



**Resolution Authorizing the Filing of an Application
for Approval of a Financing Agreement Authorized by NCGS 160A-20**

WHEREAS, the Town of Nags Head, North Carolina desires to finance, including through reimbursement, the construction and equipping, via Reimbursement Resolution, of an Employee Wellness Facility and Addition of Workforce Housing on town-owned property located at 5401 S. Croatan Highway, Nags Head, NC, 27959, as identified at the July 2, 2025, Board of Commissioners meeting, and in the fiscal year 2025-2026 amended budget (the "Project"). The Town Campus Master Plan has identified needs and recommends constructing an employee wellness facility to better serve employees. The existing Town fitness facility has been closed due to issues with a compromised building envelope/moisture, which resulted in mold and the need for repair and remediation beyond the value of the building. To better serve the homeowners, residents, and visitors of Nags Head, the Town of Nags Head wishes to construct seasonal workforce housing to ensure adequate staffing for our summer Ocean Rescue service; and

WHEREAS, The Town of Nags Head desires to finance the Project by the use of an installment financing contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract.

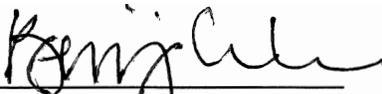
NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Nags Head, North Carolina, meeting in regular session on the 2nd day of July 2025, make the following findings of fact:

1. The proposed contract is necessary because the Town has determined this town-owned location can accommodate a fitness facility with workforce housing on the second floor. The cost to repair and remediate the closed fitness facility exceeds the value of the building.
2. The proposed contract is necessary because the Town wishes to construct seasonal housing for certain staff members. This is a long-term strategy to ensure continuity in the Ocean Rescue program.
3. The Project involves the construction of a new 6,000 square foot facility (3,200 square feet for the fitness center) on the site where Town Hall is located, including associated site work, furnishings, and contingency. The Project includes single-phase, two-story construction and a 2,800 square foot apartment that includes two 4-bedroom apartments that could be used for seasonal housing.
4. The contract, under the circumstances, is preferable to a bond issue for the same purpose because the time and cost involved in a bond issue are not justified for the amount financed and the duration of the installment financing contract.
5. The sums to fall due under the contract are adequate and not excessive for the proposed purpose as in accordance with the amended budget for FY 2025-2026 and the Reimbursement Resolutions approved at the July 2, 2025, Board of Commissioners meeting.
6. The Town of Nags Head's debt management procedures and policies have been carried out in strict compliance with the law, and assurance is provided that debt management will hence forth be so carried out.
7. That the increase in taxes next fiscal year, if any, necessary to meet the sums to fall due under the contract will not be excessive.
8. The Town of Nags Head is not in default in any of its debt service obligations.
9. The attorney for the Town of Nags Head has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Manager is hereby authorized to act on behalf of

the Town of Nags Head in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

ADOPTED this 2nd day of July 2025.


Benjamin Cahoon, Mayor
Town of Nags Head

ATTEST:


Brittany Phillips, Town Clerk

