

Joann M. McDermon, Mayor
Mike Benson, Mayor Pro Tem



Alice Derian, ICMA-CM
Town Manager

Aldermen:
Fred Fontana
Richard Grant
Tom Leonard
Connie Pletl

Nancy Avery
Interim Town Clerk

**Board of Aldermen Regular Meeting
Wednesday, October 4, 2023
MINUTES**

The Town of North Topsail Beach Board of Aldermen held its regular meeting on October 4, 2023. A quorum of the board was present. Attorney Edes was in attendance.

Board members present: Mayor McDermon, Mayor Pro Tem Benson, Aldermen Connie Pletl, Fred Fontana, Richard Grant and Tom Leonard.

Board members absent: None

Staff present: Town Manager Derian, IT Director Ricky Schwisow, Finance Officer Elliott, Code Enforcement Officer/Project Facilitator Conant, Police Chief Younginer, Fire Chief Soward, and Interim Town Clerk Nancy Avery.

Call to order

Mayor McDermon called the meeting to order at 11:00 am. Alderman Fontana gave the invocation and led in the Pledge of Allegiance.

Approval of Agenda

Mayor Pro Tem Benson requested the addition of three items to the agenda as follows:

1. Host a candidate forum on October 28th at Town Hall
2. Update on the north end flooding from engineer Chris Gibson
3. Staff directive

Motion – Alderman Grant motioned to adopt the agenda with the addition of items 1 and 2 but not item 3; seconded by Alderman Leonard; unanimously approved.

Mayor Pro Tem Benson stated item # 3 he suggested for the agenda is about notification to permit holder and the property owner when a permit is issued. Mayor McDermon said the owner gets a copy of the permit. This is a process matter that can be worked out with the Manager, not the Aldermen. Alderman Leonard said he agrees it is a manager and staff process, not for the Aldermen. Mayor Pro Tem Benson withdrew his request to add item # 3 to the agenda.

Manager's report

Town Manager Derian provided the following report to the Board:

Environmental Impact Statement – USACE:

- Our next EIS call with USACE is pending while waiting on Dial Cordy to submit Chapters 5 and 6 to USACE.

Tropical Storm Ophelia:

- Monitoring and updates started the week of Sept. 18th and updates were continual and timely throughout the event. I met with staff prior to the event to prepare with securing loose items, roadway and beach patrols removing abandoned items pre-storm.
- A CodeRed notification was sent to all subscribed on Friday, September 22nd along with the state of emergency that was declared on Friday, September 22nd, without imposing any restriction. The state of emergency was rescinded on Saturday, September 23rd at 5:00 pm.
- I touched base with TI Coastal and ATM on Monday following the storm to request they survey current beach conditions from the ground. Overall, they felt that the beach fared well and looks very similar to their previous assessment following Idalia with some intermittent berm and dune scarping, but nothing serious. They photo documented the same locations as the previous post storm drive for comparison.
- I worked closely with the trash contractor to determine and communicate the schedule and verified operations as I went through assessments on Saturday.
- I kept in communication with surrounding Town Managers and County Manager to share information and provide updates.
- Public Works worked to re-secure the gate to the drive on-area post storm where the screw was pulled out of the post.
- I surveyed the Town at daybreak on Saturday, September 23rd, photo documenting flooded areas to provide updates and notices that were published throughout the day. We once again experienced flooding near Gray Street and Richard Peters Park and rerouted traffic on Saturday near Gray Street.

Beach Projects:

- The Phase I permit modification is still pending. We anticipate having an answer on this next week. This modification would allow us to start early November with the remaining Phase 1 work.
- Phase 5 is on schedule to start November 16th and work will continue through February and will be completed.
- Phase 4 is anticipated to start February.

ONWASA Booster Pump Project:

- The construction contract for the booster pump station to be built at Town Hall went out to bid. The pre-bid meeting with prospective contractors is scheduled for Wednesday October 11th from 2pm to 4pm here at Town Hall.

Events:

- Wednesday, November 15th is the date for the 2nd Annual Christmas Tree Lighting that will be held at 6:00pm here at Town Hall. Staff created and published the event details. Santa will be here for the tree lighting, the Sneads Ferry Presbyterian Church Choirs will be here to perform, we will have face painting, Karen Beasley Sea Turtle Hospital will be here, and the Sneads Ferry Girl Scouts Troop # 361 will be helping to serve hot chocolate and cookies.
- A reminder of our First Annual Howl O Ween Pet Parade and Pet Costume Contest. Again, I would like to give a big thank you to our sponsor, Pet Supplies Plus, who I contacted and has graciously agreed to pay for this event. This will be held on October 25th from 5pm to 7pm at Richard Peters Park. You will be supporting Share the Table by bringing a non-perishable item to the event and we will have raffle tickets for purchase that will benefit Paws 4 Cause. We created a fb event page for you to pre-register your pets. Pets that are pre-registered will receive a goody bag that is also being provided by Pet Supplies Plus. It is free to attend, just bring a non-perishable food item for Share the Table.
- Vegetative Debris pick up will be October 23rd through October 27th. Please have your debris placed near the roadside in the Right-of-Way the week prior to the scheduled pick-up. Public Works will be providing the pickup as a one-time sweep only on the aforementioned dates. You can go to our website for more details on the pick-up.

Grants:

- We executed the Memorandum of Agreement for the Cybersecurity grant in the amount of \$13,527.
- I received communication that we will be receiving grant funds in the amount of \$34,000 to acquire an additional drone and beach vehicle.

Update on north end flooding assessment

Engineer Chris Gibson stated:

- He looked at the beach with Mayor Pro Tem Benson and Town Manager Derian on September 16, 2023.
- We were looking at reasons why the back corner on River Road was flooding.
- There have been concerns by some of the folks up there that water is coming through the drive on access.
- The issue really there is more not so much water coming through this area as it is that those homes are extremely low.
- We did some calibrations and took some elevations.
- At the corner of River Road where it takes a bend, the elevation of the street is only three (3) inches above normal high tide.
- If you have any kind of New Moon, Full Moon or King Tide event, you are going to see flooding whether it is coming through this area on the beach.
- The beach elevation is actually much higher at five (5) feet whereas in the back down at the corner of River Road the elevation is two (2) feet.
- The beach is actually three feet higher than these lots.

- We did cross sections across the street. There is an uphill rise going toward the beach and there is an uphill rise going likewise the other way toward the ocean front beach (inlet).
- This is a depressed area.
- The big concern when you start trying to keep water out is that when it rains you keep water in.
- As the tide comes in it is higher at the inlet first. It then goes through the marsh and there is usually a lag when this happens.
- That is the reason why you are seeing water come in through the inlet access rather than coming through the back (marsh). It is a timing thing.
- The water is not getting out because it is jammed up in the back, but because the water level in the back (marsh) has risen to the point where it cannot get out.
- Raising or putting elevation into that ORV access cross through instead of it being at grade may be helpful for one (1) out of ten (10) events.
- Annually, October is peak tide. If the moon is in apogee during the full moon in October, that is the biggest tide for twenty (20) years. We are sitting smack dab in the middle of that.
- What people are seeing is a tidal event that is astronomical on a twenty (20) year scale. They will see this for each of the next two weeks. After the full moon, those tides will start decreasing.
- With King tides we are running a foot to a foot and a half above normal which means water is going to come in from the back.
- If I recommended anything to the Town to do, you could use some of the sand sitting in the park that had to be removed from the beach and place it in this area (ORV access). It might help with a small percentage of events.
- I would not recommend a major expenditure to raise the dune or install a Hatteras ramp to help vehicles from getting stuck.
- There is enough space to raise it up two (2) feet without doing a Hatteras ramp. This is relatively inexpensive.

Discussion:

Alderman Grant – I looked at it and full disclosure, my first job as an engineer was road drainage. It is really a bowl or a large catch basin. Once you block or trap it, it has to come in from someplace and it looked like it was coming in from that pond. The only thing to do is to raise it, but there is no way to do that. Are you saying do not spend any real money back there? Will the beach report address this?

Mr. Gibson – My recommendation is there is no big bang for the buck because you have water coming in from all directions to this low point. Marsh elevation in several places on the north side of the road is higher than the lots and asphalt. It is a wetland so it is constantly getting water. I have been told that there is some retention of water in that pond up there by private individuals that want to keep that as an amenity pond. That does raise the water table which reduces the amount that water can percolate through the sand. Once the water gets in that delays it getting out. At best, if you raise the elevation of the drive-through area it would impact about ten (10) percent of events. These homes are sitting where a retention pond should be. There is not a way to completely solve this problem. I would not spend a lot of money restructuring this area.

Mayor Pro Tem Benson – There has been a lot of social media comments that we need to fix the drainage in this area. What you have just explained to us is that water runs downhill. There is no drainage to fix there because the house and the road are at the lowest point.

Alderman Leonard – You talked about October peak tide time and the moon is in apogee (closest to the earth in its rotation). This peak tide is at the greatest it has been in or will be in for twenty (20) years, correct? The point is that we are being asked to do something about something that is effectively about the phases of the moon which is going to ultimately subside over time because you said we are at the peak action in a twenty (20) year cycle. Is that correct?

Mr. Gibson – Yes, it is cyclable with phases of the moon. The moon in apogee in October is the peak of the tidal epic which is a 19.8-year cycle where the moon and sun and the earth go through and get into the same position they were. It will go down and rise up. Additionally this time of year we have storms that add more to it. If these folks do not want to flood, they need to raise their own land. This is private property. The Town cannot go on there and raise private land.

Alderman Grant – The water table has to be high. Does that affect it too?

Mr. Gibson – Typically, the water level is at mean tide level. Back there with no alteration by man, the water table should be within about two (2) feet of surface. If the pond is raised up and retains rainwater, and it is higher than the water table, that can actually lift the water table level.

Alderman Pletl – I thank you Mr. Gibson for the detailed explanation. This is something we have been in contact with homeowners about. You have given us a lot of answers to the questions.

Alderman Fontana– Thank you Mr. Gibson for speaking in laymen's terms that I can understand.

Open Forum

1. Martin Willet, 209 Sea Shore Drive, said:

I am for bicycle advocacy along highway 210. I know the road is in two counties and is a state highway. I know bike infrastructure is not a priority of any government. I ride for fitness and destination. I ask you to consider if the road is wide enough and safe to use and is it clean? I encounter trash cans, broken bottles, construction vehicles, rocks and have to swerve into the road three to four times every time I ride. Electric vehicles and bikes are the future. The bike lane also becomes the defacto sidewalks. As a community, I think we should look at federal grants for helmets and education about wearing them. There is a big pile of broken glass by the county access.

2. Kip Malcolm, 3102 Green Street in Ocean City, stated:

I am here to give you an update on the Ocean City Beach Citizens Council. At the September 2nd meeting, there was a vote to replace Carla Tori who has served for many months and years as president and wanted to step down. Janelle Stoval was elected as the incoming president. I know everyone is familiar with Ocean City community and the Jazz Festival. I will help Ms. Stoval in her position. I relocated to this area from the DC area

about a year and a half ago. I have been watching the meetings virtually. This is my first time attending in person. I just wanted to introduce myself to you.

3. Hanna McCloud, 1835 New River Inlet Road, stated:

I am speaking as chairman for the Planning Board and Board of Adjustment. We were very encouraged with the response to the Town's request for volunteers for vacancies. We encourage other interested citizens to volunteer and attend meetings. All input is appreciated. Traditionally re-appointment recommendations and new member applications as adopted in our Rules and Regulations are presented to the Aldermen for approval. These re-appointments will allow the alternates to gain experience and continuing education provided by our Planning Director will allow for growth and fresh perspectives for our boards. We thank our Planning Director Deb Hill and her staff for their work and dedication to continuing education and presentations that give direction to these important decisions the boards have to discuss and make recommendations about. We hope the new appointments will continue the environmental and economic development of our Town.

4. Susan Meyer, 2224 New River Inlet Road # 138, stated:

I represent the Committee for Concerned and Informed Citizens. There will be a meet and greet at Splash next week tentatively on the 11th from 5 – 7 pm with light hors oeuvres. I will get back to you on the exact date.

Public presentation and hearings

None

Consent Agenda

- Minutes September 6, 2023
- Budget amendment 2023-24.5

Motion - Mayor Pro Tem Benson motioned to approve the Consent Agenda as presented; seconded by Alderman Fontana; unanimously approved.

