

December 5, 2016

Underground Utilities on Perdido Key

When driving from Orange Beach to Perdido Key, one is struck by the appearance of miles of overhead utility wires – not a very flattering introduction to Florida and one of the most beautiful beach areas in the country. Since Hurricane Ivan, Orange Beach has been systematically placing utilities underground, leaving only attractive light poles and lanterns along its beach highway from the Florida border to Alabama Rt. 161. The conversion has been partly financed through a monthly surcharge on resident electric bills. Pensacola Beach had some underground utilities installed in 1994/95 and completed “undergrounding” much of Via De Luna and Ft. Pickens Road following Ivan in 2006. Several Perdido Key developments – such as Lost Key and Arbor Gate – have underground utilities, while most public roads – including Perdido Key Drive (Rt. 292) and River Road – still have overhead wires. Underground utilities have maintenance advantages and disadvantages compared to overhead ones, but their aesthetic appeal is undeniable. In the 2015 Property Owners Survey conducted by the Perdido Key Association, 87.6% of those responding agreed or strongly agreed that underground utilities would improve the appearance of the Key. The strongest detriment to conversion here and elsewhere is its high cost. In a document provided Escambia County officials early this year, Gulf Power estimated that \$5 million would be needed to bury electric utilities along Perdido Key Drive from the Theo Baars Bridge to River Road – less than half the distance to the Alabama border – with more funds needed to place telephone and cable lines underground. To convert Perdido Key to underground utilities may take upwards of \$15 million.

There seem to be no state or county funds immediately available to begin the undergrounding process. Perdido Key is in fact fortunate to have funds allocated for the design and engineering work for the Perdido Key multi-use path and to have funds being considered for construction of a substantial portion of the path. A 2005 Florida Public Service Commission study noted other funding options for undergrounding, however, such as electrical utility company set-asides and federal grants, but also property owner financing and special taxing districts. Acknowledging their already significant contributions to public well-being, Perdido Key property owners and enterprises might consider following their Orange Beach neighbors and support levies for conversion to underground utilities. This could be through the creation of a Municipal Service Benefit Unit (MSBU) and non-ad valorem tax assessments against property within the benefit area. Creating an MSBU is a long and arduous process, but it is probably one of the few ways of moving toward underground utilities for Perdido Key in the foreseeable future.

The Florida Public Service Commission study also discussed creating action committees of appropriate stake holders to facilitate undergrounding. Davis Islands (Tampa), for example, had a Utilities Task Force to analyze the cost and benefits of undergrounding that included members of the Davis Islands Civic Association, the City of Tampa, the University of South Florida College of Engineering, Tampa Electric Company and Verizon Communications.

It is likely that investments made toward undergrounding utilities would be at least partially returned through greater business opportunities and increased property values. Along with the Perdido Key multi-use path and the approved Perdido Key Master Plan, underground utilities would be an important step toward enhancement of our beautiful island.

Charles Krupnick

President, Perdido Key Association