

Preserve Middle Island



Why did we choose Middle Island ?



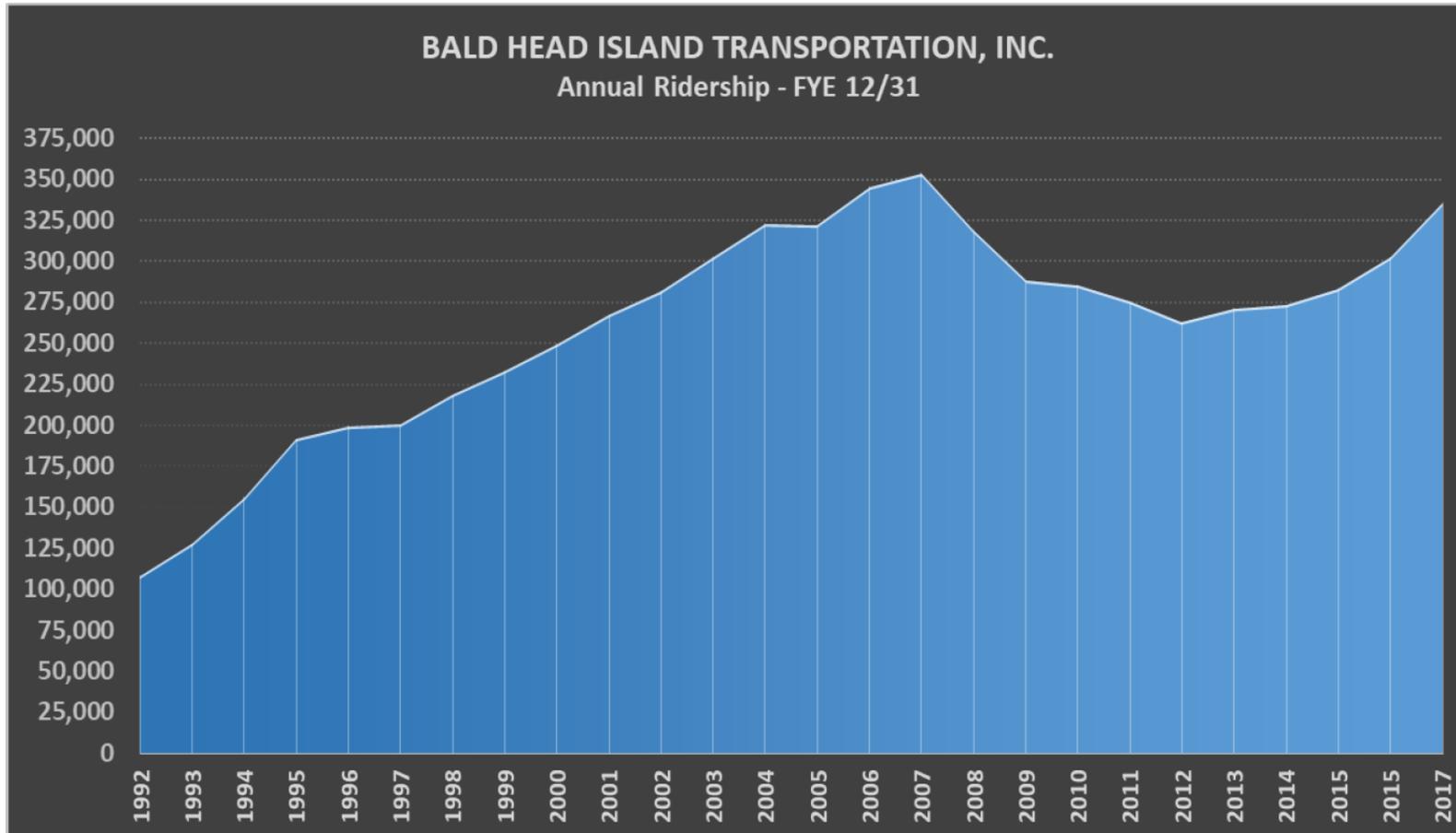
- Privacy
- Unparalleled marsh, maritime forest, and beach environment
- Uncrowded East Beach with seven untrammelled miles to the north
- Large lots with extraordinary marsh and ocean views
- Unique amenities
 - Two Bald Head Creek Docks
 - The Ibis Lake Sanctuary, the Boathouse, and the new Cape Creek Marina
 - Private beach parking and beach access to East Beach
- A sense of calm and charm, removed from busy roads and beaches
- The option to become a more private community with limited traffic, as Bald Head Island is built out and increasingly dominated by short-term rentals

What are the trends?



Ferry Ridership increased by 32,000 last year (11%)

It has increased 61,000 in three years (22%), and should eclipse the 2007 peak this year

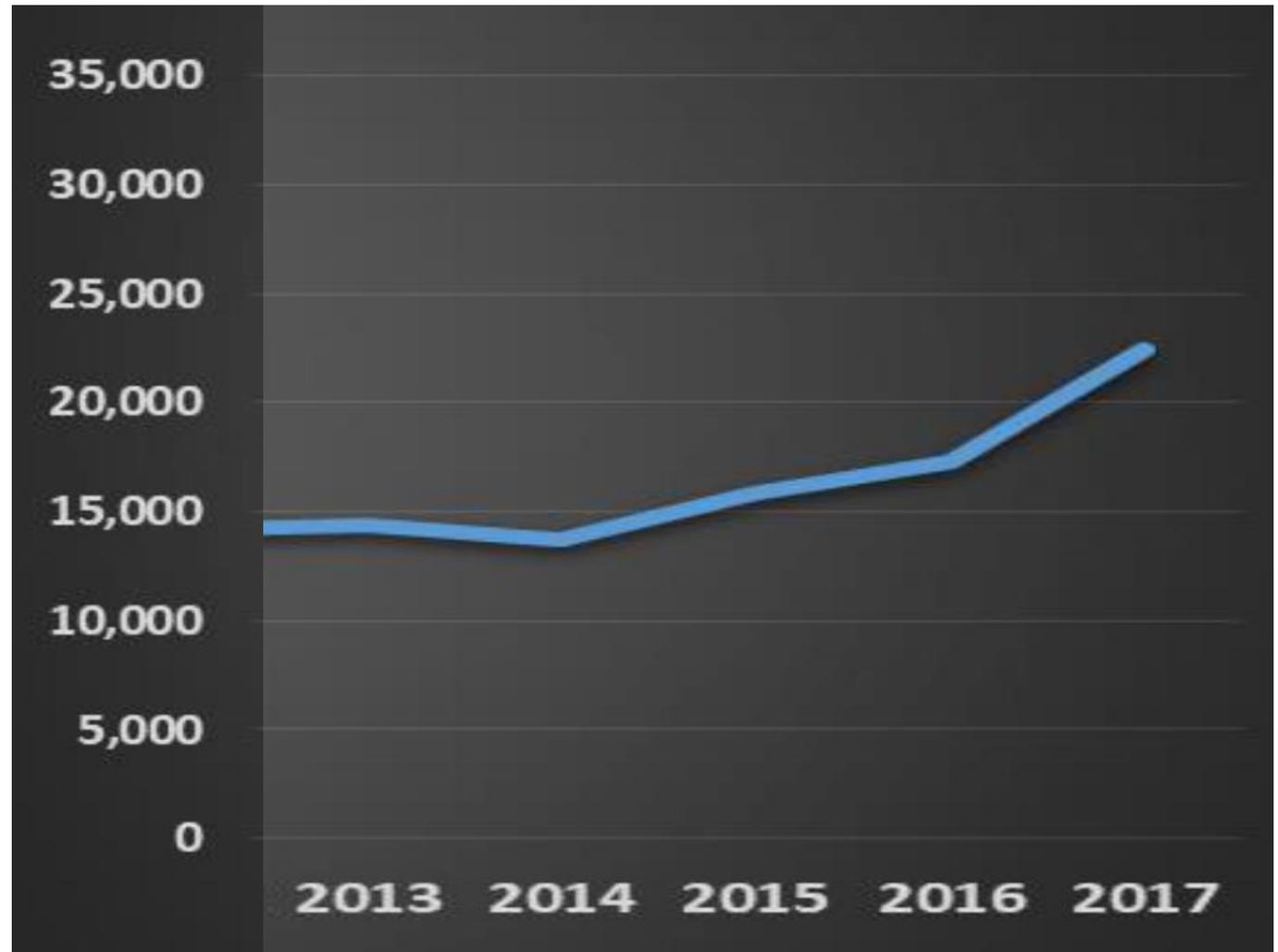




Barge Use is UP over 50% in three years

(Tickets sold – increments of 6 feet)

This reflects increasing construction activity on the island



Beach Access Parking is in short supply on BHI - except on Middle Island

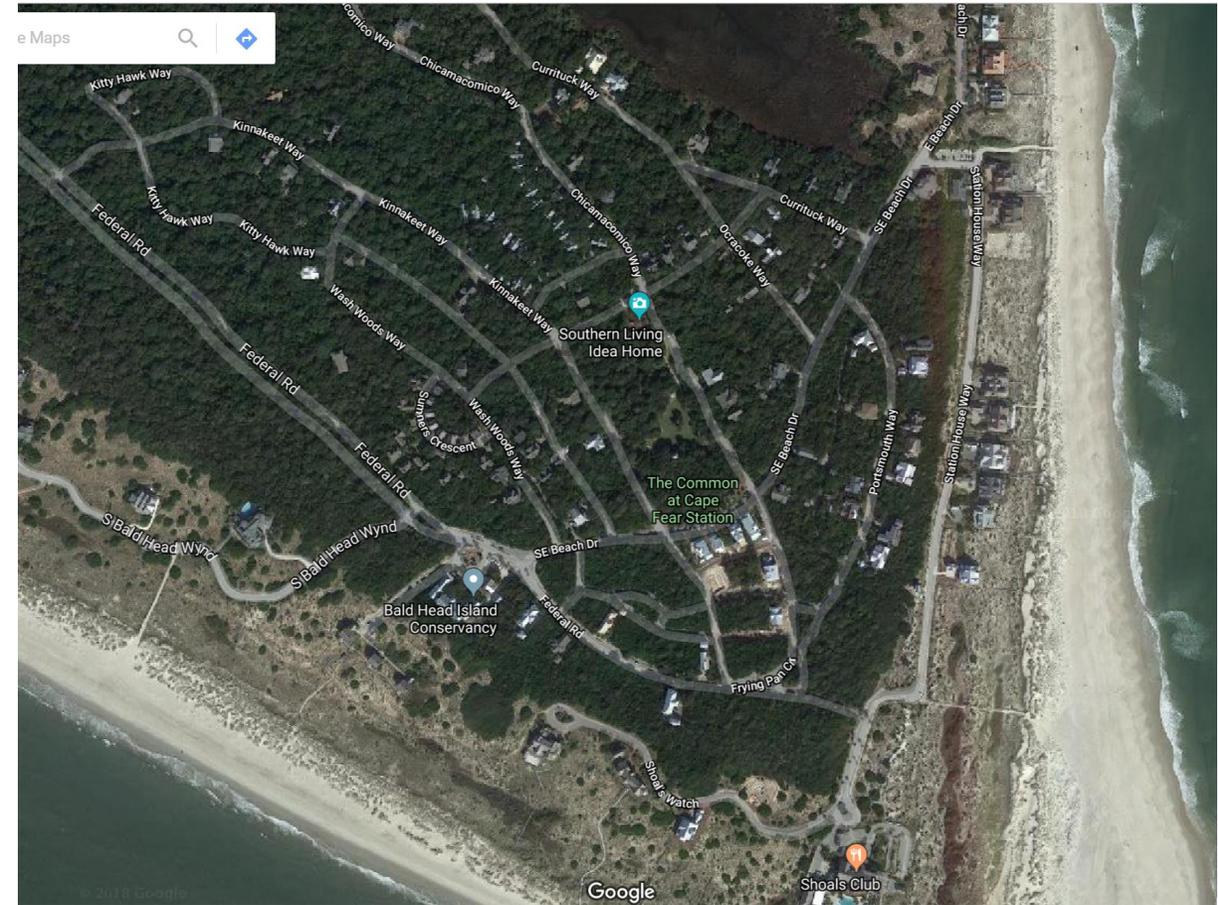


Boat spaces are in short supply on BHI – except on Middle Island

- There are long waiting lists for boat parking on BHI, at both Village and Association sites
- Under the global CAMA permit for BHI, no more docking spaces are allowed anywhere on BHI. Dockage is a scarce commodity.
- Middle Island has excellent private boating resources:
 - A **floating dock** on Bald Head Creek
 - A **soon-to-be-rebuilt marina** that will have nine boat slips, a kayak launcher, a boat launching ramp, and plenty of boat parking - with video surveillance
 - The only **boat house** on all of Bald Head Island offering protected storage for a boat

Development of Cape Fear Station, immediately adjacent to Middle Island, is expanding rapidly

- Nine new homes were built in the Southern Living Inspired area, with plans to triple the size
- There were 9000 visitors to the Southern Living Idea Home last year



This growth – and the rental properties that help fuel the growth – are already putting great pressure on East Beach accesses and increasing Middle Island traffic

2,666

Summer weekend traffic on Middle Island

2,666 vehicles (primarily carts and trams) passed in or out through the Middle Island gates over four days of the Memorial Day weekend (1,333 round trips)

Road Options

The issue that unites Preserve Middle Island is remaining a private community with private roads



The Youngs' Vision for Middle Island and Its Roads

- Middle Island was always intended to be a private community, an island of calm, embedded in nature.
- Every plat for the western half of Middle Island bears the notice:

NOTES:

THE STREETS DESIGNATED HEREON AS "PRIVATE" ARE NOT OR WILL NOT BE CONSTRUCTED TO MINIMUM STANDARDS FOR DEDICATION TO AND ACCEPTANCE BY THE VILLAGE OF BALD HEAD ISLAND AND THE VILLAGE SHALL NOT BE RESPONSIBLE, NOW OR AT ANY TIME IN THE FUTURE, FOR THE MAINTENANCE OF ANY STREET, PAVEMENT, UTILITY OR OTHER IMPROVEMENTS LOCATED WITHIN THE RIGHTS OF WAY OF ANY PRIVATE STREET.

- The Youngs left open the option of paving the roads at some point, but their intention was always to keep the roads – and the community - private

Public Asphalt Roads face major hurdles:

- Conveying the Association's road rights of way to the Village would require the approval by 80 % of all Middle Island lots
 - This is a provision of the NC Planned Community Act and our own Covenants
- Forest lot owners must endorse a nearly \$1 m special assessment by 2/3 vote
- The Village Council must approve major, unprecedented exceptions to its Road Ordinance requirements **before** any paving begins.
 - East Beach Drive and several long sections of Cape Creek Road **fail to meet the required ROW width**
 - The Council has never approved exceptions to the ROW width
 - Multiple locations fail to meet **the required pavement width and base course width** because of the need to protect specimen trees and to avoid relocating retaining walls
 - Exceptions to these Village requirements would be highly controversial
- The Village will be challenged to identify budget resources to take on an additional 2 miles of paved roads without raising taxes
- There is some risk that we will have a million dollar assessment and still end up with the same annual dues and responsibilities we have now

Public Asphalt Roads Would Change Middle Island Forever

- We would lose the benefits of a private community, becoming just another Bald Head Island neighborhood
- Traffic would increase, vehicle speeds would increase, safety would decrease
- We could not limit unwanted traffic, even if we wanted to
- We could no longer choose to be a gated community some time in the future
- We would lose David Ward, who is committed to Middle Island
 - For storm debris, we would have to rely on the Village's slow mobilization process and would be a low priority
 - For maintenance, we would have to rely on contractors with many conflicting commitments
- The environment may suffer
 - Our canopy and roadside plants would be trimmed with a flail mower, rather than being pruned selectively by David's hand
 - The effects of petroleum products on our marsh environment are unclear



David Ward

Our Property Manager, David Ward

- Multiple skills
 - Landscaping, maintenance of canopy
 - Road and signage maintenance
 - Carpentry – replank beach access and Cape Creek Road bridges
 - Painting
 - Electrical wiring (with contractor signoff)
 - Plumbing
 - Repair of locks and gates, provides keys to property owners
- Dedicated to Middle Island
 - Loves working on Middle Island
 - After the ice storm, was on the first ferry to the island and had cleared Middle Island roads singlehandedly well before major Village roads were cleared
 - Reschedules work hours when needed (eg, for road project)
- Keeps a watchful eye on our assets
 - Addresses trespassing, unauthorized use of docks
- Not inclined to start business as an independent contractor

What happens to David?

- **Public asphalt road transferred to Village**

- **David is let go**

- Village performs road maintenance (priority determined by Village)

- Village trims bushes using its flail mower, probably annually

- Independent contractors are hired for all other services

- Middle Island would be one client among many. As we know, contractor availability and reliability is unpredictable due to high demand and labor shortages

- **Middle Island remains a private community with private roads**

- **David remains our Property Manager under all private options, built into the dues**

- David maintains the bushes and canopy with ongoing selective trimming

- David performs routine road maintenance, whether gravel, chip seal, or asphalt

- Barnhill (or Island Contracting) performs periodic major road repairs

One Final, Important Potential Risk of Public Roads

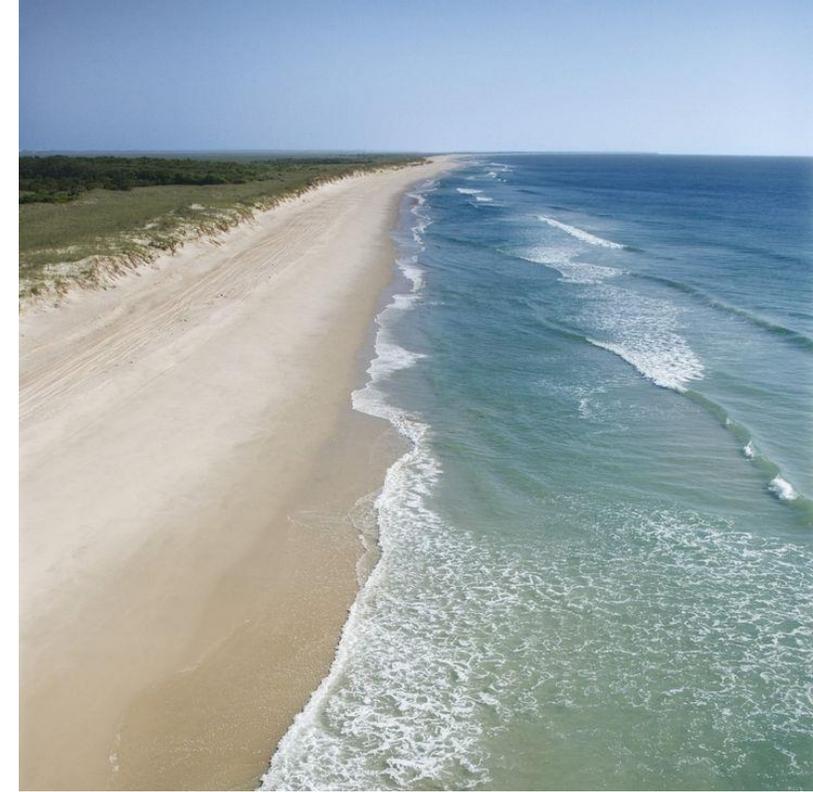
Memorial Day 2018 – The Village has a problem



Public roads may threaten our private beach access and parking

- **Our private East Beach access is a major asset**

- Our section of East Beach remains relatively unoccupied even in summer
- Middle Island homeowners have ample beach parking -- in marked contrast to public beach accesses, particularly Access #42 near the Middle Island entrance.



- **North Carolina law has a specific provision for the Village of Bald Head Island to take private property by eminent domain to improve access to beaches [NC GS 40A-3 (b1)(11)]**

- **Our beach access and beach parking would be far more vulnerable to being taken through eminent domain if they were on a public thoroughfare**

- Proposals to transfer to a land trust, particularly if access were still restricted, would not protect the property from eminent domain

Public roads might also threaten our docks, marina, and boat parking

- **Our docks, ramps, and boat parking are important Middle Island assets**
- **North Carolina law also has a specific provision for the Village of Bald Head Island to take private property by eminent domain for recreational facilities [NC GS 40A-3 (b1)(3)]**
- **Our boat docks and ramps may be more vulnerable to being taken through eminent domain if they were on a public thoroughfare rather than in the middle of a private community, off private roads.**



OUR CONCLUSION:

A dues reduction, if it were to occur, wouldn't even *begin* to compensate for the loss of our private community, the change in the nature of Middle Island, our loss of control over key decisions, and the threats to our amenities.

Private road options

- **Asphalt paving** can be laid on the current roadway, if our roads remain private.
 - The special assessment is estimated to be \$8176 per lot.
 - Without access control, asphalt paving will increase traffic and increase vehicular speed
- **Chip seal / tar and gravel** also can be laid on the current roadway, if our roads remain private.
 - The special assessment is estimated to be \$4687 per lot.
 - Tar and gravel roads present some unresolved questions about the likelihood of damage, repair methods, and cost of re-paving
- **Gravel roads** retain a rustic charm.
 - There is no special assessment.
 - Regular maintenance with addition of finer aggregate is vital
 - Periodic regrading and rerolling by a road contractor will be needed
 - Calcium chloride does a good job of suppressing dust and consolidating the surface
- Annual dues are similar ($\pm 10\%$) for all options.

A suggested approach to voting:

- **Vote against public asphalt roads - and for keeping our roads private.**
- **Vote for gravel roads for now.**
 - The Board will continue efforts to improve the gravel roads and will research additional paving options including coquina shells used on several South Carolina islands.
 - If gravel roads are unsatisfactory or become much more expensive to maintain, other paving options remain open.

We also propose a moratorium:

- The debate over public or private roads has been divisive
- Some real estate agents suggest that the ongoing debate about the roads and the nature of our community may have affected property values
- We need to put these debates behind us through the upcoming vote
- **Property owners should adopt a five or ten year moratorium on any reconsideration of conveyance**, assuming property owners reject the proposal to pave and convey the roads to the Village

Debunking

- FEMA funding for storm damage, storm debris
- The Realtor Survey
- Golf cart repairs
- Liability
- High dues

FEMA Funds

FEMA funding wasn't an issue before advocates of turnover made it one. Middle Island has never needed FEMA help with the many storms encountered in our 40+ year history.

Unlike the rest of Bald Head Island, we have a proven and dedicated storm response capability through our property manager.

Storm damage to our roads is highly unlikely. If it were to occur, Middle Island would be eligible for FEMA funds as a private community, supplemented with our reserve funds.

Storm debris removal from Middle Island can be funded by FEMA

If you do a superficial search of the web:

- You'll find plenty of denials of coverage for debris removal from private communities
- What appears on the FEMA site are documents from appeals of an initial denial
- Initial denials will usually also be denied on appeal because the community didn't follow the rules
- Obviously, a successful applicant for debris removal wouldn't appeal and thus wouldn't show up on a superficial web search

If you research the issue more closely:

- There is clear guidance about the **requirements for FEMA-funded removal of debris from private property placed on private roads** (FEMA PAPPG, April 2018)

We have copies of the **specific town ordinances that have resulted in funding of debris removal from private/gated communities with private roads**

If we vote to remain a private community, **the Board should promptly meet with the Village Manager and the Village Council to draft the necessary ordinance**

By the way, where was FEMA funding after the ice storm?

- **After Winter Storm Grayson**, the “bomb cyclone”, Gov. Cooper declared a state of emergency in Brunswick and 53 other counties.
- Ferry and barge traffic was disrupted. Village employees and contractors were delayed for days, delaying the Village response to downed trees and unsafe conditions.
- **David was here on the first ferry, performed all the Middle Island road clearing and reopening, and did it faster than the Village**
 - In his first on-site assessment, the Village Manager stated: **“Federal Road, both east and westbound lanes, have been temporarily closed until further notice....[However] Middle Island private roads are reported to have been cleared per their contractor, who was on island today.”**
- As normal life resumed on Middle Island, huge debris piles littered BHI’s public road shoulders for 6 weeks as the Village struggled with its cumbersome contracting and mobilization process.
- **The Village has received no FEMA funds for the debris clearance it performed after Grayson**

The Realtor Survey Was Biased

- The survey was not approved by the Board
- The wording was biased toward paving and turnover. No alternatives to enhance property values were examined
- Some reported comments when surveys were presented to realtors were not neutral
- REPORTED RESULTS (the survey responses have not been shared with us or the Board)
 - One firm was reportedly remarkably unanimous in favor of paving and reportedly added negative comments about the gate
 - One firm declined to participate
 - One realtor group had a broad discussion of the issues and reached diverse conclusions
 - Paving might increase or decrease the appeal of Middle Island lots
 - Paving probably wouldn't affect whether they would show the lots
 - All but one of the realtors believed that **the single most important action to enhance appeal and value would be to install a gate to limit traffic**
- It defies common sense to argue that eroding Middle Island's unique identity and making it more like the rest of Bald Head Island would enhance property values

There is no objective evidence that golf cart repair costs are higher on Middle Island

Higher costs are presented as **fact** by advocates
The unedited Always Ready letter is clear:

- **this is an estimate**
- **it relies on their impression of increased costs**
- **there are no objective data to confirm that impression**

Gravel roads and calcium chloride (a salt, not a “caustic” agent) may have an effect on cart maintenance costs, but it’s small compared with other costs of a home on Bald Head Island.



