

Open Work Session

Loans from the Maryland Department of Natural Resources for the Cove Road Beach and Roaring Point Park Shore Erosion Control Projects

December 19, 2017

Mrs. Pam Oland, Deputy Director of Recreation, Parks and Tourism, came before Council. She said she is here today to talk to Council about two agreements they have received from the State DNR. She said these are no-interest loans the County is being offered to do shoreline protection at Cove Road and Roaring Point. She said both of those locations are vulnerable to a major weather event. She said, if Council has been out to Roaring Point any time recently, they would notice there is a major drop off. She said they are having severe erosion issues, and every time they have a storm, they keep their fingers crossed that this area does not take any more damage than it currently has. She said the Cove Road loan is a 15-year no-interest loan, so the payment, based on the amount of money they are projecting, would be a \$6,700 payment in the budget. She said, with both of these loans, the first payment is not made until they actually have completed the project at zero percent interest. She said it is almost January, and they have not done any drawings or any work, but they do have preliminary sketches from DNR that helped them come up with these dollar amounts to protect those areas. She said their best estimate is that the first time the County would have to make a payment on either one of these loans would actually be Fiscal Year 2020, because the first payment would not be made until July 1 of the year after they completed the project. She said they expect they would complete these projects in Fiscal Year 2019, which means the first payment would be due in Fiscal Year 2020. She said the second piece of this is that they are agreeing to allow the State to hold this money for them. She said there is the possibility of grant money for both of these projects, but they do not yet know if that grant is available. She said, actually, she just received an email about a funding round for some shoreline protection grants and some meetings being held in January to find out about those. She said they are asking Council for permission to be able to sign these agreements, lock in this money at zero percent interest to the County, and still investigate other options where they do not even have to pay them back. She said if they do not lock in this money, the State can offer the money to somebody else, and the County would then not have the ability to borrow at zero percent interest to do these projects. She said they could borrow from any of their regular funding sources, but, again, it would not be at zero percent interest. She said Cove Road is a 15-year payback term, and Roaring Point would be a 20-year payback at \$10,000.

Mr. Dodd said he likes the idea of zero interest loans, but he likes the idea of loans they do not have to pay back better. Mrs. Oland said that is why they are saying they are not going to stop investigating other options, but, again, if they do not lock these in, this option is off the table. Mr. Dodd said he was looking at the areas they are talking about, and he asked if that would be riprap on these beaches, to which Mrs. Oland responded, it would actually be a little bit out. She said right now they have two very preliminary conceptual drawings. She said they both would be away from the land so they would be protecting, and would be a little along the lines of the riprap, or the berm that was created at Cedar Hill over from the harbor. She said there is a little inlet, and then there is another one, and there is this protected cove at Cedar Hill. Mr. Dodd asked if they would be jetties, to which Mrs. Oland responded, these would not be jetties, but they would be breakwaters. She said, actually, depending on where they put them, they could potentially have some coming all the way to the land. She said the State is not suggesting they protect 100 percent of Roaring Point, but really what they are suggesting is they protect the land that then protects their interest to going back to parking and the access point. She said that is where they are actually having the most erosion, and if they do not protect that, then they have lost their access to the land they currently own. Mr. Dodd asked if this is going to affect the beachgoers,

because he knows a lot of people have been going to Roaring Point, to which Mrs. Oland responded, this is going to protect it so they have the ability to still be able to use the beach. Mr. Dodd said he knows that will be brought up, but he is all for protecting it. Mr. Matt Holloway said, in most cases, the State does not allow total riprap anymore because it does not allow the animals to access the beach, so now they have to have a staggered approach where there are little inlets so the critters can get in. Mr. Dodd said then there would not be as many waves. Mrs. Oland said it is really just to slow down the water so that it does not take out what they currently have there.

Mr. Joe Holloway said Mr. Strausburg had talked about securing the shoreline at Pirate's Wharf. He then Mrs. Oland if there is anything available like this for Pirate's Wharf, to which Mrs. Oland responded, when they met with DNR they actually talked about all three locations, and the answer to that question is potentially. She said they are not far enough down the road as to what they want to do at Pirate's Wharf for them to say which program the County meets the State requirements on. She said DNR did say there is potential for the County to have money for Pirate's Wharf. She said Pirate's Wharf has a little bit trickier protection area because the area they need to protect the most is at that really narrow spot on the river where the barges have to make the turn, so they cannot go very far out into the river at all, and that changes what they are going to use the land for at Pirate's Wharf, and where they can find money. She said they purposefully did not submit an application for that location because they are not far enough down the path on that.

Mr. Cannon said, in the prior Capital Improvement Program (CIP), there was funding in the amount of \$451,000 from a State grant, and this is going back to 2015. He then asked how this plays into that, and was that ever eventually spent, to which Mrs. Oland responded, no, they have not spent any money. She said, basically, Roaring Point has been in the planning process since she arrived with the County, and they had not envisioned where they could find the money, so they kept leaving it there as a placeholder to remind people that the County needs to do something. She further said they did not have a funding source, so they just kept putting it on the document each year, and not bringing it up. She said this year, through some discussions with DNR, and actually having DNR come visit those locations, DNR thinks, first off, the County's estimate is too high, which was a great thing to hear, and, second, DNR thinks they can help the County with these different programs by getting them in the queue right now with the no-interest loan program. She said, when the State opens the funding sources for the grant programs, they will keep Council in mind, and keep Council informed as to when that timeframe is. She said, again, they are viewing this as locking in this money, and this is money they do not have to spend and finish the projects. She said, if they sign these agreements, the projects have to be completed by June 30, 2021, so it is not even obligating the County that they need to go ahead tomorrow and start these projects. She further said the project does not have to be done in six months' time, but this is locking in this money for the County until June 30, 2021. She said let them investigate this spring if there are any grant opportunities that might come available with the State through the end of their fiscal year, or their start of their new one, and this money then would be reserved for the County. Mr. Cannon asked if this is the money that is reflected in the current CIP, to which Mrs. Oland responded, yes, and they actually had these conversations at about the same time they were talking with DNR, and that is how the numbers got reflected in this year's CIP. Mr. Cannon asked about the reimbursement for services amount of \$8,491, which is about a 4 percent rate, to which Mrs. Oland responded, it is very specific in the loan agreement that the State gets a percentage of the project. She clarified, the State is giving the County technical guidance, so they would help review specs, pick an engineering firm, pick a construction firm, and give the County the best bidders to bid these projects out. She further said the State is giving the County technical guidance that they do not personally have in their Department, and may not have much of in the County as a whole. She said that is their fee for this. Mr. Cannon said for a minute he

thought it was the cost to lend the County the money, to which Mrs. Oland responded, the County is getting something from that cost though, so it can be looked at either way. Mr. Cannon said it is technical assistance, and that is important.

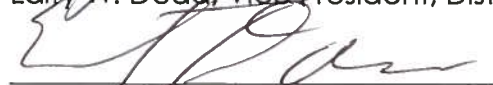
Mr. Dodd asked if there is ever funding available for beach replenishment, to which Mrs. Oland responded, they have not investigated that. She said these are relatively small beaches, and she thinks it is based more on, if they do not protect the beach they have, they probably will not have a beach, but that is her assumption based on the size of what the County has. There was no further discussion.



John T. Cannon, President



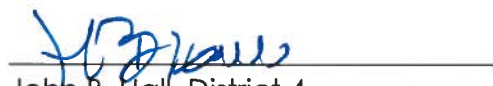
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Joe Holloway, District 5



Matt Holloway, At-Large



Laura Hurley, Council Administrator