

Date: March 3, 1992

To: Armin Cantini, Chairman  
Beach Renourishment Committee

From: Douglas W. Matthews, Sub-Committee Co-Chairman  
Donald L. Schattel, Sub-Committee Co-Chairman

Subject: Beach Renourishment Financing Alternatives

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After several sub-committee meetings, the below information will serve as our **Final Report** to the entire committee.

In reviewing Colonel Brink Miller's February 6, 1992 letter, **we recommend:**

1. The committee pursue **Option C** whereby **1,500,000** cubic yards would be used to nourish **10th to 61st Street**. The local share is estimated at **\$2,237,000**;
2. The **Texas Water Development Board** be asked to issue revenue bonds totaling **\$2.3 million** pursuant to the Texas Coastal Zone Management Act; and
3. The **annual debt service** on \$2.3 million in bonds for 10 years at 7% interest would be **\$320,461**. The entities that **could or should** pledge the annual amount are:

A. Galveston County Commissioner's Court	-	\$ 100,000
B. City of Galveston	-	50,000
C. County Beach Park Board	-	50,000
D. City Beach Park Board	-	50,000
E. Hotel/Motel Tax redistribution	-	70,461
<b>Total</b>		<b>\$ 320,461</b>

Due to the fast approaching deadline to have in place the local share money, we were not able to pursue other funding alternatives such as:

- A. Galveston County Navigation District as a large contributor;
- B. Using the revenue stream from parking meters on the Seawall Boulevard; and
- C. Obtaining local approval to use the some of the half cent sales tax for economic development;

However, we feel that these alternatives should be thoroughly examined and possibly pursued during 1993.

DWM:DLS:gg

Attachments

**Beach Renourishment Financing Plan**  
**March 3, 1992**

Footnotes to the \$320,461 annual debt service needed to support \$2.3 million in revenue bonds:

**Potential Pledges**

**A. Galveston County Commissioner's Court - \$100,000**

Commissioners Janek & Barr stated two months ago that they would seriously consider committing \$50,000 each from their precinct budgets.

**B. City of Galveston - \$50,000**

City Manager's recommendation is to set a line item in the annual general fund budget, subject to City Council's approval.

**C. County Beach Park Board - \$50,000**

County Park Director suggested adding one dollar per vehicle parking surcharge at his parks subject to his Board's approval.

**D. City Beach Park Board - \$50,000**

Park Board Director has suggested adding one dollar per vehicle parking surcharge at 18 Mile Road Beach Park subject to his Board's approval.

**E. Hotel/Motel Tax Redistribution - \$70,461**

Present State law gives City Council the authority to reallocate hotel/motel tax for beach replenishment.

Prepared by:

**Beach Renourishment Financing Sub-Committee**

**Donald L. Schattel**  
Co-Chairman

**Douglas W. Matthews**  
Co-Chairman

February 6, 1992

Executive Office

Honorable Barbara Crews  
Mayor of Galveston  
City Hall  
Galveston, Texas 77550

Dear Mayor Crews:

This letter is in response to your inquiry concerning the local cost share of beneficially placing dredge material along Galveston beaches during the FY 93 dredging of the Galveston Harbor Entrance Channel.

The local share represents the difference between the historical cost of disposing of the material off-shore and the cost of placing it on the beach. The costs, of course, are dependent upon the amount of material that needs to be dredged to maintain the channel. The last five dredging cycles averaged approximately 1 million cubic yards of potential beach quality material removed from the channel. It is anticipated that the FY 93 job will produce between 500,000 to 1 million cubic yards of beach quality sediments. Dredging the anchorage area, not currently scheduled for FY 93, could increase the total amount available for beach nourishment to 1.5 million cubic yards.

Estimated costs are as follows:

- a. 500,000 yds<sup>3</sup> - would nourish 10th - 27th St.  
Total Cost: \$2,047,000 Local Share: \$997,000
- b. 1,000,000 yds<sup>3</sup> - would nourish 10th - 45th St.  
Total Cost: \$3,567,000 Local Share: \$1,467,000
- c. 1,500,000 yds<sup>3</sup> - would nourish 10th - 61st St.  
Total Cost: \$5,387,000 Local Share: \$2,237,000

REC'D T. G.

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These costs are estimates only, but provide an indication of the relative magnitude of the local share. We will be conducting sediment sampling in July 1992, which will give us an indication of the sand content of the material, and will do the surveys to determine quantities in September 1992.

If I can provide additional information, please contact me.

Sincerely,



Brink P. Miller  
Colonel, Corps of Engineers  
District Engineer

Copies Furnished:

✓ Mr. Armin Cantini  
Galveston Beach Renourishment  
Committee  
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Galveston, Texas 77550