

Questions & Answers

What does “construction” of Phase One include?

The construction of Phase One includes realignment of the New River Inlet (NRI). This will include the excavation of approximately 544,400 cubic yards of sand from the NRI which will be deposited on the beach stretching from the New River Beach Club on the north-end to 1300 New River Inlet Road. The construction design of the beach will be 9000 feet long and 75 feet wide. The realignment of the inlet should help stabilize the erosion problems at the north-end. The estimated cost (high estimate) of the construction is \$10 million.

What is re-nourishment?

Re-nourishment is the maintenance of the project after the initial construction. Re-nourishment has been factored in the 5-phased plan. It is to occur approximately four to six years after the initial construction of Phase One. Re-nourishment is estimated to cost \$1,887,987 and will occur as early as 2015. (see page 4 for the full plan with cost estimates and re-nourishments).

What about other Beach Nourishment projects?

Engineered Projects: The Town currently has two engineered beach projects in development. One is the 5-phase CBRA/CP&E project that Phase One property owners have been surveyed on. The other project is the Coastal Storm Damage Reduction Project which is located in the southern end of NTB (non-CBRA area) and Surf City. This project is partially funded by the Federal government and was engineered by the U.S. Army Corps of Engineers (more info at ntbnc.org).

Dredging: The Army Corps of Engineers is responsible for keeping the waters in our area navigable and thus over the years NTB has received dredged material on its shore on the northern end. This is not considered to be a “designed” beach project.

Sand Push: Over the years the Town has decided to push sand along its shore. This is primarily done in response to a storm that has caused severe erosion. CAMA (Coastal Area Management Act) rules only allow for sand pushing in areas where there is an 18 inch or greater escarpment.

Sea Oats & Sand Fencing: Over the years the Town has funded programs to assist property owners in purchasing sand fencing and sea oats. The placement of these has been known to reduce deterioration of sand dunes.

If we are able to get out of the CBRA designated area, are we eligible for federal funds? What is the current status on this request?

The Town has submitted comments to U.S. Fish & Wildlife. They received comments from several other towns and they are working on their recommendations to submit to Congress. The last Town Staff heard USFAW was behind on this because they had to respond to the oil spill in the Gulf.

Once the recommendations are ready, the Town will be notified. We are hopeful that USFAW will recommend to Congress that our Town be eliminated from the CBRA zone. Here is a link to the CBRA page of our website. <http://ntbnc.org/CBRA.aspx> It is loaded with information about the Town's efforts.

If Congress lifts the CBRA designation for NTB the Town has been told by the US Army Corps of Engineers that Federal funding is a possibility, right now it is a definite NO.

When did the 6 % occupancy tax begin? Why do we have to give half to Onslow County and what are they using it pay for?

Local governments in NC do not have the general authority to levy occupancy taxes. The Town of North Topsail Beach received special authority from the N.C. General Assembly to levy a 3% occupancy tax in 2001. (see page 5). Occupancy taxes typically range from 3 to 6 percent. Onslow County was given the authority to levy a 3% occupancy tax as well (I do not know when, but I am pretty sure it was prior to 2001). Each county and municipality has to get a local act in order to levy this tax and some counties in NC have "shifted" the levy and allowed their municipalities to collect over 3 and up to the full 6%. Onslow County does not, and does not give any of the occupancy tax collected in NTB back to NTB. The County is currently spending the occupancy tax revenue on the following: The Vietnam War Memorial, Beirut Marine Memorial, soccer fields in Swansboro and several County festivals.

Pender County also has 6% occupancy of which the county gives ALL OF IT back to Surf City and Topsail beach to use for beach maintenance and renourishment. It is collected by the two towns. Surf City also gives 5 % of their ad valorem tax to the beach fund. Why is this not done in NTB?

The NTB Board of Aldermen have chosen to allocate 1 cent of the Town's ad valorem revenue to the beach fund, it is a Board decision. The Board of Aldermen will be working on the budget in early 2011 and will pass it prior to July 1, 2011. Prior to this the Board will hold several workshops that are open to the public. There is at least one public comment period per month (at the regular BOA meeting). The BOA contact information is on the Town website (ntbnc.org).

The occupancy tax in itself would be over 1.2 million a year*. What can be done to put this in effect in NTB?

The Board of Aldermen sent a request to Onslow County for \$500,000 of the occupancy tax revenue for the FY2010 budget and these funds were not appropriated. The NTB Board had a joint workshop with the County Commissioners on October 12th, 2010. At this workshop there were presentations on the Federal Project (given by the Army Corps of Engineers), the CBRA Project (given by Coastal Planning and Engineering), and presentations on what other counties do to fund beach nourishment, what the Town has spent so far out of the Beach Fund, and what the Town plans to do next (survey property owners). The County took what they heard under advisement. The full presentation is online at ntbnc.org.

* This was the estimate given by the property owner asking the question. According to the FY2010-2011 Budget, the estimated collected accommodations tax revenue for the Town is \$625,000 and the amount of accommodations tax revenue requested from Onslow County was \$500,000 for a total of \$1,125,000.

Why was the highest projected amount used in the survey request? The average cost is half of that amount. Isn't it required by the traditional special assessment rules that the project have the final costs known- it cannot be based on estimates?

The Board wanted to give a worst case scenario. You are correct that the assessment will have to be based on the final costs, which we will not know until the project is put out to bid. The survey had to be based on estimates. The engineers for this project have said that the further the project is pushed back, the higher the costs will be.

The beach fund budget has an item called USACE cost share- South end. What is this? This year's amount is 50,000 and 2009 was 219,000 and 2008 was 200,000.

These are funds that were expended (and budgeted for in the current budget) for the work that the US Army Corps of Engineers is doing for the Coastal Storm Damage Reduction Project (NTB/Surf City - Federal Project). NTB pays a share of the costs and Surf City pays the rest. **Is this beach nourishment only for the south end of NTB in conjunction with Surf City?** Yes exactly. You can read about this project in more detail here: <http://ntbnc.org/BEST.aspx>. This is the non-CBRA area of NTB and is separate from the 5-phase project that we are surveying Phase One property owners on.

CP&E Cost Estimates

NTB is using the High Estimate + \$500K monitoring costs for phase 1 due to high costs for other projects, and the discovery of clay in our inlet, which reduces the sand amount as well. Dates have changed – phase 1 is now Nov 2011.

Revised Dates	Phase	Amount of Sand (Cubic Yards)	Normal Estimate	Mid Estimate	High Estimate
Nov 2011 - April 2012	I (Nov 2009 – Apr 2010)	Construct Phase I 635,800 CY (from Inlet)	\$5,294,000	\$7,152,000	\$9,536,000
Nov 2013 - April 2014	II (Nov 2011 – Apr 2012)	Construct Phase II 790,600 CY (from offshore)	\$9,270,000	\$12,490,000	\$16,672,000
Nov 2015 - April 2016	III (Nov 2013 – Apr 2014)	Construct Phase III 393,800 CY (from Inlet) Renourish Phase I 233,200 CY (from Inlet)	\$6,952,093 \$1,887,987	\$11,882,000	\$15,847,000
Nov 2017 - April 2018	IV (Nov 2015 – Apr 2016)	Construct Phase IV 467,500 CY (from offshore) Renourish Phase II 121,800 CY (from offshore)	\$6,347,541 \$917,459	\$9,930,000	\$13,270,000
Nov 2019 - April 2020	V (Nov 2017– Apr 2018)	Construct Phase V 512,400 CY (from offshore) Renourish Phase I & III 627,000 CY (from Inlet)	\$4,114,724* \$8,815,000	\$16,958,000	\$22,654,000
	Totals	4,015,300	\$43,598,804	\$58,412,000	\$77,979,000

Re-nourishments

S.L. 2001-439 [SESSION LAWS]

PART V. NORTH TOPSAIL BEACH.

SECTION 5.1. Occupancy tax. – (a) Authorization and Scope. – The North Topsail Beach Board of Aldermen may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the State under G.S.105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose.

SECTION 5.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S.160A-215 apply to a tax levied under this section.

SECTION 5.1.(c) Distribution and Use of Tax Revenue. –North Topsail Beach shall spend the net proceeds of the occupancy tax levied for beach nourishment. The following definitions apply in this subsection:

(1) Net proceeds. – Gross proceeds less the cost to the town of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.

(2) Beach nourishment. – The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program along the North Carolina shorelines and connecting inlets for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property. The term includes expenditures for the following:

- a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies;
- b. The nonfederal share of the cost required to construct these projects;
- c. The costs associated with providing enhanced public beach access; and
- d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences.