

RGL Development LLC
707 St. Joseph Street
Carolina Beach, NC 28428

October 1, 2020

Town of Carolina Beach
Council Members
1121 N Lake Park Blvd
Carolina Beach, NC 28428

RE: CB Business Park – 1322 Lake Park Blvd

Council Members,

Thank you for meeting us to discuss the ongoing project at Carolina Beach, CB Business Park, located at 1322 Lake Park Blvd. The purpose of this meeting was to follow up on items discussed during our previous meeting with regard to paving costs associated with the project to include Lake Park Boulevard and Bertram Avenue. We also wanted to discuss the issue concerning the lack of communication and/or miscommunication on the part of the Town of Carolina Beach. This issue, among several others, has cost RGL Development, Inc. a great deal monetarily and timewise.

Another thing to keep in mind, RGL Development Inc., is not a deep-pocketed, out-of-town development company. This company **IS** Beau Long and Terry Greer, two long-time residents of Carolina Beach. They represent locals of the town of Carolina Beach investing in the future of Carolina Beach. They each own businesses within the Town other than RGL Development that also provide service to the locals and provide benefit to the Town of Carolina Beach.

RGL Development contracted with Smithson, Inc. as the general contractor for this project. RGL Development and Smithson requested and executed a meeting with the Town staff and had a cursory review of the approved site plan and proposed building plans on April 22, 2019. This was done to build strong relationships and prepare for the upcoming project by fleshing out any possible issues and/or concerns before the project began. The objective was to ensure that a smooth and productive project between RGL Development, Inc., Smithson, Inc., and the Town of Carolina Beach could be executed and strong relationships would ensue.

During this initial meeting, the following topics were discussed:

- Water and Sewer Taps - The general contractor asked about the protocol for applying for these taps as the general contractor expected the Town to do the water/sewer work. The general contractor was told, "Call us when you're ready but not the day before you need it."

My question on this point is why weren't we told at this time that the water and sewer extension would be the responsibility of the developer?

- Approved Site Plans and Proposed Floor Plans – The previously **approved** site plans and our proposed floor plans along with the elevations were emailed in advance to all the parties involved and the plans were laid out on the table during this meeting.

My first question regarding this is, why did the Town decide at a later date to have the approved plans modified to extend the water to US 421?

Second question: Why wasn't the issue with the sidewalk through the driveways brought up at this time?

Unexpected Costs We Feel the Town of Carolina Beach is Culpable For

- Water/Sewer design fee to revise and re-design to extend to US 421. This plan was abandoned and never used when the 8" main that the Town wanted RGL to tie into was, in fact, discovered to be an abandoned 4" line.
 - \$360
- Delay in design and re-design approval and permit submittal (capitalized interest)
 - \$10,500
- Water Line Connection- The plans showed us tying onto an existing 6" gate valve on the eastern side of the property. In the field it was determined the information given by the Town was incorrect. This valve was, in fact, 2". ACSC, the water/sewer contractor, coordinated with the Town to cut and remove the 2" valve and install a 6" MJ GV. There was additional time spent locating the valves to isolate the line and notify the homeowners of the water shutdown. On the western side of the property, the plans called for a tapping sleeve and valve to be installed on a 6" line located at the entrance to the project site. Field inspection showed this information regarding the line was incorrect and was actually 4" AND not even an active line. The actual water main was located under N. Lake Park BLVD. ACSC coordinated with Town of Carolina Beach and installed a 6" MJ cap at this location and installed a thrust block. This added additional delays and financial burden.
 - \$8,282
- Crosswalk - Delay in Crosswalk decision based on non-communication from Town staff. Approximately one week to return emails and multiple phone calls.
 - \$2,250
- Crosswalk Driveway Change Order – The Town is no longer accepting the approved plans. These plans were approved when the town rezoned the property. These plans were also reviewed and approved again when the building permits were issued.
 - \$15,047
- Additional interest fees due to delays – These issues have caused several weeks of delays thereby RGL has incurred additional interest fees of well over \$7K.

Total

\$43,439

We collectively feel the town is financially liable for these additional expenses and delays based on the non-communication and miscommunication throughout the course of the project which started in April of 2019. The Town routinely did not return phone calls and was incredibly slow in returning emails. The Town also communicated misinformation at critical moments in the project and about items of large-scale magnitude to the project budget.

In closing, we would like the Council to respectfully remember RGL Development, Inc., Terry Greer and Beau Long, are not Publix or Food Lion with deep pockets for development. Nor are they outsiders of the community, these are two long-term residents of the Town of Carolina Beach investing in and providing services for the Town of Carolina Beach and their residents. There are 24 units within the CB Business Park. All these units are going to require upfit permits and all of these units are going to contribute to the property taxes for the Town of Carolina Beach. We would like the Town to consider the reimbursement of **\$43,439** from the economic development fund or capital improvement fund. RGL through executing this project has invested well over \$250k into the Town's water and sewer infrastructure, permit fees, and will be contributing as well with future permit fees and property taxes.

Thank you for your consideration.

Respectfully Submitted,

RGL Development, Inc.
Terry Greer and Beau Long