



## CARTERET COUNTY BEACH COMMISSION MEETING

### Minutes

\*Emerald Isle Board Room (<10 persons with spatial distancing - COVID-19 Precaution)\*

\*Remotely via Carteret County Zoom Account (<https://carteretcountync.zoom.us/>)\*

*July 27, 2020, 2 pm*

### Attendance.

Commission Members A.B. "Trace" Cooper (chair), Jim Normile (vice-chair), Larry Baldwin (remotely), Larry Corsello, Joel Fortune, Tom Rule, secretary Greg Rudolph, and the general public. Members Harry Archer, Jimmy Farrington, Douglas Guthrie, and Woody Warren were absent.

- (1) **Call to Order.** – Chairman Cooper called the meeting to order and thanked everyone for attending either in-person with proper spatial distancing measures employed or via conference call/Zoom.
- (2) **Approval of Minutes - Regular Beach Commission Meeting (June 22, 2020).** – Chairman Cooper asked the Commission if there were any corrections, additions, or comments regarding the June 22<sup>nd</sup> regular session minutes presented in the agenda packet. With no comments forthcoming, member Fortune subsequently made a motion to adopt the minutes as presented, which was seconded by vice-chair Normile and unanimously approved.
- (3) **Room Occupancy Tax (ROT) and "Beach Fund" Update.** – Secretary Rudolph mentioned that as a reminder, the April collection down by almost -90%, so surprisingly the May occupancy tax collection ([Slide 1](#)) was down by only -4.3%. Obviously we were in "lockdown" mode the first couple of weeks of May with the numerous COVID-19 precautionary measures that were implemented (e.g., event cancellation, no short-term rentals, restaurant shut downs, etc.). However, the latter couple/few weeks in May experienced a tremendous amount of visitation as the State transitioned from Phase I to Phase II, and short-term rentals became permissible. This series of events just about compensated for the lost visitation/revenue in the early stages of May. Chairman Cooper added this trend is what Member Warren forecasted last meeting. Also (the secretary continued), our rental inventory is back since all the damages from hurricane *Florence* have been remediated. Last summer, there were a significant amount of hotel/motels and cottages that were still undergoing repair. Thus for 2020, we may have enough inventory to meet the demand. In broader terms however, the collection for FY 2019-20 is down by over -10% with one more reporting month remaining (June). And in conclusion, the estimated reserve balance as of the end of May was ~\$16 million, which includes most of the expenditures associated with the Post-*Florence* Phase II Renourishment Project.
- (4) **Bogue Banks Coastal Storm Damage Reduction Project.** – Chairman Cooper introduced the topic and our speakers/presenters today which includes Robert (Bob) Keistler and Pam Castens from the Wilmington District, U.S. Corps of Engineers (Corps) and Layton Bedsole, the Shore Protection Coordinator for New Hanover County. The Wrightsville Beach and Carolina Beach

Coastal Storm Damage Reduction (CSDR) Projects are some the oldest projects not just in the District, but the Nation as well, so we will receive some great perspective from the Corps and the local sponsor in these regards. But first the secretary has a funding model to share taking all the nourishment projects we have conducted over the past 19 years, and retroactively superimposing the CSDR cost share formula to the block of projects. Secretary Rudolph continued by reviewing some of the assumptions and noted that nourishment associated with routine maintenance of the Morehead City Harbor should be teased out of the dataset; and once we do this, we can use our initial bond-referendum projects in the early 2000s as CSDR “construction”. The remaining projects (Section 933 and storm-related projects) could be considered “maintenance”. The next step is to apply the 65% and 50% federal cost share to construction and maintenance, respectively. Coincidentally, the federal/non-federal inputs are pretty similar – 49% federal (collectively) for the projects we performed since 2001 (mostly FEMA), and 54% federal for the CSDR hindcast exercise (Corps funding in theory) - [Slides 2 – 5](#). The annual amortized value over 19 years (2001 – 2020) for the non-federal share is still below our annual occupancy tax collection (\$3.5 million) for the CSDR hindcast model regardless if the State would provide a portion of non-federal funding or not.

With no questions concerning the CSDR hindcast funding model, the secretary turned the floor over to Mr. Keistler who provided a [PowerPoint Presentation](#) to the group. Mr. Keistler stressed the positive cost-sharing component of the CSDR Program, the Corps design process (i.e., placing sand where it needs to go in the template vs. mere chronology), and the federal appropriation process. To this latter end, while the President’s budget has been problematic in terms of providing funds; the workplan model has been very effective whereby Congress provides a lump sum to the Corps and the Corps subsequently administers the funding to projects. Also there are supplemental bills that surface in the wake of storms for instance that also can provide funds. And lastly, Flood Control & Coastal Emergency funding via Public Law 84-99 can also be accessed in certain instances after a storm and is a 100% federal cost. Mr. Keistler concluded his part of the presentation by showing examples of projects where the fill was altered based on current conditions to highlight the adaptive nature of the CSDR program. Mrs. Castens also addressed the federal appropriation issue with respect to the length of the Bogue Banks. From a Corps perspective, the length of project does not matter – maintenance is considered more programmatic than initial construction and *usually* is more successful to secure. Mrs. Castens added that we could include additional borrow area assessments (i.e., Bogue Inlet) without having to do a wholesale change of the authorized project.

Member Corsello inquired with respect to the federal appropriation process especially regarding whether the Corps presents Congress with projects that are placed in the budget or does the Corps receive a set amount of funds and the Corps internally decides what projects get funded or not. Mr. Keistler responded that in two years advance, the Corps identifies if there is a need for a particular project and provides an estimate (a capability). The request then goes up the Corps hierarchy and they “rack and stack”/prioritize projects based upon items such as the benefit/cost ratio, etc. Member Corsello thanked Mr. Keistler for the answer and added that competing against other projects with a budget ceiling can make appropriations for the Bogue Banks CSDR challenging. Member Corsello continued and asked how the trigger for nourishment is developed by the Corps. Mr. Keistler replied that it is basically based upon how much sand has left the template, which is similar to the Bogue Banks approach. The secretary and Sam Morrison (audience – Moffatt & Nichol) added that both approaches are the same for the most part. We

(Bogue Banks) look at the volume losses and will constrain how much width needs to be added to replace that volume. The Corps on the other hand basically looks at the template as a box – whatever goes out of the box is returned via nourishment to create the same shape (berm width). Of course replacing dunes is the same for both the Corps and Bogue Banks. The end the result is the same.

Mr. Morrison asked Mr. Keistler if the County could get credit moving forward if the Corps does not receive funding for renourishment (maintenance) but the County nourishes the beach using 100% non-federal funds. And if credit can be applied, could this mechanism be codified in the Project Partnership Agreement (PPA). Mr. Keistler replied that he's not at liberty to make those types of commitments, but this can be explored before the PPA is executed.

With no further questions/comments for the Corps, Chairman Cooper welcomed Mr. Bedsole (remotely). Subsequent to mutual greetings, Mr. Bedsole outlined that he reviewed the pro/con CSDR sheet that was in the Beach Commission's June agenda and decided to address the cons one by one ([see Page 15](#)). To this end, addressing "Loss of Engineering Control" – New Hanover (like Carteret County) surveys the beach every year; and the background erosion rate and what the Corps places on the beach during maintenance cycles is almost spot-on the same if you average the nourishment volume per year. That's very encouraging and supports the "when" as well. Secondly with respect to federal funding; the New Hanover CSDR Projects have routinely received appropriations and the Corps has done a good job demonstrating the effectiveness of the projects (i.e., damages averted, etc.). New Hanover also has its own set of nourishment permits in case federal funding becomes problematic. So akin to Carteret County there would be a Plan A (Corps Project) and Plan B (Local Project). Mr. Bedsole continued that he has no experience with FEMA reimbursement. Procuring easements are indeed an effort. With respect to parking/access; that's a very local issue and how each island was originally developed plays into the decision making process. And lastly, with respect to Bogue Inlet – all inlets are different and require different approaches. Secretary Rudolph thanked Mr. Bedsole for his comments and asked what the "good, the not so good, and the ugly" is with respect to the CSDR Program. Mr. Bedsole replied; the good = consistency (volume and placement, funding, etc.), not so good and ugly = the bureaucracy of the Corps of Engineers once you get above the District level (i.e., Division and/or Headquarters). Mr. Bedsole concluded that the key of participating in the CSDR Program is to stay engaged, and stay engaged more.

Vice-chair Normile asked why the one or two communities have declined to participate in the CSDR Project after construction funding was awarded. Mrs. Castens replied that Topsail Beach has a locally constructed project as well with vastly different borrow sources and beach templates, which has made that decision a lot more difficult. Member Rule subsequently asked what are the two or three reasons we should participate in the CSDR Project now that we have construction funding. Mr. Keistler replied that for one, the federal cost sharing component will make nourishment less costly/cheaper for the County moving forward. Maintaining the beach "alone" would be more costly and there's no guarantees storms will strike and FEMA funds are available for repair. Secondly, the County has a lot of funds invested in the program already via the Feasibility Study and Preconstruction Engineering Design; and that would be a lot to leave on the table. And lastly, the experience with the Corps in the CSDR Program is good as Mr. Bedsole shared with the group earlier.

- (5) **Public Comment.** – None.
- (6) **Other Business.** – Secretary Rudolph provided the Commission a status concerning the Atlantic Harbor Project presenting several photos and drone video ([Slides 7 – 10](#)).
- (7) **August 2020 or Next Meeting Date.** – The Commission agreed to determine the next meeting date at a later time.
- (8) **Adjourn.** – Chairman Cooper asked for any additional comments or questions, and with none forthcoming, the meeting was adjourned.