

REAL PROPERTY COMMITTEE
5:30 p.m., Monday, January 12, 2015

The regular meeting of the Real Property Committee was held at 5:30 p.m., Monday, January 12, 2015 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Buckhannon and Loftus, Administrator Tucker, Assistant Administrator Dziuban and City Clerk Copeland; a quorum was present to conduct business.

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

2. Election of Chair and Vice Chair

Councilmember Bergwerf nominated Councilmember Loftus to serve as Chair for the coming year; Councilmember Buckhannon seconded and the nomination was unanimously approved. Councilmember Buckhannon nominated Councilmember Bergwerf as Vice Chair; Chair Loftus seconded and the nomination was unanimously approved.

3. Approval of Previous Meeting's Minutes

MOTION: Councilmember Bergwerf moved to approve the minutes of the regular meeting of November 17, 2014 as submitted; Councilmember Buckhannon seconded and the motion PASSED UNANIMOUSLY.

4. **Citizens' Comments** – None

5. Comments from Marina Tenants

Jay Clarke of Morgan Creek Grill informed the City that he was in the process of drafting a proposed lease amendment for the restaurant; one (1) element will be the lengthening of the lease to continue to invest in property improvements. He anticipates presenting a draft at the February Real Property Meeting.

6. Old Business

A. Discussion of Marina Outpost and Marina Joint Ventures Leases

Administrator Tucker explained that the lease amendments must be passed by ordinance, and the ordinances will be on the January Council agenda; attached to the ordinances will be the amendments to marina leases. The Administrator asked the Committee members review the amendments carefully to ensure that they have accurately captured the will of the Committee; key points to the amendments are the extended term and a clearer delineation of who is responsible for what assets at the site. The City Attorney will advise Council in Executive Session to make sure that all members are clear on the thirty (30) year commitment.

Chair Loftus asked when the documents would be provided to Councilmembers; he wanted everyone to have time to study them prior to the meeting. Administrator Tucker added that the ordinance and amendments are in the hands of Mr. Berrigan's attorney, Gray Taylor, and that he has been told how important it is for him to approve them for distribution to Council.

B. Update on 9th Avenue Handicap Access

Administrator Tucker reminded the Committee that this initiative to improve access for the physically-challenged started as the result of a citizen coming forward asking for more wooden access paths that do not need to be elevated; the concern was that the climb up and down were difficult. At the direction of the Committee, staff looked at every beach access path to determine which could be modified for easier access for the handicapped. Director Kerr then initiated negotiations with DHEC/OCRM concerning ADA requirements they have associated with the height of the dune, etc.

Director Kerr reported that the result of the negotiations was a compacted sand-shell vehicular access that is what OCRM was willing to authorize the City to do; they would not authorize a wooden pedestrian walkway at that lower elevation. In an effort to make the access as low and as easy to access as possible, the City wanted the contractor to flatten the access; this involved scraping sand by the dune to make it lower. When completed, City staff was pleased with the accessibility because the path was very flat, and staff thought it would be easy for the physically-challenged to get to the beach.

Since the completion, neighbors to the path have said that the lower path will provide less protection from a storm surge; as a result, staff looked at the topography of the original path and determined that the new path is twelve (12) inches lower than the original. The goals were to return the path to the same elevation it had originally to provide the same level of protection from a storm and to gradual enough to be easy for persons who are physically-challenged to get to the beach. The cost to raise the new path twelve (12) inches is eleven hundred dollars (\$1,100).

Director Kerr reported that he has spoken with Nels Bullock, the resident who brought the subject of handicap access improvements to the Committee; Mr. Bullock said that the path is much better, but it does not meet the "gold standard" of being a flat, wooden boardwalk.

The Director reported that he reached out again to OCRM to verify that the City has a clear understanding of what they would allow; they responded that they would not permit a ground level, wooden path or alter the dune to get a ground level boardwalk.

Director Kerr reminded the Committee that the 42nd Avenue access remains an access path where staff believes the wooden path can be constructed.

Councilmember Bergwerf voiced her opinion that the City should do nothing at the present because the path is in better shape now with the lower depth of the beach and waves are breaking twenty (20) inches lower. She noted that the beach has recently experienced a high tide under a full moon with wind blowing onshore, and water did not come up to the primary dune.

Chair Loftus commented that cars are now using the path to access the beach; Director Kerr confirmed that to be true. The Director said that he involved Chief Buckhannon to install additional signage saying that vehicles on the beach is illegal; the Chief indicated that there is a

long history of vehicles accessing the beach via the beach access paths, using this and other beach accesses.

Real Property Committee
January 12, 2015
Page 3 of 7

Responding to the Chair's concern about enforcement, Administrator Tucker commented that the incident must be reported to the Police Department or spotted by an office, but a citation would be issued.

Councilmember Buckhannon commented that, any time the City disturbs the dunes, the community does not like it; therefore, anytime the City can put the dune back, it should be done.

Councilmember Bergwerf note that another problem with the 9th Avenue beach access was that it had migrated onto private property and had to be relocated.

Responding to Councilmember Buckhannon's question, the Administrator said that the money to pay for the buildup would come from the same line item for beach access paths from which the sand-shell work had been paid.

Charlie Jones of 819 Ocean Boulevard asked to address the Committee; he said that the old path had been much narrower and, at times, emergency vehicles found it difficult to get across the dune. With the handicap improvements, the path is wider, and he reported that he has watched vehicles accessing the beach via this path. He noted that the sand-shell makes it much easier for vehicles to get to the beach. In his opinion, there will be more problems with the wider path, and he is concerned about a bid storm. On the spring tide, water was within eighteen (18) inches of the road.

Councilmember Bergwerf explained that the wider path was to accommodate both an emergency vehicle and people on the path.

MOTION: Councilmember Buckhannon move to approve \$1,100 to add twelve (12) inches to the elevation of the 9th Avenue beach access; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

C. Status of Public Restroom Replacement

Administrator Tucker reported that she and the Mayor had met with the County staff about the City's desire to replace the public restrooms and to have the County participate in funding the replacement; the Administrator recalled that some members of Council were of the opinion that the County should shoulder the replacement costs one hundred percent (100%). At the meeting, City staff presented all of Liollio's work on the project and all of the information available on the original construction of the public

restrooms that showed the level of County participation in the original construction. Although the County did not commit to funding the construction, they did commit to further look into

Real Property Committee
January 12, 2015
Page 4 of 7

it; they wanted to do some collaborative work and research within the County's resources. The Administrator was pleased to announce that has begun to happen, which is encouraging.

The County has begun to evaluate Liollo's work product and have come back to the City concerning the determinations that the City made related to the fifty percent (50%) rule and how it affects replacement; a meeting between Director Kerr and members of the County staff is planned for later this week to look at that factor. The possibility exists that the County may come back with an alternative recommendation based on things that they know that maybe the City does not, but also to satisfy themselves that what the City concluded is the correct path for replacement of the public restrooms. County representatives have also met with Liollo about this project.

County staff also talked about assembling a team to try to put together a funding package.

6. New Business

Consideration of Planning Commission Recommendation of a Contract Award to ATM for the Marina Redevelopment Plan RFP in the Amount of \$169,000 and to Consider Securing an Updated Appraisal of the Marina

The Administrator stated that the two (2) items were recommendations from the Planning Commission. They reviewed all of the proposals that the City received; they narrowed the search down to two (2) companies; and they brought in the two (2) firms to give presentations relative to their proposals – the two (2) firms were Stantec and Applied Technology and Management (ATM). After hearing the presentations, the Planning Commission was impressed with ATM's proposal and presentation; and, therefore, made the recommendation to award the contract to ATM.

In those discussion, the question of when the marina was last appraised was asked; the last appraisal was in September 1998 just prior to the City's purchase of the marina; the appraised value at that time was four point one million dollars (\$4,100,000). As a result of that discussion, the Planning Commission recommended that the City obtain an updated appraisal of the marina site to know the value if there were considerations of further investment in the marina.

Some discussion of funding occurred, and the Planning Commission learned that the FY15 budget included seventy-five thousand dollars (\$75,000) for a comprehensive plan for marina enhancement. The Administrator explained that, if Council approves the two (2) marina lease amendments, items were budgeted to be done in this year in the marina that would fall to the tenants to do; therefore, funds could be re-allocated if the Committee decides to go forward. Administrator Tucker opined that she did not think the entire one

Real Property Committee
January 12, 2015
Page 5 of 7

hundred sixty-nine thousand dollar (\$160,000) initiative could be completed in this fiscal year, but she did want the Committee that there could be more money available in this year.

The Administrator suggested that, if the Committee wanted to go forward with this initiative, they might want to consider undertaking it in smaller pieces and doing certain parts, rather than the entire thing. Before any decisions are made relative to how to proceed, the Administrator suggested that the Committee invite ATM to hear from them and even give them the task of breaking the project into smaller pieces.

From her attendance at Planning Commission meetings, she felt that the Planning Commission had been impressed with what ATM had to offer; the review of their experience proved that this type of work is their niche and what they are accustomed to do.

Director Kerr reported that the Planning Commission had voted unanimously to award the contract to ATM, and the one (1) dissenting vote was cast for the appraisal.

The Director commented that the Planning Commission was impressed by Stantec's presentation and they believed that Stantec has served the City well, but the Commission also believed that this project was out of the norm for them.

Director Kerr noted that the Planning Commission was aware of the money included in the budget for this project and had received timelines for the work in the proposals that broke up the work throughout the fiscal year. The first four (4) tasks roughly align with what ATM would do naturally and coincide with the FY15 funding, and the next series of tasks would be done in FY16.

The 1998 appraisal cost the City fifty-four hundred dollars (\$5,400); therefore, Administrator Tucker opined that a new appraisal would run seven to ten thousand dollars (\$7,000-10,000) for an equivalent product.

Chair Loftus asked Director Kerr to explain the benefit of an appraisal. The Director said that the idea was that an appraisal would establish baseline data for moving forward; as the initial kickoff of this planning process, the Planning Commission thought

that it would be important to know if there were to be investments in the property and for any kind of decision-making based on that property. For instance, one would not expend a huge amount of money on a project when the property itself is only worth "X." It would also give a benchmark at a specific point in time.

The Chair then asked what benefit an appraisal would mean for the residents; the Director restated that it would be an aid in decision-making.

Real Property Committee
January 12, 2015
Page 6 of 7

Chair Loftus remarked that the value of the marina is somewhere between six and eight million dollars (\$6,000,000-8,000,000) without spending ten thousand dollars (\$10,000) on an appraisal; the Chair added that the City can make decisions about the marina without spending ten thousand dollars (\$10,000).

Chair Loftus had a question about the timing schedule indicating that the parking assessment would be in early March; he expressed the opinion that one could not get a true picture of the parking issues at the marina in March. Any assessment should be done during the peak months of June, July or August.

The Director stated that the Planning Commission felt a degree of urgency in getting something done for the summer of 2015, if it were only a quick and easy interim solution.

The Chair voiced the opinion that that would not be practical; the City and the marina tenants do not want to see work begin in March as the season is gearing up.

Councilmember Bergwerf reporting having read through the entirety of ATM's proposal and stated that she "was not a fan" of spending that kind of money when it is obvious to everyone who goes to the marina that parking is the Number One problem NOW. If the City goes with the consultant, no major changes will be made to the marina for year.

Chair Loftus stated that Mr. Berrigan's consultant had presented a good parking plan that made perfect sense in that it would improve the flow and create additional parking. He recalled that he had supported taking the money budgeted for parking lot upgrades.

Administrator Tucker reminded the Committee that the plan to which the Chair is referring was a half million dollar (\$500,000) project. In her mind the "Catch 22" was that some members of Council do not want to spend money without a plan because what was done might have to be undone to implement what a plan might indicate as the best thing to do.

If everyone is okay with spending money to make the improvement or for the tenant to spend money to make an improvement and it is okay that it may be similar to the way the marina has evolved to-date – one small improvement after another with no long-range plan.

Councilmember Buckhannon noted that this was the third or fourth master plan that has come forward for the marina, some paid for by the City and others not, but there has been no follow through on any of them. He expressed a desire to talk with ATM to get an idea of what they envision for the marina; he added that he was hesitant to spend this amount of money for a plan that the City, then, decides not to go forward with.

The Committee agreed to ask ATM to attend its February meeting and the February Ways and Means Committee meeting.

Real Property Committee

January 12, 2015

Page 7 of 7

The Administrator stated that, between now and the next meeting, she would volley the RFP to the Committee members so that they could familiarize themselves with what the RFP called for since that is what ATM responded to. She commented that she did not think that ATM would have any problem with having it pared down to something else.

The consensus of the Committee was that the City should hold off on getting an updated appraisal of the marina.

7. Miscellaneous Business

Tenant Rents Report

Administrator Tucker reported that all rents are current.

At some meeting, the Administrator had been asked how much it would cost the City to finance some of the marina improvements; Treasurer Suggs generated an amortization schedule for short-term financing of one million five hundred thousand dollars (\$1,500,000). The Administrator noted that such financing would be a taxable initiative; the dollar amount represents the threshold for not having to do the full bond statement.

Chair Loftus asked for a quick update on the beach renourishment project, Administrator Tucker reported that the project is going as planned despite not having extremely favor-able tides for working; the contractor needs two hours before and two hours after a low tide during daylight hours to work.

The City has learned that Ocean Club has received a permit for a wave dissipation device should they need one in the future. They have not yet purchased it, but they appear to contemplate that, in the future, if they were to get into a circumstance similar to what they have recently experienced, they would opt for the dissipation device, not sandbags.

The target date for completion remains unchanged.

Next Meeting Date: 5:30 p.m., Monday, February 9, 2015

8. **Executive Session** – not needed

9. **Adjourn**

MOTION: Councilmember Buckhannon moved to adjourn the meeting at 6:25 p.m.; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted: Marie Copeland, City Clerk