



TOWN OF SHALLOTTE

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January 9, 2015

Joint Legislative Committee on Local Government
North Carolina General Assembly
Legislative Building
16 West Jones Street
Raleigh, NC 27601
Attn: Committee Chairs and Committee Assistant

Fiscal Research Division
North Carolina General Assembly
Legislative Office Building – Suite 619
200 North Salisbury Street
Raleigh, NC 27603-5925

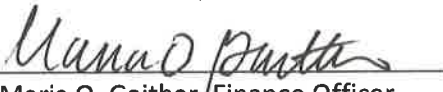
Re: Financing of Property for Riverfront Redevelopment

Ladies and Gentlemen:

In accordance with Section 120-157.1 through 157.9 of the North Carolina General Statutes, as amended, the Town of Shallotte, (the "Town") hereby notifies you of its intent to utilize an installment purchase contract under North Carolina General Statute 160A, Article 3. Section 20. The principal amount is not to exceed \$2,000,000.00 to finance the purchase of water front property for revitalization. This purchase has been included in the Town's Vision Plan and respective debt payments will be placed in our annual budget starting with FY 2015-2016. I have included a project narrative as an attachment.

The Town anticipates that the North Carolina Local Government Commission will consider approval of the issuance of this proposed debt at its meeting scheduled for February 2015.

TOWN OF SHALLOTTE, NORTH CAROLINA

By: 
Maria O. Gaither, Finance Officer

Cc: Local Government Commission

Project Narrative:

The Town of Shallotte is located in the center of Brunswick County and is equidistant from Myrtle Beach, SC and Wilmington, NC. The Shallotte River runs through Shallotte. Historically the waterfront was the commercial center of Shallotte. In the early 1920s motor vehicles began to replace ships as a way of delivering goods and services and the Shallotte waterfront was gradually transformed into primarily a non-commercial area.

Seven years ago, the Town went through an extensive vision process that involved substantial public input. The effort resulted in a vision plan that contemplated and emphasized the commercial redevelopment of the Shallotte waterfront. The goals of the efforts were to refocus the commercial center of Shallotte to a high quality developed waterfront, create jobs, increase the tax base and to promote citizen and tourist access to the waterfront through a river walk and attractive commercial buildings and amenities.

Following adoption of the vision plan, the Town defined the area of the commercial redevelopment as a 17 acre area in the middle of Shallotte, surrounding our current Town complex. Over the years, the Town has acquired 10 acres in the designated area at a price of approximately \$2.1 million dollars. These properties were acquired by the Town without incurring indebtedness or raising taxes.

In addition to acquiring the land, the Town has begun a preliminary predevelopment process. This process included a through street, expanding parking to the vision plan area, and clearing of decaying buildings. Also, The Town has retained the services of the Development Finance Initiative Team from the UNC-Chapel Hill School of Government to assist in the commercial redevelopment efforts.

The scope of the redevelopment process includes:

- Evaluating redevelopment potential including market feasibility and demand for different land uses on the site, including accommodation, residential, retail, office, public/private parking, etc.
- Developing preliminary program and real estate development pro formas.
- Evaluating potential district designations that would best facilitate the Town's goals for the redevelopment.
- Evaluating options for financing and structuring public-private partnerships.
- Developing preliminary rendering for site plan and facilitating public feedback.
- Initiating process of site plan review for the property or properties on site.
- Developing Request(s) for Proposals (RFP) for Project and identifying potential developers.
- Supporting the Town in negotiation of development agreements.

With this loan approval, the Town intends to purchase the final 7 acres of land that defines the redevelopment area. This final acquisition will also provide in excess of 1,000 feet of waterfront property which is essential to the redevelopment effort. This property is the most valuable portion of the site in the eyes of a private developer. The Town anticipates that it will complete all work necessary to release a request for proposals for a master developer of the 17 acre commercial redevelopment area by June 2015. Following a 3 to 6 month period for receipt and review of responses the Town will select the master developer and anticipates that construction will begin by the end of 2015. The construction work is estimated to be complete in 18 to 24 months.

Although it is too early to predict the economic impact of the riverfront commercial redevelopment, the Town expects the catalyst project to create a substantial number of direct and indirect jobs. Initial projections include adding $\pm 200,000$ square feet of commercial space (retail, restaurants and office) in addition to $\pm 100,000$ square feet of residential space (which could include a possible hotel). A project of this scale could result in the creation of 350 direct new jobs and close to 400 temporary construction jobs. The indirect economic effects of this project will only increase these numbers.

As set forth in the enclosed financial statements, the Town is in a very strong financial position. It is the Town's policy, as established by the Board of Aldermen, to maintain a fund balance no less than 90 percent of the General Fund budget. Even after paying the \$700,000 for the purchase of this property, the fund balance will exceed 100 percent of the current year General Fund budget.

In summary, the Town is seeking approval to borrow the funds from Brunswick Electric. BEMC is providing the loan at zero interest. These funds will assist the Town of Shallotte in purchasing 7 acres of waterfront land. The entire project will cost 2.7 million, with the balance coming from the Town's fund balance. Our intentions are to market the property, sell to a master developer and then repay BEMC's loan and replenish the Town reserves.



Mayor Bill Braswell

Town Commissioners
Barry Green
Gary Hamill
John Mangum
Brent Moser
Blair Stegall

P.O. BOX 367 • Wingate NC 28174 • TEL: (704) 233-4411 • FAX: (704) 233-4412

**NOTICE TO JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT
OF PROPOSED LOCAL GOVERNMENT FINANCING**

January 14th 2015

Joint Legislative Committee on Local
Government
16 West Jones Street
Raleigh, North Carolina 27601
Attention: Committee Chairs and Assistant

Fiscal Research Division
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925
Attention: Acting Director

North Carolina Local Government Commission
325 North Salisbury Street
Raleigh, North Carolina 27603-1388
Attention: Secretary

***Town of Wingate, North Carolina
Water and Sewer Revenue Bond Anticipation Note and Water and Sewer Revenue Bonds***

In accordance with N.C. Gen. Stat. §120-157.2(a), the Town of Wingate, North Carolina (the “Town”) hereby notifies you of its intent to issue the above-referenced bond anticipation note (the “BAN”) in an amount of approximately \$1,800,000 and then subsequently issue a bond (the “Bond”) to refinance the BAN. The Town intends to apply the proceeds of the BAN to pay the capital costs of the improvement to the Town’s water and sewer system (the “Project”) and (b) the costs of issuance of the BAN. When the Project is complete, the Town intends to issue the Bond to be purchased by the United States Department of Agriculture (USDA) to refinance the BAN. The maturity of the BAN will be approximately 2 years and the final maturity of the Bond will be approximately 40 years.


The BAN and the Bond will be special obligations of the Town payable solely from the net revenues of the Town’s water and sewer system (or in the case of the BAN, from the proceeds of the Bond used to refinance the BAN). Neither the credit nor the taxing power of the Town will be pledged for the payment of the BAN or the Bond and no holder of the BAN or the Bond has the right to compel exercise of the taxing power by the Town or the forfeiture of any of the Town’s property in connection with any default thereon other than the net revenues of the Town’s water and sewer system.



The Town expects that the North Carolina Local Government Commission (the "*Commission*") will consider for approval the Town's proposal to issue the BAN and the Bond at the Commission's meeting scheduled for March 3, 2015 or at such other meeting as the Commission deems appropriate.

If you need any additional information please feel free to contact me at (704) 233-4411.

TOWN OF WINGATE, NORTH CAROLINA

By: 
Patrick Niland
Town Manager

