

NC COASTAL RESOURCES COMMISSION (CRC)

May 14-15, 2014

**Hilton DoubleTree
Atlantic Beach, NC**

Present CRC Members

Frank Gorham, Chair

Rence Cahoon, Vice-Chair

Neal Andrew

Larry Baldwin

Suzanne Dorsey

Bob Emory

Greg Lewis

Bill Naumann

Harry Simmons

John Snipes

Lee Wynns

Present CRAC Members

Jordan Hughes

Kris Noble

Bobby Outten

Spence Rogers

Debbie Smith

Ray Sturza

Dave Weaver

Rudi Rudolph

Present Attorney General's Office Members

Mary Lucasse

Christine Goebel

Amanda Little

CALL TO ORDER/ROLL CALL

Frank Gorham called the meeting to order reminding the Commissioners of the need to state any conflicts due to Executive Order Number One and also the State Government Ethics Act. The State Government Ethics Act mandates that at the beginning of each meeting the Chair remind all members of their duty to avoid conflicts of interest and inquire as to whether any member knows of any conflict of interest or potential conflict with respect to matters to come before the Commission. If any member knows of a conflict of interest or a potential conflict of interest, please state so when the roll is called.

Angela Willis called the roll. Jamin Simmons and Marc Hairston were absent. The Chairman stated Bill Raney, attorney representing Petitioners in variance requests today, is a personal friend and also represents Figure Eight HOA but they have not discussed any of the variance requests on the agenda. Neal Andrew stated he had a potential conflict with the CXA-10 Corporation variance request. Larry Baldwin stated he has a conflict with the CXA-10 Corporation variance request. Based upon this roll call Chairman Gorham declared a quorum.

Chairman Gorham stated Charles Jones, former director the Division of Coastal Management, passed away since the last meeting and opened the floor for the Commissioners to make personal comments about Charles Jones. After tributes and remembrances were shared, a moment of silence was held honoring Charles Jones.

VARIANCE REQUESTS

CXA-10 Corporation (CRC VR 14-05) – New Hanover County, ¼ width rule

Christine Goebel

***Commissioners Baldwin and Andrew recused themselves from participation in this variance request.*

Christy Goebel of the Attorney General's Office represented staff in this variance request and stated CXA-10 Corporation (dba Watermark Marina) is represented by Bill Raney who is present today. Petitioner owns an existing marina in New Hanover County along River Road south of Wilmington on the Cape Fear River that was originally constructed by a prior owner in 2005-06 pursuant to CAMA Major Permit #66-01. In June 2013, Petitioner sought a major modification of its CAMA major permit seeking to extend the existing forklift pier which would add approximately 1,031 feet to the pier length. On December 2, 2013, DCM denied Petitioner's application based on the proposal's inconsistency with the CRC's ¼ width and rate to deep water rules in 7H .0208. Petitioner seeks relief from 7H .0208 to allow the proposed pier extension. Ms. Goebel reviewed the stipulated facts and stated that Petitioner and Staff agree on one of the four factors which must be met in order to grant the variance request. Ms. Goebel argued that strict application of the development rules will not cause Petitioner an unnecessary hardship. The purpose of the rule is to limit pier length and to avoid having the public trust area usurped by such structures. If this request were granted, the pier would extend across 53% of the waterbody. On the second factor, Staff and Petitioner agree that any existing hardships result from conditions peculiar to the petitioner's property. On the third factor, Staff contends that hardships result from actions taken by the Petitioner. And finally, Ms. Goebel argued that granting this request is not be consistent with the spirit, purpose or intent of the rules. The CRC amended its rule to preserve traditional navigation by assuring that the middle half of any one waterbody remain available for public use. The public safety and welfare would be preserved by not allowing the request which if granted would impact a large amount of the public trust area of the Cape Fear River. The granting of this variance request would not preserve substantial justice by allowing Petitioner to extend out 53% across the waterbody where others are limited to impacts of a quarter widths.

Bill Raney of Wessell & Raney represented Petitioner and reviewed the facts which he contends supports the granting of the variance request. Mr. Raney stated there is either a mistake about water depth or a rapid siltation that has resulted permitting a large dry stack marina facility that is now not commercially viable. Petitioner is seeking to extend the pier to be used to launch boats to reach a suitable water depth. Dredging is not feasible because the waters are classified as PNA. A variance to two CRC rules is necessary to extend the pier. Petitioner contends that the proposal meets the four criteria for granting the variance. The strict application of these two rules causes an unnecessary hardship. The large dry stack sits mostly empty because boats can only be launched and retrieved for four out of every 12 hours. The extended pier will not prevent fishing and will have minimal effects on navigation. Petitioner contends the hardship results from the lack of water depth. This variance request will preserve substantial justice, will secure the public safety and welfare and will be consistent with the spirit, purpose and intent of the rules.

The Commission asked questions focused on the water depth. Mr. Raney directed the Commission to two exhibits in the packet that show the five foot contour and stated, that if the pier were limited to the five foot water depth it would cut off about 150-200 feet from the end of the pier (resulting in approximately 46% of the width of the waterbody). Mr. Raney stated the Petitioner would agree to accept a condition of limiting the pier to the five foot contour and stated the most recent survey was

done in 2010. Concern was expressed that the staff should have time to review any new proposals based on extending the pier to the five foot contour.

Bob Emory made a motion to bring the variance request back to the CRC, as allowed by 15A NCAC 7J .0703(d), after a new survey has been completed and any new stipulated facts are drafted. John Snipes seconded the motion. The motion passed unanimously (Dorsey, Snipes, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

The variance request was not granted but was remanded for additional stipulated facts.

**Grier (CRC VR 14-07) Kure Beach, Oceanfront Setback
Amanda Little**

Amanda Little of the Attorney General's Office represented staff in this variance request. Ms. Little stated Bill Raney is present and will represent Petitioners. Ms. Little stated Petitioners own an oceanfront residence located at 430 North Fort Fisher Boulevard in Kure Beach. Petitioners propose to enclose their existing 195 square foot covered porch to convert it into interior heated space. On March 11, 2014 the Town of Kure Beach's LPO denied Petitioner's CAMA Minor Permit application for the proposed development because the addition of 195 square feet of total floor area is inconsistent with the CRC's rules in that a portion of it is proposed oceanward of the applicable 60-foot setback and it adds heated space to a non-conforming structure. Petitioners seek relief from the CRC's ocean hazard setback rules. Ms. Little reviewed the stipulated facts of this variance request and stated that staff and Petitioner agree on two of the four variance criteria which must be met in order to grant the variance. However, Staff states that Petitioner's property is not unique along the coast of North Carolina as there are numerous houses with covered porches that have a static vegetation line running through the house. Staff also disagrees with Petitioners' claim that they did not cause the hardships. Specifically, Petitioners purchased this property in 2011 with a non-conforming structure on the property. The current rules were in effect long before this purchase date.

Bill Raney of Wessell & Raney represented Petitioners and stated if the actual vegetation line were used then there would be no problem with this request, but because there is a static vegetation line established in this area a variance is necessary. Stipulated Fact #17 states that 64 square feet of the 195 square feet extends beyond the setback line. Petitioners contend that the peculiarity is the house. This house has a very small living area for a five bedroom house.

Renee Cahoon made a motion to support Staff's position that strict application of the applicable development rules, standards or orders issued by the Commission will cause the Petitioner an unnecessary hardship. Harry Simmons seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

Renee Cahoon made a motion to support Petitioner's position that hardships result from conditions peculiar to the Petitioner's property. Harry Simmons seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Naumann).

Renee Cahoon made a motion to support Petitioner's position that hardships do not result from actions taken by the Petitioner. Harry Simmons seconded the motion. The motion passed

unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Naumann).

Renee Cahoon made a motion to support Staff's position that the variance request will be consistent with the spirit, purpose and intent of the rules, standards or orders issued by the Commission; will secure the public safety and welfare; and preserve substantial justice. Harry Simmons seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Naumann).

This variance request was granted.

