

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

RESOLUTION SETTING OUT THE CITY'S 10
YEAR PLAN WITH RESPECT TO THE
UNDERGROUNDING OF OVERHEAD UTILITIES.

WHEREAS, Santee Cooper pays the City an annual utility franchise fee in the amount of five percent of gross revenues for the privilege of providing electrical service to the residents and businesses in the City of Myrtle Beach; and

WHEREAS, of that amount 80 percent of the total is distributed directly to the City's General Fund and 20 percent is retained by Santee Cooper for the purpose of funding the undergrounding of overhead utility lines; and

WHEREAS, Santee Cooper has also agreed to match the City's contribution for undergrounding utilities; and

WHEREAS, and the balance of the "Underground Utility Fund" retained by Santee Cooper was estimated at \$8.6 million as of June 30, 2018.

NOW, THEREFORE, BE IT RESOLVED that:

1. The City Council of the City of Myrtle Beach finds that further undergrounding of overhead utility lines is more esthetically pleasing, more operationally sound, and provides a higher degree of safety than the overhead placement of such utility lines and therefore desires to continue undergrounding such utilities as financial resources shall allow pursuant to the priorities established in this 10-year plan.
2. Such improvements should continue to emphasize the City's commercial corridors.
3. The City will look for opportunities to partner with private businesses, other units of government and educational institution in making such undergrounding improvements.
4. The existing balance and estimated deposits into the Underground Utility Fund (as shown in Attachment 1) are estimated to be approximately \$28.6 million in the 10-year period beginning July 1, 2018.
5. The prioritized projects to be funded by this plan (as shown in Attachment 2) are estimated to cost approximately \$27.1 million over the same time period.
6. Future undergrounding projects are shown in Attachment 3 of this resolution.
7. The map of all areas in the City where utilities have been placed underground is shown in Attachment 4.
8. On or about September 1 of each year the City Manager shall review the progress of this plan, update the map, projections and cost estimates contained herein, and recommend changes for City Council's on-going consideration.

SIGNED, SEALED and DATED, this 28th day of August, 2018.

BRENDA BETHUNE, MAYOR

ATTEST:

JENNIFER STANFORD, INTERIM CITY CLERK

**10-Year Projection of Current Balance Plus Deposits
Underground Utility Fund
FY19 - FY28**

FY 2017-18	Total Franchise Contributions	80% to GF	20% to UUF	Plus SC Match	Total UUF
Jul-17	\$ 497,793	\$ 398,234	\$ 99,559	\$ 99,559	\$ 199,117
Aug-17	\$ 486,495	\$ 389,196	\$ 97,299	\$ 97,299	\$ 194,598
Sep-17	\$ 448,461	\$ 358,769	\$ 89,692	\$ 89,692	\$ 179,385
Oct-17	\$ 349,799	\$ 279,839	\$ 69,960	\$ 69,960	\$ 139,920
Nov-17	\$ 226,318	\$ 181,054	\$ 45,264	\$ 45,264	\$ 90,527
Dec-17	\$ 295,438	\$ 236,350	\$ 59,088	\$ 59,088	\$ 118,175
Jan-18	\$ 402,017	\$ 321,613	\$ 80,403	\$ 80,403	\$ 160,807
Feb-18	\$ 194,233	\$ 155,386	\$ 38,847	\$ 38,847	\$ 77,693
Mar-18	\$ 298,026	\$ 238,421	\$ 59,605	\$ 59,605	\$ 119,210
Apr-18	\$ 314,606	\$ 251,685	\$ 62,921	\$ 62,921	\$ 125,842
May-18	\$ 300,331	\$ 240,265	\$ 60,066	\$ 60,066	\$ 120,132
Jun-18	\$ 428,783	\$ 343,027	\$ 85,757	\$ 85,757	\$ 171,513
	\$ 4,242,300	\$ 3,393,840	\$ 848,460	\$ 848,460	\$ 1,696,920
				Starting	\$ 17,105,868
				less, Withdrawal	\$ (8,500,000)
				Net Starting	\$ 8,605,868
				Net Starting	\$ 8,605,868
			Year 1	FY 2018-19	\$ 1,747,827
			Year 2	FY 2018-20	\$ 1,800,262
			Year 3	FY 2018-21	\$ 1,854,270
			Year 4	FY 2018-22	\$ 1,909,898
			Year 5	FY 2018-23	\$ 1,967,195
			Year 6	FY 2018-24	\$ 2,026,211
			Year 7	FY 2018-25	\$ 2,086,997
			Year 8	FY 2018-26	\$ 2,149,607
			Year 9	FY 2018-27	\$ 2,214,096
			Year 10	FY 2018-28	\$ 2,280,518
					\$ 28,642,751

Assumes 3% Annual Increase

Notes:

1. Prior to FY 2018-19, the Franchise Agreement provided for 60% of the franchise fee to go to the General Fund, and 40% to the Underground Utility Fund held and matched by Santee Cooper. The revised Franchise Agreement changed this 60/40 distribution to 80/20.
2. The revised Franchise Agreement also included the refund of \$4.25 million to the City and Santee Cooper respectively, leaving a year end balance in the Underground Utility Fund of \$8,605,868.
3. Annual 3 percent increases are projected in the amount of the utility Franchise fee, and the resulting deposits into the Underground Utility Fund.

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<u>From FY 2018-19 to FY 2028-29</u>		<u>Estimate*</u>
	10 Year Revenue Projection	\$ 28,642,751
1	KINGS HIGHWAY FROM 3 RD S TO 9 TH S (ready to bid)	\$ (2,000,000)
2	PAMPAS DRIVE FROM HOWARD TO MEYERS	\$ (2,265,000)
3	CRABTREE, GABRESKIE, AND EMMENS	\$ (755,000)
4	7 TH N FROM KINGS HIGHWAY TO OCEAN BLVD.	\$ (1,000,000)
5	KINGS HIGHWAY FROM 9 TH S TO 15 TH S	\$ (2,200,000)
6	KINGS HIGHWAY FROM 15 TH S TO 23 ND S	\$ (2,500,000)
7	KINGS HIGHWAY FROM 23 ND S TO 29 TH S	\$ (2,400,000)
8	KINGS HIGHWAY FROM 29 TH S TO FARROW	\$ (2,000,000)
9	KINGS HIGHWAY FROM 21 ST N TO 27 TH N	\$ (3,000,000)
10	KINGS HIGHWAY FROM 27 TH N TO 35 RD N	\$ (3,000,000)
11	KINGS HIGHWAY FROM 35 RD N TO 44 TH N	\$ (3,000,000)
12	KINGS HIGHWAY FROM 44 TH N TO 52 TH N	\$ (3,000,000)
	Balance at End of Period	\$ 1,522,751

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Notes:

1. The estimates above are to be considered order of magnitude numbers. More precise estimates will require actual engineering estimates.
2. The general strategy in the 10-year period is to:
 - Complete the undergrounding of utility work along South Kings Highway from 3rd Avenue South to the southern city limits.
 - Partner with Horry Georgetown Technical College's proposed upgrades to the Grand Strand Campus (the College has agreed to pay the engineering costs associated with this undergrounding project).
 - Prepare for the connection of Highway 501 to Ocean Boulevard (a Ride III project) via 7th Avenue North by undergrounding utilities along 7th North, Kings Highway to the Boulevard).
 - Begin the undergrounding of utilities on Kings Highway from 21st Avenue North to the northern City limits.

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Future Underground Utility Projects

Future Projects (after 2027-28)

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| 13 | KINGS HIGHWAY FROM 52 TH N TO POINSETT RD. |
| 14 | KINGS HIGHWAY FROM POINSETT RD TO HASKELL CIR. |
| 15 | KINGS HIGHWAY FROM HASKELL CIR TO 67 TH N |
| 16 | KINGS HIGHWAY FROM 67 TH N TO 74 TH N |
| 17 | KINGS HIGHWAY FROM 74 TH N TO 82 ND N |
| 18 | HIGHWAY 15 FROM 3 RD S TO HARRELSON BLVD. (4 Phases) |
| 19 | 21 ST N FROM OAK ST. TO BYPASS |
| 20 | CARVER ST. FROM MJW TO 21 ST N |
| 21 | NORTH OCEAN BLVD FROM 31 ST N TO 45 TH N |
| 22 | NORTH OCEAN BLVD FROM 45 TH N TO 52 ND N |
| 23 | NORTH OCEAN BLVD FROM 52 ND N TO PORCHER DR. |
| 24 | NORTH OCEAN BLVD FROM CABANA SECT. TO SEASIDE PL. |
| 25 | NORTH OCEAN BLVD FROM HASKELL CIRCLE TO 68 TH N |
| 26 | NORTH OCEAN BLVD FROM 68 TH N TO 74 TH N |
| 27 | NORTH OCEAN BLVD FROM 74 TH N TO 79 TH N |
| 28 | 29 TH S FROM KINGS HIGHWAY TO OCEAN BLVD. |
| 29 | 27 TH S FROM KINGS HIGHWAY TO OCEAN BLVD. |
| 30 | 17 TH S FROM KINGS HIGHWAY TO OCEAN BLVD. |
| 31 | 9 TH S FROM KINGS HIGHWAY TO OCEAN BLVD. |
| 32 | 6 TH S FROM KINGS HIGHWAY TO OCEAN BLVD. |
| 33 | 9 TH N FROM KINGS HIGHWAY TO OCEAN BLVD. |

Notes:

1. The estimates above are to be considered order of magnitude numbers. More precise estimates will require actual engineering estimates.
2. The general strategy after the initial 10-year period is to:
 1. Complete the undergrounding of utility work along North Kings Highway to the northern city limits.
 2. Address undergrounding needs along important transportation corridors/commercial areas such as Highway 15, 21st Avenue North, and Carver Street.
 3. Complete the undergrounding of utilities along the remainder of Ocean Boulevard to the northern City limits.
 4. Begin conversion of underground utilities in the avenues between Kings Highway and Ocean Boulevard.

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Map of Underground Utility Areas as of July 1, 2018

MAP

Notes:

1. Current subdivision regulations require the initial placement of utilities to be underground.
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