

Testimony of Congressman Jack Kingston (GA01)
Before the Subcommittee on Fisheries and Oceans
Committee on Resources
United States House of Representatives

On

H.R. 138, a bill to revise the boundaries of John H. Chafee Coastal Barrier Resources System
Jekyll Island Unit GA-06P.

April 6, 2006

Mr. Chairman and subcommittee members, thank you for the opportunity to testify before you today on my bill, H.R. 138, which will revise the boundaries of the John H. Chafee Coastal Barrier Resources System on Jekyll Island.

What the bill does:

In the simplest terms, my bill will remove a long-developed portion of Jekyll Island, which is owned by the State of Georgia, from the Coastal Barrier Resources System – 35 percent of the island to be exact, the 35 percent authorized in state law to be developed in order to sustain the 65 percent of the island that will remain in a conserved state for perpetuity.

The 1982 Coastal Barrier Resources Act (CBRA) established the Coastal Barrier Resources System (CBRS) for the purposes of minimizing the loss of human life, minimizing the wasteful expenditure of federal revenues, and minimizing the damage to fish, wildlife, and other natural resources associated with the coastal barriers along the Atlantic and Gulf coasts.

Undeveloped coastal barriers included in the CBRS are prohibited from receiving federal assistance for development including any form of loan, grant, guarantee, insurance, payment, rebate, subsidy or any other form of direct or indirect Federal assistance. There are only specific and very limited exceptions.

In 1990, Congress passed the Coastal Barrier Improvements Act (CBIA) as an amendment to the CBRA in an effort to add a layer of Federal protection to lands already held for conservation or public recreation purposes by federal, state, or local agencies. Jekyll Island was included as an Otherwise Protected Area under the 1990 Act, even after the Governor and the Department of Natural Resources of Georgia at the time objected to the inclusion of Jekyll Island in the System. This Act limited the availability of Federal flood insurance to those structures which were constructed before the CBIA's effective date, and if an existing insured structure was substantially improved or damaged after that date, any prior existing federal flood insurance policy will not be renewed. The owner is then to try to obtain private flood insurance for their home. Requirements for mortgages include flood insurance if in the flood zone. This private insurance has not been made available through traditional insurance companies and has been offered only through Lloyds of London. Most "average income" people cannot afford Lloyds of London.

My bill will allow residents and businesses – including businesses on Jekyll Island that have operated for more than 40 years – to make needed infrastructure improvements without the fear of losing their ability to receive federal flood insurance. Despite the fact that 65 percent of Jekyll Island has been protected by state law since 1950, current federal law places an undue hardship on the citizens of Jekyll Island who live on the developed part of the island by denying them access to federal flood insurance if they renovate their homes or businesses or even try to rebuild after a fire or other damage.

The History of Jekyll Island and the Clubhouse:

Jekyll island has a long, rich history dating back to 1886 when the island was purchased by a group of prominent wealthy Americans like William Rockefeller and Joseph Pulitzer to name a few. This wealthy cast of characters considered the island a place of "splendid isolation," and a prime location for an exclusive resort and private club.

A sixty room clubhouse was completed by the end of 1887 and opened its doors to the elite club members in 1888. With the Island and Clubhouse's popularity increasing among the rich and famous, in the early 1900s two club members built the Nation's first condominiums – a six unit apartment building. Over the next twenty years the club members began building cottages, but to the common man they are considered mansions with some 8,000 square feet in size.

Throughout the Club's history, many recreational amenities were added like golf courses, a marina, a swimming pool, tennis courts, bocci and croquet and other sports facilities for the members to choose from. During its hay day, the

Clubhouse was a world renowned playground for the rich and famous. But when the Great Depression hit, the Club members began retreating to other countries for their seclusion and relaxation.

During World War II the members were warned to stay away from the island for their security and safety – most members never returned and in 1947 the island was sold to the State of Georgia. The State tried to operate the Clubhouse and surrounding apartments as a hotel complex until the early 1970s, but were unsuccessful and the buildings were closed. In 1972 the Clubhouse was listed on the National Park Service's National Register of Historic Places and in 1978, the 240-acre club district was designated a National Historic Landmark.

Work to restore the Clubhouse and surrounding apartments began in 1985 and now the Jekyll Island Club Hotel is considered a world-class hotel and resort. The Club and Jekyll Island should forever remain a showcase available for everyone to enjoy – however, if the developed portions of the island remain in the CBRS the structures will slowly but surely deteriorate.

How I found out about the problem:

I was contacted by Jekyll Island resident, Walter Alexander in 2003 when his duplex burned down. You can see from some of the pictures in my presentation that the fire left nothing but charred brick walls. As Mr. Alexander began cleaning up the land and planning for replacing the structure he found out that he could not obtain Federal Flood Insurance, the insurance he must have in order to get a mortgage – and private flood insurance was prohibitively expensive for him. He contacted the Jekyll Island Authority and together they began researching and found out that Jekyll Island in its entirety was included as an Otherwise Protected Area within the CBRS in 1990. The situation became even more urgent when he saw that in his original lease if he did not rebuild within two years he could lose the land.

Almost immediately after the fire Mr. Alexander started receiving offers to purchase the lot lease from wealthy individuals that could build the house without having to take out a mortgage. He turned down these offers because he wanted to stay close to his family who all lived on the Island. Mr. Alexander is a nurse, and does not have a salary that allows him to rebuild without a mortgage – he was finally forced to take drastic action and borrow money against the equity in his parent's home so he could begin construction – this greatly reduces their family security during retirement. He is using this money to rebuild a duplex that not only meets, but exceeds FEMA regulations for flooding. This is but one example of what denying insurance for rebuilding a community developed in the 1960s does – this is not what CBRS original intent was.

Unique Situation of Jekyll and Justification for correction and need for modification:

Jekyll Island was purchased by the State of Georgia from the Jekyll Island Club in 1947, and in 1950 the Georgia General Assembly enacted a comprehensive law that assured 65 percent of the Island would be preserved and protected in its natural state and managed for future generations to enjoy.

The State's intent is that 35 percent of Jekyll Island be developed to render the Island as self-supporting. The State, working through state laws has moved to aggressively create a balance among development, public access and education and conservation long before Jekyll Island was included in the CBRS and that balance is now in jeopardy as redevelopment is critical to the viability of the Island.

If anything, Jekyll Island should be the model for the rest of the U.S. to use for the coexistence of development and conservation and quite honestly the dependence of one on the other.

Mr. Donohue can elaborate more in his testimony, but based on existing evidence, it is clear: (1) Jekyll Island should not have been included in 1990 on the CBRS maps as an OPA because it was "developed" long before it was included in the system; (2) prior to the inclusion, the Governor and the Department of Natural Resources of Georgia objected to the inclusion of Jekyll Island in the System (I am submitting copies of this correspondence); (3) the inclusion of Jekyll Island runs counter to Congressional intent as OPA's were to include only Undeveloped lands held for conservation; and (4) the inclusion of Jekyll Island runs counter to State intent as 35% of the island by Georgia law must be developed, and is necessary to be developed to render the Island self-supporting.

And I strongly believe that if the 35 percent of the island that is developed is not removed from the CBRS the long term integrity of the system will be harmed.

Potential financial impact of removing these lands to the Federal Flood Insurance Program:

I don't have a crystal ball and as we all know Mother Nature doesn't usually indicate where and when she might throw

a hurricane. But based on coastal Georgia's past run-ins with Ms. Nature, there have been very few direct hurricane landfalls in the 20 th Century and those have been mostly Category 1 or 2 hurricanes or tropical storms. Since 1851, the Georgia Coast has only been hit by 3 major hurricanes and of those three, only 1 caused damage on Jekyll Island and that was in 1898 when a category 4 hurricane hit Brunswick. Even then the historic district was the only area that reported flooding. From what I have been told, there have never been any federal flood insurance claims filed on Jekyll Island since inception of the Federal Flood Insurance program.

Who are the beneficiaries of this change:

The state of Georgia, the citizens who live and work on Jekyll Island, the businesses that provided needed goods and service to those who live and vacation on Jekyll Island, and those nationwide and worldwide who will be able to enjoy all that Jekyll Island has to offer for years and years to come if the Island is able to redevelop and maintain the 35 percent of the island that is currently developed in order to sustain the 65 percent of the island that will remain in a conserved state.

What is the impact on the long term integrity of the Coastal Barrier Resources System

If the original intent of the Act was to preserve undeveloped coastal barrier islands then I think leaving Jekyll Island in, in its entirety would set a bad precedence for the CBRS. Leaving the 35 percent of Jekyll which has long been developed in the CBRS would ultimately do two things – 1) the Island would turn into a run down shanty town with deteriorating houses and businesses. It would lose it's allure to tourists across the world and would ultimately become a burden to the State since it would no longer be self-sustaining or 2) it would again become a playground for only the rich and famous who could afford the costly Lloyds of London flood insurance required to build, maintain, repair and update all structures on the island – and that is not fair to the hardworking tax-paying people who currently call Jekyll Island home or inexpensive vacation spot.

In closing, I think it is important for this subcommittee to know that the proposed map that will accompany my bill is the result of many hours of hard work and negotiation between my office, the Jekyll Island Authority, the Governor, the Georgia Department of Natural Resources, the Fish and Wildlife Service and the residents and businesses on Jekyll Island. My bill also has the support of a majority of the Georgia delegation on the House side and Senators Isakson and Chambliss have introduced the same bill on the Senate side. I am submitting along with my written testimony, the supportive testimony from both the Governor of Georgia, Sonny Perdue, and the Commissioner of the Georgia Department of Natural Resources, Noel Holcomb.

Thank you for having this hearing on my bill and allowing me to testify – I hope I have illustrated how the unique situation on Jekyll Island is and the need for this correction. I'll be happy to answer any questions now.