

State Could Scuttle Calabash Sewer Purchase

BY ERIC CARLSON

Billy Burnett, the Carolina Shores sewer system owner who wants the Town of Calabash to buy his utility company, suggested to the town commissioners on Tuesday that they try to work around a state law that might prohibit the purchase.

Town attorney Michael Ramos warned the board at its regular meeting that the N.C. Local Government Commission (LGC) is unlikely to approve the deal if the town goes along with Burnett's insistence that his \$4.5 million asking price applies only to the purchase of Carolina Blythe Utility Co. stock and not just for the treatment plant and sewer lines.

Ramos said a LGC official told him "there is no way you can buy the stock of Carolina Blythe Utility" because state law sets strict limits on the type of investments a town can make. He suggested that the town find out for sure whether it can legally meet Burnett's purchase demands before spending any more money on negotiating the sale.

Burnett told the board he would not sell the company's fixed assets unless the town comes up with enough up-front cash to pay the federal taxes he would incur by selling the facilities instead of his corporation. He said such a sale would add "hundreds of thousands or maybe millions" to the price and "is not going to be fair to the customers."

He suggested that the commissioners use their influence to get

state officials to approve the stock purchase.

"So what you're going to do is let state law stand in the way of something that's in the best interest of the town?" Burnett said. "I think they will find a way to let you do it."

The town's accountant Johnnie Britt estimated that if Calabash included enough cash to pay Burnett's taxes, it would add \$2 million to the purchase price. He said the increase would boost the proposed water customer user fees from the target rate of \$36 per month to \$50 a month. Carolina Blythe customers currently pay about \$20 for water and sewer service each month, he said.

Burnett also said that if Calabash agreed to buy only the fixed assets of Carolina Blythe, the town would have to put enough money into an escrow account for him "to get back in business" if the town defaults on the purchase agreement and gives the utility back to him.

"The bottom line is, either way you get the same utility, so you should find another way," Burnett urged the board. "I don't think government is in business to hurt small towns. If you make an all-out effort, you can do it."

Ramos said that even if board members lobbied for special consideration, it would require local legislation by the N.C. General Assembly to exempt Calabash from the state law governing stock purchases by municipalities. He said the town would have to wait until the

next legislative session a year from now to introduce such a bill.

While he could not say for sure that the stock purchase would be prohibited, Ramos said the LGC lawyer he spoke to "was adamant" that the only collateral permitted for such a purchase would be actual items of value such as the sewer plant, property and transmission lines.

"There was a firmness in that man's voice," Ramos said. "I don't think there was any doubt in his mind and he's the one who's going to have to approve it. I don't know what kind of political pressure you can bring to bear. But these are bureaucrats who follow the statutes pretty closely. Their purpose is to see that towns don't take on more than they can handle."

Board members briefly discussed the possibility of issuing bonds to pay the estimated \$6.5 million it would take to meet Burnett's requirements for buying Carolina Blythe's assets.

"If we decided to purchase it the other way (instead of letting Burnett finance the sale), it would have to be through revenue bonds," said Mayor Pro Tem Jon Sanborn. "I don't think anyone on this board would vote for general obligation bonds. Which means we would go out on the open market with a zero credit rating."

Commissioner Robert Noe also expressed doubts about the prospect of financing the purchase through bonds.

"I think you've really got a can of worms here if you go to bonding," he said. "Unless we can clarify this one issue, I don't know how far we should go on with it."

The board asked Ramos to continue researching the issue through the LGC, the N.C. Institute of Government and the City of Charlotte. The city council there bought a sewerage system from Burnett by purchasing its fixed assets and paying him for his tax liability.

In a related matter the board voted 4-to-2, with commissioners Forrest King and Keith Hardee dissenting, to approve a plan for preliminary work on the Carolina Blythe purchase.

Leisey Resigns

Seven months into his first term of office, Calabash Commissioner Alvin Leisey submitted his letter of resignation from the town board last week, citing "personal and private" concerns that would not allow him enough time to serve on the board.

An outspoken District 2 representative who sometimes found himself at odds with the Carolina Shores neighbors who asked him to run for office, Leisey said political pressures "had nothing to do" with his leaving.

Leisey said Tuesday that he enjoyed serving the town, but wanted to have more time for other pursuits. He and his wife Mary Helen are planning a trip to Alaska late this month.

Hearing On Long Bay Zoning Planned For July 19

Sunset Beach Town Council will hold a called special meeting Tuesday, July 19, so that it can speed the process of zoning four lots near South Brunswick Islands postal station.

A public hearing will be held at 10 a.m. at the town hall on the Sunset Beach Planning Board's recommendation to council that lots 14 through 17 of Long Bay subdivision be zoned mainland business (MB-1). They are situated between the post office and Benton Realty.

The special meeting was prompted after an inquiry was made July 1 regarding a building permit for one of the lots. The lots are part of a tract annexed by the town but not yet zoned.

The planning board also recommended that, if possible, the town place a moratorium on the issuance of building permits for the four lots until they are zoned, and that a public hearing be held at "the earliest possible time."

Sunset Beach Council members could act on the zoning recommendation Tuesday following the public hearing.

At the July 19 meeting, council members will also consider a proposal to eliminate public parking along the western right-of-way of N.C. 179 just north of where N.C. 179 turns as Shoreline Drive West and Sunset Boulevard (S.R. 1172)

continues over the Atlantic Intracoastal Waterway to the island. A miniature golf course is being constructed near the intersection and town officials are concerned roadside parking near the intersection could create a traffic hazard once the business opens.

Town Administrator Linda Fluegel said the proposed "no parking" area will not include the right-of-way section across from Bill's Seafood and Crabby Oddwaters currently used by patrons and delivery trucks.

Before it becomes effective the new ordinance will require adoption of a similar ordinance by the N.C. Department of Transportation and erection of "No Parking" signs.

Council will also discuss disposition of surplus vehicles and other property; appointments to the planning board as the terms of Richard Good and Sky Bramley soon end; authorization of the mayor to sign documents relating to the exchange of town hall properties between Sea Trail Corporation and the town; and two amendments to the zoning ordinance proposed by the planning board.

The board is recommending council amend the ordinance to provide that where public water and sewer are not available for extension to each lot in a subdivision that a statement from a state-licensed pro-

fessional engineer accompany the preliminary plat on submission, indicating that the lot has adequate land area and suitable topography to accommodate the proposed methods of water supply and/or sewage disposal. The current ordinance requires such a statement from the Brunswick County Health Department.

The planning board is already recommending deletion of a portion of the zoning ordinance that requires specific permission of the town before "altering or relocating" natural vegetation on the beach, including the pruning of beach shrubbery on

someone's lot when it blocks a view of the beach.

Another section that deals with filling, grading and excavation includes similar protective measures for sand, dunes and vegetation. While it doesn't address alteration, it prohibits removal of natural vegetation.

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Drug Bust Nets 4 At Sunset

BY SUSAN USHER

Four Hickory residents vacationing at Sunset Beach are free after posting \$5,000 bonds following their arrest last week on drug-related charges.

Charged with simple possession of marijuana, possession with intent to distribute and possession of drug paraphernalia are Perry Boone Bentley, 27, of 2149 3rd St. SE; Jeffery Lee Dagenhardt, 32, of 2061 7th St. NW; Franklin Burl Withers, 34, of No. 11 24th St.; and Sandra Dee Johnson, 30, of Route 6.

First appearance in Brunswick County Superior Court is set Aug. 15 for Bentley and Dagenhardt; no dates had been set as of Monday for the remaining two defendants.

Sunset Beach Senior Patrol Officer Ed Rudloff went to the four-some's 38th Street rental house at about 11:10 p.m. Thursday, responding to a routine complaint of loud music coming from the residence.

As he went to knock on the front door, said Police Chief J.B. Buell, Rudloff saw "one man rolling a joint and drugs on the table inside."

"That was probable cause for arrest," said Buell.

Rudloff made the arrests with backup assistance of Frank Eaddy, a Southport policeman who also works for Sunset Beach.

Buell said the officers confiscated from rooms throughout the house three bags containing between a half-ounce to 2 ounces of marijuana each, several rolled marijuana cigarettes, a glass jar containing a substance that appeared to be "either marijuana or hashish, which we don't see very often," said Buell, two metal pipes and a water pipe, hemostats, rolling papers and three bundles of cash totaling \$191.

Also confiscated was a bottle of small white pills that were sent to the state crime lab for testing along with the other substances.

"I think the officers did an excellent job making the arrest. The probable cause was there and they followed through," said Buell. "I'm sure there's more drugs out there. This is just one that caught. Every little bit counts."

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