

Greetings,

Let me start out with some good news, for all of our island community:

Sand is once again flowing onto South Beach. Since it is projected to be of an unusually large volume, the plan is for disposal to reach past the Shoals Club. However this is a navigation project at Federal expense not a Shoreline Stabilization project at our expense. So we will need to monitor progress closely.

Due to the pandemic, almost everything seems to take more time. Our Contractor Services improvements are no exception. The building foundation has been completed but unfortunately we did not receive three bids for the structure, so we must re-advertise, hopefully awarding the contract around February 5<sup>th</sup>.

Also scheduled this winter are further improvements to storm water management, in particular enhanced capabilities at the creek outfall under North Bald Head Wynd and improved surface drainage around the 3<sup>rd</sup> hole. This is only the beginning of a multi-year project with many complexities.

Most importantly, although we have had some retirements and departures, the Village has made promising new hires who are bringing renewed energy and innovative ideas to Village efforts. As with any organization, we are only as good as our people.

And now, on to the Bald Head Island Transportation Authority:

I preface my comments by stating that I believe that the concepts inherent in the enabling legislation can be a viable solution to the long term operation and management of the transportation system. I also

believe that the Authority would benefit from a few adjustments to the statute. However there is no doubt that the Authority has made meaningful progress, especially in the structure of the financing.

Some of us have concerns about the high appraisals and the revenue projections in this high risk, low growth enterprise. My overriding concern is that I am uncertain that all costs necessary to operate a transportation system that reflects the values of the entire Bald Head Island community have been taken into consideration. Generally I am referring to deferred and future capital expenditures. In particular I am concerned about the deficiencies at both terminals, although for different reasons.

At Deep Point the fundamental concept of arrivals utilizing the upper level for baggage and passenger management, and departures using the lower level has not worked in recent memory, or perhaps really ever, despite an obvious need during the high season and many other holidays.

On the Island there is not enough land to accommodate efficiently and safely the many functions required at this critical infrastructure. Trams, dollies, carts, employees, passengers, baggage and the occasional emergency vehicle all compete for space in this constricted area.

But perhaps I am getting ahead of myself.

For the past three years the Authority has worked mostly in closed session in order to protect negotiating positions, but also in accordance with confidentiality agreements signed with the Seller. Therefore there has been very little transparency or explanation of this large and complex transaction.

In early January the Negotiating Sub-Committee of the Authority made a presentation to the Local Government Commission, which is the State agency responsible for approving local debt. It is chaired by the State Treasurer. At that presentation most of the previously privileged information became public.

At an Authority meeting the following week, a Financing Schedule was presented projecting Local Government Commission approval in early February followed a few weeks later by the sale of the revenue bonds needed to finance the transaction.

Obviously this left little time to explain and justify the transaction to the many and varied members of the Bald Head community whose user fees are the basis for paying off the debt.

Later that week the Village Council at its regular meeting approved unanimously a letter to the State Treasurer asking for a delay of six months in order for the Authority to inform and interact with the concerned public. We have been informed that the Local Government Commission will approve this postponement.

So where does all this stand now?

It is the Council's hope that the Bald Head community will engage the Authority with an open mind and an appreciation of its difficult task. There is much to be appreciated in the proposed structure of the ongoing management and operation of the transportation system. However I believe there is further work to do, most of it not difficult, but some will require cooperation, creativity and diligence.

After further investigation, which very well might NOT take the full six months, there is certainly the possibility that the debt, the purchase

price and the needed improvements are all justified and accounted for. However more detailed information must be forthcoming.

I know that there is growing interest and concern in the community. I am working with the Authority to create a user friendly means of communication, hopefully in place by early next week.

As always the Village Council and Staff will stand ready in support of the entire Bald Head community: residents, property owners, all the service providers, the non-profits and, in this particular instance, the Transportation System.

Thank you.