

**RESOLUTION OF THE CITY OF SOUTHPORT IN SUPPORT OF THE
BALD HEAD ISLAND TRANSPORTATION AUTHORITY**

WHEREAS, on July 18, 2017, the Governor of the State of North Carolina signed the Ferry Transportation Authority Act, as ratified by the North General Assembly, 2017 Session Law 120, codified at North Carolina General Statutes, Chapter 160A, Article 29 (the “Act”);

WHEREAS, the Village of Bald Head Island (the “Village”) is a municipal corporation that is only accessible by watercraft vessel;

WHEREAS, the Village is dependent upon a reliable, safe, and affordable ferry system (including passenger and barge transportation services, terminal facilities and vehicle parking) that operates on the Cape Fear River between Deep Point Marina in the City of Southport and Bald Head Island Marina in the Village;

WHEREAS, the City of Southport (“Southport”) is a municipal corporation where the mainland ferry terminal, the mainland barge terminal, and vehicle parking for access to Bald Head Island are located;

WHEREAS, Southport and the Village are both located in Brunswick County (the “County”);

WHEREAS, many Southport and other Brunswick County residents are employed on and/or regularly visit Bald Head Island and depend upon the ferry services and parking facilities, and many residents living on and visitors to Bald Head Island regularly transact business in Southport and Brunswick County;

WHEREAS, the ferry system, barge system, on-island tram system, terminals, and parking facilities are presently owned and operated by two privately held entities (collectively, the “Seller”);

WHEREAS, pursuant to the Act, the Village, Southport and the County each passed a resolution in 2017 creating a single ferry transportation authority known as the Bald Head Island Transportation Authority (the “Authority”) for the purpose of purchasing the assets used in the operations of the ferry system, barge system, on-island tram system, terminals, and parking facilities (collectively, the “Ferry System”), and consolidating those operations into a single, publicly owned entity;

WHEREAS, in creating the Authority, the Village, Southport, and Brunswick County engaged with each other in order to coordinate and plan for the Authority that will operate a reliable and safe ferry and barge transportation system to transport passengers and freight between Southport and the Village, to provide parking facilities for those passengers on the mainland, and to provide tram service on the island; to enhance the quality of life, mobility, and circumstances of residents of the Village, Southport, and Brunswick County; and to promote economic development and tourism throughout the Cape Fear region, while protecting and preserving the environment;

WHEREAS, the Board of Aldermen has previously determined that the creation of the Authority pursuant to the Act, was to be in the best long-term interest of the Village, Southport, and Brunswick County, and their residents and businesses;

WHEREAS, the Authority was formed in August, 2017 by concurrent resolutions adopted by the Village Council of the Village, the Board of Aldermen of Southport and the County Commissioners of the County after public hearings as required by the Act;

WHEREAS, the Authority performed extensive due diligence regarding the status, operation and value of the Ferry System in order to complete its statutory mandate under the Act to purchase the Ferry System at or below its appraised value;

WHEREAS, after completion of such diligence and extensive negotiations with the Seller, the Authority has authorized the execution of an Asset Purchase Agreement with the Seller to purchase the Ferry System at a purchase price that is below its appraised value;

WHEREAS, pursuant to the Act, the Authority intends to issue its revenue bonds (the "Bonds") to finance the purchase of the Ferry System, and in connection therewith has engaged an underwriter and has obtained an investment grade rating for the Bonds;

WHEREAS, the issuance of the Bonds must be approved by the North Carolina Local Government Commission (the "LGC");

WHEREAS, the Authority has made application to the LGC for such approval, and has provided to the LGC staff and members the information required in connection with the issuance of the Bonds;

WHEREAS, the LGC, at the request of the Village, deferred action on the Authority's application in order for the Authority to provide additional information to the public about the pending purchase and related bond issue, and the Authority has held a public information session (which was attended by more than 230 people) and provided much information to the public;

WHEREAS, on March 22, 2021 the Village Council submitted a letter to the LGC indicating that it now wishes to purchase the Ferry System itself, and asking the LGC to work with it to acquire the Ferry System instead of the Authority, on the basis that the Ferry System exists to serve the property owners, visitors, non-profits and businesses that compose the unique community of Bald Head Island;

WHEREAS, the Village Council is elected by the permanent residents of the Village, who constitute less than 10% of the annual ridership of the Ferry System;

WHEREAS, Southport continues to believe that the Authority is the best entity to own and operate the Ferry System for the benefit of the citizens of the entire region, including the employees and contractors who work on Bald Head Island, most of whom live in Southport, and the assets of the Ferry System that are located in Southport;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Aldermen of the City of Southport, as follows:

1. The City of Southport supports the acquisition of the Ferry System by the Authority, which Southport believes is in the best interest of Southport, the County and the Village, and will best support the quality of life, mobility, and circumstances of residents of the Village, Southport, and the County and promote economic development and tourism throughout the Cape Fear region, while protecting and preserving the environment, in accordance with the provisions of the Act.

2. The City of Southport objects to any attempted purchase or operation of the Ferry System by the Village.

3. In the event the Village pursues the purchase of the Ferry System, Southport intends to explore the possibility of acquiring and owning that portion of the Ferry System located within the city limits of Southport.

4. The City Manager is instructed to provide a copy of this resolution to the members and staff of the LGC, to the County Commissioners of Brunswick County, and to the Village Council of the Village.

5. This resolution shall become effective upon its adoption.

ADOPTED by the Board of Aldermen of the City of Southport, this the 8th day of April, 2021.

Mayor

Attest:

Clerk