



City Council Workshop/ Planning Session

13 January 2026

City of Isle of Palms

City Hall Council Chambers



Agenda

- Opening Remarks by Mayor Pounds
 - Strategic Plan Review
 - Current Projects Update
 - New Initiatives
 - Threats to IOP
 - Legislative Opportunities
 - Beach Funding Options
 - Miscellaneous
 - Adjournment
-
- *Five-minute comfort breaks at the top of each hour*



Strategic Plan Review

- Extant through 2027
- Discussion on efficacy/relevance of current plan
- Discussion on drafting a new plan

- Thought Drivers:
 - What's the same since 2022?
 - What's different since 2022?
 - What's on the horizon?
 - Do we envision any fundamental changes needed?
 - How do we assess our priorities and goals?

Current Projects Review

- Projects Extant Through 2026
 - Beach Restoration
 - Waterway Flood Mitigation
 - Drainage Palm Blvd
 - Marina Dredging
 - Marina Parking
 - Underground Power





New Initiatives Discussion



Threats to the City

- Thought Drivers:
 - Revenue
 - Expenses
 - Projects
 - State & Federal initiatives/ mandates
 - Economic downturn
 - Catastrophic weather events
 - What else?



Legislative Opportunities



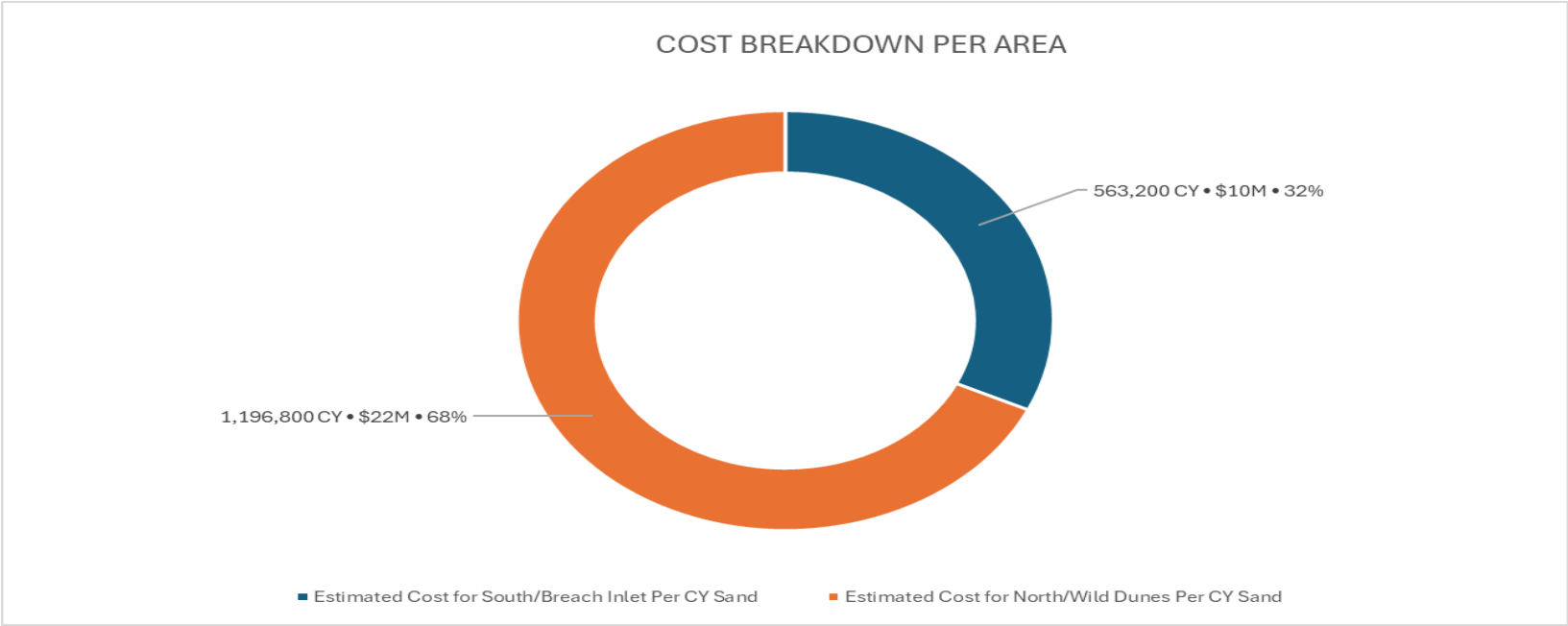
- Thought Drivers:
 - Funding flexibility
 - Grants
 - Special Tax District(s)
 - BCM regulatory flexibility
 - Earmarks
 - Lobbyist discussions

Beach Restoration Macro Look



High Level Cost Estimate Per CY Sand - Beach Nourishment FY26/27

| Area | CY Sand | Percentage | Amount |
|---|-----------|------------|--------------|
| Estimated Cost for South/Breach Inlet Per CY Sand | 563,200 | 32% | \$10,342,243 |
| Estimated Cost for North/Wild Dunes Per CY Sand | 1,196,800 | 68% | \$21,977,265 |
| Total Funding Required for Beach Nourishment | 1,760,000 | 100% | \$32,319,508 |

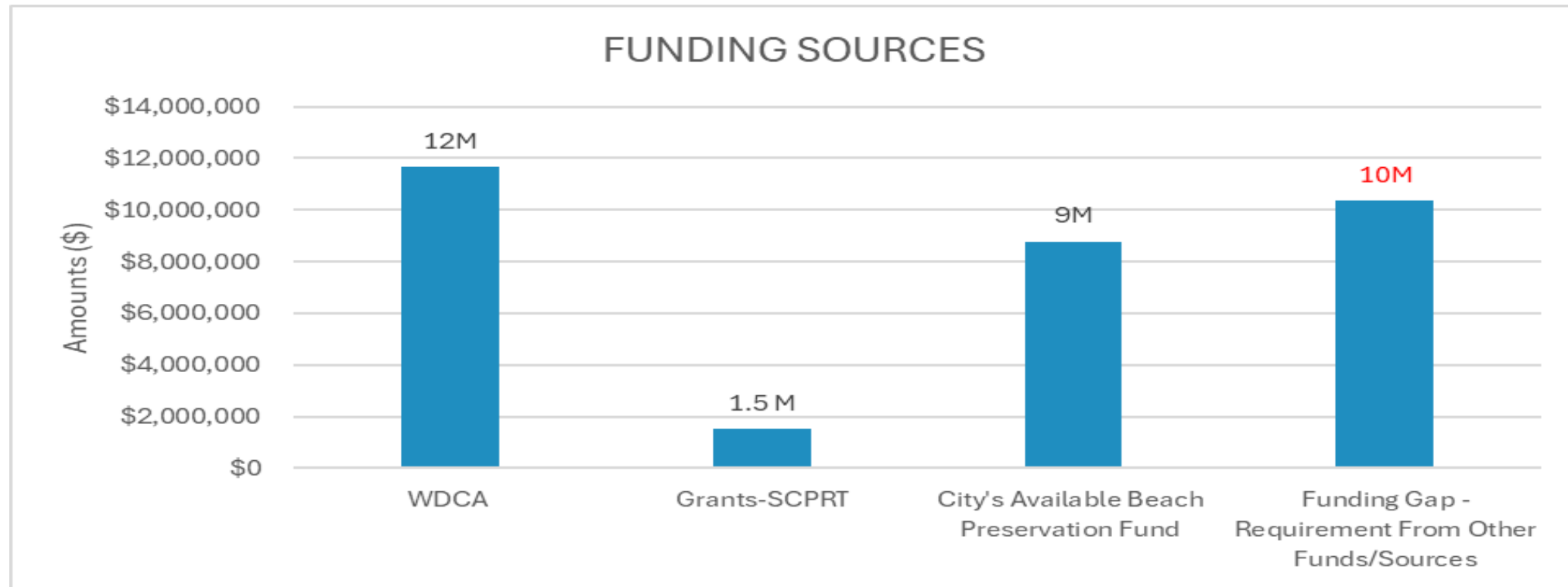


Beach Restoration Funding Sources



Funding Sources:

| | |
|--|---------------------|
| WDCA | \$11,647,951 |
| Grants-SCPRT* | \$1,524,000 |
| City's Available Beach Preservation Fund | \$8,661,082 |
| Funding Gap - Requirement From Other Funds/Sources | \$10,486,476 |



***If SCPRT grant is not awarded an additional \$1.5M will be required**

Costs & Revenue Impact



Summary:

High Level Cost Estimate Per CY Sand - Beach Nourishment FY26/27

| | |
|--|---------------------|
| Estimated Cost for South/Breach Inlet | \$10,342,243 |
| Estimated Cost for North/Wild Dunes | <u>\$21,977,265</u> |
| Total Funding Required for Beach Nourishment | \$32,319,508 |

Funding Sources:

| | |
|---|----------------|
| WDCA Funding - North/WD | \$11,647,951 |
| Grants- South /Breach Inlet, other State/Federal Funding | \$1,524,000 |
| City's Available Beach Preservation Fee Fund | \$8,661,082 |
| City's Excess (Deficit) - Required From Other Funds/Sources | (\$10,486,476) |

| | |
|--|--------------|
| Total City's Funding Required From Fund Balances | \$19,147,557 |
|--|--------------|

IOP Revenue Impact

| | |
|--|-------------|
| Annual Interest Income Impact - Current LGIP Rates | (\$782,005) |
|--|-------------|

Gap Sourcing & Impacted Funds



Potential Funding Sources:

Funding Gap - Requirement From Other Funds/Sources

\$10,486,476

Hospitality Tax Fund

\$750,000

Municipal Accommodations Fee Fund

\$5,200,000

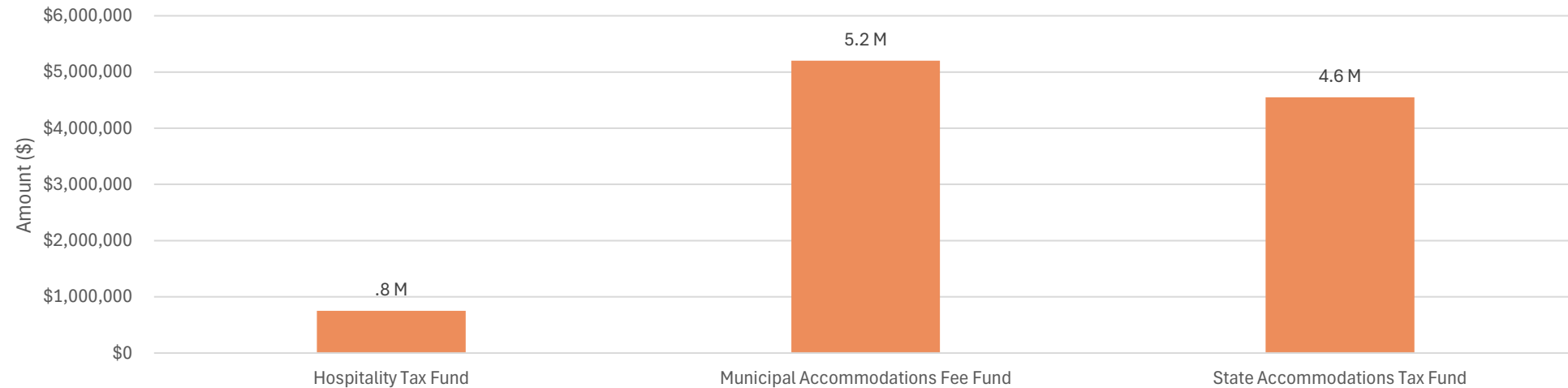
State Accommodations Tax Fund

\$4,550,000

Total Other Funds/Sources

\$10,500,000

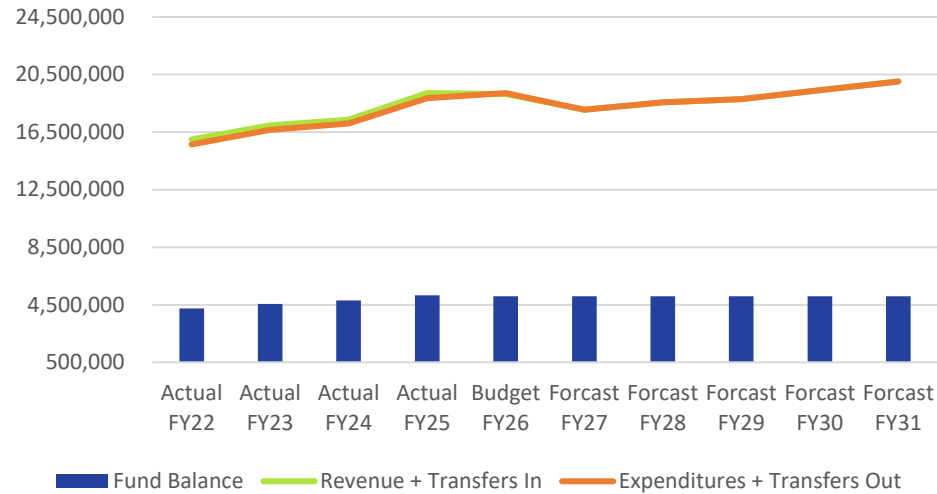
FUNDING FROM OTHER SOURCES



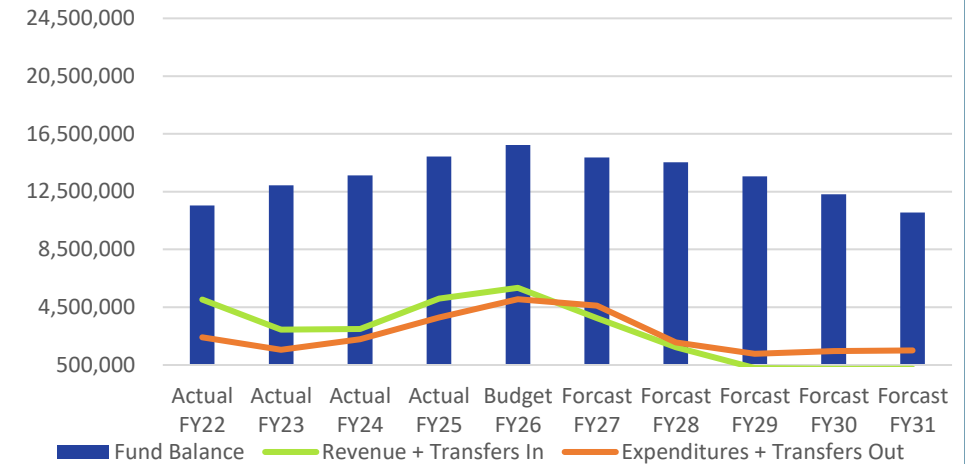
Historical and Forecasted Ending Fund Balances (1/2)



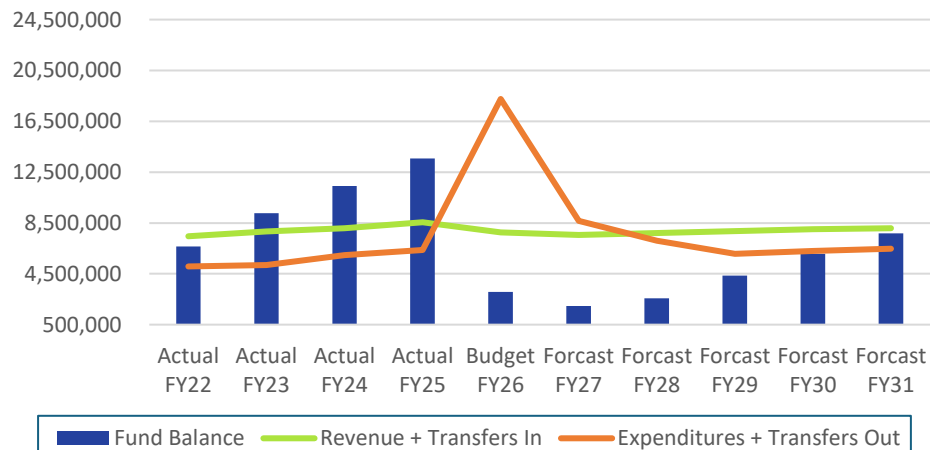
GENERAL FUND



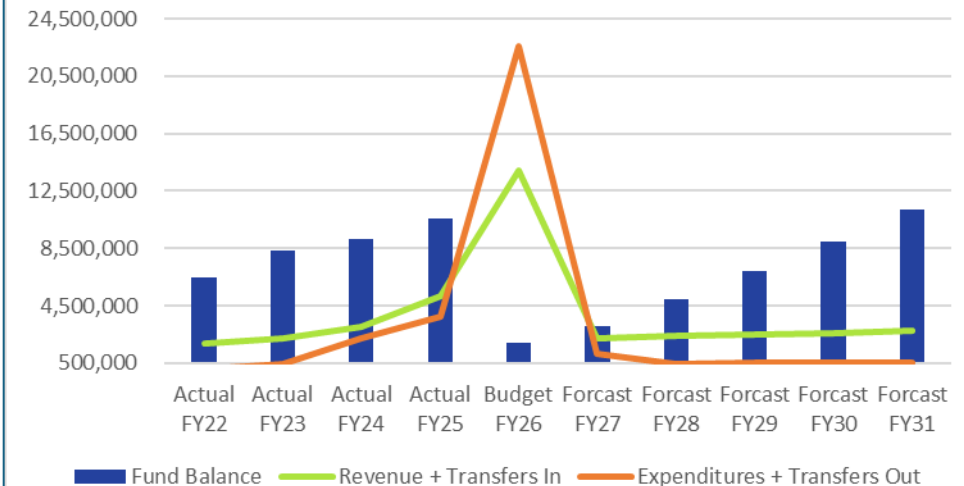
CAPITAL PROJECTS FUND



TOURISM FUNDS MUNI & STATE ATAX + HOSPITALITY TAX



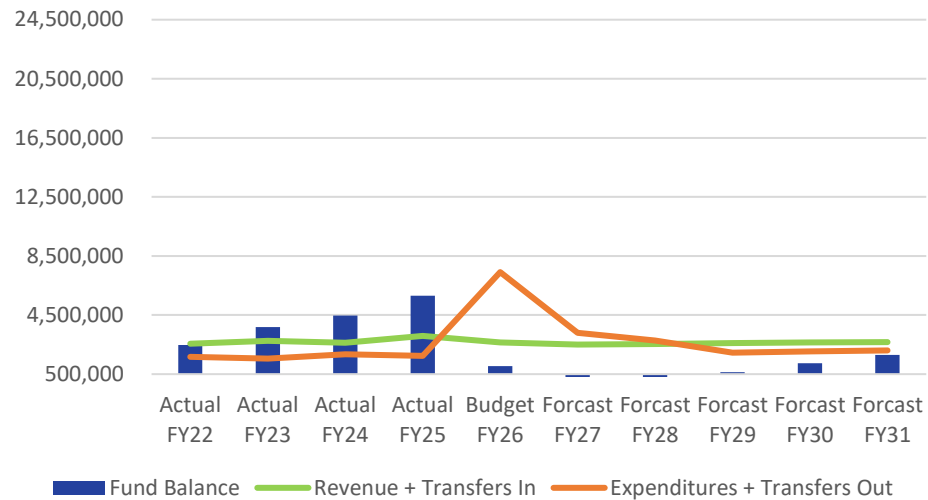
BEACH PRESERVATION FEE FUND



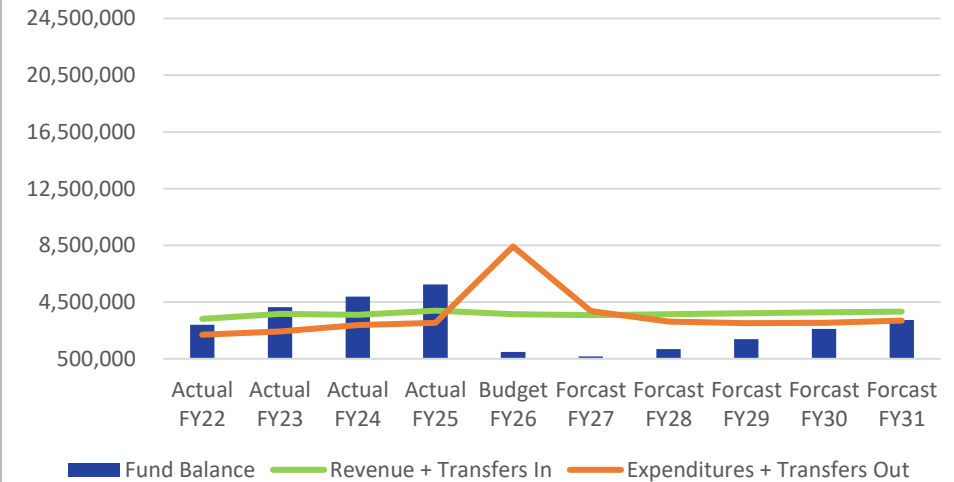
Historical and Forecasted Ending Fund Balances (2/2)



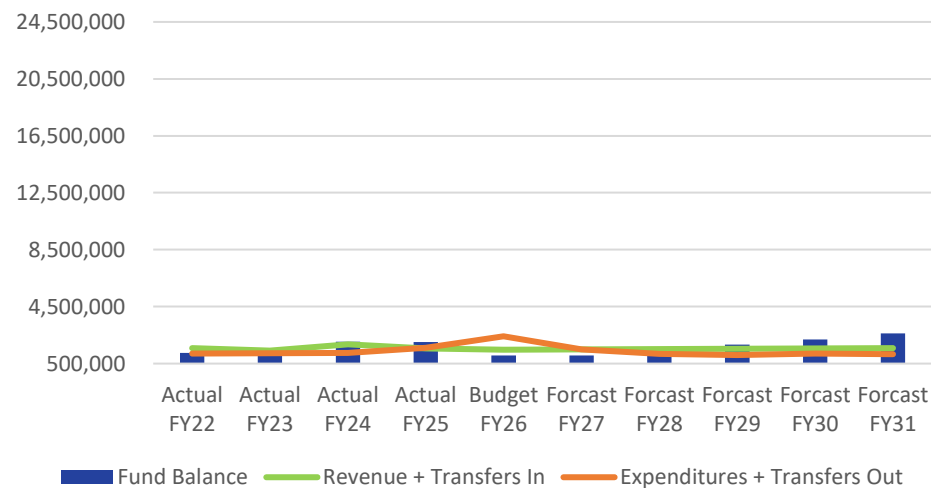
MUNICIPAL ATAX FUND



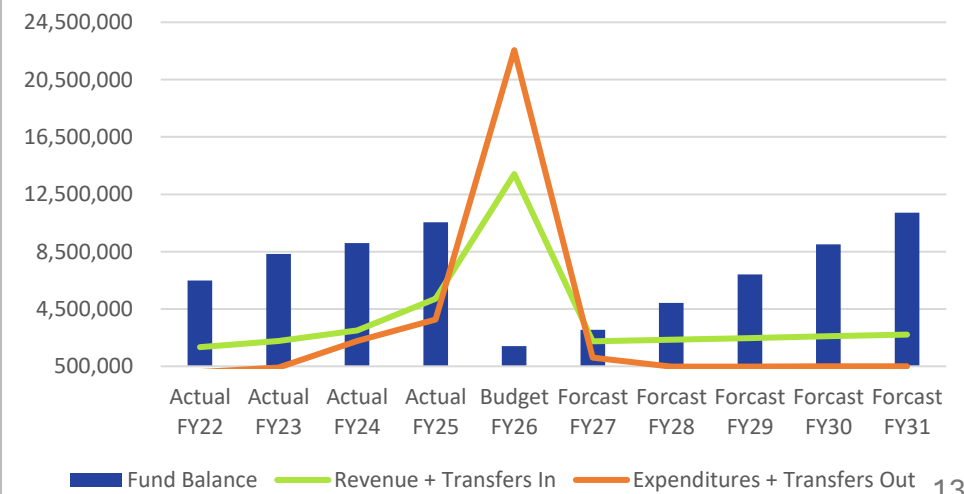
STATE ACCOMODATIONS FUND



HOSPITALITY FUND



BEACH PRESERVATION FEE FUND





Cost Sharing Factors – 2008 to Present

BEACH RESTORATION PROJECT FUNDING

| | Wild Dunes Only | | Wild Dunes & Breach Inlet | |
|--------------------------|-----------------|------------|---------------------------|------------|
| | 2008 | % of Total | 2018 | % of Total |
| IOP Portion -WD Public | 1,900,000 | 20% | 2,832,000 | 21% |
| Private Contributions | 5,926,000 | 63% | 5,240,000 | 39% |
| Charleston County | 900,000 | 10% | - | 0% |
| State of South Carolina* | 671,000 | 7% | 3,614,000 | 27% |
| FEMA | - | 0% | 1,895,000 | 14% |
| Breach Inlet | - | 0% | - | 0% |
| | 9,397,000 | 100% | 13,581,000 | 100% |

Note: The total collections from the private stakeholders in 2008 was \$7,108,000. Funds not used in the 2008 offshore project were used for a smaller focused erosion project in 2012 with approximately \$240,000 remaining that is included in the 2018 Stakeholder estimate of \$5,240,000.

2008 and 2018 Beach Restoration projects did not include Breach Inlet.

*SCPRT grant has not been awarded as 1/8/2026.

City of Isle of Palms Beach Restoration Project 2026
Cost Estimates, Revenue and Funding Scenarios
High Level Fund Balance and Revenue Impact Assessment
As of 1/2/2026 - For Discussion Only



Cost Sharing Scenarios (2/2)

Scenario 1

The City will contribute the same proportion as in the previous two beach restoration projects—20% in FY2008 and 21% in FY2018.

City's contribution to project within WD
20% **\$ 4,270,400**

Scenario 2

The City will contribute 48% towards the **entire project** which includes only public beach access. This includes 16% for Wild Dunes public access and all of Breach Inlet.

City's contribution to project within WD
16% **\$ 5,024,000**

Scenario 3

The City contributes a percentage of fees and interest derived from properties within Wild Dunes into the Beach Preservation Fund 47% of the total accrued between FY2019 and FY2025. The most recent offshore beach restoration project was completed in 2018.

City's contribution to project within WD
26% **\$ 5,551,520**

Scenario 4

The City will contribute 47% toward sand placement in Wild Dunes, which closely aligns with the percentage of accommodation fees collected from Wild Dunes in 2024.

City's contribution to project within WD
47% **\$ 10,035,440**

Scenario 5

This scenario included Phase II permits, designing, monitoring, mobilization and construction cost. The City will contribute 47% toward soft cost, construction and sand placement in Wild Dunes, which closely aligns with the percentage of accommodation fees

City's contribution to project within WD
47% **\$ 10,329,315**

Cost Sharing Scenarios



2025-2026 Offshore Beach Restoration Project Possible Funding Scenarios for portion within Wild Dunes

Current Estimates:

The City's FY27 Budget includes a total allocation of \$15,915,909 for the Beach Restoration Project, with \$15,340,909 designated for construction and \$575,000 for design and permitting of the City's portion, covering Breach Inlet and the Wild Dunes area.

Beach Preservation fund balance as of 12/31/2025 \$10,327,000

The total estimated cost includes \$5,000,000 for mobilization and demobilization, plus approximately 1,760,000 cubic yards of sand nourishment at an estimated \$15.00 per cubic yard, bringing the construction cost to \$26,400,000. Additional soft cost for consultants and other estimated expense of \$919,508 included in scenario 5.

Of the sand allocated to WDCA Resort (68%), 52% is designated for limited-use areas, while 16% is for public use.

City of Isle of Palms – Contribution Scenarios for Wild Dunes

| Scenarios | City Contribution % | City Contribution to WD @ \$15.00 CY | City Total @ \$15.00 | Wild Dunes Total @ \$15.00 | Total Project @ \$15.00 |
|--|---------------------|--------------------------------------|----------------------|----------------------------|-------------------------|
| 1- Historical Basis | 20% | 4,270,400 | 14,318,400 | 17,081,600 | 31,400,000 |
| 2- Limited Use/Public Basis | 16% | 5,024,000 | 15,072,000 | 16,328,000 | 31,400,000 |
| 3- FY2018- FY2025 Revenue Basis | 26% | 5,551,520 | 15,599,520 | 15,800,480 | 31,400,000 |
| 4- Accommodations Tax Basis | 46% | 10,035,440 | 20,083,440 | 11,316,560 | 31,400,000 |
| 5- Accommodations Tax + Soft Cost Basis* | 46% + | 10,329,315 | 20,671,557 | 11,647,951 | 32,319,508 |



Miscellaneous





Adjournment