



SPECIAL CITY COUNCIL MEETING
1:00pm, Tuesday, November 3, 2020
Virtual Meeting via Zoom call due to COVID-19 Pandemic
broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>

MINUTES

1. Call to order

Present: Council members Buckhannon, Bell, Smith, Popson, Streetman, and Pounds, and Ward, Mayor Carroll

Staff Present: Administrator Fragoso, Asst. Administrator Hanna, Attorney Hinchey, Treasurer Suggs, various department heads

Also present: Jon Chalfie, John Bushnell and Dave Lorenz, Bryan Kitz

2. Purpose

Mr. Jon Chalfie gave a timeline of events leading to the lease being considered for a new restaurant at the Isle of Palms Marina. He also reviewed some highlights of the lease and key points of the deal with the Isle of Palms Families Group that will be renovating and operating the restaurant space at the marina. His presentation can be found on the City's website alongside this agenda.

Mr. John Bushnell and Mr. Dave Lorenz of the IOP Families Group shared how they came to the decision to answer the RFP for the marina restaurant space as well as their vision and concepts for the restaurant, including indoor and outdoor seating and a bar and menu for "reasonably priced items and casual dining." They also reviewed the extensive amount of work that needs to be done to the current building prior to its proposed opening in the Summer of 2021. Their presentation can be found on the City's website alongside this agenda.

City Council members asked clarifying questions of Mr. Chalfie, Mr. Bushnell, and Mr. Lorenz. Mr. Lorenz said he not a fine dining restaurant owner, so the food will remain affordably priced. They view the dock as additional parking and hope that people will stop to enjoy the restaurant along their drive on the ICW.

With regards to comments about the public's concern that the City is subsidizing this venture, Mr. Lorenz said he believes there is a lot of misinformation about the deal in the public, adding that they are putting up a significant amount of money to renovate and revitalize a city-owned asset. Mr. Chalfie shared that the building's current condition is the main reason why the City did not receive more responses to its RFP. The IOP Families Group reported on the expenses they have already incurred to this point including attorney, architect, designer, and structural engineering fees.

Administrator Fragoso reported on the parking agreement reached between the City, the IOP Families Group, and Marina Joint Ventures: “We talked about how complicated the parking conversation has been throughout this whole process mainly due to the fact that we are dealing with a lease that predates most of us. It is sort of set in stone. We have to maneuver and negotiate through that. The marina manager and Marina Joint Ventures lease does require the tenant to provide free employee parking to all tenants and to tenant employees. However, the restaurant group felt it important to have control and have exclusive use of this parking for employees. I think John Bushnell talked about how important it is to ensure that when restaurant employees show up for work they do have a place to park. We can go look into the history of the relationship and the issues we had with the former tenant and not finding appropriate space. I guess the ambiguities on the existing lease that we are working around due to the fact that it doesn’t spell out how many parking spaces need to be provided for employees. So that is the reason why it is very beneficial for both parties to work on a parking agreement that works for the benefit of both parties.”

Of Ordinance 2020-13, Administrator Fragoso said it is a “very limited amendment” to the “employee parking to protect the restaurant in the event that the parking agreement between those two parties is terminated, we will still have a way to protect and provide employee parking to the restaurant” whether it is the IOP Families Group or another tenant.

Administrator Fragoso added that the South Carolina Freedom of Information Act “does protect contractual agreements and contractual negotiations from being done in the public sphere, and just like the nature of any contract, any negotiation, there is value in not sort of showing your hand basicallt. So that is why it is protected and is exempted from those disclosure laws, and that is the reason why City Council had Executive Sessions because every time there was any discussion that needed to be shared with the group was done and was presented to the full body. No decisions were made in Executive Session. No decisions were made by staff without sharing it and getting approval from the policy setting group.

Mr. Bryan Kitz, Real Estate Attorney with Haynsworth Sinkler & Boyd, said the lease has been heavily negotiated between both parties. He said, “I think that it is worth noting here that the landlord, the City, has fairly comprehensive oversight and approval of pretty much the entire construction process, and I would point to everyone’s attention to Exhibit E, which is the work letter which is signed along with the lease, and the City’s entitled to review preliminary site plans, preliminary project budget cost estimates, the actual build-out estimates, and the final construction plans and specifications. So the City’s thumbprints are all over this. The obligation to actually build out the tenant space, to engage the contractors and complete construction is entirely on the tenant, but the City does have fairly comprehensive oversight of that process.”

The City’s oversight allows them to reject it at any point in the process. Much of the approval process will be handled by City administration and the Building Department. Conceptual designs will be shared with the Real Property Committee, City Council, and posted for the public to review. Mr. Chalfie noted that the city has the right to cancel the lease if the building does not meet expectations.

MOTION: Council Member Ward made a motion to defer the second readings of Ordinance 2020-12 and Ordinance 2020-13 until the November 17 Ways & Means Committee meeting so the public has an opportunity to review the lease. Council Member Buckhannon seconded the motion.

MOTION: Council Member Streetman made a motion to amend the meeting date to Tuesday, November 10 and to open the meeting up to public comments. Council Member Pounds seconded the motion.

Council Member Ward said, “For the record, if I had my way, I would find some way to postpone the decision on this matter until the City was open for business. Meaning that we were back in City Hall and people could come and make comments about this.”

After some discussion, it was determined the meeting would be held at 6pm to accommodate public participation.

VOTE: The vote on the motion to amend passed unanimously.

VOTE: The vote on the original motion as amended passed unanimously.

3. **Executive Session** -- none

4. **Adjournment**

Council Member Buckhannon made a motion to adjourn and Council Member Bell seconded the motion. The meeting was adjourned at 2:27pm.

Respectfully submitted,

Nicole DeNeane
City Clerk