



STAFF REPORT

Regular City Commission Meeting

March 28, 2024

To: Elected Officials

From: Dale L. Martin, City Manager

Date: March 28, 2024

Item Name: Resolution 2024-24 a resolution by the City of Flagler Beach, Florida, approving Easement Agreements between the City of Flagler Beach and DCB Orchid to construct infrastructure within the City of Flagler Beach and utilize the associated property for the purposes of leasing the infrastructure, providing for conflict and effective date.

Background: City officials were approached by representatives of DCB Orchid to support the development of a state-of-the-art communication system. A summary of the project is attached to this report. Mr. Chris Gatch, Executive Vice President of DCB, will offer a more detailed presentation about the project.

The City Attorney reviewed the proposed easements provided by DCB counsel. The City Attorney may have additional comments.

Fiscal Impact: Although the easements will be granted for \$10.00 (for each easement), DCB will provide additional payment of \$100,000 for each of the first two cables landed in the city for a total of \$200,000. Each payment would be made within (90) days after a customer receives an FCC landing license for a cable terminating in the city.

Staff Recommendation: Staff recommends approval of proposed Resolution 2024-24

Attachments: Project Overview
Proposed Resolution 2024-24

RESOLUTION 2024-24

A RESOLUTION BY THE CITY OF FLAGLER BEACH, FLORIDA, APPROVING EASEMENT AGREEMENTS BETWEEN THE CITY OF FLAGLER BEACH AND DCB ORCHID TO CONSTRUCT INFRASTRUCTURE WITHIN THE CITY OF FLAGLER BEACH AND UTILIZE THE ASSOCIATED PROPERTY FOR THE PURPOSES OF LEASING THE INFRASTRUCTURE, PROVIDING FOR CONFLICT AND EFFECTIVE DATE.

WHEREAS, the City Commission wishes to engage with DCB Orchid to construct state of the art communications infrastructure; and

WHEREAS, the easements are necessary to construct the infrastructure within our municipal limits.

NOW THEREFORE BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FLAGLER BEACH:

SECTION 1. The Flagler Beach City Commission authorizes the Mayor to endorse the easements after review and approval by the City Attorney, which will be attached to the resolution as Exhibit "A", and will reflect the locations in the material supplied to the Commission while reviewing and approving this resolution.

SECTION 2. All resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed.

SECTION 3. This Resolution shall become effective immediately as provided by law.

PASSED AND ADOPTED THIS _____ DAY OF MARCH, 2024.

CITY OF FLAGLER BEACH, FLORIDA
CITY COMMISSION

ATTEST:

Patti King, Mayor

Penny Overstreet, City Clerk

Memorandum

To: City of Flagler Beach
Dale Martin, City Manager
D. Andrew “Drew” Smith, III, City Attorney

Date: March 19, 2024

Re: **Project Orchid - Connecting the Palm Coast to the Future of the Internet**

This Memorandum outlines the collaboration between the City of Flagler Beach and DC BLOX to establish a state-of-the-art Communication System (subsea Outfall, Fronthaul, and Cable Landing Station (CLS)) in the Flagler Beach and Palm Coast communities. Project Orchid represents a transformative opportunity to position the area as a key player in the global digital infrastructure landscape.

Highlights

- **Critical Infrastructure:** Subsea fiber optic cables are the backbone of the internet, and Project Orchid will host up to eight of them in Palm Coast, significantly increasing global Internet capacity and reliability on the East Coast.
- **Strategic Location:** Flagler Beach's unique characteristics make it ideal for landing these cables (Outfall), and Palm Coast will be the heart of the operation.
- **Multi-Tenant Data Center:** The CLS will not only serve as a landing site for subsea cables, but also house a secure, open-access data center. This facility will attract various telecommunications companies and internet service providers, fostering a competitive marketplace for high-speed connectivity.
- **Economic Engine:** Project Orchid will be a catalyst for economic growth in Palm Coast. It will create a small number of high-paying jobs, attract new businesses, and help diversify the local economy.
- **Global Connectivity:** New terrestrial fiber routes will connect Palm Coast to key internet hubs like Northern Virginia, Atlanta, and major cloud locations, boosting your community's access to the digital world.
- **Experienced Partner:** DC BLOX has a proven track record of building and operating data centers across the Southeast, including a successful Outfall, Fronthaul, and CLS in Myrtle Beach, South Carolina. They are committed to local engagement and sustainable development.

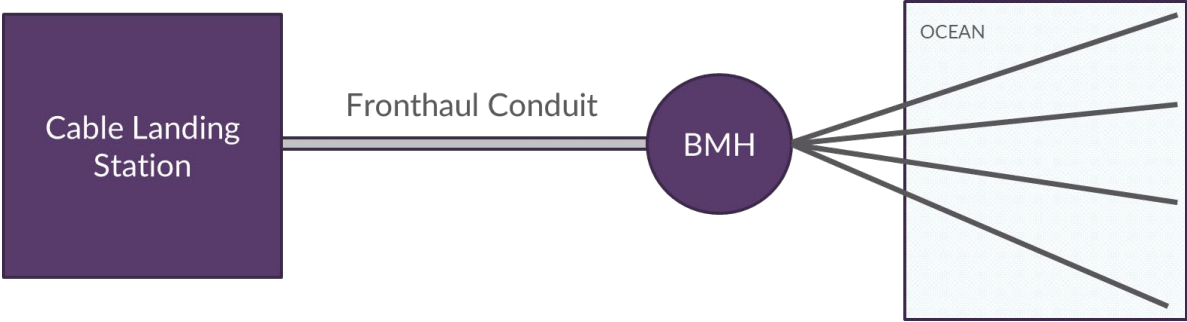
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What's in it for Flagler Beach and the Palm Coast area?

- Enhanced Internet Access: Residents and businesses will benefit from faster, more reliable internet speeds, improving educational opportunities, business productivity, and quality of life.
- Technology Hub: The CLS will attract other technology and communications companies and startups, creating a healthier technology ecosystem.
- Diversification and Growth: Project Orchid will attract new talent and investments, diversifying the economy and creating high-quality jobs.
- Community Development: DC BLOX is committed to partnering with local schools, businesses, and organizations, ensuring the project benefits everyone in Palm Coast.
- Financial Benefit: Direct payments to the City of Flagler Beach for easements will generate additional funds for the City.

Project Overview

Subsea cables connect from the ocean using a horizontal directionally drilled bore pipe that originates from the landing location on the shore and extends under the sea floor approximately 2,000 feet from the shore. Each subsea cable is fed into a bore pipe and routed into a Beach Manhole (BMH) at the Outfall locations. The BMH is a concrete vault that is buried underground like all infrastructure associated with this project.



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The cables will come ashore at two separate Outfall sites. The first location is at N 11th Street (Northern Outfall) as displayed below:



The second location comes ashore between S 5th Street and S 6th Street (Southern Outfall) as displayed below:



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The Northern Outfall and Southern Outfall will be connected to the cable landing station in Palm Coast by an underground conduit system from each landing site to the CLS site. The current plan is to construct much of the Fronthaul conduit system within the existing right of way and obtain easements from property owners where there is not available right of way.



What We Need from the City of Flagler Beach

An Easement Agreement with the City will be necessary at the Northern Outfall and Southern Outfall sites for three City owned properties, parcel ID #s 01-12-31-1100-00150-0060, 12-12-31-4500-00730-0340 and 12-12-31-4500-00120-0020. The first parcel is to accommodate the Northern Outfall and the two remaining parcels accommodate the Southern Outfall. DC BLOX will need a permanent cable easement where the cable and infrastructure is constructed outside of the right of way and a temporary construction easement for the parcels for the construction of the cable line and infrastructure. A right of way utilization permit or license for the cable within the right of way is anticipated with the City. That process will need to be identified. Images of the easements needed at the two (2) Outfalls are included at the end of this document. The easements will be conditional on USACE permit approval for our landing location, meaning they will terminate if such permits are not received by a defined date.

Construction Timeframe

It is anticipated that initial construction of the total project would take approximately 9-12 months after permits are received. The two (2) Outfall sites may be constructed at different times depending on outside factors, and the timeframe for each Outfall is 4-6 months during the off-season of November - April. DC BLOX understands that a beach renourishment project is currently scheduled for 2024 through March 2025, and we will not start construction on the Southern Outfall until the beach renourishment project is complete.

