
North Topsail Beach
Activities Update
October 2023
Richard Grant

MAJOR ACTIVITIES SUMMARY

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- Over \$40 million dollars of beach projects either completed or under contract since 2019/2020 with minimal cost to NTB taxpayers (see later slide)
 - Obtained over \$12 million in grants and/or outside funds
 - Firetruck loan at 0% interest
 - Paid off over \$7 million of Phase 5 USDA loan
 - Refinanced as Special Obligations Bonds (SOBs) saving hundreds of thousands of dollars in interest
 - 30 year beach plan under development and BISAC committee formed
 - CBRA progress with federal officials
 - Capital project fund established and South Firehouse moves to design and construction phases (construction to begin in 2024- bids due fall 2023)
 - Bike lane study funded
 - Clean Outside Financial Audits

Revenues 23/24 budget

“where does the money come from?”

- Generally four major sources of revenues **excluding grants and awards**
 - Property taxes \$0.43. \$6,933,750 (only one NTB has control over-County is separate).
 - \$0.26 General fund, \$0.10 Beach (Shoreline Protection), \$0.07 Capital Improvement fund
 - Sales taxes \$2,644,292—(split General 74.4% and Beach 25.6%)
 - Accommodation fees \$1,650,000 (rentals)-100% to Beach (Shoreline Protection)
 - These are set by the State not NTB
 - Parking fees \$448,500 (75% beach, 25% general fund)

What are the Town's largest budgeted expenses?

- **Phase 5 Beach Project** formerly USDA loan (refinanced as SOB's)
\$2,006,204 (annual payment 4 years remaining)
- **Fire department** \$1,612,748 (does not include capital fund dollars of over \$1 million)
- **Police department** \$1,388,870

Property taxes why did they increase?

- Every four (4) years Onslow County does an individual property revaluation which becomes basis for assessing taxes—occurred in 2022 but can be appealed
- NTB saw more than a 50% increase in total “value” although this varies by individual property and included “new construction”
 - Property values (including resales) and rentals soared over that period
 - Onslow has an interactive map showing these—eg my house value is in the 114% increase area
- NTB and Onslow actually dropped their “tax rate” - NTB from \$0.46 to \$0.43 and Onslow County from \$0.705 to \$0.655.
 - **NTB receives approximately 40% of the total property taxes paid in total**, and we assume a 99.3% collection on our share (the \$0.43)

Where does the money go?

2023/2024 Budget Revenues and Expenses Shoreline Protection (beach)

- Revenues \$4,254,816.65 (31% of total revenue)
- Expenses (significant)
 - Phase 5 USDA (refinanced as SOB's) \$2,006,204.00 (47%)
 - Brings total payoff to over \$7 million of original \$15 million since 2021 with another \$2 million paid off this year
 - Future Projects \$1,076,612.65 (25%)
 - New River EIS \$280,000 (commonly referred to as the “groin” project)
 - Sea Oats and Vitex removal \$266,000
 - 30 year beach plan \$30,000
 - Sand bag repair \$200,000

2023/2024 Budget Revenues and expenses Capital Improvement Fund

- Revenues \$1,743,695.92 (12.5%) –does not include approximately \$500,000 to be received from Onslow County (see later slide)
- Expenses
 - Fire Department \$930,562.50
 - Fire Truck fund \$153,187.50
 - Bike Path project \$100,000
 - Future Capital Improvements \$559,945.92

2023/2024 Budget Revenues and expenses General Fund

- Revenues \$7,591,076 (54%)
- Expenses \$7,591,076 (significant listed below)
 - Fire department \$1,612,748 -22%
 - Police department \$1,388,870 - 18%
 - Planning and inspections \$482,340
 - Public works (buildings, streets, trash rec) \$1,770,583
 - Contingency (storms etc.) \$532,756
 - Admin \$862,730

NTB/Onslow County Partnership

- Cooperative relationship
- Onslow funding (annual)
 - \$0.03 property tax from County property tax collections (approximately \$500,000 per year) for Fire Department
 - \$150,000 grant for Phase 5 loan repayment
- \$10,000 one time grant for Ocean City FY 22/23
- Working together regarding planning including infrastructure

Grants (single)

- North Carolina Phase 4 \$10.5 million matching
 - NTB used FEMA Phase 5 as match **so not cost to town**
 - Creates “engineered beach”
- Cyber security (no match) \$13,527
- FEMA Go, Assistance to Firefighters Grant for 78,571 (Town contribution of 5%, for AirPaks)
- Golden Leaf, Town Hall Grant for \$287,678
- NCDEQ, Large Sediment Sampling Grant for \$14,400
- NCDEQ, Shoreline Protection Funding for \$1,500,000 (no match or contributions)
- GEMS, PD Laptop Replacement Grant for \$23,433 (no match)

Grants/funding (continuing)

- Onslow County fire department (\$0.03 of property tax)
 - Annual around \$500,000 based on NTB property values
- Onslow County—debt assistance
 - \$150,000 per year applied to Phase 5 loan

Beach Projects since 2013 Summary

Data provided by NTB Beach Engineer

	total cost	town cost	%total	%town
Phase 5	41,765,460	16,800,000	60%	69%
Phase 4	11,474,000	446,000	17%	2%
Phase 3	0	0	0%	0%
Phase 2	0	0	0%	0%
Phase 1	11,150,000	7,258,333	16%	30%
Phase 1,2,3,4	3,972,150	0	6%	0%
Phase 1,2	1,020,000	0	1%	0%
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	\$69,381,610	\$24,504,333		

USACE SLIDE PHASE 5 PROJECT

“why NTB could not participate—it cost more than we could afford and costs kept rising”

- Slide summary as part of Army Corps presentation
- Amounts excluded from USACE financing (see difference between worst case and best case) must be “pre funded” by NTB-cash to be paid prior to project start
- Worst case is actual case for NTB as reflects excluded amounts-see last footnote
 - Approximately \$19 million “prefunding” required per USACE
 - State of North Carolina will not contribute to “worst case” excluded areas meaning NTB absorbs full cost
 - First phase total cost at \$19 million plus approximate \$20 million in borrowings
 - USACE funding percentage drops from 65% to 50% in renourishment with no guarantee of State contribution
- Would require approval by States Local Government Commission—NTB advised no financing term longer than 6 years
 - Term is consistent with renourishment obligation—no “pancaking” of debt- plus prefunding required for each phase
 - Annual cost estimate around \$ 7 million—does not include current \$2 million Phase 5 annual debt payment



COST SHARE RANGE



Initial Construction Cost Share Scenarios	FED Cost Share	NonFed Cost Share	Total Cost	Federal Cost	Non-Fed Cost	Estimated ToSC Cost*	Estimated ToNTB Cost*
Best Case	65.0%	35.0%	\$ 237,000,000	\$ 154,050,000	\$ 82,950,000	\$ 42,812,903	\$ 40,137,097
Worst Case	44.5%	55.5%	\$ 237,000,000	\$ 105,465,000	\$ 131,535,000	\$ 67,889,032	\$ 63,645,968

Renourishment Construction Cost Share Scenarios	FED Cost Share	NonFed Cost Share	Total Cost	Federal Cost	Non-Fed Cost	Estimated ToSC Cost*	Estimated ToNTB Cost*
Best Case	50.0%	50.0%	\$ 672,074,000	\$ 336,037,000	\$ 336,037,000	\$ 173,438,452	\$ 162,598,548
Worst Case	34.3%	65.7%	\$ 672,074,000	\$ 230,521,382	\$ 441,552,618	\$ 227,898,125	\$ 213,654,493

- * Based on estimated volume to be placed in each town
- * Best case defined as: Maximum Cost Share % allowed for both initial construction (65/35) and renourishment (50/50) phases.
- * Worst case defined as: All Undeveloped Private Lands and Privately Owned Lots with no Public Access (100% Non-Fed Cost)

Working Today to Build a Better Tomorrow