



TOWN OF
NAGS HEAD

Shoreline Protection

Presented to Board of Commissioners

December 17, 2025

AGENDA

- History of shoreline protection in Nags Head
 - Origins of shoreline protection / financing plan
 - Dare County involvement
 - Projects completed since 2011 and “Master Plan”
- Current funding of shoreline protection financial plan
- Coming soon – 2026 projected project
- Questions / Comments

ORIGINS OF SHORELINE PROTECTION

- Town identified potential need for shoreline protection project in 2009
 - “Engineered” project – provides maximum protection and qualifies for FEMA storm damage replacement program
- DEC Associates, Inc. was hired in 2010 to study potential legal and funding mechanisms under State law
 - At that time, most projects done in the State were funded through grants, cash, or issuance of General Obligation Bonds (publicly voted)
 - Special Obligation Bonds (SOBs) was another method under State law to fund shoreline protection projects – Nags Head was first to use.....a leader!
 - Provides legal authority to issue SOBs and funding mechanism through Municipal Service Districts (MSDs)
 - Pledges revenues of the Town instead of real property

DARE COUNTY INVOLVEMENT

- 2¢ of Occupancy Tax collected by Dare County is dedicated (by law) to be used for shoreline protection projects
 - Dare leverages these funds for projects throughout the County
 - Town projects and unincorporated areas
 - Revenues not enough to pay all costs of all projects
 - Municipality “skin in the game”
 - Each Town to raise same equivalent revenues to dedicate to projects (7.82¢)
 - Nags Head, Kitty Hawk, Kill Devil Hills, Southern Shores, and Duck all raise this equivalent revenue

COMPLETED PROJECTS & "MASTER PLAN"

- 2011 Initial Shoreline Protection project – \$36,000,000
 - Nags Head borrowed \$18,000,000
 - Dare County borrowed \$18,000,000, and \$2,000,000 annual support
- 2019 Renourishment project - \$42,402,548
 - \$16,233,837 FEMA grant funded - direct benefit of “engineered” status
 - Nags Head borrowed \$11,380,000, used \$5,215,355 in cash
 - Dare County borrowed \$9,573,356, and \$600,000 annual support
- “Master Plan” being developed to look at more long-term planning

CURRENT FUNDING PLAN

- Town continues to raise revenue for shoreline protection
 - Funded through combination of town-wide ad valorem property tax and MSDs
 - Approximately \$3.3M annually
 - Funds are used to pay debt service, ongoing annual maintenance (hot spots, dune repair, sprigging, etc), engineering, legal, and master plan expenses
 - Any fund balance accumulated will be used to reduce future borrowing cost of future projects
 - Very important to deal with rising project costs and reduce debt cost and support better annual coverages for best rates
 - Current fund balance for shoreline protection is approximately \$14,000,000

COMING SOON – 2026 PROJECT

- Bids have been taken for 2026 project - approximately \$38,400,000*
 - Similar hydraulic fill amounts as 2018 project (@2.43 MCY)
 - 2026 project was less costly than 2027 project
- Funding plan considerations
 - Sources to pay for project – County contribution, grants, Town cash, and/or financing
 - County Contribution – @\$13,000,000
 - Grants – \$0
 - Town cash – Potential up to \$13,500,000
 - Financing – remaining amount (@\$11M – \$12.5M)

Model Review & Funding Scenarios

Questions and Comments