

## New Business

### 1. **Project Information – Beach Nourishment – Ken Willson, Coastal Planning & Engineering, Inc.**

Ken Willson of Coastal Planning & Engineering, Inc. (CPE-NC) attended this meeting to present the Board with the Project Information Document (PID) for beach nourishment. This evaluation of the feasibility of constructing the Town's portion of the U.S. Army Corps of Engineers (USACE) Federally Authorized Dare County Storm Damage Reduction Project will serve as a planning document for the Town by providing information on the scale of the proposed project, the associated permitting requirements, cost estimates, and schedules to complete the work.

The PID describes the conceptual beach plan proposed by the Town for the 206 Project, including the length of the project, density and dimensions of fill, sand sources, construction methods, and an inventory of the available biological and physical data. It also compares the Town's proposed project to the Federally Authorized Dare County Storm Damage Reduction Project.

Details contained in the PID include background information that should be contained in the correspondence to USACE if the Town chooses to pursue construction of its portion of the Dare County Beaches under authority of Section 206. A Project Information Letter would be sent to the USACE Wilmington District and a letter requesting a decision on the type of environmental documentation required would be sent to the USACE Wilmington Regulatory Division if the Town decided to pursue the 206 Project. Mr. Willson's presentation was made in order to assist the Board in making that decision. If they were to choose to proceed, the letters would be drafted by CPE-NC on the Town's behalf.

Mr. Willson conducted a brief PowerPoint presentation, highlighting the main points of the (PID). A copy of those slides are attached to the minutes.

At the conclusion of the presentation, Mayor Davies asked Mr. Willson what type of commitment would be made if the Board authorized sending the two letters to the USACE, or was that just a means of determining their position on the project. Mr. Willson said that he believed the pursuit of a 206 project would be quite an uphill battle at this point in time. He added that his hope was that the submission of the letters would result in real feedback from the USACE, which would clear the path ahead as far as whether to continue the process for a 206 Project or if local funding would be the only means to finance the project. Mr. Willson continued that the recent feedback he had received was that if the project owner thought that the locally funded project was affordable, then it probably would not make much sense to continue to pursue a 206 Project. Approximately \$500,000 of soft costs would be put on the line to determine if the project partnership agreement could be put in place. He continued that once in place, the project owner must get appropriated funds back. There are some communities in Florida where over the course of 6-7 years they still have only received 60-70% of the reimbursement that they expected. Even if the partnership was approved, there would still be a

constant battle to receive the federal funds as it is distributed in portions rather than as a lump sum. Therefore, there could be some financing charges that might need to be considered.

Mr. Willson continued that preparation of the Limited Revaluation Report (LRR) would have to move forward to determine what potential the project had. Currently, that line item is approximated at \$400,000. This amount represents the big ticket item that the Town would incur, and if the 206 Project did not work out, there would have been no reason to prepare that document.

Mr. Willson explained that the two letters that CPE-NC was requesting for authorization from the Town in order to proceed would be drafted but would be purely informational and would not represent any commitment.

Commissioner Hogan said that his impression was that there were many pitfalls with a 206 Project and that the process involved much uncertainty along the way as far as the project timeline and if reimbursement to the Town would ever occur. On the surface, he surmised, that did not seem to be a wise thing to do in some regards and a locally funded project would bypass many of the pitfalls. Mr. Willson said that building off the project that the Town of Nags Head just completed, it took 5-6 years to get their permits in place. More beach projects have been built since that time and Mr. Willson speculated that the regulatory agencies understand the technology better. Mr. Willson concluded that the path that CPE-NC had mapped out on the locally funded project was realistic with regards to the schedule. Commissioner Hogan then asked if the Town were to start a locally funded project in May 2013, what would be the most reasonable estimate of completion and total cost. Mr. Willson estimated the completion of the project to be December 2015 and the cost would be approximately \$15-\$20 million. The Nags Head model including funding their project with a 50/50 split between Dare County and Nags Head property owners. Mr. Willson said he believed that oceanfront owners paid a tax rate of \$0.16 and non-oceanfront paid a rate of \$0.02.

Commissioner Hogan said that based on what he had seen since the Nags Head project had been completed and the subsequent storm events, it seemed that the project had worked well and protected assets in the form of oceanfront properties. Mr. Willson said that he was not aware of any completed projects that were not viewed favorably.

Commissioner Rheubottom said she represents Kill Devil Hills on the Shoreline Commission and they have not had a meeting recently. Depending on the action taken tonight, a meeting could be scheduled to determine what Dare County's stance is currently on providing a similar split to a local Kill Devil Hills project. She supported sending the letters to at least have a clearer understanding of the USACE's stance.

Commissioner Woodard stated that he was not opposed to supporting the recommendations in the packet memo to have the letters drafted. He felt that a response from the USACE as far as the environmental requirements would assist the Board in their decision-making process in the future.

Mayor Davies clarified that the one thing being considered at this meeting for immediate action was whether to send the letters to USACE. That action will not cause any additional costs to be incurred. She continued that she felt that the time to engage the public in the process would

be soon. Mayor Davies said that at a future meeting, she would like to set a public forum to accomplish seeking their input.

Commissioner Woodard motioned, with a second by Commissioner Hogan to proceed with sending the two letters. The motion carried 4-0.

**2. Proposed Amendment to Chapter 110, Business Licensing, Section 110.75 – Privilege License Tax Schedule – to add annual privilege license tax for Internet and/or Electronic Gaming Operations**

At the October 8, 2012 meeting, Staff recommended the Board of Commissioners consider an annual privilege license of \$500 per business location and \$2,000 per gaming table or machine for Internet and/or Electronic Gaming Operations. This recommendation was based on a review of local and statewide fees for similar uses, the evidence of which was presented at the October 8<sup>th</sup> meeting. Staff also recommended an administrative review fee of \$150 be charged for all proposed Internet and/or Electronic Gaming Operations applications, which upon Board approval, would become part of the Town's Official Fee Schedule.

Ms. Diaz explained that these numbers, from Assistant Planning Director Meredith Guns' research, were consistent with other areas of the state. An administrative review is required by the Planning Department for any of these types of businesses.

Commissioner Hogan made a motion to approve the proposed amendment to Chapter 110, Business Licensing, Section 110.75 – Privilege License Tax Schedule – to add annual privilege license tax for Internet and/or Electronic Gaming Operations. Commissioner Woodard seconded that motion, and the motion carried 4-0.

**3. Resolution of Intent to Permanently Abandon a Portion of Atlantic Street and Notice of Public Hearing**

Staff and the Town Attorney proposed the abandonment of a portion of Atlantic Street, which is depicted on a map included as a permanent attachment to the minutes of this meeting. Ownership of approximately a 500-foot section had been questionable for many years. Prior to the development of the Kill Devil Hills Realty Corporation Subdivision, Atlantic Street was extended at its west end through private property likely by vehicular use. The east end of Atlantic Street intersects with U.S. 158. No evidence of ownership of the portion of Atlantic Street depicted on the attached map could be determined by staff or the Town Attorney, and the affected property owners in this area have challenged the Town in the past to resolve this matter.

Ms. Díaz added that a number of years ago, there was a portion of Atlantic Street that was improved, and then became non-improved. It was determined that perhaps the Town was not in a position to prove that it was in ownership of said right of way, and it was recommend by the Town Attorney at that time that the Town not continue to improve it. That portion was scheduled for resurfacing and drainage improvements, and the attorney suggested that the Town actually remove the pavement that did exist and the waterlines. Those steps were taken, and all that remained was the formal permanent street abandonment process, which would allow the