After the initial project is complete, there is will smaller construction projects when each new cable is landed to install an Ocean Ground Bed (OGB). The OGB is a small array of underground metal

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rods drilled or buried directly in the earth and connected to the subsea cable conduit system. We anticipate locating these OGBs in the parking lot between S. 5th and 6th for the Southern outfall and in the parking lot of the Catholic church for the Northern outfall. The latter shall be secured via a private easement with the church. The OGBs will be installed after each subsea cable is installed which is estimated to take place over a period of 1 to 3 years. The duration of each OGB construction project will be ~ 2-4 weeks.

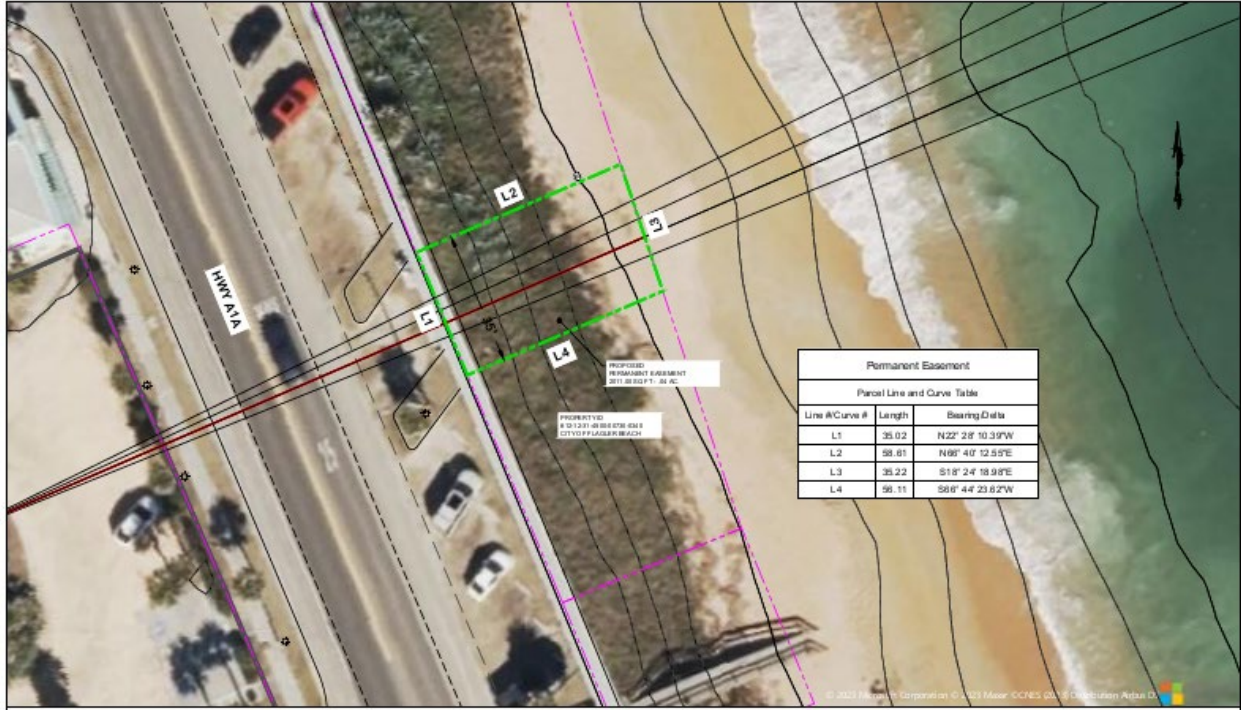
Moving Forward:

- A draft Easement Agreement is being presented to you with this Memorandum covering our use of the parcels mentioned above. DC BLOX looks forward to working with you and the City Attorney to finalize the details of this easement for ultimate approval by the City Council.
- We also look forward to discussions regarding the ROW permitting process so we can begin to develop the proper documentation to support that request.
- Project Orchid is more than just a data center; it's a gateway to a connected and prosperous future for Palm Coast. By partnering with DC BLOX, the City can unlock its digital potential and secure its place in the digital economy.
- Collaboration is key. This MOU establishes a framework for cooperation between the City and DC BLOX to permits, and easements necessary for the project's success.
- Transparent communication is vital. DC BLOX will keep the City Council and appropriate city staff informed throughout the project, addressing any concerns.

I hope this summary effectively communicates the importance and potential of Project Orchid to your City Commission. Please let me know if you have any further questions.

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Southern Outfall Easement Area



Northern Outfall Easement Area



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Southern Outfall Permanent Easement and Temporary Workspace