Continuing Business

A. CBRA

Alderman Leonard – I reported last month that the staff director for the House subcommittee on Water, Wildlife and Fisheries had visited our Town during August when she was here on vacation. The manager and I were able to take her out and show her the town from one end to the other and identified to her where the CBRA areas begin and end. During that visit there was discussion about a possible upcoming House subcommittee hearing. I received an email from her on the 11th of September that the hearing had been set for September 28th. Later I received a written invitation to attend and talk. When I got there, there were other similar bills that were all addressed in the same hearing. Each of the Congressman, I think there were four (4) were given five (5) minutes to present oral remarks. We had already been requested to submit written remarks. The oral remarks were a summary of those. Once all testimony was provided, the Congressman were given five (5) minutes of time for Questions and Answers to those that had testified. Congressman Murphy introduced House resolution 2437, the bill he sponsored to remove our Town's area from CBRA. He filed that bill shortly after the Mayor, Manager and I

visited Washington, DC earlier this year in March. In his remarks, he stated the US Wildlife and Fisheries Service had wrongly designated the north end of Topsail Island comprising the Town of North Topsail Beach as being in the Coastal Barrier Resources Act (CBRA) system despite the fact it had been under development and had infrastructure in place and that his bill would correct a forty (40) year error. Mr. Strickler from the US Fish and Wildlife stated that the department had reviewed this over and over again and is sticking with the maps being right and they were opposing the bill. No big surprise there. I presented and I am going to read my five (5) minutes of my testimony to be in the minutes so there is a record of it.

**Oral Statement of Tom Leonard, LtCol, USMC(ret.)
Alderman, Town of North Topsail Beach, North Carolina**

**H.R. 2437
September 28, 2023**

- Chairman Bentz, Ranking Member Huffman, and Members of the Subcommittee, thank you for the opportunity to provide testimony today on H.R. 2437.
- This legislation will correct a mapping error made by the U.S. Fish and Wildlife Service over 40 years ago when it incorrectly designated the northern end of Topsail Island, now the Town of North Topsail Beach, as a Coastal Barrier Resources Act, or CBRA, zone.
- North Topsail Beach is one of three small towns located on Topsail Island, a 26-mile-long barrier island between Jacksonville and Wilmington, North Carolina, and adjacent to Marine Corps Base Camp Lejeune. Due to our proximity to Camp Lejeune, many of our residents and visitors have a military connection, including myself, a retired United States Marine Corps officer with 30 years of service.
- Like you, North Topsail Beach plays an important role in the collective federal, state & local effort to preserve and maintain barrier islands. As the primary law that protects barrier islands, CBRA is a law that we hold in the highest regard and with the greatest respect.
- As effective as CBRA has been collectively for the federal government, the taxpayers, and the environment, the application of the law in North Topsail Beach has not been wholly positive or successful.
- In fact, both North Topsail Beach and the U.S. Fish and Wildlife Service recognize that Topsail Unit L06 is one of the most developed CBRA System units in the United States.
- CBRA has been overwhelmingly successful at deterring development, so the question must be asked, “Why did CBRA not deter development in North Topsail Beach?”
- Development continued in North Topsail Beach after the passage of CBRA because the Town already had a full complement of infrastructure in place before the enactment of CBRA in October of 1982.
- Having a full complement of infrastructure is one of two primary criteria the U.S. Fish and Wildlife Service uses to determine if an area is developed and thus not eligible for inclusion in the Coastal Barrier Resources System; the other being the density of development.
- A full complement of infrastructure is defined by law as
 - (1) a road with a reinforced roadbed
 - (2) a wastewater disposal system
 - (3) electric service, and

- (4) a fresh water supply...
all of which must be sufficient to serve each lot or building site in the area.
- A thorough examination of records and documentation, which is summarized in my written testimony, shows that the north end of Topsail Island had a full complement of infrastructure that meets the requirements outlined in the Service's own guidance and the law.
 - Roadways have existed along the entire length of Topsail Island since the 1940s. A 1982 zoning map shows that all lots on the northern end of Topsail Island had direct access to a road with a reinforced roadbed.
 - Jones-Onslow Electric Membership Cooperative has provided electrical service to the island since the 1940s. Maps supplied by Jones-Onslow show that even the most northern reaches of Topsail Island had electrical service by 1980.
 - North Topsail Water and Sewer was established in 1979 to provide water and sewer services to North Topsail. Onslow County began to construct its own water system to service the island in 1980. Records establish that water and sewer utility lines ran to the northernmost reaches of the island by the end of 1981.
 - Hundreds of structures were built in North Topsail before the enactment of CBRA, and hundreds more were built in the years following, due to the substantial infrastructure investments made on the island by both public and private entities.
 - There was so much growth in the area that in 1980, West Onslow Beach, which is now North Topsail Beach, was nominated as a statewide quote, "growth center," close quote.
 - It is clear that Congress did not intend to include areas in CBRA with such significant on-the-ground infrastructure investment by private entities and local governments.
 - We agree with Congress, which said that quote, "...an area which has full complement of infrastructure (i.e., some combination of roads, waters, sewers, electrical lines, etc.) but not structures, suggests that the area is, as a practical matter, already developed," close quote.
 - Being included in CBRA has no doubt had an impact on our community. Our residents cannot qualify for federal flood insurance; our Town cannot apply for federal grants and loans or named storm assistance; and our veterans cannot access federally backed mortgage products, including V.A. loans.
 - But H.R. 2437 is about equal treatment under the law and is in no way an attempt to subvert CBRA. This bill will just allow our community to be treated like any other community that was not mapped into CBRA, including the other two towns on Topsail Island.
 - On behalf of the Town of North Topsail Beach, I urge you to support and approve H.R. 2437.
 - Thank you again for this generous opportunity.

For the Record attached and incorporated herein as part of these minutes are the Final Oral Statement and the Final Testimony given by Alderman Leonard at the hearing.

Alderman Leonard stated that Congressman Murphy asked him two questions at the hearing:

1. Why I thought our Town's inclusion in CBRA was incorrect?
My response was that the full complement of infrastructure had been there prior to 1982; and how the analysis for CBRA was not done correctly but by an overflight in a small

plane taking aerial photos. They missed a lot of the roads and the water and the utilities. The other issue is that it should have been an either or in that to disqualify of from CBRA we need to have structure or need to have the infrastructure but not both. The areas where we were put in CBRA is the areas where we had buildings. They missed and they did not discount all the areas where we had just the infrastructure.

2. How much area do we want removed from CBRA unit L06?

My response was we are looking at removing 590 acres out of a total of 5,865 acres or roughly ten (10) percent.

Congressman Murphy asked Mr. Stickler if he has ever been to this area. Mr. Strickler said he had never been there.

Congressman Murphy is on our side with this. His office emailed Mr. Strickler asking him if he is willing to meet with Alderman Leonard at North Topsail Beach to survey the 590 acres of land that HR 2437 would take out of the CBRA zone known as L06. I have no idea where this is going. Next, the full committee will meet. This is a big deal for the Town. For the record, I recognize the folks in Raleigh and DC for their help. We have been working on this for a long time. We will keep pushing this.

Discussion

Mayor McDermion – Thank you Alderman Leonard for your work and going to Washington to attend the hearing. I am very thrilled with the support from Congressman Murphy and those trying to help us get through this issue.

Alderman Pletl – As a twenty-seven (27) year resident I know the Town has been working on all of this for the whole time. It has been a big thorn in the side of the Town. I hope we have a positive outcome.

Mayor Pro Tem Benson – Thank you Alderman Leonard. You have put your heart and soul into this. We have gotten the most support we have had and are the closest we have gotten.

Alderman Fontana – I listened to the hearing. I think Tom (Alderman Leonard) should be proud of his professional representation. I am proud of what you have done.

Alderman Leonard – We have had a lot of support from Congressman Murphy. We have a personal friend up there, a retired marine and a friend of mine, we served together. Ray Celeste in his office has been phenomenal in keeping this up in the air.

B. Ordinance 23-03 and Amendment to Fee Schedule

1. Ordinance 2023-03 amending UDO sections 10.07.05, 10.07.06 and 11.01.12 regarding Wetland protection and definition.

Motion – Alderman Grant motioned to adopt Ordinance 2023-03 amending the UDO as presented; seconded by Alderman Pletl.

Discussion

Mayor Pro Tem Benson – I am not satisfied with section 10.07.06 Wetland Protection. We talked about this last time. We are putting the homeowner responsible for protection of the Wetlands. I think this section should emphasize that. I propose moving that section up to ‘A’ under this subsection. Secondly, I think that item D should become the second item so that the idea is to prioritize that the property owner is responsible for protecting the Wetlands. The Wetlands are described in the second bullet. The third bullet is ‘construction’ -there should not be damage but there is a fine. I was not happy at all that the Wetlands have to be restored in seven (7) days. That is not biologically possible. We need to come up with some kind of reasonable time period within which the Wetlands that have been damaged are restored. Finally, this talks about Wetland grasses – that should be the final bullet. Bullet E I think should be eliminated. Those are my suggestions to revise this section of the ordinance.

Alderman Grant – I oppose Mayor Pro Tem Benson’s comments. We had this discussion a week ago or whenever our last meeting was and the idea was it was presented to the Board and we directed the attorney and the Planning Director to come back with the language. If you want to propose something down the road, we can change it then, but not here. The second thing is the idea behind the fines is not to punish people but to prevent them from doing things that eliminate the destruction of the Wetlands. The reality is that it will take years to replenish the Wetlands. If someone is building a \$3 million house and they tear up the Wetlands to put in a pool or other things, and the only thing they get is a \$10,000 fine and nothing to follow up on that, that is a cheap price to go ahead and put in a pool and ignore everything else. I think we need an incentive to prevent it, the same as with the dunes. We have already hashed this out. I feel strongly about dune and wetland protection.

Mayor Pro Tem Benson – I do not oppose the motion. I am asking for the bullet points in the Wetlands Protection section be reorganized to put priority on what I think should be the first priority, which is the property owner is responsible for protecting the Wetlands.

Mayor McDermion – The homeowner is always responsible for what happens on their property.

Attorney Edes – For the record, the minutes are to reflect the following for clarification: “The restoration portion of the proposed ordinance is to fix whatever you have damaged. It is not the ecological evolution over time. I do not want the minutes to say it takes twenty (20) years to repair but we are requiring them to do it in seven (7) days. There is a difference between excavating and filling that back in versus once it is filled back in how long it is going to take ecologically to get it back. The repair is to restore it to pre-damage condition. If they remediate what they damaged, they will satisfy that condition”.

Mayor Pro Tem Benson – My counterpoint would be, you probably cannot find one of the eight (8) acceptable marsh grasses in seven (7) days.

Alderman Grant – So are you saying if it takes them two (2) years to get the grass, are they not allowed to do it for two (2) years? We need to rely on our inspection folks to make that determination.

Alderman Leonard – The spirit and intent of the ordinance is to not mess up the Wetlands and if you do, you have to fix it. The spirit and intent are pretty darn simple and I think it is fine the way it is.

Alderman Pletl – The strict timeline and high fee are deterrents. We are not trying to make money off of it, but to deter people from destroying the Wetlands. Seven (7) days is a quick amount of time, but it is a deterrent and the contractor is still there.

Attorney Edes – I want to make this point again for the future. By repair, the ordinance means to restore it to the pre-damaged condition. If they remediate what they damaged, they will satisfy that condition.

Mayor McDermon asked the Clerk to take a Roll Call vote.

Roll call vote:

Alderman Pletl- yes

Alderman Leonard – yes

Mayor Pro Tem Benson – no

Alderman Fontana – yes

Alderman Grant - yes

The motion to adopt Ordinance 2023-03 amending the UDO as presented **carried** with a vote of four to one in favor with Mayor Pro Tem Benson against.

2. Amendment to Town's Planning and Zoning Fee Schedule to add new civil citation for Wetland Protection

Motion – Mayor Pro Tem Benson motioned to amend the Town's Planning and Zoning Fee Schedule to add a civil citation per UDO Section 10.07.0 Wetland Protection in the amount of \$10,000 each for first and subsequent offenses with the correction of a clerical error in the Fee Schedule presented to reflect the amount is \$10,000.000 not the value listed in the Fee Schedule presented; seconded by Alderman Grant; unanimously approved.

New Business

A. Planning Board

Mayor McDermon stated there are two members that need to be selected for the Planning Board. Along with the motion we need to make sure we include what the term is for the vacancy.

