

REAL PROPERTY COMMITTEE
8:30 a.m., Thursday, February 4, 2010

The regular meeting of the Real Property Committee was held at 8:30 a.m. on Thursday, February 4, 2010 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Present for the meeting were Mayor Cronin, Councilmember Stone and Chair Loftus, City Administrator Tucker, Assistant to the Administrator Dziuban and City Clerk Copeland.

1. Chair Loftus 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. Approval of Previous Meeting's Minutes

MOTION: Mayor Cronin moved to approve the minutes of the regular meeting of January 7, 2010 as submitted; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments

Jim Raih, 3906 Cameron Boulevard, expressed his opinion that business is "really dead" at the marina and that the City should explore every opportunity to encourage island residents to use the facilities at the marina.

4. Marina Manager's Report – Brian Berrigan

Chair Loftus reported that Mr. Berrigan would not be attending the meeting today, but Mr. Berrigan had informed him that business had improved in the last month and that he was much more optimistic than in January.

5. Morgan Creek Grill Report – Carla Pope

Clerk Copeland reported that she had received an email from Ms. Pope, who is in Rome, stating that neither she nor Jay Clarke would attend today's meeting and asking that any actions related to the Morgan Creek Grill lease be postponed until the march meeting.

Administrator Tucker asked to go back to the Marina Manager's Report to mention that Mr. Berrigan had spoken with Assistant Dziuban earlier in the morning and that Mr. Berrigan had indicated that he was considering approaching the Committee and City Council about subletting the deli operations in the store. She suggested that it could be a positive move as it could offer opportunities for increased traffic, as Mr. Raih had mentioned, in the off-season and could possibly cut down on the non-compete issues if the party were to be Morgan Creek Grill. The Administrator confirmed Mayor Cronin's thought that Mr. Berrigan could not proceed without the City's approval.

6. Old Business

A. Beach Restoration

Administrator Tucker asked that the agenda be re-ordered to discuss this issue later; the Treasurer is re-working some calculations based on the Special Meeting held the previous evening.

B. Update on Morgan Creek Grill Lease Amendment

Administrator Tucker reported that copies of the original lease, the lease amendment drafted by the City's previous attorney and the motion from this Committee have been sent to Attorney Halversen for her review prior to presenting it to Morgan Creek Grill. Mayor Cronin asked if the legal review would be completed and the draft presented to Morgan Creek Grill to study in time for Committee discussion at the next meeting; the Administrator responded that it was a realistic goal. Administrator Tucker explained that the document would only come back to Committee by way of a report on Morgan Creek Grill's acceptance or rejection or if Morgan Creek Grill wants to make a counter-offer.

7. New Business

A. Consideration of Request from Tidal Wave Water Sports

The Administrator reported that Tidal Wave had withdrawn its request after learning that the repair does not entail a significant cost. She explained that she had reminded them of the terms of their lease prior to their making the written request; she gathered that they had written the letter before determining the expense to repair the damage.

B. Review of Capital Budgets

Administrator Tucker explained that the Real Property Committee has purview for budgets for Beach Restoration and Monitoring, the Isle of Palms Marina and the Front Beach area, including the public restrooms, parking lots and parking meters. As she has done at other Committee meetings, the Administrator informed the Committee that this would not be the only opportunity they would have to address the items on this budget; in April, the revenue budgets would be available to compare to the capital and operating budgets for adjustments that might be required. She noted that she would expect the Committee to make recommendations today and to act to send the adjusted budget to Ways and Means.

As stated earlier, calculations related to beach restoration are in process; she, therefore, chose to begin with the marina.

Isle of Palms Marina

Add handicapped accessible elevator to restaurant \$ 75,000

The Administrator stated that this item was included as her initiative because she believes that, if left entirely to Morgan Creek Grill to fund, it will not happen, and she is very sensitive to handicapped accessibility to all City property. She suggested that, if the City were to get grant funding for a portion, it would be good to have a place holder on the budget so as not to be faced with an unbudgeted expense. Mayor Cronin proposed to strike this from the budget; he stated his opinion that the only the top deck was inaccessible; therefore, the City has met its accessibility requirements and was in compliance. The Committee agreed to moved this expenditure out two or three (2-3) years.

Design, permitting & construction of new water sports/waverunner dock 100,000

Administrator Tucker reported that the tenant has repeatedly made repairs to their docks, which are the original docks from 1999; she stated that the tenant has not requested that the docks be replaced. She explained that this figure was a "guesstimate" to replace in-kind with water, electricity and a covered area. In response to Councilmember Stone's question, the

Administrator said there was no reserve for this work. Chair Loftus suggested that the project be moved out a year because the dock did not appear to be unsafe; he stated his preference to push capital projects to out years and maintain the level of services the City was providing. Mayor Cronin recommended pursuing the design and permitting in this budget; the Administrator said she would leave \$25,000 in FY 11 and move the balance to an out year. She answered Councilmember Stone's inquiry that about income from the entity stating that the income is steady without any costs to maintain.

Mayor Cronin recalled the request from Coastal Expeditions to add floats to the City's docks to facilitate launching kayaks; he questioned that the City could combine that permit request with the permitting for the Tidal Wave docks. Administrator Tucker explained that she would need to know if Coastal Expeditions was still interested, as well as input from Marina Manager Berrigan.

Special Projects

Dredging \$ 300,000

The Administrator explained that the City had no expense for the previous dredging project other than staff and legal time; the City was the permittee and managed the project while the Morgan Creek Association bore the expense. Presently she does not know if the City's timing and that of Morgan Creek Association will coincide. The biggest problem facing this dredging project is that it is unlikely that the Goat Island spoil site will be available; therefore, dredging will be a more expensive endeavor. Administrator Tucker assured the Committee that she would do her best to have this project structured like the last one. She stated that, as a government entity, the City was entitled to partner with the Corps of Engineers and share their spoil site, as opposed to taking the materials offshore to dispose of, which is much more expensive. When Chair Loftus asked if the dredging materials could go to the beach, Chris Jones, the City's coastal engineer, responded that the permitting climate has changed over the past twenty-five (25) years and, of all the alternatives for nourishing the beach, this would be the most difficult to permit and much more difficult to achieve a successful project.

Front Beach Area, including Public Restrooms, Parking Meters and Parking Lots

Replace Benches, trash receptacles, information kiosks 3,500

Administrator Tucker reminded Committee members of an email she had sent encouraging them to walk through the Front Beach from end to end to see firsthand the maintenance that is needed. She reported that paint is coming off some of the benches and some have actually been bent.

Front Beach Lighting Project (replace lights w/LED fixtures) 52,280

Offset by Energy Efficiency Conservation Block Grant (27,998)

These two (2) items relate to a grant the City applied for that is part of the federal stimulus package to improve energy efficiency; the plan is to replace the up-lighting at Front Beach with the more energy efficient LED lighting. The City's match has increased by approximately \$16,000 as a result of reductions to the grant request first at the COG, then at the state and federal levels.

Replace 3 and add 1 parking meter ticket devices purchase in FY05 28,000

Administrator Tucker explained that the City has three (3) handheld devices for issues tickets, which are computer operated and can be downloaded into the system. The existing devices can no longer be repaired and parts are not available; this line item proposes to replace the existing devices with new technology and to purchase an additional one for use when one is being repaired and for use in the busy season. The Administrator justified the expenditure by the fact that manually keying in the parking tickets was more labor intensive than there were personnel to do the work. She urged the Committee to leave this expenditure as it is the continuation of an operation that has been in place since FY05. Chair Loftus recommended the replacement of the existing units but not purchasing a spare unit. The operating system for ticket issuance and collection is connected to a service to which the City subscribes that tracks down the violator for collection as opposed to the labor-intensive process by which City employees track them down.

Administrator Tucker said she would ask Chief Buckhannon to attend the Ways and Means meeting for “a show and tell” on the handheld ticketing devices. Chair Loftus also asked for a comparison on the meter revenue for the past ten (10) years.

Purchase a piece of public art honoring past Councilmembers 7,500
 The Administrator noted that this had been discussed when Councilmembers Rice and Taylor left Council; the cost indicated would be for the artwork and installation. It is envisioned to be similar to the turtles on Front Beach now. Councilmember Stone asked what time period would be covered; Administrator Tucker explained that a piece of artwork would be selected and a plaque, similar to the “Bob Miller Walk” plaque, with language that it was in honor of . . . Mayor Cronin noted that funding would come from the bricks that have been purchased on Front Beach. Chair Loftus suggested continuing with the bricks by having a section of Front Beach dedicated to past Councilmembers; the Administrator stated that past mayors’ names are around the City seal on Front Beach.

Facility Maintenance

Replace street signs, parking signs, poles (approximately 75 signs) 15,000
 Many of the street signs at Front Beach are in poor condition, and these are decorative signs.
 Maintenance of public restrooms, plumbing, electrical, etc. 5,000
 Normal wear and tear
 Annual parking lot maintenance (fill material, grading) 1,000
 Annual occurrence
 Maintain irrigation system for parking lots and Front Beach green spaces 2,500
 Normal wear and tear
 Sidewalk & brick repair on City-owned portion of Ocean Blvd 5,000
 This is decorative brick that is held in place by sand; when heavy trucks roll over them causing one brick to be out of place, they all have to be repositioned.

Beach Restoration and Monitoring

2008 Project post-project monitoring (each January & July through 2011) 65,331
 2008 Project administration 10,000
 Administrator Tucker stated that, globally, staff has plugged in numbers that are expected to be spent for activities for which the City is obligated to do under the 2008 project.
 2008 Project escarpment grading (4 times per year) 1,800
 Escarpments greater than 18 inches must be knocked down
 2008 Project tilling 22,000
 If the sand is compacted too hard, it is considered to be unnatural and is difficult for turtles to dig their nests, so the City is required to till it.
 Ongoing monitoring of shoreline/long-term beach management 50,000
 Establish reserve for future each restoration projects 100,000
 Address focused erosion in 2008 Project area (est City portion @ 20%) 350,000
 The Administrator explained that this estimate was based on the most expensive option for addressing the focused erosion, but City Council chose the scraping project, which is less expensive. Based on the City’s participation in the 2008 project, which was roughly 20%, the City’s cost for the scraping project, totalling \$500,000 plus permitting, contract administration, engineering, etc, should be \$140,000. Mayor Cronin commented that the project could be done with funds on-hand, but Administrator Tucker advised that the prudent action would be to retain the place holder since the stakeholders have not be contacted.

Chair Loftus voiced concern that the budget did not reflect spending for additional plantings in the restoration area; Assistant Dziuban reported that the plants that were sub-standard and not flourishing were replaced last week. If Mr. Jones has time today, he will visit that area of the

beach to determine the replacement plants are what the City wants. The second sand fencing project that City Council authorized at the end of 2009 to be executed by volunteers with donated materials is tentatively scheduled to begin February 19, 2010. She stated that she was unaware of any plans for work in the restoration area beyond these two (2).

MOTION: Mayor Cronin moved to recommend the amended budgets for the Beach Restoration Project, the Isle of Palms Marina and the Front Beach area to the Ways and Means Committee; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.

C. Review of Projects Greater than \$250,000

Assistant Dziuban explained that this was a project list last reviewed by City Council in 2007; it contains projects that have been recommended by Councilmembers, staff and citizens. By asking that each committee review and prioritize the list, staff is aware of what Council believes to be important to the future of the City and can be watchful of grant possibilities should they become available.

Councilmember Stone recommended that an elevator Morgan Creek Grill should be added to the list; as to the swimming pool, he stated that there were many residents of the island who were not interested in spending tax money for this project. He suggested that one way to have a pool on the island would be to put it out to bid for a private entity to construct and operate on land leased from the City.

As to the drainage study by E.M. Seabrook in the 1990s, Mayor Cronin thought it would be more useful to have drainage issues broken down into "bite-sized" pieces based on the City's knowledge of the problem areas.

Chair Loftus thought the roundabout at 41st Avenue should be removed; he referenced comments by SCDOT that a roundabout would actually slow traffic movement through the intersection.

Mayor Cronin commented that there could never be enough money in the Disaster Recovery Fund; he inquired whether, as long as the City has unallocated balance in the Accommodations/Hospitality Taxes funds, those funds could be used in a recovery effort should the City experience a natural disaster. Administrator Tucker responded that the City would have to be very careful in the accounting of the funds, but, if the City faced that circumstance and needed money, those funds could be drawn upon. The Mayor stated that he was comfortable with a Disaster Recovery Fund of one million eight hundred thousand dollars (\$1,800,000) because there is approximately two million dollars (\$2,000,000) with the addition of the Accommodation/Hospitality funds. Administrator Tucker reminded the Committee that the City has contractual obligations a portion of which are being paid for out of the Accommodations Taxes' stream; should the City experience a disaster and that stream is interrupted, the bond agencies might view the those reserves as the reserve to pay those debts until such time as the stream was healthy again.

Chair Loftus suggested that bicycle paths along Palm Boulevard be added to the list of projects.

The Committee prioritized the list as follows:

1. Beach Restoration;
2. 54-57th Avenue drainage;
3. Marina dredging;
4. Drainage outside Wide Dunes, 46th-53rd Avenues; and
5. Disaster Recovery Fund.

D. Consideration of Award of Contract in Excess of \$10,000 – None

8. Miscellaneous Business

Next Meeting Date: 8:30 a.m., Thursday, March 11, 2010

9. Adjourn

MOTION: Mayor Cronin moved to adjourn the meeting at 10:14 a.m.; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk