

Real Property Advisory Committee
8:30 a.m., Thursday, January 15, 2009

The regular meeting of the Real Property Advisory Committee was held at 8:30 a.m. on Thursday, January 15, 2009 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Chairwoman Rice, Council members Cronin and Taylor, City Administrator Tucker, Marina Manager Berrigan, Carla Pope of Morgan Creek Grill, Assistant to the Administrator Dziuban and City Clerk Copeland.

1. Vice Chair Cronin 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

Councilman Taylor nominated Councilman Cronin to serve as Chairperson; Councilwoman Rice to serve as Vice Chair then moved for the nominations to be closed. Councilman Cronin seconded and the vote was unanimous.

3. Approval of Previous Meeting's Minutes

MOTION: Councilman Taylor moved to approve the minutes of the November 13, 2008 as submitted; Chairman Cronin seconded and the motion PASSED UNANIMOUSLY.

4. Citizens' Comments - None

Since Councilman Taylor had to leave at 9:30 a.m., the agenda was reorder to put items 5 and 6 before Miscellaneous.

7. Old Business

A. Update of Bulkhead Replacement

Chris Moore of Jon Guerry Taylor stated that the construction was progressing well.

1. Change Order #1 to relocate Electrical Junction Box, \$1,949.64

Mr. Moore explained that the utility box located in the area between the back steps of the marina store and the access to the marina fuel dock needed to be relocated, preferably below ground. If left in its present position, it would be in the middle of the sidewalk and the City would have to purchase additional electrical cable because there was not enough cable in the box to reach the floating dock below. He, therefore, presented Change Order #1 to locate the electrical junction box below ground at a cost of \$1,949.64.

MOTION: Councilman Taylor moved to recommend to Ways and Means the approval of Change Order #1 in the amount of \$1,949.64 to relocate the junction box below ground; Chairman Cronin seconded and the motion PASSED UNANIMOUSLY.

2. Discussion of Placement of Water and Electrical Lines

Mr. Moore reminded the Committee of the water line that ran along the outside of the bulkhead in the area of the restaurant; he stated that, if left, the line would be between the old bulkhead and the new, therefore, inaccessible. He noted that these lines would be better underground, as well. Based on concerns about impact fees, Mr. Moore was asked to contact both SCE&G and the Isle of Palms Water and Sewer Commission about his proposal.

Councilman Cronin remarked that construction was behind schedule, but Misener did expect to meet the March 19, 2009 completion date.

On a different subject, when asked about dredging, Mr. Moore reported that he could not get any answers from the Corps of Engineers; he said he would get the contact for Administrator Tucker to call. The Administrator stated that the Morgan Creek Association had requested a meeting about dredging in early February.

B. Update on Marina Parking Study – None

C. Recommendation of Award of Front Beach Parking Lot Contract

Administrator Tucker informed the Committee that the Front Beach Parking Lot RFP was printed in *The Post and Courier* on Wednesday, November 26, 2008. Three (3) prospective bidders picked up bid packets, but only one (1) entity, Schupp Enterprises, submitted a bid. The bid was in the amount of \$68,000 for 2009 and \$72,000 for years 2010 through 2012.

The Administrator distributed a Comparison of Historical Revenues to the Schupp Proposal prepared by Treasurer Suggs that indicated an average annual loss to the City of \$63,406.80 if the City were to accept Mr. Schupp's bid. Administrator Tucker commented that the Committee had three (3) options to consider; they are as follows:

- Accept the Schupp Enterprises bid and subsequent annual loss;
- Throw out the bid and re-bid the contract; or
- Negotiate with bidder on this contract or re-structure the contract.

In an attempt to put herself in Mr. Schupp's position, Administrator Tucker supposed that Mr. Schupp had weighed the amount of risk he was willing to assume based on the facts that (1) he would owe the City a certain payment, no matter what the lots' revenue might have been, and the reduced number of parking spaces. She added that one situation to consider to reduce the risk to him would be to offer management contract versus a lease or negotiation of the contract as bid. She concluded that she could not recommend approval of this bid because she did not believe the City could handle the loss and that the contract did not begin until March 2009 giving the City time to re-bid if that was the wish of the Committee.

Councilman Taylor stated that he knew that there was the potential for a loss in revenue based on the parking spaces lost to the Public Safety Building. Administrator Tucker remarked that the reduction in the number of spaces did not equate to half of the revenue.

Mr. Schupp was present and recalled that there had been thirty (30) spaces lost when the City did the Front Beach Enhancement Project. The revenue had been down in 2008, and he did not anticipate its rebounding in 2009 due to the economy. He also expressed the belief that the Public Safety Building would not be completed on time so that any spaces in the small lot would be useable.

Administrator Tucker suggested that the City agree to the \$68,000 for 2009, but negotiate for 2010 through 2012 due to the increased number of spaces available as a result of the completion of the Public Safety Building.

Councilman Taylor, referring to the schedule that had been distributed, stated that he thought the estimated total revenue of \$150,000 for 2009 was unrealistic and too optimistic. Councilman Cronin suggested that the \$120,000 threshold be lowered for all four years, as well.

MOTION: Councilman Taylor moved to recommend to Ways and Means approval of an agreement between Schupp Enterprises and the City of Isle of Palms in the amount of \$68,000 for 2009 and \$85,000 for years 2010 through 2012 with the gross revenue to be negotiated; Vice Chair Rice seconded and the motion PASSED UNANIMOUSLY.

6. New Business

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

7. Miscellaneous

Prior to leaving Councilman Taylor related that he had had discussions with the City Administrator regarding the long-term commitment for the Beach Renourishment Project, and they had agreed that oversight of the balance of that project would be more appropriately placed with the Real Property Committee, rather than Ways and Means. Administrator Tucker listed the issues on the horizon as (1) an obligation relative to the permit that will require execution of additional contract work with Coastal Science and Engineering, (2) removal of escarpments of eighteen inches (18") or higher and (3) the placement of sand fencing and planting vegetation. These items may require a special meeting this month.

The Administrator also commented on housekeeping item, such as the fact that the contractor had put too much sand in one reach that has created problems reconciling, which has held up reimbursement from the one million dollar (\$1,000,000) grant. Another matter is that the permitting agencies are dissatisfied with the report from Coastal Science and Engineering to the point of possible permit violations. The agency in question is Fish and Wildlife; Administrator Tucker has been assured that Coastal Science and Engineering is very motivated to resolve the problem. A third problem is that the claim from Weeks Marine has not been resolved; Administrator Tucker said that she was writing another letter stating the City's position on the claim, but she added that she would not be surprised to see the issue go to arbitration.

4. Marina Manager's Report – Brian Berrigan

In addition to the information provided in his written report, Manager Berrigan stated that he had replaced two (2) circuit boards in the dock fuel pumps; due to the age of the pumps, Mr. Berrigan expressed a desire to replace them. Administrator Tucker reminded him that budget preparations begin in February; therefore, he should get the information to present at that time.

Mr. Berrigan said he would like to renovate the dock office, install a laundry and remove the two (2) unattached pilings at the north end of the finger docks at the expense of Marina Joint Ventures.

MOTION: Vice Chair Rice moved to allow the renovation of the dock office, the installation of a laundry and the removal of the unattached pilings at the north end of the finger docks at the expense of Marina Joint Ventures; Chairman Cronin seconded and the motion PASSED UNANIMOUSLY.

Mr. Berrigan reported that there had been some damage to the marina store as a result of the bulkhead replacement work; he stated that the back deck had settled and the

back door cannot be opened or closed. Misener will make a temporary fix until the bulkhead replacement is completed.

In conclusion, Mr. Berrigan informed the Committee that there were continuing problems with the entrance lighting, but he had been assured they were under warranty and would be fixed.

5. Morgan Creek Grill Report – Carla Pope

Ms. Pope expressed the fact that she had been most impressed with the Misener personnel and the work that was being done to replace the bulkhead. She did report that business had been “off,” but added that it was not the result of the construction. Administrator Tucker complimented Ms. Pope on the efforts they were making to encourage residents to eat at Morgan Creek Grill, for example, the “Shake, rattle and roll lunch” that refers to the activity created by the construction.

7. Miscellaneous, continued

Mr. Berrigan commented that 2009 was the tenth (10th) anniversary of the City’s purchase of the marina and that the tenants of the marina were planning a celebration and a kick-off to spring to take place in April. He was interested in having the City participate; Administrator Tucker asked that he and Ms. Pope continue with their planning and to keep her informed about the type of event being planned.

Mr. Berrigan introduced Milt Hazel of Benchmark Marine Services; Mr. Berrigan stated that Marina Joint Ventures had employed Mr. Hazel’s consulting services to assist in writing a strategic plan for the marina.

Next Meeting Date: 8:30 a.m., Thursday, February 12, 2009.

8. Adjourn

MOTION: Vice Chair Rice moved to adjourn at 9:55 a.m.; Chairman Cronin seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk