

Town of North Topsail Beach



Public Forum on CBRA July 19, 2011 North Topsail Beach Town Hall

Purpose: A meeting to gather comments from those most affected by the CBRA designation made on areas of North Topsail Beach (NTB). Local property owners, builders, realtors, insurance agents and public officials were in attendance. Below is a summary of their comments.

<p>Paul Dorazio</p> <p>Resident of NTB and Owner of Maebuilt Construction (established 1994)– <i>builder of custom homes throughout Topsail Island and the surrounding area.</i></p>	<ul style="list-style-type: none"> • Property values are lower in NTB than the other two towns on the island (Surf City and Topsail Beach – which are not in CBRA). • The cost of private flood insurance in the CBRA zone brings down the property value. • Those seeking property to build on Topsail Island say they do not even want to consider building in NTB because of the CBRA designation. • NTB has a stigma because of the CBRA zone. • NTB has some of the most beautiful oceanfront lots available, with higher elevations than the rest of the island, but they are unappealing to buyers because of the CBRA zone. • Mr. Dorazio knows people who own homes in the CBRA area that have had to move out of their homes in the summer and rent their home out to pay for the increasingly high private flood insurance rates, they have no other choice because their home will not sell. • Homes are constructed the very same way in CBRA and non-CBRA areas. The Town’s standards are the same Town-wide and are more stringent than the rest of the island. NTB requires homes to be built a minimum of two feet above the Federal flood standards. Many homes in CBRA well exceed the NTB requirements. • Mr. Dorazio said that most people think the entire Town of NTB is in the CBRA so they dismiss the Town altogether when considering where to purchase or build.
<p>Richard Baker</p> <p>Resident of NTB and Owner of Treasure Realty (established 1990) - <i>has been in the real estate business at NTB since 1983.</i></p>	<ul style="list-style-type: none"> • Mr. Baker said he echoes what Mr. Dorazio said and hears many of the same things. • Mr. Baker was doing real estate in NTB when CBRA went into effect and recalled it was like a “science fiction movie”. • CBRA had the effect of encouraging high density development; because private flood insurance was available and purchased collectively for these condominiums. Initially within CBRA there was much less incentive to build low density single family homes. • CBRA had a big effect on the sale of single family homes. • Many people believe the CBRA designation is based on the area being “riskier” than surrounding properties. Realtors from outside the area used this misconception to “educate” buyers away from purchasing in NTB. • Mr. Baker feels as though what was done to NTB as far as CBRA was not fair and that this island is no more dangerous than any other island.

<p>Pam Dabney</p> <p>Resident of NTB and Broker at Treasure Realty - <i>has worked in NTB for 7 years.</i></p>	<ul style="list-style-type: none"> • Ms. Dabney said property values are lower in the CBRA zone and that appraisers still use these comparisons within their valuation of neighboring federal flood areas. This has the effect of driving down the valuations throughout the entire town. • Ms. Dabney has to disclose information about CBRA to her clients and they immediately put up a wall. She has to talk them through it and they usually end up saying they do not want to buy in the CBRA zone. • HOA dues for the condominiums are extremely high because of the CBRA designation, the condo owners are sharing the cost of the private flood insurance and the rates have become very high.
<p>Scott Wheeler</p> <p>Owner of SFI Insurance Group (established 2001) - <i>SFI has served coastal homeowners, both nationally, and around the world for more than twenty-five years.</i></p>	<ul style="list-style-type: none"> • Around 2003-2004 private flood insurance rates had been stable and were much lower than they are today. • The market for private flood insurance is extremely small, only a handful of underwriters write it. • Private flood insurance is a headache for Mr. Wheeler, he is always having to search out new markets. • Mr. Wheeler says private flood insurance underwriters have bought into the stigma that North Topsail Beach is not as safe as surrounding barrier islands because of the CBRA designation; there are ones who write for all areas of the country and they have a fear of NTB. • Private flood insurance carriers have to compete with the NFIP. They have a much smaller pool of customers, increasing both their risk and rates. • There is little understanding of the CBRA within financial institutions. When coverage is unavailable banks will force-place Federal flood insurance which will never pay for damages inside the CBRA. FEMA's flood hazard determination form states that CBRA property is subject to the 1973 Federal Flood Act and this also causes confusion about the availability of Federal flood insurance inside the CBRA areas.
<p>Suzanne Gray</p> <p>NTB Resident - <i>has lived in NTB for almost 9 years.</i></p>	<ul style="list-style-type: none"> • Ms. Gray said that one half of her HOA dues go to pay for the private flood insurance for her condominium complex.
<p>Robert Swantek</p> <p>NTB Resident and Elected Official of NTB - <i>has lived in NTB full time for over 7 years.</i></p>	<ul style="list-style-type: none"> • Mr. Swantek said that there are non-CBRA areas of NTB that are surrounded by CBRA areas and that has caused the value of their property to decrease. • It is unknown whether these pockets of non-CBRA will receive Federal assistance if there is a storm.
<p>Steve Foster</p> <p>Town Manager of NTB since February 2010 - <i>has managed coastal towns and owned property on the coast for many years.</i></p>	<ul style="list-style-type: none"> • Mr. Foster said that the Town does not qualify for many Federal programs which provide funds to states and communities for hazard mitigation planning and the implementation of mitigation projects prior to a disaster event. FEMA's Pre-Disaster Mitigation (PDM) program reduces overall risks to the population and structures, while also reducing reliance on funding from actual disaster declarations. As an example, when the Town approached Jones Onslow Electric Membership Corporation about the possibility of putting the electrical lines in the Town underground he was told that much of the funding for the underground power line projects comes from the Federal government and that because parts of the Town are in CBRA that it would not qualify.