

MINUTES BAC MEETING, September 9, 2005

I. Meeting called to order at 1:15 p.m. by Bill Kennedy. No roll was taken.

II. APPROVAL of August minutes. MOVED and SECONDED.

III. COMMITTEE REPORTS:

A. FINANCIAL COMMITTEE, Ray Golz made a presentation using overhead slides which are included as Attachment A.

Overhead on the potential funding methods to be considered: Ray stated the MSBU has to be put in place by a vote of eligible registered voters. Tim McFarland, county attorney, stated that is actually not correct. MSBU does not require voter approval and can be implemented by commissioners. MSBU requires more study and backup than the MSTU, but is essentially similar. MSTU is an ad valorem tax, and MSBU is an assessment.

There are formulas used for the MSBU, and Dr. Stronge would work toward calculating those for us. It's a fixed assessment that in total pays for the project and is spread over a period of a number of years, project length (probably 5 years). Another key aspect of the MSBU is once set, the formula doesn't change with time - i.e., undeveloped property would not be reassessed if it had a house on it that increased the benefit. Once fixed, it stays fixed for duration of project. Additional costs later on, renourishment, etc., then you have to find an additional source of funding - no automatic way to increase original assessment.

An MSTU is based on ad valorem tax. You create a taxing district for providing specific services and/or improvements for a

defined geographic area and you levy ad valorem taxes to provide funds for the improvement. (Comment from Tim: do by majority vote through an ordinance is how it's done.) MSTU may levy different millage rates. (Comment by Tim: bayside/gulfside split, for instance.) Once millage is established, remains in effect for an indefinite time period or specified for a particular time period as designated in MSTU ordinance. Taxes proportional to the annual changes in the assessed property values; as property value increases, the amount paid for beach renourishment would proportionately increase.

Incremental ad valorem tax financing: When a capital improvement is made in a community and thereby causes an increase in the value of affected real estate, and incremental tax revenues may be produced. Revenues are then used to provide financing for the project. Beauty of this, the project tends to pay for itself to that degree. It becomes part of the county's annual capital improvements budget and paid out of general tax ad valorem revenues. Not specifically ear-marked but go into total budget and county can reallocate for capital improvement.

Another funding option is taking a part of the bed tax of TDC. Paula commented 1/6th of the budget of revenues collected are going specifically for the beach renourishment project, to be used for funding studies, etc., around \$50,000 annually at this point. Ray noted that's the value of that contribution. There are all kinds of little expenses not approved by the commission, and the TDC budget can help fill those little stopgaps. Paula notes those funds will be available after 10/1.

It was pointed out the biggest thing was the time parameters for the project. We need money in 2006 to do many aspects of the project. Another option is a special assessment, which is a one-

time assessment to gather kind of a kitty of money to further this benefit process. An MSBU, after further discussions with tax attorney, is probably the route to go but is not going to be able to be done quickly or easily - it's not a "between now and December" event, so the special assessment is an alternative for short-term funding needs. MSTU is our preferred method under normal circumstances because it's easier to deal with and regulate and you get the money fairly quickly, as a special assessment can just be voted on and put through. Speed is an issue. Ray asked if a special assessment entails a formula and Tim answered that no, you just figure out a geographic area and rate.

At 1:30, Bill, Ray and Tim will be on a telephone conference with a consultant tax attorney to further explore the funding options. Again, timing is important. It was also noted an MSTU can't be used to pledge on a bond, only an MSBU.

(After the conclusion of the phone conference with the consultant tax attorney, Ray reported the need to do a lot more homework within the subcommittee before making a recommendation. The four different types of funding methods allowed by state statute were talked about plus additional options, and things need refinement.)

B. MARKETING COMMITTEE, Paula Ramsey Pickett

Information collection: Obtained databases for Coastal Community Group and what we locally call the CBRA group. Merged and formulated approximately 800 addresses and 300 email addresses. Hope to send out email blast to owners. We have a preliminary email to finalize. Discussion on what content would go in the initial blast.

Will work to obtain resolutions or letters of support from local stakeholders -- mortgage brokers, bankers, property managers, title companies, real estate agencies, developers, construction companies, restaurants, chamber of commerce, BBB.

Charlie Weston discussed a proxy vote or straw man vote which can be sent out to ascertain how many support renourishment. Use a cover letter and a vote yes/no reply card.

