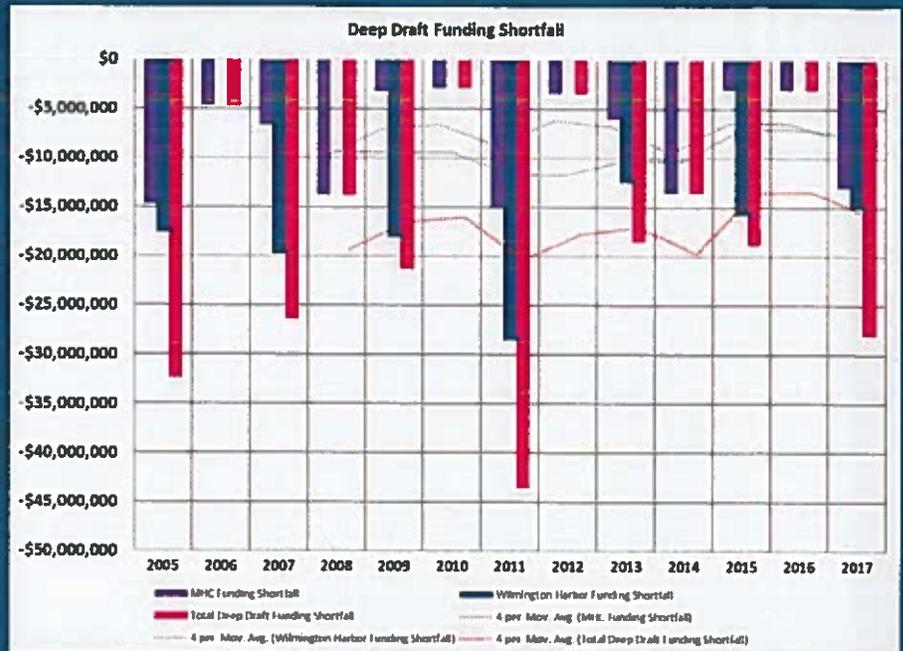
Year	Norfolk		Savannah		Charleston		Jacksonville		Miami		Wilmington		Morehead City	
	Rank #	Total Cargo Volume in Short Tons (Domestic and Foreign)	Rank #	Total Cargo Volume in Short Tons (Domestic and Foreign)	Rank #	Total Cargo Volume in Short Tons (Domestic and Foreign)	Rank #	Total Cargo Volume in Short Tons (Domestic and Foreign)	Rank #	Total Cargo Volume in Short Tons (Domestic and Foreign)	Rank #	Total Cargo Volume in Short Tons (Domestic and Foreign)	Rank #	Total Cargo Volume in Short Tons (Domestic and Foreign)
2010	15	41,949,771	19	34,881,854	39	17,395,995	34	15,117,821	62	6,998,779	60	7,419,180	81	1,497,946
2011	15	47,152,771	19	28,489,297	37	17,316,598	39	16,827,881	62	7,127,761	63	6,271,639	82	1,549,512
2012	15	46,219,396	20	27,132,064	33	19,826,027	39	18,415,144	62	6,993,927	64	6,714,640	86	1,548,648
2013	14	48,891,624	23	21,929,022	35	16,326,126	38	16,471,808	63	7,425,141	65	6,728,401	88	1,423,689
2014	14	47,999,843	22	24,229,245	33	19,847,051	38	17,100,600	65	7,142,109	77	5,897,971	100	1,421,649



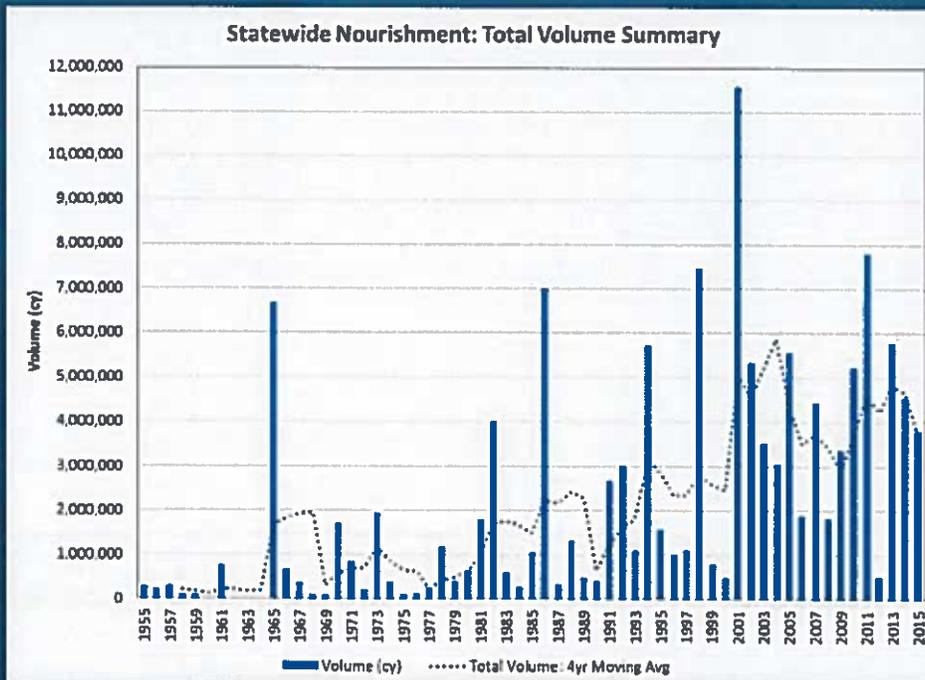
BUILDING STRONG®

BIMP (2016 UPDATE) – Funding Need – Dredging

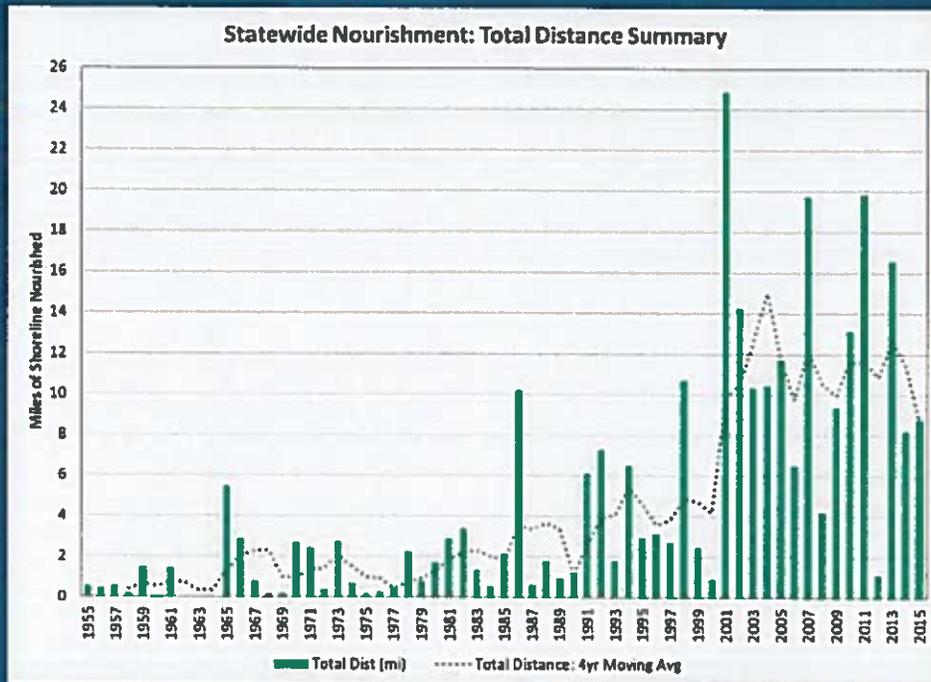
- Deep Draft Funding Need
 - \$17.5M Average Annual Shortfall
 - \$10M/yr to Wilmington Harbor
 - \$7.5M/yr to Morehead City Harbor



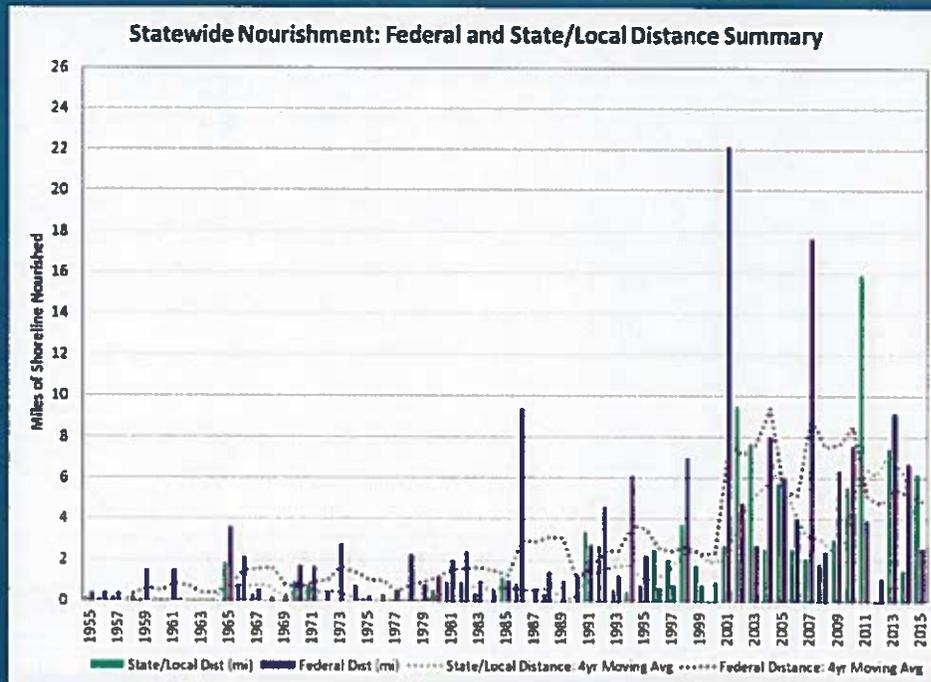
BIMP (2016 UPDATE) – Funding Need – Beaches



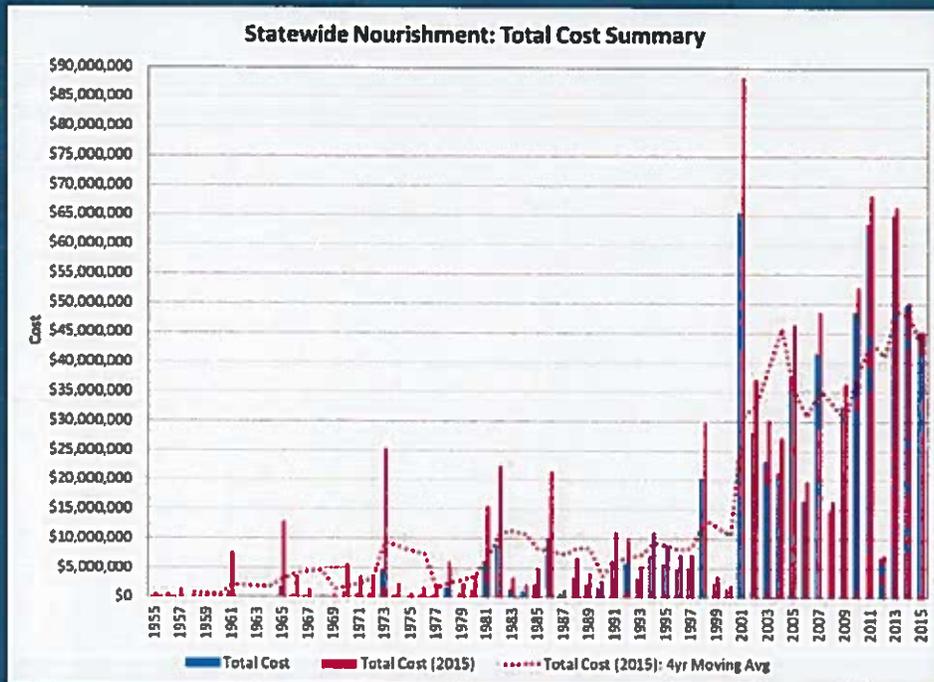
BIMP (2016 UPDATE) – Funding Need – Beaches



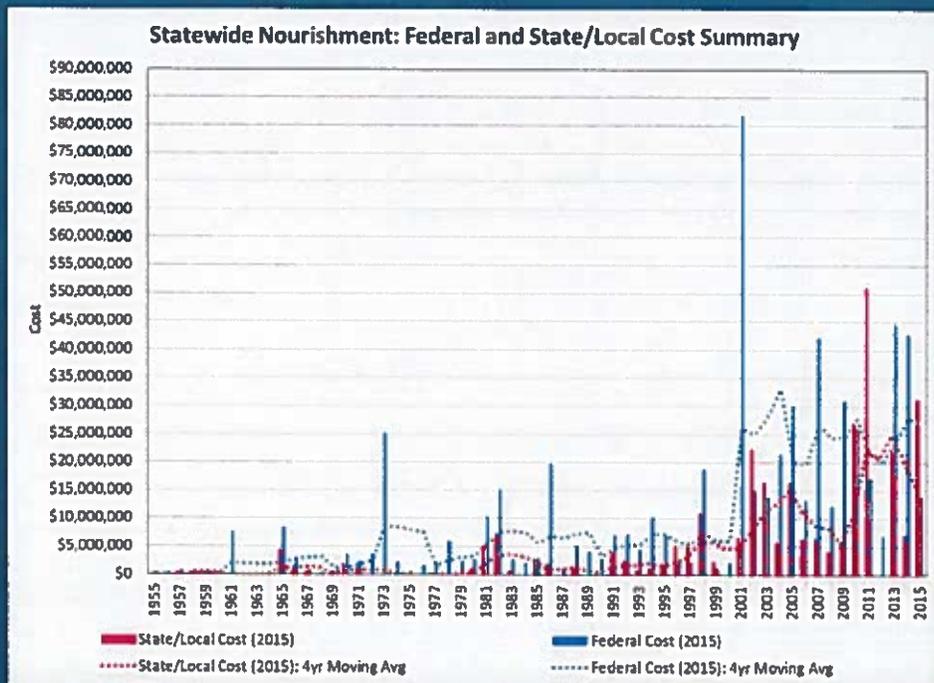
BIMP (2016 UPDATE) – Funding Need – Beaches



BIMP (2016 UPDATE) – Funding Need – Beaches



BIMP (2016 UPDATE) – Funding Need – Beaches



BIMP (2016 UPDATE) – Funding Need – Beaches

Table IV-7: Beach Nourishment Summary Data – Statewide (1955 – 2015)

Region	Number of Times Nourished	Total Volume Nourished (cy)	Cumulative Distance (mi)	Federal Cumulative Distance (mi)	State/Local Cumulative Distance	Total Cost (2015 \$)	Federal Cost (2015 \$)	State/Local Cost (2015 \$)
Region 1	90	27,128,912	67.5	44.9	22.6	\$230,064,720	\$178,097,117	\$51,967,603
Region 2a	100	49,825,675	89.8	53.3	36.5	\$255,208,455	\$155,760,621	\$99,447,835
Region 2b	24	5,800,308	16.4	5.1	11.3	\$64,717,434	\$22,880,753	\$41,836,682
Region 2c	43	26,527,019	73.1	50.4	22.7	\$183,547,263	\$125,072,421	\$58,474,842
Region 3b	12	1,403,863	2.1	2.1	0.0	\$16,244,041	\$16,244,041	\$0
Region 4a	4	3,430,083	4.5	4.5	0.0	\$46,795,723	\$46,795,723	\$0
Region 4b	25	14,854,244	27.0	17.0	10.0	\$108,670,297	\$70,307,679	\$38,362,618
STATEWIDE TOTAL	298	128,778,104	280.4	177.3	103.1	\$905,247,913	\$618,953,358	\$286,294,555
STATEWIDE AVERAGE (/yr)	N/A	2,130,985	4.6	2.9	1.7	\$34,840,130	\$20,081,203	\$4,758,928

