

# Municipal Service Districts

Public Hearing  
March 16, 2021



# The Project:

- 1) Provide a reasonable level of storm damage reduction to public and private development;
- 2) Mitigate long-term erosion that could threaten public and private development, recreational opportunities, and biological resources; and
- 3) Maintain a healthy beach that provides sufficient useable beach and supports valuable shorebird and sea turtle nesting habitat.

# Project Volumes:

Design	Design Volume <sup>(1)</sup>	Diffusion Loss Volume <sup>(2)</sup>	Advanced Fill Volume <sup>(3)</sup>	Taper Volume <sup>(4)</sup>	Total Volume	Avg. Fill Density <sup>(5)</sup>
Option 1 <sup>(6)</sup>	540,000	54,400	225,000	9,000	828,400	36
Option 2	N/A - Design Volumes and Transition Area Volumes are the Same as Option 1.					
Option 3 <sup>(6)</sup>	720,000	68,800	225,000	12,000	1,025,800	48
Option 4	591,400	54,400	225,000	7,500	878,300	30
Option 5	681,400	54,400	225,000	7,500	968,300	35

<sup>(1)</sup> Volume (CY) necessary to achieve the design goal of each option. This number excludes diffusion loss, advanced fill, and tapers.

<sup>(2)</sup> Volume (CY) included to account for diffusion losses and background erosion (APTIM, 2018).

<sup>(3)</sup> Volume (CY) included to account for background erosion expected to occur throughout the nourishment interval. Re-nourishment interval assumed to be 5 years.

<sup>(4)</sup> Volume (CY) to construct a 500-foot taper on the northern end of the beach fill. Taper is dependent on the fill density at the northern extent of the project.

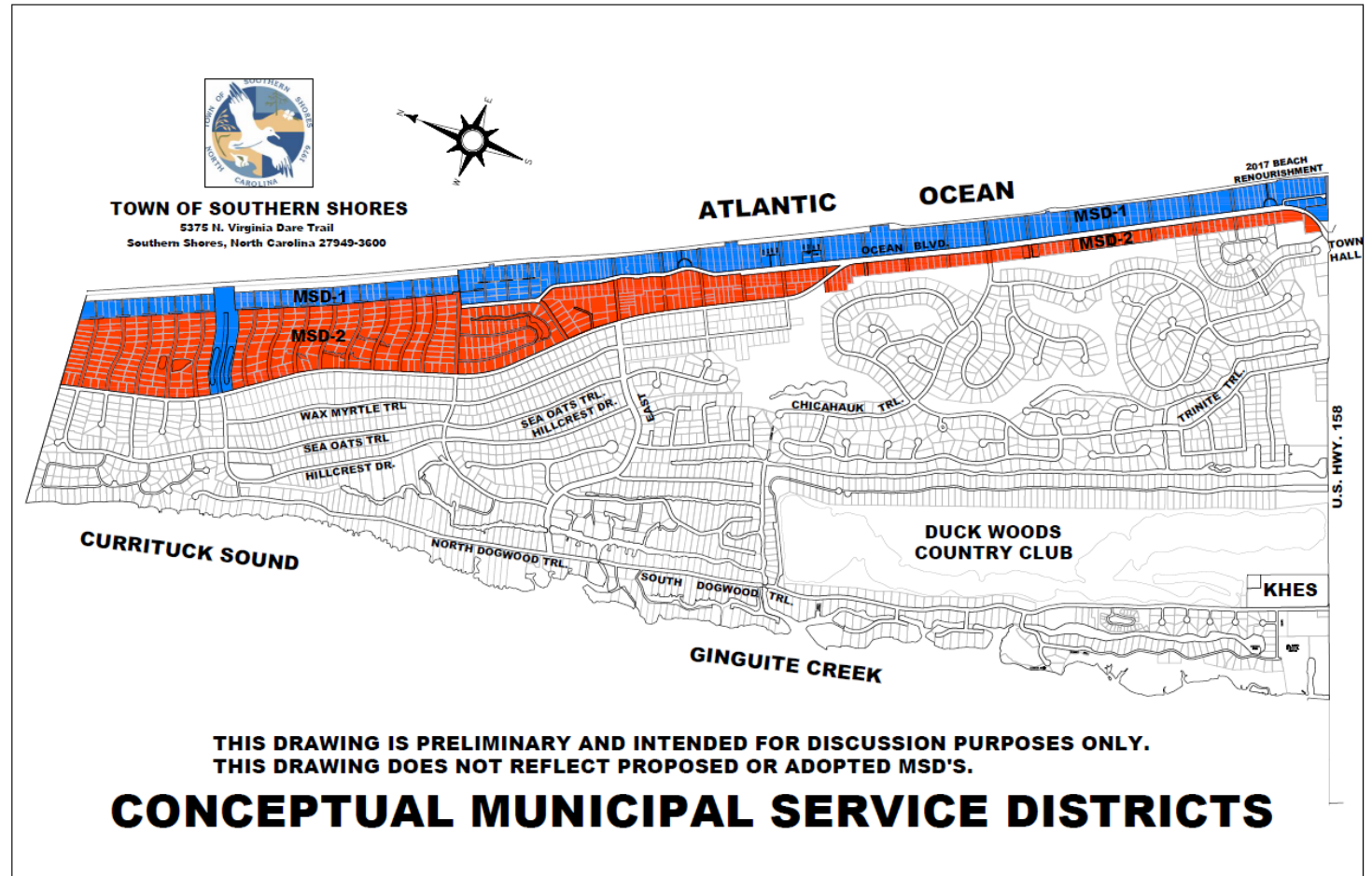
<sup>(5)</sup> Total Volume included in the Design Volume divided by the length of the beach fill (CY/FT).

