



Options for Funding Beach Management Activities

Christopher Layton, MPA, ICMA-CM

Town Manager

Options for Funding Beach Management Activities

- ~~Federal Funding~~
- ~~State Funding~~
- Local Funding
 - Local Option Sales Tax
 - County Occupancy Tax
 - General Ad Valorem Tax Increase
 - Special Assessment
 - Municipal Service District

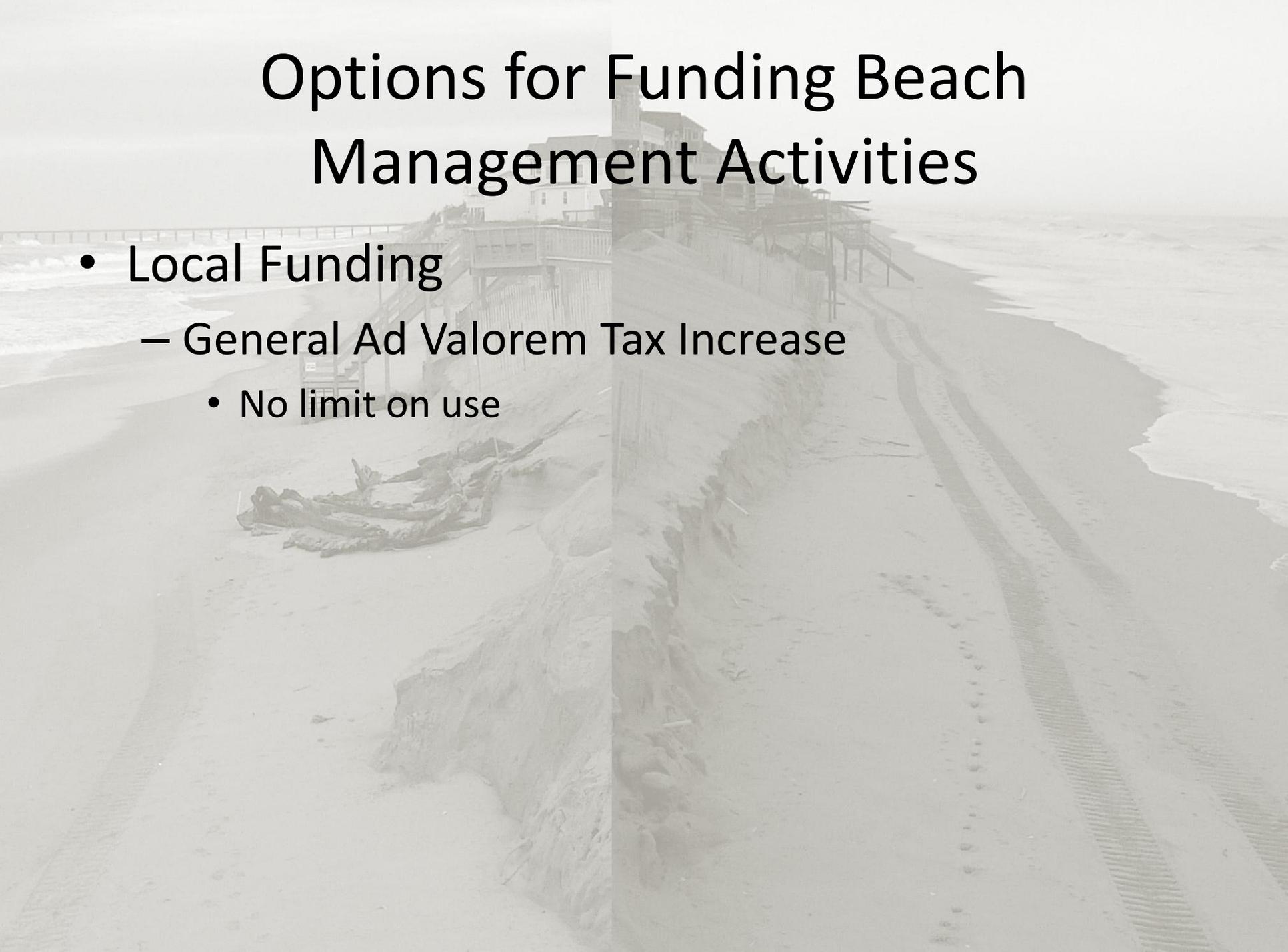
Options for Funding Beach Management Activities

- Local Funding
 - Local Option Sales Tax
 - Could be enacted by individual Towns
 - Legislation may be introduced in 2013
 - Would be applicable to all sales, including rentals
 - Would require a referendum
 - Unsure on the amount of revenue that could be generated

Options for Funding Beach Management Activities

- Local Funding
 - County Occupancy Tax
 - Currently being collected (1% with an additional 1% authorized)
 - Would require public access on any project over \$3,000,000
 - Would not fund permitting or engineering

Options for Funding Beach Management Activities



- Local Funding
 - General Ad Valorem Tax Increase
 - No limit on use

Options for Funding Beach Management Activities

- Local Funding
 - Special Assessment
 - Differs from a tax levy in that it must be levied in some proportion to the property being assessed and is typically used for improvements rather than services
 - May not be imposed until the project is completed
 - Assessments may be paid in up to ten annual installments along with interest
 - Cannot be used to borrow money
 - Petition requirement (expires 7/1/2013)
 - Resolution and public hearing requirement

Options for Funding Beach Management Activities

- Local Funding

- For beach erosion, must be assessed in one of the following ways:
 - Frontage abutting the project, at an equal rate per foot of frontage
 - The frontage abutting on a beach or shoreline protected or benefitted from the project, at an equal rate per foot of frontage
 - The area of land benefitted by the project, at an equal rate per unit of area
 - The valuation of land benefitted by the project, being the value of the land without the public improvements being finance by the assessments, as shown on the county tax records, at an equal rate per dollar of valuation

Options for Funding Beach Management Activities

- Local Funding
 - Municipal Service District
 - Resolution – Public Hearing requirement
 - Can be used to pay for debt, but a referendum is required is the debt tool requires it
 - Work, or at a minimum contracts for the work, must be let within one year of the establishment of the district
 - Tax rate limited to \$1.50 per \$100 of assessed value of the property, a referendum is required to go above this amount

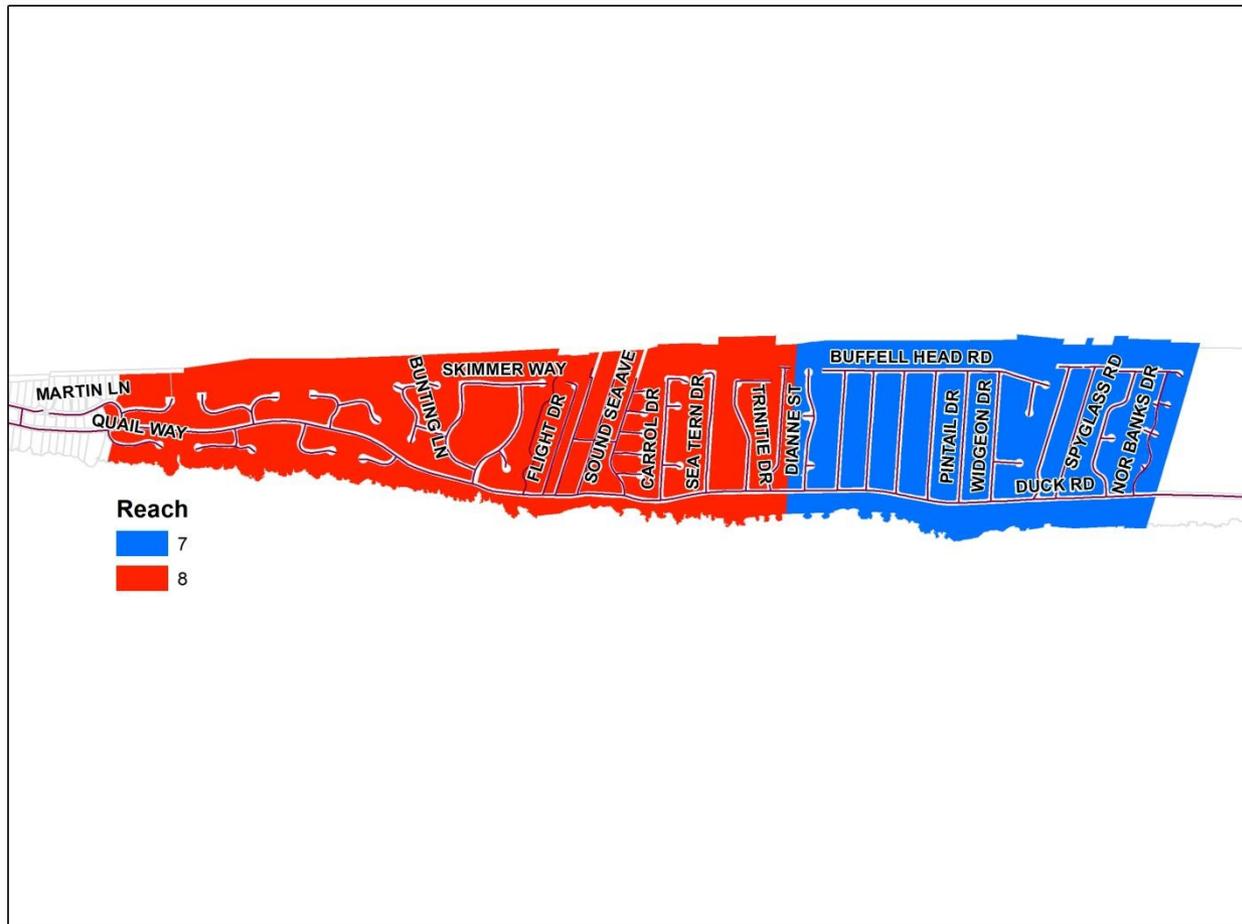
Hypothetical Funding Scenarios for Beach Management Activities

- No Action
 - Even with a No Action alternative it will be recommended that enhanced beach management (additional planting, fertilization, and fencing) and monitoring be undertaken
 - This would be handled through a general tax increase

Hypothetical Funding Scenarios for Beach Management Activities

- Retreat
 - Even with a Retreat alternative it will be recommended that enhanced beach management (additional planting, fertilization, and fencing) and monitoring be undertaken
 - Could possibly explore a grant program (if legal) for assistance to move houses
 - Could possibly develop a program to purchase properties

Hypothetical Funding Scenarios for Beach Management Activities



Hypothetical Funding Scenarios for Beach Management Activities

- Dune Replenishment (truck haul)
 - Segment 7 (5,000 feet)
 - 30,000 CY of sand; 1 year estimated lifespan
 - Total Estimated Cost (including permitting and engineering): \$850,000
 - Town General Fund: \$68,421
 - County Erosion Funds: \$588,750
 - MSD/Asmt Oceanfront: (1 yr – 22 cts) \$153,784
 - MSD/Asmt Non Oceanfront: (1 yr – 2 cts) \$39,405
 - Avg. Additional Tax Paid PY O: \$2,441
 - Avg. Additional Tax Paid PY NO: \$96

Hypothetical Funding Scenarios for Beach Management Activities

- Beach Restoration (truck haul)
 - Segment 7 (5,000 feet)
 - 60,000 CY of sand; 1 year estimated lifespan
 - Total Estimated Cost (including permitting and engineering): \$1,500,000
 - Town General Fund: \$350,000
 - County Erosion Funds: \$862,500
 - MSD/Asmt Oceanfront: (2 yr – 15 cts) \$209,410
 - MSD/Asmt Non Oceanfront: (2 yr – 2 cts) \$78,090
 - Avg. Additional Tax Paid PY O: \$1,665; 2Y: \$3,329
 - Avg. Additional Tax Paid PY NO: \$96; 2Y: 192

Hypothetical Funding Scenarios for Beach Management Activities

- Long – Term Erosion Mitigation (dredge)
 - Segment 7 & 8 (13,000 feet)
 - 842,000 CY of sand; 5 year estimated lifespan
 - Total Estimated Cost (including permitting and engineering): \$11,350,000
 - Town General Fund: \$1,000,000
 - County Erosion Funds: \$7,762,500
 - MSD/Asmt Oceanfront: (5 yr – 21 cts) \$1,580,019
 - MSD/Asmt Non Oceanfront: (5 yr – 5 cts) \$1,007,481
 - Avg. Additional Tax Paid PY O: \$2,144; 5Y: \$10,719
 - Avg. Additional Tax Paid PY NO: \$225; 5Y: \$1,126

Hypothetical Funding Scenarios for Beach Management Activities

- 10 Year Storm Damage Reduction Model (dredge)
 - Segment 7 & 8 (13,000 feet)
 - 1,610,000 CY of sand; 5 year estimated lifespan
 - Total Estimated Cost (including permitting and engineering): \$18,750,000
 - Town General Fund: \$1,129,655
 - County Erosion Funds: \$13,312,500
 - MSD/Asmt Oceanfront: (5 yr – 30 cts) \$2,292,884
 - MSD/Asmt Non Oceanfront: (5 yr – 10 cts) \$2,014,961
 - Avg. Additional Tax Paid PY O: \$3,062; 5Y: \$15,310
 - Avg. Additional Tax Paid PY NO: \$450; 5Y: \$2,250

Hypothetical Funding Scenarios for Beach Management Activities

- 20 Year Storm Damage Reduction Model (dredge)
 - Segment 7 & 8 (13,000 feet)
 - 2,091,000 CY of sand; 5 year estimated lifespan
 - Total Estimated Cost (including permitting and engineering): \$23,350,000
 - Town General Fund: \$1,000,000
 - County Erosion Funds: \$16,762,500
 - MSD/Asmt Oceanfront: (5 yr – 40 cts) \$3,057,179
 - MSD/Asmt Non Oceanfront: (5 yr – 14 cts) \$2,820,946
 - Avg. Additional Tax Paid PY O: \$4,083; 5Y: \$20,415
 - Avg. Additional Tax Paid PY NO: \$631; 5Y: \$3,155

Hypothetical Funding Scenarios for Beach Management Activities

- 25 Year Storm Damage Reduction Model (dredge)
 - Segment 7 & 8 (13,000 feet)
 - 2,313,000 CY of sand; 5 year estimated lifespan
 - Total Estimated Cost (including permitting and engineering): \$25,500,000
 - Town General Fund: \$1,000,000
 - County Erosion Funds: \$18,375,500
 - MSD/Asmt Oceanfront: (5 yr – 44 cts) \$3,362,897
 - MSD/Asmt Non Oceanfront: (5 yr – 14 cts) \$2,820,946
 - Avg. Additional Tax Paid PY O: \$4,491; 5Y: \$22,455
 - Avg. Additional Tax Paid PY NO: \$631; 5Y: \$3,155