



Scott S. Rosenblum, Mayor

SALTAIRE NEWS

July 2008

FROM THE MAYOR

BEACH PROJECT

The Village of Saltaire, in conjunction with other Fire Island communities, has for the last two years been seeking regulatory approval for a beach re-nourishment project slated to be undertaken during the 2008-09 off-season. The Board decided to begin this process due to (i) the erosion of our beach front – a beach survey conducted in December of 2006 showed that only 50% of the project sand remained on the beaches of the communities that participated in the 2003/04 Western Fire Island Beach Renourishment Project (Saltaire, Fair Harbor, Dunewood & Lonelyville), and (ii) the uncertainty of the implementation of the larger, federally-sponsored Fire Island to Montauk Point Reformulation (FIMP) project. The timeliness of the Board's decision was made even more apparent when we lost more sand (including critical amounts from our dunes) as a result of the April 2007 storm that prompted the federal government to declare Suffolk County a federal disaster area. Meanwhile, the FIMP continues to be mired in political and regulatory bureaucracy, and there is no assurance that it will be approved.

Beach projects are expensive, made even more so by the current high cost of fuel. The total cost of the 2003/04 beach project was \$2,465,000, which translates to a cost of approximately \$10 per cubic yard of sand placed on our beach. The current budget for the 2008/09 project, which contemplates restoring the beach to the 2003/04 post-project condition, is \$3,000,000 and translates to a cost of approximately \$16.50 per cubic yard of sand. Even with this increased cost, the proposed project is by far the least expensive and most efficient way to add sand to our beach and to protect our community from storm activity, which is our ultimate purpose. To that end, the Board, at its June 28, 2008 meeting, authorized the issuance of municipal bonds in an amount up to \$3,000,000 for the purpose of funding the proposed project, which amount includes a 15% contingency above the engineer's estimate. We see this as the high end of the ultimate project cost. Additionally, the Village and the other communities which participated in the 2003/04 beach project have received approval from the Federal Emergency Management Agency (FEMA) for reimbursement of certain costs associated with the project that relate to replenishment of sand lost as a result of the April 2007 storm, our portion of which could be as much as \$1,000,000. Any FEMA award will be used to offset the amount necessary to borrow for the project.

The annual debt service on the bonds for a new beach project will obviously have an impact on future budgets and tax rates. At this time there are variables still uncertain, such as the final project cost, amount of FEMA reimbursement, and the interest rate at the time of bonding, that will determine the actual annual debt service on the bonds. Our current projections reflect an annual debt service of \$350,000 over eight years. The impact of this debt service on future budgets and tax rates will be mitigated, however, by the retirement of existing bonds. The bonds for the 1994 and 2003/04 beach projects will be paid off in 2009 and 2011 respectively, removing a combined \$465,000 of annual debt service after 2011. There will be a gap between the addition of the new beach debt and the complete retirement of the existing beach debt, so there may be need for incremental but hopefully manageable tax increases to be able to bridge that gap. Of course, future budgets

and tax rates will be affected by other planned capital projects and other factors, which have been outlined in the previous Newsletters and will be detailed in future communications.

The implementation of the beach project this off-season is far from a certainty however. We still have not received regulatory approval from the concerned agencies, of which there are many. We were required to undertake an Environmental Assessment (EA) to address the environmental, socio-economic and cultural impacts of the potential project. The EA has been submitted to the Fire Island National Seashore (FINS) and it is currently under review. The EA (w/o attachments) can be viewed at <http://www.saltaire.org/ea7308.pdf>. This review process carries with it the risk of delaying or derailing the project for two reasons. First, if the EA is not expeditiously reviewed and approved, there may not be sufficient lead time to allow the communities to bid, award and construct the project this year. Secondly, there has been some disagreement between the communities and FINS regarding what is an acceptable beach profile and what are acceptable conditions of approval. We have submitted the EA to FINS with beach design profiles and conditions that are acceptable to us, which would essentially allow us to replenish the profile of the last beach project. This has been identified by the communities in the EA as their Preferred Alternative. Other alternatives were required to be included in the EA, one of which being promoted by FINS would place and formalize a dune line that is migrating towards the bay and in some cases place it behind existing houses. This “dune retreat” alternative is obviously unacceptable to the communities. If the EA is approved according to the parameters specified in the Preferred Alternative, the Board would most likely proceed with the project. If those parameters are modified by FINS such that they are less than the Preferred Alternative, the project could be delayed or derailed entirely. Obviously the review and approval by FINS is critical.

The residents of the Village can play a significant role in this process. If the officials at FINS, as well as our elected federal officials, understand that there is strong support for the Preferred Alternative, this will undoubtedly have an impact on the EA review process. Please contact the Village office for the email addresses of the relevant officials at FINS, as well as for our elected federal representatives. We urge you to email them (or mail if you do not have email) and indicate your strong support for the Preferred Alternative and for the timely approval of the EA and all required permits necessary for the beach project. Your voice will be heard and can dramatically influence the process to better increase our chances of obtaining approval for an acceptable beach project.

Our management of the ocean-front has long range implications for the financial stability and recreational opportunities of Saltaire. These management decisions are best made with full public discourse and involvement. This Board of Trustees has taken the steps necessary to put Saltaire in the best position to implement an appropriate beach protection plan, and also to be able to act decisively in response to severe storm damage. We need and urge your involvement in the process as indicated above, and look forward to continued discussions as we hopefully approach implementation of the project.

Mayor Scott S. Rosenblum

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In Case of Emergency While in Saltaire, Call 911
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