<sup>(6)</sup> Options that only include placement of beach fill south of 3<sup>rd</sup> Avenue.

How are we  
going to pay for  
the project?



# What is a Municipal Service District





## Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

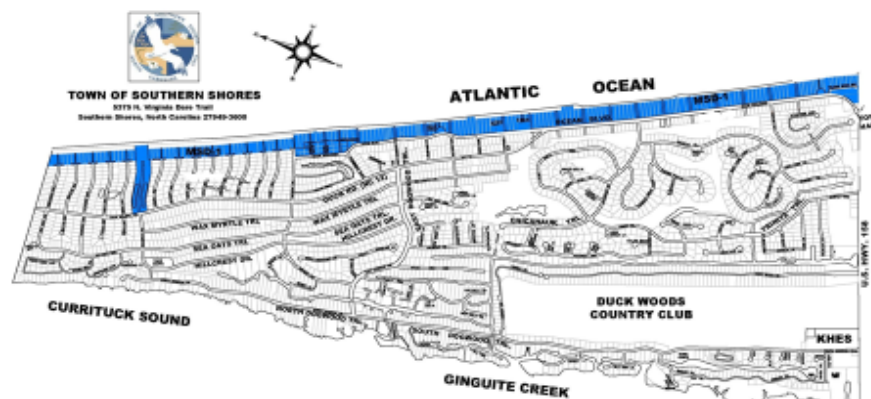
[info@southernshores-nc.gov](mailto:info@southernshores-nc.gov)

[www.southernshores-nc.gov](http://www.southernshores-nc.gov)

### Beach Nourishment Project Report Establishment of Two Municipal Service Districts For Beach Erosion Control and Flood and Hurricane Protection Works In Accordance with GS 160A-535 – 160A-544

#### 1) Map of proposed Municipal Service District(s)

- District 1-**
- i. All properties east of Ocean Blvd/NC 12 beginning at the southern town limit extending to Ocean Blvd. and,
  - ii. All properties east of Ocean Blvd. from the split at Ocean Blvd/NC 12 extending to Hickory Trail, and,
  - iii. All properties north of Hickory Trail that abut the Atlantic Ocean extending to the northern town limit.



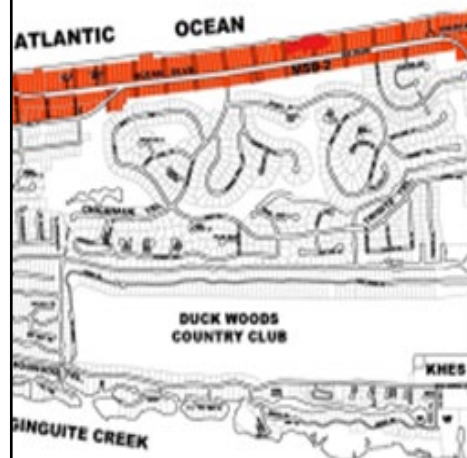
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### CONCEPTUAL MUNICIPAL SERVICE DISTRICTS

and,

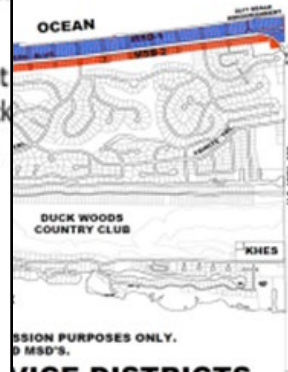
of Ocean Blvd/NC 12 and Duck Road/NC12  
own limit extending north to the northern town line

of and abutting Ocean Blvd/NC 12. beginning at  
ending north to 137 Ocean Blvd, and abutting Duck  
9 Duck Road extending north to 149 Duck Road.



