

## **REAL PROPERTY COMMITTEE**

4:00 p.m., Thursday, March 8, 2018

The regular meeting of the Real Property Committee was held at 4:00 p.m., Thursday, March 8, 2018 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of palms, South Carolina. Attending the meeting were Councilmembers Ferencz, Ward and Bell, Administrator Tucker, Assistant Administrator Fragoso and Clerk Copeland; a quorum was present to conduct business.

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

### **2. Election of Chair and Vice Chair**

Councilmember Ferencz nominated Randy Bell as Chair of the Committee and Councilmember Ward seconded; the vote unanimously supported Councilmember Bell as Chair.

Chair Bell nominated Councilmember Ferencz to be Vice Chair; Councilmember Ward seconded and the vote unanimously supported Councilmember Ferencz for Vice Chair.

### **3. Approval of Previous Meeting's Minutes**

**MOTION: Councilmember Ward moved to approve the minutes of the regular meeting of February 8, 2018 as submitted; Councilmember Ferencz seconded and the motion PASSED UNANIMOUSLY.**

**MOTION: Councilmember Ward moved to re-order the Agenda to address Old Business Item D at this point in the meeting; Chair Bell seconded and the motion PASSED UNANIMOUSLY.**

### **6. Old Business**

#### **D. Update on the Marina Bulkhead Rehabilitation Project and consideration of a Change Order from Martin and Son Contracting, Inc.**

Administrator Tucker reported that the Bulkhead Rehabilitation Project was underway, and she introduced David Osgood from Johnson, Mirmiran & Thompson, Inc. (JMT), the consulting firm that assisted the City with the design of the rehabilitation project and was supervising the construction. Documents were included in the meeting packet to the possible Change Orders for the project; the Administrator asked that Mr. Osgood review the individual items that are included in the request.

Mr. Osgood stated that the Change Order includes unforeseen conditions and requests for additional work from the marina store and the marina restaurant; the JMT recommendations were based on four (4) criteria, i.e. legitimate unforeseen conditions, recommended for engineering concerns, recommended for cost benefit purposes and not recommended. A copy of the JMT recommendation is attached which details which items in the Change Order fall under each criteria.

Responding to Councilmember Ferencz, Assistant Fragoso said that the FY18 budget for the bulkhead rehabilitation was three hundred fifty-six thousand five hundred dollars (\$356,500), but

the contract came in at two hundred eighty thousand seventy dollars (\$280,070) leaving seventy-six thousand four hundred thirty dollars (\$76,430) in the budget.

**MOTION: Councilmember Ward moved to approve the amount requested and recommended by the project consultant JMT; Chair Bell seconded and the motion PASSED UNANIMOUSLY.**

#### **4. Citizens' Comments**

Scot Cagle, 2 – 19<sup>th</sup> Avenue, expressed his concern over the condition of the docks at the IOP Marina and that discussion of whether to replace or repair them would occur at this meeting. He offered that, as a death and injury lawyer, the docks “are not ADA compliant in any way” and that repairing the docks was not going to solve the problems.

#### **5. Comments from marina tenants**

Jay Clarke, owner of Morgan Creek Grill (MCG), informed the Committee that he was not going to replace the walk-in cooler at this time because, for the restaurant, the tourist season has already begun. He then asked that the docks taken from the restaurant in the lease renewal be re-assigned to MCG; he stated that, contrary to recent comments, the restaurant has maintained them properly and they were well used by its customers. On the subject of the bulkhead rehabilitation, Mr. Clarke stated that the contractor had agreed to begin the construction in the MCG area of the marina, but he hoped the contractor could keep the noise down to a minimum after 11:00 a.m. because it is very loud and very disruptive.

Chair Bell asked when the bulkhead rehabilitation was to be completed, and Assistant Fragoso replied that the completion date stated in the bid was April 15<sup>th</sup> in an effort to keep any disruption to marina businesses to a minimum.

Administrator Tucker asked Mr. Clarke if he knew whose boats were occupying the docks previously under the restaurant’s purview; he answered that he did not, but would inquire and let her know.

Marina Manager Berrigan addressed the Committee relative to Mr. Cagle’s comments; he stated that he thought it to be common knowledge that the docks on the Morgan Creek Side of the marina were “in extremely bad shape.” ATM, in its assessment of the docks, noted that they were “way past their useful life” – some of these docks pre-date Hugo; Mr. Berrigan said that he has been putting band-aids on them for twenty (20) years. He reported that Chief Graham has complained about them for, at least, the past five (5) years, and an independent engineer he hired also assessed them and recommended they be replaced. He told the Committee that he would not support anything less than replacement of the docks on Morgan Creek. He noted that he was concerned about the liability posed by non-compliance with ADA requirements.

#### **6. Old Business**

##### **A. Discussion of parking, such as offering an hourly rate at the Municipal Parking Lot**

Assistant Fragoso stated that, after 4:00 p.m., people parking in the lots can pay an hourly rate.

