



**RESOLUTION AUTHORIZING THE FILING OF
AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT
AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20**

WHEREAS, the Town Council of Sunset Beach, North Carolina desires to enter into a loan agreement with a Financial Institution to purchase 5.2 acres of land which borders the Intracoastal Waterway and Mary's Creek and will serve as a future park for the Town of Sunset Beach; and

WHEREAS, the Town Council of Sunset Beach desires to finance the acquisition of said land by the use of an Installment Contract authorized under Chapter 160A, Article 3, Section 20 of the North Carolina General Statutes; and

WHEREAS, findings of fact by this Governing Body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina Statute 159, Article 8, Section 151 prior to approval of the proposed financing contract;

NOW, THEREFORE, BE IT RESOLVED that the Town Council of Sunset Beach, North Carolina, following a Public Hearing in the Regular Council Meeting held on the 6th day of June, 2011, makes the following findings of fact:

1. The Town of Sunset Beach proposes to acquire 5.2 acres of land with 1200 feet of waterfront on the Intracoastal Waterway and Mary's Creek in order to construct a small public park. In support of said proposal, the Town Council further finds that:
 - The property is situated on a prominent point along the Intracoastal Waterway, near the old pontoon swing bridge site, and affords beautiful views of the Waterway, nearby marshes, and a barrier island. The majority of the site is an open grassed area with many large live oak trees that will be preserved.
 - This project has already received support from the State of North Carolina in the form of a \$150,000 grant (Division of Water Resources, NC Department of Environment and Natural Resources) as well as a \$400,000 grant from the NC Parks and Recreation Trust Fund.

- At completion of the park, it will include water-based recreation including installation of fishing piers, kayak/canoe launching, and also include a walking trail, picnic shelters, and overlook facilities with views of the Intracoastal Waterway. Due to the limited public access for pier fishing in our area and most of coastal North Carolina, we expect some economic benefits upon completion of this project. The park and adjoining boat ramp site will attract fishermen to this area and will provide a positive economic impact for area stores, restaurants, and lodging.
 - The median age of the Sunset Beach population and that of the immediate area is 60, as Brunswick County has become quite a retirement haven. This project will generate significant social benefits for those residents as well as for the many visitors.
 - Acquisition of this property is an outstanding opportunity for the Town of Sunset Beach to preserve another beautiful natural resource like the nearby Bird Island Preserve (which kayakers and canoeists could access from the site) and at the same time, address a much-needed increase in public water access to our public trust waters.
2. The proposed contract is preferable to a bond issue for the same purpose for the following reasons:
- Town Council does not want to extend the Town out in debt any further than the proposed amount and term.
 - The fixed rate and amortization schedule of an Installment Financing Agreement is easier to plan and budget for the payments and for the future of the Town of Sunset Beach.
 - The Town Council submitted applications for three (3) grants. Notification of approval has been received on two (2) and awaiting word on the third grant.
 - There are funds accumulated over a number of years in our Future Development Fund to make the first few years of payments while building back up our Fund Balance.
3. The cost of issuing bonds is greater than the proposed Installment Financing Agreement Contract.
4. The sums to fall due under the financing contract are not excessive for the proposed purpose because of an extremely low interest rate and 10 year term, that is being held by _____, whose quote was selected from three (3) quotes received from Financing Institutions. Also:
- The Town of Sunset Beach's debt management procedures and policies are good because the Town has set forth policies for Cash Management and Investments, as set forth by the State Treasurer Policy Manuals and General Statutes. The Sunset Beach Town Council recognizes the importance of Fund Balance and maintaining the Fund Balance at State required levels.
 - A tax increase is not needed to meet the sums to fall due under the proposed contract at this time.
 - The Town of Sunset Beach is not in default in any of its debt service obligations.
 - The attorney for the Town of Sunset Beach has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Finance Director is hereby authorized to act on behalf of the Town of Sunset Beach in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed Financing Contract and other actions not inconsistent with this resolution.

The motion to adopt this resolution was made by _____, seconded by _____ and passed by a vote of _____ ayes and _____ nays.

This resolution is effective upon its adoption this ____ day of _____, _____.

Town of Sunset Beach

By: _____
Ronald F. Klein, Mayor

ATTEST:

Lisa H. Anglin, Clerk

This is to certify that this is a true and accurate copy of Resolution, adopted by the Town of Sunset Beach Town Council on the _____ day of _____, _____.

Lisa Anglin, Clerk

Date