**Edwards (CRC VR 14-08) Onslow County, 30-foot Buffer
Christine Goebel**

Christine Goebel of the Attorney General's Office represented staff in this variance request and stated that Bill Raney is present and will represent Petitioners. Ms. Goebel reviewed the stipulated facts of this variance request and stated that Petitioners own property adjacent to a man-made canal and the Atlantic Intracoastal Waterway near Sneads Ferry. In February 2014, Petitioners applied for a CAMA Minor Permit with the Onslow County LPO to construct a single family residence on this undeveloped lot. On March 10, 2014, the LPO denied Petitioner's CAMA application as part of the proposed development as located within the CRC's 30-foot buffer. Petitioner has not yet sought a variance from the County's setbacks as required by the CRC's rules. Petitioner seeks a variance from the 30-foot buffer rule to allow the impervious surfaces within the buffer area as proposed in its site plan. Staff and Petitioners agree on all four variance criteria which must be met in order to grant the variance request. Staff suggest that an engineered stormwater management plan be required to safeguard the public welfare if this variance request is granted.

Bill Raney of Wessell & Raney represented Petitioners and stated Staff and Petitioners agree on the variance criteria. Staff has suggested that a condition should be imposed relating to an engineered stormwater system for this house. The Petitioners would rather not hire an engineer to comply with this, but would abide by the current stormwater regulations.

Harry Simmons made a motion that based on Stipulated Facts #20 and #21 the CRC should waive the prerequisite requiring the exhaustion of local (County) remedies since to do so would be futile. Bill Naumann seconded the motion. The motion passed unanimously (Gorham, Andrew, Baldwin, Cahoon, Dorsey, Emory, Lewis, Naumann, H. Simmons, Snipes, Wynns).

Bill Naumann made a motion to support Staff's position that strict application of the development rules, standards or orders issued by the Commission cause the Petitioner an unnecessary hardship. Renee Cahoon seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

Bill Naumann made a motion to support Staff's position that hardships result from conditions peculiar to the property. Harry Simmons seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

Bill Naumann made a motion to support Staff's position that hardships do not result from action taken by the Petitioner. Harry Simmons seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

Bill Naumann made a motion to support Staff's position that the variance request will be consistent with the spirit, purpose and intent of the rules, standards or orders issued by the Commission; will secure the public safety and welfare; and preserve substantial justice. Conditions should be added to the permit to require stormwater management. Harry Simmons seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

This variance request was granted.

MINUTES

Bill Naumann made a motion to approve the minutes of the February 2014 Coastal Resources Commission meeting. Lee Wynns seconded the motion. The motion passed unanimously (Gorham, Andrew, Baldwin, Dorsey, Lewis, Naumann, Snipes, Wynns)(Cahoon absent for vote)(Emory and H. Simmons abstained).

EXECUTIVE SECRETARY'S REPORT

Braxton Davis, DCM Director, gave the following report:

It is good to see all of you again. You should have before you a DCM Update Memo that covers the Division of Coastal Management's recent permitting, enforcement, rule development, planning and Coastal Reserve activities. We hope that these memos will be useful, especially for new commissioners who would like to learn more about the coastal program.

As you'll see from this update, our permit numbers in the first quarter of 2014 were down in comparison with the same period in 2013. We believe this is partly due to the winter weather conditions we experienced, and partly because we were still issuing Hurricane Sandy emergency permits in early 2013. We are now starting to see things pick up with the warmer weather. Our average issuance time continues to improve for CAMA Major Permits, and I believe we can attribute that trend to a number of procedural changes we've implemented over the past two years that are continuing to pay dividends in terms of reduced permit processing times– we are now at an average of 75 days for major permits, which is down from about an 86-day average in 2011. While overall permit numbers were relatively low in the first quarter, our staff are still out in the field every day meeting with homeowners, Realtors, consultants and others to evaluate potential development sites and to help ensure that projects already underway are in compliance with the rules in order to reduce potential enforcement issues.

One quick follow-up – you may recall the variance petition from your last meeting for Mr. Taylor who was seeking to rebuild a dock and boatlift in Atlantic Beach but was unable to get a signed waiver from adjacent property owners. I am happy to report that, in working with staff in our Morehead City office, we were able to find a design that worked for him and his neighbors, and we issued a General Permit to Mr. Taylor on April 4, so I think the process worked very well from end-to-end.

DCM's Policy and Planning Section has been busy in carrying out your inlet management study, including a series of public meetings across the coast, carrying through with various rule changes

that are underway, implementing the NC Beach and Inlet Management Plan through a pilot study with Bogue Banks, and administering the Public Beach and Coastal Waterfront Access grants program. Later this month, we will also have our 2nd Regional CAMA Land Use Planning forum in partnership with the Business Alliance for a Sound Economy, the Coastal Federation and the Albemarle Pamlico National Estuary Program – on May 22 in Plymouth at the Vernon James Center – to continue our comprehensive review of the CAMA planning program. This is something that we've been working on for over a year now and I hope to have a set of recommendations for changes to that program for your review this summer.

I also wanted to mention that Tancred Miller will be heading up our 5-year strategic planning effort – which we commonly refer to as our 309 Assessment and Strategy – and which makes us eligible for program enhancement grants from our federal partner, NOAA. The 309 program provides the state with approximately \$350,000 per year for staffing and special projects to pursue improvements in coastal management. As part of the strategic planning process, we will be assessing which of NOAA's nine enhancement areas (wetlands, coastal hazards, public access, marine debris, cumulative and secondary impacts, special area management plans, ocean/Great Lakes resources, energy and government facility siting, and aquaculture) the coastal program should focus on for the next five years, and what strategic investments to make in those areas. We will be inviting CRC and CRAC input at the July meeting, followed by an opportunity for public input.

Also this year, the Coastal Reserve Program will begin its 5-year Management Plan Update for the 4 sites that make up the NC National Estuarine Research Reserve. We'll keep you posted as that process develops.

We worked with the Executive Committee to develop today's agenda, which covers a number of important topics including static line exceptions, inlet management, and sea level rise studies. We would also like to keep the rule changes from last year progressing, and tomorrow we are asking the Commission to adopt three rule changes intended to reduce regulatory burdens that were first brought to the Commission in January 2013. We have a public hearing scheduled for the fourth rule change from 2013 today. We will also ask you to consider sending two additional rule changes to public hearing that resulted from our 2014 staff rules review process.

As many of you are aware, a number of our Commissioners' appointments are coming up on their expiration date of June 30, 2014. Commissioners serve a 4-year term and the initial terms were staggered – the list for this year includes Commissioners Greg Lewis, Neal Andrew, Renee Cahoon, Lee Wynns, Bob Emory, John Snipes, and Marc Hairston. Appointees are asked to serve until reappointed or a new appointment is made. The Governor's office is hoping to have new appointments or reappointments announced later this summer.

I also wanted to mention that we have several special guests in attendance from our federal partner agency, NOAA, including Bill O'Beirne, who serves as the Southeast and Caribbean lead at NOAA's new Office for Coastal Management; Melissa Rada, who serves as the Program Specialist that oversees our coastal zone management cooperative agreement; and Stephanie Robinson who is out with field staff today, oversees our National Estuarine Research Reserves Coop. Agreement, all of whom are based in Charleston SC.

Finally, we are planning for the next Commission meeting to be held at Pivers Island in the NOAA Auditorium in Beaufort on July 30-31. With that I'd be happy to answer any initial questions the Commission may have.

CRC BUSINESS

Amendments to CRC Internal Operating Procedures (CRC 14-13)

Mary Lucasse

Mary Lucasse stated that a Section V has been added to the internal operating procedures of the CRC. Some Commissions have spelled out how they handle public comments and the CRC has not had that provision. The one thing I will point out is there may be a situation in which an issue is before the Commission in a quasi-judicial role then under these conditions we would not allow public comment on a pending matter. Renee Cahoon has brought to my attention under Article 13 that there is ambiguous language that should be changed in the CRAC appointment solicitation process.

