**Memorandum**

**TO:** Howard Tipton, Town Manager

**FROM**: Charles Mopps, Public Works Director

**REPORT DATE:** May 21, 2025

**MEETING DATE:** June 9, 2025

# SUBJECT: Canal Navigation Maintenance Program Update

## Background

At the March 24, 2025, Regular Workshop, the project team provided an update regarding options for simplified funding methodologies for the Canal Navigation Maintenance Program. The methods presented include:

Method 1: Ad Valorem Only

Method 2: Ad Valorem Plus Direct Assessment

During this meeting, Consultants recommended the selection of Method 2. Commission discussion during the meeting directed Town staff and the Consultants to:

1. Evaluate an additional all non-Ad Valorem method
2. Provide additional cost details for the range of property values and types throughout the Town.

The Town has continued to engage engineering consultants, First Line Coastal (First Line), to assist staff in completing the directed work. Town staff and the consultants will provide an update, including a new “Method 3: Non-Ad Valorem Only” funding method, a recap of Method 2, and additional cost details for Method 2. Ultimately, Town staff and the Consultants remain in support of “Method 2: Ad Valorem Plus Direct Assessment” as a simplified funding methodology that is recommended to support simplicity while also promoting fair distribution of costs proportional to benefits received.

**Next Steps**

The following is the staff’s assessment of next step actions for continued program development:

* Select and advance allocation methodology
* Continue project design, including Beneficial Use Dredge Material (BUDM) efforts
* Develop implementation strategy
  + Create Non-Ad valorem assessment area (if selected)
    - Per county requirements / NLT Dec. 31, 2025
  + Conceptualize a public engagement strategy
  + Quantify additional efforts and schedules.

## Staff Recommendation

Provide direction regarding the recommended simplified funding method.

## Attachments

PowerPoint Presentation