



March 8, 2023

Subject: Inlet Hazard Area

Dear Property Owner:

This letter is to inform you that you have been identified as an owner of property proposed by the North Carolina Coastal Resources Commission (CRC) to be included in an expanded Inlet Hazard Area with revised erosion rates, boundaries and rules (Attachment 1, hard copy and link below).

The Inlet Hazard Area effects of these proposed new boundaries changes the erosion rates in designated portions of the Inlet Hazard Area and have real potential impacts corresponding to the CAMA rules regulated by the North Carolina Department of Environmental Quality. On a dozen occasions and in various forums over the last three years, Town staff, led by Planning & Inspections Director Tim Evans, has consistently and vigorously opposed the CRC's data, its use of unproven methodologies and the property owners' notification process, all of which have contributed to the erroneous expansion of the Inlet Hazard Area unbeknownst to affected owners (Attachment 2).

Town staff continues to be concerned that the CRC Inlet Hazard Area review process is flawed; that affected property owners are not being made aware of the Inlet Hazard Area expansion and believes the CRC should provide individual notification as to what those impacts may be, to include any economic impacts to the properties both now and in the future. Staff also has concerns about a five-year review of data for accuracy when the data is already dated and the process for subsequent reviews.

I strongly encourage you to contact the project manager below for specific information regarding potential impacts to your property.

Ken Richardson, NCDEQ
ken.richardson@ncdenr.gov, (252) 808-2808

Sincerely,

David W. Hewett, Town Manager

Attachments:

