

## **REAL PROPERTY ADVISORY COMMITTEE**

10:00 a.m., Thursday, January 10, 2008

The regular meeting of the Real Property Advisory Committee was held at 10:00 a.m. on Thursday, January 10, 2008 in City Council Chambers, 1207 Palm Boulevard, Isle of Palms, South Carolina. Present were Council members Carol Rice and Dick Cronin; Jim Raih was serving on jury duty. Also attending were Chris Moore and Mike Kirby of Zande-Jon Guerry Taylor, Marina Manager Brian Berrigan, Administrator Tucker, City Treasurer Suggs, Building Director Kerr, Assistant to the Administrator Dziuban and City Clerk Copeland.

**1. Call to Order.** Administrator Tucker called the meeting to order and acknowledged that the press and the public had been duly notified of the meeting in accordance with the Freedom of Information Act.

**2. Election of Chair and Vice Chair.**

**MOTION: Councilman Cronin moved to elect Councilwoman Rice as Chair of the Real Property Advisory Committee; Councilwoman Rice seconded and the motion PASSED UNANIMOUSLY.**

**MOTION: Councilwoman Rice moved to elect Councilman Cronin as Vice Chair of the Real Property Advisory Committee; Councilman Cronin seconded and the motion PASSED UNANIMOUSLY.**

**3. Approval of Previous Meeting's Minutes.**

**MOTION: Councilman Cronin moved to approve the minutes of the meeting of November 12, 2007 as presented; Councilwoman Rice seconded and the motion PASSED UNANIMOUSLY.**

**4. Citizens' Comments.** None

**5. Old Business:**

**A. Marina Manager's Report – Brian Berrigan**

Marina Manager Berrigan requested that the discussions of the marina bulkhead, item D on the Agenda, precede his report in respect for Mr. Moore and Mr. Kirby's time.

**D. Bulkhead Replacement**

Administrator Tucker related that the replacement of the bulkhead has a ripple effect not only on the marina site itself, but it also has an impact on everything else the City will be doing going forward because of the expense of the marina project. In order to evaluate

all of the projects that the City has going on, there was the need for updated cost estimates from Zande-Jon Guerry Taylor on the bulkhead replacement; these estimates have been provided.

Historically this undertaking started with a bulkhead that had age on it, had weakened and has electrical that does not meet code and should be replaced. If the docks are not going to be replaced at the same time as the bulkhead, any replacement of the electrical will be discarded at the point in time when the docks are replaced. The project as presented now is a major capital project.

An evaluation of the bulkhead by a structural engineer was done in November 2007 to determine just how critical the replacement was; the report stated that replacement should be done in the fall of 2008 or some repairs had to be done at the very least. The Administrator stated her worry that repairs could trigger a breach in the wall, especially in the areas of the fuel systems or closest to the restaurant.

Administrator Tucker stated that, from what Chris Moore and Mike Kirby were going to report, the Committee needed to define the scope of the project that the City is ready to undertake and the work schedule. She also pointed out that dredging costs are not included in the cost estimates provided by Zande-Jon Guerry Taylor. On the subject of dredging, Administrator Tucker reported that the Dewees Island Property Owners Association has approached the City about a partnership on the dredging project.

Chris Moore reported that there are areas of concern, but that the bulkhead is holding. On the drawings, he noted that the area of replacement was from the Dewees boat ramp around to the marina boat ramp and beyond the store. The bulkhead as it exists today is the original bulkhead, which was refaced, but with soil loss behind the wall from holes in the wood; there has also been some movement, or bowing out. Councilwoman Rice was reminded that the material to be used in the replacement is coated steel; the new bulkhead will be constructed twelve (12) to eighteen (18) inches in front of the existing one. The area behind the new bulkhead will be filled with sand. The primary area of concern is around the ramp, but Mr. Moore expressed his opinion that there are several areas that have the same degree of degradation, but are not visible. Mr. Berrigan added that there is considerable seepage and bowing in the area behind the marina store.

The topic moved to the electrical problems at the marina; Chris Moore said that the main concern is around the area of the restaurant where the electrical is three (3) phase, which does not meet the existing code for marinas. Councilwoman Rice asked if **not** bringing the electrical up to code would create permitting issues and was told that it would not.

Mr. Moore explained that, in the bulkhead replacement, the electrical line would have to be cut as the docks are floated away. The question is whether to put the line back together as it is or to replace it and bring it up to code. The issue that replacement creates is that, if the electrical is brought up to code and the docks not replaced, the new electrical would be discarded when the docks are replaced three (3) to five (5) years from now.

Marina Manager Berrigan commented that, when the docks are replaced, he would like to see them reconfigured with, for instance, a long fuel dock that would be accessible from both sides. Reconfiguration of the docks will require a permit; whereas, replacement in the same configuration can be done under the existing permit. Administrator Tucker confirmed with Mr. Moore that the current estimate is based on leaving the docks as they are.

In terms of cost for permitting and the reconfiguration of the docks, Administrator Tucker noted that the permit itself would be approximately two hundred fifty dollars (\$250.00); the expense comes in the fee for design work.

Councilman Cronin was told that these docks have been in place since approximately 1982 and that the pilings were replaced after Hugo.

In answer to Councilwoman Rice's question about the time frame, Chris Moore responded that, if the dock design were not changed, the bid package could be out to bid by June with construction to begin in September or October and with scheduled completion in five (5) months. Chris Moore informed the Committee that the bulkhead design is done and the bid package that includes only an electrical "band aid" is ready to go; only a few items need to be finalized. The replacement of the bulkhead would begin at one end of the marina and go to the other end, and, assuming that the contractor is large enough, replacement of the electrical and the docks would not delay the completion. Based on events in the past, Councilwoman Rice suggested that any contract contain penalties for late completion.

Mr. Moore stated that the life expectancy of the coated steel for the bulkhead was thirty (30) to fifty (50) years.

As the discussion progressed to the handrails, Marina Manager Berrigan expressed concerns about the stainless going across the top since people stand on the handrails and children climb on them. Chris Moore described an alternative product – TRC, an aluminum rod that would appear with aluminum face and timber top and bottom. Mr. Kirby suggested that the aluminum be included in the bid as an alternate.

Administrator Tucker informed the Committee that the City could not apply for a permit for the dock reconfiguration without having the proposed designs. Chris Moore was asked to provide the design costs to the Committee at the February meeting.

Summarizing the discussion to this point, the Administrator stated that Zande-Jon Guerry Taylor needed to map out the complete scope of the marina project to include dredging; this information should also contain suggestions on how the project could be divided up according to time frames and related costs based on their knowledge of how the marina operates. Based on that information, the Committee could decide what is possible. Administrator Tucker asked the Zande-Jon Guerry Taylor representatives to keep in mind, as they prepare this information, her anxiety for the potential for a wall failure that would shutdown the marina completely and involve fines to the City. She continued that, once this Committee and City Council decide on the project scope, she and the Treasurer can determine the financial resources that are available and what the City can afford to do.

Administrator Tucker also asked Chris Moore to determine the cost for Zande-Jon Guerry Taylor to work with Marina Manager Berrigan and the restaurant owner to arrive at a redesign for the docks.

Councilwoman Rice asked Treasurer Suggs how much remained owing on the marina bond and was told that the bond would be paid off in 2019. Treasurer Suggs remarked that, once the bond is paid off, the revenues that the marina generates would be available in an unrestricted fashion to the City to offset expenses. The Treasurer responded to Councilman Cronin's question about the Unreserved Marina Fund that it is fund balance money that is not pledged.

Concluding the discussion, Councilwoman Rice stated that Chris Moore and Mike Kirby are going to prepare a proposal for the Committee for the full scope of the project, prepare an estimate for the design costs of reconfiguring the docks and break the marina project into workable phases with the time frames involved. She asked that this information be made available to the Committee at the February meeting.

Marina Manager Berrigan defined the peak season for the marina as April 15 through September 30.

Despite the fact that the Committee favors approaching this project in phases, Chris Moore suggested that any permit be for the entirety of the project. In response to the Treasurer's question, he stated that the permit would be good for five (5) years and is renewable.

## **6. New Business**

**A. Dredging**

**1. Extension of Permit**

The dredging permit has just been renewed; permits come from two (2) agencies – OCRM and the Corps of Engineers, and each has a different time frame. Councilman Cronin stated that the permit from the Corps of Engineers is good through 2013; it was the OCRM permit that was just renewed. Administrator Tucker reminded the Committee that the City currently does not have a spoil site, and a spoil site must be selected before the permit can be executed. She continued that there are other spoil sites up the Intracoastal Waterway, but she does not know when they were used last, and there are restrictions as to the frequency at which spoils can be added. If one of these sites were selected, the spoils would be pumped to the site; Administrator Tucker added that, if the City had to go off shore, it could not afford the project.

