



STAFF REPORT

Meeting Date: February 18, 2014

Agenda Item #: 7

TO: Mayor and Town Council

FROM: Sandy Wood, Randy Walters, Lisa Anglin

THRU: Susan Parker, Town Administrator

TITLE: CANAL/CHANNEL DREDGING/MAINTENANCE FEE-SUPPORTED DISTRICT INFORMATION

Summary:

Session Law 2013-69, Senate Bill 268 (attached) ratified June 10, 2013 allows the Town of Sunset Beach to impose a canal dredging fee by creating a fee-supported canal dredging and maintenance district, and to impose an annual fee on owners of each dwelling unit or parcel of property that could/does benefit from water access through the canal system.

Background:

In early 2013, the Council discussed establishing a Fee-Supported Canal Dredging and Maintenance District for the canal property owners in order to charge the owners for dredging over a period of time instead of the total assessment being due all at once. Attorney Isenberg contacted the legislators and the bill passed in June 2013.

The database has been built and the results are as follows:

Fish Street Canals and Feeder Channel = 239 properties

6th Street (water side only) = 17; Marlin Street = 32; Sailfish Street = 34; Dolphin Street = 33; Cobia Street (canal side only) = 18; North Shore Drive Extension (feeder canal side) = 37; Riverside Drive (feeder canal side) = 68

Bay Area = 68 Properties

Canal Drive = 37; Cobia Street = 6; Majestic Oak Drive = 9; 17th Street = 3; 18th Street = 1; 19th Street = 4; North Shore Drive Extension = 8

A database has not been built for the canals on Bay Street and Inlet Street as Staff is unable to determine if dredging equipment can reach them. Holley Snider, CAMA Representative, has been asked for an opinion and will advise Council during the Retreat.

Procedural Information:

Prior to establishing the District by Resolution adoption, several items will have to be completed first. This includes applying for and securing a CAMA permit; surveying each of the canals, and the feeder channel, to establish the navigational portion and determine the required depth for each; obtain an estimated cost to dredge each canal, and the feeder channel, separately and develop a dredging timeline for each or obtain an estimated cost to dredge all of the canals, and the feeder channel, at the same time; establish a pier head alignment ordinance for each canal (already established for the feeder channel); decide if the fees will be collected prior to the dredging or if the Town will have the work done before assessing the property owners, etc. Holley Snider, CAMA Representative, will attend the retreat to answer questions and provide additional information.

The fee must be made on the following basis:

- a. The frontage abutting on the project at an equal rate per foot of frontage, or
- b. Per unit or parcel of property.

The fee must be collected in the same manner as provided by General Statutes for the collection of ad valorem taxes meaning the fee can be included on the tax bill and the remedies available by statute for the collection of taxes apply to the collection of the fees. However, the Brunswick County Tax Office can only bill on an ad valorem basis which is by percentage of the property value. Since, this will be a set fee amount, the billing and collection will need to be processed in house by Staff.

If Council decides to delay providing the service until sufficient funds have accumulated, the Town will need to establish a Capital Reserve Fund, under NCGS Chapter 159, to build up the funds but the delay in providing the service can't exceed five years.

Council Action:

Council is requested to discuss and direct Staff accordingly.