Renee Cahoon made a motion to approve the recommended changes to the Internal Operating Procedures to include the change in Article 13 to “may”. Harry Simmons seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

ACTION ITEMS

Static Line Exceptions Process

Mary Lucasse

Mary Lucasse stated the review of the Static Line Exception is covered under 15A NCAC 07J .1204. Today two progress reports have been submitted for a five year review. After the progress report is submitted addressing the criteria in the rule, staff reviews the progress report and provides a recommendation to the CRC. The CRC reviews the progress report and the staff recommendation and considers oral comments by DCM and the Petitioner. The CRC can revoke the Static Line Exception, expire the Exception, or reauthorize it.

Matt Slagel stated the static line represents the pre-project vegetation line. The purpose of this policy is that following a beach nourishment it prevents development from using a new post-project vegetation line as the measurement line for setbacks. There is a five year waiting period following a large-scale project to request a static line exception. With this exception, the minimum setback of 60-feet applies, but it can be measured from the vegetation line instead of the static line as long as any new proposed development is 2,500 square feet or smaller. This development must be in line with adjacent structures and no swimming pools are allowed oceanward of the static line. For structures that are greater than 2,500 square feet in an area applying for the exception, the setback is measured from the most landward line. If the structure is greater than 2,500 square feet but smaller than 5,000 square feet then the setback is 60-feet or 30 times the erosion rate, whichever is greater. If the structure is over 5,000 square feet then the setback is 120-feet or 60 times the erosion rate, whichever is greater. To apply for the exception, the applicant must show that the project has greater than a 30-year design life, proof of compatible sediment for the life of the project, financial resources must exist to pay for the life of the project, and the Town petitions for the exception and the CRC decides. Every five years the Town submits a progress report and the CRC re-evaluates it. The CRC reviews a summary of beachfill projects that have taken place since the exception was granted, an evaluation of the project design and performance, compatible sediment, and financial resources.

Town of Wrightsville Beach Static Line Exception Reauthorization (CRC 14-11)

Matt Slagel

The static line extends approximately 2.3 miles. The erosion rate setback factor is 2 for the area with the static line. There are 14 vacant residentially zoned oceanfront lots and two vacant commercially zoned oceanfront lots in the area with the exception. Since September 9, 2009, no permits have been applied for or issued under the static line exception. Initial construction of the large-scale beach fill project at Wrightsville Beach began in 1965. The project was reauthorized in 1986 with the first work under new authorization in 1991. The 50-year authorization of this project is from 1991-2041. Since 1986, projects have occurred approximately every four years. New Hanover County intends to apply for a local permit using the existing federal Army Corps of Engineers' design. If they were to receive this permit it would allow the County and Town to continue to implement this project even if federal funding isn't available. High quality beach sand with little silt content has been proven to be available and volumes have been large enough to satisfy past fill projects. The Corps has begun looking at alternative sources offshore should the current source of sand prove to be insufficient in the future. The Federal Coastal Storm Damage Reduction project is authorized through 2041. There is also contributing authority which allows a non-federal sponsor to augment federal funding shortfalls. This contributing authority was approved in 2012. New Hanover County has a room occupancy tax and 60% of the first 3% of this tax goes towards beach nourishment. There is currently about 36 million dollars and annual collections total about 3.8 million dollars. There is also a New Hanover County interlocal agreement. If there is no federal or state funding then the Towns would contribute 17.5% of project costs and the County would contribute 82.5%. There is sufficient funding well beyond the 25 year time window that is required. The Town of Wrightsville Beach also has a capital improvement fund of \$324,000.

Christy Goebel stated that based on the materials provided to the Commission, the Staff and Town agree that the Static Line Exception should be reauthorized for the Town of Wrightsville Beach. Bill Raney, representing the Town of Wrightsville Beach, stated one procedural matter is that this is a quasi-judicial hearing and we had a prior agreement with the Staff that the written materials that were provided to the CRC would be considered as evidence in making this decision without the need for oral comments.

Harry Simmons made a motion to reauthorize the Static Line Exception for the Town of Wrightsville Beach. Larry Baldwin seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

Town of Carolina Beach Static Line Exception Reauthorization (CRC 14-12)

Matt Slagel

The static line at Carolina Beach extends approximately 3.3 miles. The erosion rate setback factor is 2 for most of the area with the static line and 3 at the northern end of Town near Freeman Park. There are 13 vacant oceanfront lots. Since September 9, 2009, two single-family oceanfront houses were permitted under the static line exception. These houses measured their setbacks from the existing first line of stable and natural vegetation instead of the static line. These two houses would have been limited to less than 2,500 square feet. Initial construction of the project began in 1964. The federal project was reevaluated in 1993 and reauthorized for the remaining portion of the 50-year project. Water Resources Reform and Development Act Bill negotiations are ongoing in Congress. Since 1982 projects have occurred approximately every three years. The Corps has some residual funding that they are providing for another nourishment project in the fall of 2014. New

Hanover County recently agreed to help fund this project as well. New Hanover County received State permit #138-12 to move forward with this project if it is not reauthorized. Carolina Beach Inlet was artificially opened in 1952 and since 1985 the borrow area has been the throat of Carolina Beach Inlet. High quality beach sand with little silt content has been produced from the borrow area. Volumes have been large enough to satisfy fill projects over the past 30 years. The Federal Coastal Storm Damage Reduction Project is expiring at the end of 2014. There is a New Hanover County room occupancy tax. Sixty percent of the first 3% goes towards beach nourishment. There is currently 36 million dollars in that fund and annual collections of about 3.8 million dollars. Even though this project is expiring, New Hanover County has the interlocal agreement so if there is no federal or state funding then the Town of Carolina Beach would contribute 17.5% of project costs and New Hanover County would contribute 82.5%. There are sufficient room occupancy tax funds available to cover this project for the next 25 years. The Town of Carolina Beach nourishment fund from public parking totals \$350,000 and will continue to grow.

Christy Goebel stated Staff's recommendation is to reauthorize the static line exception for the Town of Carolina Beach. This is based on the written materials before the CRC. Noel Fox is representing the Town of Carolina Beach if there are any questions. Ms. Fox echoed the comments of Mr. Raney to allow as evidence the written comments submitted.

Harry Simmons made a motion to reauthorize the Static Line Exception for the Town of Carolina Beach. Bill Naumann seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

Inlet Management Study

Summary of Regional Inlet Management Meetings (CRC 14-10)

Matt Slagel

Matt Slagel stated the inlet management study was kicked off with an expert panel of dredging experts. Since then we have had four regional meetings. Written comments were also accepted through April 15, 2014. Today we will discuss the comments that have been received from the panel, regional meetings and the written comments. At the CRC's July meeting, we will take the priority list from this meeting and come back to the CRC in July with some draft recommendations on how to implement the ideas. In September we would submit proposed rule changes for public comment. The goal is to provide a final report to the Governor and General Assembly by the end of the year.

The first topic is the beneficial use of dredged materials. There were 15 comments received on this topic. From the comments we received we heard that beach compatible sand dredged from inlet should be placed back on adjacent beaches and should never be disposed offshore. The distribution of dredged sand that is pumped onto adjacent beaches should be guided by analytically derived sediment budgets. The second topic was dredging depths and sediment criteria. Comments stated that dredging projects should evaluate the optimal depth of a channel not just the authorized depth. Authorized depths should be increased. It is difficult for the federal agencies to alter authorized channel dimensions but obtaining permits at the local level may allow for more flexibility. The sediment criteria rules should be reevaluated. If the sand came from the beach then it should be allowed to be placed back on the beach. Increasing the depth of shallow draft inlets can increase the tidal prism, change the flood shoal and ebb shoal geometry and orientations, and can result in increased erosion on adjacent shorelines. The third topic was erosion rate calculations for inlet hazard areas. Comments mentioned that the CRC should task the Science Panel to complete the

