



**Beach Preservation Ad Hoc Committee Meeting**  
**Friday, February 16, 2024, 9:00am**  
**1207 Palm Boulevard, Isle of Palms, SC and**  
**broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>**

**MINUTES**

**Present:** Cindy Solomon (via Zoom), Dan Slotchiver (via Zoom), Andrew Vega, Tim Ahmety, Council Member Campsen, Mayor Pounds, Administrator Fragoso, Director Kerr, Director Hamilton

**Absent:** Council Members Pierce and Miars

- 1. Call to Order**
- 2. Approval of previous meeting's minutes – February 9, 2024**

**MOTION:** Council Member Campsen made a motion to approve the minutes of the February 9, 2024 meeting. Mr. Vega seconded the motion. The motion passed unanimously.

- 3. Review of Beach Preservation Fee Fund**

Director Hamilton reported that the Beach Preservation Fund has received \$914,000 year to date. When asked if the City knows how much ATAX money is generated by Wild Dunes' properties versus the rest of the island, Administrator Fragoso said she believed it is fairly evenly split, 51%/49%, but she would check again and report back to the Committee.

Administrator Fragoso explained that the Beach Preservation Fee is a 1% tax levied on all sleeping accommodations on the island whether it is a hotel or an AirBNB. She added, "The City is allowed by State law to levy essentially a 2% municipal accommodations tax. 1% the City has in a separate fund. It's called the Municipal Accommodations Tax Fund. By State law, it has to be spent on tourism-related expenditures. A few years ago, the State law authorized municipalities to choose of the 2% that you can levy on municipal accommodations taxes to have 1% be dedicated for beach preservation, beach renourishment funding, and that is what the City does. So our Beach Preservation Fee is restricted for beach preservation and beach renourishment."

She said the City has spent that money on nourishment projects on the north end of the island, a shoal management project, and on the installation and repair of beach walkover paths. The City is able to use ATAX funds for beach renourishment as it is a tourism-related expense. The City receives approximately \$5 million each year in tourism funds and much of that is used for City services related to tourism, such as Public Safety and Public Works.

#### **4. Discussion of Beach Funding Needs**

Referencing a table in the meeting packet, Administrator Fragoso explained the breakdown of funding sources for previous large-scale renourishment projects in 2008 and 2018. She said, "I think the goal of this group is thinking long term what kind of funding mechanism, funding structure we need to start embracing and thinking to ensure we have a sustainable funding source to be able to fund these projects." She also pointed out that the bulk of the costs of any nourishment project is the mobilization of the dredging equipment.

Mr. Ahmety asked why the State does not support beach renourishment more out of the tourism funds it receives. Director Kerr said the need for such financial support was the reason for the formation of the Beach Advocates Group. He said that lobbying for beach renourishment funds is a "hard sell" to those representatives who do not live along the coast.

Mr. Vega asked about how to capture ATAX monies from other municipalities whose residents visit the beaches. Mayor Pounds suggested a conversation about a tri-county accommodations tax.

Administrator Fragoso reviewed the 10-year Capital Plan for beach maintenance, monitoring, and access. Council Member Campsen asked about the possibility of additional beach monitoring, and Administrator Fragoso said it has been discussed.

Discussion ensued about the possibility of becoming a federally funded beach and allowing the federal government to decide and fund beach nourishment projects. It was decided to have someone from the Army Corps of Engineers speak to the group about the pros and cons of becoming a federally funded beach.

Administrator Fragoso said, "What other communities have done is implemented municipal or special tax purpose districts where residents of the island are taxed a certain amount every year that is used to supplement the fund that is paid for by accommodation taxes. Different places have done it different ways. You can establish different districts along the island where the people that are benefited more directly pay a higher rate and then that amount goes away as you get farther away from the beach." She said such a tax has been implemented in Dare County, North Carolina. She pointed out that the south end of the island does not have a nourishment funding mechanism like the north end (Wild Dunes).

#### **5. Next Steps**

The meeting on February 23 will include Stephen Traynum of Coastal Science & Engineering and a representative from OCRM to discuss regulatory issues. Mayor Pounds would like to see if someone from Explore Charleston could attend a meeting to discuss their lobbying efforts. Administrator Fragoso will see if she can have someone from Dare County, North Carolina speak to the group in the near future. Council Member Campsen suggested that the City Attorney and or the bond attorney be present for the conversation about the special tax districts.

6. Adjournment

The meeting was adjourned at 10:02am.

Respectfully submitted,

Nicole DeNeane  
City Clerk