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### MUNICIPAL SERVICE DISTRICTS



### MUNICIPAL SERVICE DISTRICTS

ditional levy of property tax rates with a  
protection services to a greater extent

stricts to a demonstrably greater extent

es authorizes the Town to create one or  
wide, or maintain for the district(s)  
on works which the Town's beach  
strably greater extent than the

ain a wide recreation beach strand, to  
tax and economic base, and to protect  
access. The Town Council for the  
tion of two (2) Municipal Service  
ter benefit from the beach nourishment  
d goals set forth above.

nage from erosion and storms, thus  
and District Two. District One receives  
ts to a greater degree by ocean  
rm damage than those in District Two  
ame benefits but to a lesser extent

er from the improvememnts, but to a greater extent

the Municipal Service Districts.

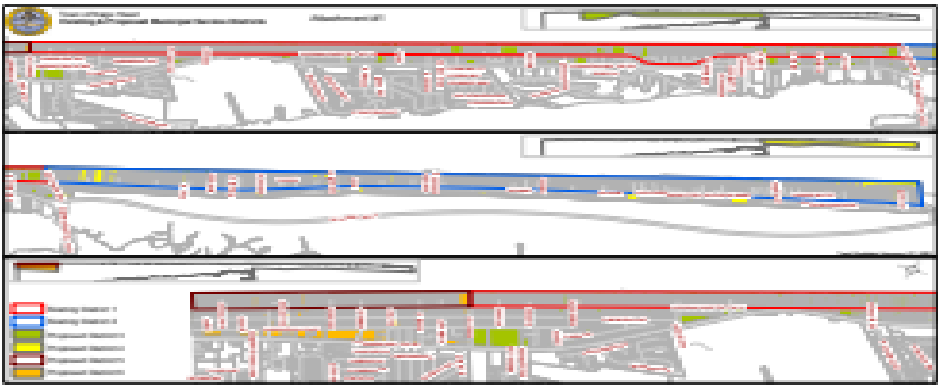
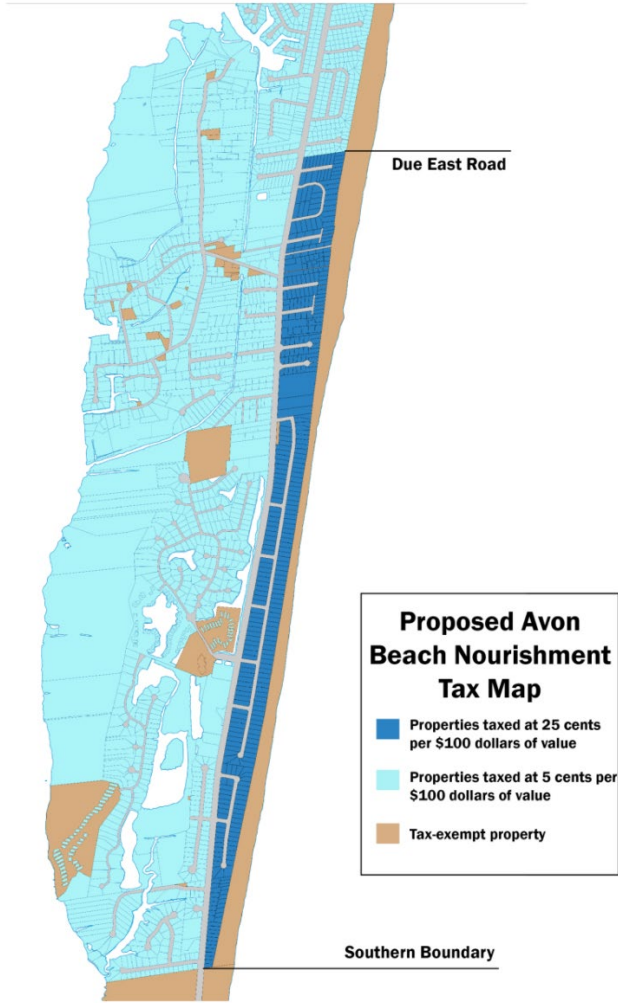
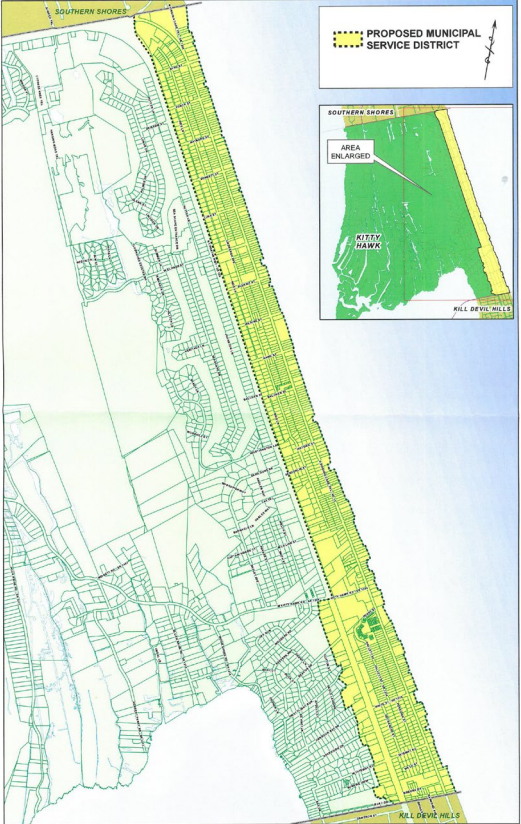
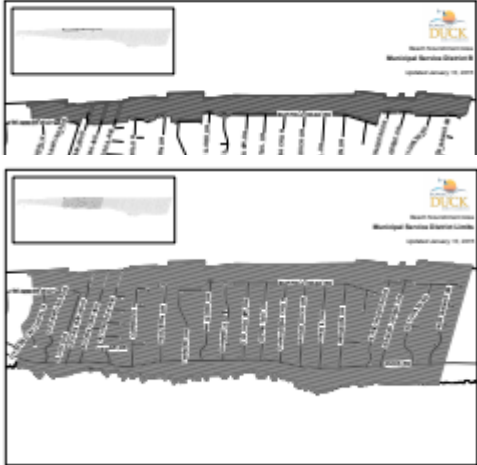
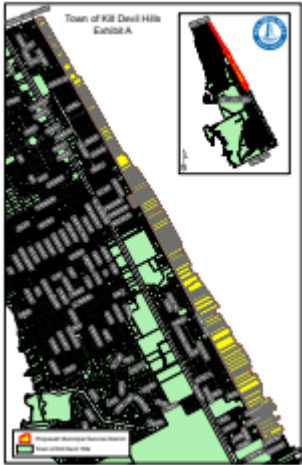
aluating storm vulnerability and useable beach along the  
line where beach nourishment should be considered.  
th Carolina, Inc. (CPE-NC) developed a series of project  
of Southern Shores. In July of 2020, the Town  
nourishment project for the Town.

