

REPORT ON THE CREATION OF
THE OCEAN SANDS (NORTH) AND
CROWN POINT STORMWATER
SERVICE DISTRICT

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To establish an entity for the purpose of financing the design construction, and maintenance of a system for stormwater management within Ocean Sands (North) and Crown Point Subdivisions it is proposed to create the Ocean Sands & Crown Point Stormwater Service District.

Identified Need for Service District

Located in the community of Corolla on the Currituck Outer Banks, Ocean Sands (North) and Crown Point subdivisions are very attractive to tourists resulting in the weekly rental of a high number of the residential structures here particularly from May to September of each year. When Ocean Sands & Crown Point (hereinafter OS & CP) were originally platted in the early 1970s, there were no county, state or federal regulations with regards to stormwater management. Lack of foresight, ongoing development and loss of pervious surfaces, has led to the flooding problems facing the community today.

Currently the only stormwater infrastructure within OS & CP is a system of ditches leading from the lake in Sec. O and running through Sections K, L, M, N, P, and Q of Ocean Sands and Crown Point, which feed into the ground water lowering moats at the OSWSD wastewater treatment plant. There are pumps at the NW corner of the moat that convey the water to an outfall pipe that runs under Rt. 12, and then west across Sections X and Y of Ocean Sands, discharging into the sound.

The area located within the proposed district boundaries has a naturally high water table and essentially lies in a “bowl” between the dunes and The Currituck Club. In extremely heavy rains such as an “Ernesto” type event, or even on-going rain events on already saturated grounds, the stormwater overtaxes the moats and pumps at the wastewater treatment plant, which were not designed to handle stormwater. In fact, the abundance of stormwater into these moats has been one of the chief causes of the Notices of Violation (NOVs) received by OSWSD with respect to the wastewater treatment plant.

Furthermore, streets & intersections throughout the subdivisions are routinely flooded and often impassable even after periods of moderate rain. As there are fewer and fewer undeveloped areas with pervious surfaces to absorb the stormwater, streets and homes are flooded.

The standing water from flooding creates serious health impacts from bacteria, mosquitoes and viruses, not to mention the putrid smell. Accessibility to residences and vehicles becomes a problem, hampering both enjoyment of the property as well as the ability of emergency vehicles to respond to calls.

The flooding problems will only get worse as the remaining undeveloped lots are ultimately developed. As such, delay in addressing this issue will only exacerbate the problem; it must be affirmatively addressed on a comprehensive basis to prevent further

property and rental market devaluation, as well as casualty losses to individual homeowners.

The only feasible method to finance a comprehensive stormwater management plan is via community-wide funding through the formation of a stormwater service district.

At the Ocean Sands Property Owners Association Annual Meeting in May 2014, a decision was taken by the Association to form a Stormwater Committee to work on this issue; Crown Point POA board members subsequently joined in the effort. The Committee has been working diligently since then, and is composed of the following members: *Steering Committee*: Ed Pence (chair), Al Marzetti (OSPOA Board member), Rick Kinner (OSPOA board member), Gerrilea Adams (Crown Point POA board member), and Barbara Marzetti; *Committee Members*: Barrie McLeod (CP), Linda Garczynski, Karl Suter, Terry Anderson, Pat Riley, Jeanne Fitzpatrick, Bill Dondarski, David & Peggy Cowdrill. County Engineer, Eric Weatherly has provided invaluable assistance & guidance throughout the process.

Representatives from Coastland & their OSPOA/CPPOA board who have participated are: Bob DeFazio (Coastland's site manager, and President of OSPOA & CPPOA), Braxton Hill (Coastland's attorney), Carlos Gomez (Coastland's engineering consultant), and Jeff Shield (new POA consultant to Coastland).

The areas to be included in the proposed Stormwater Service District are as follows:

1. Ocean Sands (North) Subdivision, Sections D, E, F, H, I, J, K, L, M, N, O, P & Q consists of 1001 lots of which 925 are improved with single and multi-family residential dwellings, as well as common areas and facilities.
2. Section G, currently undeveloped, and owned by Coastland Corp
3. Section R, currently owned by Coastland Corp., serving as a real estate office.
4. Sections V & Z, owned by Currituck County, site of the Ocean Sands Wastewater Treatment Plant.
5. Section W, now known as **Crown Point**, consisting of 90 single family lots of which 87 are improved with single family dwellings, as well as common areas and facilities.
6. Sections U, X & Y, are undeveloped, and owned by James Johnson.

Resident Population and Population Density

Primarily a vacation destination area, the year round population of Ocean Sands (North) & Crown Point is approximately 150. There are presently 1012 structures located on the 1091 parcels of land within the two subdivisions. Coastland Corp. controls about 2% of the undeveloped lots within OS & CP. With most of these residential structures rented from May through September each year, it is estimated that the seasonal population swells to 11,000+ weekly during peak periods.

Appraisal Value of Property Subject to Taxation in the Proposed Service District

According to the County tax records, the assessed value of property subject to taxation in the proposed service district is \$483,818,504. The current real property tax rate, which includes the proposed service district area, is 48 cents (\$0.48) per \$100.00 valuation. The existing Ocean Sands Water & Sewer Service District for water & wastewater services has assessed a tax rate in the amount of 5 cents (\$0.05) per \$100.00 valuation.

A 5 cents (\$0.05) per \$100.00 valuation is the initial proposed tax for the OS & CP stormwater service district. This will raise an estimated \$241,909.25 per year. With the current real property rate, OSWSD tax rate plus the proposed tax rate for the new stormwater district the total tax rate for property in Ocean Sands (north) & Crown Point Subdivisions following creation of the stormwater service district will be 58 cents (\$0.58) per \$100.00 valuation.

It should be noted that, although this initial tax rate has been suggested by the OS & CP Stormwater Committee, the Currituck County Board of Commissioners, as the governing body of the service district, makes the final decision on the tax rate for the proposed district. The tax rate may be higher or lower, and it may change from year to year.

Plan for Providing Stormwater Improvements Within the Proposed Service District

A Preliminary Flooding & Stormwater Feasibility Study was completed by Moffatt & Nichol in June 2015 which had three options:

- a) “Do Nothing”: This was eliminated due to the unacceptable effects of flooding on tourist rentals, access via NC-12, property values, flood damage repair costs, the negative effects of excess stormwater on the performance of the wastewater treatment plant, and the fact that the flooding problem will only get worse with further development. Additionally, a study performed for OSWSD by another consultant recommended that the existing stormwater ditches should be permanently disconnected from the wastewater treatment plant to improved its performance; this would essentially eliminate the only stormwater mitigation for Crown Point and the northern part of Ocean Sands.
- b) Pump water to the ocean via an outfall pipe: This was eliminated due to the extreme cost (\$47.3MM - \$79.8MM) and the major time & permitting hurdles involved. It was determined that even if the requisite permits could be obtained from federal and state authorities (which is doubtful), it would likely take decades to secure these permits.
- c) Groundwater Lowering System was identified as “the preferred alternative” . This approach entails further study including additional data gathering, further analysis and modeling to refine the project design for: (1) a “Northern Study Area” – subsurface drainage to the lake & pumping from the lake (surface intake connection or subsurface intake connection” option 2B/2C for the North (Sections HIJO & north); and (2) the “Southern Study Area subsurface drainage systems in combination with localized dewatering” option 2D/2C studies, including potential outlet locations on the west side of Rt. 12.

The last alternative, Option c, appears to be the most economical, most easily permitted, and will result in the least amount of disturbance during construction. The total current estimated cost of this option is approximately \$9MM, with the design and construction done in phases. The first year’s work, to be funded by the proposed tax assessment for the initial year, would be to complete the requisite data gathering and analysis of hydrology etc., perform a full detailed study of the conceptual drainage systems based on computer modeling of the collected data, and develop an overall master plan. It is expected that there

would also be funds remaining for seed money to begin the actual design and construction of Phase I.

MAP OF PROPOSED SERVICE DISTRICT

A map of the proposed service district area is attached.