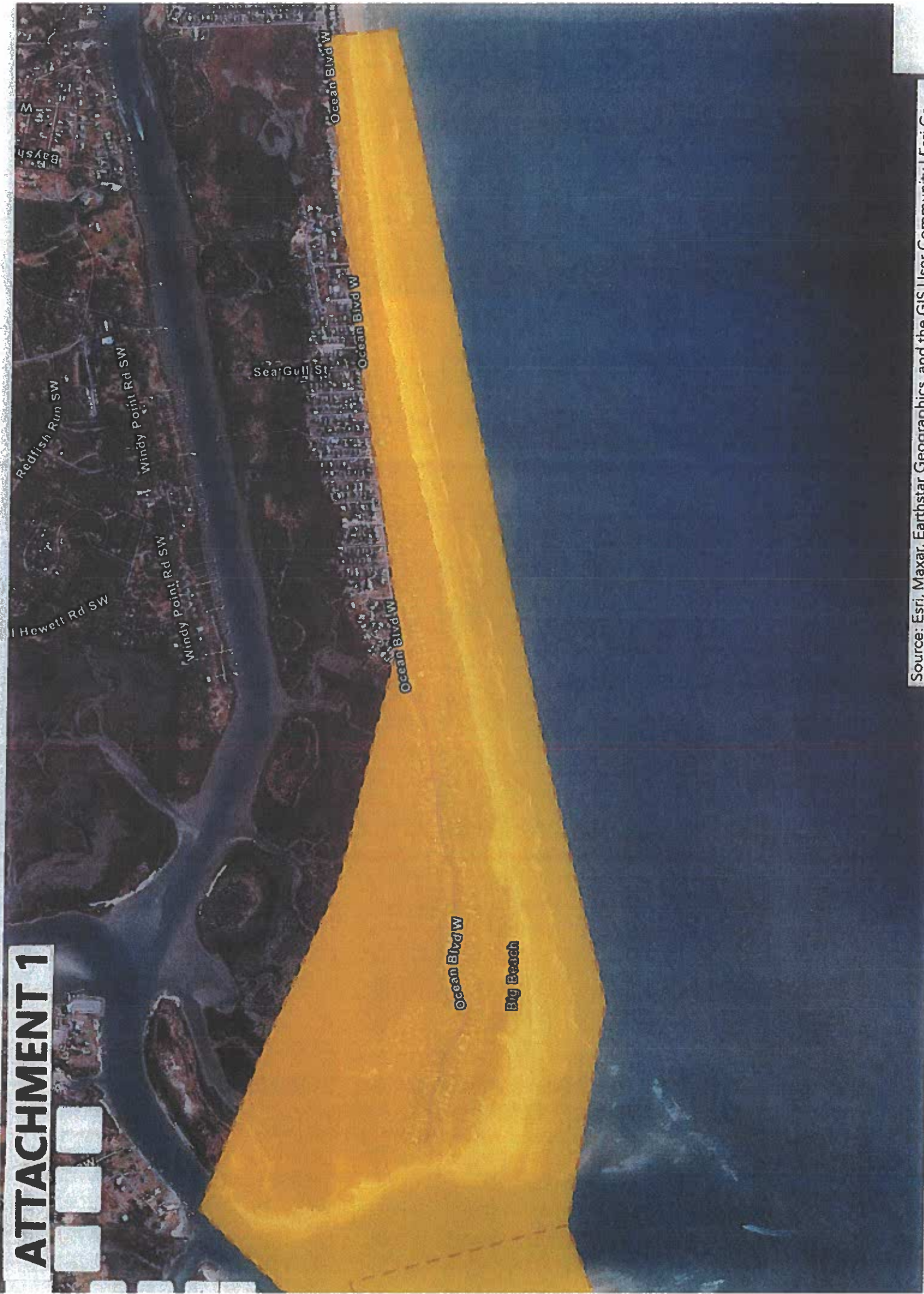
Attachment 1 - Maps

Attachment 2 - Letter to DCM

Digital Maps NCDEQ

<https://ncdenr.maps.arcgis.com/apps/webappviewer/index.html?id=f5e463a929ed430095e0a17ff803e156>

ATTACHMENT 1







31 January 2020

Renee Cahoon, Chairman
North Carolina Coastal Resources Commission
PO Box 714
Nags Head, NC 27959

Subject: Proposed Inlet Hazard Areas

This letter provides Town of Holden Beach comments to the North Carolina Department of Coastal Management in response to the proposed expansion of the Inlet Hazard Areas at Holden Beach. Specifically, we take exception as follows:

1. The public notification of potential impacts is and has been woefully inadequate to effectively apprise the public and potentially affected property owners. The rollout of the proposal over the Holidays was certainly untimely especially for a beach town with a disproportionate number of absentee property owners. Staff input from the local level into any methodologies used to develop the modeling has been next to nonexistent. What little communication on the matter that has taken place has been initiated from the local departmental staff to DCM and the CRC. The first opportunity to interact with staff as initiated by DCM was a public hearing set at Southport (not a beach community) which was not held at the advertised location and required extensive field contact to locate, leaving little time for a frustrated staff to interact. The absence of any real public notification significantly jaundices the CRC's efforts to develop a believable proposal.
2. The purpose for increasing the IHA is not self-evident or well defined, but recent comments at the CRC and by the participating members seem to indicate it is an effort to be better in line with the current rules and complete an update to the IHA that the CRC felt was well past its deadline. The Town of Holden Beach takes pride in its efforts of going beyond those guidelines applied under the CRC rules for protection of both private and public areas within the Town. Nowhere in the nine affected communities are the results of resource protection for

public and private properties more evident than the west end of Holden Beach. The Science Panel's myopic review naively ignored real evidence. Over a 60-year period the west end of Holden Beach has had no structures impacted by erosion, therefore there is no justification to increase the area in question. This lack of loss is not due to any rule written by the CRC, but in fact is because of the Town's frontal dune designation, which as written and applied has kept structures beyond any proposed or existing setbacks in question. This very same Town ordinance is applied across the entire island, not excluding the enormous and lengthy amount of area included beyond the current Inlet Hazard Areas as defined by the CRC definitions.

3. When methodology is influenced by one sided perspective the outcome will always reflect the inherent bias of limited data; especially when there is little effort to include stakeholders or to gather contradicting information to show that the current rules may already be beyond that which is required to achieve the legislative intent. It appears that in order to attain a measurable change from the stasis of today the Science Panel developed their own ideals, ignored local conditions and simply attempted to move the goal post without bench testing the "model". This approach has created a large outlier at Holden Beach that cannot be rationally explained. The only explanation that has been given is that the expectation for the west end of Holden Beach is for it to erode. The panel not only gave no credence to the stabilizing of the inlets as is clearly the case for the Shallotte Inlet, it now has developed projections for a future state that is devoid of even the most basic of modeling for inlet processes -many of which are readily available and commercially affordable. The irony that such modeling is a requisite for permitting of many beach and inlet projects does not go unnoticed. The methodology and its resulting projections are in complete contradiction to the engineering reviews done over a 15-year period at Holden Beach (Holden Beach Annual Beach Monitoring Report at <http://hbtownhall.com>). It also ignores FEMA data not only developed by the federal government using state of the art LIDAR collection methods and FEMA Firm Maps dated from 1987-2018 which have been reviewed by a rigorous public notification/review process and adopted by resolution at the local level. The findings of the Federal Science Panel and the North Carolina Department of Public Safety Science Panel contradict just about everything the CRC is claiming for the expansion on the west end of the Town's island. A good example is the growth and expansion in density of the dunes on the west end identified by one the most accurate methods possible, LIDAR mapping. The CRC science cannot be accurate and complete in its assessment based on its own rules for development and the fact that the panel ignored major components its own

studies required for consideration, such as engineering to shore up the area, an established principle here at the Town of Holden Beach. The Science Panel also ignored part 5 of the IHAM methodology when they said they would consider local experts' inputs when developing an approach – no contact with the Town of Holden Beach's Coastal Consulting Engineer was ever made. Additionally, the panel made no effort to include local officials including myself, the Town's Shoreline Protection Manager, the Planning and Zoning Director, members of the Beach and Inlet Management Board nor any elected officials. At a minimum had the panel engaged with the Town's Coastal Engineer they would have become cognizant of the following three empirical facts that contradict expansion of the current inlet hazard areas.

1. Since dredging of the Shallotte Inlet began the inlet has remained stable. This is important when applied to the logic that the inlet has such a long effect on the shoreline. The Town's Coastal Engineer is of the opinion that as long as inlet maintenance is performed the west side will be stable. Ocean Isle Beach is a participant in a federally authorized 50-year storm damage protection project that uses the Shallotte Inlet as a borrow source.
2. The sand located on the beach and the growth along the shoreline within that portion to be extended by the CRC from its current boundary has not and is not affected by the inlet, but instead that sand is deposited there from littoral drift east to west. The Science Panel's hypothesis that the inlet process of oscillation and the resultant change to the adjacent oceanfront shoreline in the proposed expanded IHA are 100% correlated is a fatal error of assumption. The Science Panel has assumed that the inlet processes are the sole cause of oceanfront change along the extent of the proposed new IHA when in fact the growth of the majority of the shoreline there is a direct result of 40 plus years of beach nourishment on the east and central portions of the island with said growth caused by east to west littoral drift depositions. A subsequent use of a standard deviation model to determine inlet impacts is a misapplication of statistical methods and the equivalent of using a hammer to change a tire – wrong tool for the wrong job. The Town's beach monitoring data just doesn't support the CRC position that the oscillating inlet is why this area has remained stable and has grown over the history of the island.
3. The most recent FEMA data shows that the dunes on the west end have grown so much since 1987 from the east to west migration that expansion of such a magnitude re-designated many homes that were in a V zone as A zone properties. This data scientifically indicates that the portion of the island is outside of any wave action as defined by the federal government, and clearly

proves that the expanded Inlet Hazard Area is outside of any area affected by the Shallotte Inlet.

4. The Fiscal Analysis as required by rule is nonexistent. The DCM staff report fails in its attempt to quantify economic impacts. In fact, it basically says it can't be done. Holden Beach takes exception to the labeling of hundreds of additional properties as "hazardous" by placing them in an area that would make them harder to market. We currently have no limitations on size of structure. The IHA places limitations on lots that will certainly impact the future sale of those lots, a consequence that is measurable. The Town of Holden Beach Planning Department has analyzed the increase and determined that based on the expansion of the IHAs that significant economic impacts will occur in the IHA at the west end. The additional revenue lost based on moderate expansion for lot size could be greater than \$38.5 million in personal equity to the property owners affected. This shows a callous disregard for individual property rights by developing a methodology that disproportionality affects one municipality or one portion of a community. This is effectively labeling these properties as limited in both their current and future uses. Most of these properties while already developed are turning over at about a 12 percent rate with removal and increase for their economic benefit. This in turn affects all property owners by reducing the ad valorem tax. This drastic increase from 59 properties to 368 properties has a real impact on the economics and future cost to live at Holden Beach. It is the position of the Town of Holden Beach that the lack of any real effort to estimate the real impact to these property owners was never performed to the extent that would provide credibility.
5. There is no appellate procedure for the misapplication of what is in effect a zoning action. To default to the "variance" process is an inappropriate use of a quasi-judicial process to provide for the redress of bad legislation. Why is it that there were no rules developed simultaneously with the IHA proposal that would allow for removal from the IHA, if the "science" that was used was in error? This adds illegitimacy to the process and leaves the public mistrusting both the State of North Carolina and CRC.
6. The Town of Holden Beach has no faith in the use of the application of the standard deviation used to justify the expansion of the Inlet Hazard Area at Holden Beach. In addition to aforementioned concerns over the misapplication of the standard deviation methodology the Town does not concur with the use of abnormally distributed data. These problems have clearly caused the incongruity between what we see on the ground and what is being portrayed as the future state.

7. Increasing the IHAs into areas previously designated as Ocean Erodible Areas leaves no room for the exceptions under the current guidelines and requires correction to allow for similar exceptions to the proposed rules. This is an issue in every community but is an absolute detriment to the 331 residential dwellings that will now be beyond the actual effect of the Inlet. If implemented as proposed I anticipate those so affected will conclude this is an administrative taking of property by rule of the pen.

The Town of Holden Beach respectfully requests that the CRC evaluate and reconsider the increase in the IHA as proposed by the draft rules. We request the CRC leave the current IHA in place and evaluate the proposed methodology five years from now for accuracy. This would make it very easy to determine if the science applied is the science that should be used. The way the draft rules are proposed uses almost \$80 million worth of structures and \$160 million of property as an experiment for accuracy on Holden Beach alone. It would be more prudent to distribute the science to state universities for applications testing for five years and then apply it if validity can be established.



David W. Hewett
Town Manager
Holden Beach NC

Cc: Larry Baldwin, Vice-Chair
Neal Andrew
Craig Bromby
Trace Cooper
Bob Emory
Robert High
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