Table IV-8: Beach Nourishment Summary Data – Statewide (2005 – 2015)

Region	Number of Times Nourished	Total Volume (cy)	Cumulative Distance (mi)	Federal Cumulative Distance (mi)	State/Local Cumulative Distance	Total Cost (2015 \$)	Federal Cost (2015 \$)	State/Local Cost (2015 \$)
Region 1	33	11,798,725	29.3	18.4	10.9	\$124,146,226	\$87,704,045	\$36,442,180
Region 2a	29	9,223,965	22.8	12.6	10.2	\$94,082,335	\$48,328,672	\$45,753,663
Region 2b	16	4,944,355	14.2	2.9	11.3	\$57,859,113	\$16,022,431	\$41,836,682
Region 2c	17	9,851,817	36.7	27.3	9.4	\$99,183,667	\$74,647,467	\$24,536,200
Region 3b	0	-	-	-	-	-	-	-
Region 4a	1	1,618,083	2.0	2.0	0.0	\$19,551,603	\$19,551,603	\$0
Region 4b	5	7,328,053	14.2	4.2	10.0	\$72,249,867	\$33,682,249	\$38,567,618
STATEWIDE TOTAL	101	44,764,698	119.2	67.4	52.8	\$467,082,611	\$270,036,408	\$197,046,203
STATEWIDE AVERAGE (/yr)	N/A	4,069,545	10.8	6.1	4.7	\$41,562,963	\$25,448,770	\$18,104,213

BIMP (2016 UPDATE) – Funding Need – Beaches

Table IV-9: Beach Nourishment Summary Data – Statewide (2010 – 2015)

Region	Number of Times Nourished	Total Volume Nourished (cy)	Cumulative Distance (mi)	Federal Cumulative Distance (mi)	State/Local Cumulative Distance	Total Cost (2015 \$)	Federal Cost (2015 \$)	State/Local Cost (2015 \$)
Region 1	17	6,988,510	15.5	9.4	6.2	\$75,555,796	\$45,702,984	\$29,852,812
Region 2a	15	5,809,947	15.1	9.4	5.7	\$55,910,164	\$35,848,559	\$20,061,605
Region 2b	11	4,417,041	12.8	1.5	11.3	\$51,748,384	\$9,911,702	\$41,836,682
Region 2c	7	3,681,703	12.2	8.7	3.5	\$41,030,480	\$32,975,928	\$8,054,552
Region 3b	0	-	-	-	-	-	-	-
Region 4a	1	1,618,083	2.0	2.0	0.0	\$19,551,603	\$19,551,603	\$0
Region 4b	2	5,180,925	10.0	0.0	10.0	\$45,953,898	\$7,386,280	\$38,567,618
STATEWIDE TOTAL	53	27,696,209	67.7	31.0	36.7	\$289,750,325	\$151,377,056	\$138,373,269
STATEWIDE AVERAGE (/yr)	N/A	4,616,035	11.3	5.2	6.1	\$48,291,721	\$25,229,509	\$23,062,211

BIMP (2016 UPDATE) – Projections and Cycles

- Average Nourishment Interval Across the State Is 4.5 years
- ~ 45% of Potentially Managed Shoreline Historically Managed

Region	Historical Total Managed Shoreline (mi)	Historical Federal Managed Shoreline (mi)	Historical State/Local Managed Shoreline (mi)	Current Total Managed Shoreline (mi)	Current Federal Managed Shoreline (mi)	Current State/Local Managed Shoreline (mi)	Managed and Potentially Managed Shoreline (mi)	Total Shoreline (mi)	Nourishment Interval (yr)
Region 1 Total	16.4	11.1	5.3	16.4	11.1	5.3	33.0	40	4.5
Region 2a Total	14.0	7.9	6.1	14.0	7.9	6.1	17.3	31	3.5
Region 2b Total	8.4	0.7	7.7	8.4	0.7	7.7	21.6	38	4.3
Region 2c Total	20.5	11.6	8.9	20.5	3.0	17.5	24.3	45	5.2
Region 3a Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	41	-
Region 3b Total	1.0	1.0	0.0	1.0	1.0	0.0	5.5	30	-
Region 4a Total	2.0	2.0	0.0	4.9	2.0	2.9	10.9	35	5.0
Region 4b Total	12.5	2.5	10.0	20.1	2.5	17.6	35.6	43	4.6
Region 4c Total	0.0	0.0	0.0	0.0	0.0	0.0	19.1	23	-
TOTAL	74.8	36.8	38.0	85.3	28.2	57.1	167.3	326	4.5

BIMP (2016 UPDATE) – Projections and Cycles

- Currently \$50M Annually for Beach Nourishment
 - \$25M Annually Federal Cost For 36.8 Miles Of Shoreline
 - \$25M Annually State/Local Cost For 38.0 Miles Of Shoreline
 - Assuming a Unit Cost of \$10.5/cy - \$25M over 38 miles/4.5yr = 53 cy/ft - Reasonable
 - With Funding Shifts and Recent Projects, Now Need to Plan for 57.1 Miles of State/Local Managed Shoreline – $57.1/38 = 1.5$ Ratio
 - Equals \$37.5M Annual State/Local Cost – SAY \$40M
 - Including Buffer for CSDR, Storm Recovery, Upfront Support Engineering/Environmental – SAY \$40 – 50M

BIMP (2016 UPDATE) – Projections and Cycles

- Potential Need Statewide Fund for Beaches
 - \$20M - \$35M Annually Depending on Cost Share

Table IV-11: Current State/Local Beach Nourishment Funding Need Cost Share

Cost Share		\$40 M Total State/Local		\$50 M Total State/Local	
State	Local	State	Local	State	Local
25%	75%	\$10,000,000	\$30,000,000	\$12,500,000	\$37,500,000
33%	67%	\$13,200,000	\$26,800,000	\$16,500,000	\$33,500,000
50%	50%	\$20,000,000	\$20,000,000	\$25,000,000	\$25,000,000
67%	33%	\$26,800,000	\$13,200,000	\$33,500,000	\$16,500,000
75%	25%	\$30,000,000	\$10,000,000	\$37,500,000	\$12,500,000

BIMP (2016 UPDATE) – Projections and Cycles

- 167.3 Total miles – 28.2 Federal miles = 139.1 Potential State & Local miles/57.1 Current State & Local miles = 2.44 Ratio
- State/Local Costs of Beach Nourishment May Increase By 244% Once All Developed Shorelines Need Management
- State Fund for Beaches May Reach \$50M - \$70M/yr – 10-15 Years In the Future If Current Trends Continue

Table IV-12: Ultimate Future State/Local Beach Nourishment Funding Need Cost Share

Cost Share		\$95 M Total State/Local		\$105 M Total State/Local	
State	Local	State	Local	State	Local
25%	75%	\$23,750,000	\$71,250,000	\$26,250,000	\$78,750,000
33%	67%	\$31,350,000	\$63,650,000	\$34,650,000	\$70,350,000
50%	50%	\$47,500,000	\$47,500,000	\$52,500,000	\$52,500,000
67%	33%	\$63,650,000	\$31,350,000	\$70,350,000	\$34,650,000
75%	25%	\$71,250,000	\$23,750,000	\$78,750,000	\$26,250,000

BIMP (2016 UPDATE) – Funding Need

- State Fund for Shallow Draft Projects – Ultimate Need May be \$23.5M/yr.....With Local Match Included, Current Capacity With Shallow Draft and Lake Dredging Fund is \$28.5M/yr
- State Fund for Deep Draft Projects - \$17.5M annually – Separate Appropriation from General Assembly Recommended
- State Fund for Beach Nourishment - \$20M - \$35M annually

BIMP (2016 UPDATE) – Funding Sources

- Literature Review & Interviews
 - The Economic Value of N.C. Beaches/Inlets
 - Examples of Investment in Beaches/Inlets
 - Other State's Funding Sources
 - Municipal/Community Models
- The Cost of Doing Nothing
 - Examples from In- and Out-of-State Communities

BIMP (2016 UPDATE) – Funding

- A State Dedicated Beach Preservation Fund Is Justified
- NC's 8 Coastal Counties Are A Huge Economic Engine!
 - In 2014, Visitors Alone:
 - Spent \$3 Billion (B)
 - Produced \$130 Million (M) In State Sales Tax
 - Supported 31 M Jobs
 - All Consumers, Private Sector, 2014 Spending:
 - \$9.3B In State Taxable Sales
 - \$1.2B In Food Service Sales
 - \$2.2B In Real Estate Transfers
 - \$1.3B In Lodging Sales

BIMP (2016 UPDATE) – Funding

- Creation of an Atlantic Coast Development Region Should Be Investigated

Table V-2. Coastal Counties in a Hypothetical Atlantic Coast Economic Development Region (EDR) – 2014 Economic Importance of NC Visitor Expenditures (USTA, 2015).

Member Counties	Expenditure (millions (M))	Payroll (M)	Employment	State Tax Receipts (M)	Local Tax Receipts (M)	2014 Region Population (ACCESSNC)
Brunswick	\$496.32	\$91.36	5,190	\$22.19	\$29.75	118,836
Carteret	\$324.72	\$57.21	3,200	\$14.12	\$18.84	68,811
Currituck	\$144.18	\$26.53	1,540	\$5.96	\$6.60	24,976
Dare	\$1,019.30	\$207.24	12,300	\$47.06	\$45.15	35,104
Hyde	\$33.17	\$6.28	380	\$1.51	\$1.79	5,676
New Hanover	\$507.90	\$113.27	5,680	\$23.82	\$20.11	216,298
Onslow	\$217.29	\$39.40	1,750	\$11.02	\$8.11	187,589
Pender	\$89.63	\$15.19	790	\$4.16	\$6.13	56,250
Atlantic Coast Region Total	\$2,832.51	\$556.48	30,830	\$129.84	\$136.48	713,540

BIMP (2016 UPDATE) – Funding

- Creation of an Atlantic Coast Development Region Should Be Investigated

Table V-3. 2014 Comparison of a Hypothetical Atlantic Coast EDR to other NCPED Economic Development Regions: Economic Importance of NC Visitor Expenditures (USTA, 2015).

Eight Economic Development Regions (NCPED, 1997)	Expenditures (M)	Payroll (M)	Employment	State Tax Receipts (M)	Local Tax Receipts (M)	Number of Counties
Hypothetical Atlantic Coast EDR (ACEDR)	\$2,832.51	\$556.48	30,830	\$129.84	\$136.48	8
Advantage West	\$2,988.64	\$588.02	28,650	\$148.13	\$116.31	23
Carolina	\$6,526.01	\$1,895.44	62,250	\$311.90	\$156.02	12
Global/Eastern	\$1,067.14	\$179.10	9,040	\$57.01	\$24.78	11
Northeast	\$359.85	\$46.00	2,250	\$19.19	\$14.70	13
Southeast	\$855.50	\$140.14	6,950	\$45.66	\$18.47	8
Piedmont Triad	\$2,802.11	\$549.24	24,590	\$149.18	\$61.81	12
Triangle	\$3,891.25	\$968.17	40,380	\$191.08	\$107.69	13
TOTAL	\$21,323.01	\$4,922.59	204,940	\$1,051.99	\$636.26	100
ACEDR as % of Whole	13.30%	11.30%	15.00%	12.30%	21.50%	8.00%
ACEDR Ranks	4 th	4 th	3 rd	5 th	2 nd	7 th (Tie)
EDR Averages	\$2,665.38	\$615.32	25,620	\$131.50	\$79.53	NA
ACEDR vs. EDR Averages	\$167.13	-\$58.84	5,210	-\$1.66	\$56.95	NA

BIMP (2016 UPDATE) – Funding

- Beach Preservation Funding in Other States

STATE	DEDICATED?	SOURCE	% STATE COST SHARE	ANNUAL FUNDING
NJ	Yes	Real Estate transfer fee	75%	\$25 M*
FL	Yes	Real Estate transfer fee	50%	\$30 M*
DE	Yes	State tourist tax (1%) + general bonds	100%	\$1.5 M +
LA	Yes (wetlands + beaches)	Wetlands Trust Fund	variable	\$13-25 M
TX	No	CEPRA (state sporting goods sales tax) + general fund	75%	\$5.5 M
SC	No	General Fund	variable	\$30 M [#]
VA	No	n/a	n/a	\$0

*New Jersey And Florida's State Beach Advocacy Groups Are Requesting An Increase To \$50M/Yr

[#] One-time Allocation In 2016. State Beach Advocacy Group Requesting A Dedicated Source.

BIMP (2016 UPDATE) – Funding

- Possible State Cost Share Formulas
 - 50% State, 50% Local – Florida & Past Shallow Draft Match
 - 67% State, 33% Local – Current Shallow Draft (Tiering)
 - 75% State, 25% Local – NJ, TX
 - ~~100% State~~ – DE
- If 50% State Cost Share, If \$40M - \$50M Total Annual Need Then...Fund Revenues ≈ \$20M - \$25M/Yr
- If 67% State Cost Share, If \$40M - \$50M Total Annual Need Then...Fund Revenues ≈ \$27M - \$34M/Yr

BIMP (2016 UPDATE) – Funding

- Hypothetical Revenue Sources for a State Beach Preservation Fund (projected add'l tax revenue generated in the 8 coastal counties alone)
 - New State Tax Increases:
 - \$25M – Seasonal 0.5% State Sales Tax
 - \$15.1M – 1% State Meals Tax
 - \$10M – Additional Land Transfer Fee (\$1/\$500)
 - \$26.4M - \$0.001 Ad Valorem Tax per \$100 of Non-Resident Properties
 - A New 2% State Occupancy Tax Increase:
 - \$21.2M – State OT
 - Reallocating Existing Revenue:
 - \$24.2M – Half Of The Existing State Sales Tax Revenues On Short-term Lodging

BIMP (2016 UPDATE) – Funding

- Increasing State Sales and Use Tax (FY 14-15\$ in Thousands)

Table V-6. Hypothetical State Revenues Generated in the Eight Coastal Counties if a New Seasonal Sales and Use Tax ("State Sales Tax") is Implemented (Dollars in Thousands).

Coastal Counties	May-September, 2015*		Estimated 2015 Additional Seasonal Tax Revenues IF a State Sales Tax Rate Increase of:		
	Reported Taxable Sales*	Reported Gross Tax Collections*	0.75%	0.50%	0.25%
Brunswick	\$698,520	\$33,219	\$5,239	\$3,493	\$1,746
Carteret	\$526,304	\$24,964	\$3,947	\$2,632	\$1,316
Currituck	\$311,286	\$14,816	\$2,335	\$1,556	\$778
Dare	\$892,484	\$42,463	\$6,694	\$4,462	\$2,231
Hyde	\$40,003	\$1,912	\$300	\$200	\$100
New Hanover	\$1,749,219	\$83,257	\$13,119	\$8,746	\$4,373
Onslow	\$805,410	\$38,356	\$6,041	\$4,027	\$2,014
Pender	\$191,759	\$9,155	\$1,438	\$46	\$479
Totals:	\$5,214,985	\$248,143	\$39,112	\$25,162	\$13,037

* Estimated sum of monthly taxable sales and gross NC sales tax collections for May, June, July, August and September 2015 based on June-October monthly sale tax data reported by NCDOR (2016).

BIMP (2016 UPDATE) – Funding

- New State (Food and Beverage) "Meals" Tax (FY 14-15\$ in Thousands)

Table V-8. Hypothetical State Revenues Generated in the Eight Coastal Counties if a State Food and Beverage ("Meal Tax") Tax is Implemented (Dollars in Thousands).

Coastal Counties	FY 2015-16 Taxable Sales*	Projected Additional FY Tax Revenues IF a New State Meal Tax of:		
		1.00%	0.50%	0.25%
Brunswick	\$193,130	\$1,931	\$966	\$483
Carteret	\$139,775	\$1,398	\$699	\$349
Currituck	\$40,482	\$405	\$202	\$101
Dare	\$196,894	\$1,969	\$984	\$492
Hyde	\$13,110	\$131	\$66	\$33
New Hanover	\$569,941	\$5,699	\$2,850	\$1,425
Onslow	\$57,698	\$577	\$288	\$144
Pender	\$303,591	\$3,036	\$1,518	\$759
Totals:	\$1,514,622	\$15,146	\$7,573	\$3,787

* Except for Dare County, sales were based on sales and use tax returns by NC restaurants, cafeterias, grills, etc. (Business Group 306) (NCDOR, 2016). The projected Dare County meal tax revenues are based upon increasing its existing meal tax (EROB, 2016b).

BIMP (2016 UPDATE) – Funding

- New Land Transfer Tax (FY 14-15\$ in Thousands)

Table V-10. Hypothetical State Revenues Generated in the Eight Coastal Counties if an Additional Land Transfer Tax is Implemented (Dollars in Thousands).

Coastal Counties	Estimated Taxable Values*	Projected Additional Tax Revenues IF Fee of:			Tax Revenue IF One Dollar Per Transfer Value of:		
		1.00%	0.50%	0.25%	\$1/\$250	\$1/\$500*	\$1/\$750
Brunswick	\$1,112,349	\$11,123	\$5,562	\$2,781	\$4,449	\$2,225	\$1,483
Carteret	\$503,605	\$5,036	\$2,518	\$1,259	\$2,014	\$1,007	\$671
Currituck	\$320,226	\$3,202	\$1,601	\$801	\$1,281	\$640	\$427
Dare	\$541,202	\$5,412	\$2,706	\$1,353	\$2,165	\$1,082	\$722
Hyde	\$20,117	\$201	\$101	\$50	\$80	\$40	\$27
New Hanover	\$1,561,472	\$15,615	\$7,807	\$3,904	\$6,246	\$3,123	\$2,082
Onslow	\$654,082	\$6,541	\$3,270	\$1,635	\$2,616	\$1,308	\$872
Pender	\$325,896	\$3,259	\$1,629	\$815	\$1,304	\$652	\$435
Totals:	\$5,038,946	\$50,389	\$25,195	\$12,597	\$20,156	\$10,078	\$6,719

*Estimated using reported net proceeds of collected excise taxes (i.e. one dollar on each \$500 in real property conveyed, etc.) for a given county during FY 2013-14 (NCDOR, 2016).

+The NC current excise (stamp) tax rate is \$1 on each \$500 on or fractional part of real property conveyed to another person, this is equivalent to a 0.20% tax rate levied on the conveyed values.

BIMP (2016 UPDATE) – Funding

- New State Occupancy Tax (OT) on Short-term Rentals (FY 14-15 \$ in Thousands)

Table V-12. Hypothetical State Revenues Generated in the Eight Coastal Counties if a New State Occupancy Tax (OT) is Levied on Short-Term Lodging Sales (2014-15 Fiscal Year Dollars in Thousands).

Coastal Counties	Taxable Lodging Sales*	Projected Additional FY Tax Revenues IF a New State OT of:		
		1.00%	1.50%	2.00%
Brunswick	\$135,480	\$1,355	\$2,032	\$2,710
Carteret	\$102,170	\$1,022	\$1,533	\$2,043
Currituck	\$155,356	\$1,554	\$2,330	\$3,107
Dare	\$405,802	\$4,058	\$6,087	\$8,116
Hyde	\$7,115	\$71	\$107	\$142
New Hanover	\$185,020	\$1,850	\$2,775	\$3,700
Onslow	\$46,975	\$470	\$705	\$939
Pender	\$21,885	\$219	\$328	\$438
Totals:	\$1,059,802	\$10,598	\$15,897	\$21,196

*FY 2015-16 taxable sales reported on sales tax returns by NC hotels, motels, house rentals, etc. (Business Group 708) (NCDOR, 2016).

BIMP (2016 UPDATE) – Funding

- New Real Property Tax (Ad-Valorem) on Non-Residents (FY 14-15 \$ in Thousands)

Table V-14. Hypothetical State Revenues Generated in the Eight Coastal Counties if a New Real Property (ad-valorem) Tax is Levied on Real Property Owned by Non-Residents (Dollars in Thousands).

Coastal Counties	Assessed Valuation of Real Property in Coastal Counties:		Projected FY Revenues IF a New Property Tax Levy (Per \$100 of Valuation):		
	All Coastal County Property*	Non-Resident Owned Coastal Property	0.0005	0.00075	0.001
Brunswick	\$21,725,662	\$4,238,731	\$2,119	\$3,179	\$4,239
Carteret	\$16,785,208	\$3,866,808	\$1,933	\$2,900	\$3,867
Currituck	\$6,817,317	\$3,722,798	\$1,861	\$2,792	\$3,723
Dare	\$14,005,354	\$7,538,670	\$3,769	\$5,654	\$7,539
Hyde	\$1,685,258	\$837,578	\$419	\$628	\$838
New Hanover	\$29,781,013	\$3,361,123	\$1,681	\$2,521	\$3,361
Onslow	\$12,863,257	\$2,123,949	\$1,062	\$1,593	\$2,124
Pender	\$6,651,035	\$699,997	\$350	\$525	\$700
Totals:	\$110,314,104	\$26,389,648	\$13,195	\$19,792	\$26,390

*Source: Section II. The column values also includes property owners with residency status that can not be determined; only 0.1% (\$161.1M) of the column's grand total.

BIMP (2016 UPDATE) – Funding

- Reallocation of Existing State Sales and Use Tax on Short-term Rentals (FY 14-15\$ in Thousands)

Table V-15. Hypothetical Scenario for State Revenues Derived from Short-Term Lodging Sales in NC Coastal Counties by Reallocating 50% or 100% of Existing North Carolina Sales and Use Tax Collections (Dollars in Thousands).

Coastal Counties	Taxable Lodging Sales*	Gross Tax Collections	Projected FY Tax Revenues IF a Reallocated Percentage of:	
			100.0% of 4.75%	50.0% of 4.75% (or 2.375%)
Brunswick	\$135,480	\$6,453	\$6,453	\$3,226
Carteret	\$102,170	\$4,862	\$4,862	\$2,431
Currituck	\$155,356	\$7,383	\$7,383	\$3,692
Dare	\$405,802	\$340	\$340	\$170
Hyde	\$7,115	\$19,318	\$19,318	\$9,659
New Hanover	\$185,020	\$8,810	\$8,810	\$4,405
Onslow	\$46,975	\$2,243	\$2,243	\$1,122
Pender	\$21,885	\$1,043	\$1,043	\$522
Totals:	\$1,059,802	\$50,452	\$50,453	\$25,227

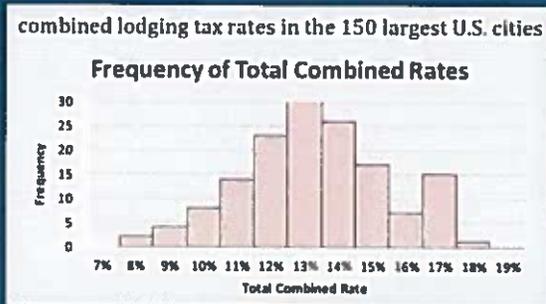
*FY 2015-16 taxable sales reported for sales tax returns by NC hotels, motels, house rentals, etc. (Business Group 708) (NCDOR, 2016).

BIMP (2016 UPDATE) – Funding

- Lodging Taxes Comparisons – Brunswick County (Typical)

State Sales Tax	4.75%
County Sales Tax	2%
County Occupancy Tax	1%
Municipal OT	5%
TOTAL TAXES:	12.75%

Example Large Urban Area Lodging Taxes*	
Kansas City, MO	18.35%
Birmingham, AL	17.50%
San Antonio, TX	17%
Atlanta, GA	16%
Virginia Beach, VA	15.50%
Charlotte, NC	15.25%
Long Beach, CA	15.00%
New York, NY	14.75%
Washington, DC	14.50%
Jersey City, NJ	14%
Las Vegas, NV	14%
Honolulu, HI	13.75%
Charleston, SC	13.50%
Durham, NC	13.50%
Miami, FL	13%
Raleigh, NC	12.75%
Orlando, FL	12.50%
Anchorage, AK	12%
Oceanside, CA	11.50%
Ft. Lauderdale, FL	11%
Knoxville, TN	10%



*Source: 2016, HVS Lodging Tax Report

BIMP (2016 UPDATE) - FEMA Engineered Beach

- Many Local Projects Have Incorporated a FEMA Engineered Beach

- Offers Benefit of Beach Volume Loss Replacement During a Presidentially Declared Disaster Event If:
 - Beach Was Constructed by Placement of Imported Sand (of Proper Grain Size) to a Designed Elevation, Width, and Slope
 - Maintenance Program Involving Periodic Nourishment with Imported Sand Has Been Established and Adhered to by the Applicant
 - Maintenance Program Preserves the Original Design

BIMP (2016 UPDATE) - FEMA Engineered Beach

- Many Local Projects Have Incorporated a FEMA Engineered Beach
 - To Document Eligibility of the Beach as a Designed and Maintained Facility, the Applicant Should Provide the Following to FEMA
 - All Design Studies, Plans, Construction Documents & As-Builts for Original Project and All Subsequent Renourishments
 - Documentation and Details of the Maintenance Plan, Including How the Need for Nourishment is Determined and Funded
 - Pre- and Post-Storm Profiles that Extend at least to the Seaward Edge of the Sub-aqueous Nearshore Zone (Closure Depth, Usually -15 to -20 ft)

BIMP (2016 UPDATE) – Funding Recommendations

- Hypothetical Revenue Sources for a State Beach Preservation Fund (projected add'l tax revenue generated in the 8 coastal counties alone)
 - Single New Source
 - New 0.5% seasonal State sales tax, which will generate \$25M
 - Combined New Source
 - New 1% State Meals Tax, Which Will Generate \$15.1M, And
 - An Additional Land Transfer Fee Of \$1/\$500, Which Will Generate \$10M
 - Reallocating Existing Revenue
 - \$25.2M – Half Of The Existing State Sales Tax Revenues On Short-term Lodging

BIMP (2016 UPDATE) – Return on Investment

- Is It Worth The Investment? – Shallow Draft Dredging
 - Current Shallow Draft Fund (\$19 Million/Yr) Is Adequate To Meet Both Current And Future Projected Needs And Should Be Kept As Is
 - Based On Results From Section II, The Shallow Draft Inlets In NC Provide \$651.8 Million In Direct Impact, \$908.8 Million In Indirect Impact, And 13,220 Jobs.
 - Approximates a ROI Of \$34.3/\$1 To \$47.8/\$1 Depending On Whether Economic Multiplier Effects Are Considered



BIMP (2016 UPDATE) – Return on Investment

- Is It Worth The Investment? – Deep Draft Dredging
 - Deep Draft Port Fund Should Be A Recurring Appropriation Of \$17.5 M/yr by the Legislature as Part of Its Investment in Ports. As a Condition Of Fund Use, All Beach Compatible Material Must Be Placed Directly On Adjacent Beaches.
 - Ports Bring An Estimated Economic Impact Of \$222.1 M (Direct) And \$416.8 Million (Indirect) With 2,973 Jobs.
 - ROI Of \$12.7/\$1 To \$23.8/\$1 Depending On Whether Economic Multiplier Effects Are Considered



BIMP (2016 UPDATE) – Return on Investment

• Is It Worth The Investment? – Beaches

- Development Of A State Dedicated Beach Nourishment Fund Is Justified. Considering The Economic Impact To The Counties Outside Of The Eight Coastal Counties Alone, The Investment Of \$25 Million Provides \$1.406 Billion In Economic Impact (ROI = \$56/\$1) And Just Over 10,000 Jobs.
- If The Eight Coastal Counties Are Included, The Economic Effect Goes To \$1.66 Billion Direct Impact (ROI = \$66.5/\$1) And \$4.74 Billion Indirect (ROI = \$189.9/\$1) With 48,718 Jobs



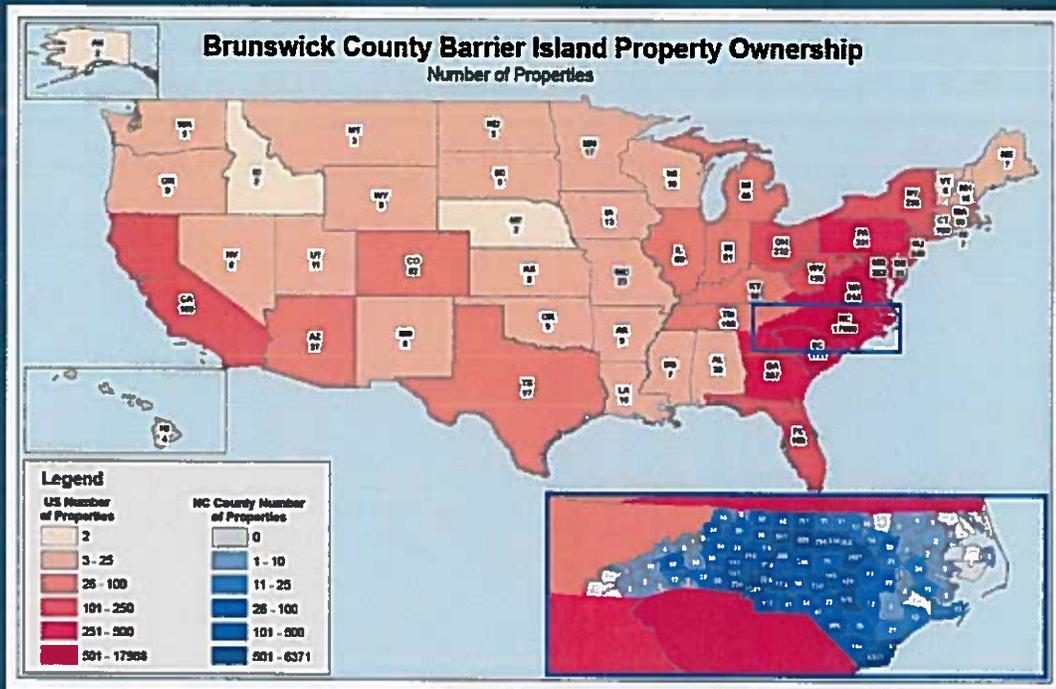
BIMP (2016 UPDATE) – Return on Investment

• Is It Worth The Investment? – Infrastructure

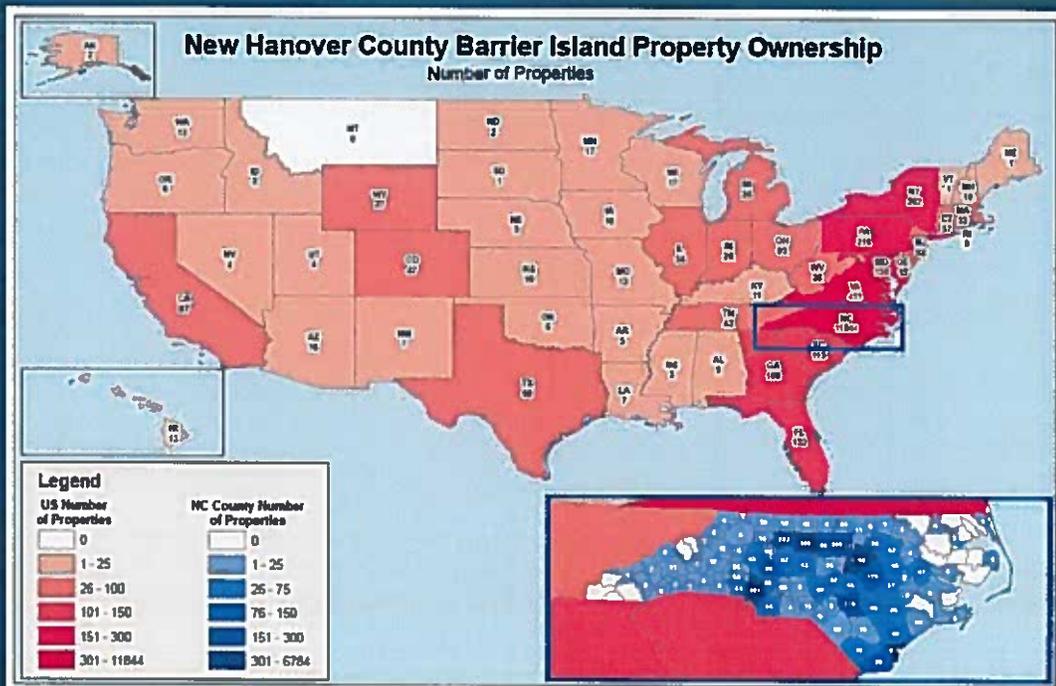
- Lastly, Since These Projects Should Be Viewed As Infrastructure Projects, NCDOT Spending By County Was Investigated From 2013 – 2015
- Roughly \$1.17 Billion Had Been Spent In Wake, Mecklenburg, Guilford, And Forsyth Counties During That Time While \$778 Million Had Been Spent In The Eight Coastal Counties
- Given That Overall NCDOT Investments Are Approximately \$1 Million/Mile Of Improvement, An Amount That Equates To 25 Miles Of Roadway Improvements Seems Reasonable



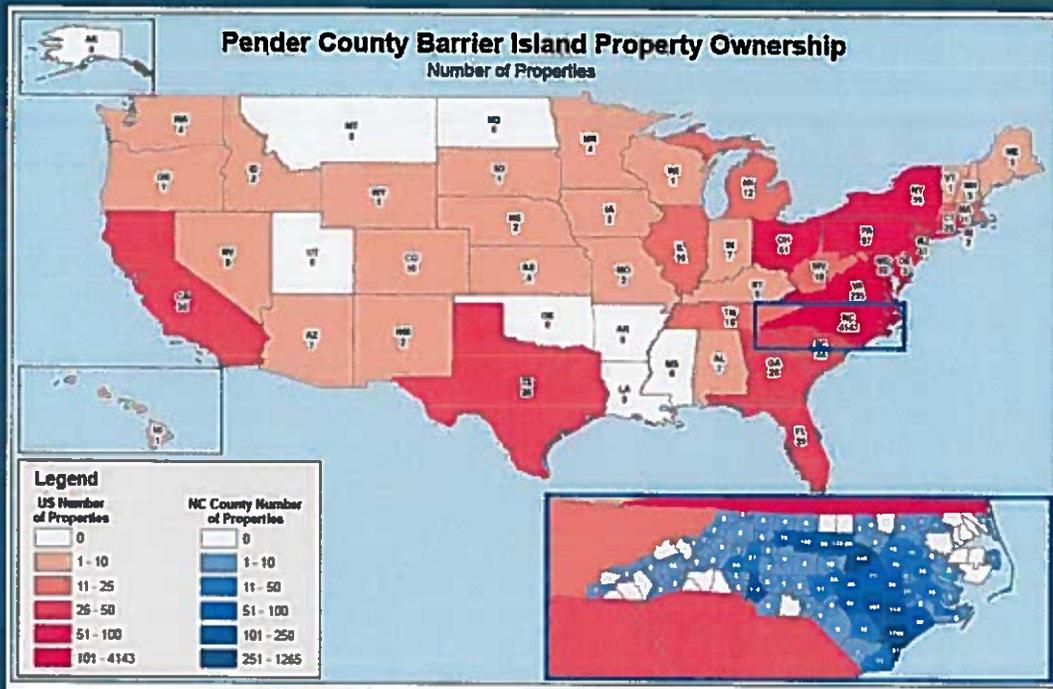
BIMP (2016 UPDATE) – Reach of the Beach



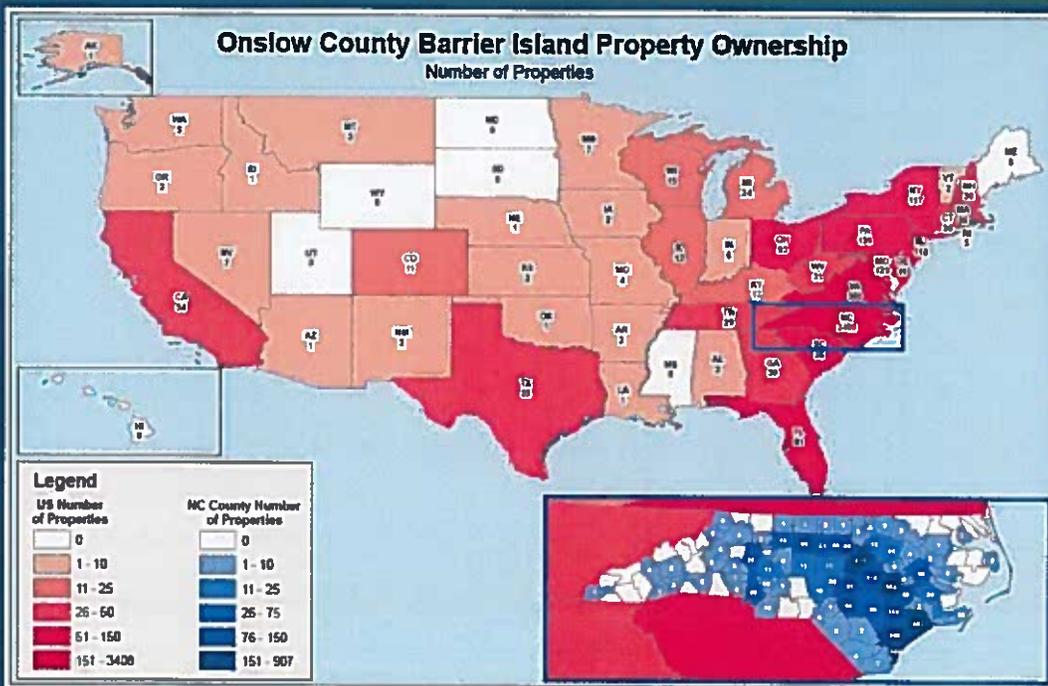
BIMP (2016 UPDATE) – Reach of the Beach



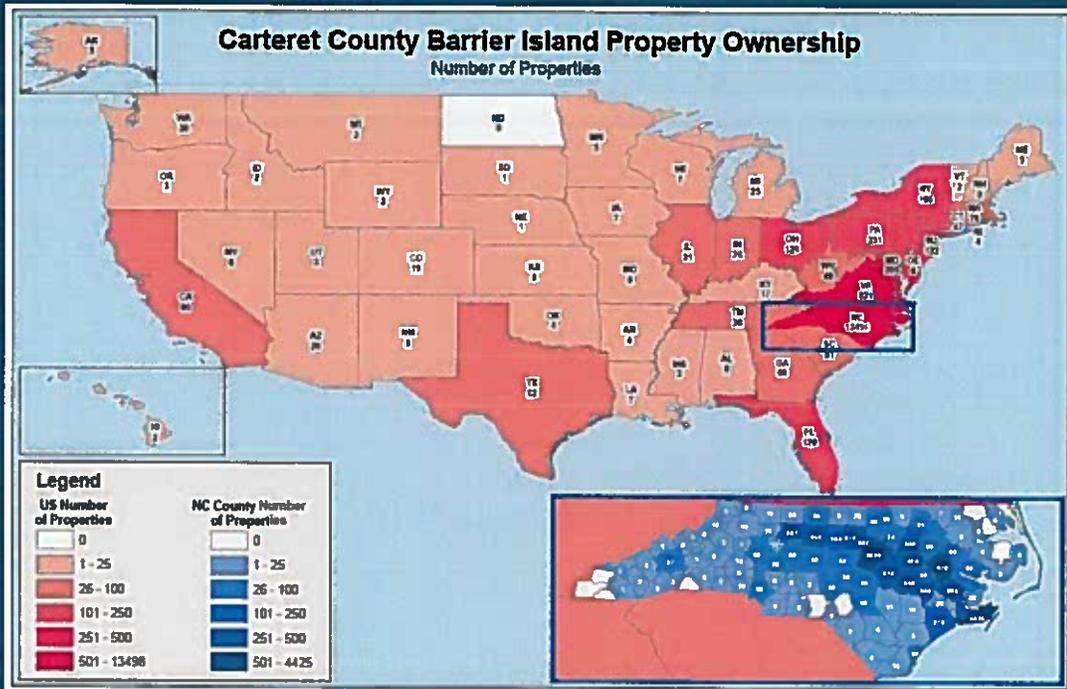
BIMP (2016 UPDATE) – Reach of the Beach



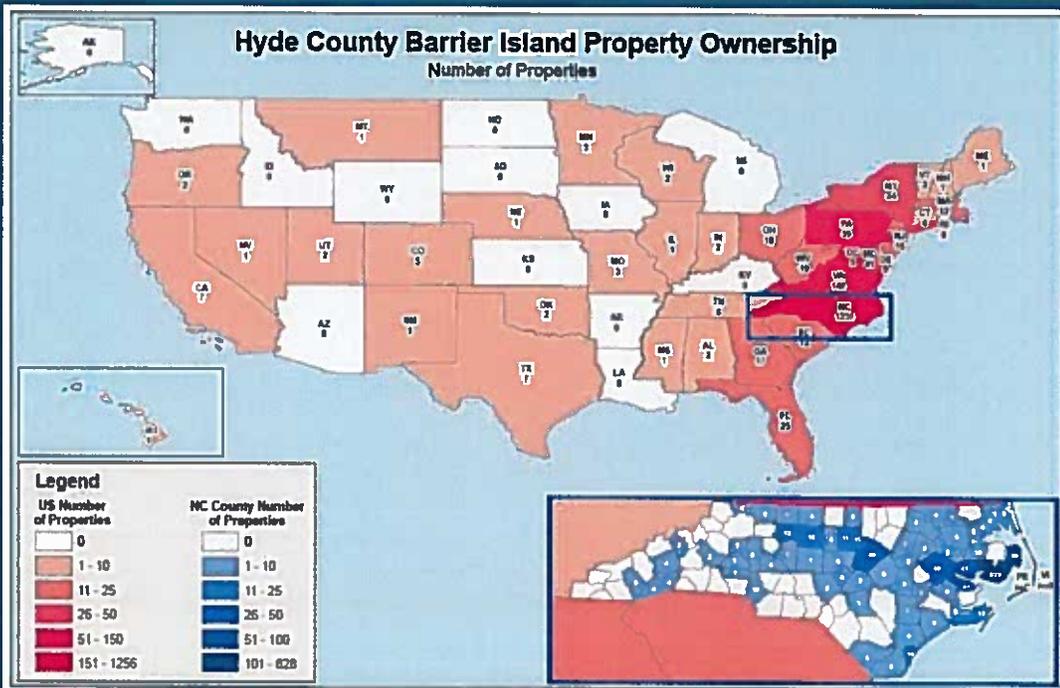
BIMP (2016 UPDATE) – Reach of the Beach



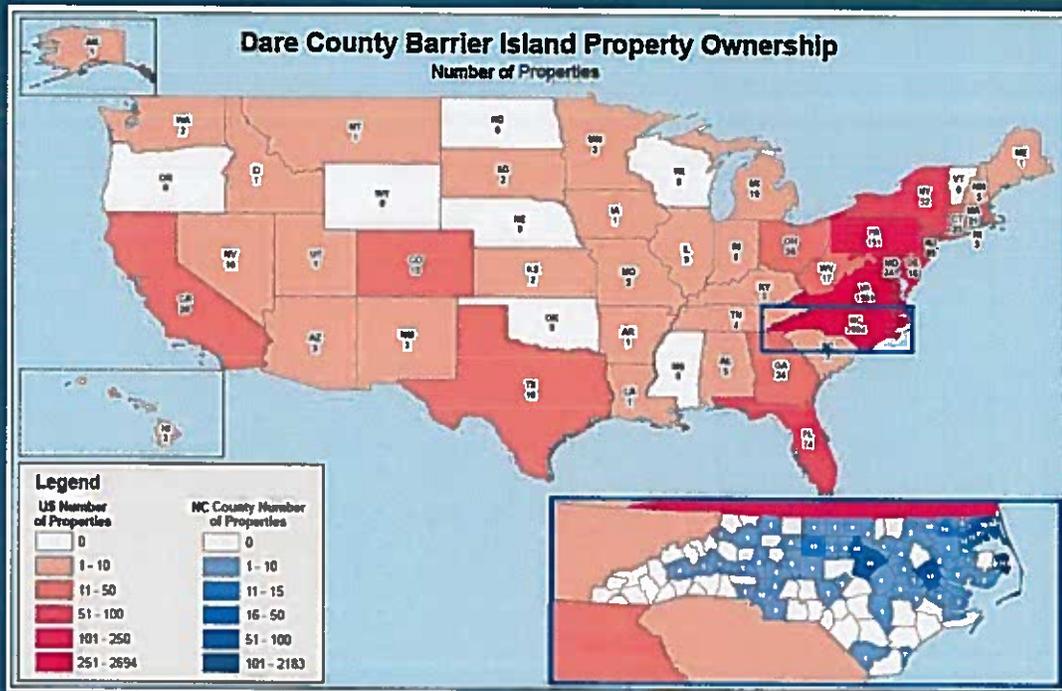
BIMP (2016 UPDATE) – Reach of the Beach



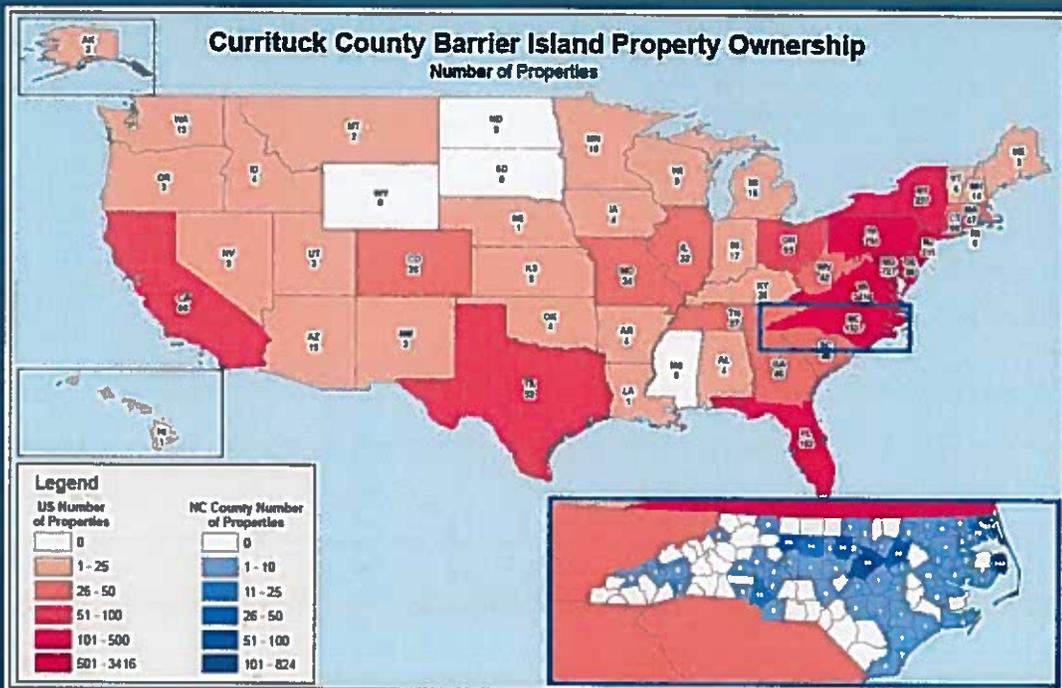
BIMP (2016 UPDATE) – Reach of the Beach



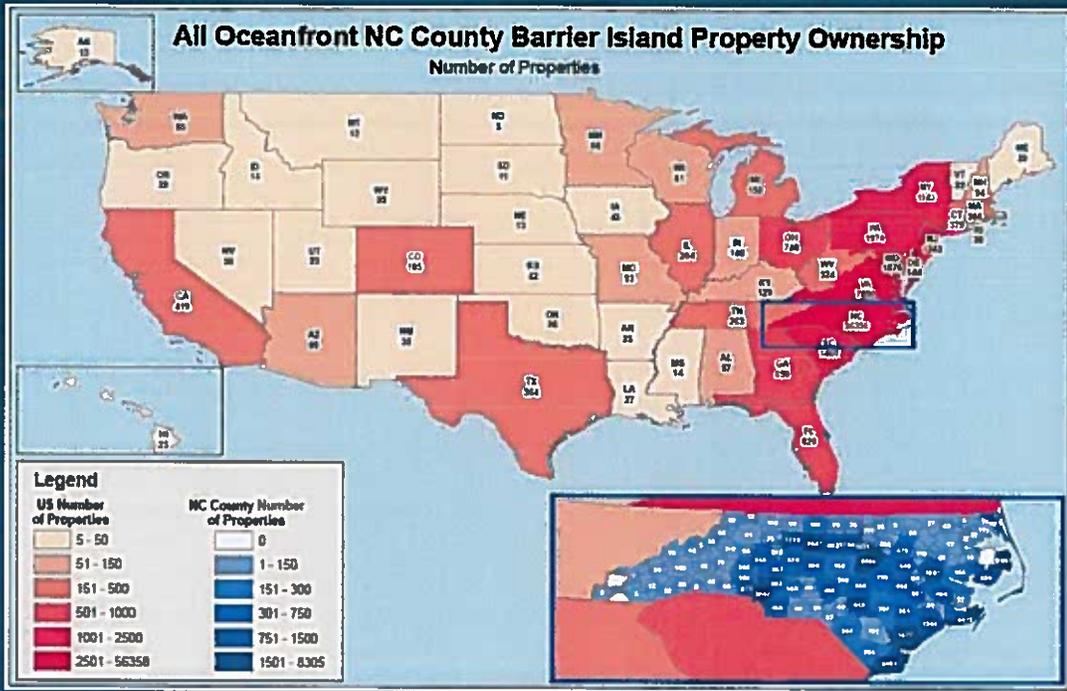
BIMP (2016 UPDATE) – Reach of the Beach



BIMP (2016 UPDATE) – Reach of the Beach



BIMP (2016 UPDATE) – Reach of the Beach



BIMP (2016 UPDATE) – Reach of the Beach



Beach Nourishment Fund

A portion of the 6% Occupancy Tax collected by Dare County is set aside for the Beach Nourishment Fund. The occupancy tax is applied to gross receipts derived from rental of room, lodging, campsite, or similar accommodation furnished by any hotel, motel, inn, tourist camp including private residence and cottages rented to visitors. The Beach Nourishment Fund must be used for the placement of sand, from other sand sources, the planting of vegetation, and the building of structures that are in conformity with NC CAMA, such as sand fences and dunes, on beaches of the Atlantic Ocean of North Carolina for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property.

Occupancy Tax Distribution Rate

- 3% Room Occupancy Tax (68% of net proceeds to Duck, Kill Devil Hills, Kitty Hawk, Manteo, Nags Head and Southern Shores in proportion to the amount of ad valorem taxes levied by each town for the preceding fiscal year and 32% to Dare County)
- 1% Room Occupancy and Tourism Development Tax (net proceeds to the Dare County Tourism Board)
- 2% Room Occupancy and Tourism Development Tax for Beach Nourishment



Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

info@southernshores-nc.gov

www.southernshores-nc.gov

PLANNING BOARD GENERAL APPLICATION FORM TOWN OF SOUTHERN SHORES, NC 27949

Date: 11/16/16 Filing Fee: \$10 Receipt No. 893716 Application No. _____

NOTE: The Planning Board will follow the specific provisions of the Zoning Ordinance Chapter 36. Article X Administration and Enforcement, Section 36-299.

Please check the applicable Chapter/Article:

- Chapter 30. Subdivisions-Town Code
- Chapter 32. Utilities-Town Code
- Chapter 36. Article VII. Schedule of District Regulations. Section 36-207 C-General Commercial District
- Chapter 36. Article IX. Planned Unit Development (PUD)
- Chapter 36. Article X. Administration and Enforcement, Section 36-299 (b) Application for Building Permits and Site Plan Review other than one and two family dwelling units *
- Chapter 36. Article X. Section 36-300-Application for Permit for Conditional Use
- Chapter 36. Article X. Section 36-303 Fees
- Chapter 36. Article X. Section 36-304-Vested Rights
- Chapter 36. Article XIV. Changes and Amendments

Certification and Standing: As applicant of standing for project to be reviewed I certify that the information on this application is complete and accurate.

Applicant

Name HWTP LLC c/o Bob Howsare

(Applicant must be property owner by Town policy)

Address: P.O. Box 90, Kill Devil Hills, NC 27948

Phone 252-395-2696 Email Bhowsare@lcrsaga.com

Applicant's Representative (if any)

Name Michael W. Robinson, P.E.

Agent, Contractor, Other (Circle one)

Address P.O. Box 2852

Kill Devil Hills, NC 27948

Phone 252-255-8026 Email mrobinson@obxengineering.com

Property Involved: Southern Shores ___ Martin's Point (Commercial only)

Address: Ginguite Woods Wastewater Treatment Plant Zoning district _____

Section _____ Block _____ Lot _____ Lot size (sq.ft.) _____

Request: Site Plan Review Final Site Plan Review Conditional Use Permitted Use
 PUD (Planned Unit Development) Subdivision Ordinance Vested Right Variance
 Wastewater System Review

Change To: Zoning Map Zoning Ordinance


Signature MICHAEL W. ROBINSON

11-16-16
Date

* Attach supporting documentation and twelve copies of the site plan.



Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27919

Phone 252-261-2391 / Fax 252-255-0876

info@southernshores-nc.gov

www.southernshores-nc.gov

Planning Board Meeting

November 21, 2016

5:30 p.m., Pitts Center

MEETING MINUTES

I. **CALL TO ORDER:**

Chairperson Sam Williams called the meeting to order at 5:30 p.m. Planning Board Members Gray Berryman, Elizabeth Morey, David Neal, Sam Williams, and alternate member Carlos Gomez were present.

II. **PLEDGE OF ALLEGIANCE:**

Chairperson Williams led the Pledge of Allegiance.

III. **APPROVAL OF AGENDA:**

David Neal motioned to approve the agenda. Gray Berryman seconded the motion. The motion passed unanimously (5-0).

IV. **APPROVAL OF MINUTES:**

David Neal motioned to approve the minutes of the October 17, 2016 Planning Board Meeting. Gray Berryman seconded the motion. The motion passed unanimously.

V. **PUBLIC COMMENT:**

None.

VI. **OLD BUSINESS:**

None.

VII. **NEW BUSINESS:**

A. Ginquite Woods Wastewater Treatment Plant Replacement

Chairperson Williams introduced the application and asked Town Planner, Wes Haskett to present the staff report. Wes Haskett presented the staff report and referenced a letter prepared by the Town Engineer, Andy Deel (both attached).

The applicant, Bob Howsare, and the applicant's representative, Mike Robinson, explained the project and the history of the property. The properties underlying the wastewater treatment plant (WTP) and the lagoon will be recombined as required by the State (North Carolina Department of Environmental Quality) and the Town.

David Neal asked if the common area is covered by the Southern Shores Landing Homeowners Association (HOA). Bob Howsare stated that part of it was and that the intent is to replace the WTP and establish a non-profit that would oversee the plant

which would involve the HOA and the Property Owners Association (POA) for the western property.

Carlos Gomez asked how the 12,000 gallons per day (gpd) Membrane Bioreactor System would serve the western property and about the proposed use of the western property. Bob Howsare explained that they had met with the State and reviewed the daily monitoring reports and doubled what they showed which can be increased if needed. The proposed use of the western property owned by SAGA Construction and Development would be commercial or mixed use with townhomes. Mike Robinson explained that a "wet out" would be used to provide what is needed from the system.

Gray Berryman asked why the system needs replacement after only being in service for 14 years. Mike Robinson stated that the existing WTP is metal and it wasn't properly maintained. The proposed replacement would be plastic. Bob Howsare stated that the HOA and POA would be responsible for maintaining the system and that the State could take it over should it fall into disrepair again as it is now currently being overseen by the State.

Gray Berryman asked about potential flooding and screening of the WTP. Mike Robinson stated that flooding would have to exceed the top of the system because most of the system will be underground. There is currently sufficient screening that will be replaced if removed during construction.

Carlos Gomez asked how the system would keep going during the replacement. Mike Robinson stated that the new system will be installed next to the existing system and it will be set up and tested while the existing system keeps running.

The Board discussed concerns regarding the County Health Department's capacity requirements and if the proposed capacity was sufficient. Southern Shores Landing currently contains 114 bedrooms with most of the dwellings being occupied by one or two occupants or small families which could increase should the economy change. Bob Howsare explained that the proposed capacity was established by the State. The required gpd were established for Southern Shores Landing and the remaining gpd were allocated to the commercial site.

It was noted by the Board that Section 32-5, (a) cannot be satisfied during the application review since the Dare County Health Department does not review and approve projects of this nature.

The Board discussed concerns regarding funding to maintain the WTP and asked when the replacement would be complete. Bob Howsare stated that they first needed to obtain the Town's and State's approval which could take 90 to 120 days. Installation of the replacement would take 2 to 3 weeks to complete. The system could be online in summer or fall of 2017.

Elizabeth Morey motioned to recommend approval of the WTP replacement to the Town Council with the conditions listed in the staff report along with the condition that the applicant must strictly abide by all applicable requirements of the Town Code and with all other applicable State requirements. Gray Berryman seconded the motion. The motion passed unanimously.

VIII. Public Comment

None.

IX. PLANNING BOARD MEMBER COMMENTS:

Gray Berryman stated that he hopes that the Town Council has the Southern Shores Landing HOA approval when they consider the application.

Chairperson Williams stated that Chapter 32 of the Town Code should be modified so that it can be applied correctly to WTP applications.

X. ANNOUNCEMENTS:

Chairperson Williams stated that the next meeting will be held on December 19, 2016. The agenda includes consideration of VA-16-02 and an appeal application.

XI. ADJOURNMENT:

Elizabeth Morey motioned to adjourn the meeting. David Neal seconded the motion. The motion passed unanimously and the meeting adjourned at 6:45 p.m.

ATTEST:

RESPECTFULLY SUBMITTED:

Sam Williams, Chairperson

Wes Haskett, Town Planner

STAFF REPORT

To: Southern Shores Planning Board
Date: November 16, 2016
Prepared By: Wes Haskett, Town Planner/Code Enforcement Officer

GENERAL INFORMATION

Applicant: Michael W. Robinson, P.E., P.L.S.
P.O. Box 2852
Kill Devil Hills, NC 27948

Requested Action: Ginguite Woods Wastewater Treatment Plant Replacement

Location: Multiple parcels adjacent to Southern Shores Landing and U.S. Highway 158
Zoning: RS-10, Residential District and C, General Commercial District

Existing Land Use: Residential

Surrounding Land Use & Zoning:

North- Residential; R-1, Low Density Residential District and RS-10, Residential District
South- U.S. Highway 158
East- Commercial; C, General Commercial District
West- Commercial; C, General Commercial District

Physical Characteristics: Developed (existing wastewater treatment plant)

Applicable Regulations: Town Code: Chapter 32, Utilities

ANALYSIS

The applicant seeks approval to replace the existing private wastewater system (wastewater treatment plant) that is adjacent to and currently serves the Southern Shores Landing Planned Unit Development. Chapter 32 of the Town Code states that the Planning Board shall be responsible for screening all projects requiring wastewater management systems and the determination of compliance with the doctrines of Chapter 32, prior to recommending the project to the Town Council for final approval. In this case, the system is existing and was previously approved by the Town in 2002. Town Staff deferred to David A. Deel, Deel Engineering, PLLC, to review and comment on the proposed plans and design summary for compliance with Chapter 32 and his comments are enclosed.

RECOMMENDATION

The Land Use Plan identifies this area as Recreational in the RS-10, Residential and C, General Commercial zoning districts. All of Town Staff's concerns that are applicable to this application have been identified or are addressed in the recommended conditions. Should the Board recommend approval of the application to the Town Council, Town Staff offers the following conditions for consideration as provided by David A. Deel:

1. A copy of the State NCDEQ permit shall be provided to the Town prior to any construction activities.
2. A copy of the deed(s) placing all properties underlying the system into single ownership shall be provided to the Town prior to any construction activities.

November 16, 2016

Mr. Wes Haskett
Town Planner
Town of Southern Shores
5375 N. Virginia Dare Trail
Southern Shores, North Carolina 27949

**Re: Review of Wastewater Treatment Plant Submission
Ginguite Woods Wastewater Treatment Plant**

Dear Mr. Haskett;

On behalf of the Town of Southern Shores I have reviewed the Wastewater Treatment Plant Plans & "Design Basis Summary" submitted by Apptech Design-Build, LLC for the Ginguite Woods WWTP and offer the following observations:

General: The proposed Wastewater Treatment Plant is intended to replace the existing 36,000 GPD Extended Air System with a 12,000 GPD Membrane Bioreactor system. Non-treatment components of the original plant will be retained, with the new components replacing the "heart" of the treatment train. Although the new system is smaller than the original, it is adequate to serve the existing Design Flow and the proposed system is expandable. Generally, Membrane Bioreactor systems (new proposed system) are recognized as having superior treatment to Extended Air Systems (system being replaced).

In order to understand the history and reasons for replacement of the system, I contacted Mike Robinson, P.E. (local Engineer permitting the system) directly. Per Mr. Robinson, the existing Plant is showing its age and replacement is appropriate at this time (this is normal for a WWTP – significant components have a specific lifespan and need to be periodically replaced).

Plan Review: The plans show a Membrane Bioreactor system, with most of the proposed system to be placed in tanks below-grade and with above-grade components not exceeding the height of the existing components that they are to replace. The replacement system is proposed to be placed just to the north of the existing system (further to the interior of the property) and it appears that existing screening is to remain. Based on these items, I believe that the system will comply with Sec 32-9(a) Screening.

Compliance with Chapter 32 of the Town Code: Generally, the proposed system appears to comply with the requirements of Chapter 32 with two items that will require follow-up in order to demonstrate compliance:

32-5(a) System shall meet DCHD & State Requirements: In order to obtain a state permit, the WWTP must go through a rigorous review by ~~the DCHD and~~ NCDEQ. Issuance of the NCDEQ Permit will demonstrate compliance with the requirements of Section 32-5(a). **Recommend that the Town place a condition on any Town approval requiring that a copy of the State permit be provided to the Town prior to any construction activities.**

32-5(b) System shall have one owner:

32-7(b) No WWTP on lands not owned or leased by the WWTP owner: Per Mike Robinson, P.E., the existing system has been taken over by the State under a "Special Order of Consent" (SOC) due to abandonment by the original developer. Due to this process, the small parcel that the treatment plant sits on was placed in foreclosure and sold accordingly. Therefore, the complete existing system is actually located across three parcels: The Ginguite Parcel, which is owned by an LLC of SAGA, The small

WWTP parcel, which is owned by Paragon Utilities, and the WW Disposal parcel, which is owned by an LLC of SAGA (exact names of the entities were not available at the writing of this review due to Dare GIS being down for maintenance). SAGA will be taking over the entire system and will place the whole project under a single entity once a permit is issued to assure that their plans & needs will be met.

Recommend that the Town place a condition on any Town approval requiring that a copy of the deed(s) placing all properties underlying the system into single ownership be provided to the Town prior to any construction activities.

My review finds the proposal to be in general conformance with the requirements of Chapter 32, with the items noted above needing follow-up. If you have any questions, please do not hesitate to contact me at (252)202-3803.

Sincerely,

David A. Deel, P.E.

STAFF REPORT

To: Southern Shores Town Council
Date: December 21, 2016
Prepared By: Wes Haskett, Town Planner/Code Enforcement Officer

GENERAL INFORMATION

Applicant: Michael W. Robinson, P.E., P.L.S.
P.O. Box 2852
Kill Devil Hills, NC 27948

Requested Action: Ginguite Woods Wastewater Treatment Plant Replacement
Location: Multiple parcels adjacent to Southern Shores Landing and U.S. Highway 158
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Existing Land Use: Residential

Surrounding Land Use & Zoning:

North- Residential; R-1, Low Density Residential District and RS-10, Residential District
South- U.S. Highway 158
East- Commercial; C, General Commercial District
West- Commercial; C, General Commercial District

Physical Characteristics: Developed (existing wastewater treatment plant)

Applicable Regulations: Town Code: Chapter 32, Utilities

ANALYSIS

The applicant seeks approval to replace the existing private wastewater system (wastewater treatment plant) that is adjacent to and currently serves the Southern Shores Landing Planned Unit Development. Chapter 32 of the Town Code states that the Planning Board shall be responsible for screening all projects requiring wastewater management systems and the determination of compliance with the doctrines of Chapter 32, prior to recommending the project to the Town Council for final approval. In this case, the system is existing and was previously approved by the Town in 2002. Town Staff deferred to David A. Deel, Deel Engineering, PLLC, to review and comment on the proposed plans and design summary for compliance with Chapter 32 and his comments are enclosed.

RECOMMENDATION

The Land Use Plan identifies this area as Recreational in the RS-10, Residential and C, General Commercial zoning districts. All of Town Staff's concerns that are applicable to this request have been identified or are addressed in the recommended conditions. Should the Town Council approve the request, Town Staff and the Town Planning Board offer the following conditions for consideration:

1. A copy of the State NCDEQ permit shall be provided to the Town prior to any construction activities.
2. A copy of the deed(s) placing all properties underlying the system into single ownership shall be provided to the Town prior to any construction activities.
3. the applicant must strictly abide by all applicable requirements of the Town Code and with all other applicable State requirements

November 16, 2016

Mr. Wes Haskett
Town Planner
Town of Southern Shores
5375 N. Virginia Dare Trail
Southern Shores, North Carolina 27949

Re: Review of Wastewater Treatment Plant Submission
Ginguite Woods Wastewater Treatment Plant

Dear Mr. Haskett;

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General: The proposed Wastewater Treatment Plant is intended to replace the existing 36,000 GPD Extended Air System with a 12,000 GPD Membrane Bioreactor system. Non-treatment components of the original plant will be retained, with the new components replacing the "heart" of the treatment train. Although the new system is smaller than the original, it is adequate to serve the existing Design Flow and the proposed system is expandable. Generally, Membrane Bioreactor systems (new proposed system) are recognized as having superior treatment to Extended Air Systems (system being replaced).

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My review finds the proposal to be in general conformance with the requirements of Chapter 32, with the items noted above needing follow-up. If you have any questions, please do not hesitate to contact me at (252)202-3803.

Sincerely,

David A. Deel, P.E.

DARE COUNTY REAL ESTATE TRANSFER TAX



LT 640-10 \$1.64

APPROVED DARE COUNTY TAX COLLECTOR

B: 1826 P: 378 03/03/2010 03:59 PM Doc Code SHF/D Vanzalla McMurrain, Register of Deeds Dare CO, NC

Doc Id: 5272255 Receipt #: 10-2283 NCEalse Tax pd: \$1.00

NO. 640-10

\$1.64

Deed prepared by Deputy Marylynn Cahoon

STATE OF NORTH CAROLINA COUNTY OF DARE

SHERIFF'S DEED

Party of the First Part: Rodney W. Midgett Sheriff of Dare County

Party of the Second Part: Paragon Utilities, Inc.

This Deed, made and entered on the 11th day of February 2010, by and between Rodney W. Midgett, Sheriff of Dare County, North Carolina, Party of the First Part, and Paragon Utilities, Inc., Party of the Second Part, Whose address is: 520 Old Stoney Road, Unit J, Corolla, North Carolina 27927.

WITNESSETH

WHEREAS, the Party of the First Part, being duly licensed by an execution issued upon a certain judgment docketed in the Office of the Clerk of Superior Court in Dare County in a proceeding entitled File # 09-CVS-533, and after due advertisement in accordance with the law, did offer for sale and did sell, at public auction for cash to the highest bidder, at the courthouse door in Dare County, North Carolina, on the 27th day of January 2010, the real property herein described when and where the Party of the Second Part became the highest bidder for the same at the price of \$163.92

WHEREAS, more than ten days have elapsed since the report of said sale was filed with the Clerk of Superior Court and no increase bid has been filed, and sale having been confirmed by order to the Clerk of Superior Court, and the Party (parties) of the Second Part, has (have) fully paid the amount of the bid to the Party of the First Part.

NOW THEREFORE in consideration of the premises and in further consideration of the sum of \$163.92 in hand paid to the Party of the First Party (parties) of the Second Part, receipt of which is hereby fully acknowledged, the said Party of the First Part has given, granted, bargained, sold, and conveyed, and does hereby give, grant, bargain, sell and convey unto the Party (parties) of the Second Part, his (her, their) heirs and assigns, all of that lot, tract or parcel of real estate located in Dare County, and described as follows:



All that certain tract or parcel of land situated in Atlantic Township, Dare County, North Carolina, being more particularly described as follows:

BEGINNING as a set iron rod on the northerly right-of-way line of U.S. Highway 158 at the dividing line of properties n/f Southern Coastal Associates of Dare County, Inc. and Boddie-Noell Enterprises, Inc., thence from said point of beginning and along the northerly right of way of U.S. Highway 158, S 70° 20' 38" W, 42.00 feet to a point; thence through lands of Boddie-Noell N 19° 44', 37" W, 57.91 feet to a point, then continuing through said Boddie-Noell parcel N 04° 44' 07" E, 84.96 feet to a point; thence n 70° 20' 38" E, 20.00 feet to a point on the above-referenced dividing line; thence along said line S 19° 44' 37" E, 140 feet to the point and place of beginning; containing 4,977.0 square feet or 0.114 acres.

TO HAVE AND TO HOLD the above described premises and all privileges and appurtenances thereunto appertaining to the said Party (parties) of the Second Part, his (her, their) heirs and assigns, to their only use and behoove forever in as full and ample manner as said Party of the First Part is authorized and empowered to convey the same. Revenue Stamps, Transfer taxes and ad valorem taxes are the responsibilities of the Party of the Second Party.

IN WITNESS WHEREOF, the said Party of the First Part has hereunto set his hand and seal, the day and year first above written.

Rodney W. Midgett (seal)

I, Beta Lewark, Notary Public in and for the County of Dare, do hereby certify that Rodney W. Midgett, Sheriff of Dare County, personally before me this day and acknowledge the due execution of the foregoing deed as his own official act and deed.

Witness my hand and official seal, this 25 day of Feb, 2010.

My commission expires 4-11-2010

Beta Lewark

Notary Seal

Notary Public



700018771



DARE COUNTY REAL ESTATE TRANSFER TAX

LT 4140-15 \$ 100.00

APPROVED DARE COUNTY TAX COLLECTOR

Recorded: 11/13/2015 03:11:42 PM BY: Claudia Harrington Vanzola McMurrin, Register of Deeds Dare County, NC

Fee Amt: \$26.00 NC Excise Tax: \$20.00

NO. 4140-15 \$ 100.00

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax:

Parcel Identifier No. 010068998 Verified by _____ County on the ____ day of _____, 20____ By: _____

Mail/Box to: Gray & Lloyd, LLP, 3120 N Croatan Hwy # 101, Kill Devil Hills, NC 27948 This instrument was prepared by: Trimpi & Nash, LLP, 200 N. Water Street, Suite 2A, Elizabeth City, NC 27909 (NO TITLE WORK RENDERED OR REQUESTED BY PREPARER)

Brief description for the Index:

THIS DEED made this 21st day of October, 2015, by and between

Table with 2 columns: GRANTOR and GRANTEE. Grantor: Ginguite Woods Water Reclamation Association, Inc. P.O. Box 1374 Kitty Hawk, NC 27949. Grantee: WWTP, LLC P.O. Box 90 Kill Devil Hills, NC 27948

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the Town of Southern Shores, Atlantic Township, Dare County, North Carolina and more particularly described as follows:

Please see Exhibit "A" attached hereto and made a part hereof:

The property hereinabove described was acquired by Grantor by instrument recorded in Book 1463, Page 394, Dare County Registry

All or a portion of the property herein conveyed includes or X does not include the primary residence of a Grantor.

A map showing the above described property is recorded in Plat Cabinet E, Slides 710-713, Dare County Registry.

This instrument is prepared by Thomas P. Nash, IV, a licensed North Carolina attorney. Delinquent taxes, if any, to be paid by the closing attorney to the county tax collector upon disbursement of closing proceeds.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

- 1. Easements, public utilities, and restrictions, if any, of record, together with ad valorem taxes for 2015.
2. Declaration of Protective Covenants recorded in Deed Book 1463, Page 391, Dare County Registry.
3. The reservation of a perpetual, appurtenant easement by Southern Coastal Associates of Dare County, Inc. ("Southern") and its successors in interest, over, under, in and across the property conveyed hereby for the construction, installation, operation, maintenance, repair and replacement, as necessary, of underground water and wastewater collection line connecting the Southern's adjoining property to the Wastewater Treatment Facility to be owned by and operated by Ginguite Woods Water

Reclamation Association, Inc. or its successors and/or assigns ("Ginguite") on the property conveyed herein. In no event shall the activities of Southern and its successors in interest in connection with the herein reserved easement interfere with the construction, operation and maintenance by Ginguite, its heirs, successors and assigns of the Wastewater Treatment Facility. Exceptions contained on Exhibit "A"

UNOFFICIAL DOCUMENT

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

Ginguite Woods Water Reclamation Association, Inc.

By: Neil Blinken (SEAL)
Neil Blinken, President

State of North Carolina - County or City of Rosawake
I, the undersigned Notary Public of the County or City of Camden and State aforesaid, certify that Neal Blinken personally came before me this day and acknowledged that he is the President of Ginguite Woods Water Reclamation Association, Inc., a North Carolina Corporation, and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this 29th day of October, 2015.

My Commission Expires: January 1, 2019
(Affix Seal)

Carla H. Porter
Carla H. Porter Notary Public
Notary's Printed or Typed Name

CARLA H. PORTER
Notary Public
North Carolina
Camden County

UNOFFICIAL DOCUMENT

UNOFFICIAL DOCUMENT

EXHIBIT "A"

That certain lot or parcel of land situated in the Town of Southern Shores, Atlantic Township, Dare County, North Carolina and being more particularly described as follows:

BEGINNING at an existing iron rod located on the northerly right of way of US 158 (180 foot right of way), said existing iron rod marking the southeastern corner of property now or formerly owned by Boddie-Noell Enterprises, Inc. (Deed Book 827, Page 83) and said existing iron rod being further located South 70° 20' 38" West a distance of 299.95 feet as measured along the said northerly right of way of US 158 from an existing iron rod marking the southwest corner of the now or formerly Michael Lee Nash property; from said point of beginning running thence North 19° 44' 37" West a distance of 140 feet to a point, cornering; running thence North 70° 20' 38" East 274.95 feet to a point, cornering; running thence South 19° 44' 37" East 140 feet to a point on the northerly right of way line of US 158, cornering; running thence along said right of way South 70° 20' 38" West 274.95 feet to the POINT AND PLACE OF BEGINNING.

This property is conveyed expressly subject to the following:

1. Judgment to the benefit of the Town of Southern Shores for taxes as recorded in Dare County File 04-CVS-138, Judgment Book 34, Page 322 which was filed January 19, 2004. Town filed a renewal litigation in Dare County File 15-CVS-30 and obtained a Default Judgment on May 13, 2015. Complaint was originally filed for 15-CVD-30 on January 16, 2015.
2. Lien issued by the North Carolina Department of Revenue for unpaid taxes in the original sum of \$9,927.71 as recorded in Dare County File 12-M-441.
3. Monetary Judgment to the benefit of the North Carolina Department of Environmental and Natural Resources for the principal sum of \$4,633.75, Dare County File No. 09-CVS-421.



AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

THIS AGREEMENT, including any and all addenda attached hereto ("Agreement"), is by and between GWWT, LLC or assigns ("Buyer"), and Paragon Utilities, Inc. ("Seller").

FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Terms and Definitions: The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a) "Property": (Address) 0 N. Croatan Highway, Southern Shores, NC 27949

Plat Reference: Lot(s) _____, Block or Section _____, as shown on Plat Book or Slide _____ at Page(s) _____, _____ County, consisting of _____ acres.

If this box is checked, "Property" shall mean that property described on Exhibit A attached hereto and incorporated herewith by reference,

(For information purposes: (i) the tax parcel number of the Property is: 010069997; and, (ii) some or all of the Property, consisting of approximately _____ acres, is described in Deed Book 1826, Page No. 378, Dare County.)

together with all buildings and improvements thereon and all fixtures and appurtenances thereto and all personal property, if any, itemized on Exhibit A.

_____ (b) "Purchase Price" shall mean the sum of _____ Dollars, payable on the following terms:

\$ _____ (i) "Earnest Money" shall mean _____ Dollars.

Upon this Agreement becoming a contract in accordance with Section 14, the Earnest Money shall be promptly deposited in escrow with Gray & Lloyd, LLP (name of person/entity with whom deposited), to be applied as part payment of the Purchase Price of the Property at Closing, or disbursed as agreed upon under the provisions of Section 10 herein.

ANY EARNEST MONEY DEPOSITED BY BUYER IN A TRUST ACCOUNT MAY BE PLACED IN AN INTEREST BEARING TRUST ACCOUNT, AND: (check only ONE box)

ANY INTEREST EARNED THEREON SHALL BE APPLIED AS PART PAYMENT OF THE PURCHASE PRICE OF THE PROPERTY AT CLOSING, OR DISBURSED AS AGREED UPON UNDER THE PROVISIONS OF SECTION 10 HEREIN. (Buyer's Taxpayer Identification Number is: _____)

ANY INTEREST EARNED THEREON SHALL BELONG TO THE ACCOUNT HOLDER IN CONSIDERATION OF THE EXPENSES INCURRED BY MAINTAINING SUCH ACCOUNT AND RECORDS ASSOCIATED THEREWITH.

Buyer Initials [Signature] Seller Initials MAC PAC paragon Freed [Signature] Freed, Inc. [Signature] ET

\$ _____ (ii) Proceeds of a new loan in the amount of _____ Dollars for a term _____ years, with an amortization period not to exceed _____ years, at an interest rate not to exceed _____% per annum with mortgage loan discount points not to exceed _____% of the loan amount, or such other terms as may be set forth on Exhibit B. Buyer shall pay all costs associated with such loan.

\$ _____ (iii) Delivery of a promissory note secured by a deed of trust, said promissory note in the amount of _____ Dollars being payable over a term of _____ years, with an amortization period of _____ years, payable in monthly installments of principal, together with accrued interest on the outstanding principal balance at the rate of _____ percent (_____%) per annum in the amount of \$ _____, with the first principal payment beginning on the first day of the month next succeeding the date of Closing, or such other terms as may be set forth on Exhibit B. At any time, the promissory note may be prepaid in whole or in part without penalty and without further interest on the amounts prepaid from the date of such prepayment. (NOTE: In the event of Buyer's subsequent default upon a promissory note and deed of trust given hereunder, Seller's remedies may be limited to foreclosure of the Property. If the deed of trust given hereunder is subordinated to senior financing, the material terms of such financing must be set forth on Exhibit B. If such senior financing is subsequently foreclosed, Seller may have no remedy to recover under the note.)

\$ _____ (iv) Assumption of that unpaid obligation of Seller secured by a deed of trust on the Property, said obligation having an outstanding principal balance of \$ _____ and evidenced by a note bearing interest at the rate of _____ percent (_____) per annum, and a current payment amount of \$ _____. The obligations of Buyer under this Agreement are conditioned upon Buyer being able to assume the existing loan described above. If such assumption requires the lender's approval, Buyer agrees to use its best efforts to secure such approval and to advise Seller immediately upon receipt of the lender's decision. Approval must be granted on or before _____. On or before this date, Buyer has the right to terminate this Agreement for failure to be able to assume the loan described above by delivering to Seller written notice of termination by the above date, *time being of the essence*. If Buyer delivers such notice, this Agreement shall be null and void and Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived the loan condition. Unless provided otherwise in Section 3 hereof, Buyer shall pay all fees and costs associated with any such assumption, including an assumption fee charged by the lender. At or before Closing, Seller shall assign to Buyer all interest of Seller in any current reserves or escrows held by the lender, any property management company and/or Seller including but not limited to any tenant improvement reserves, leasing commission reserves, security deposits and operating or capital reserves for which Seller shall be credited said amounts at Closing.

\$ _____ (v) Cash, balance of Purchase Price, at Closing in the amount of _____ Dollars.

(c) "Closing" shall mean the date and time of recording of the deed. Closing shall occur on or before _____ or 30 days after all conditions precedent have been met.

(d) "Contract Date" means the date this Agreement has been fully executed by both Buyer and Seller.

(e) "Examination Period" shall mean the period beginning on the first day after the Contract Date and extending through 11:59pm (based upon time at the locale of the Property) on _____ 90 days after the Contract Date. **TIME IS OF THE ESSENCE AS TO THE EXAMINATION PERIOD.**

(f) "Broker(s)" shall mean: _____ ("Listing Agency")
N/A ("Listing Agent" - License #N/A)

Buyer Initials LS Seller Initials MAC PHS. Freed 2/27 Freed, Inc. 2/27/15 ET
paragon

Acting as: Seller's Agent; Dual Agent

and N/A ("Selling Agency")

N/A ("Selling Agent" - License # N/A)

Acting as: Buyer's Agent; Seller's (Sub)Agent; Dual Agent

(g) "Seller's Notice Address" shall be as follows:

520 Old Stoney Road, Unit J, Corolla, NC 27927

except as same may be changed pursuant to Section 12.

(h) "Buyer's Notice Address" shall be as follows:

PO Box 90, Kill Devil Hills, NC 27948

except as same may be changed pursuant to Section 12.

- (i) If this block is marked, additional terms of this Agreement are set forth on Exhibit B attached hereto and incorporated herein by reference. (Note: Under North Carolina law, real estate agents are not permitted to draft conditions or contingencies to this Agreement.)

Section 2. Sale of Property and Payment of Purchase Price: Seller agrees to sell and Buyer agrees to buy the Property for the Purchase Price.

Section 3. Proration of Expenses and Payment of Costs: Seller and Buyer agree that all property taxes (on a calendar year basis), leases, rents, mortgage payments and utilities or any other assumed liabilities as detailed on attached Exhibit B, if any, shall be prorated as of the date of Closing. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller obligations under this Agreement, excise tax (revenue stamps), any deferred or rollback taxes, and other conveyance fees or taxes required by law, and the following:

Seller normal closing costs.

Buyer shall pay recording costs, costs of any title search, title insurance, survey, the cost of any inspections or investigations undertaken by Buyer under this Agreement and the following:

Buyer normal closing costs.

Each party shall pay its own attorney's fees.

Section 4. Deliveries: Seller agrees to use best efforts to deliver to Buyer as soon as reasonably possible after the Contract Date copies of all information relating to the Property in possession of or available to Seller, including but not limited to: title insurance policies (and copies of any documents referenced therein), surveys, soil test reports, environmental surveys or reports, site plans, civil drawings, building plans, maintenance records and copies of all presently effective warranties or service contracts related to the Property. Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys. If Buyer does not consummate the Closing for any reason other than Seller default, then Buyer shall return to Seller all materials delivered by Seller to Buyer pursuant to this Section 4 (or Section 7, if applicable), if any, and shall, upon Seller request, provide to Seller copies of (subject to the ownership and copyright interests of the preparer thereof) any and all studies, reports, surveys and other information relating directly to the Property prepared by or at the request of Buyer, its employees and agents, and shall deliver to Seller, upon the release of the Earnest Money, copies of all of the foregoing without any warranty or representation by Buyer as to the contents, accuracy or correctness thereof.

Buyer Initials SC

Seller Initials MAC PMS. paragon

Freed WAF

Freed, Inc. WAF plus ET

all sellers right, title, and interest ^m _{pc}

Section 5. Evidence of Title: Seller agrees to convey ~~fee simple marketable and insurable title~~ to the Property without exception mechanics' liens, free and clear of all liens, encumbrances and defects of title other than: (a) zoning ordinances affecting the Property; (b) Leases (if applicable) and (c) matters of record existing at the Contract Date that are not objected to by Buyer prior to the end of the Examination Period ("Permitted Exceptions"); provided that Seller shall be required to satisfy, at or prior to Closing, encumbrances that may be satisfied by the payment of a fixed sum of money, such as deeds of trust, mortgages or statutory liens. Seller shall not enter into or record any instrument that affects the Property (or any personal property listed on Exhibit A) after Contract Date without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 6. Conditions: This Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon fulfillment (or waiver by Buyer, whether explicit or implied) of the following conditions:

(a) **New Loan:** The Buyer must be able to obtain the loan, if any, referenced in Section 1(b)(ii). Buyer must be able to obtain a firm commitment for this loan on or before N/A, effective through the date of Closing. Buyer agrees to use its best efforts to secure such commitment and to advise Seller immediately upon receipt of lender's decision. Or before the above date, Buyer has the right to terminate this Agreement for failure to obtain the loan referenced in Section 1(b)(ii) by delivering to Seller written notice of termination by the above date, *time being of the essence*. If Buyer delivers such notice, this Agreement shall be null and void and Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer shall be deemed to have waived the loan condition. Notwithstanding the foregoing, after the above date, Seller may request in writing from Buyer a copy of the commitment letter. If Buyer fails to provide Seller a copy of the commitment letter within five (5) days of receipt of Seller's request, then Seller may terminate this Agreement by written notice to Buyer at any time thereafter, provided Seller has then received a copy of the commitment letter, and Buyer shall receive a return of Earnest Money.

(b) **Qualification for Financing:** If Buyer is to assume any indebtedness in connection with payment of the Purchase Price, Buyer agrees to use its best efforts to qualify for the assumption. Should Buyer fail to qualify, Buyer shall notify Seller in writing immediately upon lender's decision, whereupon this Agreement shall terminate, and Buyer shall receive a return of Earnest Money.

(c) **Title Examination:** After the Contract Date, Buyer shall, at Buyer's expense, cause a title examination to be made of the Property before the end of the Examination Period. In the event that such title examination shall show that Seller's title is not simple marketable and insurable, subject only to Permitted Exceptions, then Buyer shall promptly notify Seller in writing of all such title defects and exceptions, in no case later than the end of the Examination Period, and Seller shall have thirty (30) days to cure such noticed defects. If Seller does not cure the defects or objections within thirty (30) days of notice thereof, then Buyer may terminate this Agreement and receive a return of Earnest Money (notwithstanding that the Examination Period may have expired). If Buyer is purchasing title insurance, the insuring company must be licensed to do business in the state in which the Property is located. Title to the Property must be insurable at regular rates, subject only to standard exceptions and Permitted Exceptions.

(d) **Same Condition:** If the Property is not in substantially the same condition at Closing as of the date of the offer, reasonable wear and tear excepted, then the Buyer may (i) terminate this Agreement and receive a return of the Earnest Money or (ii) proceed to Closing whereupon Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property.

(e) **Inspections:** Buyer, its agents or representatives, at Buyer's expense and at reasonable times during normal business hours, shall have the right to enter upon the Property for the purpose of inspecting, examining, performing soil boring and other testing, conducting timber cruises, and surveying the Property. Buyer shall conduct all such on-site inspections, examinations, soil boring and other testing, timber cruises and surveying of the Property in a good and workmanlike manner, shall repair any damage to the Property caused by Buyer's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Seller's or any tenant's use and enjoyment of the Property. In that respect, Buyer shall make reasonable efforts to undertake such site inspections outside of the hours any tenant's business is open to the public and shall give prior notice to any tenants of any entry onto any tenant's portion of the Property for the purpose of conducting inspections. Upon Seller's request, Buyer shall provide Seller evidence of general liability insurance. Buyer shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Property and shall be entitled to review such books and records of Seller that relate directly to the operation and maintenance of the Property, provided, however, that Buyer shall not disclose any information regarding this Property (or any tenant therein) unless required by law and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Buyer shall obtain their agreement to maintain such confidentiality. Buyer assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this Section 6(e) and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Buyer shall survive the Closing or earlier termination of this Agreement. Buyer shall, at Buyer's expense, promptly repair a

Buyer Initials SC Seller Initials MAC Freed 287 Freed, Inc. 287 prrs ET
PHS. Janson

damage to the Property caused by Buyer's entry and on-site inspections. Except as provided in Section 6(c) above, Buyer shall be responsible for the Contract Date through the end of the Examination Period to perform the above inspections, examinations and testing. **BUYER CHOOSES NOT TO PURCHASE THE PROPERTY, FOR ANY REASON OR NO REASON, AND PROVIDE WRITTEN NOTICE TO SELLER THEREOF PRIOR TO THE EXPIRATION OF THE EXAMINATION PERIOD, THEN THIS AGREEMENT SHALL TERMINATE, AND BUYER SHALL RECEIVE A RETURN OF THE EARNEST MONEY.**

Section 7. Leases (Check one of the following, as applicable):

If this box is checked, Seller affirmatively represents and warrants that there are no Leases (as hereinafter defined) affecting the Property.

If this box is checked, Seller discloses that there are one or more leases affecting the Property (oral or written, recorded or not - "Leases") and the following provisions are hereby made a part of this Agreement.

(a) A list of all Leases shall be set forth on Exhibit B;

(b) Seller shall deliver copies of any Leases to Buyer pursuant to Section 4 as if the Leases were listed therein;

(c) Seller represents and warrants that as of the Contract Date there are no current defaults (or any existing situation which with the passage of time, or the giving of notice, or both, or at the election of either landlord or tenant could constitute a default) either by Seller, as landlord, or by any tenant under any Lease ("Lease Default"). In the event there is any Lease Default as of the Contract Date, Seller agrees to provide Buyer with a detailed description of the situation in accordance with Section 4. Seller agrees not to commit a Lease Default as Landlord after the Contract Date, and agrees further to notify Buyer immediately in the event a Lease Default arises or is claimed, asserted or threatened to be asserted by either Seller or a tenant under the Lease.

(d) In addition to the conditions provided in Section 6 of this Agreement, this Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon the assignment of Seller's interest in any Lease to Buyer in form and content acceptable to Buyer (with tenant's written consent and acknowledgement, if required under the Lease), and Seller agrees to use its best efforts to effect such assignment. Any assignment required under this Section 7 shall be required to be delivered at or before Closing by Seller in addition to those deliveries required under Section 11 of this Agreement.

(e) Seller agrees to deliver an assignment of any Lease at or before Closing, with any security deposits held by Seller under any Leases to be transferred or credited to Buyer at or before Closing. Seller also agrees to execute and deliver (and work diligently to obtain any tenant signatures necessary for same) any estoppel certificates and subordination, nondisturbance and attornment agreements in such form as Buyer may reasonably request.

Section 8. Environmental: Seller represents and warrants that it has no actual knowledge of the presence or disposal, except as required by applicable law, within the buildings or on the Property of hazardous or toxic waste or substances, which are defined as those substances, materials, and wastes, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR Part 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302.4) and amendments thereto, or such substances, materials and wastes, which are or become regulated under any applicable local, state or federal law, including, without limitation, any material, waste or substance which (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a Hazardous Substance pursuant to Section 311 of the Clean Water Act of 1977 (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (33 U.S.C. §1317), (v) defined as a hazardous waste pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6903) or (vi) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601). Seller has no actual knowledge of any contamination of the Property from such substances which may have been disposed of or stored on neighboring tracts.

Section 9. Risk of Loss/Damage/Repair: Until Closing, the risk of loss or damage to the Property, except as otherwise provided herein, shall be borne by Seller. Except as to maintaining the Property in its same condition, Seller shall have no responsibility for the repair of the Property, including any improvements, unless the parties hereto agree in writing.

Section 10. Earnest Money Disbursement: In the event that any of the conditions hereto are not satisfied, or in the event of a breach of this Agreement by Seller, then the Earnest Money shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for such breach. In the event this offer is accepted and Buyer breaches this Agreement, then the Earnest Money shall be forfeited, but such forfeiture shall not affect any other remedies available to Seller for such breach. **NOTE: In the event of**

Buyer Initials SC Seller Initials MK Hs. person Freed 2087 Freed, Inc. 2087 pres ET

dispute between Seller and Buyer over the return or forfeiture of Earnest Money held in escrow by a licensed real estate broker, broker is required by state law to retain said Earnest Money in its trust or escrow account until it has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction, or alternatively, the party holding the Earnest Money may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions of N.C.G.S. §93A-12.

Section 11. Closing: At or before Closing, Seller shall deliver to Buyer a ~~general warranty deed~~ ^{non-warranty deed} unless otherwise specified on Exhibit B and other documents customarily executed or delivered by a seller in similar transactions, including without limitation, a bill of sale for any personalty listed on Exhibit A, an owner's affidavit, lien waiver forms (and such other lien related documentation as shall permit the Property to be conveyed free and clear of any claim for mechanics' liens) and a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act), and Buyer shall pay to Seller the Purchase Price. At Closing, the Earnest Money shall be applied as part of the Purchase Price. The Closing shall be conducted by Buyer's attorney or handled in such other manner as the parties hereto may mutually agree in writing. Possession shall be delivered at Closing, unless otherwise agreed herein. The Purchase Price and other funds to be disbursed pursuant to this Agreement shall not be disbursed until Closing has taken place.

Section 12. Notices: Unless otherwise provided herein, all notices and other communications which may be or are required to be given or made by any party to the other in connection herewith shall be in writing and shall be deemed to have been properly given and received on the date delivered in person or deposited in the United States mail, registered or certified, return receipt requested, at the addresses set out in Section 1(g) as to Seller and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith.

Section 13. Entire Agreement: This Agreement constitutes the sole and entire agreement among the parties hereto and any modification of this Agreement shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Agreement shall not affect the validity of any other provisions hereof and this Agreement shall be construed and enforced as if such invalid provisions were not included.

Section 14. Enforceability: This Agreement shall become a contract when signed by both Buyer and Seller and such signing shall be communicated to both parties; it being expressly agreed that the notice described in Section 12 is not required for the effectiveness of this communication for the purposes of this Section 14. The parties acknowledge and agree that: (i) the initials lines at the bottom of each page of this Agreement are merely evidence of their having reviewed the terms of each page, and (ii) the complete execution of such initials lines shall not be a condition of the effectiveness of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns and their personal representatives.

Section 15. Adverse Information and Compliance with Laws:

(a) **Seller Knowledge:** Seller has no actual knowledge of (i) condemnation(s) affecting or contemplated with respect to the Property; (ii) actions, suits or proceedings pending or threatened against the Property; (iii) changes contemplated in any applicable laws, ordinances or restrictions affecting the Property; or (iv) governmental special assessments, either pending or confirmed, for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property, and no pending or confirmed owners' association special assessments, except as follows (Insert "None" or the identification of any matters relating to (i) through (iv) above, if any):
None

Note: For purposes of this Agreement, a "confirmed" special assessment is defined as an assessment that has been approved by a governmental agency or an owners' association for the purpose(s) stated, whether or not it is fully payable at time of closing. A "pending" special assessment is defined as an assessment that is under formal consideration by a governing body. Seller shall pay for owners' association assessments and all governmental assessments confirmed as of the date of Closing, if any, and Buyer shall take title subject to all pending assessments disclosed by Seller herein, if any. Seller represents that the regular owners' association dues, if any, are \$ N/A per N/A.

(b) **Compliance:** To Seller's actual knowledge, (i) Seller has complied with all applicable laws, ordinances, regulations, statute rules and restrictions pertaining to or affecting the Property; (ii) performance of the Agreement will not result in the breach or constitute any default under or result in the imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property is bound; and (iii) there are no legal actions, suits or other legal or administrative proceedings pending or threatened against the Property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

Buyer Initials SL Seller Initials MAC PMS. parson Freed [Signature] Freed, Inc. [Signature] pres ET

Section 16. Survival of Representations and Warranties: All representations, warranties, covenants and agreements made by parties hereto shall survive the Closing and delivery of the deed. Seller shall, at or within six (6) months after the Closing, without further consideration, execute, acknowledge and deliver to Buyer such other documents and instruments, and take such of action as Buyer may reasonably request or as may be necessary to more effectively transfer to Buyer the Property described herein accordance with this Agreement.

Section 17. Applicable Law: This Agreement shall be construed under the laws of the state in which the Property is located. This form has only been approved for use in North Carolina.

Section 18. Assignment: This Agreement is freely assignable unless otherwise expressly provided on Exhibit B.

Section 19. Tax-Deferred Exchange: In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

Section 20. Memorandum of Contract: Upon request by either party, the parties hereto shall execute a memorandum of contract in a recordable form setting forth such provisions hereof (other than the Purchase Price and other sums due) as either party may wish to incorporate. Such memorandum of contract shall contain a statement that it automatically terminates and the Property is released for any effect thereby as of a specific date to be stated in the memorandum (which specific date shall be no later than the date of Closing). The cost of recording such memorandum of contract shall be borne by the party requesting execution of same.

Section 21. Authority: Each signatory to this Agreement represents and warrants that he or she has full authority to sign this Agreement and such instruments as may be necessary to effectuate any transaction contemplated by this Agreement on behalf of the party for whom he or she signs and that his or her signature binds such party.

Section 22. Brokers: Except as expressly provided herein, Buyer and Seller agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the sale of the Property to Buyer. Buyer and Seller represent and warrant to each other that: (i) except as to the Broker designated under Section 1(f) of this Agreement, they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Buyer and/or the Seller.

Section 23. Attorneys Fees: If legal proceedings are instituted to enforce any provision of this Agreement, the prevailing party in such proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys fees and court costs incurred in connection with the proceeding.

EIFS/SYNTHETIC STUCCO: If the adjacent box is checked, Seller discloses that the Property has been clad previously (either in whole or in part) with an "exterior insulating and finishing system" commonly known as "EIFS" or "synthetic stucco". Seller makes no representations or warranties regarding such system and Buyer is advised to make its own independent determination with respect to conditions related to or occasioned by the existence of such materials at the Property.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Buyer Initials ES Seller Initials MAC PLS Freed ZAJ Freed, Inc. ZAJ per ET
per

BUYER:

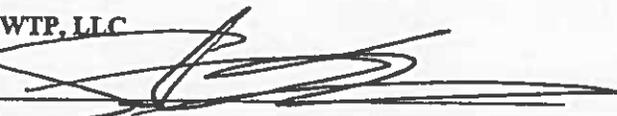
Individual

Date: _____

Date: _____

Business Entity

GGWTP, LLC

By: 

Name: SUMIT GUPTA

Title: Manager

Date: 6/21/16

FREED


William G. Freed, individually

SELLER:

Individual

Date: _____

Date: _____

Business Entity

Paragon Utilities, Inc.

By: 

Name: Michael A. Cherry

Title: President

Date: 6/17/16

WILLIAM G, FREED, INC. DBA ENVIROTECH

By:  *pres Enviro*
William G. Freed,

The undersigned hereby acknowledges receipt of the Earnest Money set forth herein and agrees to hold said Earnest Money accordance with the terms hereof.

Gray & Lloyd, LLP

(Name of Firm)

Date: _____

By: _____

Exhibit "A"
to
**Agreement for Purchase and Sale of Real Property between
GWWTP, LLC, as Buyer and
Paragon Utilities, Inc., as Seller**

The "Property" shall consist of the following:

Real Property:

Beginning at a set iron rod on the northerly right-of-way line of U.S. Highway 158 at the dividing line of properties n/f Southern Coastal Associates of Dare County, Inc. and Boddie-Noell Enterprises, Inc., thence from said point of beginning and along the northerly right-of-way of U.S. Highway 158, S 70°20'38"W 42.00 feet to a point; thence through lands of Boddie-Noell N 19°44'37" W 57.91 feet to a point; thence continuing through said Boddie-Noell parcel N 04°44'07" E 84.96 feet to a point; thence N 70°20'38" E 20.00 feet to a point on the above-referenced dividing line; thence along said line S 19°44'37" E 140 feet to the point and place of beginning; containing 4,977.0 square feet or 0.114 acres.

Personal Property:

All of Seller's right, title and interest in and to all tanks, pumps, treatment facilities, easements, permits and rights, in and to the sewage treatment facility that is contained upon the Real Property.

Hereinafter, the Real Property and the Personal Property being the "Property".

N:\WORD\clients\G\GWWTP, LLC\12895-001 Purchase from Paragon Utilities Inc. (Portion of Wastewater Plant) (Op. 05.05.16)\Exhibit A.wpd

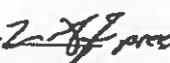
Buyer Initials  Seller Initials WPC DHS.
paragon Freed  Freed, Inc. 

Exhibit "B"
to
**Agreement for Purchase and Sale of Real Property between
GWWTP, LLC, as Buyer and
Paragon Utilities, Inc., as Seller**

Section 24. Conditions Precedent. This Agreement is expressly contingent upon the following conditions being satisfied prior to closing. Notwithstanding the provisions of Section 1(e) and Section 6(e), Buyer shall have the right to terminate this Agreement at any time prior to all conditions below having been satisfied.

- (a) The North Carolina Utilities Commission must make a finding that the Wastewater Treatment Plant that is partially contained upon the Property is no longer subject to their jurisdiction.
- (b) Buyer shall submit to Seller a set of plans and specifications for repair and replacement of the Wastewater Treatment Plant that is contained upon the Property.
 - (i) Buyer must be able to obtain all necessary permits and approvals from the North Carolina Division of Water Quality and all other state agencies that may be required to repair or replace the Wastewater Treatment Plant pursuant to the plans and specifications submitted by the Buyer.
 - (ii) Buyer must be able to obtain all necessary permits and approvals from the Town of Southern Shores that may be required to repair or replace the Wastewater Treatment Plant pursuant to the plans and specifications submitted by the Buyer.
 - (iii) Seller agrees to execute, if necessary, any application or other documents which may be required for Buyer to obtain the permits set forth above.
- (c) Buyer must be able to obtain all necessary permits and approvals by all governmental entities to have the sewage treatment plant owned and operated by a nonprofit corporation which is authorized to serve both Southern Shores Landing Subdivision, as well as another property presently owned by Ginguite, LLC.
- (d) Buyer must be able to obtain, prior to date of Closing, any necessary easements for those portions of the wastewater treatment facility which encroach into the Southern Shores Landing P.U.D.

Section 25. Debts. In addition to all other documents as required for Seller to deliver to Buyer at Closing, pursuant to Section 11, at Closing, Seller shall deliver to Buyer the following:

Buyer Initials SC Seller Initials MAC P/IS. Freed WAF Freed, Inc. WAF pres
paragon

- (a) A certification and release executed by William G. Freed, Inc. dba Envirotech certifying that neither William G. Freed, Inc., nor Envirotech are presently owed any monies from Paragon Utilities, Inc. or that any such debt through date of Closing is waived or released.
- (b) A certification and release executed by William G. Freed, individually, certifying that William G. Freed is presently not owed any monies from Paragon Utilities, Inc. or that any such debt through date of Closing is waived or released.
- (c) A certification and release executed by William G. Freed, Inc. dba Envirotech certifying that neither William G. Freed, Inc., nor Envirotech are presently owed any monies from Ginguite Woods Water Reclamation Association, Inc., or that any such debt through date of Closing is waived or released, including, but not limited to, a cancellation of the judgment rendered pursuant to Dare County File 15-CVD-527, which Seller covenants and agrees to have canceled of record effective as of date of Closing.
- (d) A certification and release executed by William G. Freed, individually, certifying that William G. Freed, is presently not owed any monies from Ginguite Woods Water Reclamation Association, Inc., or that any such debt through date of Closing is waived or released, including, but not limited to, a cancellation of the judgment rendered pursuant to Dare County File 15-CVD-527, which Seller covenants and agrees to have canceled of record effective as of date of Closing.
- (e) A certification and release executed by Paragon Utilities, Inc. certifying that Paragon Utilities, Inc. is not presently owed any monies from Ginguite Woods Water Reclamation Association, Inc., or that any such debt through date of Closing is waived or released.
- (f) A certification and release executed by William G. Freed, Inc. dba Envirotech certifying that neither William G. Freed, Inc., nor Envirotech are presently owed any monies from GWWTP, LLC, or that any such debt through date of Closing is waived or released.
- (g) A certification and release executed by William G. Freed, individually, certifying that William G. Freed, is presently not owed any monies from GWWTP, LLC, or that any such debt through date of Closing is waived or released.
- (h) A certification and release executed by Paragon Utilities, Inc. certifying that Paragon Utilities, Inc. is not presently owed any monies from GGWTP, LLC, or that any such debt through date of Closing is waived or released.

Buyer Initials [Signature] Seller Initials MAC, PHS. Freed [Signature] Freed, Inc. [Signature] PHS
paragon

- (i) A certification and release executed by William G. Freed, Inc. dba Envirotech certifying that neither William G. Freed, Inc., nor Envirotech are presently owed any monies from the Southern Shores Landing Property Owners' Association, Inc., nor any individual lot owner within the Southern Shores Landing Subdivision, or that any such debt through date of Closing is waived or released.
- (j) A certification and release executed by William G. Freed, individually, certifying that William G. Freed, is presently not owed any monies from the Southern Shores Landing Property Owners' Association, Inc., nor any individual lot owner within the Southern Shores Landing Subdivision, or that any such debt through date of Closing is waived or released.
- (k) A certification and release executed by Paragon Utilities, Inc. certifying that Paragon Utilities, Inc. is not presently owed any monies from the Southern Shores Landing Property Owners' Association, Inc., nor any individual lot owner within the Southern Shores Landing Subdivision, or that any such debt through date of Closing is waived or released.
- (l) A certification and release executed by William G. Freed, Inc. dba Envirotech certifying that neither William G. Freed, Inc., nor Envirotech are presently owed any monies from the North Carolina Utilities Commission dealing with the utility contained upon the Property, or that any such debt through date of Closing is waived or released.
- (m) A certification and release executed by William G. Freed, individually, certifying that William G. Freed, is presently not owed any monies from the North Carolina Utilities Commission, for the utility plant on the Property, including for the maintenance, and operation thereof, or that any such debt through date of Closing is waived or released.
- (n) A certification and release executed by Paragon Utilities, Inc. certifying that Paragon Utilities, Inc. is not presently owed any monies from the North Carolina Utilities Commission, for the utility plant on the Property, including for the maintenance, and operation thereof, or that any such debt through date of Closing is waived or released.

Section 26. Earnest Money. Notwithstanding the provisions of Section 1(b)(i) and Section 10, if Buyer fails to close within ninety (90) days of the Contract Date, then the Earnest Money Deposit shall be deemed forfeited and paid by Escrow Agent to Seller. Prior to the expiration of the ninety (90) day time frame, Buyer has the right to extend the proposed Closing Date for an additional ninety (90) days by depositing an additional [REDACTED] with Escrow Agent. If Closing occurs within the ninety (90) day time frame, the Earnest Money Deposit shall be applied toward the Purchase Price. On or before the expiration of any ninety (90) day time frame, Buyer has the right to continue extending the Closing Date by depositing with Escrow Agent an additional [REDACTED] prior to the

Buyer Initials EF Seller Initials MAC PHS. Freed WGF Freed, Inc. WGF PHS.
paragon

expiration of the then ninety (90) day time frame. At the expiration of each ninety (90) day time frame, the amount that was deposited with Escrow Agent for purposes of extending the ninety (90) day Closing Date time frame shall be disbursed by Escrow Agent to Seller and shall not be applied toward the Purchase Price. If Buyer fails to deposit an additional [redacted] prior to the expiration of the then current ninety (90) day time frame, then this Contract shall become null and void and to no effect. All Escrow Deposits that have been disbursed to Sellers shall not be credited to the Purchase Price at Closing. *continued*

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(S)

Section 27. Certification. William G. Freed, individually, and William G. Freed, Inc. dba Envirotech, hereby join in this Agreement for the sole purpose of acknowledging that they are obligated and will in fact execute the certifications and releases that are required pursuant to Section 25. William G. Freed, individually, and William G. Freed, Inc. dba Envirotech, hereby certify that they will derive a material and direct benefit from the closing of the sale of the Real Property from Seller to Buyer. The foregoing provisions as set forth and made by William G. Freed, individually, and William G. Freed, Inc. dba Envirotech are directly made as an inducement to Buyer to enter into this Offer to Purchase and Contract. This provision shall be binding upon William G. Freed, individually, and William G. Freed, Inc. dba Envirotech, their heirs, successors and assigns.

Notwithstanding the right of extension provided in section 26 of ~~the~~ exhibit B, if this transaction has not closed by 270 calendar days from the date of acceptance by the buyer then this contract shall be null and void.

NAWORD\Clients\GIGWWTP, LLC\12895-001 Purchase from Paragon Utilities Inc. (Portion of Wastewater Plant) (Op. 05.05.16)\Exhibit B Revised 061516.wpd

Buyer Initials *S*

Seller Initials

MAC PHS. Paragon

Freed

WGF

Freed, Inc.

WGF PHS

**TOWN OF SOUTHERN SHORES
RULES OF PROCEDURE FOR TOWN COUNCIL**

Section 6. Meetings.

(a) Regular meetings. The Council shall hold a regular meeting on the first Tuesday of each month, except that if a regular meeting day is a legal holiday, the meeting shall be held on the next business day. In addition to the regular meeting, the Council shall may hold a work session on the third Tuesday of the month.