

Will Bethany Beach Beachgoers Pay for Beach Replenishment?

The Association of Coastal Towns communities of Lewes, Rehoboth Beach, Dewey Beach, Bethany Beach, South Bethany and Fenwick Island, protest in the strongest possible terms the on-going initiative that the Delaware Department of Natural Resources (DNREC) is developing. That initiative would require beach communities to pay all or a large part of the State's share of the cost of beach replenishment by the US Army Corps of Engineers. To pay for it, beach communities would be forced to pass along the cost to beachgoers with higher parking and shuttle fees and charging for beach access (beach tags or passes). DNREC's plan would adversely affect Delaware's coastal economic ecosystem and the State of Delaware. Bethany Beach believes that this initiative needs significant public and legislative review and revision as recommended below.

How the Coastal Communities Contribute to Delaware's Economy

Delaware's coastal economic ecosystem **is driven by its coastal communities** and is responsible for:

- 64,710 jobs
- \$5.49 billion in labor income
- \$12.06 billion of total industrial output
- \$7.58 billion in value added to the Delaware economy
- **\$950 million in Federal, State and local taxes**

In addition, the coastal economic ecosystem is realistically estimated to produce a beneficial multiplicative effect:

- Every 100 direct coast-related jobs produce an additional 60 jobs across the State, culminating in a jobs' multiplier of 1.6.
- For every \$100 of direct coastal-related production, an additional \$70 is generated throughout the state, resulting in a production multiplier of 1.7.
- Every \$100 of direct value added stimulates an additional \$90 in value added across the state.

Given that the coastal communities are vital contributors to the economy of the State, we must ask why is DNREC unilaterally taking action that will seriously damage Delaware's coastal economic ecosystem without involving all of the

affected coastal communities, soliciting and considering meaningful public input and input from Delaware's legislators?

DNREC'S Proposal

DNREC has created a "working group" called the Shoreline Management Economic Study Workgroup. This group consists of several current and former DNREC employees and a private contractor and their employees. To add an air of credibility to the group, two "stakeholders" were added: one representative from the coastal communities and one from the bay communities. The imbalance (four DNREC/contractors to one beach and bay) in the composition of this group is clear and prejudicial to full and fair consideration of the issues.

At the first meeting of this "collaborative" working group the stakeholders were told that the objective of the group is to develop a study that creates a cost-share ratio for beach nourishments for "local" jurisdictions. Translated, that means the coastal communities would be required to pay all or a large percentage of the State's share of beach renourishment. The stakeholders were then advised of the predetermined scope of study, predetermined research questions that were to be answered as part of the study and the predetermined framework for the analysis that was to be completed as part of the study. None of this plan and objective was developed in concert with the "stakeholders". It was all developed and decided entirely by DNREC. There was **no** input from any of the communities that will be impacted by this study.

The coastal communities welcome an open, public and complete discussion regarding the costs of beach nourishment. But the discussion should be open, take into account all relevant facts, and with real input from all the stakeholders. Not one essentially limited to DNREC with a predetermined outcome. That is what is happening today.

The Cost of Running a Coastal Town

Regarding the resources of coastal communities, there is a false impression that the coffers of coastal communities are overflowing from revenue generated during the summer. That is not the case. Our sad reality is that revenues generated during our

summer seasons do not cover all the costs of the summer seasons. Many coastal towns with small year-round populations (that would not have a police department if they were inland) have as many as 14 fulltime officers, 2 to 3 dozen seasonal officers and 40 to 70 lifeguards to ensure public safety. Those necessary personnel costs are incredibly high and explain why some of our communities carry significant debt, while others must let overused infrastructure deteriorate. Paying for beach replenishment is something we cannot afford.

Requiring such payment would force those communities to take actions that would make them less inviting to visitors and home buyers and will eventually diminish the revenue generated by the coastal ecosystem. For example, daily beach tag charges for access to the beach, exorbitant parking and shuttle fees, fewer lifeguards on smaller portions of open beach, and fewer police officers will also impact public safety. By way of example, it costs a family of four between \$40 and \$52 a day, in addition to parking costs, in daily “beach tag” fees to visit beaches at the New Jersey Shore! Weekly “beach tag” passes for that family of four are in the \$200 range.

As explained above, the coastal communities are **the drivers** of the coastal economic ecosystem so vital to Sussex County and the State. These coastal municipalities host millions of visitors every year. The popularity of our communities and the desire of so many to visit and live close to them fill everyone’s coffers except those who host those millions of people. The traffic and visitors cost us dearly. Our infrastructure deteriorates much more quickly from use and abuse than any similar inland community. The **only** benefit that we receive from the State for our contribution to Delaware’s economy is the vital benefit that we receive in beach nourishment!

A Fairer Approach

Therefore, we urgently request, as a matter of fairness and professional inquiry, that a **new inclusive committee** be formed and that this committee first be charged with conducting a thorough search for other sources of revenue to help defray the costs of beach nourishment. For instance, for years the coastal communities have asked DNREC to use revenue generated if they host offshore transmission coming ashore on Delaware’s state beaches to help defray the cost of maintaining coastal infrastructure.

DNREC could also seek or support legislation to designate a larger percentage of the accommodations tax generated by visitors to our coastal communities. In addition, some small portion of transfer taxes generated by the sale of homes within the coastal economic ecosystem could be used to help defray the cost of nourishment. There are other possibilities that should be examined to everyone's benefit.

If a search for alternative funding sources does not generate the needed revenue, we ask that the new committee conduct an open and public dialog about the beneficiaries of beach nourishment. The last work of that new committee would be to develop, in a public forum, a fair cost-share ratio for all those that benefit directly and indirectly from beach nourishment.

Because of their vital importance to a thriving Delaware economy, the coastal communities deserve full and fair consideration of all the issues in this matter.