Attorney Edes asked the mayor if this will be a motion and vote and if so, he suggested that any motion to appoint be premised on serving whatever term at the pleasure of the Board, subject to any Code of Ethics, policies and procedures adopted by the Board as may be amended. The attorney asked the Board for consensus on this.

Consensus – Board members agreed that motions for appointment would be premised on serving whatever term at the pleasure of the Board, subject to any Code of Ethics, policies and procedures adopted by the Board as may be amended”

Motion – Alderman Grant motioned to appoint Teri Ward to the vacancy on the Planning Board for the term to expire May 15, 2026, subject to the terms and conditions described; seconded by Alderman Fontana; unanimously approved.

Motion – Alderman Pletl motioned to appoint Susan Meyer to the vacancy on the Planning Board with a term to expire May 15, 2024, subject to terms and conditions described; seconded by Alderman Leonard; unanimously approved.

Interim Clerk Avery asked for clarification if the appointments just voted on were to replace two members with expiring terms (Paul Dorazio and Gunnar Matthews) or for the two vacant positions on the Board.

Attorney Edes asked if it was the Board's intention that the appointments just made were for unexpired terms.

Consensus – the Board confirmed the two appointments voted on were for the two positions with expiring terms not the two vacancies.

Motion – Alderman Fontana motioned to bring back any other vacancies to next month's meeting for the Planning Board; seconded by Alderman Pletl; unanimously approved.

B. Board of Adjustment

Motion – Alderman Leonard motioned to appoint Kip Malcolm to the Board of Adjustment with a term to expire May 15, 2026, subject to terms and conditions described; seconded by Alderman Grant; unanimously approved.

Motion – Alderman Leonard motioned to appoint Stu Harness to the Board of Adjustment with a term to expire May 15, 2024, subject to the terms and conditions described; seconded by Alderman Grant; unanimously approved.

Consensus – Bring back any vacancies to the next meeting for review.

Break – Mayor McDermon called for a five (5) minute break at 12:28 pm.

Return to session – Mayor McDermon called the meeting back to order at 12:33 pm.

C. Activities update

Alderman Grant gave a presentation summarizing major activities of the Town with the following highlights:

- Over \$40 million dollars of beach projects either completed or under contract since 2019/2020 with minimal cost to NTB taxpayers (see later slide)
- Obtained over \$12 million in grants and/or outside funds
- Firetruck loan at 0% interest
- Paid off over \$7 million of Phase 5 USDA loan

- Refinanced as Special Obligations Bonds (SOBs) saving hundreds of thousands of dollars in interest
- 30-year beach plan under development and BISAC committee formed
- CBRA progress with federal officials
- Capital project fund established and South Firehouse moves to design and construction phases (construction to begin in 2024-bids due fall 2023)
- Bike lane study funded
- Clean Outside Financial Audits

Alderman Grant explained the four major source of revenues excluding grant and awards are:

- Property taxes (\$6,933,750)
- Sales taxes (\$2,644,292)
- Accommodation (rental) fees (\$1,650,000)
- Parking fees of \$448,500

He stated the Town's largest budgeted expenses are:

- Phase 5 beach project, formerly a USDA loan, refinanced as Special Obligation Bonds at \$2,006,204
- Fire Department \$1,612,748 which does not include capital fund dollars of over \$1 million
- Police Department \$1,388,870

Alderman Grant's presentation included the following reasons for why property taxes increased:

- Every four (4) years Onslow County does an individual property revaluation which becomes basis for assessing taxes—occurred in 2022 but can be appealed
- NTB saw more than a 50% increase in total "value" although this varies by individual property and included "new construction"
 - Property values (including resales) and rentals soared over that period
 - Onslow has an interactive map showing these—eg my house value is in the 114% increase area
- NTB and Onslow actually dropped their "tax rate" - NTB from \$0.46 to \$0.43 and Onslow County from \$0.705 to \$0.655.
 - **NTB receives approximately 40% of the total property taxes paid in total, and we assume a 99.3% collection on our share (the \$0.43)**

Alderman Grant provided a breakdown on fiscal year 2023-2024 budget revenue and expenses for Shoreline Protection as follows:

- Revenues \$4,254,816.65 (31% of total revenue)
- Expenses (significant)
 - Phase 5 USDA (refinanced as SOB's) \$2,006,204.00 (47%)
 - Brings total payoff to over \$7 million of original \$15 million since 2021 with another \$2 million paid off this year
 - Future Projects \$1,076,612.65 (25%)
 - New River EIS \$280,000 (commonly referred to as the "groin" project)
 - Sea Oats and Vitex removal \$266,000
 - 30-year beach plan \$30,000

- Sandbag repair \$200,000

His presentation also included fiscal year 2023/2024 budget revenues and expenses for the Capital Improvement Fund as:

- Revenues \$1,743,695.92 (12.5%) –does not include approximately \$500,000 to be received from Onslow County
- Expenses
 - Fire Department \$930,562.50
 - Fire Truck fund \$153,187.50
 - Bike Path project \$100,000
 - Future Capital Improvements \$559,945.92

Alderman Grant stated that fiscal year 2023-2024 budget revenue and expenses for the General Fund are:

- Revenues \$7,591,076 (54%)
- Expenses \$7,591,076 (significant listed below)
 - Fire department \$1,612,748 -22%
 - Police department \$1,388,870 - 18%
 - Planning and inspections \$482,340
 - Public works (buildings, streets, trash rec) \$1,770,583
 - Contingency (storms etc.) \$532,756
 - Admin \$862,730

Alderman Grant said grants received were:

- North Carolina Phase 4 \$10.5 million matching
 - NTB used FEMA Phase 5 as match **so not cost to town**
 - Creates “engineered beach”
- Cyber security (no match) \$13,527
- FEMA Go, Assistance to Firefighters Grant for 78,571 (Town contribution of 5%, for AirPaks)
- Golden Leaf, Town Hall Grant for \$287,678
- NCDEQ, Large Sediment Sampling Grant for \$14,400
- NCDEQ, Shoreline Protection Funding for \$1,500,000 (no match or contributions)
- GEMS, PD Laptop Replacement Grant for \$23,433 (no match)
- Onslow County fire department (\$0.03 of property tax)
 - Annual around \$500,000 based on NTB property values
- Onslow County—debt assistance
 - \$150,000 per year applied to Phase 5 loan

Alderman Grant informed everyone that a summary of beach projects since 2013 based on data provided by the Town's beach engineer is:

	total cost	town cost	%total	%town
Phase 5	41,765,460	16,800,000	60%	69%
Phase 4	11,474,000	446,000	17%	2%
Phase 3	0	0	0%	0%
Phase 2	0	0	0%	0%
Phase 1	11,150,000	7,258,333	16%	30%
Phase 1,2,3,4	3,972,150	0	6%	0%
Phase 1,2	1,020,000	0	1%	0%
	<hr/> \$69,381,610	<hr/> \$24,504,333		

The presentation also included a nourishment history since 2013 for all phases and an explanation for why the Town could not participate in the US Army Corps of Engineers project for nourishment. Said presentation is herein incorporated and attached as part of these minutes and is posted on the Town's website at www.townofnorthtopsailbeachnc.gov for viewing.

D. Host candidate forum at Town Hall

Mayor McDermon said there will be a candidate forum at Town Hall on October 28, 2023. Details will follow and will be posted on social media.

Open Forum

Mr. Chris Gibson, beach engineer, reminded everyone not to put beach vitex in the free debris pickup as it will spread on the beach once the debris is turned into mulch.

Attorney report

None

Aldermen report

Alderman Pletl – Thank you to the manager and the staff for another Tropical Storm event that we seemed to fly through very well. I am happy we did not have anything worse. It was good practice and they did a great job. Please come out to the Halloween event this month.

Alderman Leonard – I encourage everyone to come out on October 23rd to observe the 40-year ceremony of the Beirut bombing. From this area, all the units were assigned from Camp Lejeune. It will be in Jacksonville at 10 am at the Beirut monument.

Mayor Pro Tem Benson – I thank everyone for attending today. It was one of the best attendances. The manager and I attended the long-term Memorandum of Agreement workshop or quarterly meeting a couple of weeks ago. The two things to report from that meeting are (1) it was decided that for the shallow draft inlet which is a one to three match for local communities to keep their inlets navigable. Only local communities can apply for those funds. There was an effort at a higher level that the Army Corps would be able to use those shallow draft funds for the memorandum agreement work but that is not the case; (2) The Corps only has three (3) dredges for all of the east coast. You have seen the Merit in the New River Inlet from time to time and they expect it back in the middle of November. It looks like the Channel going straight out might be opening up across the bar so they might try to dredge that channel which will save mariners a little bit of time in getting out of the inlet out into the open ocean. That program is really underfunded and we really appreciate the extra funds we got last year to clean out the Cedar -Bush cut and the Channel to Jacksonville. That sand was disposed of in the Phase One area at no cost to the Town and it really protected the North End from flooding to a certain degree. That was the good news from that meeting.

Alderman Fontana – Thank you to everyone here and for attending online. With the upcoming election social media is being used more and more and is the main way of getting information out. I have seen a disturbing trend where many of the posts have been personal attacks on the mayor and the board members sitting here today. Let us all agree to use social media as a way to present the issues that are important to the voters of the Town and not as a way to personally attack individuals. I do not think it does anybody any good to criticize people. We all have our good and bad points and history. Let us just stick to the issues that affect everybody.

Alderman Grant – The new interim county manager was sworn in this morning. I attended the ONWASA board meeting. It looks like Pluris is approved. I guess the Local Government Commission (LGC) came back and approved that. They are looking to raise \$50 million in bonds at five (5) to five and a half (5.5) percent interest on tax free bonds. Per their budget, they are going to have to come up with \$250 million in the next five years for infrastructure. Thanks for putting up with my presentation.

Mayor report

Mayor McDermion – I want to echo everyone's comments today. I appreciate all of the time that went into the packet and I appreciate everything the Town staff has done. I appreciate everyone sticking with us, I know it was a long meeting, so thank you so much.

Closed session

Alderman Grant said there seems to be confusion about what you can go into Closed Session for. I ask the attorney to go on the record and explain to people about Closed Session.

Attorney Edes said there are six grounds for going into a closed session and listed three of them:

1. To consult with an attorney employed by the Town to preserve the attorney client privilege.
2. To address personnel matters which are confidential by law.
3. To direct staff as to a position to be taken in negotiating a contract.

He said no decisions are made but the Board may reach consensus for lawsuits or property purchase for the amount to pay.

Motion – Alderman Plel motioned to go into closed session at 1:20 pm as per NCGS 143-318.11(a) (3) consultation with the attorney and (6) personnel matter; seconded by Alderman Fontana; unanimously approved.

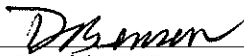
Break – Mayor McDermon called for a five-minute break before going into Closed Session.

Return to open session

Motion – Alderman Leonard motioned to return to open session at 1:57 pm; seconded by Alderman Fontana; unanimously approved.

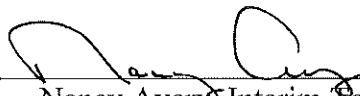
Motion – Alderman Leonard motioned to raise the manager's salary to \$150,000 effective on the anniversary of her employment in 2023; seconded by Alderman Fontana; unanimously approved.

Motion – Mayor Pro Tem Benson motioned to adjourn at 1:58 pm; seconded by Alderman Leonard; unanimously approved.



David M. Benson, Mayor Pro Tem

ATTEST



Nancy Avery, Interim Town Clerk

**Prepared Statement of Tom Leonard, LtCol, USMC(ret.)
Alderman, Town of North Topsail Beach, North Carolina**

**Before the House Natural Resources Committee
Subcommittee on Water, Wildlife, and Fisheries**

“Legislative Hearing on H.R. 2437, H.R. 3415, H.R. 4385, and H.R. 4590”

September 28, 2023

Chairman Bentz, Ranking Member Huffman, and Members of the Subcommittee, thank you for the opportunity to provide testimony today on H.R. 2437, a bill to revise the boundaries of Coastal Barrier Resources System (CBRS) Unit L06 in North Topsail Beach, North Carolina. The legislation will correct a mapping error made by the U.S. Fish and Wildlife Service over 40 years ago when it incorrectly designated the northern end of Topsail Island, now the Town of North Topsail Beach, as a Coastal Barrier Resources Act (CBRA) zone.

