

REAL PROPERTY COMMITTEE

8:30 a.m., Thursday, March 3, 2011

The regular meeting of the Real Property Committee was held at 8:30 a.m. on Thursday, March 3, 2011 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmember Stone, Chair Loftus, City Administrator Tucker, Assistant to the Administrator Dziuban and City Clerk Copeland. Mayor Cronin's absence was excused, and a quorum was present to conduct business.

1. Chair Loftus called the meeting to order and acknowledged that the press and public had been duly notified of the meeting in accordance with the Freedom of Information Act.

2. Approval of Previous Meeting's Minutes

MOTION: Councilmember Stone moved to approve the minutes of the regular meeting of February 3, 2011 as submitted; Chair Loftus seconded and the motion PASSED UNANIMOUSLY.

3. Citizen's Comments

Report from the Farmers Market Ad Hoc Committee by Jon Regan Walters

Mr. Walters explained that the Committee had been asked to determine the feasibility of a farmers market for the Isle of Palms. The problems the Committee identified were as follows:

- Competition for established island businesses, particularly the Red and White and
- Drawbacks to every location suggested.

Members of the Committee agreed that the island did not have the year-round population density to support a farmers market from spring to fall, the period farmers markets typically operate. The Committee then considered variations on a farmers market but were unable to identify an island need to be met; in addition, the costs associated with establishing a farmers market and the administrative costs could not be justified as being in the best interest of the City. The Committee concluded that a farmers market was not feasible for the City.

Chair Loftus extended the Real Property Committee's thanks for the time expended by the ad hoc committee for examining the possibility of a farmers market on the island.

4. Comments from City Tenants – None

5. Old Business

A. Update on Beach Restoration

Administrator Tucker reported that the monitoring document, a summary of which has been presented to the Wild Dunes Community Association and City Council, has been completed, but the City is not yet in receipt of a copy; two (2) persons outside the City have requested to see the document.

Responding to Councilmember Stone's query, Administrator Tucker stated that the document is the scientific support in narrative form of the information contained in the PowerPoint presentation made to Council; it is an official document that can be referred to in the future to track the status of the beach.

When asked about the process to view the report, the Administrator indicated that this, and all previous reports, are posted to the City's website or linked to the site where it appears – typically, Coastal Science and Engineering (CSE) generates an electronic version of the report.

Councilmember Stone inquired about a timeline for future action; the Administrator responded that the project and associated permit have been designed to have triggers built in for action; therefore, the answer to the question of action is when one (1) of the triggers is activated.

On the subject of the permit, Administrator Tucker commented that the City will not have a permit in-hand until CSE, in collaboration with the City, have responded to the public comments. These comments will then be judged by the permitting agencies to determine if the actions to be taken adequately mitigate the issues set forth in the public comments.

B. Consideration of Recognition via Engraved Bricks

Administrator Tucker asked that this item be kept on the agenda because the staff has not made any significant progress in identifying an area because the staff has been focused on budgets. The Administrator reported that, coincidentally, the engraver is on the island today to engrave the bricks that have been sold over the past year.

6. New Business

A. Review of FY 2011-2012 Marina Operating Budget

Assistant Dziuban explained that the Marina Operating Budget is different from departmental budgets in that revenue estimates are available and that she will review changes to FY11.

Marina Revenues

Interest income Based on past 12 months' actual.	4,500
Marina store lease income Current rent \$5,500/month plus approximately \$15,000 for additional rent provision.	81,000
Marina operations lease income Annual base rent of \$150,000 plus approximately \$17,000 for additional rent provision.	167,000
Marina restaurant lease income Current rent is \$6,493/month. Additional rent provisions suspended until 2013.	77,916
Marina Waverunner lease income Current rent is \$1,653/month.	19,836

Marina Fund Transfers In

Transfers in for Debt Service – State ATAX For FY12 – 1/3 of total marina debt service.	177,431
Transfers in for Debt Service – Hospitality Tax For FY12 – 1/3 of total marina debt service.	177,431
Transfer in from Municipal ATAX for Waverunner dock repair 100% of cost to design and permit a replacement dock for watersports amenities. This is a re-budget of funds included in the FY11 budget, because City will not proceed before dredging.	25,000
Transfer in from Municipal ATAX for new dock design 100% of cost to design and permit replacement docks on Morgan Creek; design work in FY12 with construction to follow dredging.	50,000
Transfer in from Hospitality Taxes for dredging 1/3 of costs for dredging construction.	100,000
Transfer in from State ATAX for dredging 1/3 of costs for dredging construction.	100,000

Chair Loftus questioned the decreasing amount of debt service payments; Administrator Tucker stated that the amounts are from the amortization schedule for the debt.

The Chair asked for clarification about which set of docks was referred to for design – the Intracoastal side or the marina docks. Administrator Tucker commented that reconfiguration of the docks was always part of the long-range plan for the marina, the reconfiguration of the docks, and that, without consultation with engineers who do this type of work, she was unsure whether the project would be the marina docks or all docks including the City docks on the Intracoastal Waterway. The Administrator explained that the intent of reconfiguring the docks would be to maximize the dock space, and some older docks need attention. Administrator Tucker noted that she was unsure whether the City would get to the dock reconfiguration in FY12, but indicated that she would prefer for funding to be in-place should the City be able to move forward.

The Administrator recounted that the docks at the marina had not all been constructed at the same time, but sporadically over the years. At the time the Intracoastal docks were built, rumblings among the permitting agencies was that they not going to allow the development of water front, and the City was concerned that, if the City did not have docks along the Intracoastal, it would not be allowed to construct them later. The fact remains that permitting agencies are more likely to allow for the repair and replacement of existing docks than they are to permit new dock construction.

Assistant Dziuban commented that the notes on the budget could easily be changed if they were confusing; Chair Loftus thought that to be a good idea because “Morgan Creek docks” to him mean the City’s docks used by Morgan Creek Grill.

Chair Loftus remarked that the City is at the beginning stages of enhancement and renovation of the marina; therefore, he expressed the opinion that the plan for that should be established before the City spends money on an engineering study. The Chair added that, in his opinion, City Council should decide on the direction and support for an enhancement project before it invests money on engineering; for the Chair, this inclusion in the budget is, at least, a year premature. The Administrator agreed that any enhancement would have to be a collaborative effort, for instance, a determination of what the City is willing to fund and what the tenants are willing to fund and capable of funding.

Councilmember Stone indicated that, if the dredging were to take place late in 2011 and marina management had successfully made its presentation to Council, the City could be ready for engineering early in 2011.

Administrator Tucker asked whether the Marina Manager's presentation should be on the March City Council agenda, and Chair Loftus stated that he understood that to be the case.

MOTION: Chair Loftus moved to have the presentation of the Marina Manager's long range at the March 2011 City Council meeting; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.

General and Administrative

Debt service interest	147,294
Total interest due on Marina and Marina Bulkhead GO bonds per the amortization schedules.	
Amortization of bond issue costs	6,969
Professional services	12,000
Based on actual.	
Contracted services	300,000
Construction of marina dredging project.	

Councilmember Stone sought confirmation that the City had no partners in the dredging project; Administrator Tucker concurred. The Administrator reminded the Committee that the City had met with the other interested parties for eight (8) months, but had not received a commitment from them. Assistant Dziuban reported that the City has committed to keeping the other parties informed as actions are taken by the City.

Chair Loftus questioned that "Water and sewer" expense had doubled from the FY10 actual and asked for more information; he also wanted more information about the contingency for "Maintenance and service contracts" that has gone from an actual of less than twenty-four hundred dollars (\$2,400) to ten thousand dollars in FY11 and FY12.

Chair Loftus inquired about the City including a line item for advertising for the marina; Administrator Tucker responded that the City has, historically, paid for advertising the marina in a major mariner magazine.

The Administrator explained that ten thousand dollars (\$10,000) in legal fees were generated primarily by legal review of the contracts for the engineering design and permitting in FY11 and for the dredging project in FY12.

Councilmember Stone asked whether the City or Morgan Creek Grill had paid legal fees for amending their lease; as the Administrator recalled, the restaurant presented the Committee a proposal crafted by their attorney at their expense, the City made a counter offer and the City attorney created the final document.

Chair Loftus noted that, in FY10, "Miscellaneous" had actual expenses of twenty dollars (\$20), yet twenty-five hundred dollars (\$2,500) had been budgeted for FY11 and FY12. He asked that staff provide information on how the budget was tracking in FY11 in that expense item.

Marina Store

Councilmember Stone asked whether the City paid the water bill for the marina store; Administrator Tucker replied that the City is required to perform back flow testing on much of the infrastructure it uses and is confident the expense refers to that work.

Marina Operations

Assistant Dziuban noted that the FY12 budget is the same as the FY11 budget.

Marina Restaurant

The restaurant budget for FY12 is the same as for FY11.

Chair Loftus asked for more information on why a "Miscellaneous" expense of one thousand dollars (\$1,000) exists for the marina and the restaurant.

Marina Waverunner Operation

As presented, no changes exist between the budgets for FY11 and FY12.

Councilmember Stone asked for clarification about total advertising expenses for the marina of fifteen thousand dollars (\$15,000); he suggested that a portion could be the website. The Councilmember followed up by questioning that the City should expending time and energy toward the marina website or whether it should fall to the tenant.

Assistant Dziuban commented that the marina website is not separate from the City at this time, rather it is a page on the City's website. The marina's page on the website is more of a sub-section for visitors than a website maintained and updated by a vendor.

Chair Loftus remarked that the marina would be "smart" to have their own website; he stated that the more often an entity comes up on search engines the more successful it will be.

Chair Loftus took a moment to compliment Administrator Tucker and the staff for the “excellent job” they have done on the FY12 budget

B. Consideration of Award of Contracts in Excess of \$10,000 – None

7. Miscellaneous Business

Administrator Tucker stated that staff had received a call from a resident after the last meeting recommending that the City should consider planting palm trees in the median in front of the Methodist Church and along the Sea Oats’ fence on 41st Avenue for beautification.

The Administrator commented that the area along the Sea Oats’ fence would be private property.

Assistant Dziuban stated that she had taken the call and spoken with Chief Buckhannon about the median in front of the church. The Chief expressed concerns about whether SCDOT would be amenable to that suggestion; he also thought that palm trees in the median could impair the line of sight for drivers as they round the curve. Chair Loftus agreed that they could create a “blind spot” for drivers.

Councilmember Stone asked whether funds were available in the Tree Fund for Palms at Sea Oats. The Administrator stated that the City could approach the Sea Oats’ association indicating that the City could provide the trees if they were interested.

Councilmember Stone reported that he had been approached by several residents about the creating a “NO WAKE ZONE” from the Connector to the end of Waterway Island; he stated that, at different times of the year, traffic is heavy and moves through that area at full speed, which he believes has contributed to issues at the marina and at 26th Avenue. The Councilmember said he was going to enlist the aid of Senator Campsen, and he would like to have the City’s support.

Administrator Tucker reported that, in general, NO WAKE ZONES are very controversial with extremes on both sides of the issue. She noted that the City’s primary mission should be to protect its residents and property owners; therefore, if that is what the citizens want, Council must be responsive to it. On the other hand, the City has mariners who do not live along the NO WAKE ZONE who would have the opposite position. The Administrator noted that the City receives complaints about the temporary NO WAKE ZONE every year.

Chair Loftus indicated that he hears as good many complaints about the temporary zone as well; he said that, personally, he thinks that is too long an area to include in a NO WAKE ZONE. The Chair stated that he would prefer that things stay as they are.

Next Meeting Date: 8:30 a.m., Thursday, April 7, 2011

8. Executive Session – not necessary

9. Adjourn

**MOTION: Councilmember Stone moved to adjourn the meeting at 9:14 a.m.;
Chair Loftus seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland
City Clerk