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Cherry Grove Dredging Project Update

North Myrtle Beach, SC – February 5, 2016 – On December 14, 2015 the North Myrtle Beach City Council approved the final assessment roll for the Cherry Grove Canals Dredging Project. On December 17, 2015, the City filed that final assessment roll with the Horry County Register of Deeds and the Horry County Clerk of Court. When property owners included in the assessment district receive their annual property tax bill from Horry County in October of 2016, their first annual assessment for the dredging project will be included as part of that bill.

During their regularly scheduled February 15, 2016 meeting, the North Myrtle Beach City Council will consider first reading of a bond ordinance to finance the initial dredge of the Cherry Grove canals.

The current schedule has dredging occurring from November 2016 through April 2017.

It appears that a small number of canal property owners are inclined to file lawsuits against the City because they disagree with City Council's decision to move forward with the dredging project as designed. While it is the right of any property owner to file a lawsuit, the City wants all concerned to be aware of the practical impact this will have on the project.

The City cannot enter into dredging and financing contracts with litigation pending. Lawsuits are expensive for both sides and they can take years to conclude.

The City's current dredging permit from the U.S. Army Corps of Engineers will allow the City to accomplish the two planned dredges, but only if the initial dredge is not delayed by litigation. A delay may well require the City to expend additional resources to extend the existing permit or to obtain a new permit. This diversion of resources might well leave a second dredge unfeasible within the City's current cost predictions.

The City did not propose to property owners that the canals be dredged. Property owners have for over a decade asked the City to head up an effort to dredge the canals. The City has done that, spending close to \$3 million in court to determine who actually owns the canals—the State, and committing to invest more than \$2 million in actual project costs. Add to those costs an abundance of City staff time and resources.

The City has pursued and continues to pursue all avenues for funding assistance for this project. These include federal and state agencies, potential public and private grants, and more.

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An untrue rumor continues to persist among some property owners that the nearby Town of Ocean Isle Beach, NC, used Town funds to have similar canals in its jurisdiction dredged for the homeowners who live along them.

North Myrtle Beach City Council and staff visited Ocean Isle Beach, toured the canals located there, and talked directly with the town's Mayor about how the canals are dredged. Ocean Isle Beach has never spent Town funds to dredge the canals located there. All dredging costs have been paid for by those who own property along the canals that are dredged because they are the primary beneficiaries of the dredging. Those same property owners continue to pay into a canal maintenance fund. Following their initial dredge, maintenance dredges have become less expensive.

In summary, it would be illogical for any property owner to expect a better answer as to how to fund this project. All funding avenues have been explored and, thus far, exhausted. The only possible result of lawsuits regarding this project would be for the City to have to abandon this project, which, again, it was requested to accomplish by canal property owners. Left unattended, the channels will eventually fill in to the point where they are no longer navigable even at high tide. The City hopes that this does not occur.

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