TO: NC House of Representatives  
Rules, Calendar, and Operations Committee

Senate Bill 875 calls for de-annexation of three properties from the Town of Sunset Beach: Sunset Creek Commons (mainland), Palm Cove, and the proposed Sunset West (island). This bill is unprecedented in its potential for damage to the Town and, indeed, to the rights of every North Carolina citizen and locality.

Before you vote on Senate Bill 875, please be aware of some relevant facts and the very negative consequences that would result from its passage. These facts and consequences address only the island properties

FACTS:

- Senator Rabon’s bill SB875 has been described as a “relief bill” to help developers who have “been harassed by the Town for over 10 years.”

  After a recent Town meeting to discuss Rabon’s bill, the NC Coastal Federation’s Coastal Review Online1 reported the following:

  “Developer Sammy Varnam appealed to Rabon for help. He said the bill is needed to protect private property rights.”

  “We are disappointed that the town council has not communicated in good faith to allow our company to develop a plan that will fulfill the late Ed Gore’s vision of developing Sunset West into a project that is good for not only the town but also the state of North Carolina,” Varnam said.”

  He [Varnam] said a “small but vocal group” in town had disseminated “false information” that damaged his company’s development efforts.

- No one, not the Town nor its citizens, has ever “harassed” Varnam. The Town has attempted to enforce its ordinances, and citizens have tried to protect the island from development that stands to damage the entire island.

  Certain developers have a history of attempting to ignore or circumvent long-standing Town ordinances (e.g. structure height limits; swimming pool construction; dune walkways) and FEMA mandates (e.g. provision of water & sewer services to COBRA zones which could have cost the County and the Town FEMA funds, and could have cost citizens their Federal flood insurance).

  If this is harassment, then a police officer giving me a ticket for speeding is harassment.
Senator Rabon did not contact the Town prior to submitting the bill and made no attempt to verify any facts pertaining to the bill. This approach is totally out of line with the usual policy of not submitting bills that localities do not request and, in fact, do not even know about.

For Sunset West, Varnam originally submitted to the Town of Sunset Beach plans for a 21-unit development of homes. Indeed, Gore himself, in 2014, described plans in a Charlotte newspaper. "The plan, Ed Gore said, is to build a group of rental houses and run it as a resort." Now Varnam, on some days, claims to want to develop a "conservation reserve" rather than building houses. That certainly was not Gore’s long-time vision.

Because Brunswick County used Federal funds in the development of sewer and water lines in the county, the County withdrew its approval for water and sewer to be extended to the land. Federal funds cannot be used for development in COBRA areas without jeopardizing future FEMA funds. Gore had already acknowledged that flood insurance would not be available. Together, these limitations greatly reduced the possibility of marketing the project, but this is not the town "harassing" the developer.

Nevertheless, Varnam requested a Coast Guard bridge permit to connect the west marsh and dune property to the mainland. During the process of researching the proposed development for comments to the Coast Guard about the requested bridge permit, the Southern Environmental Law Center (SELC) discovered what it contends to be the true ownership of the land. SELC’s position is that the Town owns the land.

Few people have noticed that the de-annexation includes a small parcel on the mainland side of the site where Varnam wants to build a bridge - in effect the end of Main St where it extends beyond 40th St. The ownership of this parcel is also in dispute. Again, SELC contends that it belongs to the abutting property owners. The contention is based on a deed from M.C. Gore to James Pope Hamilton in 1959. Despite specious papers filed by Gore in ~2014, this property was sold in 1959.

Many people, not a "small but vocal group," objected to the Varnam’s original plans for Sunset West in the belief that “it would threaten Bird Island, the primary dunes and the estuarine habitats behind the island.” Bird Island is an important part of the State’s own highly regarded Coastal Reserve program. The Mayor, the Town Council, and the Planning Board of Sunset
Beach have unanimously opposed this bill. More than 2500 Town citizens, and repeat vacationers (some have been coming for 20-30 years) have signed a petition opposing the bill as of 6/8/2016. Some island residents are among the petitioners, but most are not island residents. These signatures will be presented to the House next week.

- **Further, the bill was ineligible for introduction according to the Legislature’s own rules.**

**CONSEQUENCES:**

- Marshes at the west end of the island will be irreparably damaged.
- The Bird Island Coastal Reserve, which abuts the proposed Sunset West on the west, will inevitably be damaged by the destruction of dune structures at the west end of island.
- The Town will suffer increased risk of flooding if the dune structures on the ends of the island are destroyed. Some dunes have already been destroyed at the east end, and the Town needs to protect the island from further dune destruction.
- Increased flooding and erosion would result in requests for sandbags and beach nourishment for the buildings in these risky areas. To avoid burdening taxpayers with the cost of bailing out homeowner's who have made ill-advised decisions to build in these highly risky areas, the Town needs the right to enforce its ordinances.
- The Town will lose the ability to enforce its ordinances, which of course is the exact intent of the bill. See the consequence above
- ~3000 citizens of the Town will lose their property rights in the purported interest of protecting the property rights of a few developers. See Varnam's comment above.
- Passage of this bill will set a precedent that puts any citizen or locality within the state at risk.

1. [http://www.coastalreview.org/2016/06/14664/](http://www.coastalreview.org/2016/06/14664/)
5. [http://www.nc coastalreserve.net/web/crp](http://www.nc coastalreserve.net/web/crp)
6Letter from G. Gisler, SELC, to H. Coats, NCDCM, October 7, 2015
7Letter from G. Gisler, SELC, to H. Pitts, Bridge Program Manager, Fifth Coast Guard District, February 8, 2016.
8Deed from, M.C. Gore, to James Pope Hamilton, Deed Book 147, pages, 334-35, Brunswick County Register of Deeds, November 3, 1959
9http://www.ncleg.net/documentsites/legislativepublications/Legislative%20Analysis%20Division/Eligible%20Bills/Bills%20Eligible%20for%20Consideration%20for%202016%20Session.pdf