

REAL PROPERTY ADVISORY COMMITTEE

8:30 a.m., Monday, September 8, 2008

The regular meeting of the Real Property Advisory Committee was held at 8:30 a.m. on Monday, September 8, 2008 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Present for the meeting were Chairwoman Rice, Councilman Cronin, Administrator Tucker, Marina Manager Berrigan, Morgan Creek Grill Operations Manager Carla Pope, Assistant to the Administrator Dziuban and Clerk Copeland. Mr. Raih's absence was excused.

1. Chairwoman Rice 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 Meeting's Minutes

MOTION: Councilman Cronin moved to approve the minutes of the regular meeting of August 7, 2008 as submitted; Chairwoman Rice seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments - None

MOTION: Councilman Cronin moved to change the order of business and to take item 7a next; Chairwoman Rice seconded and the motion PASSED UNANIMOUSLY.

7. New Business

a. Discussion of Contractor for Front Beach Parking Lots

Rick Linville, who has been the contractor for the Front Beach Parking Lots for the past ten (10) years, was invited to the meeting to pass along information he has gained and insights he has had about operating the City's parking lots. He began with general information on the contract, including the following:

- Contract runs from April 1 through September 30;
- Lots are open from 8 a.m. to 6 p.m. each day;
- Daily parking costs \$5.00; and
- Annual parking passes cost \$45.00;

Mr. Linville informed the Committee that he changes the ticket colors issued to parking customers each day to prevent abuse. He noted that, when the weather is favorable early in March, he contacts the City Administrator about opening the parking lots on the last two weekends of that month. Additional revenue for parking comes from the Palms Hotel and its guests; the contractor is paid five dollars (\$5.00) for each room night

booked at the end of each month. Peak hours for the parking lot have traditionally been 12:30 p.m. to 3:30 p.m. every weekend; on the average weekday, the lot will typically have fifty (50) cars. Mr. Linville informed the Committee that, when he was first given the parking lot contract, there were six hundred five (605) parking spaces in the two (2) lots; thirty (30) spaces were lost with the Front Beach renovation; ten (10) spaces were designated as reserved for handicapped in the small lot; the Fire Department trailers fill fifteen (15) to twenty (20) spots. Only one hundred eight of the original one hundred seventy-five (175) parking spaces in the small lot will be available after the Public Safety Building has been completed; over the ten (10) years, ninety-seven spaces, or 16%, have been eliminated.

He commented that he believes visitors to the island prefer the County Park, despite the seven dollars (\$7.00) per day charge at that location, because of the amenities the park offers.

In response to Councilman Cronin's question on staffing, Mr. Linville stated that he normally hires high school students who are residents of the island. This season he has paid them eight dollars per hour (\$8.00/hr). Mr. Linville also noted that either he or Bill Schupp also attended the lots on the weekends due to the volume of cars and the possibility of liability.

Chairwoman Rice expressed the City's thanks for the outstanding job he has done.

As Administrator Tucker reviewed notes from an earlier conversation with Mr. Linville, she asked that he explain how special events had been handled. He stated that, generally, for City sponsored events, there was no charge for parking, but he added that, for the Beach Run, participants have been charged, but, if they leave the lot by 10:30 a.m., the five dollars (\$5.00) is refunded. For events such as "Taste of the Island," event-goers are charged for parking.

In conclusion, Administrator Tucker asked Mr. Linville, if, assuming an RFP is issued and a pre-bid conference held, he would participate to provide information and answer questions of potential bidders. He agreed.

4. Marina Manager's Report – Brian Berrigan

In the monthly report, Mr. Berrigan referred to a gasoline spill that had occurred as a result of DNR removing a boat that had burned over the summer; the spill was on the boat ramp and all over the marina. Angus McBride of DNR asked that the staff at the marina clean it up and offered to reimburse them for the expense; Mr. Berrigan reported that when he had called about the reimbursement, he had been told there were no funds available. He was seeking advice from the Committee on the next step to take to

recover his losses. The Committee agreed that Mr. Berrigan should put into writing what had occurred, what he had been told and by whom; the letter should be sent to Mr. McBride, his supervisor and copied to the City.

Several items on the report were related to the clean up underneath Marina Market that the Committee had requested. Mr. Berrigan commented that he had learned that there would be no reimbursement from the City despite the City requesting that the work be done and this Committee's indications that there would be two thousand five hundred dollars (\$2,500) to cover the expenses. Councilman Cronin reminded Mr. Berrigan that decisions by this Committee are not the same as decisions from City Council.

Administrator Tucker explained that the overriding opinion in City Council presently is to adhere to the letter of the City's leases with its tenants; the leases are triple net leases and the tenants are responsible for the properties once the leases are signed.

Mr. Berrigan stated that he thought the leases should be changed so that there would be some degree of financial cooperation between the City and the marina tenants. He assured the Committee that there was nothing in his lease that required him to clean underneath his business just because he was asked to do so by the City for the City to retain its termite bond. The Administrator reminded Mr. Berrigan that his lease did require him to properly maintain the building.

Chairwoman Rice explained that the Committee and the tenants must operate under the direction of City Council and the prevailing attitude. She added that, in her opinion, the extraordinary financial demands on the City, i.e. beach restoration, Public Safety Building and the bulkhead replacement, have created the current attitude in Council.

Mr. Berrigan and Ms. Pope reminded the Committee that the tenants at the marina have made substantial financial investments and they believe there should be more financial cooperation with the City.

Ms. Pope reported to the Committee that nothing had been done to resolve the moisture problem under the restaurant; in light of current revelations, she asked if the restaurant would be in default of its lease if it chose to do nothing. The Administrator stated that she believed City Council would interpret inaction in just that way.

Ms. Pope recounted that the source of the water was leakage from the failing walk-in cooler; she asked if the restaurant would be required to repair or replace the cooler to eliminate the water under the restaurant. Administrator Tucker suggested that she contact the inspector who wrote the report for a definitive answer.

Returning to the Marina Report, Mr. Berrigan noted that the threat of Tropical Storm/Hurricane Hanna had provided an excellent opportunity for the marina staff to run through its emergency plans.

Under "Upcoming Projects," Mr. Berrigan had stated his intention to grade the marina parking lot in cooperation with Morgan Creek Grill; he added that, in the past, the City has also participated financially. The Committee again explained to Mr. Berrigan that the City would be following the letter of its leases.

Proceeding to "Miscellaneous," Mr. Berrigan wanted to clarify any misunderstanding that exists regarding the relationship between the management of the marina and the ownership/management of Morgan Creek Grill. He and Ms. Pope agreed that they had the best working relationship that they had had in five (5) years; both parties were working for the good of the marina.

In addition, Mr. Berrigan announced that an agreement had been reached on Morgan Creek Grill's proposal for sunset cruises – a four (4) week trial will occur either in the fall or the spring, depending upon the timing of the bulkhead replacement. Administrator Tucker reminded Mr. Berrigan that the sunset/dinner cruises would have to come before City Council for approval if Marina Joint Ventures was going to handle this cruise differently from any dinner cruise in the past.

Mr. Berrigan stated that there were a couple of issues he had regarding the Marina Joint Ventures lease; they are (1) the term of the lease and (2) the removal of the ninety (90) day clause.

Mr. Berrigan related conversations he had with Ralph Martino, a part of the Wild Dunes Marina Owners Association, related to dredging. Mr. Martino had expressed the opinion that Destination Wild Dunes should be a financial partner in the dredging project. After some discussion, Chairwoman Rice suggested that a meeting be scheduled between the key people to follow up on this suggestion.

In conclusion, Mr. Berrigan commented on the very poor timing of the three (3) hour fire inspection; the inspection was unannounced and the inspector arrived on Thursday as the staff was heavily involved in storm preparations.

Councilman Cronin asked the circumstances related to the reference on the monthly report about the 41st Avenue ditch cleaning. Mr. Berrigan explained that the County had cleaned the ditch up to the Fire Station; the ditch in front of the Fire Station and at the marina were left undone. Administrator Tucker stated that she would contact the County about when the job would be completed.

5. Morgan Creek Grill Report – Carla Pope

Ms. Pope reported that the restaurant owner had received the letter from the City regarding the lease. Administrator Tucker related that the City had sent a letter clarifying that Morgan Creek Grill had exercised its desire to renew its lease and that amending the lease could take place at any time during the course of the lease – assuming that this Committee, Ways and Means and City Council concurred. The Administrator added that, with the position that the majority of Council were holding, she did not believe Council would approve the type of changes that she understands the tenants have expressed interest in. Ms. Pope stated that she was pleased to receive the clarification and grateful for the additional time.

6. Old Business

a. Update on Bulkhead Replacement

Administrator Tucker announced that the bid had been opened on August 28 and that City Council had held a Special Meeting on September 3 to award the bulkhead replacement contract, without any of the alternates included in the bid, to Misener Marine Contractors, Tampa, Florida in the amount of \$2,194,663.87. Misener's contract states that the project will be complete in one hundred eighty (180) days, or six (6) months, with a penalty of one thousand dollars (\$1,000) per day if the project is not completed on time. The Administrator reported that Misener is experienced in this type of project; they have done the same up and down the Eastern seaboard. Since they have the materials on-hand, the tenants at the marina could see Misener mobilizing at any time. Mr. Berrigan was informed that it was hoped that the docks would not be moved because Misener has equipment that can maneuver between the docks. Both Mr. Berrigan and Ms. Pope requested copies of the construction schedule. The Committee charged the Administrator with scheduling a pre-construction conference that would include the marina tenants. In response to Ms. Pope's question about the staging area, Administrator Tucker stated that she thought it would be the area that the Morgan Creek employees are currently using for parking.

b. Update on Improvements to Parking Lot Lighting – nothing new to report

c. Status of Contracts

1. Morgan Creek Grill – discussed earlier in the meeting.

2. Marina Joint Ventures –

Administrator Tucker stated that a week's work had been put aside in preparing for Hanna; therefore, she preferred not to give a specific time when the RFP would be ready for distribution.

3. Tidal Wave Water Sports – same as Marina Joint Ventures

Chairwoman Rice expressed concern that there was not a written contract with Coastal Expeditions; she stated that, since they use real estate at the marina, the City should have a contractual relationship with them. Mr. Berrigan reported that he has an agreement with Coastal Expeditions. Chairwoman Rice asked the Administrator to contact the City Attorney to determine the best way for the City to handle them.

Mr. Berrigan announced that Barrier Island EcoTours had backed out of the proposal to have a business location on the deck of the store; the business is operating from the boat as it did in the past.

7. New Business

- a. **Discussion of Contractor for Front Beach Parking Lots –** discussed earlier in the meeting
- b. **Consideration of Award of Contracts in Excess of \$10,000 –** None

8. Miscellaneous

Next Meeting Date: 8:30 a.m., Wednesday, October 1, 2008

9. Adjourn

MOTION: Councilman Cronin moved to adjourn the meeting at 9:40 a.m.; Chairwoman Rice seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk