

June 28, 2021

Dear Members of the Local Government Commission:

We are Bald Head Island residents and property owners who are deeply concerned about the delays and continuing uncertainty regarding the purchase of the Bald Head Island transportation system by the Authority. We do not share the views of the Mayor and Council, a majority of whom are up for election in November. We do not believe their assertion that a majority of ferry users support the Village's acquisition; it is far more likely that a majority of islanders and ferry users do not care who runs the system as long as it is run well, and prices do not increase faster than inflation. We do know that a substantial number of island residents *oppose* acquisition by the Village, particularly if it would increase our general obligation bond debt.

We believe the delay has affected employees, ferry operations, and crucial planning decisions and is likely to result in higher bond interest rates and investor uncertainty. However, our greatest concern is that, if the sale to the Authority is delayed further or scuttled, Bald Head Island Limited will sell the system, in whole or as separate lines of business, to for-profit entities: as is Limited's right. Unlike the island's developer, these for-profit owners would have little interest in keeping fares low. Indeed, since the parking and barge operations have features of unregulated monopolies, there is every reason to expect that a new owner, facing little or no threat of competition and controlling the only barge and ferry services to the island, would raise fares significantly to maximize profits. Third party ownership would be the very worst outcome for our island.

We fully understand the concerns members of the Commission have about the valuation of the system's assets. We understand that a new independent appraisal will be available before the August meeting of the Commission that is expected to address many of the Commission's concerns. We strongly encourage that the Commission to act on the bond proposal at the August 3 meeting rather than prolonging the process.

As you know, the Village has belatedly decided to try to purchase the system. Even if the Village has a valid right of first refusal (which we gather is not clear) and could convince BHI Limited to sell the system to the Village (which we believe is unlikely), we do not believe the Village should operate the transportation system. We are skeptical about the Village's capacity to operate a transportation system; we question the Village's ability to operate in the best interest of all transportation system users (the vast majority of whom are not residents of the island); and we doubt that the Village voters would approve a GO bond referendum (for \$52.5 million) that would more than quintuple the Village's general obligation debt. In addition, we are concerned that fewer than 300 voting property owners would be making a decision on the potential debt for the 2000 property owners of Bald Head Island.

Please base your decision on the feasibility and affordability of the Authority's bond proposal, ignoring irrelevant speculation about alternative owners. We urge you to proceed expeditiously with the sale of the transportation system to the BHITA.

Respectfully submitted,

Acchione	M Christine
Acchione	Thomas
Adcock	David B.
Adcock	Mary-Kathryn
Andrews	Susan
Andrews	Mark
Antalik	Dr. and Mrs. Thomas
Arata	Kevin
Arata	Mary Anne
Baker	Nick
Baker	Susan
Barnard	Brewster
Barnard	Patricia
Beavers	Richard
Beavers	Shari
Berry	Chip
Berry	Anne
Bonifant	Benjamin
Bonifant	Clare
Bradley	Keith
Bradley	Meredith
Braswell	Greg
Braswell	Janis
Cassidy	Lois
Chatas	Geoff
Chatas	Katie
Cruse	Jana
Cummings	Jack
Cummings	Mary
Drumheller	Debra
Dunville	James
Dunville	Susan
Emonson	Penny
Emonson	David
Evia-Lanevi	Diane
Farmer	Elizabeth

Farmer	Lee
Fisher	John
Gleich	Tom
Gleich	Sandra
Gozon	Beth
Grantmyre	Erica
Guijarro	Rebecca
Hair	Tally
Halas	Gus
Halas	Valerie
Himelfarb	Adam
Himelfarb	P.J.
Hoeve	Karen
Hogan	Dennis
Hogan	Robina
Johnson	Barbara A.
Johnson	Cory
Johnson	David
Kades	Sandra E.
Kapil	Elizabeth
Keiger	Robert
Keiger	Bonnie
Ketels	Robert
Ketels	Kathy
Kinney	Elizabeth
Kirkley	David
Kirkley	Wendee
Klippel	Sally
Klippel	Jack
Lanevi	Ingemar
Machikas	Karen
Machikas	Michael
Malpass	Michael
Malpass	Patti
McIntyre	Catherine
Menk	Peter D
Menk	Kay G
Michaels	Joel
Miller	Patricia
Milliken	James B

Morgan	Robert
Morgan	Eleanor
Moyer	Kristen
O'Callaghan	Dolores
O'Callaghan	Eugene
Patterson	Donna
Powell	Antoinette
Quarles	Anne
Quarles	Darryl
Robinson	Elizabeth
Robinson	Dianne
Robinson	Larry
Ruland	Drs. Charles and Heather
Russel	Jennifer
Sharp	Conn
Smith	Justin
Smith	Nana G H
Smith	Shanna
Snyder	William
Stanfill	Elizabeth
Stephen	Elizabeth
Terrio	Susan
Terrio	Stephen
Weaver	Susan
Willis	Ronnie
Young	Dr. and Mrs. Clinton D.

Full addresses of Bald Head Island residences and permanent residences--if not on Bald Head--are available from Dr. Elizabeth Stephen.

Should additional names be added to the list, you will be notified of all additional signatories.