Chair Bell indicated that he did not know how the Committee wanted to approach this issue – in the completeness of parking or band-aid this particular issue.

Councilmember Ward stated that this issue needed to be dealt with since the parking season has already begun, i.e. the meters have been uncovered and are operational. He opined that the actions of the past Council appeared to turn people away from parking in the municipal parking lots with the set ten dollar (\$10) fee. He said that he would like to see the kiosks in the parking lots changed to an hourly rate with a maximum for all day; he suggested a dollar (\$1) per hour to a maximum of eight dollars (\$8) per day.

Administrator Tucker stated that the on-street kiosks at Front Beach have an hourly rate of a dollar and a half (\$1.50) per hour to encourage turnover for the businesses and restaurants; she recalled that the contractor who leased the lots had only a daily rate to be consistent with the County Park.

Councilmember Ward asked that staff investigate the requirements to transition the kiosks to an hourly rate and the cost to do so.

Councilmember Ferencz stated that the per-hour rate should be the same in the parking lots and on the street.

Chair Bell pointed out that going to an hourly rate would be consistent with the City of Charleston, who made the change to encourage turnover for the City's restaurants and businesses. He also did not think the City should establish a maximum rate for a day at the beach.

According to the Administrator, the lots are monitored from 8:00 a.m. to 8:00 p.m., and she thought the on-street kiosks charged for parking all the time, but she would need to check to be sure.

Councilmember Ward also thought that Liz Miller at 1010 Ocean had a credible request to eliminate vehicular parking on the ocean-side of Ocean Boulevard between J.C. Long and Pavilion Drive and to make those thirteen (13) parking spaces active loading zones for the restaurants and businesses at Front Beach.

Administrator Tucker noted that loading spaces do exist at Front Beach, but they are frequently full so that other delivery trucks stop in the middle of the street.

Chair Bell asked that, in addition to the research Councilmember Ward had request, that staff review the minutes of that meeting and look into the feasibility of her request.

**B. Clarification on approach to permitting for the replacement/repair of the marina docks**

Chair Bell stated that the item on the Ways and Means agenda appeared to be the waterside improvements described in the marina referendum, and that was not the intention of the Committee; therefore, Chair Bell put forth a motion to send the matter back to the Committee for clarification. He stated that no one planned to put band-aids on the dock issues at the marina, but the Committee wanted an assessment to know where repair made sense and to fully understand what that would mean and where replacement was needed and what that would mean, and then to obtain the right bids to do exactly what needed to be done. One (1) thing that must be done is to figure where it would fit into the budget process; the marina debt will soon be paid, freeing up money to re-invest in the marina. The City might not be able to get to all of it this year,

but the City will be going into the budget process for FY19 and the Chair would like to know what the City would need to do and to do it.

Councilmember Ferencz said that the Council was not going to look to the referendum plan but look at what must be done right away and how additional work could be phased.

The Chair called it “an executable phased plan.”

In Councilmember Ward’s opinion, if the City did not have a set of priorities of what work needs to be done, it had to get such a list as quickly as possible.

From reviewing ATM’s assessment of the docks, Councilmember Ferencz was unable to ferret out where the emergency areas are located; she said that the City could not tear out and replace all of the docks at one time.

Since the season is rapidly approaching, the Chair stated that he did not think much work could be accomplished in FY18, but the information was needed to prepare the budget. He suggested that the Committee work with Mr. Berrigan about whom the City should bring in to do the assessment, and then put the work out to bid.

The Administrator explained the challenges she was facing in order to carry out the wishes of the Committee, and they were the benefit of engineering expertise to identify these things, to put together a plan and to work with the City to get either a maintenance and repair permit or a replacement permit. She stated that, until the City has procured that expertise, it will continue to speculate, and meanwhile time will be going by, and the City will not have the documents prepared to go forward with permitting or to budget to identify the phases whether the work was done by ATM or another engineering consulting firm. Until the City takes these steps, she was unable to deliver the wishes of the Committee.

Chair Bell said that, when the Committee approached ATM last time, it hoped to leverage the work they had already done to get a reasonable price for their applying for the permits, and he saw their proposal as a twenty-four thousand dollar (\$24,000) bid for permitting Phase II of the marina referendum. He opined that ATM should be able to go through what the Committee has discussed and come forward with a simple, basic plan the City could execute without hiring someone else.

The Administrator recalled that the prior discussion centered on the City being told that the permitting process could take a year and the City needed to move forward with that process because every day the docks were getting in poorer condition. The proposal ATM provided was to do the kind of thing being discussed now and to put together the documentation and submit them for a permit; therefore, she did not think they would change their number. If the Committee wanted staff to put together another Request for Proposal and put it out for bid to see what the pricing would be from other firms, it would take about three (3) weeks; firms interested in the task would have the benefit of ATM’s work product. Allow another couple of weeks for the proposals to come in and be evaluated to bring them to the Committee for consideration.

