

CITY OF ISLE OF PALMS

South Carolina

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July 25, 2017

Dear Stakeholder(s):

The City would like to update you on the progress of the second Beach Restoration Project. It may seem like there has been a long silence between the City's last communication and now, but significant work has been occurring between then and now.

Funding: As of last week, the City received successful notification of what was the last remaining financial piece of the project. The Federal Emergency Management Agency has notified the City of a commitment to a total project of \$3,952,340.11 of which they will fund 75% or \$2,964,255.08. It is hoped that the State of SC Emergency Management Division will pay for most of the remaining 25% local share. This means that the City has either cash in the bank or commitments in funding for almost \$15 million dollars which was the budgeted amount of the project. There are two important points to keep in mind as we celebrate that the City has commitments for funding. One is that these commitments are based on estimated and not on actual expenses. If actual expense goes down, then the project is in good shape. If actual expense is higher than anticipated, then the project will either need to be scaled back or the project will need an infusion of additional funding. The other point is that both the State Parks Recreation and Tourism (SCPRT) funds and the Federal Emergency Management Agency (FEMA) funds are reimbursable programs. This means that project's cash flow will need to be carefully managed throughout the course of the project.

	Current Estimated Funding Available
New Stakeholder funds held by City	5,000,025
Old Stakeholder funds held by City	202,533
Interest on Stakeholder funds	13,092
City funds on hand (FY18 Budget-Beach Maint & Beach Preserv Funds)	1,671,978
Additional City funds possibly financed with a loan	1,200,000
State of SC Parks Recreation and Tourism (PRT) Grant	3,382,816
Estimated FEMA contribution (75%)	2,964,255
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Subtotal of Committed Funds	14,434,699
Anticipated but not yet confirmed State of SC FEMA match (15%)	592,851
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Total Estimated Funds	15,027,550

Please be aware that some of this total has been spent on engineering and other activities associated with the project.

Stakeholder(s) update
July 25, 2017
Page Two

Permitting: The City has received the necessary permit from the South Carolina Department of Health and Environmental Control, Department of Ocean and Coastal Resource Management (SCDHEC OCRM) and the U S Army Corps of Engineers has provided the special conditions associated with their pending permit for review. While the approved construction windows are different in each of these, the City has made an appeal to the Corps of Engineers to make the construction windows consistent with one another. The other important constraint to remember is that no sand may be placed landward of any wave dissipation system; therefore, careful coordination will be necessary between the owners of those systems, who are responsible for removing them, and the City's beach restoration contractor.

Construction: The Beach Restoration project is out for bid with a mandatory pre-bid meeting scheduled for 9:00 a.m. on August 1st, 2017 and bid opening for August 15th, 2017. The bid documents deploy several strategies to exact the most competitive bids possible. To increase the number of bidders participating, bidders will be able to select either a fall or a spring construction start time. The City is including an alternate construction window for 2018 through 2019 just in case this is necessary to get the project within available budget. There are alternatives for sand volume—a base amount of 1,000,000 cubic yards and an alternate of 1,400,000 cubic yards. Those with wave dissipation systems are advised to begin preparing to have the systems removed in conjunction with the project. Once the project is awarded, a meeting can be arranged for coordination between the dredging contractor and the owners wave dissipation system removal contractor.

Other: The conflicts between the project's borrow area and the proposed historic district, which is the resting site of the Second Stone Fleet, have been mitigated for this Beach Restoration project. However, this conflict may still need to be resolved for future beach restoration projects if it becomes necessary to borrow sand within that proposed historic district.

Next Steps: Once the City has received and evaluated bids, the status of a construction start date should be better defined. Please keep abreast of actions related to the Beach Restoration by going to this link on the City's website: <http://www.iop.net/beach-restoration> . As always, you may contact either me at ltucker@iop.net or Desiree Fragoso desireef@iop.net or call us at City Hall 843 886 6428 if you have questions or need additional information.

Very truly yours,



Linda Lovvorn Tucker
City Administrator

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