**B. Request from Dewees Island POA**

Administrator Tucker related that the Dewees Island POA would like a response from the City to their request that, should the City of Isle of Palms develop a bid package for dredging of the City's marina, they would like it to include the dredging of their area. The Committee directed the Administrator to respond to the Dewees Island POA that the City would be open to a partnership, but no time frame has been established for the dredging.

Councilman Cronin asked Chris Moore to obtain dredging estimates that include the Dewees site, being sure to segregate the estimates between Dewees Island and the Isle of Palms. Zande-Jon GuerryTaylor was also charged with locating a spoil site.

Councilman Cronin asked if it were possible to dredge, then drain and truck the spoil from the site. Chris Moore reported that this had been done in Murrell's Inlet and problems had been encountered, plus it was very expensive.

Since Zande-Jon Guerry Taylor was being asked to provide information at the next meeting, the meeting date was set for **1:00 p.m. on Monday, February 11, 2008.**

Chris Moore agreed to contact Treasurer Suggs later in the day with the costs of professional services related to the requests made at this meeting to have for the Ways and Means Committee meeting.

Administrator Tucker stated that, since there was not going to be movement in the bulkhead replacement for several months, the bulkhead monitoring should be continued.

**MOTION: Councilwoman Rice moved to have Zande-Jon Guerry Taylor monitor the bulkhead at the marina on an every other month basis with the cost not to exceed \$10,000; Councilwoman Rice seconded and the motion PASSED UNANIMOUSLY.**

## **5. Old Business**

### **C. Discussion of Renovation of Store Restrooms**

Administrator Tucker stated that she had asked Director Kerr to be present for the discussions on the restroom reconfiguration, as well as the renovations to the marina store that the tenant has planned. She opened the discussion by saying that one of the goals of this meeting is to establish a budget for the work, who will do the work and what the restrictions are on the use of that money in the execution of the work.

(On a side note, Brian Berrigan reported that Brooks Gear, owner of Sewee Outpost, had requested that the new store tenants not use the word "outpost" so as not to confuse clientele; therefore, the marina store tenants will be Marina Outpost dba Marina Market.)

Representing Marina Market LLC, Brian Berrigan presented drawings of the existing and proposed restrooms at the marina. The proposal eliminates the laundry facility and relocates the ingress/egress of the restroom closer to the store entrance; with these changes, the restrooms almost double in size. Councilwoman Rice asked how much use the laundry got; Manager Berrigan stated that the revenue was one hundred (\$100) to one hundred fifty dollars (\$150) a month. He did note that boaters like the opportunity to do laundry; as such he has spoken with a local laundry about pickup and drop off service for the boaters. Mr. Berrigan was seeking a cooperative effort with the City for the bathroom reconfiguration and upgrade; in 2007 the estimates came in at between sixty and seventy thousand dollars (\$60,000-\$70,000). Marina Market is, therefore, seeking \$35,000 from the City toward the project.

Director Kerr was asked to define the fifty percent (50%) rule as it applies to the marina store. He explained that renovations could not exceed fifty percent (50%) of the value of the building in a five (5) year period. Since it has been more than five (5) years since the last major work was done, Marina Market is starting "clean;" Director Kerr noted that it would be valued - on the low end - at approximately one hundred dollars (\$100) per square foot.

Councilwoman Rice recalled that, for several years, City Council had budgeted for the repair of the ramp restrooms; Treasurer Suggs explained that the current marina budget

Repairs to the ramp restrooms have been abandoned; Marina Manager Berrigan reported that the ramp restrooms seep into the bulkhead and suggested that it would be more practical to bring in several port-a-potties than to spend money on the ramp restrooms.

**MOTION: Councilman Cronin moved to approve participating with Marina Market on a 50-50 basis, not to exceed \$40,000, for the renovations, reconfiguration and upgrade of the marina store restrooms; Councilwoman Rice seconded and the motion PASSED UNANIMOUSLY.**

Administrator Tucker stated that this partnership will function in a manner that Marina Market will be responsible for all bidding and contracting, submit bills to the City for up to \$40,000; all of the work will be done to code using licensed commercial contractors. Mr. Berrigan indicated that the partnership will be ready to go to work prior to taking possession of the store, and they hope to have the decks and restrooms completed prior to February 1, 2008.

There was discussion about determining the appraised value of the building in order to track the renovations against the FEMA fifty percent rule. Since Marina Market is planning to proceed with additional renovations and repairs in February, 2008, Administrator Tucker charged Director Kerr to arrange for a professional appraisal as soon as possible.

## **5. Old Business**

### **A. Marina Manager's Report - Brian Berrigan**

Before reviewing his report, Mr. Berrigan, as Marina Manager, agreed that the docks are in poor condition, but he indicated that he can deal with them for three (3) to five (5) years more until there are funds for the reconfiguration of the docks. He did express the urgent need for the bulkhead replacement and proper dredging. He added that he can continue to work with the electrical system that exists until the docks are replaced. Both Committee members present thanked Mr. Berrigan for his candid comments as they prepare to make the decisions on the scope of the project at the next meeting. Administrator Tucker remarked that representatives of both the marina store and the restaurant should be in attendance at the next meeting to hear the results of the bulkhead monitoring as it could change affect their thinking on the conditions at the marina.

Included in the Marina Manager's Reports are the projects that have been completed, projects that are up coming and miscellaneous items to be discussed at the Real Property Advisory Committee meeting; a copy of the report for November and

December is attached to the minutes for the City's archival records. Manager Berrigan commented that the TMS (Time Management System) is listed in two (2) sections on the report because a part had to be ordered that has held up completing the installation.

Under the "Miscellaneous" heading, Manager Berrigan, along with Carla Pope of the Morgan Creek Grill, requested financial assistance from the City for lighting at the marina entrance. Administrator Tucker recounted that there is electrical on the entrance sign that is controlled in the marina store. She continued that previous tenants to the store have not wanted to pay the electrical bill and kept the light shut off. Manager Berrigan agreed that there had been lighting in the past, but there are no fixtures today, and in 2000 the electrical line was accidentally cut when work was done on the fuel tanks. Administrator Tucker stated that the work needed was to replace the line and to add fixtures; Manager Berrigan proposed some type of solar system, which was his preference. Councilwoman Rice asked the Marina Manager to investigate the cost of a solar system and return to the Committee in February with the information.

Manager Berrigan informed the Committee that he had established a new policy on decals because the privilege is being abused. The new policy requires that an applicant must show his/her driver's license and vehicle registration – that are photocopied – as proof of residency.

Manager Berrigan related to the Committee that they are experiencing a serious graffiti problem at the marina; he stated that his staff has cleaned the "Do Not Enter" signs on four (4) separate occasions. The Administrator instructed the Marina Manager to report each incident to the Police Department for them to establish a pattern and catch the culprit(s).

#### **B. Marina Store Lease – Status of Transition**

Administrator Tucker informed the Committee that the City has an executed lease, but the deposit has not been paid by Marina Market because the tenant requests deferral of the deposit based upon the anticipated one hundred thousand dollar (\$100,000) retrofit to the City's building, which they feel should be enough security. To defer the deposit would require action from this Committee.

Councilman Cronin indicated that deferral of the deposit should have been negotiated before the lease was signed. Councilwoman Rice agreed that it was a part of the agreement and, therefore, should be paid.

The Administrator noted that Marina Market has indicated that they are interested in certain amendments to the lease; Manager Berrigan stated that he would be prepared to discuss those at the February meeting.

In addition to the executed lease, Administrator Tucker reported that the guarantees have been checked and found to be fine and the City will collect the deposit amount. Treasurer Suggs and Assistant Dziuban have been to the store to identify the City property that is there. The actual transition date to terminate the relationship with the existing tenant is January 15, 2008.

Manager Berrigan requested that the City intercede with the current tenant for Marina Market to gain access to the building upon their exit on that date. He also related that the current tenant will not allow the transfer of their beer and wine license to Marina Market; obtaining a new license takes ninety (90) days. Marina Market does not plan to open until March 1, 2008.

**6. New Business**

**B. Request from Morgan Creek Grill – consideration for Special Meeting**

Administrator Tucker stated that there are many issues that the management of Morgan Creek Grill would like to discuss with this Committee and has requested an opportunity to do so. With new members and the topics on this agenda, the Administrator suggested that a Special Meeting would be the best way to have the discussion. Carla Pope of Morgan Creek Grill stated that they would like to have the opportunity to walk around the property with the Committee to share what are believed to be needed up-fits for the restaurant to continue to be profitable. A Special Meeting was scheduled for **12:30 pm on Wednesday, January 23, 2008.**

**8. MOTION: With no further business to come before the Committee, Councilman Cronin moved to adjourn at 11:55 a.m.; Councilwoman Rice seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland, City Clerk