

Final Recommendation: Beach Project Funding Plan

Town of Surf City, North Carolina

Final Presentation
May 6, 2013

PETER A. RAVELLA, PRINCIPAL
PAR CONSULTING, LLC

Thank You
To the more than 300 people who
Helped Build the Beach Project
Funding Plan!

- Sept – Oct: Data Collection and Analysis
Nov. 3: Workshop #1A & B, Principles & Secrets
Dec. 8: Workshop #2A & B, Funding Concepts
Jan. 26: Workshop# 3A & B, First Draft Funding Plan
April 2: Presentation of Second Draft to City Council
April 6: Workshop #4A & B, Second Draft Plan
May 6: Final Report to Community & Council

Note: Thanks to the City Council and Mayor who allowed the public to work with PARC in the workshop process without elected officials in attendance.

What We Learned from the Public

The Town should:

- ▶ Continue efforts to tackle the beach erosion problem head on and implement the federal beach project
- ▶ Work hard to maximize the federal & state financial contributions
- ▶ Continue dedicating Pender County revenue sharing to Beach Fund
- ▶ Carefully manage cost and impact of required public access improvements & upgrades
- ▶ Move forward with financial preparations for Federal Storm Damage Reduction Project

What the Project Will Do:

Dedicated Fund Ensures “bang for the buck”

- ▶ Restore the beach by 200 feet and add a large dune (100’ base & 15 feet high)
- ▶ Reduce the risk of storm damage to public infrastructure and to homes and businesses for 50 years
- ▶ Expand beach and make it safer for kids and families, with renourishment every 6 years
- ▶ Support the local economy
- ▶ Stabilize and Increase the value of homes and businesses

Final Funding Recommendation

The City should temporarily increase the *Ad Valorem* Tax Rate dedicated to the City's Beach Fund by an additional 10 cents/\$100 value beginning in Fiscal Year 2013 – 2014.

1. This rate should remain in effect for a period necessary to pay for the initial beach project *<5 years>*.
1. The recommended increase is a solid financial commitment and is expected to be sufficient to pay for the initial project if federal and state partners fulfill their stated commitments.

Federal Project Cost Estimate

ITEMS	NED PLAN
Total Initial Construction	\$127,973,000
Interest During Construction	\$10,520,000
Total Investment Cost	\$138,493,000
Renourishment Cost (avg)	\$30,612,000
Total Annual Costs	\$11,585,000
Total Annual Benefits	\$40,779,000
BCR	3.5 to 1
Annual Net Benefits	\$29,194,000



October 2010 (Escalated) Price Levels



PAR

Projected Initial Project Cost to Surf City

Excluding costs to be paid by North Topsail Beach

Initial Surf City Project Cost		\$84,051,402
The Federal Share	65%	\$54,633,412
The Non-Federal Share	35%	\$29,417,991
State Share of Non-Federal	50%	\$14,780,995
Surf City Share of Non-Federal	50%	\$14,780,995
Surf City Contingency Set Aside		\$ 1,250,000
Initial Project Cost to Surf City		\$15,958,995

Projected Renourishment Cost to Surf City at 6 Year Intervals

Based on USACE Average Cost of \$30 million every Six years

Renourishment Project Cost to Surf City		\$18,578,423
The Federal Share	50%	\$ 9,289,211
The Non-Federal Share	35%	\$ 9,289,211
State Share of Non-Federal	50%	\$ 4,644,606
Surf City Share of Non-Federal	50%	\$ 4,644,606
Surf City Contingency Set Aside		\$ 500,000
Average Renourishment Cost to Surf City		\$5,144,606
Average Annual Savings Rate Needed for Renourishment		\$ 857,434
Current Annual Savings Rate		> \$ 1 million

Town of Surf City
Capitol Project Budget Ordinance
Federal Storm Damage Reduction Project

- ▶ PARC has reviewed the above entitled draft ordinance and it is in accordance with PARC's Beach Project Funding Plan.
- ▶ It is our best professional judgment that adoption of the ordinance will position the Town financially to execute the Federal Project under identified project assumptions.

Beach Project Tax Rates

- ▶ NTB: 15 cents/\$100 value
(Proposed)
- ▶ Topsail Beach: 12 cents/\$100 value
(Adopted)
- ▶ Surf City: 15 cents/\$100 value
(Temporary)

Thank you for the Opportunity
to Serve your Community

PAR Consulting, LLC

PAR
PARC