The problem Council had with the way the ATM proposal appeared on the Ways and Means Agenda, in the Administrator’s opinion, was the staff’s habit of identifying the place in the budget from which the funds would come for the action; the only place in the FY18 budget that could cover was the money identified for design services for the marina enhancement project. She

thought that people interpreted it to mean that the City was moving forward with the plan described in the referendum.

**MOTION: Councilmember Ward moved for staff to prepare a Request for Proposal for engineering expertise to begin the permitting process for the necessary work on the marina docks; Chair Bell seconded.**

Councilmember Ferencz added to review and make recommendations for repair and/or replacement of all the docks at the marina.

The Administrator suggested that the Committee take it to the next level to move forward with the permitting process.

Councilmember Ferencz added that the project was to be one (1) of replacement of the docks in their present configuration.

The complication with that was that to come into ADA compliance might require that some things be moved around.

Councilmember Ferencz reiterated that the City was not reconfiguring the docks, but making whatever changes were needed to come into compliance for safety and ADA.

**VOTE: The motion PASSED UNANIMOUSLY.**

**C. Discussion of unattended Waterway docks**

In Chair Bell's opinion, the worst circumstance was for the docks to be unattended, and his recommendation was to re-assign them to Morgan Creek Grill for this season.

**MOTION: Chair Bell moved to re-assign the unattended Waterway docks to Morgan Creek Grill for the 2018 tourist season; Councilmember Ward seconded and the motion PASSED UNANIMOUSLY.**

Administrator Tucker reminded the Committee that to allow MCG control of the docks for a season would require an amendment to their lease.

Referring again to the marina, Councilmember Ward stated that he wanted to see the finances at the marina handled differently in the future; he wanted a significant amount of money to be set aside each year for marina maintenance and upkeep.

**D. Dealt with earlier in the meeting**

**E. Update on the Front Beach walkover and restroom renovations**

Director Kerr reported that the contractor has built the substructure for the walkway and has begun putting on the decking; he considered that part of the project seventy-five percent (75%) complete. The restroom renovations are approximately fifty percent (50%) complete, but the Director was confident that the contractor would complete the project by the end of April.

**7. New Business**

- A. Considerations for the IOP Marina**
- 1. Site parking as related to current lease(s) and/or City ordinances/Code for the 2018 season**
  - 2. Request for Marina Manager to report for the April Real Property Committee meeting “business count” of total site leases and agreements that occupy and/or operate on City marina property with a view to understand capacity impact on 5.123 acre site**
  - 3. Marina Manager’s 2018 plans for residential and non-residential launch fees and seasonal launch passes**
  - 4. Plans for resident slip availability**

Chair Bell acknowledged that the City has a crowded marina, and four (4) primary leases, i.e. Tidal Wave Watersports, Morgan Creek Grill, the Marina Outpost and marina management, and obligations under those leases to provide a specific number of parking spaces to those entities. He reported that the Public Safety Committee passed at its meeting last week the elimination of trailer parking on Waterway Boulevard by residents and non-residents; parking will still be allowed on 41<sup>st</sup> up to Sottile. He also noted that the City had pushback from residents on 27<sup>th</sup> Avenue about the Morgan Creek Grill employees being loud and raucous when they got off work late at night. He said that he wanted a clear understanding for the Committee where the City is today knowing what has to be done.

The Chair asked that the Marina Manager provide for the April meeting a business count for the businesses operating at the marina and his plans for residential and non-residential launch fees and marina decals, as well as resident slip availability.

**MOTION: Councilmember Ferencz moved for the four items listed on the Real Property Agenda under “Considerations for the IOP Marina” be adopted and reported on at the April meeting; Chair Bell seconded and the motion PASSED UNANIMOUSLY.**

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- B. Request for the IOP Police Department to present at the April Real Property Committee meeting plans to alleviate traffic control issues relative to the use of the IOP Marina site.**

**MOTION: Councilmember Ward moved for the IOP Police Department to present plans to alleviate traffic control issues relative to the use of the IOP Marina site; Councilmember Ferencz seconded.**

Councilmember Ferencz stated that the plans needed to include personnel required and financial implications; the Committee wants to know that the people who do traffic control for the Police Department to take control of the ingress/egress of the marina site.

Administrator Tucker said that she would get with Chief Buckhannon, but she stated that unless the tenants want that to happen, there could be ramifications with the leases.

**VOTE: The motion PASSED UNANIMOUSLY.**

**8. Miscellaneous Business**

All City tenants were current with their rent.

**Next Meeting Date: 4:00 p.m., Tuesday, April 10, 2018 in the Conference Room**

9. **Executive Session** – not needed
10. **Adjournment**

**MOTION: Councilmember Ward moved to adjourn the meeting at 5:10 p.m.;  
Chair Bell seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk