

October 17, 2025

Mr. Dale Martin
City Manager
City of Flagler Beach
105 South 2nd Street
Flagler Beach, FL 32136

Dear Mr. Martin,

Last month, we reached out to schedule a joint meeting between our boards to continue discussions regarding long-term beach management. Since the meeting could not be scheduled, I am providing this written update and request for coordination instead.

USACE Coastal Permit and Project Schedule

We are pleased to share that the U.S. Army Corps of Engineers has issued the regulatory permit for Reach 2 (North 7th Street to just north of Varn Park) earlier today. With this important milestone achieved, Flagler County will begin preparing to advertise the project for construction bids in the fourth quarter of 2025. Based on feedback received from potential contractors, construction is anticipated to commence in Summer 2026, contingent upon award of the construction contract. In parallel, we are continuing to secure the remaining perpetual easements necessary for project implementation.

Project Funding

The estimated cost of Reach 2 is approximately \$36 million, to be funded from the following sources:

- \$7 million from FDOT (to be used around the secant wall)
- \$5 million from FEMA
- \$24 million from a FDEP Grant secured by Flagler County (up to \$26 million is available)

Excluding the FDOT contribution, the remaining \$29 million in Flagler County managed funding may be applied within areas at our discretion, consistent with grant and regulatory requirements.

Grant Conditions

As with any grant, certain post-construction conditions must be met for a period of three years. These include:

- Annual beach and dune monitoring (including LiDAR and bathymetric surveys)
- Environmental assessments
- Preparation and submittal of annual reports to FDEP by a coastal engineering consultant

These monitoring and reporting activities represent ongoing obligations that must be incorporated into future operating budgets.

Periodic Maintenance and Ongoing Needs

Although not a condition of the grant, continued periodic maintenance and renourishment will be necessary to protect the substantial public investment in this project and demonstrate good stewardship of public funds.

The recent nor'easter event last week caused considerable erosion and dune loss along portions of the Flagler Beach coastline, further highlighting the urgency and importance of establishing dedicated local funding for ongoing maintenance and emergency recovery efforts.

Based on current projections, the Flagler Beach share of post-construction monitoring, periodic maintenance, and future renourishment costs is estimated at approximately \$1.4 million per year, which we had anticipated would be part of a blended funding plan.

A funded and sustainable beach management plan is essential to ensure the long-term protection of the shoreline and the community's economic and environmental resilience. Municipal funding will need to be established through annual appropriations for those portions of the project located within the City's jurisdiction.

Funding Plan and Coordination Options

In July, we presented information to the city on the potential creation of an MSBU as part of a blended funding plan. While the City Commission reiterated its preference for the County to impose a half-cent surtax, the County Commission continues to explore multiple funding options.

If the City wishes to move forward with establishing an MSBU, please note that the deadline to include a special assessment in the FY2027 budget is December 31, 2025. We remain available to assist in creating such districts if desired. Alternatively, the county could establish an MSTU within the city, dedicating specific ad valorem millage toward beach maintenance and renourishment. This would require City Commission consent by ordinance and should be in place prior to July 1, 2026, to be effective for FY2027. An interlocal agreement would also be advisable if we pursue this option. The City Commission may also elect to levy and dedicate its own millage toward the beach funding.

Financial Commitment

To finalize the project funding plan and determine allocation of available grant funds, it is necessary for the City to formally identify its level of financial commitment toward the required post-construction monitoring, periodic maintenance, and future renourishment within City limits. Please provide this information at your earliest opportunity, and no later than December 1, 2025, so that we can appropriately plan for the distribution of resources and obligations under the FDEP grant.

Closing

We would like to reiterate that the offer to hold a joint meeting remains open, and we welcome the opportunity to continue this dialogue.

We also note that the timeline to establish an MSBU by year's end is very tight. With only three remaining City Commission meetings scheduled for October 23, November 13 and December 11, and given the required four consecutive weeks of public notice prior to adoption, immediate action would be required to meet statutory deadlines. We are available to assist the City in coordinating with the Property Appraiser and Tax Collector to extend the statutory deadline to March 10, as permitted, to support this process if desired. Please let us know how the city would like to proceed.

Flagler County remains committed to working collaboratively with the municipalities to ensure the success of the Reach 2 project and to establish a sustainable funding framework for future beach management.

Sincerely,

A handwritten signature in blue ink, appearing to read "HPetito", written in a cursive style.

Heidi Petito
County Administrator
Flagler County