onmental, and geotechnical services to the Town of  
nourishment project scheduled for 2022. The specific  
environmental documentation and permitting,  
tigations and design, and a baseline survey of the native

a long-term shoreline management program aimed at:  
able level of storm damage reduction to public and  
g-term erosion that could threaten public and private  
es, and biological resources; and 3) Maintaining a  
useable beach and supports valuable shorebird and sea  
already adopted an annual beach monitoring plan and  
ach profile monitoring event that spans the entire Town

tal engineering consultant in 2018, and updated most  
nstruction of a beach fill project to meet the Town's  
dging and placement of sand along the entire ocean  
. Sand is expected to be dredged from an offshore  
that has already been designed and permitted. The  
ubic yards per linear foot of beach compatible sand, or a  
will be used to construct a variable width berm at  
onal 286,900 cy is proposed to account for diffusion  
of the advance fill is to maintain the integrity of the  
ment interval. The total volume to construct the project  
object has an estimated cost of between \$14,000,000 -

# Beach Nourishment Municipal Service Districts in Dare County



# Project Costs:

**Table 3. Project Option Cost Estimates**

Option	Permitting/ Design Soft Cost <sup>(1)</sup>	Volume (cy) <sup>(2)</sup>	Construction Cost <sup>(3)</sup>	Construction Soft Cost <sup>(4)</sup>	Construction Env. Monitoring Costs <sup>(5)</sup>	Contingency Cost (10%)	TOTAL COST
1	\$435,000	828,400	\$11,758,000	\$235,500 <sup>(6)</sup>	\$275,300	\$1,270,400	\$13,974,200
3	\$435,000	1,025,800	\$14,146,000	\$255,500	\$232,400	\$1,516,900	\$16,685,800
4	\$435,000	878,300	\$12,505,000	\$241,500	\$232,700	\$1,341,400	\$14,755,600
5	\$435,000	968,300	\$13,785,000	\$249,500	\$256,600	\$1,472,400	\$16,196,500

<sup>(1)</sup> Professional services costs associated with the permitting and design of the beach fill project. These costs include design surveys of the beach and offshore sand investigations.

