



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
TUESDAY, JULY 21, 2020 – 5:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Tuesday, July 21, 2020 at 5:00 p.m. Present were Mayor J. Alan Holden; Mayor Pro Tem Gerald Brown; Commissioners Woody Tyner, Brian Murdock, Mike Sullivan and Pat Kwiatkowski; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Applied Technology and Management Consultant Fran Way and Mike McIntyre from Poyner Spruill. Stephanie Missert, Earl Stockdale and Roger Gwinn from the Ferguson Group were on the phone. The meeting was streamed on the Town's Facebook page and an opportunity for comments was provided prior to the meeting due to the restrictions in place for COVID-19.

Mayor Holden called the meeting to order at 5:14 p.m.

PUBLIC COMMENTS

Town Clerk Finnell read the public comment from Beverly Compton (hereby incorporated into the minutes).

FEDERAL UPDATES AND DISCUSSION AND POSSIBLE ACTION ON NEXT STEPS FOR COASTAL STORM DAMAGE REDUCTION STUDY

Mr. McIntyre introduced Roger Gwinn, Earl Stockdale and Stephanie Missert from the Ferguson Group who were attending the meeting via conference call. He explained that since the start of January they have been working on the issues involving the congressional cycles of funding appropriations and working with the Corps in terms of their programmatic work. He talked about the process and what they have done on behalf of the Town. Mr. McIntyre said they would like to set up some virtual Capitol Hill meetings with the Board's permission. In the past months, they have had extensive conversations with Congressman Rouzer's office, both senators' offices and with committee staff about the status of the study authorization that was authorized in 1966 for the Brunswick County Beaches and about how the Corps' budget affects the future of that. They also had discussions on what is going on currently in the Lockwood Folly, the sand being alternated between Oak Island and Holden Beach. The Corps already has a contract in place for this year, but has agreed to revisit the topic for future projects. They will continue to discuss that. Mr. McIntyre talked about the status of the budget and appropriations in Washington. He provided information about current bills.

Mr. McIntyre reviewed coastal storm damage reduction study next options. There are two main ways to proceed. One of those is to proceed through Section 7001 that allows a process for a new study. The other

path is to use the existing authority that exists under the Brunswick County Beaches Project. Last year, because of Hurricane Florence, there was a Disaster Relief Act. They had hoped they could get some appropriations under that for the Town, but the Corps did not select the Town. Any time there is a supplemental disaster relief bill, they want to go for it. Unless the Board objects, they would work with the manager and staff any time there is supplemental relief. Mr. McIntyre explained the Corps suggested the Town try to qualify for the 7001 process. It is a three/three/three program. In three years, it would cost \$3 million to have it reviewed at all three levels. That is a standard cost for all beach communities and you would only have to pay half of it, \$1.5 million. It could take a couple of years to be approved to be on the list. The next cycle begins after August 31st. There is no commitment of money now. You have to be willing to say if you are chosen you are willing to put the money down. After three years you would get an answer after a feasibility study is done. He said it sounds convenient, but the problem is that we may not get an answer as soon as we would like. They can do a new study or modify an existing study under that program.

Mr. McIntyre reviewed options to proceed. Option A is to do nothing. Option B is to proceed with the 7001 request. You would be asking for a study authorization, which they argue the Town already technically has. This would basically be starting over. If the Town gets cleared for review and a feasibility study, in about two – three years the Town would need to commit the \$1.5 million. You would then need a construction authorization, a new start designation and appropriations to fulfill both authorizations would be required. The process can take over 10 years. Mr. McIntyre said they would recommend the Town consider this option and for the Board to consider authorizing the manager to work with them to put together the application.

Commissioner Sullivan asked if the Town would need to agree that we would spend the \$1.5 million if we go into the process. Congressman McIntyre responded that initially you do not commit the money, you say you want to be included for consideration. If you make the cut, then you need to be willing to make the commitment. Mr. Stockdale explained that the application that would be submitted would indicate the Town's willingness to move forward with the process. If the Town is selected the Corps would have the Town sign an agreement that would memorialize and contractually bind the Town with the commitment to pay. Until that is signed, the Town can change its mind. He estimated that would occur in 2024. Commissioner Sullivan asked if it would preclude the Town from being eligible for FEMA reimbursements in the future if we did go into the program, had a project and the project was completed. Mr. McIntyre replied you move from a FEMA reimbursement to the Corps. Mr. Gwinn explained how the Corps' process would work.

