



TOWN COUNCIL

Work Session

Town Hall

January 19, 2012

6:00 PM

At 6:00 p.m., Vice Mayor Chris Bannon, having established a quorum, called to order the Work Session of Town Council. In addition to Vice Mayor Bannon, present were Councilmen Bennett, Sullivan and Veber and Councilwoman Natali. Mayor Sullivan and Councilman Evans were not in attendance. Also present were Town Manager Heather Arcos, Harbor Master Smitty Dize, Town Planner Tom Bonadeo and Town Clerk Libby Hume. Messrs. Eyre Baldwin, Steve Smith and Pete Leddy and Ms. Rosemary Bosworth were in attendance representing South Port Investors. There were 11 members of the public in attendance.

Mayor Sullivan announced the business for the evening would be to hear a presentation by Mr. Eyre Baldwin.

Town Manager Heather Arcos welcomed everyone to the meeting and offered the floor to Mr. Eyre Baldwin.

Mr. Baldwin introduced Ms. Nan Bennett, Director of Preservation VA-Northampton Branch, and Ms. Jenny Barker, Executive Director of the Eastern Shore of Virginia Historical Society adding that both organizations played an important role in South Port's plans over the next 45 days.

Councilwoman Natali asked all the other attendees to introduce themselves as well.

Mr. Baldwin stated that his team had been meeting with Public Works/Public Utilities Director Dave Fauber and things were ready to go and at the end of the presentation he would go over their strategic partners.

Mr. Baldwin went on to state that he and his family had a long history on the Eastern Shore and wanted to bring jobs back to the shore. There were many natural assets here including the deep water harbor and dockage. There was also a need for a facility for boats. South Port Investors had spent a lot of money on engineering and their property was ready to go with no debt. South Port Investors had brought many boat companies to look at the area and they love the geography of the deep water harbor. Heather Arcos met two of the partners who run a consortium from Massachusetts to St. Lucia. Mr. Baldwin reiterated that there were so many assets on the shore that had never been leveraged before and we had the opportunity to create something here with the beaches and clear water on the bay side and the beautiful marshes on the sea side as well as many historic assets. South Port Investors bought three key assets – the STIP, the old Webster factory and land in Oyster. All three properties were ready to go and were important to each other. Mr. Baldwin stated that someone was interested in buying or leasing the Webster property and would create about 50 jobs that were non-vegetation oriented. Oyster and Cape Charles were ideal locations and both were accessible by car, boat or plane. The STIP building was sold and would close in the next couple of weeks and would bring in more jobs. There was a beautiful marina in Kings Creek but this marina had an issue with depth. Mr. Baldwin added that the Town had a great opportunity with the Cape Charles Harbor/Marina, the new restaurant and bath house, the Tall Ships events, a new boat lift and storage facility and marine maintenance center. There was also a potential growth area with the Gallagher and Cunningham property.

The area was conducive for many outdoor activities such as bird watching, saltwater fishing, hunting, bike excursions, kite boarding, kayaking and jet skiing. If all the assets and beautiful resources could be leveraged, we all win.

Mr. Baldwin stated that Phase 1 of the South Port project included 1,001' of dockage, ample power supply, 18' depth, storage, 100 ton lift, pump-out facilities and port supply. The Army Corps of Engineers saw this as very easy to do. Mr. Baldwin stated that the draft plan had some changes regarding the locations of the office, travel lift and forklift pit. The Wetlands permit may have to be redone but should not be an issue since the changes would be less invasive.

In Oyster, South Port was planning an excursion boat and floating dock. Both were already permitted and should be operational in the spring.

South Port had an evolving vision to include Eastville's preservation efforts, the Barrier Islands Center, aquaculture, eco-tourism and organic farming. These all become part of the selling package and it would take all of us to move this project forward. We all have to pull together to make this a place where people would come.

Why should we do this? There were 3,700 yachts that travel between New England, Florida and the Caribbean two times each year. There were 46K boats registered in the Chesapeake Bay area. More boats travel the mouth of the Chesapeake Bay than any other harbor other than the New York Harbor.

How do we do this? We needed to maintain consistent and timely dialogue with all the stakeholders and provide marketing support, reciprocal services, support and consent, and advocacy. The biggest thing would be the support and consent of the strategic partners which include the Virginia Economic Development Partnership, the Virginia Tourism Corporation, the Virginia Port Authority, the Virginia Department of Commerce and Trade, and Patrick Gill and CBRE Hampton Roads.

Mr. Baldwin went on to state that construction could begin within 45 days. A temporary wave attenuator needed to be added to help with the waves and swells in the Harbor. South Port had spent over \$1M and recently had to change engineers due to a conflict of interest. All requirements had been met and South Port had all the permits to build what was presented 2.5 years ago with the exception of the building permit from the Town. The dry stack could be in business within 45 days.

Councilman Veber stated that the presentation was very professionally done and that he would support working at it but all communications must be straight forward. Councilman Veber added that he would like the people of Cape Charles to have an opportunity to see the presentation.

Councilman Bennett asked what the next step would be and when could it be done. Mr. Baldwin stated that the Army Corps of Engineers was working on revising their permit for the dry stack and once the building permit was approved by the Town, he could have the crane here from Chesapeake and work could begin. Councilman Bennett stated that when people start seeing things happen, there would be a huge amount of energy regarding the project. Ms. Rosemary Bosworth added that when dealing with government agencies, it was not possible to predict how long the paperwork would take. Mr. Baldwin stated that if Heather Arcos would call the Army Corps of Engineers to ask what the Town could do to move things along, things could get done sooner. Heather Arcos asked whether the Wetlands Board would have to review the plans again to which Town Planner Tom Bonadeo responded that the revised permit could be an administrative issue.

Councilwoman Natali asked if the permits were approved by the Army Corps of Engineers, was the Town building permit the last step before construction could begin and did the Town have the

forms and information that were needed in order to move forward with issuing the building permit? Heather Arcos stated that some necessary forms were still needed. Mr. Baldwin stated that the Town could go around some corners regarding the foundation, pilings, etc. so construction could begin.

Ms. Barker asked if South Port was also working with the Eastern Shore of Virginia Tourism Commission regarding this project since they had not been mentioned in the presentation. Mr. Baldwin stated that South Port was instrumental with the Virginia Tourism Corporation in hiring Ms. Lynne Lochen and to date he had not heard anything from Ms. Donna Bozza, Director of the Eastern Shore of Virginia Tourism Commission.

Vice Mayor Bannon asked if there were any further questions. There being none, Vice Mayor Bannon added that the presentation was spectacular and thanked everyone who attended and participated in the meeting.

Motion made by Councilman Veber, seconded by Councilman Bennett, to adjourn the Town Council Work Session. The motion was approved by unanimous consent.

Vice Mayor Bannon

Town Clerk