North Topsail Beach is one of three small towns located on Topsail Island, a 26-mile-long barrier island between Jacksonville and Wilmington, North Carolina, and adjacent to Marine Corps Base Camp Lejeune. With a year-round population of just 1,005, North Topsail Beach is a quiet, rural beach town. Due to our proximity to Camp Lejeune, many of our residents and visitors have a military connection, including myself, a retired United States Marine Corps officer with 30 years of service.

Like you, North Topsail Beach is passionate about protecting coastal barrier islands and their significant resources. We have a great responsibility in the collective federal-state-local effort to preserve and maintain these important natural resources. We will always remain committed to carrying out the purposes and objectives of the CBRA as an active partner with the federal government. As the primary law that protects barrier islands, it is a law that we hold in the highest regard. As the CBRA law rightly states, “coastal barriers contain resources of extraordinary scenic, scientific, recreational, natural, historic, archeological, cultural, and economic importance.” The CBRA is a testament to the shared interest that the nation has in protecting coastal barrier islands and their “extraordinary” resources.

As effective as the CBRA has been collectively for the federal government, the taxpayers, and the environment, the application of the law in North Topsail Beach has not been wholly positive or successful. In fact, both North Topsail Beach and the U.S. Fish and Wildlife Service (Service) recognize that CBRS Unit L06 is one of the most developed CBRS units in the United States. The CBRA has been overwhelmingly successful at deterring development, so the question must be asked, “Why did the CBRA not deter development in North Topsail Beach?” Development continued in North Topsail Beach after the passage of the CBRA because the Town already had a “full complement of infrastructure” in place before the enactment of the CBRA in 1982. Having a full complement of infrastructure is one of two primary criteria the Service uses to determine if an area is developed and thus not eligible for inclusion in the CBRS, the other being the density of development. For this reason, the proposed mapping change will not set a new precedent for

CBRS mapping changes. North Topsail Beach is a unique situation, and few (if any) other CBRS units have received the same level of analysis and attention as Unit L06.

The legislation does not intend or aim to remove Unit L06 from the CBRS. We understand the purposes of the CBRA and support its overarching goals and objectives. The legislation will remove only approximately 590 acres of the total 5,865 acres from the Unit. The approximately 590 acres that will be removed will only include areas served by a “full complement of infrastructure” before the mapping and designation of CBRS Unit L06 in 1982.

Evidence of a Full Complement of Infrastructure

North Topsail Beach has done extensive research to document development at the north end of Topsail Island before 1982. North Topsail Beach submitted this research, totaling 199 pages, to the Service during a 2009 request for comment on its “Draft Report to Congress: John H. Chafee Coastal Barrier Resources System Digital Mapping Pilot Project.” The results of this analysis are summarized herein.

As you know, in 1981, the Department of the Interior (DOI) was directed by the Omnibus Budget Reconciliation Act of 1981 (OBRA, P.L. 97-35) to map undeveloped coastal barriers for Congressional consideration. In response, DOI published a notice of proposed action in the *Federal Register* on August 16, 1982, titled “Federal Flood Insurance Prohibition for Undeveloped Coastal Barriers; Proposed Identification and Submission of Report to Congress” (Proposed Criteria or 47 FR 35696). The Proposed Criteria provided the definitions and delineation standards of undeveloped coastal barriers that guided DOI mapping efforts and is still used to guide the Service’s mapping and CBRS unit review efforts today.

In 1982, Congress designated relatively undeveloped coastal barriers along the Atlantic and Gulf Coasts—later including parts of Puerto Rico, the U.S. Virgin Islands, the Great Lakes, and the Florida Keys during the 1990 reauthorization—as part of the CBRS in order to remove the incentive to develop coastal barriers by limiting federal expenditures and financial assistance to designated CBRS units.

Congress later codified some of the definitions outlined by the Service in the Proposed Criteria in Section 2 of the Coastal Barrier Resources Reauthorization Act of 2000 (CBRRA) to provide additional clarification and guidance on what should be considered an undeveloped coastal barrier. Section 2 of the CBRRA specifies that, at the time of the inclusion of a System unit within the System, a coastal barrier area is considered developed if the density of development is more than one structure per five acres of land above mean high tide and if there is a full complement of infrastructure in place. A full complement of infrastructure is defined in the law as:

- (i) a road, with a reinforced roadbed, to each lot or building site in the area;
- (ii) a wastewater disposal system sufficient to serve each lot or building site in the area;
- (iii) electric service for each lot or building site in the area; and
- (iv) a fresh water supply for each lot or building site in the area.

The corresponding report language (Senate Report 106-252) states:

“Section 2(1) amends the Coastal Barrier Resources Act by establishing a set of criteria to serve as a guide to the Congress, the U.S. Fish and Wildlife Service, and the public to determine whether a coastal barrier should be considered developed, and therefore excluded from the CBRS. The criteria are based on a rule that was proposed by the Department of the Interior in August of 1982, but was never finalized (47 FR 35696). Despite never being finalized, the proposed rule has long served as a guideline for Congress and the Fish and Wildlife Service when they review suggested changes to the CBRS. In accordance with the proposed rule, this section would consider an area developed if it has more than 1-structure per 5-acres, or a full complement of infrastructure--which is defined to include water supply, wastewater disposal, electricity, and paved roads.”

The original 1982 mapping and subsequent 1990 additions to the CBRS designated sections of North Topsail Beach as CBRS Unit L06. However, the Service should not have been mapped North Topsail Beach into the CBRS because the area had a full complement of infrastructure in place prior to the mapping and subsequent designation of the Unit on October 18, 1982. According to the criteria described in the CBRRA, Senate Report 106-252, and the following guidance from the Proposed Criteria, the area meets the conditions for having a full complement of infrastructure:

“All or part of a coastal barrier will be considered developed, even when there is less than one structure per five acres of fastland, if there is a full complement of infrastructure in place. This is consistent with the clear intent of Congress on this point (Congressional Record, July 31, 1981, p. H5793). A full complement of infrastructure requires that there be vehicle access (i.e., improved roads or docks) to each lot or building site plus reasonable availability of a water supply, a wastewater disposal system, and electrical service to each lot or building site. Ability to use on-site wells and/or septic systems on each later building site in a development, when legally authorized and the normal practice in the vicinity, will constitute water supply and sewage infrastructure since they can be drilled and/or installed concurrently with the construction of the structure (House Report 97-158, Vol. 1, June 19, 198, p. 100; and Congressional Record, July 31, 1981, p. H5793.)”

The Service made an important distinction here that cannot be overlooked. The Service stated that a coastal barrier will be considered developed even when there is less than one structure per five acres of fastland if there is a full complement of infrastructure in place and said that these criteria are “consistent with the clear intent of Congress.” The reference the Service made to the Congressional Record on July 31, 1981, is critical because, on that day, the U.S. House of Representatives passed by unanimous consent the OBRA conference report, which, as you know, directed DOI to create the maps that would become the CBRS one year later. And on that day,

Representative Thomas B. Evans of Delaware—an original author of the aforementioned OBRA language and later the CBRA itself—spoke to the House on the record “to firmly establish the legislative intent of the sponsors of the provision.” Included in Representative Evans’ remarks is a discussion of what the sponsors consider an undeveloped coastal barrier:

“Regarding the determination of which coastal barriers are undeveloped, the House adopted, and the Senate agreed to, section 1321(b)(2) which requires that an undeveloped coastal barrier shall be treated as such only if there are few people-made structures on the barrier, or portion of a barrier, so that these structures and human activities on the barrier do not significantly impede geomorphic and ecological processes. In interpreting the first aspect of this standard, the authors intend that the Department use the same standard which they have used in their ongoing inventory of coastal barriers. That is, an area which averages less than one structure per 5 acres should be considered undeveloped. We also expect, and this was noted in the report from the Banking Committee, that the Department will take into account the level of infrastructure—roads, water, sewers, electric lines, jetties, and so forth—in place in making this determination. For example, the presence of scattered structures with no associated infrastructure suggests that an area is not developed. On the other hand, an area which has a full complement of infrastructure; that is, some combination of the above-mentioned items, but no structures, should be considered as being already developed” (Congressional Record, July 31, 1981, p. H18935-H18936).

Representative Evans clearly stated that the sponsors intended for coastal barriers with a full complement of infrastructure (some combination of roads, water, sewer, electric lines, jetties, etc.) to be considered developed, *even if there are no structures*. Some areas of North Topsail Beach met both criteria and were not included in CBRS Unit L06. Those pockets are clearly visible on the current maps for the Unit. However, other areas of North Topsail Beach seemingly needed more structures to meet the density of development criteria despite the significant growth occurring on the north end of Topsail Island. Nevertheless, the significant infrastructure on the island, which supported the existing structures and later development, was in place before the passage of the CBRA in 1982.

In 1981-1982, when the Service was mapping coastal barriers per Congress’ directive in the OBRA, development status was determined primarily on the density of visible structure as seen from aerial photography. This method is understandable given the immense amount of mapping the Service needed to complete within a short period. According to a July 28, 1982, memo from the Coastal Barrier Task Force to the Secretary of the Interior on the Interim Proposed Undeveloped Coastal Barrier Designation for Topsail Unit L06, the Task Force stated, “Aerial photography taken April 30, 1982, verifies the existence of the components including a linear beach feature, sand dunes, and landward aquatic habitat within the area proposed for designation as an undeveloped coastal barrier. In addition, those aerial photographs confirm the lack of sufficient structure and other facilities or visible impacts to consider the area proposed for designation developed as defined by statute.”

However, this aerial examination method did not reveal the significant infrastructure development already on the ground. A thorough examination of records and documentation shows that the north end of Topsail Island had a full complement of infrastructure that meets the requirements outlined in the Proposed Criteria and the CBRRA.

Roads

Roadways have existed along the entire length of Topsail Island since the 1940s. State records indicate a fully paved road in 1953, which became part of the state highway system in 1968. A 1982 Onslow County Zoning Map shows that all lots on the northern end of Topsail Island had direct access to a road with a reinforced roadbed.

In addition, North Topsail Beach is accessible from the mainland by NC Highway 210 and the Larry Walton Memorial Bridge, which was built in 1968. The bridge provides direct and convenient access to North Topsail Beach and is responsible, in part, for the significant growth on Topsail Island in the 1970s and 1980s. Bridge access to the island has also been available through Surf City, the town just to our south, since 1955.

Electricity

Jones-Onslow Electric Membership Corporation (EMC) has provided electrical service to Topsail Island since the 1940s. Easement records show that Jones-Onslow EMC aggressively expanded electrical service throughout Topsail Island in 1977 and 1978. Maps supplied by Jones-Onslow EMC show that even the most northern reaches of Topsail Island had electrical service by 1980. Electrical lines suspended on telephone poles were installed well before 1982 along NC Highway 210 and New River Inlet Road, allowing every lot in the area direct access to power.

Water and Sewer

North Topsail Water and Sewer was established in 1979 to provide water and sewer services to North Topsail. The North Carolina Department of Transportation granted the company easements to extend its utility lines along New River Inlet Road in 1980. A pump station at the center of New River Inlet Road was also operational by 1980. That same year, Onslow County began to construct its own water system. The County's system gained utility easement rights along Island Drive while North Topsail Water and Sewer still serviced the New River Inlet Road area. In 1981, North Topsail Water and Sewer transferred ownership of its water system to Onslow County. Records establish the location of North Topsail Water and Sewer's utility lines as running from NC Highway 210 to the New River Inlet. Onslow County completed its water pipelines along Island Drive by the end of 1981.

Initial sewer permits were issued in 1979 to service the northern section of Topsail Island. A 53,000-foot extension of sewer lines was installed in 1982, and a pump station was located near the bridge (now the Larry Walton Memorial Bridge). Most significantly, an expanded 33.4-acre treatment facility and a 268-acre irrigation area were constructed at this time, which still supports North Topsail Beach's wastewater needs today.

Groundwater sources for water wells were also readily available to supplement the water supply, and the installation of septic systems was available to lots where sewer lines were not already installed.

As a result of the significant infrastructure investments by private and public entities, there were approximately 490 existing housing units in North Topsail Beach by the end of 1981, and 100 additional units were constructed in 1982. Zoning authority records indicate that 179 more housing units were built in 1983, 232 more in 1984, 250 more in 1985, and so on. There was so much growth in the area in the late 1970s and early 1980s that in 1980, West Onslow Beach (now North Topsail Beach) was nominated as a statewide “growth center” (1980 Onslow County Resolution).

According to 1982 zoning maps, approximately 796 lots were on the main road. As was the case for the existing structures, each lot could connect directly to electrical, sewer, and water services. The adequacy of infrastructure is shown clearly by the fact that the Service excluded from the CBRS two housing developments at the extreme north end of New River Inlet. These developments were made possible because of the existing roadways, electric and water infrastructure, and the ability to install private drives, septic systems, and wells.

In summary, before the passage of the CBRA, the north end of Topsail Island had in place infrastructure consisting of:

1. a road with a reinforced roadbed (NC Highway 210 and New River Inlet Road);
2. a wastewater disposal system sufficient to serve each lot or building site in the area (North Topsail Water and Sewer Corporation, Onslow County, and availability of septic);
3. electric service for each lot or building site in the area (Jones-Onslow EMC); and
4. a fresh water supply for each lot or building site in the area (North Topsail Water and Sewer Corporation, Onslow County, and availability of groundwater sources for wells).

(North Topsail Beach’s Infrastructure Analysis totals 199 pages and therefore exceeds the testimony attachment limitations allowed by the Subcommittee. North Topsail Beach can provide the Subcommittee with the Infrastructure Analysis at a later date at the Subcommittee’s request.)

We must also address the single highway corridor provision outlined in the Proposed Criteria. While the Service generally identifies vehicle access, water supply, wastewater disposal, and electrical service as the infrastructure necessary for an area to be considered developed, the Service also qualifies that “[t]he presence on a coastal barrier of a single road, or even a through highway, plus associated electric transmission and water and sewer lines in this highway corridor does not constitute the necessary full complement of infrastructure necessary to support development.” The terms “through highway” and “highway corridor” suggest a highway with limited direct access from private lots. We must emphasize that NC Highway 210 and New River Inlet Road are the primary local roadways in North Topsail Beach. Due to the island’s narrow configuration, the main water, wastewater, and electrical infrastructure lines were placed down these roads, with most lots directly bordering the roads, as you would see on a typical neighborhood street. There was no restricted access to these roads from lots or building sites, as would be the case if NC Highway 210 and State Route 1568/New River Inlet Road were through highways or highway corridors.

In its “Draft Report to Congress: John H. Chafee Coastal Barrier Resources System Digital Mapping Project” (2009), the Service “affirmed that sewer and water lines were installed along the main roads and primary electric service was available” in North Topsail Beach but said that “secondary services were not constructed until the lots were developed” (p. D-14).

There are no references to “secondary services” in the OBRA, CBRA, CBRRA, Proposed Criteria, or related documents. The term seems to reference infrastructure installed from a primary utility line onto a building site. Without a structure, there is no need for “secondary services” to a lot or building site. We again reference Representative Evans’ comments: “...the presence of scattered structures with no associated infrastructure suggests that an area is not developed. On the other hand, an area which has a full complement of infrastructure; that is, some combination of the above-mentioned items, but no structures, should be considered as being already developed” (Congressional Record, July 31, 1981, p. H18935-H18936). The Service refrained from including any reference to “secondary services” in its final report to Congress (2016).

Further, this same infrastructure provided service to lots in the southern half of North Topsail Beach, which were not included in the CBRS, and two developments in the northern half, which were excluded from the CBRS. In the case of the southern half of the Town, NC Highway 210 was not considered a single road, through highway, or highway corridor, even though the same infrastructure that served the southern half of the Town also served the northern half. We must also note that the other communities on Topsail Island, Surf City and Topsail Beach, were not included in the CBRS.

Federal Flood Insurance and Other Impacts

In removing certain areas of North Topsail Beach from the CBRS, H.R. 2437 will allow the Town and its residents to qualify for federal financial assistance, just like any other community not in the CBRS.

For example, H.R. 2437 will enable property owners to obtain federal flood insurance. These structures are currently covered by private flood insurance, which is generally only provided at full risk rates. If the legislation is approved, these homeowners can remain on their current private plans or move to the NFIP. If a homeowner switches to the NFIP, that property would not be eligible for any special status (i.e., grandfathering) and would therefore be expected to pay full risk rates.

Although several hundred housing units within CBRS Unit L06 were built between 1982 (the year CBRA was authorized) and when the 1987 flood standard went into effect, most structures built in this area are post-FIRM and therefore built to at least the 1987 flood standard. Due to Town ordinances, property owners within CBRS Unit L06 must meet the same flood policy dwelling standards adhered to by the non-CBRS residents, who must meet NFIP standards. In addition, due to the Town’s successful floodplain management policies and Community Rating System standing, eligible properties in North Topsail Beach receive substantial premium discounts through the NFIP.

Regarding previous CBRA legislation, it is our understanding that the Congressional Budget Office (CBO) historically has not provided estimated costs to the federal government regarding future flood events, stating that there is no basis for predicting such events and thus no basis for providing an estimated cost to the federal government. However, some suggest that taking areas out of the CBRS puts the federal government at risk.

North Topsail Beach completed an analysis of flood insurance claims filed from 1987, the year North Topsail Beach began participating in the NFIP, through 2015. This analysis shows that North Topsail Beach is a donor community, meaning it contributes more to the NFIP than it receives (refer to the tables below). Between 1987 and 2015, average yearly NFIP claims in North Topsail Beach totaled \$524,235, while annual NFIP premiums totaled \$1,725,329. (Approximately 56 percent of policies are for pre-FIRM structures and 44 percent are for post-FIRM structures.) Based on this analysis, North Topsail Beach property owners pay 329 percent more in annual NFIP premiums than they claim. Therefore, it can be assumed that North Topsail Beach will not only continue to be a donor community to the NFIP but will also likely contribute more to the NFIP (in terms of both percentages and annual surplus contributions) because a greater share of structures will be post-FIRM.

The CBRS designation has also prohibited property owners and homebuyers from access to federally-backed mortgage products. This is especially challenging given North Topsail Beach's proximity to Camp Lejeune, one of the largest military installations in the nation. Many of our residents currently serve in the military or are military veterans, and due to the Town's CBRS designation, these residents cannot access V.A. loans.

Of course, the CBRS designation has prevented the Town itself from applying for federal financial assistance, including FEMA Public Assistance after storm events, and most other federal grants, loans, and technical support.

Conclusion

H.R. 2437 will only remove from the CBRS areas of North Topsail Beach that were served by a full complement of infrastructure before the mapping and designation of CBRS Unit L06 in 1982. As is clear from our review of the law, the Proposed Criteria, House and Senate Reports, and the Congressional Record, coastal barrier areas served by a full complement of infrastructure must be deemed developed and thus not designated as part of the CBRS. It is clear that Congress did not intend to include areas in the CBRS with such significant on-the-ground infrastructure investment by local governments and private entities. As a practical matter, undeveloped areas do not have such substantial public and private infrastructure investment, particularly areas where there is a clear intention that the infrastructure is meant to support residential structures. Undeveloped areas do not have sewer lines, water lines, wastewater treatment facilities, electricity, and paved roads that serve no purpose. We agree with Congress that "...an area which has a full complement of infrastructure (i.e., some combination of roads, waters, sewers, electrical lines, etc.) but not structures, suggests that the area is, as a practical matter, already developed" (House Report 97-158, Volume 1, page 100).

We want to express to you our serious commitment to preserving the CBRA. We do not take this request lightly, and we know how important it is to you that we all continue to protect and further the integrity and goals of the CBRA. In the spirit of the CBRA, the Town has placed 60 percent of its total land acreage in conservation zoning and restricted development to 30 percent of residually zoned properties. In accordance with the Town's adopted Land Use Plan, conservation zones can never be rezoned for development, protecting this land from future development incursions. H.R. 2437 is about equal treatment under the law and is in no way an attempt to subvert the CBRA. We fully understand the importance of preserving the integrity of barrier islands. A barrier island is our home, and preserving our home is our highest priority.

On behalf of the Town of North Topsail Beach, I urge you to support and approve H.R. 2437.

Thank you for your time and attention.

**Attachments to Accompany Prepared Statement by Tom Leonard, LtCol, USMC(ret.)
Alderman, Town of North Topsail Beach, North Carolina**

**Before the House Natural Resources Committee
Subcommittee on Water, Wildlife, and Fisheries**

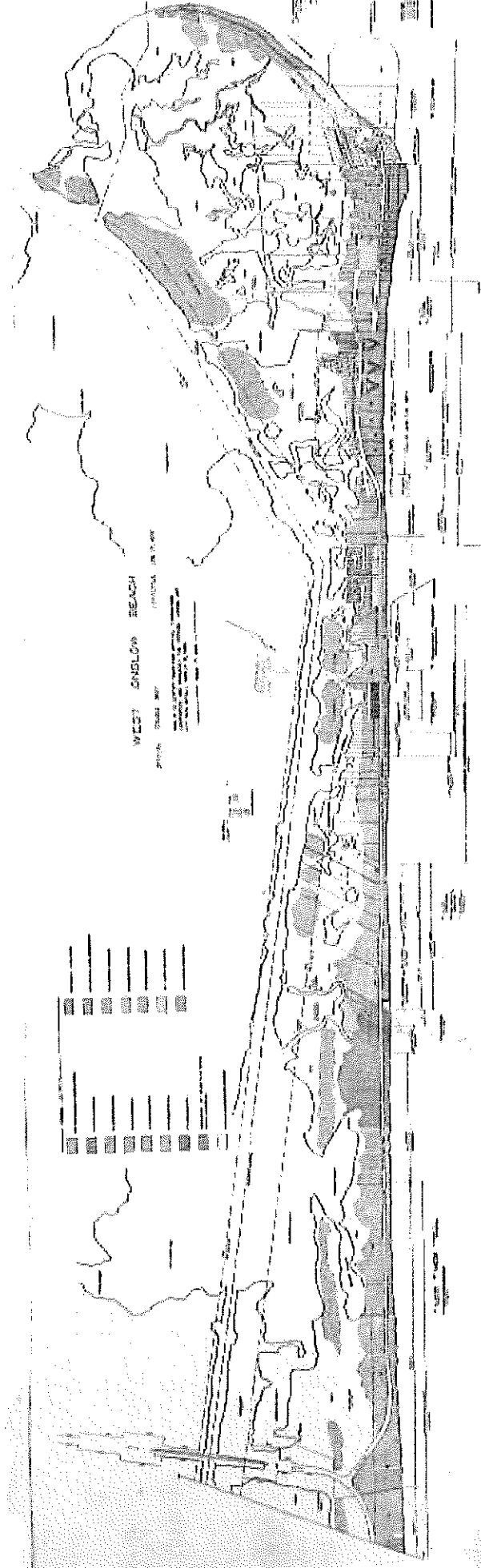
“Legislative Hearing on H.R. 2437, H.R. 3415, H.R. 4385, and H.R. 4590”

September 28, 2023

1. North Topsail Beach: 1982 Onslow County Zoning Maps – Documenting Lots’ Road Access
2. North Topsail Beach: 1982 Onslow County Zoning Maps – Detailed Excerpt
3. Onslow County Letter Confirming Development in North Topsail Beach Before CBRA Enactment
4. Jones-Onslow Electric Membership Corporation Letter Confirming Electrical Service in North Topsail Beach Before CBRA Enactment
5. Pluris Letter Confirming Wastewater Service in North Topsail Beach Before CBRA Enactment
6. Onslow Water and Sewer Authority Letter Confirming Water Service in North Topsail Beach Before CBRA Enactment
7. Current Map for Unit L06 (1 of 2): Onslow Beach Complex L05 (2 of 2) Topsail Unit L06 (1 of 2)
8. Current Map for Unit L06 (2 of 2): Topsail Unit L06 (2 of 2)
9. Map of Approximate Areas Removed from CBRS Unit L06 Under H.R. 2437

North Topsail Beach

1982 Onslow County Zoning Maps - Documenting Lots' Road Access Prior to 1982



North Topsail Beach

1982 Onslow County Zoning Maps - Detailed Excerpt

EFFECTIVE: JAN. 15, 1982

OFFICIAL ZONING MAP

THIS IS TO CERTIFY THAT THIS OFFICIAL ZONING MAP
SUPERSEDES AND REPLACES THE OFFICIAL ZONING MAP
PUT INTO EFFECT MARCH 19, 1969.

SCALE: 1" = 800'

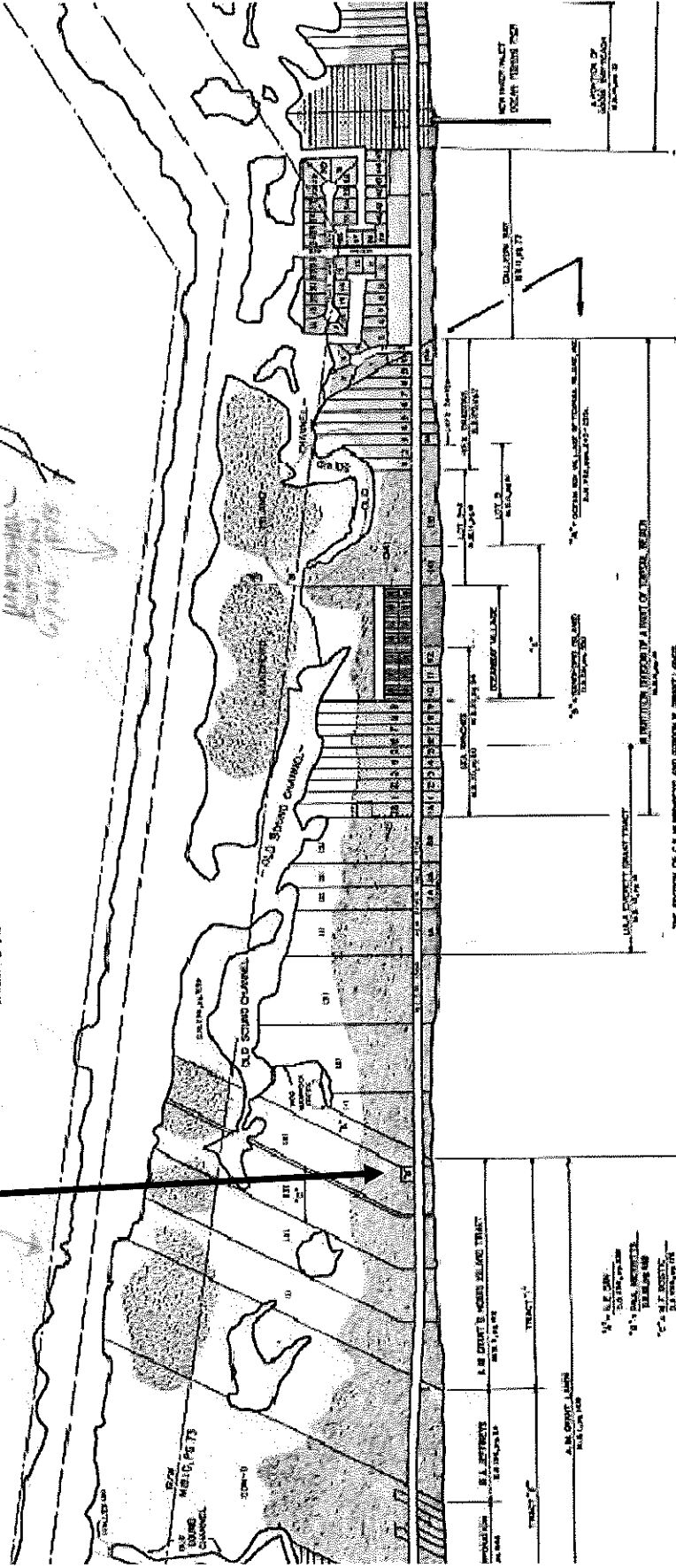
M-1 LIGHT INDUSTRIAL

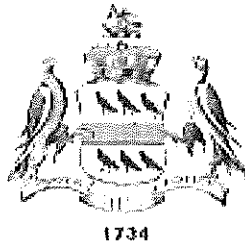
M-2 HEAVY INDUSTRIAL

REVISED
MAY 1977

1/2" = 1" N.W.A.	1/2" = 1" N.W.A.
1/4" = 1/2" S.W.A.	1/4" = 1/2" S.W.A.
1/8" = 1/4" C.W.A.	1/8" = 1/4" C.W.A.
1/16" = 1/8" S.W.A.	1/16" = 1/8" S.W.A.
1/32" = 1/16" S.W.A.	1/32" = 1/16" S.W.A.

Lots with Road Access





COUNTY OF ONSLOW

June 12, 2014

Mr. Stuart Turille, Town Manager
North Topsail Beach
2008 Loggerhead Court
North Topsail Beach, North Carolina 28460

RE: North Topsail Beach Construction Activity

Dear Mr. Turille:

Onslow County was the primary authority responsible for issuing development permits in the area formerly known as West Onslow Beach, now the Town of North Topsail Beach, leading up to and including the year 1982. This includes both the NC Hwy 210 and New River Inlet Road (SR-1568) corridors. Based upon historical records, the County approved approximately 590 structures in this area prior to January 1, 1982. Direct access to water and sewer was required at the time the permits were approved.

Specifically, prior to the U.S. Fish and Wildlife's Service's 1982 mapping, each lot or building site included in the CBRS unit L06 had direct access to water and sewer. The systems providing these services were constructed prior to 1982 and anyone requiring service could, on demand, be connected.

If you have further questions, please do not hesitate to contact our office.

Sincerely

Jeffrey L. Hudson
County Manager

CC: Mr. Benjamin Warren, Planning and Development Director

Jones-Onslow

259 Western Boulevard • Jacksonville, North Carolina 28546-5736
www.joemc.com • 910-353-1940 • 800-682-1515

Electric Membership Corporation

June 16, 2014

Stuart Turille
Town Manager
Town of North Topsail Beach
2008 Loggerhead Court
North Topsail Beach, NC 28460

Dear Mr. Turille,

Jones-Onslow Electric Membership Corporation provides electric distribution services to the Town of North Topsail Beach.

Electrical distribution services have been available to this area, after World War II, when the Department of the Navy sold the existing electrical system to Jones-Onslow EMC. The citizens of the island north end had "direct access" to electrical service if they so choose from the end of World War II to current day.

Electrical distribution services were available to each lot or building site, included in the CBRS unit L06, prior to the 1982 mapping by U.S. Fish and Wildlife Service. The main distribution system was in place prior to the 1982 date and electrical services, including metering, were provided upon construction on lots and sites.

Jones Onslow will provide additional information as needed.

Sincerely,



J. Ronald McElheney
Chief Executive Officer





June 16, 2014

Stuart Turille
Town Manager
Town of North Topsail Beach
2008 Loggerhead Court
North Topsail Beach, NC 28460

Re: Coastal Barrier Resources Act ("CBRA")

Dear Mr. Turille,

Pluris, LLC ("Pluris") is providing this correspondence in accordance with your request of June 12, 2014. As the Town is aware, Pluris manages the sewer infrastructure in the CBRA, Unit LO6. Pluris staff has researched its historical records and can confirm that prior to the U.S. Fish and Wildlife Service's 1982 mapping of each lot or building site included in the CBRA, Unit LO6; that all lots had direct access to sewer services since the beginning of the utility in the year, 1979.

Regarding the process for service; upon notification of residential and/or commercial construction, and after fees are paid, access to sewer is then permitted and service lines to the new residential and/or commercial structure completed.

Pluris staff are prepared to provide an affidavit and or testify to the aforementioned should the Town need additional assistance on the matter.

If you have any questions, please feel free to contact me directly, at any time at (910) 327-2880.

Sincerely

Randy Hoffer

Regional Manager

Member Governments
Holly Ridge
Jacksonville
North Topsail Beach
Onslow County
Richland
Swainboro



Administrative Division
Billy Joe Farmer
Executive Director
bfarmer@onwasa.com
910.937.7532 Tel
910.347.0793 Fax

June 11, 2014

Stuart Turille
Town Manager
Town of North Topsail Beach
2008 Loggerhead Court
North Topsail Beach, North Carolina 28460

Dear Town Manager Turille,

The Onslow Water and Sewer Authority, ONWASA, Public Water System ID #NC0467035, provides potable drinking water to the Town of North Topsail Beach meeting all NCDENR & EPA standards for safe drinking.

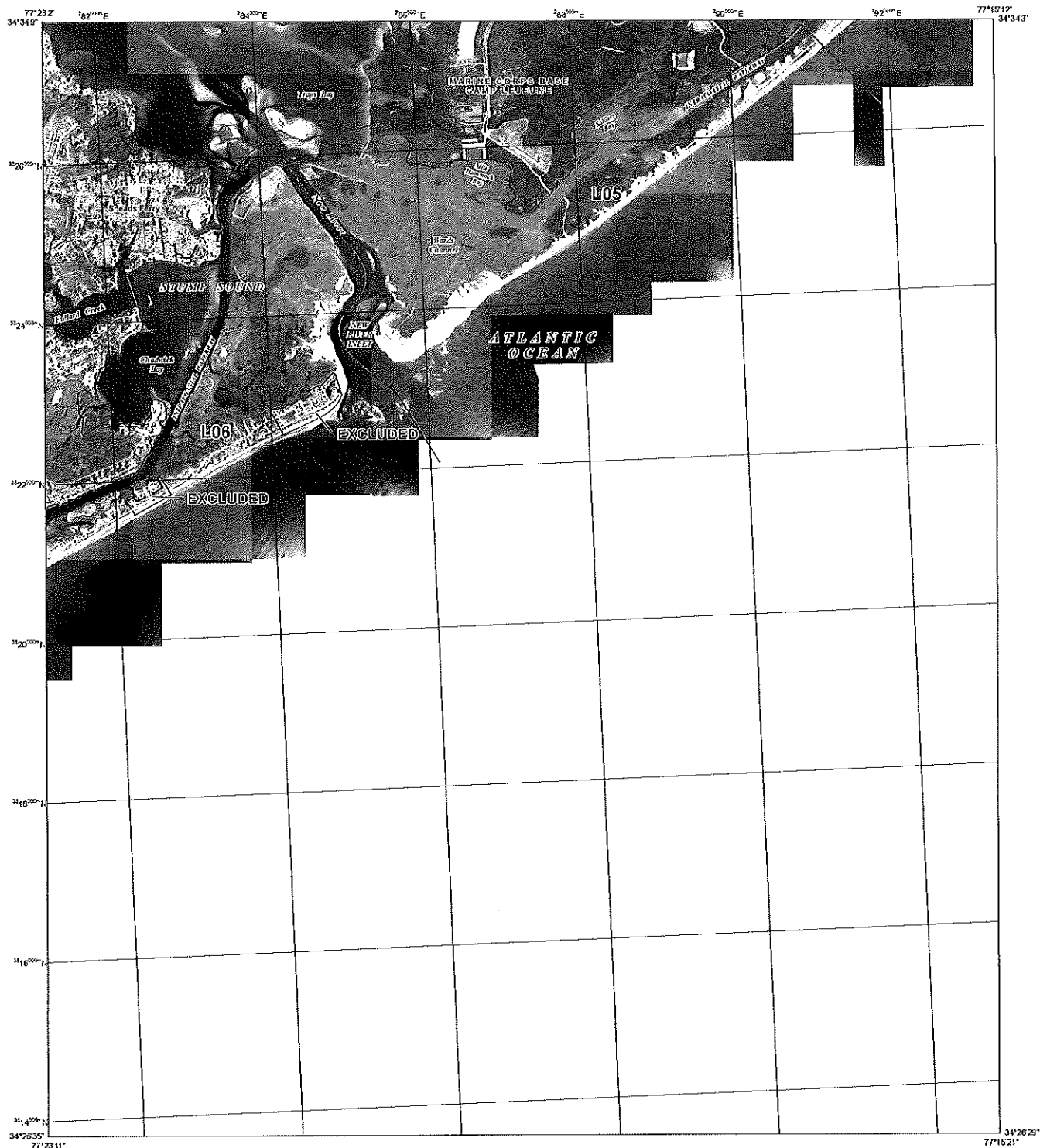
Prior to the U.S. Fish and Wildlife's Service's 1982 mapping, each lot or building site included in the CBRS unit L06 had direct access to water services since the water system's construction prior to 1982. The normal building process is that, upon notification of construction, access into the line is permitted and meters and service lines to the new structure are then allowed.

I will provide any additional information if needed.

Sincerely,

A handwritten signature in dark ink, appearing to read "Billy Farmer", with a long horizontal line extending to the right.

Billy Farmer
Executive Director



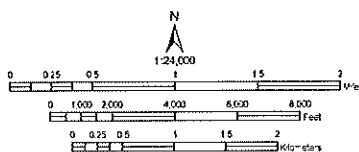
JOHN H. CHAFEE COASTAL BARRIER RESOURCES SYSTEM

Onslow Beach Complex L05 (2 of 2) Topsail Unit L06 (1 of 2)

This map was produced by the U.S. Fish and Wildlife Service from a map dated November 20, 2013, and was made effective on December 21, 2018, via Public Law 115-350. The boundaries of the John H. Chafee Coastal Barrier Resources System (CBRS) on this map are identical to the boundaries on the map adopted by Public Law 116-356. This map supersedes all prior maps depicting the CBRS boundaries in this location.

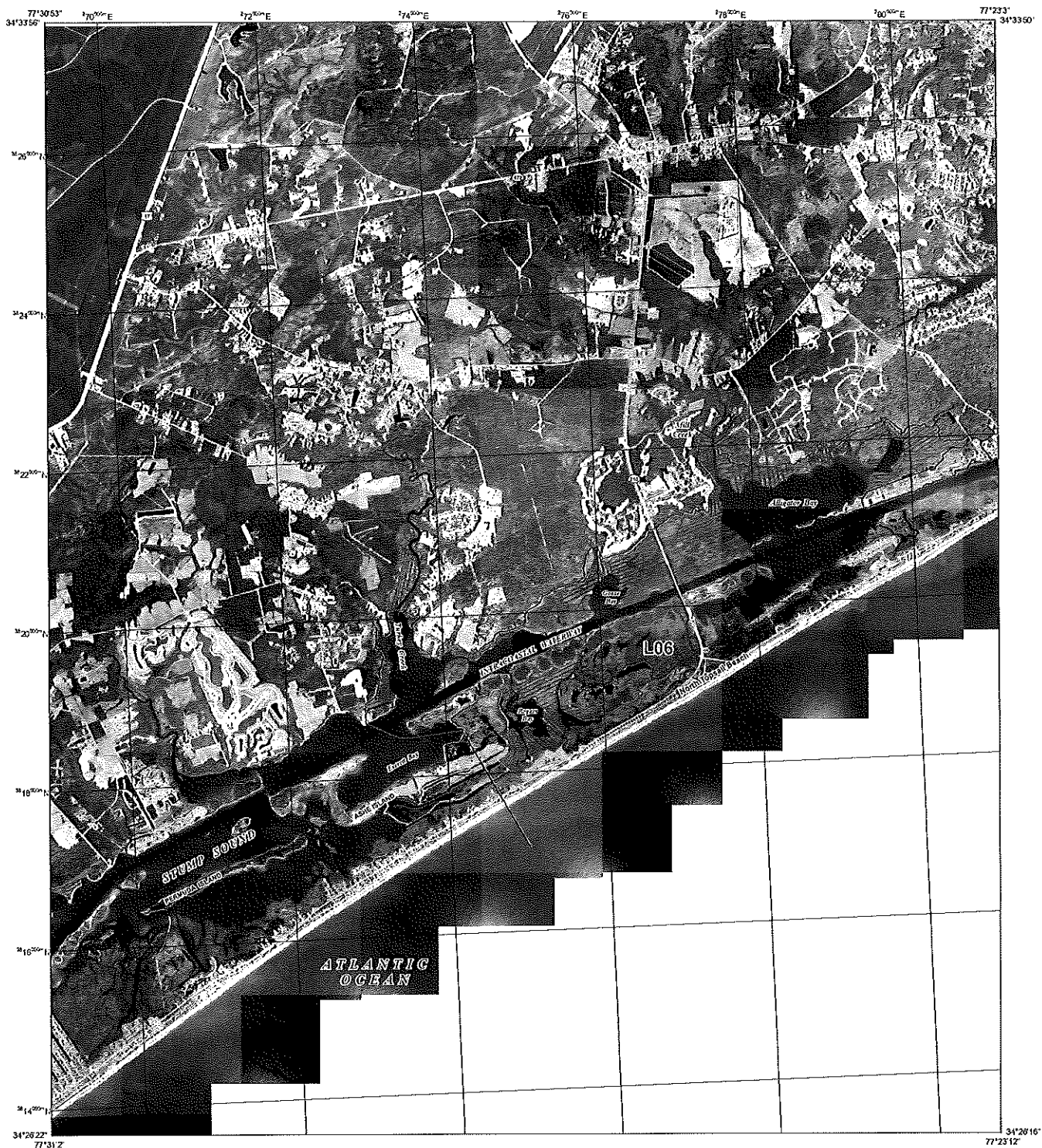
The seaward side of the CBRS unit includes the entire sand-sharing system, including the beach and nearshore area. The sand-sharing system of CBRS units is normally defined by the 30-ft bathymetric contour. In large coastal embayments and the Great Lakes, the sand-sharing system is defined by the 20-ft bathymetric contour or a line approximately one mile seaward of the shoreline, whichever is nearer the coastal barrier.

For additional information about the Coastal Barrier Resources Act or CBRS, please visit www.fws.gov/cbrs



- System Unit Boundary
- Otherwise Protected Area (OPA) Boundary, OPAs are identified on the map by the letter "P" following the unit number
- Approximate State Boundary
- 2000-meter Universal Transverse Mercator grid values

Imagery Date(s): 2010 and 2012
Imagery Source(s): State of North Carolina and United States Department of Agriculture National Agriculture Imagery Program
Coordinate System: North American Datum 1983 North Carolina Statewide Mapping System Lambert Conformal Conic Projection
Map 37-023B December 21, 2018



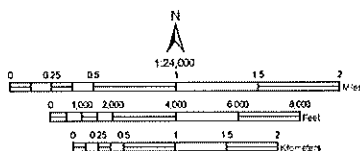
JOHN H. CHAFEE COASTAL BARRIER RESOURCES SYSTEM

Topsail Unit L06 (2 of 2)

This map was produced by the U.S. Fish and Wildlife Service from a map dated November 20, 2013, and was made effective on December 21, 2010, via Public Law 115-350. The boundaries of the John H. Chafee Coastal Barrier Resources System (CBRS) on this map are identical to the boundaries on the map adopted by Public Law 115-350. This map supersedes all prior maps depicting the CBRs boundaries in this location.

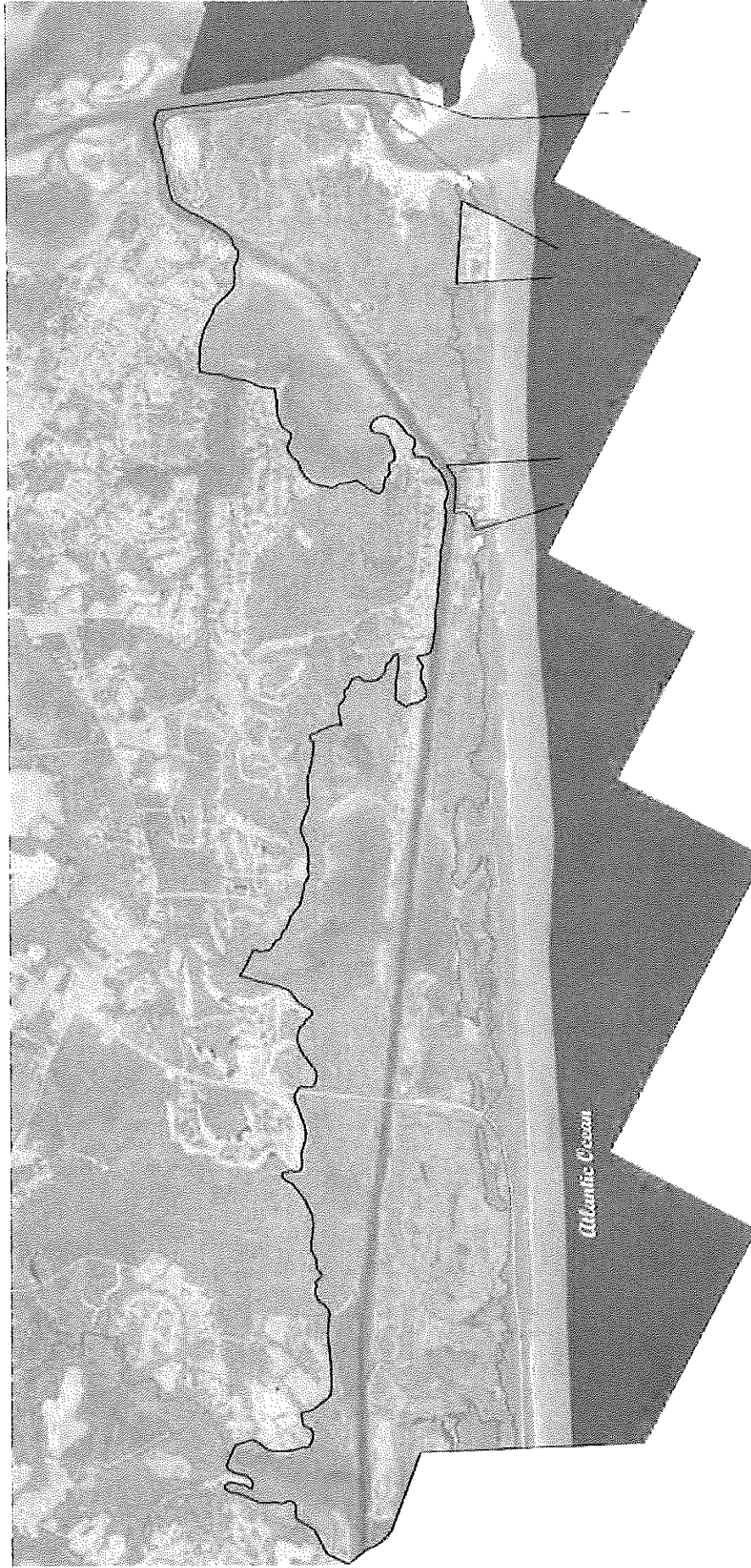
The seaward side of the CBRs unit includes the entire sand-sharing system, including the beach and nearshore area. The sand-sharing system of CBRs units is normally defined by the 30-ft bathymetric contour. In large coastal embayments and the Great Lakes, the sand-sharing system is defined by the 20-ft bathymetric contour or a line approximately one mile seaward of the shoreline, whichever is nearer the coastal barrier.

For additional information about the Coastal Barrier Resources Act or CBRs, please visit www.fws.gov/cbra



- System Unit Boundary
- Otherwise Protected Area (OPA) Boundary, OPAs are identified on the map by the letter 'P' following the unit number
- - - - - Approximate State Boundary
- 2000-meter Universal Transverse Mercator grid values

Imagery Date(s): 2010 and 2012
 Imagery Source(s): State of North Carolina and United States Department of Agriculture National Agriculture Imagery Program
 Coordinate System: North American Datum 1983 North Carolina Statewide Mapping System Lambert Conformal Conic Projection
 Map 37-024B December 21, 2010



Approximate Areas Removed from CBRS Unit L06 Under H.R. 2437

Approximate Existing L06 Unit Boundary

THIS MAP IS INTENDED FOR REFERENCE PURPOSES ONLY. ALL DIMENSIONS ARE APPROXIMATE.

**Oral Statement of Tom Leonard, LtCol, USMC(ret.)
Alderman, Town of North Topsail Beach, North Carolina**

H.R. 2437

September 28, 2023

- Chairman Bentz, Ranking Member Huffman, and Members of the Subcommittee, thank you for the opportunity to provide testimony today on H.R. 2437.
- This legislation will correct a mapping error made by the U.S. Fish and Wildlife Service over 40 years ago when it incorrectly designated the northern end of Topsail Island, now the Town of North Topsail Beach, as a Coastal Barrier Resources Act, or CBRA, zone.
- North Topsail Beach is one of three small towns located on Topsail Island, a 26-mile-long barrier island between Jacksonville and Wilmington, North Carolina, and adjacent to Marine Corps Base Camp Lejeune. Due to our proximity to Camp Lejeune, many of our residents and visitors have a military connection, including myself, a retired United States Marine Corps officer with 30 years of service.
- Like you, North Topsail Beach plays an important role in the collective federal, state & local effort to preserve and maintain barrier islands. As the primary law that protects barrier islands,

Barrier Resources System; the other being the density of development.

- A full complement of infrastructure is defined by law as
 - (1) a road with a reinforced roadbed
 - (2) a wastewater disposal system
 - (3) electric service, and
 - (4) a fresh water supply...

all of which must be sufficient to serve each lot or building site in the area.

-----[2.5 MINUTES]-----

- A thorough examination of records and documentation, which is summarized in my written testimony, shows that the north end of Topsail Island had a full complement of infrastructure that meets the requirements outlined in the Service's own guidance and the law.
- Roadways have existed along the entire length of Topsail Island since the 1940s. A 1982 zoning map shows that all lots on the northern end of Topsail Island had direct access to a road with a reinforced roadbed.

- We agree with Congress, which said that quote, "...an area which has full complement of infrastructure (i.e., some combination of roads, waters, sewers, electrical lines, etc.) but not structures, suggests that the area is, as a practical matter, already developed," close quote.
- Being included in CBRA has no doubt had an impact on our community. Our residents cannot qualify for federal flood insurance; our Town cannot apply for federal grants and loans or named storm assistance; and our veterans cannot access federally-backed mortgage products, including V.A. loans.
- But H.R. 2437 is about equal treatment under the law and is in no way an attempt to subvert CBRA. This bill will just allow our community to be treated like any other community that was not mapped into CBRA, including the other two towns on Topsail Island.
- On behalf of the Town of North Topsail Beach, I urge you to support and approve H.R. 2437.
- Thank you again for this generous opportunity.

-----[5 MINUTES]-----

North Topsail Beach
Activities Update
October 2023
Richard Grant

MAJOR ACTIVITIES SUMMARY

-
- Over \$40 million dollars of beach projects either completed or under contract since 2019/2020 with minimal cost to NTB taxpayers (see later slide)
 - Obtained over \$12 million in grants and/or outside funds
 - Firetruck loan at 0% interest
 - Paid off over \$7 million of Phase 5 USDA loan
 - Refinanced as Special Obligations Bonds (SOBs) saving hundreds of thousands of dollars in interest
 - 30 year beach plan under development and BISAC committee formed
 - CBRA progress with federal officials
 - Capital project fund established and South Firehouse moves to design and construction phases (construction to begin in 2024-bids due fall 2023)
 - Bike lane study funded
 - Clean Outside Financial Audits

Revenues 23/24 budget

“where does the money come from?”

- Generally four major sources of revenues **excluding grants and awards**
 - Property taxes \$0.43. \$6,933,750 (only one NTB has control over-County is separate).
 - \$0.26 General fund, \$0.10 Beach (Shoreline Protection), \$0.07 Capital Improvement fund
 - Sales taxes \$2,644,292—(split General 74.4% and Beach 25.6%)
 - Accommodation fees \$1,650,000 (rentals)-100% to Beach (Shoreline Protection)
 - These are set by the State not NTB
 - Parking fees \$448,500 (75% beach, 25% general fund)

What are the Town's largest budgeted expenses?

- **Phase 5 Beach Project** formerly USDA loan (refinanced as SOB's) \$2,006,204 (annual payment 4 years remaining)
- **Fire department** \$1,612,748 (does not include capital fund dollars of over \$1 million)
- **Police department** \$1,388,870

Property taxes why did they increase?

-
- Every four (4) years Onslow County does an individual property revaluation which becomes basis for assessing taxes—occurred in 2022 but can be appealed
 - NTB saw more than a 50% increase in total “value” although this varies by individual property and included “new construction”
 - Property values (including resales) and rentals soared over that period
 - Onslow has an interactive map showing these—eg my house value is in the 114% increase area
 - NTB and Onslow actually dropped their “tax rate” - NTB from \$0.46 to \$0.43 and Onslow County from \$0.705 to \$0.655.
 - NTB receives approximately 40% of the total property taxes paid in total, and we assume a 99.3% collection on our share (the \$0.43)

Where does the money go?

2023/2024 Budget Revenues and Expenses

Shoreline Protection (beach)

- Revenues \$4,254,816.65 (31% of total revenue)
- Expenses (significant)
 - Phase 5 USDA (refinanced as SOB's) \$2,006,204.00 (47%)
 - Brings total payoff to over \$7 million of original \$15 million since 2021 with another \$2 million paid off this year
 - Future Projects \$1,076,612.65 (25%)
 - New River EIS \$280,000 (commonly referred to as the "groin" project)
 - Sea Oats and Vitex removal \$266,000
 - 30 year beach plan \$30,000
 - Sand bag repair \$200,000

2023/2024 Budget Revenues and expenses

Capital Improvement Fund

- Revenues \$1,743,695.92 (12.5%) –does not include approximately \$500,000 to be received from Onslow County (see later slide)
- Expenses
 - Fire Department \$930,562.50
 - Fire Truck fund \$153,187.50
 - Bike Path project \$100,000
 - Future Capital Improvements \$559,945.92

2023/2024 Budget Revenues and expenses

General Fund

-
- Revenues \$7,591,076 (54%)
 - Expenses \$7,591,076 (significant listed below)
 - Fire department \$1,612,748 -22%
 - Police department \$1,388,870 - 18%
 - Planning and inspections \$482,340
 - Public works (buildings, streets, trash rec) \$1,770,583
 - Contingency (storms etc.) \$532,756
 - Admin \$862,730

NTB/Onslow County Partnership

- Cooperative relationship
- Onslow funding (annual)
 - \$0.03 property tax from County property tax collections (approximately \$500,000 per year) for Fire Department
 - \$150,000 grant for Phase 5 loan repayment
- \$10,000 one time grant for Ocean City FY 22/23
- Working together regarding planning including infrastructure

Grants (single)

- North Carolina Phase 4 \$10.5 million matching
 - NTB used FEMA Phase 5 as match so not cost to town
 - Creates "engineered beach"
- Cyber security (no match) \$13,527
- FEMA Go, Assistance to Firefighters Grant for 78,571 (Town contribution of 5%, for AirPaks)
- Golden Leaf, Town Hall Grant for \$287,678
- NCDEQ, Large Sediment Sampling Grant for \$14,400
- NCDEQ, Shoreline Protection Funding for \$1,500,000 (no match or contributions)
- GEMS, PD Laptop Replacement Grant for \$23,433 (no match)

Grants/funding (continuing)

- Onslow County fire department (\$0.03 of property tax)
 - Annual around \$500,000 based on NTB property values
- Onslow County—debt assistance
 - \$150,000 per year applied to Phase 5 loan

Beach Projects since 2013 Summary

Data provided by NTB Beach Engineer

	total cost		town cost	%total	%town
Phase 5		41,765,460	16,800,000	60%	69%
Phase 4		11,474,000	446,000	17%	2%
Phase 3		0	0	0%	0%
Phase 2		0	0	0%	0%
Phase 1		11,150,000	7,258,333	16%	30%
Phase 1,2,3,4		3,972,150	0	6%	0%
Phase 1,2		1,020,000	0	1%	0%
		\$69,381,610	\$24,504,333		

Nourishment History since 2013 (including sandbag revetment)

Costs are approximate, volumes are rounded

Date Completed	Shoreline Phase(s)	Volume (cy)	TOTAL COST	Town Cost(doe)	FEMA Cost	State Cost
3/1/2013	Channel Realignment 1	500,000	\$ 5,600,000	\$ 5,600,000	\$ -	\$ -
2014	Sandbag Revetment (including geotube)	50,000	\$ 2,500,000	\$ 1,250,000	\$ -	\$ -
6/1/2015	Phase 5 (2nd Event) USDA loan \$millions of interest not includ	1,300,000	\$ 16,800,000	\$ 16,800,000	\$ -	\$ -
4/1/2016	NC Shallow Inlet fund - Cedar Bush Cut	130,000	\$ 2,450,000	\$ 408,333	\$ -	\$ 1,638,317
2019/2020	FEMA Truck Dune Haul - Matthew Mitigation	168,000	\$ 5,330,460	\$ -	\$ 3,997,845	\$ 1,332,615
2019/2020	Truck Dune Haul - Florence State Project	66,000	\$ 2,112,000	\$ 446,000	\$ -	\$ 1,666,000
Spring 2021	FEMA Truck Dune Haul - Florence Mitigation	117,000	\$ 3,972,150	\$ -	\$ -	\$ -
Winter 2021	FEMA Truck Dune Haul - Florence Mitigation	30,000	\$ 1,020,000	\$ -	\$ 765,000	\$ 255,000
Spring 2022	FEMA Truck Engineered Beach Haul - Dorlan Mitigation	15,000	\$ 600,000	\$ -	\$ 450,000	\$ 150,000
Spring 2022	FEMA Truck Engineered Beach Haul - Florence Mitigation	120,000	\$ 3,960,000	\$ -	\$ 2,970,000	\$ 990,000
2022/2023	FEMA Truck Engineered Beach Haul - Florence Mitigation	295,000	\$ 9,735,000	\$ -	\$ 7,301,250	\$ 2,433,750
2023/2024	FEMA Truck Engineered Beach Haul - Florence Mitigation	180,000	\$ 5,940,000	\$ -	\$ 4,455,000	\$ 1,485,000
2023/2024/2025*	State Grant Truck Haul	302,000	\$ 9,362,000	\$ -	\$ -	\$ 9,362,000
*=estimated						
Total		3,373,000	\$ 69,381,610	\$ 24,504,333	\$ 19,939,095	\$ 19,307,882

Additional Notes

All projects (except Phase 5(2nd)) are reimbursable, so the carrying costs associated with these projects are not included.

The \$16.8 million dollar USDA loan for Phase 5 (2nd event) was refinanced in 2022.

While not a "beach project" NTB was successful in having the USACE 2023 Inlet dredging project place approximately 150,000 cy of sand in Phase 1

	total cost	town cost	%total	%town
Phase 5	41,765,460	16,800,000	60%	69%
Phase 4	11,474,000	446,000	17%	2%
Phase 3	0	0	0%	0%
Phase 2	0	0	0%	0%
Phase 1	11,150,000	7,258,333	16%	30%
Phase 1,2,3,4	3,972,150	0	6%	0%
Phase 1,2	1,030,000	0	1%	0%
	\$69,381,610	\$24,504,333		

USACE SLIDE PHASE 5 PROJECT

“why NTB could not participate—it cost more than we could afford and costs kept rising”

- Slide summary as part of Army Corps presentation
- Amounts excluded from USACE financing (see difference between worst case and best case) must be “pre funded” by NTB-cash to be paid prior to project start
- Worst case is actual case for NTB as reflects excluded amounts-see last footnote
 - Approximately \$19 million “prefunding” required per USACE
 - State of North Carolina will not contribute to “worst case” excluded areas meaning NTB absorbs full cost
 - First phase total cost at \$19 million plus approximate \$20 million in borrowings
 - USACE funding percentage drops from 65% to 50% in renouishment with no guarantee of State contribution
- Would require approval by States Local Government Commission—NTB advised no financing term longer than 6 years
 - Term is consistent with renouishment obligation—no “pancaking” of debt- plus prefunding required for each phase
 - Annual cost estimate around \$ 7 million—does not include current \$2 million Phase 5 annual debt payment



COST SHARE RANGE

Initial Construction Cost Share Scenarios	FED Cost Share	Non-Fed Cost Share	Total Cost	Federal Cost	Non-Fed Cost	Estimated ToSC Cost*	Estimated Total Cost*
Best Case	65.0%	35.0%	\$ 237,000,000	\$ 154,050,000	\$ 82,950,000	\$ 42,812,903	\$ 40,137,097
Worst Case	44.5%	55.5%	\$ 237,000,000	\$ 105,465,000	\$ 131,535,000	\$ 67,889,032	\$ 63,645,968

Renourishment Construction Cost Share Scenarios	FED Cost Share	Non-Fed Cost Share	Total Cost	Federal Cost	Non-Fed Cost	Estimated ToSC Cost*	Estimated Total Cost*
Best Case	50.0%	50.0%	\$ 672,074,000	\$ 336,037,000	\$ 336,037,000	\$ 173,438,452	\$ 162,598,548
Worst Case	34.3%	65.7%	\$ 672,074,000	\$ 230,521,382	\$ 441,552,618	\$ 227,898,125	\$ 213,654,493

- * Based on estimated volume to be placed in each town
- * Best case defined as: Maximum Cost Share % allowed for both Initial construction (85/95) and renourishment (50/50) phases.
- * Worst case defined as: All Undeveloped Private Lands and Privately Owned Lots with no Public Access (100% Non-Fed Cost)

Working Today to Build a Better Tomorrow