[Redacted]
P.O. Box [Redacted]
Bald Head Island, NC 28461

Re: Relative Incidence Rate of Repair Rates of Golf Carts on Middle Island

Dear [Redacted]

You have asked me to provide statistical comparative data for the need for repairs for golf carts on Middle Island versus carts on Bald Head Island.

Unfortunately I have two problems with providing the data you have requested.

1. To the extent we have data it is maintained as accounting information in QuickBooks. QuickBooks is designed to maintain data by customer not address. Accounts are identified by the customer's name. We do add a customer's address after the customer's name, but reports can only be run using the customer's name.
2. I do not have the resources to do data mining, particularly now while we are in-season.

Despite the above, I would be happy, given execution of confidentiality agreements, to permit someone to seek the data you need. I would caution drawing conclusions, data should be parsed by the habitat of the home. For example, the Villas have high repair rates because of their close exposure to salt sea mist, while homes in the forest in the central part of the Island have little sea mist exposure.¹

While we do not have hard data, we do have years of experience repairing carts from various parts

Association Liability for the Roads: A Realistic Assessment

- Paved public roads may reduce Association liability for road accidents, but:
 - Public roads could also increase the probability of accidents on Middle Island due to increased traffic and higher speeds
 - Public roads and increased traffic could increase our liability for other amenities
 - Public roads are immediately adjacent to the fixed dock and ramp and near the floating dock
-
- **Liability is traditionally and appropriately addressed through liability insurance**
 - Whatever the liability risk for private roads might be, it could be reduced by appropriate signage and by controlled access requiring visitors to acknowledge and accept risks associated with travel on a private road

Our annual dues

- The MIPOA website includes a comprehensive comparison of the 2014 POA dues across 19 Bald Head Island POAs. Middle Island is in the middle of the pack.
 - <http://www.middleislandpoa.com/resources/MIPOA%20BHI%20dues%203-11%20comparison.pdf>
- Our net dues in 2018 remain below the 2015 dues set in our Covenants
- MIPOA has a unique breadth of amenities
 - Roads, beach access and parking, two Bald Head Creek docks, a Cape Creek Marina, signage, bulkheads, vehicles, maintenance equipment)
- Despite our many amenities, we have kept costs low through:
 - Negotiation of a generous turnover agreement with Young Entities
 - Active Board / Infrastructure Committee participation in projects
 - Use of David Ward for projects whenever possible

Returning to the positive vision of Middle Island:

Our fellow property owners have shared eloquent thoughts about the appeal of Middle Island, both at previous MIPOA meetings and in our newsletter.

We would be happy to send these to you and to add you to our mailing list.

Please e-mail: PreserveMiddleIsland@gmail.com

Two examples among many:

“While my family and I utilize and appreciate the many offerings on Bald Head Island as a whole, when on Middle Island we enjoy the feeling of being on an island within an island. For my family and me, crossing into Middle Island provides a further degree of separation that opens to an even greater sense of tranquility and serenity. In my opinion, the reduced foot and golf cart traffic on Middle Island are essential components to the creation and maintenance of this particularly serene environment. I do not believe that this environment can be maintained without preserving as private the private roads, and, consequently, the private beach access, docks, and marina.”

“The private roads and amenities made available to property owners of Middle Island by the foresight of Charlie Young profoundly influenced me when making my purchasing decisions on Middle Island. I recognize that I was the beneficiary of this environment without being required to bear any portion of the ongoing costs associated with private roads and amenities that I believe are essential for the continuation of Middle Island as I have known it, and I am well aware that I no longer can receive these benefits without cost. For me, maintaining what makes Middle Island distinctive even on such a special island is worth the cost.”

A gallery reminder of what is special about
Middle Island













Preserve Middle Island: Vote for private roads in a private community

- Visit our Facebook page:
@PreserveMiddleIsland
- Send us an email:
preservemiddleisland@gmail.com