IV. NO OLD BUSINESS.

V. NEW BUSINESS:

A. ENVIRONMENTAL IMPACT COMMITTEE. In Ray's absence, Paula discussed the subject of environmental impact and the need to form a task force or subcommittee to analyze some of the issues that need to be addressed and we need to be made aware of for the health of the beaches. Our next step should be to have this committee meet, assess some of the problems and solutions. This is one of the key factors for public input; environmental issues are of grave concern and need to be adequately addressed. DEP and park service representatives noted they would be glad to provide input but feel they should not chair or be in active decision-making capacity.

Paula noted the aquatic preserve manager was not able to be here today. However, Mr. Lovette from DOT is available to answer questions.

B. Waterfront Living Magazine Page 82. Laurel Eiler brought up the potentially undesired effect the statements accompanying the photograph of the tip of the cape could have on property owners when asked to fund a renourishment effort. As the

marketing committee, we need to be sure to present balanced information, such as the DEP finding that the SJP beaches in the renourishment project area are among the most critically eroded in the state.

C. ENVIRONMENTAL ISSUES. Ray returned to the subject of environmental impact and said Michael Dombrowski will give us critical information to environment and budget decisions. Sand quality, grain size, organic content, cost of transporting it, reliability. Quality of sand may be part of the environmental concerns.

D. Howard Lovette, DOT project manager on the Stump Hole Bridge, explained the work he has been doing on the preliminary study. He commented the only way the bridge would be built by DOT without legislative procedures would be for a catastrophic hit and breach of Stump Hole. He stated the study has turned into a very complex project. He commented that DOT is not in the business of beach renourishment and has not ever done any beach renourishment. However, the group may consider that if it were feasible to renourish that area - speaking as a citizen *ONLY*; again, he's never heard of DOT participating in it, but coastal engineers are doing computer modeling what will happen if the Stump Hole breaches. The group may wish to look at including that in the renourishment and approaching DOT. From DOT, this bridge could cost as much as \$40 million, assuming no renourishment has happened. From CIBR 1868, DOT is looking at 25 years from now. Normally a DOT bridge is set up for 75 years.

Bill noted that at the first meeting Michael talked about the possibility the right answer might be to pump from the shoals at the hole and put several hundred feet of sand at the hole, so is

there an opportunity to take a look at increasing the depth and width in combination with the renourishment project to have an elevated roadway in lieu of a bridge? Mr. Lovette indicated the study would need to be supplemented on complications involved.

Charlie commented a big issue is Michael's study is due to be finished in February. If the efforts to change to include the DOT study would slow that down, we can't delay the renourishment.

Don Butler asked if we should make contact with DOT and look at the possibility of beach renourishment and the bridge project. Mr. Lovette noted DOT has spent money in Santa Rosa and Okaloosa Counties trying to keep roads open. Would a nourished beach make the bridge cheaper? DOT was looking at a 50-year projection and the length of the bridge at Stump Hole has doubled.

E. FDEP POWERPOINT BY PHIL FLOOD. PowerPoint attached as Attachment B. The Florida Beach Management Funding Assistance Program addresses critically eroded beaches. The State of Florida could pay up to 50% on our project costs if we meet the requirements. He pointed out we got special hurricane money after Ivan of \$200K for the feasibility study and an additional \$300K for sand search. State wants to partner with us and is willing to move forward.

After reviewing our situation, Phil noted we are currently looking at receiving at 11.5% of the renourishment costs from the state. However, he made some observations of ways to increase that funding share, as noted on the slides.

The Billy Rish Park renovation adds almost \$2 million if open to the public on an equal basis.

Cape Palms Park, adding 50 extra parking spaces would add \$760,000.

Six 5-foot public access easement walkways and parking along the side of the road would add \$4.6 million extra in state funding. (50 spaces equal about 700 feet)

Barrier Dunes may qualify as a public lodging establishment (Note from Laurel, possibly Seacliffs, Cape Shoals, Sunrise/Sunset as well?)

Public easements have to be dedicated to the county for public beach access, ingress/egress, must be 5 feet wide. Can't be a bluff with a cliff drop-off.

Phil noted since Billy Rish is a state facility on state property, the state will pay 100% of its renourishment cost.

Charlie commented we need a committee to get these additional accesses for the completion date.

F. TIMELINE. Ray put up a slide which is attached as Attachment C. He pointed out we need to think about meeting all our goals in proper sequence and the timeline was discussed. He asked that by the October meeting for us to put the timeline back up and have issues resolved on who will do what to meet the deadlines.

MOVED and SECONDED, meeting adjourned at 3:10 p.m.