development of methods to define revised inlet hazard areas and potential inlet and near-inlet setback lines for CRC review. The inlet hazard areas should be eliminated and incorporated into the Ocean Erodeable Area while applying the same development standards currently utilized in the OEA. The current adjacent erosion rate rule for IHAs doesn't make sense. Every inlet is different and erosion rates are dramatically different. Good erosion rate information is needed for setbacks to be valid. The concept of a deep draft IHA and shallow water IHA should be explored and the boundaries should extend into the water where issues related to dredging can be codified and enforced in policy. The next topic was dredge plants and scheduling. Shallow draft hopper dredges can place material closer to the shore and be used more frequently as a first option instead of sidecast dredges. Sidecast dredges are only good for clearing a channel enough for a hopper dredge to follow behind it. One benefit of sidecast dredging is that they keep the sediment in the system. USACE dredge plants are stretched thin and scheduled well into the future, so quick responses aren't always possible. Consistency is needed for dredging for ferries in Dare and Hyde counties. Dredging is needed not just for getting in and out of inlets, but also traveling between islands through the sounds. The next topic was terminal groins and sand bypassing. Comments included that the legislative cap of four terminal groins should be removed. Monitoring of downdrift impacts and financial aspects of mitigation need to be sufficient to safeguard adjacent properties and communities that could be negatively impacted by terminal groins. Migrating inlets are not good candidates for terminal groins. The next topic receiving comments was the approach to inlet management in general. Inlets should be managed proactively instead of reactively. Beach and inlet management is related- what happens to one impacts the other. The goal of inlet management should be to reconnect sediment pathways to minimize dredging impacts. Each inlet is diverse and unique, so one management scheme cannot be applied to all inlets. The next topic was funding sources and partnerships. With decreasing federal funds, inlet management is increasingly a shared partnership between local and state government. A stable source of funding for beach and inlet projects is needed at the state level. The 50% state matching fund for inlet dredging is a good start, but if one locality wants to undertake a major project and applies for the state matching funds, it could wipe out the funds for the rest of the state. Congressional funding is an issue for federal projects. A project may be authorized and permitted, but if it is never funded, it does no good. On the topic of emergency permitting of bulldozing and sandbags, comments were received that said new dunes should be allowed to be created in Inlet Hazard Areas, sandbags in IHAs should have a different set of standards (permitted sooner and allowed to remain on beach longer), and more efficient and timely procedures for emergency permitting are needed. On the topic of dredging windows and moratoria comments indicated that the dredge windows should be extended under stipulated conditions to increase competition, increase the number of bids on projects, reduce costs and provide more flexibility for completing the work. On the topic of economic value of inlets and beaches comments suggested that the economic value of inlets should consider tourism, culture, recreation, jobs, and storm damage reduction; not just commercial tonnage. Safe and navigable inlets are vitally important to the local and state economy. On the issue of channel realignment projects comments were received that the Bogue Inlet and Mason Inlet channel realignment projects were successful, so the CRC should make sure that the permitting process is quicker and easier and that monitoring requirements are reduced for future similar projects. These types of projects should be designed to accommodate the same volume of water (tidal prism) that the pre-existing ebb channel possessed. On the topic of the permitting process in general, comments stated that permitting needs to be proactive. There is a need to be able to react quickly, be adaptive, and look longer term versus authorizing single events. DCM Major Permit lifecycles should be increased for inlet management or Coastal Storm Damage Reduction projects. The next topic was development standards/setbacks. Inlets are a primary ocean hazard in North Carolina. Development standards adjacent to inlets should be different from development standards along the oceanfront. Existing

rules for new development adjacent to inlets should not be relaxed. There is no need for IHA specific development standards. On the topic of monitoring conditions comments stated that monitoring requirements should not be onerous as to prohibit what has otherwise been authorized. The amount of monitoring on projects should be reasonable and consistent with CAMA objectives. Monitoring conditions should focus on physical monitoring and less on biological monitoring. On the topic of erosion control structures other than terminal groins comments stated that rock groins, breakwaters, jetties, sandbags, beach bulldozing, and beach nourishment should all be allowed to mitigate channel-induced erosion. The topic of volumetric triggers for static lines received comments that indicated that the “300,000 cubic yard rule” for establishing a static vegetation line should be reevaluated. The Ocean Reef Condominiums in Emerald Isle cannot meet the setback from the static vegetation line, and they are over 2,500 sq. ft. so they would not be able to rebuild from the first line of stable and natural vegetation (under the static line exception rule). Property owners request the CRC to consider allowing an exception for building back on the original footprint, even though the buildings are more than 2,500 sq. ft. On the topic of stockpiling of sand comments were received that the stockpiling of sand dredged from inlets and stored for future placement on beaches should be allowed. The next topic was the federal impacts of dredging. The federal engineered channel locations at Beaufort Inlet and Cape Fear Inlet result in episodic maintenance dredging, high erosion rates, and shifting shorelines adjacent to these inlets. Dredging of Oregon Inlet has exacerbated erosion of Hatteras Island. The next topic was new inlet breaches. Comments stated that a new type of AEC is needed where an inlet used to exist, has closed, but could re-open again in the future. If a new inlet is breached, it should be filled in instead of bridged. The next topic was the dredging of inlet shoals. Since the orientation of ebb shoals is a primary driver of erosion on adjacent shorelines, any dredging of shoals should only proceed after modeling and studies indicate no adverse impacts will occur to the adjacent shorelines. Priorities identified by individual CRC members included year-round dredging, place all dredged beach compatible sand on adjacent beaches; stockpile for future use, eliminate the static line policy, simplify permitting of multi-year projects and reduce the review for any interim projects, monitoring requirements of approved projects beyond the second year would have to be justified, improve inter-agency coordination and improve inefficient funding mechanisms, structural inlet stabilization, inlets are unique “one size fits all” management doesn’t work, more local discretion when locally funded, FEMA reimbursement after dune damage, more frequent and thorough inlet morphology and erosion monitoring, the Jones Act and its effect on available dredge plants, and update and better quantify the economic benefits of inlets.

After discussion, the Commission prioritized the inlet management topics and directed staff to look at the following inlet management priorities:

Short Term Priorities

- Dredging Depths and Sediment Criteria Rules
- Erosion Rate Calculations for Inlet Hazard Areas
- Emergency Permitting/Beach Bulldozing
- Static Vegetation Lines
- Stockpiling of Sand

Long Term Priorities

- Beneficial Use of Dredged Material
- Inlet Management Plans
- Funding Sources and Partnerships
- Dredging Windows/Moratoria
- Monitoring Conditions

PUBLIC HEARING

15A NCAC 7H .2600 General Permit for Mitigation & In Lieu Fee Projects

Mike Lopazanski stated this General Permit is for the construction of wetland stream buffer mitigation sites. This rule was enacted by the CRC to streamline the permitting process for mitigation projects that were undertaken by the EEP. The EPA has implemented new guidance on compensatory mitigation banks and in lieu fee projects. This new guidance requires all projects, private as well as those undertaken by EEP, to undergo significant upfront agency coordination prior to obtaining final approvals. Because of this new EPA guidance we want to open this General Permit to private mitigation banks and in lieu fee projects. The eligible activities have also been broadened to incorporate new ideas and techniques associated with compensatory mitigation and expanded the timeframe from six months to one year to incorporate the growing season for wetland plantings. The public comment period closes June 16th.

15A NCAC 7H .2601 - Purpose

No public comments were received.

15A NCAC 7H .2602 – Approval Procedures

No public comments were received.

15A NCAC 7H .2604 – General Conditions

No public comments were received.

15A NCAC 7H .2605 – Specific Conditions

No public comments were received.

