

**SHORELINES – June 2003**  
**As presented to the Island Review Magazine.**

**ONE STEP AT A TIME...**

As you may have garnered from the past couple of *Shorelines* articles, the foundation of our Brandt Island Pump-Out/Section 933 Project will be built from a series of Local, State, and Federal funding mechanisms. With a little assistance from lady luck and a lot of hard work, we may be able to start the construction of this large-scale beach restoration project on November 16, 2003. As a one sentence reminder, the Brandt Island Pump-Out/Section 933 Project will utilize up to 6 million cubic yards of sand over a 13.1-mile stretch of Bogue Banks including the beaches of Fort Macon, Atlantic Beach (AB), Pine Knoll Shores (PKS), and Indian Beach (IB).

Some important events have recently transpired and the pieces of the funding puzzle are slowly beginning form into some semblance of order. The entire Project comes with a \$37 million price tag that includes all costs for harbor maintenance at the Morehead City Port, beach restoration activities, and associated planning (see table below).

Harbor maintenance and beach restoration along the shorelines of Fort Macon and AB is part of the Morehead City Federal Navigation Project and therefore has essentially no Local or State costs – the Federal government funds 100% of these activities. The Section 933 Project on the other hand, is a cost-shared program that will nourish the beaches of PKS and IB. Utilizing funds available from the North Carolina Water Resources Development Project Grant Program, the cost share for the Section 933 Project is 65% Federal, 26.25% State, and 8.75% Local. Let's take a quick look at where we are in the funding process one by one.

Local - PKS and IB are responsible for \$1.7 million associated with the Section 933 Project. PKS voters recently approved a \$1.6 million bond referendum on April 29<sup>th</sup> to cover construction and other costs associated with the Corps access and parking requirements. The remaining Local balance will be borne from IB's dedicated general obligation bond reserve remaining from their beach restoration project conducted in 2001-02. The local funding vehicle is the most stable in the Local, State, Federal funding triangle.

State – The State appropriation process is less predicable than our own local mechanisms because the State House, Senate, and our Governor must approve the required \$5 million for the Section 933 Project. Every year, the House and Senate alternate which chamber develops the budget first. This year (FY 03-04), the House has taken the Governor's recommendations first, and has already developed their own budget which was approved on April 17<sup>th</sup>. The State Senate quickly followed suite and passed their own version of the budget on April 30<sup>th</sup>. Fortunately, the \$5 million required for the Section 933 Project was contained in both the House and Senate versions. Hopefully, the Governor will endorse the budget before the fiscal year starts on July 1<sup>st</sup>. This is a welcome change from last year when the budget wasn't passed until October. If this scenario presented itself this year, we likely would have not obtained the necessary State funding in time to participate in the Section 933 Project. Also, local leadership has been working with the Port Authority and the State's Division of Water Resources to fund an additional \$3 million for the evacuation of what is commonly referred to as "Port Sand" as part of the upcoming Project. The State is responsible for the removal of this material and is a separate cost than those associated with the Section 933 Project. Beach construction would simply be scaled back if this material was not removed from Brandt Island during the upcoming pump-out cycle.

**SHORELINES – June 2003**  
**As presented to the Island Review Magazine.**

Federal – The proverbial “joker in the deck” is the Federal appropriation process. The construction of the Brandt Island Pump-Out/Section 933 Project will cost the Federal government approximately \$27.3 million, and includes the least cost plan (Fort Macon and AB) at \$14.8 million and the Section 933 Project (PKS and IB) at \$12.5 million. The President’s budget recommendation for FY 04 (October 1, 2003 - September 30, 2004) is approximately \$13 out of the \$27.3 million required for the entire Project. Thus, local communities are seeking a \$14.3 million “Congressional Add” in the Energy and Water Development Appropriations Bill for this year. On a positive note, our Congressional delegation in both the U.S. House and Senate have requested the full appropriation for the Brandt Island Pump-Out/Section 933 Project. This doesn’t necessarily mean that the full appropriation will be forthcoming, but it is a good step in the right direction. In theory, the President should sign the Energy and Water Development Appropriations Bill into Law before October 1<sup>st</sup>. In the interim, we will stress the importance of the Brandt Island Pump-Out/Section 933 Project to Congress in an effort to bolster support for the Project and remain in a “wait and see” pattern for the next few months while the Appropriation Bill is developed.

**Funding Schedule**  
**Brandt Island Pump-Out/Section 933 Project**

**Federal Share**

Least Cost Zone	\$14.8 million
Section 933 Project Zone	\$12.5 million
Subtotal	<u>\$27.3 million</u>

**State Share**

Least Cost Zone	\$0.0 million
Section 933 Project Zone	\$5.0 million
Removal of Port Sand in Brandt Island	\$3.0 million
Subtotal	<u>\$8.0 million</u>

**Local Share**

Least Cost Zone	\$0.0 million
Section 933 Project Zone	\$1.7 million
Subtotal	<u>\$1.7 million</u>

**TOTAL** \$37.0 million