

MINUTES, SJPBAC COMMITTEE
October 14, 2005

- I. Meeting called to order at approximately 1:10 p.m. by Charlie Weston, acting chair for the meeting.
- II. APPROVAL of September minutes. MOVED AND SECONDED.
- III. FEASIBILITY STUDY UPDATE, Michael Dombrowski MRD & Associates. PowerPoint presentation and Progress Report #2 will be attached as Attachments A and B.

ADDITIONAL NOTES ON PRESENTATION: Data on shoreline & volume changes (R monuments) encompasses 1973 to 2005 changes, shoreline and volumetric. Back before 1997, the historic shoreline changes were pretty consistent. In last eight years, the erosion has almost doubled compared to previous record of '73 to '97. Stump Hole is one of the highest eroding shorelines in the state of Florida. Volume change per foot '97 to '05, upland portion in the northern part of the area is three cubic yards per year. Below mean high water roughly follows the shoreline changes, increases from north to south on average annual basis from stable in state park to in the neighborhood of Stump Hole 20 cubic yards lost per year. Every foot it changes you usually add or subtract a cubic yard of sand. Typical beach restoration is from 100 to 200 cubic yards of sand placed on a linear foot basis. One of the design parameters is how much sand to just meet background erosion rate. Volume change has doubled in the last eight-year period. Appears erosion rate is accelerating. May have to start looking for some additional sand at additional cost or use the same amount of sand and put it in areas where it is needed the most to get the most cost-effective project but get basically the "same bang for the buck." '98 study did a sediment budget. What was happening in the southern portion of the peninsula. Refine where the break in the transport is. Numerical modeling of the shoreline. Look at offshore waves, where are they coming from, how big, how do they affect sediment transport. Shoreline Change Rate slide, most of the sand that is out on SJP when waves come in and erodes, it is primarily to the north. Very little now goes to the south. As a result

the preliminary consideration of a possible jetty at the Stump Hole area seems less likely.

Charlie asked a question about a structure in an aquatic preserve. Phil Flood said he'd have to go back and check. Michael said we may not actually construct any structures initially - might put the sand out, monitor it and have the design permitted and ready to go into place if it's proven to be of benefit

Question was asked, Have you figured out why it's doubled in the last few years? Michael said it was probably due to hurricane activity. '73 to '83 was pretty mild hurricane years compared to current status.

Question was asked, Do you think the rock revetment cut down the amount of sand going southward? Michael said that looking at wave modeling, it's actually more of a regional approach to it rather than localized. But now the road is sitting in the gulf and is basically acting as a groin to some extent.

Question was asked, What difference does it make which direction it's going? Michael stated it helps the engineering firm understand the process and formulate a better plan.

Risk assessment, another portion of the study, helps assess most cost-effective project in giving a baseline. Benefit to cost. Quantify how much land is being lost and put value to it and also structures.

Question was asked, In light of the problems down in Gulfport/New Orleans storm surge, what does a 100-year storm event mean in terms of size of wave? Michael said a 100-year storm event has a 1% chance per year of occurring. Ivan or Dennis would have been about a 50-year storm, possibly.

Charlie commented there was a need to tie the risk assessment to Dr. Stronge's piece and reconcile the two sets of data. There were statements made of concerns about the calculations and undervaluing of the structures and property. Data will be reviewed further and revisited at a later meeting.

Immediate Tasks Slide:

Looking at more sand to the north than originally anticipated and now possibly take a portion of the investigation and breaking it into two areas. Looking at more areas to the north. FDOT looking at different options for the road. The consulting firm (Volker?) finishing up a report for FDOT and making some recommendations told Michael that over a 50-year life the cost of the bridge is somewhere in the neighborhood of \$20 million to \$50 million in construction. They will be recommending a joint project between the county and the FDOT concerning responsibility for the roadway.

Value Engineering - we've put in a funding application to FDEP and are looking at hopefully a 50-50 cost share. Beach access is an issue. The entire shoreline needs to be established as critically eroding. Implementing the locally preferred option is the goal.

Charlie asked for a cost estimate, plus or minus 20%, in dollars. Michael stated the application amount is 12 to 13 million. He projected the cost of sand alone (meaning no structures such as groins, etc.) was an estimate of 10.5 million. That's the total construction cost for the sand piece of restoration.

Charlie asked if there was any possibility on a fast-track from FDEP for the permit. Phil Flood advised the state permit would be a quick process; it's the federal side that is the concern for the one-year permitting time frame.

IV. PRESENTATION BY SARA BLECKLEY, TAX CONSULTING ATTORNEY:

Intro by Tim McFarland: MSTU seems to be the "winner" in the funding mechanism. If we want to collect the tax in the coming year it has to be put in place before the end of this year. (Side note, Sara has a home on CSB in Cape Dunes that they own with several other families.) Sara is from Tallahassee - does almost exclusively tax issues/local government. Works in special revenue development.

Sara stated there are two basic options for funding the project. One is the MSTU (which has been detailed in previous meeting notes). MSTU is an ad valorem tax, just like county millage. MSTU is exactly the same tax base - whatever your value is will be the basis of the amount that you pay. MSTU is legal mechanism whereby the BCC acts as a city, in essence, and imposes a millage on a less than countywide basis to fund a project. Also has same process for levying the tax. BCC has budget a cycle. In the summer they get the valuation of property, total value, and calculates the rate. Notices are sent of estimated rate -- a TRIM notice (truth in millage).

To start MSTU in less than countywide basis, BCC create the millage and identify the properties. Have to do it by 1/1/06, through adoption of an ordinance that has to be advertised in the newspaper (weekly paper) have to do that very soon, probably the next BCC meeting. Legal will work toward drafting an ordinance and some articulation of the properties that will be subject to the ad valorem tax. One of the down sides is ad valorem taxes can't be pledged to the retirement of debt unless there's a referendum. Referendum has to be held of the voters in the affected area. Recurring costs to maintain beach will need to be looked at.

Charlie asked if the MSTU had a 5-year duration. Tim and Sara answered an MSTU has no time limit. On an annual basis the BCC would adopt a budget and millage and notify tax base. Could levy zero or abolish at any time. It can only be used for that specific purpose; i.e., beach restoration and maintenance.

Tim restated the ad valorem tax needs a referendum to pledge the money to the bond. There's consideration to perhaps setting up two separate MSTUs -- one rate on the gulf and one on bay side, different rates determined by the benefit rate. It's essential to get it in place so we will have the funding stream and taxes being collected. Sometime within the next year we will have the referendum, then seek the bond and use the money to pay it off. The Stump Hole to state park is the geographical area for the taxing district. To avoid setting a tax that would not be generating enough to fund the project, we need to know what the numbers are going to be before setting it. We can actually set

the millage rate later but need to have some idea of what the figures will be and need to know the answers fairly soon.

Sara stated that roughly 24% of the taxable value in the county is out there. To generate 1.5 million it takes 2.5 mills. Current rate is 5.5 so about half the county's millage rate. Typical 500K house would pay an additional \$1250 at that rate.

Tim noted that in probably March the supervisor of elections will conduct the election (referendum) for the county. Need to decide one or two units, structure, etc., before having the referendum.

Option two is a special assessment, MSBU, which can be a lot more complicated because it doesn't necessarily rely solely on the ad valorem tax base. In order to have a valid special assessment, it must meet two requirements: there must be a special benefit from the services or facility construction, and you can't charge a property more than the benefit they receive. An MSBU is more extensive. It can use a variety of factors to set the rate, including ad valorem tax rate and perhaps proximity to the beach and "use and enjoyment" criteria. The value of taking that approach over MSTU is you don't have to have a referendum to pledge it, but it's a more complicated analysis and more meetings and uncertainty.

When weighing the options a key question is what's the likelihood of passing a referendum out on the cape.

Phil Flood commented that although the \$10.5 million doesn't include design costs, etc., the state can kick in up to 50% of the design costs as well.

Tim noted the MSTU funds this without sunset and keeps the funding in place to pay for the maintenance. Can adjust the millage as you realize what you need to fund the work for that tax year.

Charlie reported the finance committee totally agrees that we need to go with the MSTU. Has a report with bullet-point support for this and recommends we proceed with the MSTU. In order to do that, though, it

has to be in place by the 31st of December. He then addressed the subject of how are we going to present the MSTU ordinance to the county commissioners.

1. the first option is have a special meeting with the BCC, Michael, Dr. Stronge, Sara, and possibly others (Phil Flood?) to lay out the data and present the plans to implement the restoration project to the commission in a special workshop before they vote.
2. another option is to meet with them one on one and try to get a vote of three.

Charlie's preference is the special meeting and let the BCC vote.

Tim reported the BCC met two weeks ago, and in that meeting Tim had them approve at that time the process of the MSTU; i.e., they approved for us to enter into the ordinance process and approved Sara. What happens next is get together and draft the ordinance that will be then advertised, figure out geographics, and then when we get down to having a meeting in front of the BCC to adopt the ordinance, then meet with them. There was some clarification on what the BCC had approved, so Tim restated the approval was to move forward with the ordinance process --not meaning they are "for" the MSTU, but get them educated prior to the public hearing.

MOTION WAS MADE AND SECONDED TO GO FORWARD WITH THE MSTU AS DESCRIBED. MOTION PASSED.

V. PR & MARKETING COMMITTEE:

The committee made a PowerPoint presentation of the various activities they have been engaged in, the progress of each, and the plans moving forward. (See Attachment C for the goals and objectives of the committee). At the conclusion of the presentation, feedback and input was solicited from the overall committee on the direction of the PR/Marketing Committee. The group consensus was to move forward with all plans and projects presented.

A MOTION WAS MADE AND SECONDED TO APPROVE THE DONATION JARS. MOTION PASSED.

Charlie noted the CCA has their annual meeting on 12/3/05 and asked for Michael, Dr. Stronge, Sara and others to be there to present on the issues, create public awareness, recruit others for involvement, sell t-shirts, etc.

Pauleed noted we have received funding and permission to do a community bulletin board on the outside of Scallop Cove. A discussion took place on possibly placing signage at the Stump Hole to raise awareness of the website.

VI. BUDGET:

Paula noted we had dedications of \$53,000 out of TDC's budget for '05-06. We've received permission to fund the website, TDC has given us \$5,000 to use as-needed and report back when more funding needed. 1/6th of TDC revenues go into the line item for beach restoration. There was discussion of the tax attorney expenses, printing costs - variety of expenses that we'll have over 12-24 months. Finance and marketing committees will develop budgets, Bill will preapprove and sign off and then turn in to TDC. It was noted we need to work toward getting the environmental piece of the project to come online.

Charlie brought up the cost for the tax attorney and there was discussion of having a meeting with Don Butler.

Charlie brought up the issue of additional accesses and parking required. Of the total dollars \$10.5 million+/- required, the state can come up with as much as 50% -- but only if we increase beach access and parking. He requested we create a separate committee to work on this issue. Possibly Bill Kennedy can chair it. Michael has the aerials with R monuments and we can easily identify who owns property in the suggested areas. Phil Flood with work with Bill Kennedy to get feedback by November meeting.

VII. OTHER NEW BUSINESS:

A. Environmental Opinion. Discussion took place on the need to formulate a working group to take on the challenges of environmental impacts and how to create an even healthier beach. No chair has been

identified thus far. Paula wanted to raise that issue again because we still have not had anyone identified yet. Martha is interested in being involved and will help as much as possible. She will work with Paula and try to work on that goal.

B. Opportunity to learn about permitting process. Phil Flood commented that on November 3rd he has been asked to attend a meeting with Walton County for beach restoration for the remainder of their county -- 23 miles. Anybody who wants to go with him could hear from the permitters how to handle the process.

C. CBRA. Question was asked about the effort to convert the cape to lift the CBRA designation. Dewey Blaylock is heading up Ron Morrow's committee and the inquiry was suggested to be made to him.

D. Creating mechanism to accept bequests. A suggestion was made to create the proper organization to accept bequests. It was agreed that was a good idea to investigate and find out what type of association needs to be set up for accepting gifts.

E. FAQs. Additional discussion occurred on the FAQs which were presented by the PR/Marketing committee. The FAQs will be the "sanctioned" answers for anticipated questions that will come up when discussing the project. These answers are assured to be accurate, consistent, and the language will have been reviewed by legal, etc. It was noted if a question comes up which is outside of the FAQs that the proper response is to tell the inquirer that you will get back with them after an answer is formulated which represents the position of the committee.

Meeting adjourned at 3:20 p.m.