

REAL PROPERTY COMMITTEE

8:00 a.m., Wednesday, July 8, 2009

The regular meeting of the Real Property Committee was held at 8:00 a.m. on Wednesday, July 8, 2009 in Council Chambers of City Hall located at 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Committee Chairman and Mayor Cronin, Councilwoman Rice, City Administrator Tucker, Marina Manager Berrigan, Jay Clarke and Carla Pope representing Morgan Creek Grill, Bill Schupp of Schupp Enterprises and City Clerk Copeland. The absence of Councilman Taylor was excused.

1. Mayor 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. Approval of Previous Meetings' Minutes

MOTION: Councilwoman Rice moved to approve the minutes of the regular meeting of May 5, 2009 and the special meeting of May 7, 2009 as submitted; Mayor Cronin seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments - None

4. Marina Manager's Report – Brian Berrigan

Mr. Berrigan reported that the electrical and fuel line replacements have been completed, but the cable is to be replaced on July 27th. The total for the work he has performed is just short of forty-four thousand dollars (\$44,000); he was budgeted sixty thousand dollars (\$60,000). He noted that he was very pleased with the placement of the electrical outlets on the far side of the marina.

The complimentary valet service Mr. Berrigan initiated has been well-received; he reported they had their first "glitch" the previous weekend when a woman thought she had left her pocketbook in her vehicle, but it turned out that she did have her purse in the boat after all. Mr. Berrigan stated that they had four (4) boaters to use the service the first day and twelve (12) on the second day; over the previous weekend, they had serviced thirty (30) boaters each day. He did comment that he was not sure how far into the season and the fall he could continue to offer the service because, as the popularity has increased, it has become more labor-intensive. On a positive side, Mr. Berrigan said the valet service was helping with the organization of the parking lot and reducing launch time; the marina employees can have boaters in the water in five (5) minutes. Mr. Berrigan noted that the employees who perform the valet service are being paid through the tips they receive from the boaters, but they also receive an hourly wage from the marina.

Mr. Berrigan inquired about the status of the dredging of the marina; Administrator Tucker said that there was nothing new to report.

Mr. Berrigan reported that he had someone to evaluate the dock closest to the restaurant dock that twists and turns. He was told that the problem appears to exist as a direct result of the bulkhead replacement; therefore, Administrator Tucker commented that the City would contact Misener Marine to come back to correct the problem. The problem is that the pilings that held the dock in place originally were against the bulkhead; when the bulkhead was moved out

eighteen inches (18”), the pilings had to be moved, changing the configuration of the dock. Mr. Berrigan stated that, when the dock sits on mud at low tide and there is wave action from boats traveling the Intracoastal Waterway, the dock twists and turns – generally, it is unstable.

Mr. Berrigan informed the Committee that he intends to have the Blue Flame propane tank removed unless the Real Property Committee and City Council choose to pay for the upgrades that are needed to the tank to make it compliant. He related that Blue Flame has indicated that the upgrades will cost between four and five thousand dollars (\$4,000-5,000). As the marina manager, he does not believe that the cost of the upgrades are warranted by the volume of sales that occur; the majority of people simply want to trade in their empty cylinder for a full one.

The problem of bandit boats has returned. Mr. Berrigan said that he was aware that Rachel Farley had sent a letter to City Council. Mrs. Farley purchased a yearly decal this year; she leaves her boat on the boat ramp dock where people are trying to launch their boats and use the facilities. Mr. Berrigan continued by stating that Ms. Farley’s boat had been locked up just as any other boat would have been that is left for an extended period of time; she left her boat on a Friday and had not retrieved it by Saturday morning. She did not appear in the marina office until Sunday afternoon saying she had spoken with someone, but did not remember the person’s name, but she insisted that she had paid for the right to park her boat. Mayor Cronin told Mr. Berrigan to continue to run the marina in his best judgment.

Mr. Berrigan announced that *The Charlestonian* has relocated to the Harbor Towne Marina.

Mr. Berrigan also reported that the marina is experiencing theft issues; among the items stolen are radios, two (2) VHF’s and two (2) depth finders from the storage lockers. He noted that there had only been two (2) thefts in ten (10) years up until now, but he stated that the appropriate reports have been filed with the Police Department, and they are patrolling the area more frequently.

Mr. Berrigan commented that, in year-to-year financial comparisons, business was off considerably in 2009 from 2008; he added that the gross numbers were down. He referenced the increased cost of fuel in 2008-09. Basically, the problem lies with the economic downturn in that boats are not moving; diesel sales are down approximately sixty percent (60%); boats are not going offshore; two (2) of the Governor’s Cup fishing tournaments were cancelled; the issues of the Waterway’s need to be dredged; etc. Mr. Berrigan mentioned that Senator Campsen had told him that funds have been secured to begin the project, but the initiation of the project is undecided. Mr. Berrigan reported that transients are going in and out of Charleston Harbor avoiding the IntraCoastal Waterway.

Mr. Berrigan reported that they have been experiencing serious problems with the fuel pump which he remembers to be in the FY 10 budget; he stated that he needs to construct an overhang for the pumps. They are taking on rust, and water is getting into them causing the circuit boards to be replaced every other month.

Mayor Cronin asked if there were as many boats being launched as last summer; Mr. Berrigan responded that the numbers were down as were the sales of decals. Mr. Berrigan commented that the non-resident numbers were remaining relatively steady.

Councilwoman Rice questioned if the store was also experiencing a downturn; Mr. Berrigan stated that the store was doing pretty well – the store had its best day ever on the Friday, July 3rd.

Councilwoman Rice complimented Mr. Berrigan on the appearance of the back deck; Mayor Cronin added that the deck was getting a lot of use. Mr. Berrigan stated that he anticipates moving to the side deck in the fall or winter.

5. Morgan Creek Grill Report – Carla Pope

Ms. Pope announced that the restaurant also had its best day ever on Friday, July 3rd, but she did state that their business was trending down.

She explained that a sink hole had developed from washing under the sidewalk against the new bulkhead. To accommodate the July 4th business, the hole was filled with four (4) bags of sand, but she anticipates that the area will wash out again.

The parking patches that were done in May have washed out again, so she arranged to get the hot patch to repair them again.

Ms. Pope related discussion between herself and Marina Manager Berrigan about the signage in the middle lot; they are going to change it from alternating signs saying “TRAILER PARKING ONLY” then “TRAILER PARKING AND RESTAURANT OVERFLOW PARKING” to every sign saying “TRAILER PARKING AND RESTAURANT OVERFLOW PARKING.” They are doing this to eliminate some of the confusion customers are experiencing.

Ms. Pope announced that she is actively working on establishing a valet service for the restaurant for parking. The insurance is in place, and some very motivated young men have been hired to perform the service. She anticipates having the service available Thursday through Sunday in no less than two (2) weeks. Mr. Clark added that the service will be offered through the season, at least.

On the issue of the sinkhole, Mr. Clarke said he had expected for there to be settling issues after the bulkhead was completed; he thought it would resolve itself in time if the hole were filled with sand each time it occurred. He stated that he has also moved the drain pipes under the restaurant, and that may help the problem as well.

6. Old Business

A. Update on Beach Restoration Project

Administrator Tucker recalled that a stakeholder in the project had come before City Council requesting that the sand fencing be extended in the area adjacent to Grand Pavilion. The engineering opinion is that additional fencing is not needed; there would be no harm from placing fencing there, but, in their opinion, a dune field is already being created there. Some of the impact of installing fencing would be to inhibit what is naturally forming. The engineers are developing pricing on the fencing request in case the decision is to proceed with additional

fencing; the estimates are between fifteen hundred and twenty-five hundred feet (1,500 – 2,500') of fencing required.

The Administrator reported that sediment samples had been taken on Tuesday, July 7; the sand particles will be compared to the pre- and post-project grain size for the project to determine if the new beach is finer or coarser.

The City has received the biological samplings, and the report will be issued soon. The Administrator confirmed Mayor Cronin's assumption that the samplings had come from both the borrow site and the beachfront.

In addition, Administrator Tucker announced that the shoal is almost completely attached, and there will be some additional erosion in Reach A as that progresses.

There have been some concerns about the vegetation that has been planted, but the engineer's reports on it are very positive. Despite the fact that the plants appear to be dead, the engineers report that the roots are alive. Administrator Tucker stated that the important thing at this time is that the City has put the engineers and supplier on notice that the viability of the plants is questionable, because there was a guarantee with the plants.

Mayor Cronin noted that, once the fencing pricing quote arrives, the City will confer with the other stakeholders to determine if that they want to proceed with additional sand fencing in the area of Grand Pavilion.

B. Status of the Kayak Hut

Stacy Clark represented Coastal Expeditions at this meeting; she informed the Committee that Coastal Expeditions has decided not to move forward with moving the kayak shack because their business is down considerably. They are finding it nearly impossible to conduct their business from the current location of the shack; they are, therefore, attempting to revamp their process. Ms. Clark stated that they have five (5) other on-water locations, but they have never run into a problem like the one at the IOP marina. Their intent is to complete this season, then tweak what they see as the problems. She reported that they are operating currently off trailers with the kayaks stacked between the shack and the store.

Ms. Clark stated that they battle on busy days at the marina because they are in the way of boat launching, but Coastal Expeditions is trying to put fourteen (14) people on the water – there is nowhere to go.

Coastal Expeditions is planning to take the winter to determine what they can do better next summer to be successful.

C. Status of Marina Management RFP

Administrator Tucker reported that the City is currently in "wait" mode because the bids are due to be opened on Wednesday, July 15, 2009. Once the bids are opened, they will be evaluated, and, in August, the Committee will be charged with making a recommendation to City Council.

Mayor Cronin turned to Mr. Schupp and asked how parking was going in the City lots; Mr. Schupp said he was looking forward to having access to the small lot across the street. He stated that the lot is approximately thirty percent (30%) full before they take in paying customers because of the parking provided for guests of the Palms Hotel. Mr. Schupp estimated that the inability to use the smaller lot had cost three to four thousand dollars (\$3,000 – \$4,000) over the July 4th weekend. He reported that the lot was closed at 11:00 a.m. because it was full; from that point on, there was one vehicle out and one in.

In discussing the smaller lot, Mr. Schupp asked the City Administrator if bumpers were going to be added; he stated that the lot sees a lot of activity in the evenings, and he predicted that the wall would be down in six (6) months if bumpers were not installed.

Councilwoman Rice asked when the lot would again be available for parking; Administrator Tucker said that she hoped to have the Certificate of Occupancy next week.

Mr. Schupp indicated that, in the area of the compactor, there was room to put the recycling bins, and he would like to move them there. Administrator Tucker stated that there was a complication with that idea in that there is a question that the pervious concrete could sustain the impact of trucks driving over it. The City is studying the design to determine the best thing to do.

Since Mr. Schupp is contracted by the City to remove garbage from the beach, Mayor Cronin asked his opinion on the trash over the July 4th weekend. Mr. Schupp stated that each dumpster holds seven (7) cubic yards that it compacts on a four to one (4 to 1) ratio, or twenty-five to twenty-eight cubic yards (25 – 28 cu. yds.); garbage was picked up on Tuesday, Thursday, Friday, Saturday, Monday and Tuesday and the dumpsters were full every time.

There was a discussion on the best way to eliminate the traffic jams that occur when people choose to wait for a spot in the parking lot while still in a line of traffic on Pavilion. On a busy weekend, it is quite a problem; Administrator Tucker asked the Committee members to think on the problem and to try to arrive at a solution.

7. New Business

A. Schedule of Tenant Rents and Management Agreement Fees

Administrator Tucker reported that Morgan Creek Grill has been paying down their additional rent, Marina Joint Ventures is current, and Marina Outpost is paying down their additional rent. The Administrator commented to the business managers present that they will begin a new cycle for additional rents soon, and the City does not want the tenants to get too far behind.

Continuing with the rent schedules, she reported that all of the parking lot rents are current and that the City is working with Water Toys LLC, dba Tidal Wave Water Sports, as their additional rent report is due and the 2008 report has been amended, but their rent is current.

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

8. Miscellaneous Business

Mayor Cronin reminded everyone that at 5:00 p.m. on July 22, 2009 the Town of Sullivan's Island and the City of Isle of Palms will be jointly hosting the Disaster Preparedness Expo at the Fire Station; this is an annual event involving both Sullivan's Island and the City of Isle of Palms. The Mayor remarked that anything one can do to encourage residents to pay attention to disaster preparedness; whether the residents attend the expo or not, everyone needs to worry about it and to be getting prepared should a storm event come.

Brian Berrigan asked if posters were available to advertise the expo; Administrator Tucker said that they had not yet been printed. She encouraged the marina to participate since they had valuable information to impart about boat preparation.

Next Meeting Date: 8:30 a.m., Tuesday, August 4, 2009

9. Adjourn

MOTION: Councilwoman Rice moved to adjourn the meeting at 8:45 a.m.; Mayor Cronin seconded, and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk