



REAL PROPERTY COMMITTEE
5:00pm, Wednesday, March 4, 2020
City Hall Conference Room
1207 Palm Boulevard, Isle of Palms, SC

MINUTES

1. Call to order

Present: Council members Buckhannon, Bell, and Popson

Staff Present: Administrator Fragoso, Asst. Administrator Hanna, Attorney Copeland,
Chief Cornett

2. Approval of previous meeting's minutes – February 13, 2020

Council Member Bell made a motion to approve the minutes of the February 13 meeting, and Council Member Popson seconded the motion. The minutes passed unanimously.

3. Citizens' Comments -- none

4. Marina Tenant Comments -- none

5. Old business

A. Update on marina dock rehabilitation project

Kirby Marshall of ATM gave an update on the marina dock rehabilitation project. He reported the regulatory permit from OCRM has been received and they are just waiting on the permits from the Army Corps of Engineers. He is working with Travis from the IOP Fire Department on the fire protection design. They are also coordinating with Brian Berrigan on several design elements of the electrical needs at the site.

Mr. Marshall gave the Committee some information and options concerning the fuel dispensers at the marina. "What we were thinking about was the potential to spread the dispensers out on the fuel to dock to eliminate those long hose lays that could present trip hazards and put the dispensers actually out there with integrated hose reels out on the docks. It would make it a lot simpler for marina staff. It would make it a lot safer and easier access for marina patrons to know where to go, gas, diesel, things like that. However, we just want to be conscious of the infrastructure investment we have already made." The current year-old dispensers cannot be relocated out on to the docks because they are not weatherproof. Tier 1 boating infrastructure grant funding can be used to help offset the cost of the new fuel dispensers. He said, "The total net impact will be about \$30-35,000." Mr. Marshall shared pictures of the proposed dispensers. It is his recommendation to add these to the design and spread the dispensers out along the dock. He said there may be some salvage value with the current dispensers.

MOTION: Council Member Bell made a motion to proceed with the new layout and replacing the fuel dispensers, and Council Member Popson seconded the motion. The motion passed unanimously.

Mr. Marshall then asked the Committee if they would like to purchase a new or reuse the existing marine pump out unit. He said there is a Clean Vessel Act grant “that will pay for 75% of whatever you do with that.” He noted there have been some failures with the current unit. Mr. Marshall added that the Clean Vessel Act pays for the annual maintenance of the unit.

MOTION: Council Member Bell made a motion to pursue the pump out and to pursue grant funding for this portion of the project. Council Member Popson seconded the motion. The motion passed unanimously.

Mr. Marshall then spoke to the electrical design of the project. He reported that redoing the site’s electrical design and purchasing new transformers will add approximately \$60,000 to the project costs. He said it is not necessary, but it will “result in a much cleaner project and site in the long term.” Regarding project financing, Administrator Fragoso said, “We are looking at \$3.3-3.4 million total including contingency, and the way that we have built the first draft of the budget assumes a 20-year term.” She added that the City has the non-standard service fund with Dominion Energy, “which would provide matching funds to the City for undergrounding utility lines.” She has requested further information on that from Dominion Energy. Mr. Marshall added that the new transformers could be integrated to help the new restaurant while cleaning up the property. Mr. Marshall said the final decision for the transformers will be needed sometime in the next few weeks to complete the design process.

Lastly, Mr. Marshall spoke to the Committee about the need for dredging the area. He shared pictures of where dredging could be helpful. He said it would make sense to update the survey of the area and initiate the permitting process to be ready when Wild Dunes is ready to dredge, which may not be for 4-5 years.

B. Update on marina restaurant lease proposal

Administrator Fragoso said she continues to work with John Chalfie and the IOP Families during the extension of the due diligence period as approved by City Council. She said they are currently having discussions with Brian Berrigan on the parking plan for the marina.

C Update on modified beach permit application request for Breach Inlet

Administrator Fragoso said, “The City requested to OCRM a modification to our beach renourishment permit. We had a number of properties that were exhibiting severe erosion in front of their property. Reached out to OCRM for the process by which they could restore the dune that is front of their homes. Normally, if the dune erosion is within 20’ of a habitable structure, the City could issue and the State could issue an emergency order. That is not the case. However, the erosion seems to progress, and they reached out to the State requesting guidance on the process by which they could apply for approval from the State, who is the entity who has jurisdiction, to restore the dune. The State reached out to us and said that the City has an active permit for the beach renourished area and this area, knowing, as you all know, we have also

funds in the budget for a feasibility study knowing that that has been becoming an erosion hot spot. So they recommended that the City submit a modified request to the permit. It doesn't cost the City anything. Rather than each individual property owner submitting an individual permit request to the State. We have done that. That goes through the same process with OCRM, goes through a public notice. The public notice I think ended last Friday or Thursday of last week, and now they will evaluate it from an environmental standpoint and then issue approval of the work. They will have a contractor. The individual property owners are splitting the cost, not the City. They would be pursuing the work in accordance with the permit."

Council Member Bell expressed concern about the City acting as a proxy for private homeowners and worries this will set a precedent. He asked if the City could incur any liability if something goes wrong in the process. Administrator Fragoso said there are several past projects that set precedent for the City to act in this manner. She said, "I think that the City's history has been protecting and preserving and enhancing the dry sand beach. I think when you look at the two beach restoration projects that have been done, they both have been done under the City's permit." She sees it as a positive public/private partnership and notes the owners are acting in a proactive manner in addressing the situation. She pointed out that the City is "facilitating a permitting process to allow them to address the situation faster, earlier rather than later." She indicated the City can be held harmless against liability.

D. Update on Public Safety Building rehabilitation project

Administrator Fragoso said she is close to executing the contract for the Public Safety Building rehabilitation project as approved by City Council. She also reported staff is moving into the trailers and are expecting water hookup by the end of the week. There will be a kickoff meeting with Trident Construction, Coast Architects, and Insight on Thursday.

6. New Business

A. Consideration of rate abatement for MJV due to dock damage

Administrator Fragoso said, "We had a portion of the face dock fail back in May of 2018, and back in April of last year, another section of what we call the restaurant dock, it is on the Morgan Creek side, also collapsed. It is roughly 125' of dock space that Brian has not been able to lease or use because of the damage. I was hoping to have the number for you all today. We will bring that to Ways & Means. We are working through the formulas and trying to decide what that number looks like and the days that he has lost of revenue. We will bring it up before Ways & Means for full Council consideration but know that that is on the pipeline and that is coming your way for consideration." She added that the insurance claim for the damage was denied as it was not due to a named storm.

B. Consideration of temporary management arrangement for restaurant docks at the Intracoastal Waterway

Administrator Fragoso said the portion of the dock in question "historically has been assigned to the restaurant lease tenant." With the closing of Morgan Creek Grill and prior to a new lease being signed, the docks are unsupervised and not being maintained or policed. She said it is

important to have an arrangement that will protect the City from liability from the unauthorized use of the docks. She has spoken with Brian Berrigan about tending to the docks during this interim period. “We are proposing, as an alternative for the City, to enter into a temporary agreement with Brian to supervise and manage these sections of docks.” Administrator Fragoso has had preliminary discussion with Brian about how to structure the agreement on a month-by-month basis and will bring something to the Committee for their consideration. She added, “Our initial thoughts were this could be used for short-term boat slips for residents, and Brian said because it would be temporary, month-to-month, he would not rent for more than a week.”

MOTION: Council Member Bell made a motion “that we entertain entering into an agreement with Marina Operator as to the potential for that for this season on a temporary, month-to-month basis.” Council Member Popson seconded the motion. The motion passed unanimously.

C. Discussion of preliminary results from marina citizen input

Administrator Fragoso shared a preliminary overview of the input received from the community meeting about the marina. She reported that Mayor Carroll has asked for a Special City Council meeting to discuss the results in full. A more complete document detailing the input will be available on the City’s website when it is complete.

7. Miscellaneous Business

The next meeting of the Real Property Committee will be on Wednesday, April 1, 2020 at 5pm.

8. Executive Session

MOTION: Council Member Bell made a motion to move into Executive Session in accordance with §30-4-70(a)(2) to discuss negotiations incident to the proposed contractual arrangements related to the marina restaurant lease and to receive legal advice. Council Member Popson seconded the motion. The motion passed unanimously.

Committee members moved into Executive Session at 6:06pm.

Committee members returned from Executive Session at 6:51pm. No decisions were made.

9. Adjournment

Council Member Bell made a motion to adjourn and Council Member Popson seconded the motion. The meeting was adjourned at 6:51pm.

Respectfully submitted,

Nicole DeNeane
City Clerk