



The Village of Bald Head Island

May 27, 2021

VIA Email and U.S. Mail

Sharon G. Edmundson, MPA, CPA
Deputy Treasurer
North Carolina Department of State Treasurer
State and Local Government
Finance Division and the Local Government Commission
3200 Atlantic Avenue
Raleigh, North Carolina 27604
sharon.edmundson@nctreasurer.com

Re: Bald Head Island Transportation Authority (“Authority”)
Application for Approval of Bald Head Island Transportation Authority
Transportation System Revenue Bond Findings (“Application”) for
\$56,144,303.30 Financing

Dear Ms. Edmundson:

I hope this finds you well.

The Village of Bald Head Island (“Village”) supplements its correspondence to you dated May 3, 2021 responding to your letter of April 20, 2021. The Village notes that it could issue general obligation (“G.O.”) bonds, subject to LGC approval, in order to finance its acquisition, without limitation, of the barge, warehouse and parking assets currently owned by Bald Head Island Ltd.

The primary authority to incur G.O. debt is the Local Government Bond Act, G.S. 159, Art. 4. The types of capital projects that a municipality may fund with G.O. bonds are set out in G.S. 159-48. Relevant provisions, include:

***P.O. Box 3009 BALD HEAD ISLAND, NC 28461 (910) 457-9700 FAX (910) 457-6206
E-MAIL: village@villagebhi.org WEBSITE <http://www.villagebhi.org>***

- (12) Providing parking facilities, including on- and off-street parking, and in connection therewith any area or place for the parking and storing of automobiles and other vehicles open to public use, with or without charge, including without limitation meters, buildings, garages, driveways, and approaches. . . .
- (14) Providing public building, including without limitation. . . warehouses, and yards. . . .
- (23) Providing public transportation facilities, including without limitation equipment for public transportation, buses, surface and below-ground railways, ferries,^[1] and garage facilities.

G.S. 159-48(b) (emphasis added).

The Village reserves the right to supplement or amend these responses.

Please contact me should you have any questions or should any additional information be helpful. Thank you very much for your consideration.

Respectfully,

/s/ J. Andrew Sayre

Village Mayor

pc: The Honorable Dale Folwell, Treasurer
The Honorable Beth Wood, State Auditor
The Honorable Elaine Marshall, Secretary of State
The Honorable Ronald Penny, Secretary of Revenue
The Honorable Scott Padgett, Mayor, City of Concord
The Honorable Viola Harris, Commissioner, Edgecombe County
Mr. Edward Munn, member, Local Government Commission
Mr. Joshua Bass, member, Local Government Commission

¹ G.S. 159-48(b)(23) permits a municipality to “borrow money and issue its bonds . . . for the purpose of paying any capital costs of . . . [p]roviding public transportation facilities, including without limitation equipment for . . . ferries.” There is an apparent conflict with G.S. 160A-209(c)(27), which appears to exclude ferry transportation from the purposes for which a municipality may levy property taxes. This does not, however, limit the Village’s ability to utilize special obligation and/or revenue bonds to acquire the ferry operation.

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Page 3

May 27, 2021

Mr. Mike Philbeck, member, Local Government Commission
Cindy Aiken, Attorney, Department of the State Treasurer
Timothy Romocki, Director, Debt Management
Susan Rabon, Chair, Bald Head Island Transportation Authority
Chad Paul, CEO, Bald Head Island Limited, LLC
Michael Brown, Mayor Pro Tempore, Village of Bald Head Island
Scott Gardner, Councilor, Village of Bald Head Island
Emily Hill, Councilor, Village of Bald Head Island
Peter Quinn, Councilor, Village of Bald Head Island
K. Christopher McCall, Manager, Village of Bald Head Island
Charles S. Baldwin, IV, Attorney, Village of Bald Head Island
(all via email)