<sup>(2)</sup> Total volume (CY) estimated for the Option including design volume, diffusion losses, advanced fill, and tapers.

<sup>(3)</sup> Costs associated with mobilization/demobilization, sand placement, and other costs paid directly to the dredge contractor.

<sup>(4)</sup> Costs associated with development of construction bid package, bidding assistance, and construction administration.

<sup>(5)</sup> Costs anticipated for estimated environmental monitoring that may be required by permit condition.

<sup>(6)</sup> Updated Construction Soft Costs from those included in the September 2019 update. The updating of these cost estimates resulted in a slight decrease in the Total Cost estimate.

# Project Cost and Sources of Funds

## Option 4

### Uses

Estimated Project Cost:	\$14,438,000
Cost of Issuance:	<u>\$100,000</u>
	\$14,538,000

### Sources

County Contributed:	\$5,810,753
NC DEQ Grant:	\$1,408,247
Borrowed - Spec. Obs.	<u>\$7,319,000</u>
	\$14,538,000

### Debt Service Estimate

FY	Principal	Interest	Total Debt Service
2023	\$ 1,463,800	\$ 256,165	\$ 1,719,965
2024	\$ 1,463,800	\$ 204,932	\$ 1,668,732
2025	\$ 1,463,800	\$ 153,699	\$ 1,617,499
2026	\$ 1,463,800	\$ 102,466	\$ 1,566,266
2027	\$ 1,463,800	\$ 51,233	\$ 1,515,033
<b>Total:</b>	<b>\$ 7,319,000</b>	<b>\$ 768,495</b>	<b>\$ 8,087,495</b>

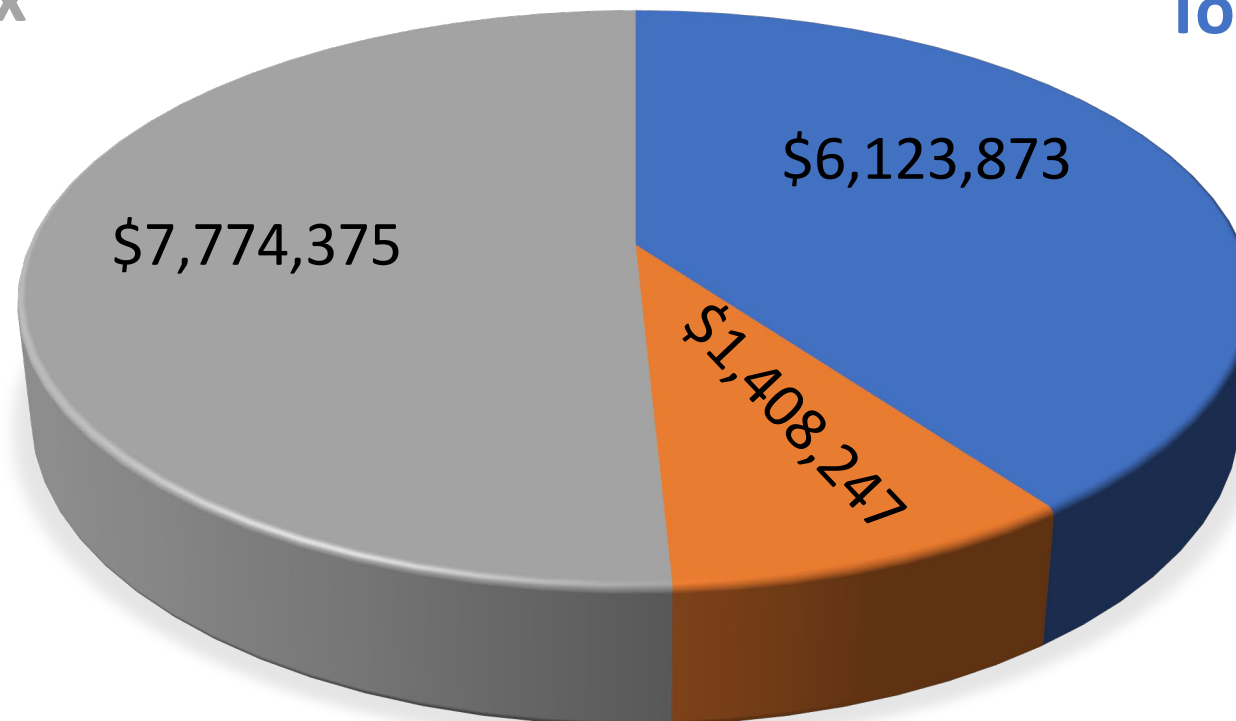
### Debt Repayment Revenues

FY	County Contributed	Town Contributed	Total Revenue
2023	\$ 495,190	\$ 1,224,775	\$ 1,719,965
2024	\$ 443,957	\$ 1,224,775	\$ 1,668,732
2025	\$ 392,724	\$ 1,224,775	\$ 1,617,499
2026	\$ 341,491	\$ 1,224,775	\$ 1,566,266
2027	\$ 290,258	\$ 1,224,775	\$ 1,515,033
<b>Total:</b>	<b>\$ 1,963,622</b>	<b>\$ 6,123,873</b>	<b>\$ 8,087,495</b>

## PROJECT COST AND SOURCE OF FUNDS

Dare County  
Occupancy Tax  
51%

MSD 1 / MSD 2 /  
Town Wide  
40%



NCDEQ Grant  
9%

# DARE COUNTY'S BEACH NOURISHMENT FUND

- Funds come from the Dare County occupancy tax (2% designated for Beach Nourishment Fund)
- This occupancy tax is projected to generate \$11.2 million for the fiscal year ending June 30, 2021, and \$10.3 million for the fiscal year ending June 30, 2022.



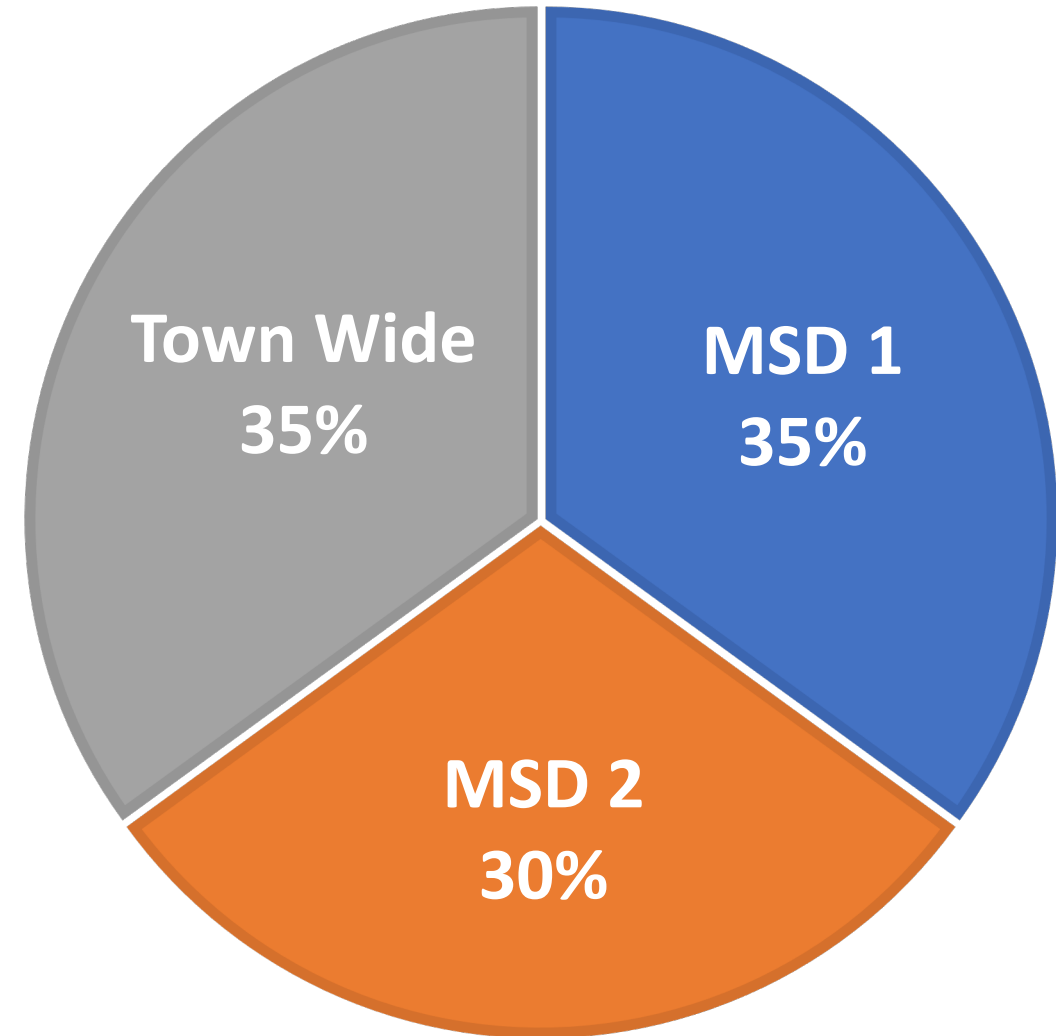


# DEQ awards \$11.5 million in Coastal Storm Damage Grants

**Town of Southern Shores Beach  
Management Project - \$1,408,247.19**

**TOWN'S PORTION  
OF TOTAL COST= 40%  
OR \$6,123,873**

**EXAMPLE**



**EXAMPLE**

**Town Wide** paying 35% of the town cost would amount to a \$0.0275 tax increase  
= **\$137.50**

**MSD 2** paying 30% would amount to a \$0.0625 tax increase = \$312.50 + town wide  
= **\$450**

**MSD 1** paying 35% would amount to a \$0.145 tax increase = \$725 + town wide + **MSD 2**  
= **\$1, 312.50**

**\$500,000 Home**





# FEMA

# EVERY TOWN PROPERTY IS TAXED



# SALES TAX?

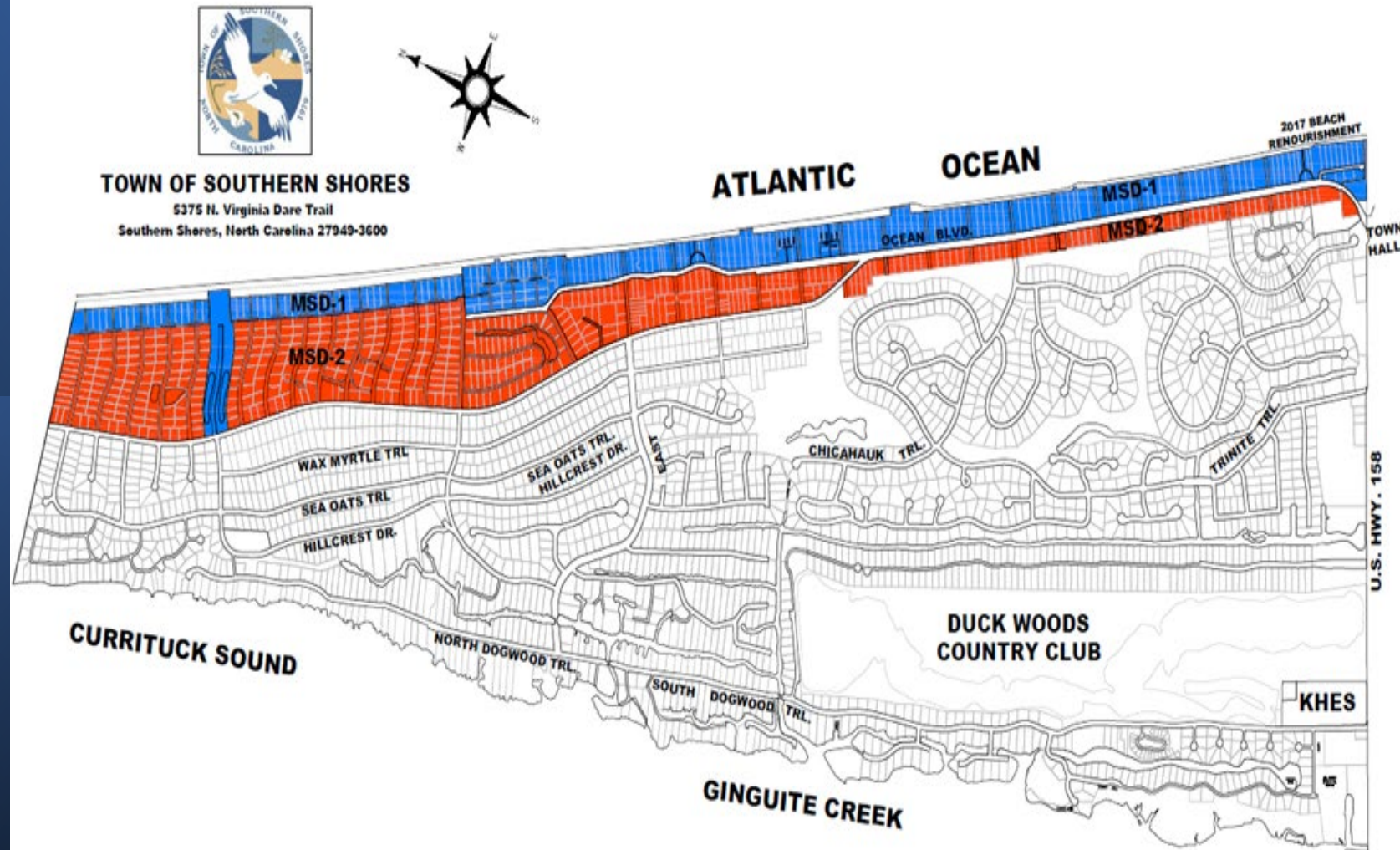
## OCCUPANCY TAX?





TAX ONLY RENTAL PROPERTIES??

# Changes to Boundaries as Presented

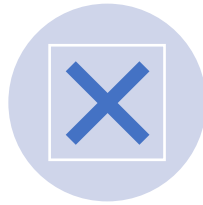


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## CONCEPTUAL MUNICIPAL SERVICE DISTRICTS



**The Town Council will take all comments into consideration**



**Request for Exclusion From District – by March 21, 2021**



**April 13, 2021 – Council takes 1<sup>st</sup> vote to establish MSD**



**May 4, 2021 – Council takes 2<sup>nd</sup> vote to establish MSD**



**Tax rate will be established with adoption of FY 2021/22 budget**



**A public hearing on the FY 21/22 budget will be held which would include a tax on the Municipal Service Districts**



**Effective Date – July 1, 2021**

Town of Southern Shores  
[www.southernshores-nc.gov](http://www.southernshores-nc.gov)

**Cliff Ogburn**  
Town Manager

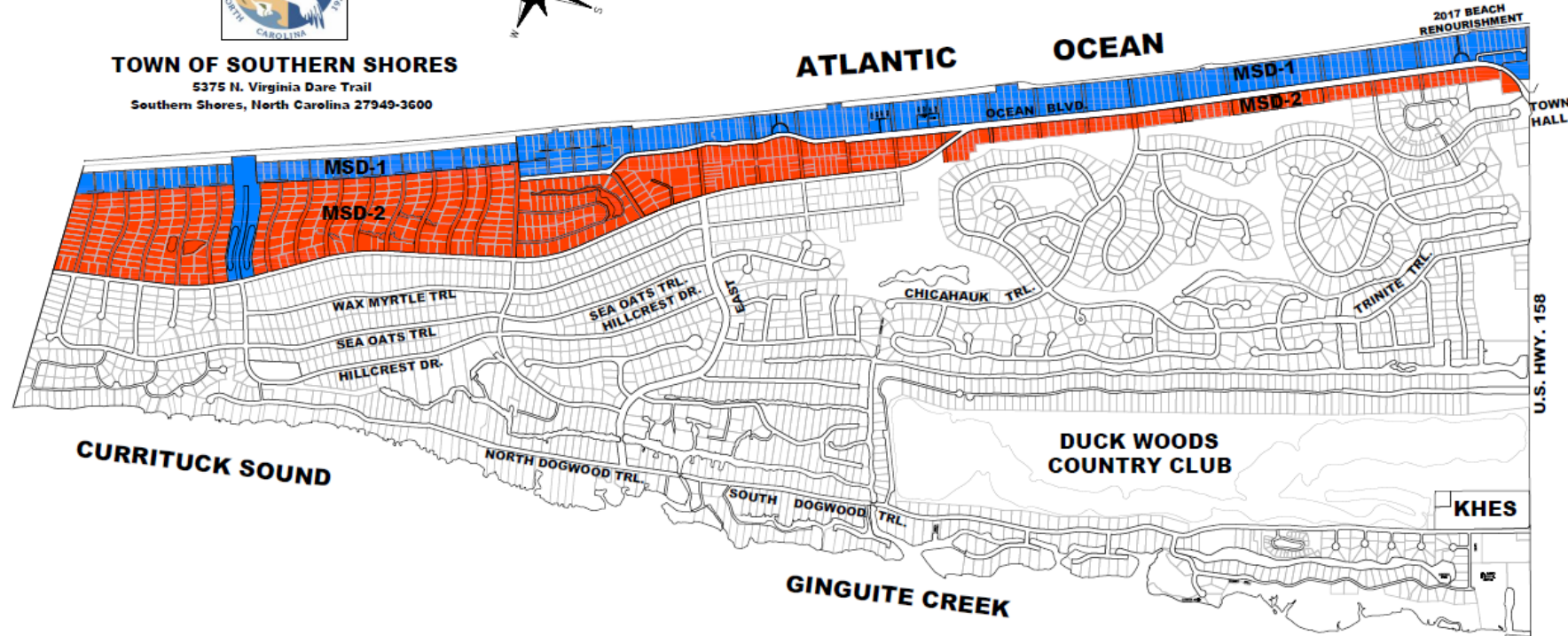
5375 N. Virginia Dare Trail  
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tel. (252) 261-2394  
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## TOWN OF SOUTHERN SHORES

5375 N. Virginia Dare Trail  
Southern Shores, North Carolina 27949-3600



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