PUBLIC INPUT AND COMMENT

Bill Price stated I saw the pictures of the houses in New Hanover County that were in peril and that is regrettable. It appeared most of them had been built according to CAMA rules as far as setbacks are concerned. It is a shame that is happening. I guess most of those folks would like to have five or six feet of sand a couple hundred feet wide in front of their house right now. It is also unfortunate in the late 1990s the Carteret County Beach Preservation Task Force had some comments from the Corps of Engineers indicating that they had removed from Beaufort Inlet on the order of 40-50 million cubic yards of sand. They found later that they had erred in the predominant sand bypass for Beaufort Inlet as their computer model had told them. As a part of all those considerations we have found that the distance from Beaufort Inlet to Bald Head Island is about 100 miles and if you take that 40-50 cubic yards and divide it by 100 miles then it would be five or six feet deep by 200-300 feet wide. There is some suspicion that the erosion along the face of Onslow Bay is a result of dredging of this inlet. Regrettably we don't really have any empirical evidence of long shore sand transport to determine whether or not the current is going that way and whether it is carrying material. We don't know the net direction. This is to hope that with the considerations and studies that this group is doing that they would do something to find out or to get some evidence of what is actually happening with the long shore transport system of our coast. Also important is to whether you have any information on sand transfer pipes. Sand transfer pipes have been discussed for some period of time. They are used in Florida. They have indicated that it is reducing their dredging costs by 40, 50 or 60%. It saves a lot of money and is more environmentally responsible. I don't know whether it is a part of your consideration, but I would hope that some part of the process of considering inlet management the sand transfer pipe device would be considered as a tool to be used to reduce costs, make it better, and save property. I see that migrating inlets are not a good

candidate for groins. I would ask if an inlet is not going to migrate then you don't need a groin. It seems that just the fact that the inlet is migrating is an indication that a groin is an important tool to consider.

Michael Murdoch stated I am the Chair of the Croatan group of the Sierra Club and my concern is about the sea level rise study that is going to be done. We are part of the National Sierra Club with over two million members dedicated to enjoying and protecting our earth's natural resources. I am a native of Carteret County and grew up in Wildwood, a small community between Morehead City and Newport. I also own a house and operate a small farm on Bogue Sound. Global warming is real. Sea level rise is real. Man has played a significant factor in the accelerated rise in global temperatures and sea level primarily due to deforestation and burning of fossil fuels. The evidence is clear and compelling. The point of denying these facts has past and it is time to move on. So what do we do now? The only logical step is to turn to credible, peer-reviewed science to provide accurate information with regards to sea level estimates, what changes we can expect in the future, and the best way to protect the coastal resources we all love. We are asking the CRC to appoint the best scientists that are available to a panel that would determine expected sea level rise. This panel should not be laden with members that have political or non-scientific agendas. We are depending on you to put special interests aside and work on behalf of all citizens of North Carolina.

***At this time Bob Emory, on behalf of the CRC, gave the Eure Gardner Award to former Coastal Resources Commissioner Melvin Shepard for his contribution to the coast of North Carolina.*

CHAIRMAN'S COMMENTS

Chairman Gorham stated that the Governor's Office has been in contact with him and I am recommending the reappointment of all of our Commissioners. Lee Wynns has sabotaged that and has asked to not be reappointed to the Coastal Resources Commission. When the Governor was considering me for Chair of the CRC, Lee drove down to meet me and volunteered to help. Chairman Gorham and Braxton Davis presented Lee Wynns with a plaque on behalf of the CRC and DCM Staff.

CRAC Report

Debbie Smith, CRAC Chair, stated the CRAC met for the first time yesterday and elected the Chair and co-Vice Chairs Rudi Rudolph and Spencer Rogers. We appointed Ray Sturza, former CRAC Chair, to our Executive Committee. This gives the CRAC great regional representation. The CRAC made a few modifications to its bylaws. These amendments should be adopted at the next meeting. We look forward to serving the CRC as an Advisory Council and will try to bring a lot of insight from our respective communities and regions.

CRC SCIENCE PANEL

Role, Studies and Vacancies (CRC 14-14)

Mike Lopazanski

Mike Lopazanski stated there are two things that are before the CRC for discussion. The first is the Charge to the Science Panel. The Chairman has come up with some proposed amendments. The second thing is to address the vacancies and the need to fill some of them, particularly the ad hoc members that will be working on the Sea Level Rise Update. In February we discussed that in the late 1990's there was a series of natural disasters. Governor Hunt formed a disaster recovery task force. Among the recommendations that came of that was the need for the CRC to review their hazard mitigation rules focusing on the Ocean Hazard AEC. The CRC was asked to look at the delineation methods used in the Ocean Hazard Area, Inlet Hazard Area, and High Hazard Flood

Area. The CRC initiated a review of the Ocean Hazard Area AEC and formed a panel of scientists and the DCM Director to talk about erosion rates and setbacks and the methodologies used for determining them. Their recommendation was to form a Barrier Island Erosion Task Force. There was also discussion about the need to have regular involvement of scientists with the CRC. The CRC recognized the need to incorporate scientific knowledge in the development of rules and policies. The original Science Panel was assembled by DCM Staff and was comprised of geologists and engineers. The Charge was developed by the Panel and CRC members. The Panel was given the specific task to develop near-term and long-term recommendations. The CRC asked them to look at what studies would be needed to describe coastal processes, specific changes to methodologies to calculating erosion rates, and identifying new hazard identification methodologies that should be applied in the coastal area. They met for a year to come up with recommendations. During the intervening years the Panel has been given a number of assignments, specifically by the CRC to work on including sediment criteria, innovative erosion control structures, inlet hazard area analysis, looked at terminal groins, and provided advice to DCM on how adverse impacts could be addressed, the Sea Level Rise Assessment, and have reviewed the erosion rate studies and recently assessed Mad Inlet. Recently, there has been a lot of focus on the Charge which was updated in 2013. Changes included the addition of two additional slots, ad hoc members, a more formal public appointment process, applied staggered terms, member qualifications, CRC report review, use of consensus as a means of developing recommendations for the CRC, and provisions for providing minority reports if no consensus could be reached. The Science Panel currently has coastal engineers, coastal geologists and one marine biologist. Vacancies have traditionally been filled by nominations from DCM and the Science Panel and have been appointed at the discretion of the CRC Chair.

The draft Charge before the CRC changes the focus to coastal processes as opposed to coastal hazards, and looks at appointments based on credentials based on coastal science and engineering as a way of assessing membership qualifications. The Chairman stated the emphasis was too much on the word hazard as opposed to all coastal issues. Harry Simmons stated the current membership knows about coastal hazards and may not be any good at other coastal issues and it may cause the need to reconfigure the membership if the intent is to be broader or keep the current members and add ad hoc members. Suzanne Dorsey stated that as we go through inlet management one area that is not represented would be a physical oceanographer.

Bill Naumann made a motion to approve the amendments to the Charge to the Science Panel. Renee Cahoon seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

Chairman Gorham stated the CRC directed the Science Panel to complete their erosion rate study, but we will have to be careful when we give them the Sea Level Rise Update and will need to prioritize what is more important since there is such a short timeframe on the Sea Level Rise Update. Mike Lopazanski stated there is a quick turn around on the inlet study as well. Mike Lopazanski stated currently there are four vacancies on the Panel. There is a need to assemble an ad hoc committee to augment the current membership for the Sea Level Rise Assessment. In 2013, we issued a call for Science Panel nominations from the CRC, CRAC and the current Science Panel. We asked for nominations for two engineers and two geologists as well as nominees for the Sea Level Rise Study. We received 12 for the Panel and 8 nominations for the SLR ad hoc group. Several individuals were nominated for both groups. The draft SLR Report is due March 2015. We would like to get the ad hoc members named and meet with the Science Panel in June. The Chairman has asked that the CRC and CRAC consider the individuals that have already been

nominated during the previous call for nominations and nominate additional names if they want them considered in time to be added before the June Science Panel meeting. Additional nominations would need to be in by June 6. The CRC Executive Committee can then look them over and supporting documentation and make recommendations to the CRC Chairman. The CRC Chairman will make his announcement sometime in mid-June so DCM can begin its work.

Chairman Gorham stated he is going to recommend that for the SLR Study that we include the full Science Panel plus some experts that we bring on. Big groups do not come to decisions easily so we are going to keep this group small. We have eleven. We may or may not fill the remaining spots right away. The SLR additions will be announced by June 15. If there is a large disagreement amongst the Executive Committee then we may call the full CRC to get input. The goal is to not pick agenda science. This is the most politically sensitive issue that we have dealt with in a long time. We need to agree on a process on how to do it and add ad hoc members before we begin this Study. Mike Lopazanski stated there are currently 11 members on the Science Panel. Margery Overton is the current Chair of the Science Panel. Included in your packets is the current list of nominations. If you are considering additional names then you should contact your nominee and make sure they are interested in serving and please provide supporting documentation with their nomination so the Executive Committee can use it to evaluate them against the criteria in the Charge for consideration as an addition for the Sea Level Rise Study. Nominations should be sent to Braxton Davis.

SEA LEVEL RISE STUDY UPDATE

H819 Requirements, Science Panel Involvement, Timeframe (CRC 14-15)

Tancred Miller

Tancred Miller stated in March 2010 the original Assessment Report was completed by the Science Panel and given to the CRC. This was the first SLR Assessment Report that has been done for North Carolina. It was done at the request of the CRC. The Science Panel and other experts, selected by DCM Staff, completed the Assessment Report. This time the CRC is more involved in the selection of ad hoc members. Following the release of the Report, Staff proceeded to develop a draft policy statement which was meant to be non-regulatory and presented it to the CRC. The CRC had some concerns and made changes in early 2010 and directed Staff to start meeting with local governments to get input on where the State should be heading on Sea Level Rise. We did that for a year and half. We brought the comments back the CRC and several changes were made to the draft policy trying to make it as non-regulatory as possible. It was meant to focus on research and education. In the course the meetings, several questions arose about the original Report asking for more information about the Science. In late 2011, the CRC asked the Science Panel again to answer four specific questions that came out of the meetings with local governments. In 2012, the Science Panel produced an addendum to the original Report attempting to answer the questions and fill in gaps and analyze additional studies that were published on Sea Level Rise and help us understand what the Science was telling us at that time. Later in 2012, the CRC met after going through an extensive period of revisions on the draft policy and in August 2012 approved the draft policy for rulemaking process. At that same time, HB819 became effective without the Governor's signature. In October 2012, following some discussions within the Department about the policy and the nature of the policy, the Department made the decision to withdraw the policy from the rulemaking process. In the summer of 2013 there was a turnover of the CRC and at the same time HB819 directed the CRC to direct the Science Panel to produce a new Sea Level Rise Assessment by March 2015. The CRC went through the process of inviting nominations for ad hoc members.

Today we have a draft Charge before the CRC, the list of current nominees, as well as an invitation for additional names.

In the 2010 Report the Science Panel said the NC Tide Gauges reveal a significant difference in the rate of sea level rise from the south portion of our coast up to the north. The Panel presented the CRC with a graph with a range of anticipated sea level rise using the tide data from Duck as a baseline. From the 2010 through 2100, the minimum of that range is about 15 inches and based upon a review of the published literature, the maximum was 1.4 meters. There was also a request for a planning benchmark. The Panel analyzed the studies and came to the consensus that one meter was probably the best planning benchmark.

Chairman Gorham asked what we can do about the data gap credibility problem. Mr. Miller stated that it is a funding problem. NOAA is looking for partners to place tide gauges and fill the gaps, but the data can't be used for another thirty years once they are placed. There won't be data on the interior for a long time. Greg Lewis mentioned placing gauges at the Ferry landings to fill part of the gaps. Dorsey stated alternatives to tide gauges should be considered as an option. Renee Cahoon stated FEMA and NC Division of Emergency Management are working on new flood maps and could be good partners. Larry Baldwin stated one of the problems with sea level rise is we need long-term data. Data collection should start now in these areas.

Mr. Miller displayed the Chairman's proposed Charge to the Science Panel for the Sea Level Rise Assessment Update. Chairman Gorham stated this is the most important study the CRC will do. There are a lot of people on the far extreme of both sides. Both extremes have added to the problem. I deal with science a lot and deal with probability a lot. One of the things that bother me about the first report is the date 2100. No one in this room knows what it will be in 2100. There is a lot more certainty in a shorter time period. The CRC uses a thirty year time frame for a lot of policies. We could add credibility to this study if we limit the time frame that we are asking the Panel to look at to 30 years. This would be a rolling 30 years and we would ask the Science Panel to update it every five years and they would come out with a new report. There is agreement in the first 30 years. Our job is to make policy. A rolling 30 years seems like a sound business way to address this issue. Bob Emory stated I believe a 30-year rolling average can be an informative benchmark and it is something that should be included and could be a good piece of information for policy development. I advocate for a longer time horizon for our study. I don't advocate that the study with a longer timeframe should drive policy development. There is no reason that we can't do both. We could have a study that is more similar to other studies that are done in the Country and around the world as far as timeframe goes, but we can include within that context the 30-year rolling average. Having experienced all of the previous Study and the history of this I think I know how we can significantly improve it this time around. The previous report focused on a planning benchmark by 2100 and the CRC asked for that. The Science Panel didn't really want to do that, but it seemed reasonable. That drew an awful lot of fire from the critics. We shouldn't ask for that again. We could ask the Science Panel to look the literature and there may be significant new literature that has been published in the last five years and talk in terms of scenarios or some other way to talking about sea level rise other than a specific rate by a specific year. It gives us the opportunity to incorporate the segment of the scientific community that doesn't support accelerated sea level rise. This perspective can be represented in the study and the study can respond to that. Even though the Science Panel did highlight the uncertainty the first time around, it got lost in the discussion. A comprehensive report would be the opportunity to make it clear that this is an area of great uncertainty especially if you try to predict certain rates by a certain time. We can make it clear that

based on 85 or 100 year forecasts we are not calling for regulation. We would be providing this information to local governments and the general public for information and education. Renee Cahoon stated Duck was used and was the highest in the State. We should report regional ranges. What happens in the south is not indicative of what is being projected for the northern end of the State. Mr. Miller stated the legislation directs us to use five regions of the coast. Bill Naumann stated when you look at any graph that projects 100 years it reflects the difficulty in trying to forecast something beyond 40 or 50 years. Unfortunately, with this kind of diversion it fosters controversy, division, and difference of opinion which paralyzes policy making. If there is a way to tighten up the focus in an area where we don't have as much disagreement and controversy then it will facilitate policy making. Clearly 100 years does not do us justice. Harry Simmons stated I am a Mayor of a beach town and have been through the process of planning. I can assure you we are not thinking any further out than 30 years. It is a good and reasonable number that people will pay attention to instead of completely ignoring it. Suzanne Dorsey stated the only thing I want to raise is that I advocate eyes-wide-open decision making at all levels. From that perspective there may be some value in risk assessment associated with long-term sea level rise. Retreat will happen and how do we work with the public so that is a real conversation that we can have? Put risk assessment as part of the conversation. Larry Baldwin stated as far as policy and rules go then 30 years is probably about the best we can do. Lee Wynns stated whatever we do it has to have credibility. Therefore, thirty years is a good place to start. Bob Emory stated that there has been a lot of talk about not regulating based upon these forecasts and I agree. Using a time horizon similar to that used by others is our opportunity to show what it means to North Carolina. Larry Baldwin stated when a Commission starts projecting out long periods then there are unintended consequences.

Renee Cahoon made a motion to approve the proposed Charge to the Science Panel on the Sea Level Rise Study Update. Bill Naumann seconded the motion. The motion passed with nine votes in favor (Baldwin, Snipes, Andrew, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis) and one opposed (Emory)(Dorsey abstained).

PUBLIC INPUT AND COMMENT

Mark Richard stated I am in opposition to the extended boardwalk at Carolina Beach. I am an owner of unit #132 at the Cabana Condominiums at Carolina Beach. Our facility has 76 privately owned units. I think Carolina Beach Town Council has forgotten that we have that many privately owned units. We are two plots away from the existing boardwalk. The first lot is the location of the new Hampton Inn. I am here because I do not support the boardwalk extension north at Carolina Beach. However, we do support updating the existing boardwalk. The boardwalk extension will completely alter the landscape, view, and natural habitat in the dunes in front of the Cabana and all the way down to Pelican Lane. There has been a lot of misinformation on many issues pertaining to the boardwalk extension. One example is that it's been stated that there were only 17 plots of land affected this leaves out a very important issue that our one plot has 76 privately owned units. It was also mentioned that only one family, the Averettes, had opposed the extension. Well there are many others, one being the homeowners association south of the existing boardwalk and the other multiple owners at the Cabana. I felt it was necessary to poll the Cabana homeowners to determine if they are for or against the boardwalk extension. We are still gathering information and it takes time. Right now it stands with 28 units opposed and 2 units for (a handout was provided to the CRC). The next time Robb or Braxton get the information from me I am sure those totals will increase. Here are our concerns in reference to the boardwalk extension north. Will our littoral rights be compromised? We have a problem with a large horizontal structure causing damage during a major storm or hurricane as Sandy did in New Jersey. Will insurance cover any of the

damages from either water or wind driven debris? A major concern is the increased foot traffic in direct proximity to our pool and condos. This increased foot traffic means increased noise levels, increased littering and lack of privacy. We are a gated community. There are many issues pertaining to security, vandalism, and trespassing. It will be easy for people on the boardwalk to hop the fence and have complete access to our facility. However, it makes it more difficult for homeowners to access the beach because of two locked gates required as it criss crosses the boardwalk. There will be obstructed ocean views. Will the elevation of the boardwalk between the ocean and the Cabana be higher than the highest point of our dunes, blocking first floor view of the ocean? A pool privacy fence will have to be installed to protect the privacy of the sunbathers and to eliminate people accessing the pool from the boardwalk. This tall fence will also obstruct and provide an unpleasant view of the ocean. The plans include lamp posts and decorative flags; again obstructing views and providing a spotlight effect or glare as we look into the ocean. Will property be devalued? Is this all for the new Hampton Inn? Will the approval of the boardwalk extension set precedence for other coastal communities wanting the same thing? How many public accesses do we really need in that area? I believe there will be a total of eight in an 875 foot area. We bought here for the serenity of the unobstructed views of the ocean as it is today. Please don't take that away.

Bill Price stated I was planning to present some other information but will shift gears completely. I received an email from Kirk Bell, senior legislative assistant for Representative Howard Coble. The email is from Jerald Johnson, he is the FEMA congressional affairs director. This email is a response to our comments on the sea level planning requirements. *(Mr. Price read the following email) Prior to the Biggert-Waters Flood Insurance Reform Act of 2012 (BW-12), FEMA did not have a mandate from Congress to incorporate projected sea level rise considerations in mapping, managing, and insuring flood hazards through the National Flood Insurance Program (NFIP). Now, however, section 100216 of BW-12 authorizes FEMA to incorporate future conditions into a new flood mapping program that will be established in coordination with the Technical Mapping Advisory Committee (TMAC). The TMAC, which is mandated in another section, will consist of members of federal, state and local governments as well as representatives from various organizations and associations. The TMAC will be launched this spring and will be charged, in part, with preparing a "Future Conditions and Risk Modeling Report". This report will include recommendations to FEMA on how to ensure that Flood Insurance Rate Maps incorporate future conditions, including climate change (for example, sea level rise, changes in precipitation patterns, and hurricanes) and future development, into Flood Insurance Rate Maps (FIRMs). The report will be due to FEMA one year after the TMAC is commenced.* Mr. Price stated that for a year now when Biggert-Waters was written we have been asking about the impact of the TMAC and what was going to happen with that program. We have been told by all of the talking heads not to worry that it would not happen. Here it is. What you all have done today on the 30-year planning makes a lot of sense. I hope you can have some influence on this program that is going to become mandated by the federal government through FEMA and NFIP. TMAC says they have to deal with the best science. What is the best science? You have the CRC Science Panel indicating that from Duck tide gauge of 15-16 inches of sea level rise currently. That is the baseline that they are using. We have just now had a report from the North Carolina Crime and Public Safety flood mapping division that indicates that 22,000 residences or structures in Dare County will be removed from the flood zones. 18,479 of those will actually be removed because of falling sea level. We also have information from DCM that indicates that accretion is increasing and erosion is decreasing. So what is the best science? Is it the Science Panel? They should all be based on the same USGS base datum. We appreciate what the CRC has done today and think that this 30-year rolling planning is a good move and hope that you can have some influence on the FEMA folks to adopt the same thing.

Renee Lewis stated I am here with my sister, Susan, my brother, Donny, and our father Donald Averette. I would like to thank you for allowing us to speak to you today. We, as the Averette family, would like to go on record that we are opposed to the Carolina Beach boardwalk extension. At your last meeting in February you asked the Town of Carolina Beach to meet with us and see if we could come to an agreement on this project. We did meet with the Town Manager, Assistant Town Manager, the Town's attorney, and the architect. We discussed with them in great detail the project and our concerns. No agreement was made between our family and the Town. May I also say that the Town of Carolina Beach only met with us after your denial of the variance. Our father initially found out about this project by reading about it in the local newspaper. We were also told at this meeting by the Town's attorney that they did not have to get approval for this project from the CRC that they could get it approved by a judge. The Town has stated that the Averette family is the only property owner opposing this project. On the day we met with the Town they told us that they had met with the Cabana and addressed their concerns and the Cabana was in agreement with this project. Since then we know that this is not correct. By now you have received multiple letters from property owners at the Cabana that oppose this project as well. There are many reasons why we oppose this project. First, if a hurricane, no when a hurricane comes can you imagine the damage that this massive 16-foot wooden structure would cause? This 16-foot wooden structure is wider than a lane of traffic. Secondly, the extension would create an unnecessary hardship to us and our property. There would be a loss of oceanfront view, major safety and crime concerns, and greater difficulty accessing the beach from our property. We would have to go through a locked gate to and from the beach. The lock would need to be replaced several times a year due to harsh conditions. There would be increased noise and lights, increased trespassing, loss of privacy and the list goes on. You all have received our letter that we sent to you on April 10. In this letter we state many legal concerns with this project as well. We know the Town has to been four requirements to obtain the variance and we question the legal aspects of these requirements getting approved. We ask that you read our letter carefully concerning these requirements into a designated ocean setback area. The Town claims that the Carolina Beach Building Line Act of 1963 gave the Town ownership of the beach between our home and ocean. Even if this Act gave ownership of the beach to the Town, the Act does not allow any building or structure to be built in the area lying east of the established building line. This Act in and of itself, therefore, prohibits the Town from extending the boardwalk in front of our home. The Town's attorney has indicated that the State of North Carolina now owns the beach between our home and the ocean. If this were true, then the Town's application, which provides that it is the owner of the land, is inaccurate. I also question the Town's authority to obtain a variance so that it can extend the boardwalk onto land that it does not own without following the proper statutory procedures established by the State Lands Act for selling or leasing land owned by the State. I would also ask you to please consider the precedent this variance would set for other coastal communities if this is approved. This extension would be built on the natural berm of a North Carolina beach. Doesn't the coastline need to be protected? What would the environmental impact be? Finally, I want to be clear that the proposed enhancements to the existing boardwalk would be a wonderful improvement to the downtown area. Our strong opposition is only with the proposed extension of the boardwalk in front of our home. It seems that the justifications for the extension project of the existing boardwalk do not exist. My family and I are grateful for your service to the coastal communities and your concern for coastal property owners. We ask that you please consider all of our concerns before you approve this project. Thank you for your time and have a blessed day.

Mark Hooper stated I am with Carteret County Crossroads and in April of 2012 we came before the CRC to present a simple, common sense plan to address a future rise in sea levels. We called this a generational plan and the plan called for the planning of a one foot rise in average sea level for next

33 years. I think it is interesting that you are looking at a 30 year time frame so we are in great agreement on this point. My question is what number are you going to be looking at? This may be a question for the Science Panel and there will be a regional approach, but at some point a number is going to have to be associated with it. It would seem like the expertise of the Science Panel and the CRC might be involved in putting that number forward. Our original plan had a three component measurement with tide gauges, mapping, and metrics. Through a mapping process we could identify what we called critical points that would be low points in infrastructure. If sea level is rising and we had a critical point that is flooded five times in 2012, 20 years from now we would expect more flooding at those points. These critical points are roadways which are going to be problematic in high water events. We are in agreement and that is good. As a homeowner I live downeast when we looked at the charts of sea level and there was a constant line and a large magnitude of variation. The high points are what we have to deal with as homeowners. In planning I have to deal with two feet which is a northeaster and one is five feet which is a hurricane. I have to account for that. As a service to the State we need to plan for rising sea levels. In a lot of ways we are through storm events, but what would it look like if we adopt a one foot rise for planning? In policy development it is great that we are getting past the point of arguing whether sea level is rising or not. It is going to be a very interesting exercise to see how we move forward. We look forward to the results from the Science Panel and look forward to policy development. This State has led the way in the Nation in terms of coastal policy. We didn't allow hardened shorelines on the ocean as other states did and that is good. We have habitat protection plans in the state. We also have a house on the beach in Rodanthe and we don't want that to happen again. I commend you and thank you and look forward to your response.

ACTION ITEMS

15A NCAC 7K .0208 Single Family Residence Exemption – Adjacent Property Owner Notification (CRC 14-16)

David Moyer

David Moyer stated the changes we talked about in February were to the time frame, the requirement for signed statements of no objection, and the allowance of access to the water. Mr. Moyer reviewed the amendments to the rule language.

Harry Simmons made a motion to send the amendment to 15A NCAC 7K .0208 to public hearing. Bill Naumann seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

15A NCAC 7H .1500 GP for Excavation of Upland Basins – Excavation and Bulkheads (CRC 14-17)

David Moyer

David Moyer stated at the February meeting we talked about amendments to General Permit .1500 to allow maintenance excavation off of manmade canal systems and new basin excavation of the same systems. New basins can be 50x50 feet. The basins are dug out of high ground and there is a need to stabilize it. Currently the rules require a permit for the digging and a permit for bulkheading. This amendment would allow the bulkheading under the same permit for the excavation and would reduce the costs to the applicant by \$400. Mr. Moyer reviewed the amendments to the rule language.

Bill Naumann made a motion to send the amendments to 15A NCAC 7H .1500 to public hearing. Neal Andrew seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

15A NCAC 7H .0312 Technical Standards for Beach Fill Projects

Matt Slagel

Matt Slagel stated these rules are intended to ensure that sand used for beach nourishment closely matches the sand on the existing beach. The rule requires that the sediment intended for use as well as the sand on the existing beach be analyzed for grain size and composition and that they be within defined ranges of similarity before the project can begin. The proposed rule change would reduce the number of required samples in smaller borrow sites and all slightly more coarse sand to be placed on the beach while continuing to limit fine sediment and gravel material. A public hearing on this proposed rule change was held on February 26, 2014 at the CRC meeting in Nags Head. No comments were received. The effective date of this rule change would be August 1, 2014. Staff recommends that the CRC adopt this amendment.

Renee Cahoon made a motion to adopt the amendment to 15A NCAC 7H .0312. Harry Simmons seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

15A NCAC 7H .1204 & .1205 General Permit for the Construction of Piers and Docking Facilities in Estuarine and Public Trust Waters and Ocean Hazard Areas

Mike Lopazanski

Mike Lopazanski stated the General Permit allows for docking spaces for two boats. We have seen an increased use in personal watercraft stored on boating platforms which results in property owners being penalized in terms of the number of slips allowed in that a boat or jet ski stored on the platform counts as a slip. This amendment creates an exception for the storage of boats on platforms and clarifies that the two slip limit excludes boats stored on platforms. A public hearing was held on February 26, 2014 and no comments were received. The proposed effective date of this amendment would be August 1, 2014.

Renee Cahoon made a motion to adopt the amendment to 15A NCAC 7H .1204 and 7H .1205. Bill Naumann seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

15A NCAC 7H .1305 General Permit to Construct Boat Ramps Along Estuarine and Public Trust Shorelines and into Estuarine and Public Trust Waters

Tancred Miller

Tancred Miller stated this amendment will streamline, simplify and reduce costs to the public for the permitting on non-commercial boat ramps under the CRC's General Permit. DCM has observed that it has become common practice to construct a launch access dock and protective groins in conjunction with a new boat ramp. The CRC has determined that it is unnecessary to require three separate permit applications and three application fees for what is essentially a single project. The public comment period was open from January 15-March 17, 2014 and a public hearing was held on February 26. No comments were received. Staff recommends adoption of this amendment. The effective date of this amendment would be August 1, 2014.

Bill Naumann made a motion to adopt the amendment to 15A NCAC 7H .1305. Lee Wynns seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

OLD/NEW BUSINESS

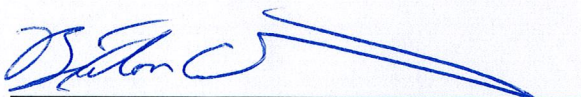
Economic Value of the Coast

Renee Cahoon stated the Chairman tasked a group of CRC members to do an economic value analysis of the coast. The twenty coastal counties under the jurisdiction of the Coastal Area Management Act are indicative of the diversity in all the counties of North Carolina. The twenty counties are an ecosystem unto themselves as some of them are oceanfront, some border the largest lagoon on the east coastal in the Pamlico Sound and all contain estuaries. They are recipients of inland rivers reaching the coast. Each coastal county contributes to North Carolina in different ways. Therefore, it is impossible in a short report to communicate the impact that each has on our state. This will be a snapshot of economic highlights. Coastal statistics indicate that coastal regions generated 45% of the gross domestic product in 2010. Coastal communities support \$19.5 billion in saltwater recreational fishing. Coastal communities provide \$291 billion in leisure and hospitality wages. By 2025, 75% of all Americans will live within 50 miles of the coast. In 2010, 39% of the U.S. population lived in counties directly along coastlines. Eighty-five percent of all tourism revenue in the U.S. is generated in coastal states and for every one dollar spent on beach nourishment, the return of investment is \$570 in taxes. According to North Carolina statistics, tourism generates \$970.4 million in state tax revenue and \$579.4 million in local tax revenue. Out of the 100 counties in the state, in terms of travel expenditures, three of the top 10 counties in 2012 are coastal counties (Dare, New Hanover, and Brunswick). Dare County alone provides 5% of North Carolina's travel income. 17.7% of overnight visitors reported the beach as their leading activity during their stay with only visiting family and shopping at higher percentages. The fastest growing county in terms of population is Onslow County with four coastal counties in the top ten fastest growing (Onslow, Brunswick, Pender, New Hanover). Coastal counties have populations lower than urban areas due to much of the property being owned by out of town, out of state, or out of country owners. These owners pay the same tax rate as local property owners, but do not use many of the services year round and do not use the school system. The 20 coastal counties produced 32% of the entire state's occupancy tax in 2011-2012. Of the top five occupancy tax-grossing counties, two (Dare and Currituck) produced 31% of the occupancy tax in 2011-2012. The National Marine Fisheries Service reported fish landings in 2012 in North Carolina to be worth \$72,905,625 to the economy. Harry Simmons, Suzanne Dorsey, Larry Baldwin, Greg Lewis and Renee Cahoon were on the subcommittee to work on this report, but the subcommittee would like to also thank CRAC Chair Debbie Smith, Roberta Thuman at the Town of Nags Head, and DCM Director Braxton Davis.

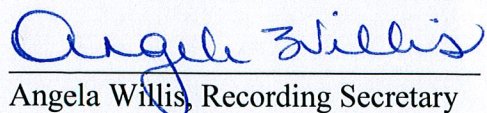
Renee Cahoon made a motion to go into closed session to consult with our attorney under the provision of the North Carolina Open Meetings Law NCGS 143-318.7(a)(3). We plan to discuss the case of DENR v. Pharr 9CVS11. Bill Naumann seconded the motion. The motion passed unanimously (Baldwin, Dorsey, Snipes, Andrew, Emory, Gorham, Cahoon, H. Simmons, Naumann, Wynns, Lewis).

After ending the closed session and returning to open session and with no further business, the CRC adjourned.

Respectfully submitted,



Braxton Davis, Executive Secretary



Angela Willis, Recording Secretary