



PROPOSED CHERRY GROVE CANAL DREDGING PROJECT

OVERVIEW – NOVEMBER 1, 2014 PUBLIC MEETING

Key Pre-Project Accomplishments

- **2004.....** City initiated work to determine feasibility of dredging project.
- **2005.....** S.C. DHEC issued permit which the City determined too restrictive to be cost effective
- **2009.....** City met with Cherry Grove canals property owners and discussed overall status of project, legal challenges and other challenges
- **2011.....** S.C. General Assembly exempted dredging of the Cherry Grove canals from S.C. DHEC jurisdiction
- **2012.....** S.C. Supreme Court ruled that canal bottoms are owned by the public (State of S.C.), not by a private entity
- **2013.....** U.S. Army Corps of Engineers issued a federal permit for the project
Corps excluded eastern portion of the so-called “Z” canal at the north end of the project for environmental reasons

To date, the City has invested approximately \$1,250,000 in the proposed project, primarily in costs associated with the protracted legal effort to determine ownership of canals, permitting, and preliminary engineering

Current Project Status and Ongoing Activities

- Bathymetric surveys of areas to be dredged completed, and dredge footprint alignments refined based on new bathymetric survey
- Coordination initiated with U.S. Army Corps of Engineers and Horry County to secure Consent Agreement to utilize the Tidewater Confined Disposal Facility (CDF) for dredge spoil disposal
- Identify dredge pipeline corridor to the disposal facility - survey and easements
- Engineer a dredge plan and develop cost estimates with an expenditure timeline (generally completed, with refinements ongoing)
 - Current *initial dredge estimate*: \$6.9 million
 - Current *maintenance dredge estimate*: \$6.4 million
 - *Estimates include inflation*
- This would be a “square-cut” dredge. Sloughing will occur on each side, expanding the dredge width some. The finger canals would be dredged for a channel width of 20 feet. The minor channel, and a portion of the major channel at its confluence with minor channel, would be dredged for a channel width of 30 feet
- The permitted depth in the major and minor canals is 3 feet + 1 foot of allowable over-depth; which means material will be removed to a low tide depth of 4 feet. Therefore, the project should achieve 3.5 feet of depth in most cases. (*Major canal to be dredged at its confluence with minor canal.*)

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- In the finger canals, the shorter ones are the same; however, the longer canals change about the midpoint to 2.5 feet + 1 foot. In general, the upper end of the finger canals should have 3 feet of depth

Projected Dredging Timetable (Assuming City Approval)

- By June 30, 2015 – Secure financing for initial dredge from lender (distinct City Council approval for this borrowing)
- By June 30, 2015 - Obtain bids for initial dredge from dredge contractors, select contractor, negotiate contract
- By October 31, 2015 - Mobilization of dredge contractor
- November 15, 2015 through March 2016 – complete initial dredge
- 2016 through 2017 – Manage spoil materials
- 2016 through 2019 – Perform required mitigation and monitoring

Maintenance Dredge

- Need for and timing of a maintenance dredge to be determined depending on the expected silting in of canals and channels; currently estimated to occur during the 2021-2022 winter
- The maintenance dredge would need to conclude before September 30, 2023, the termination of the current federal permit
- An additional City borrowing would be arranged to support the maintenance dredge

Plan of Finance and Formation of a Special Assessment District

- Current finance plan:
 - City to invest \$800,000 in the initial dredge and \$800,000 in the maintenance dredge in addition to amounts already spent
 - City borrowings (to be repaid from special assessment revenues) to fund the remaining costs
- City to establish a special assessment district (the "District") to provide annual revenues to repay the City borrowings; current expectations are as follows:
 - Current estimate is a special assessment payment of \$2,400 per parcel (including vacant parcels) per year for up to 10 years.
 - Condominium units & each side of a duplex to pay 69% of the standard annual payment
 - Exemptions provided for non-buildable parcels as well as parcels that appear ineligible to obtain a dock permit

Pending City Council Actions

- November 17, 2014 – Resolution to establish the Cherry Grove Improvement District and Cherry Grove Improvement Plan scheduled for
- December 15, 2014 – Required public hearing
- January 2015 – Passage of ordinance to establish special assessments on the real property within the special assessment district
- Annual assessments would be billed on the Horry County real property tax bill
- Annual assessments would begin in 2015, due on January 15, 2016