Mr. McIntyre said beyond Option B, Option C would be to submit a letter of intent for a new study using the prior authorization from 1966 for the Brunswick Beaches Project and not pay back the sunk costs. There was about \$8 million spent by the Corps. The federal government paid half of that. The three beaches that were part of it were supposed to pay a portion. Since the Town never benefited from the study and we know the study would need to be updated to proceed under the authority, they believe there is a strong case to be made that the Corps should waive those costs.

Mr. McIntyre stated Option D is to do a letter of intent for a new study using the existing 1966 Brunswick County Beaches authority and paying back sunk costs as part of the costs of project construction.

Mr. McIntyre said they would recommend the Town consider Options B & D. They are willing to pursue both.

Commissioner Tyner asked the benefit of going with the Corps for beach nourishment versus doing it the way we have done it in the past. Mr. McIntyre answered it does get complicated. Congressional pressure allows projects to be undertaken and supported by tax dollars that are already being paid to the federal government. There are projects that are 65/35 and 50/50. Either way you are getting a substantial amount of the project paid for and you get their technical expertise and assistance. If there is a storm, they need to be the ones to answer for it. Ms. Missert added for initial construction for a project, 65% of the initial construction costs will be provided. These are 50-year projects so you will cost share regular nourishment which can occur every three – ten years, depending on the need. The Town would share the cost 50/50 with the federal government. North Carolina can also provide funds towards the non-federal part. The Corps will provide 100% of the funding to bring the beach back to the Corps' level in any disaster related situation. She will provide the information discussed in writing to the Board.

Commissioner Kwiatkowski asked if there is a certain percentage where they do a study and don't find a feasible cost relevant plan. Mr. McIntyre explained that is why they need to do a study. Mr. Stockdale added that the whole purpose of the study is to identify a plan of improvements that is technically feasible, environmentally acceptable and cost-justified. It is possible they can do a study and find no project that meets the criteria, but the whole process is to arrive at a solution that is feasible. It has happened, but he does not know how often. Moving ahead for the Town was discussed.

Commissioner Sullivan said about 18 months ago, we had this type of discussion. We submitted a plan and the Town wasn't selected. He asked what the difference is between that and what is being proposed now. He also asked if we garnered any information that will help if we resubmit it. Mr. McIntyre responded that one of the things that is different now is that the Corps has seriously gone through and looked at the needs of Holden Beach. When the recovery money was moving through Congress subsequent to Hurricane Florence, that changed the dynamics in terms of Corps' projects and what they were going to get done in emergency restoration. There was not enough money so there was additional supplemental in appropriation relief. The Town was not selected. He talked about opportunities for additional funding available now. The Corps did approach the Town and recommend going through the 7001 process. The Ferguson Group has had and will continue to have discussions with the Corps about moving forward.

Mayor Pro Tem Brown inquired about the cost. Mr. McIntyre explained they are still working under the contract. He said they are suggesting the Town move forward with Options B & D.

Motion by Mayor Pro Tem Brown that we get the wheel started, we are not obligated to spend one penny, on what Mr. McIntyre is doing, the two different ways.

Commissioner Tyner asked if the Town is committed to paying the costs on D. Mr. McIntyre answered no, the Board would be saying proceed with Option B and then Option D would be that Poyner Spruill would prepare for the town manager's approval, subject to the Board's approval if they wish, a letter of intent to move forward with the potential authorization. There is no contractual obligation yet under either option. Commissioner Kwiatkowski said the Board received the information this evening. She suggested having a special meeting to give the Board time to thoroughly digest the information.

Mayor Pro Tem Brown said his motion is to proceed as Town Manager Hewett and Mr. McIntyre told the Board earlier. The Board is not obligated to spend one dime, but we are rolling the ball in the right direction.

He agreed Commissioner Sullivan could rephrase the motion.

Commissioner Sullivan clarified to authorize our advocates to submit a request under Option B, 7001 request, and to also submit a letter of intent under Option D.

Mr. McIntyre asked the Board to clarify the working relationship with the town manager.

Commissioner Tyner asked if the motion is to bring the letter of intent back to the Board at the next meeting or is the Board voting to let Town Manager Hewett move forward. Town Manager Hewett said he thinks the motion is to move forward, to authorize the manager to do the letter of intent.

The motion passed with a 3 – 2 vote, with Mayor Pro Tem Brown and Commissioners Tyner and Murdock voting for the motion and Commissioners Sullivan and Kwiatkowski voting in the negative.

ADJOURNMENT

Motion by Mayor Pro Tem Brown to adjourn at 6:39 p.m.; second by Commissioner Tyner; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk