City Council
6:00 p.m., Tuesday, July 26, 2022
Council Chambers
1207 Palm Boulevard
Isle of Palms, South Carolina

Public Comment:
All citizens who wish to speak during the meeting must email their first and last name, address, and topic to Nicole DeNeane at nicoled@iop.net no later than **3:00 p.m. the business day before the meeting.** Citizens may also provide public comment here: https://www.iop.net/public-comment-form

Agenda

1. **Introduction of meeting** and acknowledgement that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.
   a. Invocation b. Pledge of Allegiance c. Roll Call

2. **Citizen's Comments** – All comments will have a time limit of three (3) minutes.

3. **Special Presentations** – Introduction of new City employees.

4. **Approval of previous meetings' minutes**
   a. City Council Workshop – July 12, 2022
   b. City Council Regular Meeting – June 28, 2022
   c. Special Council Meeting – June 28, 2022
   d. Special Council and Planning Commission – June 21, 2022
   e. Special Personnel Committee – June 21, 2022
   f. Ways and Means Committee – June 21, 2022
   g. Public Works Committee – June 8, 2022
   h. Real Property Committee – June 6, 2022
   i. Recreation Committee – June 6, 2022
   j. Public Safety Committee – June 2, 2022
   k. Personnel Committee – June 1, 2022

5. **Old Business**
   a. Discussion and consideration of hosting several public listening sessions to receive input from residents regarding proposed regulations of short-term rentals
   b. Consideration of Charleston Visitors Bureau proposed FY23 budget for the expenditure of the state ATAX – Presentation by Helen Hill
   c. Discussion and consideration of disclosing the list of nine (9) due diligence items requested by the City related to the marina leases assignment
   d. Discussion of consent of marina assignments to Morgan Creek LLC and proposed amendments to the marina store and marina operations leases
   e. Discussion of date for Council mid-year retreat

6. **New Business**
   a. Consideration of proposed changes to the annual leave accrual policy and addition of the day after Christmas as an observed holiday *[Strategic Plan Priority 6, Goal a &b]*
   b. Consideration of purchase of F-150 replacement for Public Works Department [FY23 Budget, State ATAX, Public Works - $37,000 State Contract]
   c. Consideration of proposal for the management of shared parking lot at the Marina
   d. Discussion and consideration of commissioning a mural for the Public Work Workshop

7. **Boards and Commissions Report**
   a. Board of Zoning Appeals – minutes attached
   b. Planning Commission – minutes attached
   c. Accommodations Tax Advisory Committee – minutes attached
   d. Environmental Advisory Committee – minutes attached
      i. Consideration of 1 year proposal from Fisher Recycling in an amount not to exceed $10,000 for collection and recycling of glass *[Strategic Plan Priority 5, Goals a-d]*
      ii. Consideration of recommendation to adopt an ordinance prohibiting holes landward of the high tide on the beach and requiring holes to be filled in

8. **Ordinances, Resolutions and Petitions**
   a. Second Reading
      i. **Ordinance 2022-06** – An ordinance to present a referendum question to the citizens of the Isle of Palms at the next general election on the question of whether the electors approve reducing the size of City Council from a Mayor and 8 Council Members to a Mayor and 6 Council Members.
      ii. **Ordinance 2022-05** – An ordinance authorizing the amendment and assignment of Marina Outpost, LLC., Inc. to Morgan Creek Marina, LLC
      iii. **Ordinance 2022-04** – An ordinance authorizing the amendment and assignment of Marina Joint Ventures, Inc. to Morgan Creek Marina, LLC
   b. First Reading – None
   c. Resolutions and Petitions – None

9. **Executive Session**
   a. Executive Session pursuant to S.C. Code §30-4-70(a)(2) to receive legal advice related to potential claims concerning alterations to Isle of Palms zoning districts.
   b. Executive Session pursuant to S.C. Code §30-4-70(a)(2) for the discussion of negotiations incident to proposed contractual arrangements related to the marina.
   c. Executive Session pursuant to S.C. Code §30-4-70(a)(2) to receive legal advice related to discussion and consideration of disclosing the list of nine (9) due diligence items requested by the City related to the marina leases assignment.

   Council may take action on matters discussed in Executive Session upon returning from Executive Session.

10. **Adjournment**

SPECIAL CITY COUNCIL - WORKSHOP
5:00pm, Tuesday, July 12, 2022
1207 Palm Boulevard, Isle of Palms, SC
broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to order**

Present: Council members Bogosian, Hahn, Anderson, Ward, Streetman, Pierce, Miars, Popson and Mayor Pounds

Staff Present: Administrator Fragoso, Director Kerr, various department heads

2. **Citizen's Comments**

Ed Valle, Carolina Boulevard, spoke about the recent presentation of recommendations from the Planning Commission regarding short-term rentals. He said he does not believe the case has been made for a cap. He does not want there to be a change across the entire island because of what is happening in the area labeled Zone 2.

3. **Dashboard of City Operations**

Administrator Fragoso presented highlights of City activities for June. Revenues have been exceeded in all main budget categories. Tourism, property taxes, and licenses and fees are significantly higher than budgeted. Actual expenses are running below budget. The main driver for the difference between budget and actual is the shift of Phase 3 Drainage expenses into FY23.

The amount of parking tickets written is at 50% of what it was this time last year. Driving that change were several weekends with technological challenges where the kiosks and parking apps were down, so the Police Department intentionally did not write a lot of tickets for time expired. Additionally, the Text-to-Park option has resulted in less violations. The delineated parking spaces along Palm Boulevard have also led to less parking infractions. Council Member Hahn would like to see more people writing tickets. Administrator Fragoso said staff is evaluating outsourcing all of the parking to a third party next year. She said the pay rate for BSOs has been adjusted several times and there is still one opening for that position.

Public Works collections are slightly below where they were last year.

The significant jump in Recreation Department registrations is due to the availability of online registration as well as the volume of summer campers is back to where it was pre-Covid.

Of note from the Building Department is the construction value permitted for the first half of 2022 is $90M compared to $117M for all of last year. Thirty new homes have been permitted

and there is a 7% increase in the number of short-term rentals that have been licensed as compared to last year. Permits for 30 new homes have been given out so far this year when there were 49 for all of last year.

Council Member Anderson shared some aesthetic corrections that could be made to the charts on the dashboard to help with readability and consistency.

4. **Departmental Reports**

Captain Swain reported that the 4th of July was largely successful for the Police & Fire Departments. The exodus of traffic from the island went well. He thanked Mt. Pleasant Police for their help with the green light cycle at Rifle Range Road. Personnel participated in Coffee with a Cop and two community events in June. There were 45 arrests, 411 traffic stops, 11 drug charges, and two gun violations in June. Of the 148 traffic citations written, 13 were for DUI. Calls for service and traffic collisions were up in June compared to last year. There are three vacancies in the police department. The full-time Code Enforcement Officer started today, and they are still looking for someone to fill the part-time position. There is also one vacancy in Communications.

Director Page is the RFP for the basketball and pickleball courts received no response. They did receive feedback from some interested parties, and the RFP will be reissued in August. There were 53 teams for the Sand Sculpting event. The Beach Run will be July 23. Farmer's Markets will continue to be held on the third Thursday of the month through October.

Director Pitts said vehicle maintenance will finish the year under budget. He reported that backyard service in Pelican Bay will be eliminated by September 1. He also said that another commercial dumpster will be added to Mariner's Walk soon. Both of these changes will create efficiencies and help keep down labor costs. Public Works will also be working on upgrading and remodeling at the City compactor.

Council Member Popson said he would like to see something done to enhance the exterior of the Public Works building, specifically the side facing the Connector.

Chief Oliverius reported that there were 140 calls for service in June and 25 of those were water/beach related calls. For the second year in a row, the department received the Fire Safe South Carolina Award, which is a community risk reduction initiative by the State. Fire personnel participated in summer camp at the Recreation Center, vacation bible schools, and the Farmer's Market. He said the police and fire departments have participated in a several shared training opportunities in June.

Council Member Hahn noted significantly more calls for service relating to non-residents. He asked Chief Oliverius if he anticipated an increase of calls for service in "Zone 2" as there are more short-term rentals in that area. Chief Oliverius said that while they do not look at the data at that granular of a level, he will review data from the previous few years more closely to see what he could discern. He also said their new RMS will able to help them track that sort of information going into the future.

Council Member Streetman encouraged everyone to look at the in-depth reports provided by the department heads online.

5. **Strategic Plan Policy Initiatives and Priorities**

Mayor Pounds reviewed the City's mission and vision statements.

A. **Livability**

i. Discussion of short-term rental regulations [*Priority 4, Goal a*.]

(1) Presentation by Brumby McLeod, Ph.D. Riley Center Research Fellow, Associate Professor and Chair of Department of Hospitality & Tourism Management, School of Business, College of Charleston

Dr. McLeod suggested the Council be cautious about setting a cap on short-term rentals. He said the bigger challenge on IOP is the volume of daytime excursions. He sees no issues with the current short-term rental situation on the island. He suggested focusing on locating the unauthorized rentals. Council Member Bogosian said if the Council and residents set a vision for the island of the "1/3, 1/3, 1/3" split as it has been for some time, then why not set a cap to ensure that makeup moving into the future. Council Member Anderson said she did not support setting limits but wants to focus on addressing and maintaining the character of the island.

Council Member Miars asked if there have been legal challenges to caps in other cities. Dr. McLeod said there have been. He also said setting a cap could invite legal action from the State.

Dr. Brumby said the most effective way for cities to handle short-term rental concerns has been through auditing the licensing process and keeping tracking of who was doing what. Too much regulation, such as occupancy and counting cars, does not work as well.

Council Member Pierce said that making zones would be like picking winners and losers. He would like to see a cap for the island and then let the market determine where the rentals will be.

When asked about the effect of short-term rentals on property values, Dr. McLeod said, "There is strong evidence in housing research that allowing short-term rentals increases housing investment." He used Canonborough-Elliottborough as an example where it has become a "very hot and trend-setting neighborhood" in the past 10 years. He said cities do better when they engage the tourism economy because it is "shapeable."

B. **Environmental**

i. Update from the Environmental Advisory Committee [*Priority 5, Goals a-d*]

Director Kerr reviewed the recent work done by the Environmental Advisory Committee to help prevent holes from being dug and left open on the beach. He believes there will be a new recommendation coming out of that committee this week in response to the changes they were asked to consider by the Public Works Committee.

He also reported that the Committee is backing off the idea of asking City Council to sign a climate change resolution and instead consider a strong educational campaign about climate change for the public.

ii. Discussion of proposal from Fisher Recycling for collection and recycling of glass [*Priority 5, Goals a-d*]

The Environmental Advisory Committee is also considering a proposal from Fisher Recycling to put two glass recycling bins on the island. Isle of Palms would be the first local city to recycle glass if this is approved. The glass is used to create countertops. The $9500 annual cost to have the bins emptied could be offset by grants.

C. **Public Services**

i. Updated on SCDOT's IOP Connector study [*Priority 1, Goals a & b*]

Administrator Fragoso reported data collection for the second part of the study focusing on the corridor between the Palm Boulevard and Highway 17 will be happening this month. She added, "We are trying to schedule another meeting, a sort of a midpoint meeting with SCDOT staff and their consultant to make sure that we are on track for the expectation of getting results back and a complete report by the fall with the recommendations for alternative lane configurations. We're hoping to have that meeting either later this week or early next week. Jan came with us as Chair of the Public Safety Committee. She came with Jennifer Bihl and I to a meeting with DOT I thought was very successful. So we are looking forward to that meeting. In addition, I want to report on the second phase of the work with SCDOT that included a more expansive project which we are calling the corridor study that looks at not only the Connector but also the key intersections on both sides. We've decided to go ahead and collect data on our own this summer to make sure we didn't lose that summer timeline. So we're collecting, we have hired a traffic count firm to collect data and traffic counts at 14th and the Connector, the intersection here, also at the curve at 41st and Palm, and the two intersections in Mt. Pleasant, Hungryneck and Rifle Range. So we will be having those results by the end of this month."

ii. Discussion of entering into Automatic Aid Agreement with Mt. Pleasant for fire protection [*Priority 3, Goal d*]

Chief Oliverius gave a detailed presentation about automatic aid, the ways in which it is different than mutual aid, and how it benefits citizens and fire personnel. He is proposing the City enter into such an agreement with Mt. Pleasant, City of Charleston, North Charleston, James Island, Johns Island, and St. Andrews. Agreements such as these increase not only economies of scales among departments but also increase safety and efficiencies.

He explained how the Isle of Palms would remain protected should there be a need for one of the City's trucks to respond to an incident off island. Council Member Anderson said the City benefits from this type of agreement by keeping the department the right size for the island. The City could receive the benefit of the resources from surrounding departments if the need arose.

Chief Oliverius proposed a 12-month pilot program beginning in the fall. They have selected metrics to track throughout the year to determine the efficacy of signing an automatic aid agreement. This item will be on future City Council agendas for discussion.

D. **Personnel**

Discussion of proposed changes to annual leave policy and accrual rates and holidays observed [*Priority 6, Goals a & b*]

Administrator Fragoso said that updating the annual leave policy, accrual rates, and holiday schedule is the last set of recommendations from the wage and compensation study. Referring to information provided in the meeting packet, she said, "You can see our current standing essentially for vacation and how people accrue time for annual leave based on time of service. What the proposal would essentially do is increase each of those time of service categories by five days, and we would be creating a separate category for people that have been serving the City between 6 and 15 years…Another recommendation that we came up with and are presenting to you all is for department heads to start accruing at the 15-day rate…We also want to encourage employees to take at least one week of annual leave per year consecutively."

If approved by City Council, all employees would start accruing at the new rate so at the end of the one year, everyone would have an additional five days to their leave. Additional updates will be addressed in the employee handbook which will be reviewed next year. These changes will make the City's benefits more in line with the Towns of Mt. Pleasant and Kiawah Island.

The addition of another holiday was also discussed and it was generally agreed that it should be the day after Christmas.

MOTION: Mayor Pounds made a motion to accept the proposed changes to the leave policy and add a holiday for staff as the day after Christmas Council Member Streetman seconded the motion. The motion passed unanimously.

E. **Other items for discussion**

i. Discussion of marina leases reassignment to Morgan Creek Marina, LLC

Mayor Pounds reported that there were approximately 75 people who attended the meeting on Monday evening with the potential new marina operator. The latest draft of the lease amendments has been received. The Mayor asked Council members to review the draft and to send their comments to Administrator Fragoso by Wednesday noon so that the next draft is ready for the City Council meeting.

Council Member Ward asked about the wording regarding a "certified report" believing it should be "certified opinion."

Council Member Miars said, "I respectfully disagreed with Mayor Pounds' comments last night saying that due diligence items were not needed because he believes that these guys can run a marina and make lease payments. The attorney we hired, the City paid for, came up with nine due diligence items that were not requested by City Council. They were not invented by anybody other than our attorney who is an expert in the field, and he told us that we needed answers to those items. He did not tell us that we just needed the answers to the two questions of whether or not they can run a marina and pay rent. So I believe that we need to heed our own counsel's advice that we paid for, and we need to get those nine items. I also believe that those nine items

need to be provided to the public. The public needs to see them. They are not confidential. They are not attorney-client privileged. They were prepared by our counsel and given to the proposed tenant. So there is no privilege attached to them. So I would respectfully ask that we let the public see what it is that we have asked for and not received all of."

Council Member Bogosian said Mr. Schuler "kept repeatedly saying that he's not intending to change very much, but what his words are in the documents, I feel, this is my opinion, the words that he was saying and the documents that we are currently reviewing don't match one another. What he is saying is he's not changing much. What the documents leave open are a whole lot of change in my opinion. For example, a boat club, he says he anticipates having 8-10 boats, but our agreement allows for up to 40 boats to go down there. So there are disconnects like that."

Mayor Pounds said changes to the amendments will take place at Second Reading.

Council Member Pierce asked, "At what point do we as a council either vote or not vote to pursue the due diligence items that have been vehemently declined to us?... Are we as a council going to be just determining that we are not going to fulfill basic light touch due diligence on the prospective client and not go through all of the amendments and get our comments in there that we would like to get in?"

Administrator Fragoso clarified, "Typically the process, we get direction from you all during Executive Session on the amendments. So that is what happened at that meeting in June. That is what generated the last version that you all received today. We can go through, certainly it is up to the Mayor or five members of Council to call a Special Meeting if there are additional changes to that document before they go back. That is certainly up to you all. We would facilitate that. If not, it could happen at Second Reading. It is really up to the Council. We can certainly go through them item by item during the Second Reading and you all can make motions, suggest amendments, and then they would be voted on by the full body at the same time. I don't think it would be appropriate for me to give direction to our legal counsel based on what one or two Council members would like to see in a document before it is fully vetted by the full body."

Council Member Pierce said he believes it is important to have "everything that has been said and promised articulated and documented, memorialized in these amendments so that we don't have to address this down the road."

Council Member Streetman believed Monday's meeting to be a good one in which Mr. Schuler provided a lot of feedback to the residents. He believes Mr. Schuler will work to improve the marina for the residents and that the City will have a better working relationship with this marina manager.

Council Member Bogosian asked that the language be tightened up to "reflect what Mr. Schuler says he wants to do with the lease. Council Member Anderson shared that following last night's meeting, a resident said to her that the community was satisfied with what they heard at the meeting from Mr. Schuler, they are "trusting you to do the due diligence on him."

Mayor Pounds later added, "The majority of this Council has voted on they are good with where the amendments are and okay with where we are from a due diligence standpoint. My comment

last night was meant essentially what it boils down to is what is the risk level from the City, and the two basic pieces from a due diligence standpoint is can these guys run a marina and can they pay their rent. And they have offered to pay a year of it up front. We can keep crossing t's and dotting i's and making messes and making them ours, but at some point, we need to draw the line and vote on this, and either be okay with the due diligence information we have and the amendments that are written or not. But we will sit here and go through as much as you want to on the Second Reading of the amendments. That's fine. And we can keep asking for suggested due diligence items from our counsel. But we've gotten the answer on it. We either have to get okay with it at some point or not and vote the way you want."

ii. Discussion about parking regulations for shared lot under City control

Administrator Fragoso said that the current MOU between Marina Joint Ventures and Marker 116 would go away with the new lease assignment as the new operator would no longer have control of that shared parking lot. The City needs to determine the rules of use for the shared lot and how those rules are to be enforced.

Staff recommends that "the City maintains the unreserved self-park policy. We maintain the restriction on overnight parking. This ensures constant turnover. That we offer free parking anywhere on that shared lot for residents that are displaying a valid resident decal or Wilde Dunes resident sticker." No Council member expressed a need to enforce a time limit on resident parking.

Discussion ensued about how to handle trailer parking. Administrator Fragoso said staff is still looking into having a third party handle parking for the City. Preference was expressed for an hourly rate for non-resident parking and free for residents with a valid decal.

iii. Discussion of mid-year, half-day retreat for Council

Mayor Pounds suggested that Council hold a half-day retreat for continued team building. He suggested September after the Council has had time to have another workshop or two.

6. **Financial Review**

Treasurer Suggs referred to the financial statements included in the meeting packet as the preliminary unaudited June results. The audit is scheduled for early October, and she anticipates having the final statements at the November meeting.

Revenues remain strong and expenditures are "a little under" mainly in Capital Projects as monies for Drainage Phase 3 have been shifted to FY23. She said, "The items that are generating the increase in revenues are primarily licenses and fees, building licenses, rental licenses, building permits are all significantly over budget." There are a few revenues still anticipated for FY22. With those anticipated revenues included, she anticipates a $3M overage in General Fund revenues for FY22 and "then also another million seven over in Accommodations revenues, so that is how we're getting to $5M above the forecast above the budget on the revenue side." Expenditures will be approximately $261,000 under budget, mainly due to vacancies in the police department.

The City's cash position remains about the same as last month.

She said a recently received email indicated that three condominium complexes would be closed from August 2022 through May 2023, which could have an impact on the budget. However, the budget was done conservatively, so the impact may be small.

All tourism revenues remain strong, with the Municipal Accommodations Tax funning about 47% above FY21 and 68% above FY19. They are still awaiting the 4th Quarter ATAX payment as well as the 4th Quarter County pass-through. Hospitality tax is 70% ahead of FY21 and 39% ahead of FY19.

There were some engineering payments and the third payout for the drainage project and no new activity on the marina rehabilitation project worksheet. Legal expenses for FY22 are "shaping up to be another big year."

7. **Procurement**

Consideration of purchase of F-150 replacement for Public Works Department [FY23 Budget, State ATAX, Public Works - $37,000 State Contract]

MOTION: Council Member Ward made a motion to recommend this purchase to City Council. Council Member Streetman seconded the motion. The motion passed unanimously.

8. **Capital Projects Update**

A. **Phase 3 Drainage – outfalls**

Administrator Fragoso said the drainage work at the golf course is complete. The installation of the pipes leading up to the road is expected in the next couple of weeks. A yard inlet will also be installed at a nearby house to help manage some of the stormwater from that property.

A new approval process from SCDOT requires approval of the box culvert that is to be installed under the road. To try to mitigate the delay being caused by this process, the City is working with the contractor to evaluate whether to begin work on 36th Avenue and then come back on 30th Avenue.

Additionally, Administrator Fragoso informed the Council that Quality Enterprises bid the project with a different brand of flapper valve than what was specified in the bid documents. The City's engineer is evaluating the specifications of that flapper valve to determine if it meets or exceeds the specifications in the bid document. The City will only approve an alternative materials if it meets or exceeds the original specifications. Council Member Hahn suggested charging the contractor the price difference if it is determined that the valves do not meet the City's standards.

There are no changes to report on the project at 41st Avenue.

B. **Comprehensive Drainage Masterplan**

Davis & Floyd are working with the manufacturer to complete the preliminary design of a dune infiltration system at Ocean & 7th and Ocean & 6th. Administrator Fragoso said, "We are looking at costs and the design as part of the work they are proposing that the City install a groundwater evaluation monitoring equipment in those locations." The anticipated cost is $6500, which will be approved using contingency funds to "help them better design that potential solution for stormwater management in that location."

Davis & Floyd has identified two projects as being eligible for ARPA funding through the RIA. They will work with the grant writing on preparing those applications to be submitted in mid-September.

C. **Overhead to Underground Conversion**

This project is still on track. The SCDOT permit is in hand, and construction is anticipated to start after Labor Day.

D. **Pickle Ball Court Construction and Basketball Court Rehab**

As reported by Director Page in her report earlier in the meeting.

E. **Public Dock Rehabilitation and "T" dock improvements**

Davis & Floyd have been hired to prepare design specifications for the greenspace. Administrator Fragoso said she is looking to Council for direction "if this plan and the assignment of the leases go forward with the concession of the City gaining control of the whole space, do we want to extend the greenspace all the way to the edge of the T-dock" or keep it as is to maximize parking availability. A few ideas were considered for parking and landscaping in this area.

Mayor Pounds suggested, "My suggestion would be to leave the greenspace, let it end where it ends. If we can fit in palm trees down there, let somebody figure out how to fit that in. But I think we continue to put more money into the dock that has much more usability and let this be our green space as opposed to extending it."

Staff is working on determining the ultimate cost and life expectancy of the suggested or needed repairs versus the cost of redoing the bulkhead.

Administrator Fragoso said the City is in receipt of some temporary ADA parking surface. They will be speaking with a contractor to have that installed soon.

F. **34A Beach Access ADA-Compliant Boardwalk**

Proposals for this project are anticipated by mid-August. The City would like to issue a notice to proceed for the project as soon as possible to install the boardwalk and two additional handicap parking spaces on Palm Boulevard.

9. **Legislative Report**

Mayor Pounds reported, "We met with our lobbyists to outline some projects that may be eligible for some State funding. Good news is with the help of our Representative Bustos, we were able to obtain a commitment in the State budget for $1.5 million for dredging the IOP Marina. So that money will be released from the State a little bit later this year. That is a longer-term project with permitting and everything else that has to happen and finding soil sites."

The lobbyists are also helping the City with creating interest with other municipalities to join an effort to discuss reducing the 30% ATAX contribution to tourism promotion.

10. **Adjournment**

Council Member Ward made a motion to adjourn, and Council Member Anderson seconded the motion. The meeting was adjourned at 8:07pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

CITY COUNCIL MEETING
6:00pm, Tuesday, June 28, 2022
1207 Palm Boulevard, Isle of Palms, SC and
broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to order**

Present: Council members Popson, Streetman, Miars, Ward, Anderson, Bogosian, Hahn, Pierce, and Mayor Pounds

Staff Present: Administrator Fragoso, City Attorney Halversen, various department heads

2. **Citizen's Comments**

Jim Raih, Cameron Boulevard, said the language regarding alcohol in the marina lease needs to be clarified. He does not believe a boat club is needed at the marina.

Jeff Burda, Hartnett Boulevard, passed out materials from the February 2020 meeting at the Recreation Center regarding the marina. He said many of the amenities discussed for the marina have been realized. He said many of the things residents said they did not want at the marina, such as a boat club and dry boat storage, are now being considered.

Andrew Vega, Sparrow Drive, said he is concerned about public policies that erode personal freedoms. He said City Council members, as public servants, should be available to the residents at more public events.

Glenda Nemes said that giving ATAX monies to the Isle of Palms Chamber of Commerce is not acceptable to short-term rental owners especially since the CVB will receive close to $1M from the City's ATAX funds this year. She said an independent board, similar to the one formed by the City of Folly Beach, is needed for tourism promotion on the Isle of Palms. She said any relaxing of the rules regarding the distribution of single use plastics is not needed. She said the City is being intimidated by Morgan Creek Marina LLC with the threat of a lawsuit, and the necessary due diligence has not yet been received.

Kathy Campbell, 20th Avenue, spoke about the recommendations from the ATAX Taskforce. She said the CVB was asked for more transparency and they have only bought a website. She said they have no interest in transparency and accountability. She said that she spoke to Joe Bustos regarding changes in the law regarding the use of the 30% funds. She would like the City to follow the model set forth by the City of Folly Beach. She is not sure the City is acting in the best interests of the residents giving money to the CVB.

Bortie Twiford, Edgewater Alley, supports the idea of a boat club at the Marina. He believes it will give more families access to the water. He is glad to see there will be more boating and parking access for residents at the Marina. He said he does not "buy the argument" that alcohol consumption will "corrupt children" at the Marina. He does not think the current marina manager is a friend to the City and supports City Council assigning the lease to Morgan Creek Marina, LLC.

Gerald Johnson asked City Council members to act as individuals at meetings and not be influenced by outside people and businesses. He encouraged them to "iron out" their differences.

Jay Leigh, Chairman of the Water & Sewer Commission, stated that the installation of the new water meters island-wide is nearly complete. He said residents will have the opportunity to download an app to track their water usage and see anomalies as they occur. He said the new building being constructed at 41st and Waterway Boulevard is an expansion and consolidation of the Forest Trails treatment plant. Council members shared they have received phone calls and messages from numerous residents about extremely high water bills since the new meters have gone in. Residents in the audience shared stories of high water bills and their interactions with the Water & Sewer Commission regarding their bills. Mr. Leigh said this issue will be discussed at his next meeting with the City.

3. **Consent Agenda**

MOTION: Council Member Streetman made a motion to approve the Consent Agenda, and Council Member Ward seconded the motion. The motion passed unanimously.

A. **Approval of Previous Meeting's Minutes:**

Budget Public Hearing – 5:45pm, May 24, 2022
Regular Meeting – 6:00pm, May 24, 2022
Special Meeting – 5:00pm, June 2, 2022
Special Meeting – 3:30pm, June 21, 2022

B. **Consideration of purchase of Polaris GEM [FY23 Budget, Police Department, State ATAX, $18,000]**

C. **Consideration of replacement of three (3) patrol vehicles [FY23 Budget, Police Department, Capital Projects, Muni ATAX, State ATAX - $135,000]**

D. **Consideration of purchase of one (1) F-250 replacement (re-budgeted from FY220 - $70,000 [FY23 Budget, Fire Department, Capital Projects - $70,000]**

E. **Consideration of revised proposal from ATM for design, engineering, and permitting of public dock replacement and "T" dock improvements to include Task 1, Task 2, Task 3.1 and Task 4.1 [FY23, Isle of Palms Marina - $57,500 for public dock engineering and $400,000 for "T" dock improvements]**

F. **Consideration of proposal from Thomas & Hutton in the amount of $17,900 for additional design, engineering, and permitting for the 41st Avenue outfall project to extend piping of ditch along 41st Avenue [FY23 Budget, Public Works, Capital Projects, Drainage - $350,000]**

4. Reports from Standing Committees

A. Ways and Means Committee

Mayor Pounds reviewed the minutes of June 21, 2022 meeting. He said the City will have a budget overage this year. How that money is used will be discussed by City Council in the fall. All expenditures are at or below budget. The City currently has $31.5M in cash deposits, approximately $16M of which is restricted. He briefly reviewed the status of ongoing capital projects including the Phase 3 Drainage projects, the Drainage Master Plan, the undergrounding of utilities, and the work on the pickleball and basketball courts at the Recreation Center.

MOTION: Council Member Pierce made a motion to suspend the rules of order to allow for Mr. Ray Burns to speak about the ATAX recommendation of $10,000 to the Isle of Palms Chamber of Commerce. Council Member Hahn seconded the motion. The motion passed unanimously.

Mr. Ray Burns, Chair of the ATAX Committee, said the ATAX Committee originally tabled the first request from the Chamber of Commerce which was for $10,000 to help fund the development of their website. The Committee learned that the CVB helped to fund that website, and they did not understand how the $10,000 "would fit into that whole thing." Once the ATAX Committee was reestablished after a series of resignations, the Chamber returned to the Committee asking for $10,000 to help fund their social media development. The vote on the sponsorship award passed 4-1. Mr. Burns said he voted in favor of granting the monies to the Chamber because he sees the CVB as a problem and believes the Chamber may be the only option the City will have in the future for tourism promotion.

Council Member Bogosian asked whether the monies awarded to the Chamber come from the 30% or the 65% funds. Administrator Fragoso clarified, "Their grant application was associated with the $50,000 that the City budgets every year for programs and sponsorships. So their application was specific to that program. But I would say, reading the law, and the fact that they would be eligible, funds from the 30% should be available for that."

She added, "Currently, the City has only selected one organization to receive the 30% for tourism advertisement and promotion. If the City changes that and then picks another organization which would be available to the City to do, as long as they are eligible, the City could then assign a portion of those funds to the Chamber. That would be from the 30%...State law states that a chamber of commerce could be considered an eligible…they are not because the City has not selected it to be as such. They are a non-profit. They would have to show the City that they either have or have the ability to generate a tourism promotion program. Once that happens, then it will be up to Council to determine whether or not the Chamber is an entity that is able to receive some of those funds from the 30%. That has not happened." The Chamber can only receive the $10,000 from the 65% funds this year as they have not yet been identified by the City as an eligible DMO.

Council Member Streetman said the Chamber does aspire to be an eligible DMO. He reminded Council members that the ATAX Taskforce recommended that City Council support the Chamber so it could become a viable entity.

Administrator Fragoso said the City Council meeting packet does include the Chamber's revised application and the "funds are being requested to support the development of a social media account that would be geared towards attracting tourists to the island, which would be considered an eligible expense according to State law section 6-4-10.

MOTION: Council Member Popson made a motion to approve, and Council Member Anderson seconded the motion. A vote was taken as follows:

Ayes: Anderson, Bogosian, Miars, Pierce, Popson, Streetman, Ward, Pounds
Nays: Hahn

The motion passed 8-1.

MOTION: Council Member Popson made a motion to approve the FY23 budget of the Charleston Visitor's Bureau. Mayor Pounds seconded the motion.

Mayor Pounds stated that he and Administrator Fragoso have been working with the CVB on bettering their reporting of the budget to the City and ATAX Committee. The CVB's proposed FY23 budget was included in the meeting packet and was reviewed at the June ATAX Committee meeting.

Council Member Streetman said he would recuse himself from the vote on the budget as he was appointed by City Council to sit on the CVB's Board of Governors.

Administrator Fragoso explained that TERC's recent ruling only requires the ATAX Committee review the budget of the DMO and not make a recommendation to City Council. The ATAX Committee recently met with members of the CVB who reviewed the proposed budget in detail.

MOTION: Council Member Ward made a motion to postpone the vote on the CVB's FY23 budget until the ATAX Committee can make a recommendation to City Council and have a member of the CVB explain the budget to the City Council. Council Member Bogosian seconded the motion.

Administrator Fragoso said she will ask the ATAX Committee to meet before City Council's next meeting to issue a recommendation.

VOTE: The motion passed unanimously.

MOTION: Mayor Pounds made a motion to add to the agenda the approval of an expense for the pay stations that was unanimously approved by the Ways & Means Committee at their June meeting. Council Member Ward seconded the motion. The motion passed unanimously.

MOTION: Mayor Pounds made a motion to approve the replacement of two (2) pay stations at Front Beach at the budgeted amount of $36,000. Council Member Ward seconded the motion.

Administrator Fragoso said the cost will come in closer to $24,000.

VOTE: The motion passed unanimously.

B. **Public Safety Committee**

Council Member Anderson reviewed the minutes of the June 2, 2022 meeting.

C. **Public Works Committee**

Council Member Ward reviewed the minutes of the June 8, 2022 meeting.

D. **Recreation Committee**

Council Member Popson reviewed the minutes of the June 6, 2022 meeting. Administrator Fragoso reported that the City is seeking a new meditation instructor. New meditation times will be announced via social media and the City's website when a new instructor is found.

E. **Personnel Committee**

Council Member Bogosian reviewed the minutes of the June 1, 2022 regular meeting and June 21, 2022 Special Meeting.

MOTION: Council Member Bogosian made a motion to appoint Rebecca Kovalich to the open lodging position and Gloria Clarke to the open hospitality position on the ATAX Committee.

Administrator Fragoso clarified that Ms. Kovalich's term will expire 12/31/23, and Ms. Clarke's term will expire 12/31/22.

VOTE: The motion passed unanimously.

F. **Real Property Committee**

Council Member Streetman reviewed the minutes of the June 6, 2022 meeting. Administrator Fragoso reported, "Since the meeting that Council Member Streetman just reported on, we have received a proposal from Davis & Floyd for the development of design specifications and drawings for the necessary improvements to the bulkhead. That proposal came in yesterday or this morning…and that was for $35,000. So, we are looking at alternatives, trying to identify what is driving that number, looking at other vendors to get a similar proposal. But that will be something that will come up potentially in July before you all."

5. **Reports from City Officers, Boards, and Commissions**

A. **Board of Zoning Appeals** – minutes attached
B. **Planning Commission** – minutes attached

Director Kerr clarified the recommendations from the Planning Commission for the benefit of those who could not attend or watch the Special Joint Meeting between City Council and the Planning Commission. "In summary, what the Planning Commission is recommending to you all is that you establish a cap on the number of short-term rentals licensed in three different zones on the backside of the island. They are recommending that that cap number be set at 10% higher than the 2020 numbers. 2020 is the last complete year of licensing data…The main thing that those three zones would achieve in the mind of the Planning Commissioners is it would stop the migration that they believe is happening away from areas that have had traditionally high numbers and into those back areas that have had typically lower numbers of short-term rentals…There are other kinds of nuances there that they are recommending on occupancy. How many people can go in a rental. They are recommending that newly constructed or licensed rentals in the capped areas being limited to 8 occupants. They are also recommending in the uncapped areas for existing rentals that are above 12, which is the capped number for the occupancy number for new construction, but there are some that are above 12 currently. If those ever went out of the rental program for a year or more, their recommendation is that when they come back in that their occupancy would be limited to 12 people. So that is really what the recommendations would have you change. I have been asked to detail a little bit more what would stay the same…There still would large portions of the island that would be uncapped. Those areas that have had traditionally high numbers of rentals concentration, specifically those are rentals fronting on Ocean Boulevard, on Palm Boulevard, and on the southeast side of Palm between 42nd and 57th, and then all of the condominium complexes and multi-family complexes would all be exempt from these requirements. That pool, that uncapped pool, equates to about 75% of the existing rentals on the island. So to put that in perspective, their recommendation is talking about an area that currently houses only 25% of all of the rentals on the island. So it is a smaller pool that these rules would affect. The other thing that would not change is licenses. Properties that already have a license, those properties would be allowed to renew. So if you have a license now, if these changes come to pass, you would be protected and allowed to renew as long as you keep your license in good standing…The intent is if you are actively licensed you would be allowed to continue to rent. And then the last thing it would not effect is the ability to sell that property with the rental license…Planning Commission's recommendation is for those licenses to transfer when the property sell."

The proposed changes would apply to short-term rentals in areas of single-family homes.

C. **Accommodations Tax Advisory Committee –** minutes attached
D. **Environmental Advisory Committee** – minutes attached

6. **Reports from Special or Joint Committees --** none

7. **Petitions Received, Referred or Disposed of** – none

8. **Bills Already in Possession of Council**

A. **Ordinance 2022-03 – an ordinance to extend the temporary suspension of enforcement of the plastic ban for businesses impacted by supply chain issues**

MOTION: Council Member Hahn made a motion to approve, and Council Member Popson seconded the motion.

Administrator Fragoso noted one addition since First Reading: no business establishment will be able to provide single-use plastic bags at the point of sale.

VOTE: A vote was taken as follows:

Ayes: Hahn, Anderson, Bogosian, Popson, Streetman, Pounds
Nays: Pierce, Miars, Ward

The motion passed 6-3.

9. **Introduction of New Bills, Resolutions, and Proclamations**

MOTION: Mayor Pounds made a motion to suspend the rules of order to allow for discussion following First Reading of Ordinances 2022-04 and 2022-05. Council Member Ward seconded the motion. The motion passed unanimously.

MOTION: Council Member Streetman made a motion to approve Ordinances 2022-04 and 2022-05. Council Member Popson seconded the motion.

A. **Ordinance 2022-04** – an ordinance authorizing the amendment and assignment of Marina Joint Ventures, Inc. to Morgan Creek Marina, LLC
B. **Ordinance 2022-05** – an ordinance authorizing the amendment and assignment of Marina Outpost, LLC, Inc. to Morgan Creek Marina, LLC

Mayor Pounds said, "There have been a lot of conversations and discussions about what is happening with the existing marina operator's request to assign the lease to Morgan Creek Marina, LLC. Thought it might be helpful to provide some information to help explain the latest by way of background and information. There have been two discussions or presentations by the new potential marina operator made to City Council outlining his plans for our marina. You can watch those at iop.net. In recent City Council meetings, and again for the resident's benefit that have not necessarily been following this so closely, you will recall at our City Council meeting on April 26, we announced we had received a letter requesting approval of assignment of the existing leases held by Marina Joint Ventures, Inc., and Marina Outpost, LLC with the City of Isle of Palms to Morgan Creek Marina, LLC. Same ownership group that owns Bohicket Marina and Seabreeze Marina among others. Whose parent company is Coastal Marina Holdings. In accordance with the leases, any assignment requires the City's prior consent. Since that initial Council meeting in April, the potential new Marina operator has been meeting with Council members directly, restaurant owners, other residents, and other parties getting as much input as possible as to go forward. We've received due diligence information, ownership structure, financial information, and a letter of intent from the proposed operator. For our review, we held Special Council meetings on May 6 and June 2 for the new potential marina operator to discuss his vision for our marina and discuss at our regular Council meeting on May 24. From my view, the good news around this amendment and change is the new potential tenant has agreed to as part of the lease assignment to release current and existing lease control over the shared parking,

which is the middle lot on the waterway side of the boat ramp. This would be a tremendous benefit for residents because the City would control that lot, make it available for free to residents and better enforce the current regulations. The new tenant has also asked that the existing lease language on alcohol consumption be clarified and allow for on-premise alcohol consumption to be allowed. The lease, as written, states that the marina can sell beer and wine. The current lease does not expressly allow the consumption as required by City code and is silent as to whether the sale of beer and wine are packaged only or whether the marina can sell single servings. The current tenant does not have an on-premise consumption license from the State. As a practical matter, incidental on-site consumption has always happened on the back deck, and the new tenant simply wants to continue on-site consumption and be in compliance with the law. Any material changes to the kitchen building, service area, or deck would require approval of Council. So just real quick from a what's in the current lease versus what's in the proposed lease: current lease requires the tenant to provide IOP resident launch rates at $4. The proposed amendment would change that to free for residents. Current lease requires the tenant to provide dry boat storage. Proposed amendment would maintain this requirement but additionally require that no less than 12 dry boat storage spaces be reserved for IOP residents. The upland area where the 16 exclusive resident parking spaces are currently located is under the City's exclusive control and not encumbered by any lease. As part of the assignment, the potential new operator has offered to release the control over the shared parking lot, to give control to the City to manage and enforce. This area would be available to the City to offer free vehicular and trailer parking for residents in addition to this current existing 16 spaces. The proposed amendment also establishes that the tenants shall use commercially reasonable efforts to provide IOP residents with priority opportunity to rent publicly available boat slips at standard rates to be determined by the tenant at its sole discretion and absolute discretion on an as available basis. [You] must provide valid evidence of IOP residency. The IOP public dock and upland area where the 16 resident only parking spaces are located are not included in any marina leased premises, and the proposed amendment would not change that. The amenities would remain under the City control. The current lease has an assignment subleasing clause that allows a transfer of the lease with City consent. These sections are maintained but enhanced in the proposed amendments which establishes that any transfer of 50% or more of the partnership requires City approval. The proposed amendment would expressly authorize the operation of a boat club currently at no more than 50%. New marina potential operators okayed or has had conversations about taking that down to 35%, and other commercial operations if that exceeds thresholds would require Council approval. These thresholds safeguard the marina to ensure a mixed-use aspect to the marina. So we have a few amendments or we have an amendment back from the potential operators. We have a redline that we will discuss in Executive Session."

Council Member Bogosian said, "Since being asked to assign the lease, I feel that we have gone backwards regarding what is in the best interest of the citizens of the island. I agree that we are getting some shared parking, and that is great. There is a lot of confusion, but what we don't know about this, about the marina going forward, I think is too risky at this point to concede the parking. As with almost any lease or lease assignment, a threshold amount of due diligence is normally required. At a minimum, the landlord or the signing party would want to know who they were entering into an agreement with, both the entity and the financial ownership as well as

the financial stability of the entity. We have received neither to date. In fact, we asked for nine due diligence items from Morgan Creek Marina and Mr. Schuler, and we have yet to receive five of the nine items. This is not the kind of transparency that we should start a new 23-year relationship with. Because we have to remember that there are 23 years left on this lease. There have been too many bad decisions regarding the leases and we should not perpetuate that under our watch. When we started this path towards assignment, both parties, Mr. Schuler and the City, thought it would be a good idea to amend a few items concurrent with the assignment. This has led to an amendment that would potentially change the character of our marina, and I highlight our marina, it leaves it open to have a marina that is 50% occupied by a boat club. This could be 50-60 boats operating as a membership club. It is being presented as a method to get residents access to the water through the boat club. I don't buy that argument. I also don't agree with the argument that the club will reduce the need for parking at the marina. I feel just the opposite. Fifty to sixty boats at the marina, that's 50% of the dockage that we have. We don't even understand the revenue to the City that this boat club will generate for the City, and in all likelihood, will become the predominant tenant, the tenant of which will be a related party to the lease. We also now have added consumption of alcohol to the marina store. While it seems like a relatively minor change, that is only docking what is already happening at the marina store, I disagree. By allowing consumption, we are opening up for the advertisement of drinking on the deck and that growing into something that we all will be unhappy with. Remember, this is a 23-year lease and a lot can change in that period of time. For those and other items, I am not agreeing with the signing the marina leases. I would be in favor of signing the current lease to Morgan Creek Marina as long as we get the outstanding diligence items, most notably the beneficial ownership of Coastal Marina, LLC as well as their audited financial statements. I believe this is in the best interest for the City and can allow for more thoughtful amendments of the leases down the road after we establish a working relationship."

Council Member Miars said she agreed with most of what Council Member Bogosian had to say. She added, "I would also like to reiterate the fact that when we started these conversations, Mr. Schuler, we had great conversations with him, and we were really excited about this new change. He said that the parking thing was going to be made as a measure of good faith, not intended to be any sort of quid pro quo or anything like that. And it was not until…May 20 that the issue of alcohol consumption kind of became somewhat of a quid pro quo and became a contentious issue to say the least. I was personally criticized as referring to it as a bar. I would like to clarify that I said that because it was explained to us that it would be run very similar to, the model would be Seabreeze Marina, and anybody who has ever been to Seabreeze Marina or looked on Facebook or anything else, it is actually called the Island Cabana Bar. That word is in there. So that is what we were told. So that is where I got that idea. And so I just feel like these negotiations, it started off as something this was going to be a win-win. Everybody was excited about it, and now we have gone in this direction of well, if you don't give us what we want, then we are going to sue you. I can't abide by that. And I would also like to concur that if we are still waiting on numerous due diligence items, our attorneys came up with reasonable requests that were ordinary and reasonable in the course of business, and there is a list of nine things, and three of them have been provided fully. Five of them have been partially provided, and we have been told they are not going to provide the rest. And one of them has just not been answered, and

[INAUDIBLE] he spoke earlier today, he gave us some details about the business plan that we asked for or have not gotten yet, so if we were to receive those due diligence, reasonable requests that we have made, then I would think we should absolutely go forward with the assignment of the original lease…the lease that is in effect today and assign that for the marina and the store."

Council Member Streetman said, "There is not a thing that Mr. Twiford said speaking tonight that we haven't all heard and heard repeatedly. I have not received any mixed messages from Mike Schuler myself. We started off this process looking at that being a simple lease assignment, and also we were told then that the parking really did not matter. The parking could go back under City control. That was a winner for me from the get-go to tell you the truth that we could get another 35-40 spots, however many it ends up being in addition to the 16 we already have and the 14 golf carts spaces. That is what our residents has been calling for for years, more access to the marina. People have always parked down in that shared parking space. Some of us, like myself, have never paid there, but there have been others back before the kiosk was put in or the app, I should say, that did pay and didn't know any better because they were being approached by somebody that was on premises in a truck and say it is going to cost you $10 to park. Anyway, going back to the original premise here. We met to talk about that. We were all excited. We had meetings with Mike Schuler. We had a lot of conversations. The parking, giving over the parking was a real positive as I mentioned earlier. And we suddenly veered from a simple assignment of a lease to start saying hey this is a great opportunity. So we went down the amendment path, and I don't see anything egregious, and from what is here, I don't for a minute think that there is going to be 50% of our boat space that is tied up by a boat club. I think we are talking about five or six boats at the most. And honestly, I do want to see the other financials that are going to be pending and answering some of the other questions, but this still does not hold me back from saying this is the right thing to do at First Reading."

Council Member Anderson said she did not believe the cost of boat club membership would be affordable for many residents. She wants to be sure that this contract does not interfere with anything promised to the restaurant. She does not believe this is the time for First Reading.

Council Member Hahn said he supports Council Member Streetman's comments and having First Reading. He believes returning shared parking to the City will alleviate a lot of concerns. He went on to say, "The other large issue seems to be the beer and wine license. The lease, to be very clear, currently says they are allowed to sell beer and wine at the marina. It is silent as to whether or not you can do so package or do so for the consumption. The pattern and practice for 30 years has been people have consumed beer and wine at the marina. If they are doing so illegally, they are doing so with the knowledge of the City. That creates a huge liability for the City. If we are to transfer this lease as is and continue down this road, we are perpetuating liability for the City under dram shop laws and all other types of negligence. By clarifying this and requiring the proper licensure, it relieves the City of liability, and now all the liability is Mr. Schuler's or his company's. So I think it's a win on both aspects because the beer and wine consumption is not going anywhere. That is going to continue to happen. And we get parking. We relieve ourselves of liability. As to the due diligence, I know that we have, Mr. Mayor, I understand some due diligence is pending. I think we should move forward and vote for this and

allow the process to take place. Once this is voted for, we can get open communication with the residents on what has been voted on."

With regards to the due diligence, Mayor Pounds said, "So one piece that has been pending is an audited financial report that was hopeful was going to hit our inboxes tonight. But it did not. At this point, hopefully, it is going to be tomorrow, next day, that we will have audited financials that show significant equity." He reported that a tentative date of July 11 at 5pm has been said for a town hall meeting with Mr. Schuler to speak to the residents about his plans for the marina.

Council Member Popson said, "If we go back to trying to assign the original lease to piggyback on what Blair said, we lose the shared parking, which has been very contentious down there between the current manager and the restaurant. We get calls every weekend. That would stay the same if we go back to the original assignment of the lease." He believes that and resident access to the boat ramp are reason enough to support First Reading.

Council Member Pierce said, "I am a bit of a due diligence hound here. I think since IOP received the assignment request over two months ago, I've received many questions from residents. However, four standout and were asked multiple times. Number one, is the prospective tenant that will be responsible for the 23-year lease financially sound for the long term and self-sufficient? Two, do you know and can you verify who the principals and owners are behind the corporate structure that will responsible for the lease? Three, do you know the likely new services and boat club, how the revenue share will work for IOP? And number four, what is the tenant's business plan and what will happen to the marina layout, convenience store, parking lot and docks that might impact residents? I cannot answer or verify any of these questions. We deferred our First Reading because IOP had not received all the requested due diligence materials. I have not received any new verifiable due diligence information. Just the tweaked proposed amendments. Yet, we are being asked to proceed without the ability to verify answers to the most basic questions or offer the community any input such as a public forum. Although I just heard we were going to have one. We have seen very professional PowerPoint slides and promised a balance sheet with an auditor's opinion, which is an incomplete set of financial statements based on a single point in time. It's a start, but we need a complete set of financials. Without verifiable due diligence, I cannot support these documents for our First Reading. I recommend we assign the original lease pending successful and completed, verifiable due diligence. Then we can support Mike Schuler and his team to occupy the premises and work together over the next year to improve and both parties evaluate the marina experience."

MOTION: Council Member Ward made a motion to defer the vote on Ordinances 2022-04 and 2022-05 until after Executive Session. Council Member Anderson seconded the motion. The motion passed unanimously.

C. **Ordinance 2022-06** – an ordinance to present a referendum question to the citizens of the Isle of Palms at the next general election on the question of whether the electors approve reducing the size of City Council from a Mayor and 8 eight Council members to a Mayor and 6 Council members

MOTION: Council Member Bogosian made a motion to approve, and Council Member Streetman seconded the motion.

Mayor Pounds said this ordinance is only to approve the question to put on the November ballot. Council Member Ward would like to see such an effort come directly from the citizens via a petition. Council Member Anderson said she would like to see this ordinance wait until after the six-month trial workshop period that begins next month.

Administrator Fragoso pointed out that the reduction of the number of Council members, should the referendum pass, would eliminate one Council member seat at the end of the 2020-2024 term, leaving eight members of Council from 2024-2026. The second seat would be eliminated at the end of the 2022-2026 term.

VOTE: A vote was taken as follows:

Ayes: Hahn, Bogosian, Pierce, Miars, Streetman, Pounds
Nays: Ward, Anderson, Popson

The motion passed 6-3.

10. **Miscellaneous Business**

A. **Next meeting – Regular Meeting, 6:00pm, Tuesday, July 26, 2022**

11. **Executive Session**

MOTION: Mayor Pounds made a motion in accordance with §30-4-70 (a)(2) for the discussion incident to proposed contractual arrangements related to the marina, to receive legal advice on the appointment of co-counsel for the purpose of reviewing the constitutionality of S40 and the restriping of the IOP Connector, and in accordance with §30-4-70 (a)(1) for the discussion of personnel matters from the Employee Grievance Committee. Council Member Ward seconded the motion. The motion passed unanimously.

City Council moved into Executive Session at 8:04pm

City Council returned from Executive Session at 10:05pm. Mayor Pounds said no decisions were made.

VOTE: A vote was taken on Ordinance 2022-04 as follows:

Ayes: Hahn, Ward, Streetman, Popson, Pounds
Nays: Bogosian, Anderson, Miars, Pierce

The motion passed 5-4.

VOTE: A vote was taken on Ordinance 2022-05 as follows:

Ayes: Hahn, Ward, Streetman, Popson, Pounds
Nays: Bogosian, Anderson, Miars, Pierce

The motion passed 5-4.

MOTION: Council Member Ward made a motion to approve the recommendation of the City Attorney for co-counsel for the purpose of reviewing the constitutionality of S40 and the restriping of the IOP Connector. Mayor Pounds seconded the motion. A vote was taken as follows:

Ayes: Anderson, Streetman, Popson, Ward, Pounds
Nays: Hahn, Bogosian, Miars, Pierce

The motion passed 5-4.

MOTION: Mayor Pounds made a motion to adopt the recommendation of the Employee Grievance Committee "with respect to the employee and issue a written decision to the employee and the employee's legal counsel as discussed in Executive Session." Council Member Streetman seconded the motion. The motion passed unanimously.

12. **Adjournment**

Council Member Ward made a motion to adjourn, and Council Member Popson seconded the motion. The meeting was adjourned at 10:05pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

SPECIAL CITY COUNCIL MEETING
5:00pm, Tuesday, June 28, 2022
1207 Palm Boulevard, Isle of Palms, SC
broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to order**

Present: Council members Pierce, Miars, Popson, Streetman, Anderson, Hahn, Bogosian, Ward and Mayor Pounds

Staff Present: Administrator Fragoso, Director Kerr, Treasurer Suggs, Chief Cornett, Chief Oliverius

2. **Purpose** – to receive active shooter training

Chief Kevin Cornett gave a presentation regarding active attack events to the City Council. He and Chief Oliverius along with Administrator Fragoso and Public Safety staff will be creating a municipal response protocol for such events.

3. **Adjournment**

Council Member Ward made a motion to adjourn and Council Member Anderson seconded the motion. The meeting was adjourned at 5:53pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

DRAFT

SPECIAL JOINT CITY COUNCIL & PLANNING COMMISSION MEETING
3:30pm, Tuesday, June 21, 2022
1207 Palm Boulevard, Isle of Palms, SC
broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to order**

Present: Council members Bogosian, Hahn, Anderson, Ward, Streetman, Pierce, Miars, and Mayor Pounds; Planning Commission members Ron Denton, Sue Nagelski, Marty Brown, Steve Corner, David Cohen, Sandy Stone, Jeffrey Rubin

Absent: Council Member Popson

Staff Present: Administrator Fragoso, Director Kerr, various department heads

2. **Citizen's Comments**

Buford Witt, JC Long Boulevard, said he would like to rent out a home he intends to build in the near future and would not like to be limited as to the number of people he can have stay there.

Cal McCombs, 17th Avenue, said he does not understand what problem needs to be fixed in this situation. He said taxes from rental properties are a great source of income for the island and he does not want to see that stopped.

Ed Valle, Carolina Boulevard, would like to see more resident participation in solutions to this issue. He said the plan seems complicated. He believes homes will lose value as a result of this plan. He believes there is an opportunity for a small group of residents to build on this plan and make it better.

Mark Mitchell, Carolina Boulevard, said that the 1/3, 1/3, 1/3 split of homes across the island has not changed in decades. He believes having the ability to rent out one's home adds value to it. He is not sure this is the best plan.

Gina Foster of Dunes Properties came to speak on behalf of her clients who have purchased property on 28th Avenue. Her clients intend to rent out their property. She would like any plans to be equitable to all.

DRAFT

3. **Purpose – Presentation and discussion of recommendations developed by the Planning Commission for the regulation of short-term rentals.**

Director Kerr gave a detailed presentation about the history of regulating short-term rentals on the island, the recent work of the Planning Commission, and their recommendations to City Council for future consideration.

He said that City Council tasked the Planning Commission one year ago to look at a moratorium or cap on short-term rentals. He shared the information collected by the Commissioners to help the analysis of the state of short-term rentals across the island. Licensing trends over the past 20 years show the number of short-term rentals to be fairly consistent. Trends also show that the number of rentals is going down in some areas and up in others, specifically away from the beach and more towards the back of the island into the neighborhoods. The number of newly built homes specifically meant for renting has declined over time.

The Planning Commission is recommending the island be zoned to better understand the impact of rentals in those areas. Zone 2 shows a significant increase in the number of rentals in recent years. Director Kerr agreed that the 1/3, 1/3, 1/3 mix of home ownership still holds true but that the is a lot of movement within each zone.

Director Kerr said the issues or concerns the City may want to address are the increase in STR in rental areas that have historically had low numbers of rentals, the migration of STR to areas that have historically had low numbers of rentals, and the impacts to livability of full-time residents.

Recommendations from the Planning Commission include: establishing a cap of rental licenses for each zone at 10% higher than the number of 2020 licenses; exempting areas with more than 25% of the properties already in the STR market from the cap; establishing a waitlist when a zone meets a cap; giving property owners holding a STR license preference to renew their annual license; allowing the transfer of STR license when a property is sold; limiting occupancy of newly constructed or licensed homes in capped areas to 8; capping occupancy under certain circumstances; and annually reviewing STR regulations to note trends in uncapped areas.

Mr. Corney reiterated his concern that capping only certain areas leaves a large number of properties in the uncapped zone to secure STR licenses. He believes a cap across the island would allow the market to dictate where rentals would be.

Mr. Denton noted that previous complaints surrounding short-term rentals were noise related, and with the ordinances now in place, those complaints have subsided. More recently, the complaints center around livability concerns. He said it is hard to tell the difference between bad renters and bad managers.

Chief Cornett shared statistical data that indicated he has received very few noise complaints regarding short-term rentals. No tickets or warnings have been written for occupancy violations. He affirmed the Planning Commission's recent recommendation that a property manager respond on site to a complaint. He believes building better relationships with the property managers is the key to success in the future.

Council Member Streetman expressed concern about unintended consequences from these recommendations. Without any caps and noting that the licensing trend is flat, Mr. Stone pointed out that the City's ATAX revenue still increased significantly. He believes the market will take care of where rentals are but believes a cap is necessary in the zones to keep migration into the neighborhoods at a minimum.

Commissioners affirmed the need for an annual review of short-term rentals to note trends and effects of any regulatory changes.

Mayor Pounds thanked the Planning Commission for their work on this issue. He said the Council will hear from a College of Charleston professor at their July workshop to share what he has seen regarding short-term rentals around the country.

4. **Adjournment**

Council Member Ward made a motion to adjourn, and Council Member Streetman seconded the motion. The motion passed unanimously.

Respectfully submitted,

Nicole DeNeane
City Clerk

SPECIAL PERSONNEL COMMITTEE MEETING
3:00pm, Tuesday, June 21, 2022
1207 Palm Boulevard, Isle of Palms, SC
broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to order**

Present: Council members Bogosian, Anderson, and Pierce

Staff Present: Administrator Fragoso

2. **Purpose** – interview candidate for vacancies on the Accommodations Tax Advisory Board and Planning Commission and make a recommendation to City Council

Commissioners interviewed candidate Gloria Clarke for the vacancy on the Accommodations Tax Advisory Board and Planning Commission.

Ms. Clarke has lived on the island since 1984 and worked in the hospitality industry for 35 years. She began her career working in hotels and during the last 20 years, she has worked for the Charleston Visitor's Bureau. For ten years, she worked in leads promotion with regards to the North Charleston Convention Center. During the last ten years at the CVB, she has worked part time educating new-to-the-area hospitality industry employees about the Charleston area so they are better prepared to serve the public in the course of their jobs.

While she does not have a background in marketing, Ms. Clarke believes that branding the IOP is a good first step in IOP-specific marketing efforts. She believes partnering with sporting events is a good way to bring people to the island, especially in the off season. She believes the public needs more education on the rules regarding how ATAX funds are spent.

MOTION: Council Member Bogosian made a motion to recommend to City Council that Gloria Clarke be appointed to the ATAX Committee. Council Member Anderson seconded the motion. The motion passed unanimously.

3. **Adjournment**

Council Member Pierce made a motion to adjourn and Council Member Anderson seconded the motion. The meeting was adjourned at 3:13pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

DRAFT

Ways & Means Committee Meeting
5:00pm, Tuesday, June 21, 2022
1207 Palm Boulevard, Isle of Palms, SC 29451
and broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to Order**

Present: Council members Hahn, Bogosian, Miars, Ward, Streetman, Pierce, Anderson, and Mayor Pounds

Absent: Council Member Popson

Staff Present: Administrator Fragoso, Treasurer Suggs, various City Department heads

2. **Approval of previous meeting's minutes**

Council Member Ward made a motion to approve the minutes of the May 17, 2022 regular meeting and Council Member Streetman seconded the motion. The motion passed unanimously.

4. **Citizen's Comments --** none

5. **Financial Statements** – Treasurer Suggs

Treasurer Suggs reported that General Fund revenues are running 5% ahead of budget and expenditures are running behind budget. She said property taxes are at 100% and she is forecasting them to be slightly over. The "big players" are business licenses, rental licenses, building permits, and parking, which are all significantly ahead of budget and forecasted to be ahead of budget at the end of the fiscal year. The current forecast predicts general fund revenues to be $2.7M ahead of the budget. June is historically a heavy expense month, however, the City "will have a significant excess of revenues over expenditures in the general fund as of June 30. It will be up to City Council to determine where and how those funds are spent.

The City continues to experience "significantly over budget revenue streams" on Accommodations and Hospitality taxes. They are currently 62% ahead of this time last year, and Treasurer Suggs is forecasting that at the end of the FY22, they will be $1.7M ahead of the budget.

The City has $31.5M in cash deposits, which includes $3.3M of unspent bond proceeds, $1M in unspent Federal ARP funds, and $12M restricted for tourism expenditures or beach preservation.

The April revenue for municipal accommodations tax was $186,478, which is a record amount received for any month. She expects to receive a healthy payment for State ATAX as well. Hospitality tax came in at $137,604. She noted that hospitality taxes for restaurants in Wild

DRAFT

Dunes were up 45% month over month and Harris Teeter was up 50%. Council Member Bogosian said he would like a breakdown of the impact of the new Wild Dunes hotel on hospitality taxes. Treasurer Suggs pointed out that these revenues do not include the new marina restaurant since it only opened in May. Local Option Sales Tax is also 17% ahead of last year.

Payments to Quality Enterprises were recorded out of the Phase 3 Drainage funds. There was no financial activity on the marina in May, and no big changes to note on legal expenses.

5. **Capital Projects Report**

A. **Phase III Drainage**

Administrator Fragoso gave an overview of the work being done on the Phase III Drainage Project. A slide detailing all of the work done on this project can be seen in the YouTube recording of this meeting linked on the City's website. She said work on the golf course portion of 30th Avenue is nearly complete. Work will then stop until late August when the road work will happen, leading to road closures. She said that project is progressing well.

Road closure as a result of work at 36th Avenue is not expected until the end of the fall.

The City is still waiting on final permits for 41st Avenue. The grant writer is working with Thomas & Hutton on the amendment to the Office of Resiliency to include the piping over of the ditch at 41st Avenue.

B. **Comprehensive Drainage Island-wide Drainage Plan**

Administrator Fragoso referred to the slide in the meeting packet detailing the work that has been completed on the Drainage Master Plan to date. She reported on a meeting that Davis & Floyd had with a resident who has drainage issues on their property, and that resident provided ideas and solutions that are being considered. Davis & Floyd may work with the City to establish a pilot program to help "establish what kind of solutions property owners could do on their own property." They will bring further recommendations to City Council about that program upon completion of the project.

The City is also working with Davis & Floyd to identify projects to apply for via the Rural Infrastructure Authority, who has $900M available for water and wastewater management projects.

C. **Overhead to Underground Conversion**

Administrator Fragoso said construction agreement with Dominion Energy for this project has been executed. The project is on track to begin in the fall or winter.

D. **Construction of the Pickleball Court and Reconstruction of Outdoor Basketball Courts**

Administrator Fragoso said these are FY23 projects. The RFPs for both projects went out last week and the deadline for proposals is July 7. The goal is to get a contract approved by City Council by the end of July so that it can be executed and then issue a notice to proceed. Director

Page has personally delivered copies of the RFP to contractors they have worked with in the past.

6. **Old Business** -- none

7. **New Business** – none

MOTION: Mayor Pounds made a motion to reorder the agenda so that the item regarding ATM could be presented first. Council Member Ward seconded the motion. The motion passed unanimously.

A. **Discussion and consideration of revised proposal from ATM for design, engineering, and permitting of public dock replacement and "T" dock improvements [FY23, Isle of Palms Marina - $57,500 for public dock engineering and $400,000 for "T" dock improvements]**

Administrator Fragoso said, "ATM is again the project engineer and project manager for the dock rehabilitation project. Earlier this year, City Council approved a change order to ATM for the design and development of specifications and permitting of the improvements to the T-dock and the public dock. At that time, the projects as they were conceptualized were just repairs on both of those projects. As you all know, throughout the budgeting process, City Council decided and voted to pursue a more robust plan for the public dock at the marina and then to make repairs to the T-dock in an amount not to exceed $400,000. So the scope of the project has changed since January until now when Council approved the two different projects. So that is why Kirby is here because there is going to be significantly more engineering that needs to be done for the public dock because it is a full replacement that requires a full new permit from the permitting agencies. And then there is going to be some changes related to the T-dock. So just for the record, you all had considered a proposal earlier this year, but because again the scope changed, this proposal and the work we need them to do to get to a point where we are ready for construction will change."

Mr. Kirby Marshall of ATM spoke in greater detail about the changes to the scope of work and what will be required as far as engineering, permitting, and preliminary work needing to be done ahead of construction. Mayor Pounds clarified that this proposal is for an additional $53,000, $42,000 of which is for geotechnical services and increased regulatory requirements. Mr. Marshall said the bidding for the T-dock will likely happen this fall, while the bidding for the public dock will not take place until the permits are in hand, which could be up to a year.

Administrator Fragoso clarified the request: "What we are requesting approval for is for task one, which is the work that needs to happen as part of the prep to go through the permitting process, and that is a total of $110,500. We have $57,500 in the budget, which was part of what was approved in January. And then task number two, which is related to the technical specifications for the improvements to the T-dock. We have budgeted an additional $400,000 for that work on the T-dock. So that $25,000 could come out of that $400,000. And for task three, I would only request approval of the task 3.1, which is bidding support services for the T-dock."

Mr. Marshall added, "All of these are lump sum fees, so it is all in. We have assumed a limited amount of coordination with agencies post-submittal and post-public notice. Just based on the

conversations I have had with the Corps, what we are look at with the Corps on the public dock is pretty benign. Basically, if we don't go any farther out into the waterway, we're not really changing the use of it to be any more commercial than it was. It is going to be less. It's very straightforward with that agency. And with OCRM, their only stated concern was with the width of the structure. We feel we can get through that discussion with them during the pre-application meeting process and don't really anticipate any substantial public comment or opposition to this certainly based on our last experiences out there with what we did at the water sports dock, which was a lot more controversial."

Council Member Anderson expressed concern about the placement of anything on the public dock that could impede ADA access and asked Mr. Marshall to be aware of that during the final design phase of that project.

Administrator Fragoso expressed confidence that the $400,000 budget for the work on the T-dock will be more than sufficient to cover the additional engineering costs.

MOTION: Council Member Pierce made a motion to approve, and Council Member Anderson seconded the motion. The motion passed unanimously.

B. **Consideration of purchase of Polaris GEM [FY23 Budget, Police Department, State ATAX - $18,000]**

MOTION: Council Member Streetman made a motion to approve, and Council Member Hahn seconded the motion. The motion passed unanimously.

C. **Consideration of replacement of three (3) patrol vehicles [FY23 Budget, Police Department, Capital Projects, Muni ATAX, State ATAX - $135,000]**

Administrator Fragoso said this is State contract pricing and exempt from the procurement code.

MOTION: Council Member Ward made a motion to approve, and Council Member Anderson seconded the motion. The motion passed unanimously.

D. **Consideration of replacement of two (2) pay stations at Front Beach [FY23 Budget, Front Beach Business District, Hospitality - $36,000]**

Administrator Fragoso said the quote for these kiosks came in significantly lower than budgeted. The goal is to reduce the number of kiosks over time and move to text-to-park.

MOTION: Council Member Ward made a motion to approve, and Council Member Miars seconded the motion. The motion passed unanimously.

E. **Consideration of purchase of one (1) F-250 replacement (re-budgeted from FY220 - $70,000** [FY23 Budget, Fire Department, Capital Projects - $70,000]

MOTION: Council Member Miars made a motion to approve, and Council Member Anderson seconded the motion. The motion passed unanimously.

F. **Consideration of proposal from Thomas & Hutton in the amount of $17,900 for additional design, engineering, and permitting for the 41st Avenue outfall project to extend piping of ditch along 41st Avenue [FY23 Budget, Public Works, Capital Projects, Drainage - $350,000]**

MOTION: Council Member Ward made a motion to approve, and Council Member Streetman seconded the motion. The motion passed unanimously.

G. Preliminary Discussion of FY22 positive net results and potential projects/expenditures to consider

Committee members discussed possible options for the use of the positive net results of the FY22 budget. Administrator Fragoso noted that while the wage & compensation study did increase staff salaries (outside of the Fire and Police Departments), those increases are not keeping up with inflation. Council Member Bogosian expressed concern about a possible negative financial impact on FY23's assumed 10% increase in revenue and the impact on fund balances.

Mayor Pounds will prepare a list of items for the Committee to consider.

H. **Update on marina leases assignment**

Mayor Pounds said the City is currently awaiting the audited financial statements, balance sheet, and opinion letter. He is not sure if they will be ready by next week's City Council meeting.

I. **Discussion of ATAX Taskforce recommendations on the expenditure of the 30% State ATAX funds for tourism promotion and advertisement**

Mayor Pounds thanked Council Member Streetman for his leadership with the ATAX Taskforce. Council Member Streetman gave an overview of the work done by the taskforce. He detailed the seven areas that the taskforce felt defined success with regards to the use of the 30% State ATAX funds for tourism promotion and advertisement: more accountability, local focus, more flexibility in the use of the 30% ATAX funds, resident input into how funds are spent, more collaboration with the City, an off-season focus to advertising, and tourism management focus.

Recommendations from the ATAX Taskforce to City Council are:

1. Request more accountability, collaboration, and local focus from the Charleston Visitor's Bureau, the City's existing direct marketing organization;
2. Support the development of the new Isle of Palms Chamber of Commerce so they can act as an alternative direct marketing organization for the Isle of Palms in the future;
3. Request City Council to advocate for changes to State law to lower the percentage of State ATAX monies that is mandated to be spent only on tourism and advertisement.

Mayor Pounds said he had multiple conversations with MASC and the City's lobbyist "trying to ascertain interest on helping us coordinate forces across the state around the reduction of the

30%." He has also had some preliminary conversations with local mayors about joining forces and "have a powerful voice in Columbia" around this topic.

8. **Miscellaneous Business**

The next regular meeting of the Ways & Means Committee will be Tuesday, July 19, 2022 at 5pm.

9. **Adjournment**

Council Member Ward made a motion to adjourn and Council Member Miars seconded the motion. The meeting was adjourned at 6:13pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

PUBLIC WORKS COMMITTEE
3:30pm, Wednesday, June 8, 2022
1207 Palm Boulevard, Isle of Palms, SC
and broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to order**

Present: Council members Bogosian, Hahn, and Ward

Staff Present: Director Kerr, Director Pitts, Asst. Director Asero

2. **Approval of previous meeting's minutes – May 4, 2022**

Council Member Hahn made a motion to approve the minutes of the May 4, 2022 meeting, and Council Member Bogosian seconded the motion. The motion passed unanimously.

3. **Citizens' Comments** -- none

4. **Department Reports – Director Pitts and Assistant Director Asero**

Director Pitts said garbage collection was down a little for May. The Public Works department remains caught up on clearing yard debris. While there was an uptick in vehicle maintenance in May, Director Pitts said they will end the year significantly under budget in that line item.

Asst. Director Asero reported that the tide valves for the SCDOT project at 25th Avenue have arrived and are waiting to be installed. He said the project at 30th Avenue is also going very well.

Eadie's has been back on the island clearing vegetation at 41st Avenue as well as the ditch between Forest Trail and 34th Avenue and other places around the island.

Facilities maintenance work included a roof leak repair at City Hall, a repair of a bathroom leak at the Public Safety Building, and the scheduling of a generator check at the Public Safety Building. He is also working on estimates for a security system for the Public Works Building.

Cleanups of the municipal lots on front beach continue. Cigarette receptacles are being installed around the island. They have also been coordinating with the IOP Cleanup Crew for beach sweeps.

Asst. Director Asero reported that he has seen many golf carts using the newly completed golf cart path at Ocean Park Plaza.

Public Works staff has regraded and reinstalled 200' of MobiMat at 9th Avenue and added 50' of MobiMat at 42nd Avenue. They have also been discussing an additional emergency entrance and exit at 14th Avenue with the Fire Department.

DRAFT

Citywide flower installation, the Memorial Day flag installation, and the installation of a welcome sign at the public dock were also completed in May.

The compactor and dumpsters continue to have weekly washing and the concrete pad has been professionally power washed. Welding for the new gate at the compactor is complete and a new garbage chute for the compactor has been installed. The restroom attendant is monitoring the compactor weekly and three times a day on the weekend. Asst. Director Asero said that the extra monitoring is extremely helpful. He has not received any feedback from the area businesses about the changes at the compactor site. He shared that Mr. Jones is going to pour a concrete slab later this summer where the rats seem to be congregating, and he believes that will also help.

5. **Old Business**

A. **Update on Phase III Drainage Project [Strategic Plan Priority 5, Goal c]**

Director Kerr reported that the project at 30th Avenue is going very well. They have crossed the golf course and should be able to reopen the course soon. Staff continues to work through the issue with the power pole at the intersection with Waterway Boulevard. The road closure proposed for the end of July is being shifted to the end of August after school is back in session.

B. **Update on the installation of improvements to golf cart path along Ocean Park Plaza and intersection improvements at Ocean Boulevard and JC Long Boulevard [Strategic Plan Priority 1, Goal b]**

Council Member Ward said he is pleased that the golf cart path project at Ocean Park Plaza is complete. Director Kerr reported the contract for the intersection improvements at Ocean Boulevard and JC Long Boulevard has been executed but the work will be delayed until the end of August.

C. **Discussion of improvements to existing compactor located at the Small Municipal Parking Lot**

This topic was covered in Asst. Director Asero's report.

6. **New Business**

A. **Discussion of recommendations from the Environmental Advisory Committee on beach holes and shovel prohibition**

Director Kerr said this suggestion comes from the Wildlife subcommittee of the Environmental Advisory Committee out of concern for the sea turtles and the health and safety of those walking along the beach. He said a similar action was suggested many years ago and did not come to fruition. The contractor on the beach and sometimes the BSOs will fill in holes left behind by beach visitors, but he is unsure how frequently that happens. Several beach communities in South Carolina have adopted such an ordinance as presented to the Committee.

Committee members had no issue with the filling of the holes needing to be done before sunset. After a brief discussion, Council Member Ward said the issue should return to the Environmental Advisory Committee for further work.

7. **Miscellaneous Business -- none**

8. **Adjournment**

Council Member Bogosian made a motion to adjourn, and Council Member Hahn seconded the motion. The meeting was adjourned at 3:50pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

REAL PROPERTY COMMITTEE
1:30pm, Monday, June 6, 2022
1207 Palm Boulevard, Isle of Palms, SC 29451
and broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to order**

Present: Council members Miars, Popson and Streetman

Staff Present: Director Kerr

2. **Approval of previous meeting's minutes – May 9, 2022**

MOTION: Council Member Popson made a motion to approve the minutes of the May 9, 2022 meeting and Council Member Miars seconded the motion. The motion passed unanimously.

3. **Citizens' Comments** -- none

4. **Marina Tenant Comments --** none

5. **Old business**

A. **Update on the proposed public dock and greenspace at the IOP Marina**

Director Kerr said that they are waiting on pricing from ATM for the design work on the public dock. Staff is working with Davis & Floyd on the details of the layout of the greenspace. He reviewed some issues with landscaping configuration affecting the available parking spaces. They will be discussing the plans more on Friday. He believes the project is on track to begin after the season and completed by the end of 2022. Council Member Popson said he would like to see as much landscaping there as is possible since the area is stark.

B. **Update on ADA beach access improvements**

Director Kerr said the RFP for the 34A beach access path is ready to be released. They anticipate having pricing available by the July 12 Council workshop. Construction would begin after the season.

He also reported that Asst. Director Asero continues to work on keeping the extended MobiMats at 42nd and 9th avenues straight and clean. Public Works and the landscape contractors are monitoring the mats and the tide levels to determine if the mats can be extended at other beach accesses.

DRAFT

6. **New Business**

Discussion of structural assessment report of timber bulkhead at the IOP Marina along the Intracoastal Waterway performed by Davis & Floyd

Director Kerr said, "They felt like the bulkhead looked generally okay for its age. They weren't terribly concerned about it falling down or not being useful in the near future. But they were not able to, and they believe that it is not tied back, there's no kind of deadmen tying it back into the earth basically. So that's a concern. Also, we had tasked them with seeing whether or not we could put a new, wider decking over the top of it, and they basically said that that would be one solution for both problems. So they are going to first give us a proposal to develop a plan that would create a substructure for us to be able to attach this wider decking to connect our community dock to the greenspace to the back of the restaurant. It would also at the same time be giving that structure that would hold the seawall back and tie it into the earth better. So they are going to give us a proposal. We don't expect that to be too terribly expensive, and they should have that proposal back to us in the next 10 days or so…At the end of the day, it's fairly minor problems with what is existing, but the next big hurdle is this retrofit that would allow us to attach a deck to it."

The bulkhead is estimated to be 30 years old with no prior repairs. It has aged better than the others in the area since it does not get hit by high tides as much.

More geotechnical information about the bulkhead will be collected.

Public inquiries about the bulkhead report are being responded to, some by staff and some by Davis & Floyd.

7. **Miscellaneous Business -- none**

8. **Adjournment**

Council Member Poposon made a motion to adjourn and Council Member Miars seconded the motion. The meeting was adjourned at 1:51pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

Recreation Committee Meeting
12:30pm, Monday, June 6, 2022
1207 Palm Boulevard, Isle of Palms, SC and
broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to order**

Present: Council members Miars, Ward and Popson

Staff Present: Administrator Fragoso, Director Page

2. **Approval of the previous meeting's minutes – April 11, 2022**

MOTION: Council Member Ward made a motion to approve and Council Member Miars seconded the motion. The motion passed unanimously.

3. **Citizens' Comments** – none

4. **Departmental Reports** – Director Page

Director Page there will be pickleball lessons throughout the summer and the league will start back up in the fall. Several athletic summer camps are currently running.

Upcoming recreation events include the Farmers' Market on June 16 (and running through October), the Sand Sculpting Contest on June 11, the Beach Run next month, the Half Rubber Tournament in August, and the 30th Annual Isle of Palms Connector Run in October.

Most classes have been suspended for the summer. Meditation is now on Mondays at the Recreation Center and on the Public Dock.

Summer Camp began today with 62 children in attendance. She commended Josh for keeping the Recreation Center cleaned and sanitized and Cody Buckhannon for his work on the grounds.

The RFPs for the basketball and pickleball courts are ready to go out soon. City Council will be made aware when they go out.

5. **Old Business -- none**

6. **New Business -- none**

7. **Miscellaneous Business**

City Council will receive Recreation Center updates at the workshops, the first of which will be on July 12. All paper reports will still be part of the meeting packets.

8. **Adjournment**

Council Member Ward made a motion to adjourn, and Council Member Miars seconded the motion. The meeting was adjourned at 12:41pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

Public Safety Committee
10:00am, Thursday, June 2, 2022
1207 Palm Boulevard, Isle of Palms, SC
and broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to order**

Present: Council members Anderson, Hahn and Streetman

Staff Present: Administrator Fragoso Chief Oliverus, Deputy Chief Hathaway, Chief Cornett

2. **Approval of previous meeting's minutes**

MOTION: Council Member Streetman made a motion to approve the minutes of May 5, 2022 and Council Member Hahn seconded the motion. The minutes passed unanimously.

3. **Citizens' Comments** -- none

Mimi Wood, 3100 Waterway Boulevard, spoke with concern about the crowd she witnessed at the municipal parking lot on Front Beach on Memorial Day evening. She thanked the police for the manner in which it was handled and dispersed. She wonders if there are plans in place for handling these types of incidents.

4. **Highlights of Departmental Reports**

A. **Fire Department – Chief Oliverius**

Chief Oliverius gave an overview of department efforts in May. He said there were 111 calls for service including two incidents involving golf carts, a brush fire on Pine Island, a water rescue of a dog and its owner, and a pinning ceremony. He detailed training received by the staff throughout the month including a collaboration with the Town of Mt. Pleasant in an earthquake scenario. He reported that a staff member has taken on the responsibility of the department's social media presence.

Chief Oliverius spoke to the Committee about the effectiveness of the traffic pre-emptive ability of the Town of Mt. Pleasant, noting that such a module can be purchased for the Isle of Palms. He said Fire Marshall Stafford is speaking with Wild Dunes about the Click-to-Enter program that will allow emergency vehicles to open the gate without stopping.

Council Member Anderson suggested that the proactive efforts of the Fire Department to reduce response times should be on social media. She also shared that pre-empting traffic signals will be part of the extended traffic study.

DRAFT

Council Member Streetman commended Chief Oliverius for his employee engagement and recognition efforts. Chief Oliverius said it is very impactful to have City leadership attend these events.

B. **Police Department – Chief Cornett**

Chief Cornett said the Police Department held two community meetings in May with two more scheduled. There were 1251 calls for service, which is actually a bit less than May 2021. There were 387 traffic stops. Of concern were the 4 gun charges, 7 PWID narcotics charges, and 18 DUIs.

Text To Park was implemented in the municipal parking lots over the weekend. Positive feedback has been received from users about this offering.

He shared with Committee members that Police Department staff receives active shooter training every year. Two staff members are certified by multiple agencies to complete this training.

Reporting on the incident that happened on Memorial Day, Chief Cornett said that four illegally held guns were taken off the streets. A large party on Saturday night at 3906 Palm Boulevard led to a noise complaint to which the police responded. Chief Cornett said, "This will be the first time that we successfully used the new rules that the Planning Commission recommended where we asked for the response of the property management company. The property management company did respond to the location and did evict all personnel because of breach of contract and told them they had to leave."

Another large party that started at a county park in North Charleston ended up at the front beach and municipal parking lot on Monday. Police received information that there was an assault planned. Resources from the county, Mt. Pleasant, and Sullivan's Island were called in to assist. Chief Cornett said it was a great use of mutual aid from local law enforcement. He said it is likely, but not confirmed, that the incidents on Saturday and Monday are related.

Chief Cornett hopes Charleston County will form a gang task force which would lead to a reduction in crime countywide. He has already spoken to Administrator Fragoso about the department having a representative on such a task force. Committee members expressed thanks to the IOP police department as well as the agencies who responded to the situation. Chief Cornett shared that area law enforcement leadership has begun meeting with more regularity to share information and intelligence.

Chief Cornett reported that there are two vacancies in patrol and two in BSOs. He said he will be down to one vacancy each shortly. He also said they were able to get drone video of traffic and beach activity over the weekend. Council Member Anderson said that footage will be shown to SCDOT so they have a better understanding of traffic flow onto the island.

Council Member Hahn asked about the 50% reduction in the amount of parking tickets written. Chief Cornett said, "Our goal is we want to see compliance. As we improve parking abilities or opportunities, we should see a reduction in tickets issued." More people using Text-to-Pay has reduced the amount of tickets written. He also noted that parking has been more orderly on Palm

Boulevard since angled parking went in. He said that as long as parking falls under the purview of the police department resources will be pulled from parking management duties to handle life and safety issues such as locating a missing child or dealing with traffic backup. Council Member Hahn said a company who could take over parking management has contacted the City, and he suggested the Chief review what they would like to do.

Council Member Hahn also asked about jurisdiction on the IOP Connector. Chief Cornett responded, "Technically, our jurisdiction, the municipal jurisdiction stops at the flagpole. However, we have an agreement with Charleston County to give us jurisdiction from the flagpole to where the concrete meets the asphalt on the other end. The caveat of that is any tickets that are written or any charges made must be tried in the magistrate's office in Mt. Pleasant." He said it is a legal, binding contract that gives them that ability. He said officers will wait to pull someone over until they are off the bridge for safety reasons.

Council Member Anderson suggested changing the way people are charged for parking in the municipal lot to increase turnover. Administrator Fragoso said this issue has been looked into in the past. It creates an increased need for enforcement to ensure that people are paying. Hourly parking is available on 10th-14th avenues. Chief Cornett said the new LPRs will increase the efficiency of parking enforcement.

5. **Old Business**

A. **Update on study of the modification to the IOP Connector, to include assessment of alternative configurations to improve traffic flow, pedestrian and emergency access and expanded scope for corridor study [Strategic Plan Priority 1, Goal b]**

Administrator Fragoso shared a memo received just prior to the meeting from Jennifer Bihl. The memo will be posted online. Additional traffic evaluation will occur in July. The coordination of the next phase of the SCDOT study has begun. She said, "We have decided to expedite the process to go ahead and contract directly a traffic counting firm to get us additional data over the summer at the key intersections including 14th and Palm. We also included the curve at 41st Avenue and Rifle Range. So hopefully that will help us get the work on the corridor study expedited with SCDOT, and I think it will at the same time enhance the trust that the community and the City could have in the data that is being collected. That is something that the City will be hiring separately for."

She reviewed the preliminary findings from their assessment of the Connector and adjacent intersections during March. She noted that this is off-season data. Some of the highlights include:

-medium speed for the IOP Connector is 47mph
-maximum weekend off island traffic time peaks from 2-3pm on Fridays
-maximum weekend on island traffic time peaks from 3-4pm on Saturdays
-68% of the cars on the Connector are passenger vehicles
-oceanside parking in the area of 10-14th avenues reached capacity around noon

One of the recommendations they are evaluating is the installation of a "Be Prepared to Stop" sign with some flashing lights that would be triggered by some type of radar when congestion is

approaching the bridge crest to mitigate the risk of rear-end collisions. They are also recommending that the City increase speed enforcement or consider the use of speed feedback signs on the Connector.

Administrator Fragoso reported that SCDOT has updated traffic signal timings at the intersection of 14th and Palm Boulevard which has improved afternoon traffic backups. The City is evaluating additional signage at the right of way at 14th Avenue requiring people to continue moving as well as directional signage on the Mt. Pleasant side of the connector directing people how to turn at the end of the IOP side of the connector. The lane configuration at the IOP end of the connector will be studied by SCDOT.

Council Member Anderson said SCDOT plans to give the City eight alternate lane configurations for the Connector. City Council will narrow down the choices down three to present to the public for feedback.

Administrator Fragoso said of SCDOT's engagement, "Based on the meetings we have had, there is a commitment to working with the City once those alternatives are developed, working with the City to identify the most feasible model that meets both of our goals. The City's goal, which is we continue to emphasize is the emergency access. We have communicated that that is one of our primary goals, and for them is accommodating bike and pedestrian traffic. So I think the assignment is finding a solution that accommodates both."

Council Member Hahn said, "At least from my perspective, it is not we want it. It is a demand. We must have an emergency access lane. I would just remind everybody that they do not have the legal right to do what they have done, or do they have the legal right to get us to do anything else by statute. We need to be hard with them on that. That is a dealbreaker for me."

Council Member Hahn did not support the recommendation of more traffic signs on the island. He would like to see SCDOT to come here during peak times of July 4th and Labor Day weekends.

B. **Discussion about potential changes to the noise ordinance [Strategic Plan Priority 4, Goal a]**

While waiting for the completion of Mt. Pleasant's trial period of its new noise ordinance, Chief Cornett said he is reaching out to similar communities with noise ordinances and asking them about enforcement.

Administrator Fragoso pointed out there is not a one-size-fits-all solution for this concern and whatever ordinance City Council puts forth will need to have a trial period.

The Committee reviewed a decibel level chart. Administrator Fragoso said staff will continue to collect data and craft something for City Council to discuss later in the year.

C. **Discussion regarding the division of transportation issues into different departments: traffic, roads, and transportation planning [Strategic Plan Priority 1, Goal b]**

Council Member Anderson asked Chief Cornett what he sees as the traffic issues that fall within his purview. He responded, "For the police department, it is very simple. We just do enforcement. We enforce speeding. We enforce violations of traffic ordinances, and we enforce parking. We will help out when we need to if signs need to be put up. We will help put those up. If we see something where we say hey, this is an unsafe area, we may come to the City Administrator and say this is an area that we feel like we need to get with DOT or whoever we need to to address it. But typically, our involvement in transportation is just enforcement and make sure the traffic is flowing."

Administrator Fragoso detailed how transportation issues are handled within the City: "We are a very small community. We have one traffic light in our community. We do not own roads with the exception of Ocean Boulevard between 10th and 14th, and there are other very random sections throughout the island that may have easement from Charleston County, but most of it is owned by SCDOT. So the City does not have a transportation or roads department. Whenever there is an issue with a road, let's say there is a sinkhole that needs to be fixed, the City will submit that to SCDOT to include in their schedule for maintenance. So that is something that comes to us from complaints from the community or our staff who are on the road and say hey, there seems to be a sinkhole forming. We will submit that to SCDOT's maintenance department. They respond to it as part of their on-going schedule in the county. If there are some areas that need some maintenance work that is something that is owned by the City, the City would contract that out directly, and oftentimes we will get assistance from Charleston County, who does have a public works department and are able to respond as needed. Or we would contract that out directly. That is something we have in our forecast budget for resurfacing of Ocean Boulevard between 10th and 14th. So that is part of a schedule. When it comes to transportation planning, in the past and currently, we engage services of traffic engineers we have on hold that we use to receive advice on certain issues whether it is signal timing or parking recommendations and we use Stantech and currently Jennifer Bihl has been added to the team of experts that we rely on." Administrator Fragoso is the coordinator of these efforts.

Administrator Fragoso clarified that the City's Public Works department is for garbage collection and not road maintenance. Council Member Streetman pointed out that Assistant Director Robert Asero is a good point person for road maintenance issues on the island.

6. **New Business**

A. **Discussion of implementing the 4' parking setback on the landside of Palm Boulevard from 51st to 57th Avenue [Strategic Plan Priority 1, Goal b]**

Council Member Hahn said, "The issue is currently that area of Palm Boulevard, the sidewalk is on the ocean side of Palm Boulevard. All of the cut-throughs coming from Wild Dunes into Palm Boulevard, the cars are parking right on the edge of Palm Boulevard, so you cannot see traffic coming or going or see small children. Two suggestions that have been made to me. One is a 4' setback which is what we have everywhere else. We ought to do it all the way down Palm

Boulevard for the same reason. And the second would be to move the crosswalks so that they line up with the cut-throughs coming out of Wild Dunes, go straight across and dump you into sidewalk."

Administrator Fragoso clarified, "Two years ago, City Council approved changes to the parking plan that included requiring that 4' setback all the way to 53rd. So currently, it is 53rd, and between 53rd and 57th, there is an open ditch. Not enough space to allow a vehicle to park within 4' of the road without essentially being inside the ditch. So that felt unsafe and installing that 4' setback in that section would essentially eliminate parking on that end."

Administrator Fragoso said she would ask Jennifer Bihl or Stantech to evaluate the "traffic volumes on that end and maybe make some recommendations whether that area should be piped, the drainage structure there to be piped to allow for parking 4' off the road or any other recommendations."

She pointed out that there is a setback at every intersection and a 20' buffer where parking is not allowed on either side of the landside beach access paths.

B. **Discussion of Parking Enforcement [Strategic Plan Priority 1, Goal a]**

Council Member Hahn said this was addressed in Chief Cornett's report.

C. **Discussion of entering into Automatic Aid Agreement with Mt. Pleasant [Strategic Plan Priority 3, Goal d]**

Chief Oliverius spoke about the importance and workings of an automatic aid agreement. He said that he and Chief Hathaway are meeting with Chief Mixon and his staff today to work out parameters of the agreement. He said there is no cost to the City to enter into such an agreement except for minor fuel costs should the need arise for IOP personnel to respond to an incident in Mt. Pleasant.

D. **Approval of FY23 capital purchases for Police and Fire:**

i. Three (3) patrol vehicle replacements - $135,000, state contract pricing
ii. Two (2) Ford F-150 truck replacements (re-budgeted from FY220 - $87,000
iii. One (1) F-250 replacement (re-budgeted from FY220 - $70,000
iv. Replacement of ATV with small pickup truck - $28,000

Administrator Fragoso said these four items are included in the FY23 budget. Due to the delays in securing vehicles, staff would like these purchases approved now so they can get the process going. Backup information for the purchases will be provided at the Ways & Means Committee.

MOTION: Council Member Hahn made a motion to recommend the approval of these purchases to the Ways & Means Committee. Council Member Streetman seconded the motion. The motion passed unanimously.

7. **Miscellaneous Business – none**

8. **Adjournment**

Council Member Hahn made a motion to adjourn, and Council Member Streeman seconded the motion. The motion passed unanimously. The meeting was adjourned at 11:57am.

Respectfully submitted,

Nicole DeNeane
City Clerk

Personnel Committee
9:00am, Wednesday, June 1, 2022
1207 Palm Boulevard, Isle of Palms, SC and
broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to Order**

Present: Council Members Anderson, Pierce, and Bogosian

Staff Present: Director Kerr

2. **Approval of previous meeting's minutes**

MOTION: Council Member Pierce made a motion to approve the minutes of the May 3, 2022 meeting. Council Member Anderson seconded the motion. The motion passed unanimously.

3. **Citizens' Comments**

4. **Old Business**

A. **Consideration of applicants to fill two (2) vacancies on the Accommodations Tax Advisory Committee: Hospitality and Lodging**

Council Member Bogosian reported that due to another resignation from the ATAX Committee, there are currently two openings: one for lodging and one for hospitality. The Committee will schedule a special meeting later this month to interview the new applicant for the open hospitality position.

MOTION: Council Member Bogosian made a motion to recommend that City Council appoint Rebecca Kovalich to the open lodging position on the ATAX Committee. Council Member Pierce seconded the motion. The motion passed unanimously.

B. **Discussion and consideration of having a referendum in the November 2022 elections to ask citizens if they want to reduce the size of Council from 9 to 7 members**

Administrator Fragoso referred to an updated version of the ordinance received from legal counsel yesterday. She said, "In order to be in compliant with State statute, the recommendation would be to eliminate a seat at the end of the following municipal election. State statute essentially does not allow for two-year terms with the exception of when there is a change in the form of government or when a municipality is just becoming incorporated. Because neither of those apply to us, we have not found a way to maintain the staggered terms and be compliant with the State. So there would be a period of two years that the City would have eight council

members between 2024 and 2026." The second council seat would be eliminated in the 2026 election cycle.

She added that this will be a binding referendum. City Council would still need to approve an ordinance via two readings codifying the reduction in Council size in order to implement the change.

MOTION: Council Member Bogosian made a motion to recommend the draft ordinance to City Council for discussion and consideration at their June meeting. Council Member Pierce seconded the motion. The motion passed unanimously.

5. **New Business**

A. **Discussion of proposed changes to annual leave policy and accrual rates**

Administrator Fragoso reminded the Committee that these changes to the annual leave policy and accrual rates were recommended by the Wage & Compensation Study. She said the change is related to Strategic Priority 6 which is to have a strong recruitment and retention policy.

She added, "My main concern is right now when you compare our vacation accrual policy for new hires, it is pretty low, and I think that there's an opportunity to improve that with the new generation of folks that are entering the workforce."

The Committee briefly discussed current vacation accrual and annual leave policies. Administrator Fragoso will discuss the matter further with the department heads and bring a proposal to the July 12 workshop for Council discussion.

6. **Miscellaneous Business**

The Personnel Committee will hold a Special Meeting later in June to interview the candidate for the open hospitality position on ATAX and Planning Commission.

7. **Adjournment**

Council Member Bogosian made a motion to adjourn, and Council Member Pierce seconded the motion. The motion passed unanimously. The meeting was adjourned at 9:27am.

Respectfully submitted,

Nicole DeNeane
City Clerk

Explore Charleston

FY 2020/21 Program of Work ACTUAL

	Isle of Palms
DESTINATION MARKETING	
Destination Marketing has one goal: promote the Charleston area as the country's premier overnight destination. In developing and implementing Explore Charleston programs we ask ourselves how will this expenditure generate an overnight visitor. All area tourism economic activity flows from overnight visitation.	$ 398,627.90
Our marketing strategy had layered advertising mediums that evolved as we navigated the pandemic and associated recovery. Innovative electronic promotions were integral and print publications remained relevant.	
Depending on the campaign, television and direct mail were also incorporated.	
Titles in our print media plan for FY 20/21 included Travel & Leisure, Departures, Southern Living, Conde' Nast Traveler, Garden & Gun , Food Network, Vogue and various AAA publications. Wedding specific advertising placements included Grace Ormond, The Knot, and Heart of North Carolina.	
Publications created in-house for promotion as response pieces included: the Charleston Area Visitors Guide, the Charleston Area Destination Planning Guide (group business), and a completely redesigned Charleston Area Wedding Guide.	
Explorecharleston.com remained a cornerstone in Explore Charleston's digital promotional efforts, including as we communicated with visitors about our industry's efforts to safely welcome guests back to the area. We had several websites that corresponded to the printed publications mentioned above, and these sites were routinely updated for content and creative.	
A robust social media presence was critical to support promotional campaigns and reach a diverse audience. Our team created informative, inspiring, customized editorial content for Instagram, Facebook, Twitter, Youtube and Pinterest, as well as our charlestonly.com/blog. Explore Charleston global followership grew by ~60K and exceeded 480K at year end.	
All creative was developed in-house to protect and properly convey the brand of the Charleston area. Ongoing investments were made in photography, videography, and written content.	
Explore Charleston's advertising is based on solid, current tourism research. Investments in research continued in FY 20/21 in order to inform sound advertising decisions. Various sources were utilized such as Destinations International, US Travel, TravelClick, Inntopia/Destimetrics, and Smith Travel Research. A new resource, Key Data, was introduced late in the fiscal year to enhance vacation rental analysis.	
Locally, our paid partnership with the Office of Tourism Analysis in the Business Department at the College of Charleston ensured our ability to compile and analyze tourism metrics. The College played an integral role in capturing and collecting data as well, particularly through several unique surveys and customized reports about COVID-19's impact on traveler sentiment.	
Improved and increased air service into Charleston International (CHS) remained a major focus for Explore Charleston. Over 4.8 million people traveled through our airport in 2019 and passenger volume was trending higher prior to Covid-19. In spring 2020, the pandemic reduced those numbers by 95%. Fortunately, strong market positioning and established airline partnerships enabled CHS to consistently outperform national averages in air service recovery throughout the year.	
Working with existing carriers to restore and expand service significantly enhanced our pandemic recovery efforts. JetBlue launched the state's first nonstop flight to California with service from CHS to Los Angeles. Partnerships were also forged with new carriers. Silver Airways initiated service at CHS in fall 2020. Breeze Airways, a brand new airline, selected Charleston as one of its inaugural launch cities, a major accomplishment for the region. Breeze serves 11 destinations from CHS.	
MEDIA RELATIONS	
Media Relations and communications about the Charleston area were critical components of the promotion of our community.	$ 63,897.51
Explore Charleston worked to maintain relationships with writers, editorial boards and other journalists throughout the downturn as well as to highlight the region's safe reopening and promote the Charleston experience through earned media.	
As interest in leisure travel grew and journalists started to travel again, we created unique and engaging itineraries for media visiting the region.	
Robust photo and video libraries were updated. These resources assisted journalists and broadcasters in telling their stories about our community.	
Paid advertorial opportunities with D Weddings and Hearst Magazines were implemented. Taking an advertorial approach complemented our other media efforts because it appeared editorial in nature, yet we were able to control the content.	

Explore Charleston

FY 2020/21 Program of Work ACTUAL

	Isle of Palms
Business development through media relations powerhouse Lou Hammond Group continued to prove beneficial to expand the reach of media pitches and introduce new journalists to our community.	
Other development channels for Explore Charleston's media team included activity through the Society of American Travel Writers, US Travel Association, and the British Guild of Travel Writers.	
GROUP SALES	
Sales initiatives intended to bring group business to Charleston County remained vital to Explore Charleston's program of work. ***With the near complete shutdown of group travel, our sales department dedicated itself to reenforcing and deepening its relationships with planners and executives in the corporate, association, and SMERF markets. This effort paid off as the number of inquiries, RFPs, and bookings increased significantly once travel perceptions began to improve in conjunction with the vaccine rollout. The old adage, "people do business with people they know" proved true, and our commitment to being readily accessible for our clients continues to pay dividends.***	$ 117,459.37
Sports initiatives were especially important to rebuilding group business. Team competitions such as youth baseball, gymnastics competitions, volleyball tournaments, etc. comprised much of the group travel that occurred during the fiscal year.	
Promotion of area businesses that are able to service our convention / group business is an important piece of group promotion. Once a group has booked its accommodations, they then look for off-site function venues, dining, and tour options.	
VISITOR SERVICES	
Visitor Services expenditures for the operation of four area visitor centers (downtown Charleston, Kiawah Island, Mount Pleasant, North Charleston) continued.	$ 119,981.79
Information distribution, directions, assistance in visitor planning, access to public facilities and general promotion of our community were day-to-day responsibilities as Centers reopened.	
Area tours were booked through our centers, spreading economic benefit to regional businesses.	
Last minute, same-day hotel rooms were also booked through the centers for our lodging partners as a notable percentage of travelers arrived in our area without lodging reservations.	
Visitor Information SUPPORT	
Serving visitors and callers via our 1-800 phone lines was critically important to our recovery efforts as we launched 'welcome back' campaigns. As more traditional advertising and media efforts resumed, visitor inquiries grew considerably both by phone, digital chat and social media. ***Our Visitor Inquiry Service (VIS) operators served a pivotal role during hurricane season and throughout the pandemic. VIS operators continually gathered and disseminated the most up-to-date information to potential travelers to our community.***	$ 31,182.17
Total Expenditure Applied to Municipality	$ 731,148.75
Total Atax Received per Municipality	$ 545,133.00
Difference	$ 186,015.75

Explore Charleston
FY 2021/22 Program of Work - City of Isle of Palms - BUDGET

	Expenses	Percentage of Expense
DESTINATION MARKETING		
Destination Marketing has one goal: promote the Charleston area as the country's premier overnight destination. We ask ourselves one question: Will this expenditure generate an overnight visitor? All area tourism economic activity flows from overnight visitation: ***Our marketing strategy has layered advertising mediums that are constantly evolving. Innovative electronic promotions are integral, yet print publications continue to be relevant.***	$ 428,613.55	56.74%
Depending on the campaign, radio, television, and billboard advertising may be utilized and direct mail may be employed. ***Titles in our media plan for FY 21/22 include AFAR, Better Homes & Gardens, Coastal Living, Condé Nast Traveler, ESSENCE Magazine, Garden & Gun, Midwest Living, Smithsonian Magazine, Southern Living, Travel & Leisure, and Western NC Magazine. Bon Appetit, Food Network, Food & Wine and various AAA publications are also in our paid media schedule. Wedding specific advertising placements are planned with The Knot, Heart of North Carolina and Grace Ormonde.*** Marketing plans support our important group sales initiatives through placements with CONNECT and Northstar Meetings Magazine. Active involvement through Virtuoso and Signature Travel Network are also important pieces of our promotional strategy in getting these exclusive and highly-sought-after travel advisors to recommend our area to avid travelers.		
Publications created in-house for promotion through response pieces include Charleston Area Visitors Guide, Charleston Area Wedding Guide and the Charleston Area Destination Planning Guide for group business.		
Explorecharleston.com and CharlestonAreaBeaches.com are cornerstones in our promotional efforts. We have several other sites that correspond to the printed publications mentioned above, and sites are updated for content and creative daily. ***A robust social media presence is critical to support promotional cmpaigns and reach a diverse audience. Our team creates inspiring, customized editorial content for Instagram, Facebook, Twitter, Youtube and Pinterest, as well as our charlestonly.com/blog. Explore Charleston has garnered hundreds of thousands of followers from across the world and consistently outperforms industry averages for audience engagement.*** All creative is developed in-house to protect the brand of the Charleston area and its islands. Ongoing investments in photography, videography, and written content keep the message fresh, and ensure complimentary voice and aesthetic. ***All of our advertising is based on solid, current tourism research. Research is expensive, and necessary in making sound advertising decisions. Various sources are utilized such as Destinations International, US Travel, Key Data, TravelClick, Datafy, and Smith Travel Research.*** *Locally, our paid partnership with the Office of Tourism Analysis in the Business Department at the College of Charleston has proved invaluable in ensuring our ability to synthesize, analyze, and impact our tourism metrics. The College plays an integral role in capturing and collecting data as well.* ***Improved and increased air service into Charleston International (CHS) continues to be a major focus for Explore Charleston. Working with Southwest, JetBlue, Alaska Airlines, Breeze Airways and legacy carriers has significantly expanded access to and from the region.*** Over 4.8 million people traveled through our airport in 2019 and passenger volume was trending higher prior to Covid-19. This effort is essential to keep ticket prices affordable through CHS so that we can continue to expand direct fly markets, strengthen tourism, and support regional economic development opportunities.		
MEDIA RELATIONS		
Media Relations and communications about the Charleston area are critical components of the promotion of our community:	$ 69,737.64	9.23%
Relationship development is key in these efforts as we work with travel writers, editorial boards and other journalists to promote the Charleston experience through earned media.		
Creating unique and engaging itineraries for media visiting the region is essential in telling the Charleston area's story. Writers want new ideas and opportunities to continue producing fresh material for their readers.		
Robust photo and video libraries have been built and updated regularly to ensure content is current and relevant. This is essential as we work to assist journalists and broadcasters in telling their stories about our community. A picture is worth a thousand words.		
Paid, advertorial opportunities through D Weddings and Hearst are planned. Taking an advertorial approach complements our efforts because it appears editorial in nature, yet we are able to control the content.		
Business development through media relations powerhouse Lou Hammond Group continues to prove beneficial in attracting new journalists to our community. ***Other development channels for our media team include activity through the Society of American Travel Writers, the Public Relations Society of America, the US Travel Association, and the British Guild of Travel Writers. These groups provide invaluable opportunities to interact with media that we might not otherwise engage.***		
GROUP SALES		
Sales initiatives intended to bring group business to Charleston County include: ***Over 39 vetted tradeshows, solely focused on lodging "fits" for our area such as corporate sales, association, government and incentive business, national and international tour operators, weddings, and SMERF (social, military, educational, religious, fraternal) markets.***	$ 128,053.69	16.95%
Sports initiatives are also crucial to group business, filling venues and hotel rooms countywide, whether it's a large event like the Volvo Car Open, or traveling team sports such as soccer clubs, gymnastics competitions, volleyball tournaments, etc.		
Promotion of area businesses that are able to service our convention / group business is an important piece of group promotion. Once a group has booked its accommodations, they then look for meeting venue, dining and tour options.		

Explore Charleston
FY 2021/22 Program of Work - City of Isle of Palms - BUDGET

	Expenses	Percentage of Expense
Sales training for our industry partners is part of our programming. A meeting planner must first be sold on a destination, rather than a hotel, so it's important that hotel sales staff can talk knowledgeably about Charleston County.		
VISITOR SERVICES		
Visitor Services expenditures for our operation of four area visitor centers (downtown Charleston, Kiawah Island, Mount Pleasant, North Charleston):	$ 105,211.01	13.93%
Information distribution, directions, assistance in visitor planning, access to public facilities and general promotion of our community are day-to-day responsibilities.		
Area tours are booked through our centers, spreading economic benefit to regional businesses.		
Last minute, same-day hotel rooms are also booked through the centers as our lodging partners look to book the day's remaining inventory.		
Visitor Services also serve large groups that come to the Charleston area, via setting up mini Visitor Centers to help disseminate the same information that can be found in our "official" facilities.		
Visitor Information SUPPORT		
Serving visitors and callers via our 1-800 phone lines is a vital link in supporting our marketing efforts. Ads are placed, articles are published, and our phone lines ring in response.	$ 23,792.82	3.15%
Our Visitor Inquiry Service (VIS) operators also serve a pivotal role during times of crisis, whether it is a weather event such as a hurricane, or more recently, the Covid-19 pandemic. VIS operators play a critically important role by continually gathering and disseminating the most up-to-date information to potential travelers to our community.		
Total Expenditures	$ 755,408.71	
Total Atax Budgeted to Receive from City of Isle of Palms in FY 2021/2022	$ 598,279.00	
New Expenses Related to Isle of Palms Website and Other Programs (such as Coast is Clean)	$ 157,129.71	20.80%
		120.80%

BUDGETED INCOME FY 22/23: City of Isle of Palms Ratified Budget									$826,528
Expenditure Type	**EXPENSE SPECIFIC TO ISLE of PALMS**	**Benefit to IOP**	**Cost to CVB**	**IOP Share Based on Community Inventory at 5.5%***	**IOP Share Based on Full Service (Group) Inventory at 8%****	**IOP Share Based on Luxury (Group) Room Inventory at 24%*****	**IOP Share Based on Islands Inventory at 34.23%******	**100% IOP**	**Subtotals**
Website - development	IOP Specific site	adding non-member information	$37,000					$37,000	
Website - enhancement	Site presence: IOP on Beaches site	https://www.charlestoncvb.com/beaches/isle-of-palms/	$31,000					$31,000	
Website - Search Engine Optimization (SEO)	Adwords, IOP-specific, Beaches Site		$60,000				$20,538		
Website - SEO	Adwords, ExploreCharleston core visitor site		$290,000	$15,950					
Commercial - production	*Vive Media*	*creation of :30 sec commerical for television; :30 sec for social media platforms*	30000					$30,000	
Commercial - distribution	*Sinclair Broadcasting*	*distribution of :30 sec commercial in Southeast and Northeast (6 months x $20,000/month)*	120000				$41,076		
Advertising - Photography & Videography	*Vive Media*		20000					$20,000	
Advertising - digital campaign	The Knot	store front annual, wedding specific	$3,500				$1,198		
Advertising - social media campaigns	Facebook & Instagram	paid promotion - 12 months	$20,000					$20,000	
Advertising - social media campaigns	TikTok	paid promotion - 12 months	$20,000					$20,000	
Advertising - social media campaigns	YouTube	paid promotion - 12 months	$20,000					$20,000	
Subtotal Marketing & Advertising			***$651,500***	***$15,950***	***$0***	***$0***	***$62,812***	***$178,000***	***$256,762***
Advertising - print	AAA Living (Georgia, Tennessee, North & South Carolina)	two placements of full page + full page advertorial	#					#	
Advertising - print	AAA World (DC, Maryland, Virginia & Delaware)	two placements of two page spread	#					#	
Advertising - print	Southern Bride (North Carolina)	full page placement in Summer/Fall and Winter/Spring	#					#	
Advertising - print	Discover SC	Annual state vacation guide - full page	#					#	
Advertising - print	Coastal Living	spreads in Fall and Winter issues	#				#		
Advertising - print	Midwest Living	spreads in Fall and Winter issues	#				#		
Advertising - print	Conde Nast Traveler	high impact unit of 12 pages specific to islands + spread	#				#		
Subtotal Negotiated Ad Buys: Terms confidential between buyer/seller. #Placements total $264,699.			***$656,080***	***$0***	***$0***	***$0***	***$123,594***	***$141,105***	***$264,699***
Group Sales									
Sales - Luxury Tradeshows, most difficult to sell	American Society of Association Executives	Tradeshow: Washington, DC - August 2022; Ongoing events throughout the year	$11,150			$2,676			
Sales - Luxury Tradeshows, most difficult to sell	CONNECT Marketplace	Appointment show: Detroit, MI - August 2022	$10,200			$2,448			
Sales - Luxury Tradeshows, most difficult to sell	CONNECT DC Marketplace	Appointment show: Washington, DC - Nov 2022	$8,550			$2,052			
Sales - Luxury Tradeshows, most difficult to sell	Destination Southeast/Northstar	Appointment show: Daytona Beach, FL - Sept. 2022	$3,900			$936			
Sales - Luxury Tradeshows, most difficult to sell	Destination East/Northstar	Appointment show: Albany, NY. Oct 2022	$3,450			$828			
Sales - Luxury Tradeshows, most difficult to sell	Independent Planners Education Conf/Northstar	Appointment show: Memphis, TN Jan 2023	$3,750			$900			
Sales - Luxury Tradeshows, most difficult to sell	Financial & Insurance Conference Professionals	Membership only	$950			$228			

Expenditure Type	EXPENSE SPECIFIC TO ISLE of PALMS	Benefit to IOP	Cost to CVB	IOP Share Based on Community Inventory at 5.5%*	IOP Share Based on Full Service (Group) Inventory at 8%**	IOP Share Based on Luxury (Group) Room Inventory at 24%***	IOP Share Based on Islands Inventory at 34.23%****	100% IOP	Subtotals
Sales - Luxury Tradeshows, most difficult to sell	HelmsBriscoe	Appointment show: TBD - May 2023; Preferred Partner Destination membership	$20,750			$4,980			
Sales - Luxury Tradeshows, most difficult to sell	IMEX America	Appointment & Tradeshow: Las Vegas, NV - November 2022	$38,500			$9,240			
Sales - Luxury Tradeshows, most difficult to sell	Luxury Meetings Summit	Appointment show: TBD - Feb. 2023	$8,000			$1,920			
Sales - Luxury Tradeshows, most difficult to sell	Luxury Travel Industry	Atlanta (Feb 2023) & New York (April 2023) travel advisors	$14,250			$3,420			
Sales - Luxury Tradeshows, most difficult to sell	Meeting Professionals International	Tradeshow: TBD - June 2023	$8,350			$2,004			
Sales - Luxury Tradeshows, most difficult to sell	Professional Convention Mgmt Assoc.	Tradeshow: Columbus, OH - January 2023	$12,650			$3,036			
Sales - Luxury Tradeshows, most difficult to sell	Professional Convention Mgmt Assoc.	Destination Showcase: March 2023	$11,250			$2,700			
Sales - Luxury Tradeshows, most difficult to sell	Signature Travel Network	Appointment show: Las Vegas, NV - November 2022; membership	$5,700			$1,368			
Sales - Luxury Tradeshows, most difficult to sell	Society of Incentive Travel Executives	Annual Meeting: TBD - December 2022	$6,150			$1,476			
Sales - Luxury Tradeshows, most difficult to sell	Virtuoso	Tradeshow: Las Vegas, NV - August 2022	$13,000			$3,120			
Sales - Other Tradeshows	Association Executives of North Carolina	Tradeshow: Raleigh, NC - December 2022; Ongoing events throughout the year	$7,725		$618				
Sales - Other Tradeshows	Council of Engineering and Scientific Society Executives	Tradeshow: Richmond, VA; Ongoing events throughout the year	$6,700		$536				
Sales - Other Tradeshows	Georgia Society of Association Executives	Annual Meeting: TBD, GA - May 2023; Ongoing events throughout the year	$10,250		$820				
Sales - Other Tradeshows	GovTravels	Tradeshow: Washington, DC - March 2023	$5,250		$420				
Sales - Other Tradeshows	Holiday Showcase Association Forum	Tradeshow: Chicago, IL - December 2022	$8,300		$664				
Sales - Other Tradeshows	Meeting Professionals International	Tradeshow: TBD - June 2023	$8,350		$668				
Sales - Other Tradeshows	South Carolina Society of Association Executives	Tradeshow: Columbia, SC - January 2023; Ongoing events throughout the year	$14,000		$1,120				
Sales - Other Tradeshows	Tennessee Society of Association Executives	Tradeshow: Knoxville, TN - December 2022	$10,200		$816				
Sales - Other Tradeshows	Travel South International	Tradeshow: Louisville, KY - November 2022	$10,800		$864				
Sales - Other Tradeshows	Virginia Society of Association Executives	Tradeshow: Richmond, VA - October 2022	$3,100		$248				
Subtotal Group Sales			***$265,225***	***$0***	***$6,774***	***$43,332***	$0	***$0***	***$50,106***
Market Research, Destination Services and Promotion									
Market Research - Key Data	Key Data Research, specific to islands / beaches	Historical and forward-looking projections on beach rental performance / key metrics (IOP, Folly, Kiawah)	$35,000				$11,981		
Market Research	Office of Tourism Analysis research; Datafy - phone app tracking	Allocated between funding communities	$170,000	$9,350					

Expenditure Type	EXPENSE SPECIFIC TO ISLE of PALMS	Benefit to IOP	Cost to CVB	IOP Share Based on Community Inventory at 5.5%*	IOP Share Based on Full Service (Group) Inventory at 8%**	IOP Share Based on Luxury (Group) Room Inventory at 24%***	IOP Share Based on Islands Inventory at 34.23%****	100% IOP	Subtotals
General Destination Services		- Marketing strategy - Campaign and creative development / graphics design and branding - Advertising negotiation and placement - Creative writing - Creation and distribution of collateral - Collateral mailing and fulfillment to inquiry response - Social media strategy, implementation and monitoring - Media development - cultivating relationships with and hosting travel writers - Group sales strategy, relationship cultivation with meeting planners, tradeshow attendance and follow up - Visitor Services / visit planning - Call center, 800 lines and online inquiry response about travel to area - Air service development for community	$6,896,725	$379,320					
Regional Destination Promotion		- Community exposure through digital, broadcast, print, electronic and social media platforms. - ExploreCharleston.com and MeetCharleston.com website hosting and development, including micro sites such as charlestonweddingguide.com - Simpleview CRM platform for membership development and website integration - Luxury Travel Advisor consortium memberships and business development (e.g. Virtuoso, Signature Travel) - Travel advisor certification program - National advertising for OTT campaigns including production and placement; print and digitial advertising programs with industry-leading publications; Regional communication campaigns - Partnerships with Society of American Travel Writers, British Guild of Travel Writers, Public Relations Society of America, US Travel Association, etc. to generate earned media. - Advertorial opportunities with publications such as D Weddings, Hearst and Worth - Media pitches, intinerary creation and hosting support for travel writers - Non-sponsored social media content creation to support promotional campaigns and reach a diverse audience; (Explore Charleston has garnered over 500K global followers and consistently outperforms industry averages for audience engagement) - Charleston Area Sports Commission business development initiatives - Special events and activations (e.g. PGA Championship, Illumination Charleston, Credit One Open, Gather)	$15,498,462						
Subtotal Market Research, Destination Services and Promotion			***$22,600,187***	***$388,670***	***$0***	***$0***	***$11,981***	***$0***	***$400,650***
TOTAL			***$24,172,992***	***$404,620***	***$6,774***	***$43,332***	***$198,387***	***$319,105***	***$972,217***

**Based on share of room inventory in community: 1004 STR units+424 hotel rooms=1,428 IOP total lodging inventory / 25,872 community. IOP has 5.5% of all lodging inventory in our community.*

***Based on share of area's full-service hotel room inventory: 424 IOP / 4800 area wide. IOP has 8% of full-service lodging inventory in our community.*

****Based on share of room inventory in luxury meeting properties: 424 IOP / 1765 area wide. IOP has 24% of luxury meeting lodging inventory in our community.*

*****Based on share of room inventory in island/beach communities:1004 STR units+424 hotel rooms=1,428 IOP total lodging inventory / 4172 islands. IOP has 34.23% of area island/beach inventory.*

Charleston Area CVB/Explore Charleston

Summary of FY23 Final CVB Budget Submitted to City of Isle of Palms

	Cost to CVB	IOP Share Based on Community Inventory at 5.5%*	IOP Share Based on Full Service (Group) Inventory at 8%**	IOP Share Based on Luxury (Group) Room Inventory at 24%***	IOP Share Based on Islands Inventory at 34.23%****	100% IOP	Total IOP Budget	% of Total CVB Cost
Marketing & Advertising	651,500	15,950	-	-	62,812	178,000	256,762	39.4%
Negotiated Ad Buys	656,080				123,594	141,105	264,699	40.3%
Group Sales	265,225	-	6,774	43,332	-	-	50,106	18.9%
Market Research								
Market Research - Island specific	35,000	-	-	-	11,981	-	11,981	34.2%
Market Research - App tracking	170,000	9,350	-	-	-	-	9,350	5.5%
Destination Services & Promotion								
General Destination Services	6,896,725	379,320	-	-	-	-	379,320	5.5%
Regional Destination Promotion	15,498,462	-	-	-	-	-	-	0.0%
Total	24,172,992	404,620	6,774	43,332	198,387	319,105	972,217	4.0%

FOURTH AMENDMENT TO COMMERCIAL LEASE AGREEMENT

This FOURTH AMENDMENT TO COMMERCIAL LEASE AGREEMENT (this "***Amendment***") is made effective as of the _____ day of [ ], 2022 (the "***Effective Date***"), by and between THE CITY OF ISLE OF PALMS, SOUTH CAROLINA ("***Landlord***"), MORGAN CREEK MARINA, LLC, a South Carolina limited liability company ("***Tenant***").

RECITALS:

WHEREAS, Landlord and Marina Outpost, LLC, a South Carolina limited liability company ("***Marina Outpost***"), entered into that certain Commercial Lease Agreement dated as of January 4, 2008, as amended by that certain First Amendment to Commercial Lease Agreement dated as of April 25, 2012, as further amended by that certain Second Amendment to Commercial Lease Agreement dated as of July 24, 2012, as further amended by that certain Third Amendment to Commercial Lease Agreement dated as of February 26, 2015 (collectively, the "***Lease***"), pursuant to which Landlord has leased to Marina Outpost, and Marina Outpost has leased from Landlord, certain real property and improvements as more fully set forth in the Lease (the "***Property***").

WHEREAS, Marina Outpost is conveying its interest in the Property and assigning its rights and obligations in the Lease to Tenant in conjunction with the execution of this Amendment.

WHEREAS, in accordance with Section 44 of the Lease, Landlord consents to the conveyance of Marina Outpost's interest in the Property from Marina Outpost to Tenant and the assignment of Marina Outpost's rights and obligations under the Lease from Marina Outpost to Tenant.

WHEREAS, Landlord and Tenant further intend to amend certain terms and conditions of the Lease as more fully set forth in this Amendment.

NOW, THEREFORE, in consideration of the covenants and conditions set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Recitals; Definitions**. The foregoing recitals are incorporated herein by this reference as a material part of this Amendment. Capitalized terms used in this Amendment without definition have the meaning given such terms in the Lease.

2. **Consent to Assignment**. Landlord hereby consents to the conveyance of Marina Outpost's interest in the Property from Marina Outpost to Tenant and the assignment of Marina Outpost's rights and obligations under the Lease from Marina Outpost to Tenant.

3. **Reporting of Tenant Financials**. Notwithstanding anything in the Lease to the contrary, within ninety (90) days after the end of each Lease Year or partial Lease Year, Tenant

shall provide Landlord a statement showing the "Annual Gross Receipts" and "Annual Gross Profit" (as such terms are used in the Lease) for each such Lease Year. Each such statement furnished by Tenant shall be certified as correct by a certified public accountant licensed in the State of South Carolina. Any intentional or deliberate misrepresentation by Tenant of its "Annual Gross Receipts" or "Annual Gross Profit" in any such statement or other document or material provided to Landlord in relation thereto shall constitute an Event of Default under the Lease. A "Lease Year" refers to (i) each period of twelve consecutive months during the Lease Term commencing October 1 in any calendar year and ending on September 30 in the following calendar year, and (ii) the period of the Lease Term following the last full twelve-month Lease Year and ending upon the expiration or termination of the Lease.

4. **Assignment and Subleasing**. Section 44 of the Lease is hereby deleted in its entirety and replaced with the following:

> "(a) Except as may otherwise be expressly permitted in relation to a Permitted Transfer as defined in Section 44(d) of this Lease, Tenant shall not, directly or indirectly, voluntarily or by operation of law, sell, assign, encumber, mortgage, pledge, or otherwise transfer or hypothecate all or any part of the Premises or Tenant's leasehold estate hereunder (each such act is referred to herein as an "***Assignment***") or sublet all or any portion of the Premises or permit the Premises to be occupied by anyone other than Tenant (each such act is referred to herein as a "***Sublease***") (any Assignment or Sublease may be referred to herein as a "***Transfer***"), without Landlord's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned or delayed. Other than Permitted Transfers, any attempted Transfer without Landlord's prior written consent shall be void and shall constitute an Event of Default under the Lease. If Tenant is a partnership or a limited liability company, any cumulative transfer of fifty percent (50%) or more of any direct or indirect partnership or limited liability company membership interests in Tenant to an entity or individual that is not currently a member or manager of Tenant or its parent entity or an Affiliate (as defined below) of any current member or manager of Tenant or its parent entity (a "***Controlling Interest***"), as applicable, shall constitute a Transfer and shall require Landlord's consent, which consent shall not be unreasonably withheld, conditioned or delayed. Without limiting the foregoing, it shall constitute a Transfer and shall require Landlord's consent if: (i) Tenant is a limited partnership, and there is a transfer of a general partner interest; (ii) Tenant is a limited liability company, and there is a transfer of any direct or indirect Controlling Interest held by any manager or managing member; or (iii) Tenant is a corporation, and there is a transfer of any direct or indirect Controlling Interest of the voting stock of the corporation. Notwithstanding anything in this Amendment or the Lease to the contrary, a transfer of any direct or indirect partnership or limited liability company membership interests in Tenant shall not constitute a Transfer that requires Landlord's consent so long as either Michael B. Shuler, Jr. or Zayd Hammam remains the manager ~~of Tenant~~or managing member of Tenant or otherwise retains control of Tenant. As used herein, "***control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the

management or policies of a person or entity, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise.

(b) Except as otherwise provided herein, no Transfer permitted under the Lease, whether with or without Landlord's consent, shall release Tenant or change Tenant's primary liability to pay rent to Landlord and to perform all other obligations of Tenant under the Lease. Landlord's acceptance of rent from any other person is not a waiver of any provision of the Lease. Consent by Landlord to one Transfer is not consent to any subsequent Transfer. If Tenant's transferee defaults under the Lease, Landlord may proceed directly against Tenant without pursuing remedies against the transferee. Landlord may consent to subsequent Transfers of the Lease by Tenant's transferee, without notifying Tenant or obtaining its consent. Such action shall not relieve Tenant's liability under the Lease. Notwithstanding the foregoing or anything else in the Lease or this Amendment to the contrary, upon any Assignment of the Lease by Tenant for which Landlord has provided its prior written consent, Tenant shall be released from liability under the Lease.

(c) Tenant's request for consent to any Transfer shall be accompanied by a written statement setting forth the details of the proposed Transfer, including the name, business, and financial condition of the prospective transferee, the term of any Sublease and the amount of rent and security deposit payable under any partial Assignment or Sublease, and any other information reasonably requested by Landlord. Tenant shall provide to Tenant signed copies of all instruments and other documents evidencing any Transfer permitted under the Lease.

(d) Provided that no Event of Default shall have occurred and be continuing and subject to the terms and condition set forth herein, Tenant may make any of the following Transfers (each such Transfer a "***Permitted Transfer***" and each such transferee a "***Permitted Transferee***") without the consent of Landlord:

(i) the Sublease of the marina deli to Saltworks Catering Co., LLC.

Notwithstanding the foregoing, under no circumstance shall the term of any Permitted Transfer to a Permitted Transferee exceed Tenant's right to possession of the Lease Premises."

5. **Related Party Transactions**. Notwithstanding anything in the Lease to the contrary, under no circumstance shall Tenant enter into any Permitted Transfer or other sublease, license, or agreement for the use or occupation of any portion of the Leased Premises with any Affiliate (as hereinafter defined) of Tenant (a "***Related Party Agreement***") other than a Related Party Agreement that is entered into on an arm's length basis with terms no less favorable to Tenant than those that could reasonably be obtained from an unaffiliated third party and rental rates or other user fees payable to Tenant no less than one hundred twenty percent (120%) of the applicable Prevailing Market Rental Rate (as hereinafter defined). As used in this Amendment, the term "***Affiliate***" shall mean and refer to, with respect to any person, any other person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under

common control with, such person. For purposes of this definition, "***control***" when used with respect to any specified person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise, and the terms "controlling" and "controlled" shall have correlative meanings. As used in this Amendment, the term "***Prevailing Market Rental Rate***" shall mean and refer to the arm's-length, fair market rental rate or user fees for the sublease, license, or agreement for the use or occupation of any portion of the Leased Premises entered into on or about the date on which the Prevailing Market Rental Rate is being determined hereunder. The Prevailing Market Rental Rate shall be either (a) such amount as may be mutually agreed upon by Landlord and Tenant, or (b) if Landlord and Tenant are unable to agree upon the Prevailing Market Rental Rate, such amount as determined in accordance with this Section 8. If Landlord and Tenant are unable to agree upon the Prevailing Market Rental Rate within thirty (30) days after receipt of a written request by either party for a determination thereof, Landlord and Tenant each shall, within ten (10) business days, select a Qualified Appraiser (as hereinafter defined). Landlord's Qualified Appraiser and Tenant's Qualified Appraiser shall then, within ten (10) business days following their appointment, designate a third Qualified Appraiser. If Landlord's Qualified Appraiser and Tenant's Qualified Appraiser cannot agree on the third Qualified Appraiser within the 10-business day period, Landlord and Tenant shall promptly make application to a court of competent jurisdiction seated in the county in which the Leased Premises is located, to name the third Qualified Appraiser. The three (3) Qualified Appraisers shall determine the Prevailing Market Rental Rate payable as rent or other user fees for the applicable sublease, license, or agreement for the use or occupation of the applicable portion of the Leased Premises and notify Landlord and Tenant of their determination within thirty (30) days following the appointment of the third Qualified Appraiser. The decision of a majority of the three Qualified Appraisers, acting as experts and not as arbitrators, shall be binding and conclusive on the parties. Landlord and Tenant shall each be responsible for the costs of expenses of their own Qualified Appraiser and shall each be responsible for one-half (1/2) of the costs and expenses incurred by the third Qualified Appraiser. As used in this Amendment, the term "***Qualified Appraiser***" shall mean an appraiser that: (i) is duly licensed in the State; (ii) has at least ten (10) years' experience, on a full-time basis, with ownership, operation, and leasing of marinas and related facilities in the same general geographic area as that in which the Leased Premises are located; and (iii) is independent and has no then-pending or past brokerage relationship with any or all of Landlord, Tenant, and any Affiliates of either or both of Landlord and Tenant.

6. **Management and Alterations to Parking Spaces**. Notwithstanding anything in the Lease to the contrary, Tenant shall be entitled to (a) manage, operate and charge usage fees for that portion of the Premises consisting outdoor parking spaces within the Marina parking lot (the "***Marina Store Parking Spaces***") upon such terms and conditions as it may determine in its sole and absolute discretion; and (b) reconfigure and/or construct alterations, additions and improvements upon the Marina Store Parking Spaces without the consent of Landlord, provided, however, that (i) under no circumstance shall such reconfiguration, alteration, addition or improvement of the Marina Store Parking Spaces impede or preclude pedestrian and vehicular access, ingress and egress to and from the Marina and 41st Avenue, and (ii) any reconfiguration, alteration, addition or improvement of the Marina Store Parking Spaces with a cumulative cost in

excess of $100,000.00 shall be subject to the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed.

7. **Permitted Use**. In addition to those uses set forth in Section 6 of the Lease and notwithstanding anything in the Lease to the contrary, Tenant shall be permitted to use and occupy the Premises for counter-style general food service with commercial kitchen operations and beer and wine sales, subject, however, to the following terms and conditions:

(a) Table service (including the taking of orders and delivery of food and beverages) shall not be permitted, other than the bussing of tables; and

(b) Sales of food, beer and wine for on-site consumption shall be permitted subject to the following:

(i) Consumption of food, beer and wine by patrons shall be restricted to the interior of the Premises and the outdoor patio portion of the Premises, with seating for no more than twelve (12) persons within the interior of the Premises;

(ii) ~~Neither sales~~ Sales of beer and wine for consumption within the permitted areas of the Premises shall not be permitted after sunset;

~~nor consumption~~ (iii) Consumption of beer and wine within the permitted areas of the Premises shall not be permitted after ~~sunset~~dark;

~~(iii~~(iv) No music other than ambient background music shall be permitted to be played or broadcast within those portions of the Premises used for on-site sales and consumption of food and beverages, and no live ~~or amplified~~ music shall be permitted on the outdoor patio portion of the Premises under any circumstance;

(~~iv~~v) Alcohol sales for on-site consumption shall be made exclusively as a self-serve, retail transaction at the sales counter within the Premises, and under no circumstance shall the sale of liquor, the use of bar tabs, the operation or employment of a bar or bartender or the provision beverage service be permitted; and

~~(v~~(vi) Tenant covenants and agrees to use reasonable, good faith efforts (i) to restrict consumption of beer and wine to those portions of the Premises expressly permitted under the Lease (as modified by this Amendment), including, without limitation, providing signage at the Premises denoting the limitations on the on-site consumption of alcohol, and (ii) to discourage and prohibit ~~and remove~~ congregations and gatherings of persons in possession of open containers of beer or wine outside of those portions of the Premises expressly permitted under the Lease (as modified by this Amendment). Tenant acknowledges and agrees that Landlord has jurisdiction to enforce the foregoing restriction of consumption of beer and wine according to the terms contained herein. So long as Tenant complies

with its obligations under this Section 7(b)(v), Landlord acknowledges and agrees that on-site consumption of alcohol by third parties that occurs beyond the permitted areas set forth in the Lease shall be considered incidental in nature and shall not be a default by Tenant under the terms of the Lease.

8. **Site Plan**. Exhibit I of the Lease is hereby deleted in its entirety and replaced with Exhibit I of this Amendment, which is attached hereto and incorporated herein by reference.

9. **Update of Landlord's Personal Property**. Exhibit II of the Lease is hereby deleted in its entirety and replaced with Exhibit II of this Amendment, which is attached hereto and incorporated herein by reference, to update and identify the personal property owned by Landlord at the Leased Premises leased to Tenant and to be maintained by Tenant or Landlord in accordance with the Lease and Exhibit II of this Amendment.

~~9~~10. **Entire Agreement**. The Lease (as modified by this Amendment) and this Amendment constitutes the final, exclusive and entire agreement and understanding between the parties with respect to the subject matter hereof, and all prior and contemporaneous negotiations, understanding and agreements between the parties as to the matters contained herein are expressly merged into and superseded by this Amendment. Neither party has made or relied upon any representations, warranties or covenants relating to such subject matter except as specifically set forth in this Amendment. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent, or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

10. **Miscellaneous**. Except as herein expressly amended hereby, each and every term, condition, warranty and provision of the Lease shall remain in full force and effect, and is incorporated herein by this reference, such that the Lease and this Amendment shall be read and construed as one instrument, all of which are hereby ratified, confirmed and approved by the parties hereto. Landlord and Tenant each represent and warrant to the other that, as of the date hereof, neither party is aware of an event of default existing under the Lease. If there is a conflict between this Amendment and the Lease, then the provisions of this Amendment shall control. This Amendment may be executed by email, electronic or other digital signatures and in multiple counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute the same instrument. This Amendment will be effective immediately upon execution and delivery by the parties. This Amendment shall be governed by the law of the State of South Carolina, without reference to its choice of law rules.

*****Remainder of Page Intentionally Left Blank*****
[Signatures on Following Page]

IN WITNESS WHEREOF, the undersigned hereby execute and deliver this Fourth Amendment to Commercial Lease Agreement as of the Effective Date, representing and warranting by their signature that they are duly authorized and empowered to execute this Fourth Amendment to Commercial Lease Agreement.

LANDLORD:

CITY OF ISLE OF PALMS,
SOUTH CAROLINA

By: _____
Name: _____
Title: _____

TENANT:

MORGAN CREEK MARINA, LLC,
a South Carolina limited liability company

By: _____
Name: _____
Its: _____

EXHIBIT I

Site Plan

See attached.

EXHIBIT II

Landlord's Personal Property

1. Fuel system and above ground dispensing equipment connected to the following underground fuel storage tanks:
    a. DHEC Tank Number 20 – 8,000 gallon gasoline – Operation Date 5/15/2019
    b. DHEC Tank Number 22 – 8,000 gallon gasoline – Operation Date 5/15/2019
2. Tonka bait freezer 7x8x6
3. Built-in merchandise coolers
4. Awnings

Summary Report	
Title	**compareDocs Comparison Results**
Date & Time	7/22/2022 10:54:58 AM
Comparison Time	4.09 seconds
compareDocs version	v5.0.200.14

Sources	
Original Document	[#01935411.DOCX] [v10] Fourth Amendment to Commercial Lease Agreement (Marina Outpost).DOCX
Modified Document	[#01935411.DOCX] [v12] Fourth Amendment to Commercial Lease Agreement (Marina Outpost).DOCX

Comparison Statistics	
Insertions	5
Deletions	5
Changes	8
Moves	0
Font Changes	0
Paragraph Style Changes	0
Character Style Changes	0
TOTAL CHANGES	18

Word Rendering Set Markup Options	
Name	
Insertions	
~~Deletions~~	
Moves / ~~Moves~~	
Font Changes	
Paragraph Style Changes	
Character Style Changes	
Inserted cells	
Deleted cells	
Merged cells	
Changed lines	Mark outside border.

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after saving	General	Always
Report Type	Word	Redline
Character Level	Word	False
Include Comments	Word	False
Include Field Codes	Word	True
Flatten Field Codes	Word	False
Include Footnotes / Endnotes	Word	True
Include Headers / Footers	Word	True
Image compare mode	Word	Insert/Delete
Include List Numbers	Word	True
Include Quotation Marks	Word	False
Show Moves	Word	True
Include Tables	Word	True
Include Text Boxes	Word	True
Show Reviewing Pane	Word	True

Summary Report	Word	End
Detail Report	Word	Separate (View Only)
Document View	Word	Print

SIXTH AMENDMENT TO COMMERCIAL LEASE AGREEMENT

This SIXTH AMENDMENT TO COMMERCIAL LEASE AGREEMENT (this "***Amendment***") is made effective as of the _____ day of [ ], 2022 (the "***Effective Date***"), by and between THE CITY OF ISLE OF PALMS, SOUTH CAROLINA ("***Landlord***"), MORGAN CREEK MARINA, LLC, a South Carolina limited liability company ("***Tenant***").

RECITALS:

WHEREAS, Landlord and Marina Joint Ventures, Inc., a South Carolina corporation ("***Marina Joint Ventures***"), entered into that certain Commercial Lease Agreement dated as of September 10, 2009, as amended by that certain Amendment to Commercial Lease Agreement dated as of June 2, 2010, as further amended by that certain Second Amendment to Commercial Lease Agreement dated as of April 25, 2012, as further amended by that certain Third Amendment to Commercial Lease Agreement dated as of July 24, 2012, as further amended by that certain Fourth Amendment to Commercial Lease Agreement dated as of February 26, 2015, as further amended by that certain Fifth Amendment to Commercial Lease Agreement dated as of November 10, 2020 (collectively, the "***Lease***"), pursuant to which Landlord has leased to Marina Joint Ventures, and Marina Joint Ventures has leased from Landlord, certain real property and improvements as more fully set forth in the Lease (the "***Property***").

WHEREAS, Marina Joint Ventures is conveying its interest in the Property and assigning its rights and obligations in the Lease to Tenant in conjunction with the execution of this Amendment.

WHEREAS, in accordance with Section 9(A) of the Lease, Landlord consents to the conveyance of Marina Joint Ventures' interest in the Property from Marina Joint Ventures to Tenant and the assignment of Marina Joint Ventures' rights and obligations under the Lease from Marina Joint Ventures to Tenant.

WHEREAS, Landlord and Tenant further intend to amend certain terms and conditions of the Lease as more fully set forth in this Amendment.

NOW, THEREFORE, in consideration of the covenants and conditions set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Recitals; Definitions**. The foregoing recitals are incorporated herein by this reference as a material part of this Amendment. Capitalized terms used in this Amendment without definition have the meaning given such terms in the Lease.

2. **Consent to Assignment**. Landlord hereby consents to the conveyance of Marina Joint Ventures' interest in the Property from Marina Joint Ventures to Tenant and the assignment

of Marina Joint Ventures' rights and obligations under the Lease from Marina Joint Ventures to Tenant.

3. **Removal of Shared Parking from Leased Premises; Site Plan**.

(a) Exhibit I of the Lease is hereby deleted in its entirety and replaced with Exhibit I of this Amendment, which is attached hereto and incorporated herein by reference.

(b) Notwithstanding anything in the Lease to the contrary, that portion of the Property shown and designated as "Shared Parking Lot" on Exhibit I of the Lease (the "***Shared Parking Lot***") shall not constitute all or any portion of the Leased Premises (as defined in the Lease) leased from Landlord to Tenant pursuant to the Lease. Except as otherwise provided herein, Tenant shall not be entitled (i) to control or manage the parking operations on the Shared Parking Lot, or (ii) to charge or collect fees from persons using the Shared Parking Lot. Landlord and Tenant acknowledge and agree that Landlord shall be solely responsible for the ownership, management, and operation of the Shared Parking Lot at all times from and after the Effective Date, and that Tenant and its licensees and invitees shall have no right to utilize the parking spaces in the Shared Parking Lot except as may be hereafter permitted by Landlord. Notwithstanding the foregoing or anything else in the Lease to the contrary, Tenant and its employees, agents, invitees and licensees are granted non-exclusive access easements over, across, through and upon the Shared Parking Lot and other adjacent property owned by Landlord as necessary to enable Tenant to operate and use the Leased Premises for the purposes permitted under the Lease. For the avoidance of doubt, the portions of the Property shown and designated as "Private Parking Lot" and "Exclusive Parking Lot Marina Joint Ventures" on Exhibit I of the Lease are and shall remain part of the Leased Premises leased from Landlord to Tenant pursuant to the Lease.

4. **Reporting of Tenant Financials**. Notwithstanding anything in the Lease to the contrary, within ninety (90) days after the end of each Lease Year or partial Lease Year, Tenant shall provide Landlord a statement showing the "Annual Gross Receipts" and "Annual Gross Profit" (as such terms are used in Exhibit III of the Lease) for each such Lease Year. Each such statement furnished by Tenant shall be certified as correct by a certified public accountant licensed in the State of South Carolina. Any intentional or deliberate misrepresentation by Tenant of its "Annual Gross Receipts" or "Annual Gross Profit" in any such statement or other document or material provided to Landlord in relation thereto shall constitute an Event of Default under the Lease. A "Lease Year" refers to (i) each period of twelve consecutive months during the Lease Term commencing October 1 in any calendar year and ending on September 30 in the following calendar year, and (ii) the period of the Lease Term following the last full twelve-month Lease Year and ending upon the expiration or termination of the Lease.

5. **Assignment and Subleasing**. Section 9 of the Lease is hereby deleted in its entirety and replaced with the following:

"9. ASSIGNMENT OR SUBLEASE BY TENANT.

(a) Except as may otherwise be expressly permitted in relation to a Permitted Transfer as defined in Section 9(d) of this Lease, Tenant shall not, directly or indirectly, voluntarily or by operation of law, sell, assign, encumber, mortgage, pledge, or otherwise transfer or hypothecate all or any part of the Leased Premises or Tenant's leasehold estate hereunder (each such act is referred to herein as an "***Assignment***") or sublet all or any portion of the Leased Premises or permit the Leased Premises to be occupied by anyone other than Tenant (each such act is referred to herein as a "***Sublease***") (any Assignment or Sublease may be referred to herein as a "***Transfer***"), without Landlord's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned or delayed. Other than Permitted Transfers, any attempted Transfer without Landlord's prior written consent shall be void and shall constitute an Event of Default under the Lease. If Tenant is a partnership or a limited liability company, any cumulative transfer of fifty percent (50%) or more of any direct or indirect partnership or limited liability company membership interests in Tenant to an entity or individual that is not currently a member or manager of Tenant or its parent entity or an Affiliate (as defined below) of any current member or manager of Tenant or its parent entity (a "***Controlling Interest***"), as applicable, shall constitute a Transfer and shall require Landlord's consent, which consent shall not be unreasonably withheld, conditioned or delayed. Without limiting the foregoing, it shall constitute a Transfer and shall require Landlord's consent if: (i) Tenant is a limited partnership, and there is a transfer of a general partner interest; (ii) Tenant is a limited liability company, and there is a transfer of any direct or indirect Controlling Interest held by any manager or managing member; or (iii) Tenant is a corporation, and there is a transfer of any direct or indirect Controlling Interest of the voting stock of the corporation. Notwithstanding anything in this Amendment or the Lease to the contrary, a transfer of any direct or indirect partnership or limited liability company membership interests in Tenant shall not constitute a Transfer that requires Landlord's consent so long as either Michael B. Shuler, Jr. or Zayd Hammam remains the manager ~~of Tenant~~or managing member of Tenant or otherwise retains control of Tenant. As used herein, "***control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person or entity, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise.

(b) Except as otherwise provided herein, no Transfer permitted under the Lease, whether with or without Landlord's consent, shall release Tenant or change Tenant's primary liability to pay rent to Landlord and to perform all other obligations of Tenant under the Lease. Landlord's acceptance of rent from any other person is not a waiver of any provision of the Lease. Consent by Landlord to one Transfer is not consent to any subsequent Transfer. If Tenant's transferee defaults under the Lease, Landlord may proceed directly against Tenant without pursuing remedies against the transferee. Landlord may consent to subsequent Transfers of the Lease by Tenant's transferee, without notifying Tenant or obtaining its consent. Such action shall not relieve Tenant's liability under the

Lease. Notwithstanding the foregoing or anything else in the Lease or this Amendment to the contrary, upon any Assignment of the Lease by Tenant for which Landlord has provided its prior written consent, Tenant shall be released from liability under the Lease.

(c) Tenant's request for consent to any Transfer shall be accompanied by a written statement setting forth the details of the proposed Transfer, including the name, business, and financial condition of the prospective transferee, the term of any Sublease and the amount of rent and security deposit payable under any partial Assignment or Sublease, and any other information reasonably requested by Landlord. Tenant shall provide to Tenant signed copies of all instruments and other documents evidencing any Transfer permitted under the Lease.

(d) Provided that no Event of Default shall have occurred and be continuing and subject to the terms and condition set forth herein, Tenant may make any of the following Transfers (each such Transfer a "***Permitted Transfer***" and each such transferee a "***Permitted Transferee***") without the consent of Landlord:

(i) Subleases, licenses, or similar agreements for the use or rental of boat slips and/or dry boat storage spaces with individual boat owners for non-commercial purposes; and

(ii) Subleases, licenses, or similar agreements for the use or rental of boat slips and/or dry boat storage spaces with commercial operators (each, a "***Commercial Agreement***") for charter fishing, charter cruising, kayaking, boat rental, low speed vehicle rental, paddleboard rental, eco-tour, and/or boat clubs (each, a "***Commercial Use***"); provided, however, that (A) any Commercial Use comprising fifteen percent (15%) or more of the total linear footage of dock space within the Leased Premises, whether as a result of a single Commercial Agreement or multiple Commercial Agreements in the aggregate, shall be subject to prior written approval of Landlord, such consent not to be unreasonably withheld, conditioned or delayed; ~~and~~ (B) under no circumstance shall more than thirty-three percent (33%) of the total linear footage of dock space within the Leased Premises be subleased, licensed or otherwise used or occupied by one or more boat club operators; and (C) no boat club operator shall use dry boat storage within the Leased Premises for long-term storage of boat club boats or operation of such boat club but may utilize the dry boat storage within the Leased Premises for temporary storage of boat club boats for maintenance/repairs or in the event of a casualty, hurricane or other extreme weather event. Subject to the limitations set forth in the foregoing ~~subsections~~ subsection (~~A) and (B~~B), subsection (C) and Section 8 of this Amendment, Landlord hereby acknowledges and agrees that Coastal Marinas, LLC is an Affiliate of Tenant, expressly consents to ~~[that/those certain]~~ any Commercial Agreement(s) ~~dated [ ]~~ for the operation of a boat club within the Leased Premises entered into by and between Tenant and Coastal Marinas, LLC from time to time (the "***Coastal Marinas Agreements***"), and agrees that no additional consent or

approval by Landlord of the Coastal Marinas Agreements shall be required with respect to subsection (A) above. Subject to the limitations set forth in the foregoing subsections (A) and (B) and Section 8 of this Amendment, Landlord hereby acknowledges and agrees that Tenant may enter into one or more Commercial Agreement(s) for one or more Commercial Uses with Affiliates of Tenant from time to time and agrees that no additional consent or approval by Landlord of such Commercial Agreements shall be required.[1] For purposes of the foregoing calculations, Landlord and Tenant acknowledge and agree that the total linear footage of the dock space within the Leased Premises is deemed to be 2,600 linear feet.[2]

Notwithstanding the foregoing, under no circumstance shall the term of any Permitted Transfer to a Permitted Transferee exceed Tenant's right to possession of the Leased Premises.

6. **Tenant's Operational and Service Requirements**. Exhibit IV of the Lease is hereby deleted in its entirety and replaced with Exhibit IV of this Amendment, which is attached hereto and incorporated herein by reference.

7. **Alterations to Exclusive Parking Lot**. Notwithstanding anything in the Lease to the contrary, Tenant shall be entitled to reconfigure and/or construct alterations, additions and improvements upon that portion of the Leased Premises shown and designated as the "Exclusive Parking Lot" on Exhibit I of the Lease (the "***Exclusive Parking Lot***") without the consent of Landlord; provided, however, that (a) under no circumstance shall such reconfiguration, alteration, addition or improvement of the Exclusive Parking Lot impede or preclude pedestrian and vehicular access, ingress and egress to and from the Marina and 41st Avenue; (b) any reconfiguration, alteration, addition or improvement of the Exclusive Parking Lot with a cumulative cost in excess of $100,000.00 shall be subject to the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed; and (c) under no circumstance shall all or any portion of the Exclusive Parking Lot or the Leased Premises be used or operated for the construction or operation of a vertically oriented dry stack boat storage facility consisting of boats stacked one on top of another in a vertical fashion. For the avoidance of doubt and notwithstanding the foregoing to the contrary, Tenant is permitted to provide and operate "dry boat storage" as set forth in Exhibit IV of the Lease by storing boats within the Exclusive Parking Lot on a single horizontal plane provided that boats are not stored or stacked one on top of another in a vertical fashion. ~~Except as may be otherwise required by the laws, regulations or rules of applicable governmental authorities, Tenant shall not~~ Tenant may use motor vehicles, forklifts or other machinery ("***Equipment***") in the storage, parking or transport of boats to, from or within the Exclusive Parking Lot provided that such Equipment does not emit or cause unreasonable beeping, noise or vibration to be transmitted outside of the Premises to such a degree as to be objectionable to Landlord ("***Noise Prohibition***"). Notwithstanding the foregoing to the contrary, the Noise

---

~~[1] NTD: Subject to Council review/approval of boat club contract in accordance with subsection (A).~~

~~[2] NTD: Desiree to confirm total linear square footage of dock space.~~

Prohibition shall not apply to the use of Equipment or other construction vehicles or machinery in conjunction with any reconfiguration, ~~any other tenants of the Marina, or any adjoining property owners~~ alteration, addition or improvement of the Leased Premises in accordance with the Lease.

8. **Related Party Transactions**. Notwithstanding anything in the Lease to the contrary, under no circumstance shall Tenant enter into any Permitted Transfer or other sublease, license, or agreement for the use or occupation of any portion of the Leased Premises with any Affiliate (as hereinafter defined) of Tenant (a "***Related Party Agreement***") other than a Related Party Agreement that is entered into on an arm's length basis with terms no less favorable to Tenant than those that could reasonably be obtained from an unaffiliated third party and rental rates or other user fees payable to Tenant no less than one hundred twenty percent (120%) of the applicable Prevailing Market Rental Rate (as hereinafter defined). As used in this Amendment, the term "***Affiliate***" shall mean and refer to, with respect to any person, any other person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such person. For purposes of this definition, "***control***" when used with respect to any specified person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise, and the terms "controlling" and "controlled" shall have correlative meanings. As used in this Amendment, the term "***Prevailing Market Rental Rate***" shall mean and refer to the arm's-length, fair market rental rate or user fees for the sublease, license, or agreement for the use or occupation of any portion of the Leased Premises entered into on or about the date on which the Prevailing Market Rental Rate is being determined hereunder. The Prevailing Market Rental Rate shall be either (a) such amount as may be mutually agreed upon by Landlord and Tenant on an annual basis, or (b) if Landlord and Tenant are unable to agree upon the Prevailing Market Rental Rate, such amount as determined in accordance with this Section 8. If Landlord and Tenant are unable to agree upon the Prevailing Market Rental Rate within thirty (30) days after receipt of a written request by either party for a determination thereof, Landlord and Tenant each shall, within ten (10) business days, select a Qualified Appraiser (as hereinafter defined). Landlord's Qualified Appraiser and Tenant's Qualified Appraiser shall then, within ten (10) business days following their appointment, designate a third Qualified Appraiser. If Landlord's Qualified Appraiser and Tenant's Qualified Appraiser cannot agree on the third Qualified Appraiser within the 10-business day period, Landlord and Tenant shall promptly make application to a court of competent jurisdiction seated in the county in which the Leased Premises is located, to name the third Qualified Appraiser. The three (3) Qualified Appraisers shall determine the Prevailing Market Rental Rate payable as rent or other user fees for the applicable sublease, license, or agreement for the use or occupation of the applicable portion of the Leased Premises and notify Landlord and Tenant of their determination within thirty (30) days following the appointment of the third Qualified Appraiser. The decision of a majority of the three Qualified Appraisers, acting as experts and not as arbitrators, shall be binding and conclusive on the parties. Landlord and Tenant shall each be responsible for the costs of expenses of their own Qualified Appraiser and shall each be responsible for one-half (1/2) of the costs and expenses incurred by the third Qualified Appraiser. As used in this Amendment, the term "***Qualified Appraiser***" shall mean an appraiser that: (i) is duly licensed in the State; (ii) has at least ten (10) years' experience, on a full-time basis, with ownership,

operation, and leasing of marinas and related facilities in the same general geographic area as that in which the Leased Premises are located; and (iii) is independent and has no then-pending or past brokerage relationship with any or all of Landlord, Tenant, and any Affiliates of either or both of Landlord and Tenant.

9. **Marina Store; Alcohol License**. Reference is made to that certain Commercial Lease Agreement dated as of January 4, 2008 between Landlord and Marina Outpost, LLC, a South Carolina limited liability company ("***Marina Outpost***"), as amended by that certain First Amendment to Commercial Lease Agreement dated as of April 25, 2012, as further amended by that certain Second Amendment to Commercial Lease Agreement dated as of July 24, 2012, as further amended by that certain Third Amendment to Commercial Lease Agreement dated as of February 26, 2015, as assigned by Marina Outpost to Tenant as of the date hereof, and as further amended by that certain Fourth Amendment to Commercial Lease Agreement dated as of the date hereof between Landlord and Tenant (collectively, the "***Marina Store Lease***"), pursuant to which Landlord has leased to Tenant (as assignee of Marina Outpost), and Tenant has leased from Landlord, certain real property and improvements commonly known as the "Marina Store" as more fully set forth in the Marina Store Lease (the "***Marina Store Leased Premises***"). As set forth in the Marina Store Lease, Tenant is permitted to sell food, beer and wine for on-site consumption at the Marina Store Leased Premises. Tenant covenants and agrees to use reasonable, good faith efforts (i) to prohibit the consumption of beer and wine by patrons of the Marina Store Leased Premises within the Leased Premises leased to Tenant pursuant to the Lease (as modified by this Amendment), and (ii) to discourage and prohibit ~~and remove~~ congregations and gatherings of persons in possession of open containers of beer or wine within the Leased Premises leased to Tenant pursuant to the Lease (as modified by this Amendment). Tenant acknowledges and agrees that Landlord has jurisdiction to enforce the foregoing prohibition of consumption of beer and wine according to the terms contained herein. So long as Tenant complies with its obligations under this Section 9, Landlord acknowledges and agrees that on-site consumption of alcohol by third parties that occurs beyond the permitted areas set forth in the Marina Store Lease shall be considered incidental in nature and shall not be a default by Tenant under the terms of the Lease.

10. **Update of Landlord's Personal Property**.

(a) Exhibit II and Exhibit V of the Lease are hereby deleted in their entirety and replaced with Exhibit II and Exhibit V of this Amendment, which are attached hereto and incorporated herein by reference, to update and identify the personal property owned by Landlord at the Leased Premises leased to Tenant and to be maintained by Tenant or Landlord in accordance with the Lease, Exhibit II and Exhibit V of this Amendment.

(b) Exhibit VI and Exhibit VII of the Lease are hereby deleted in their entirety.

~~10~~11. **Entire Agreement**. The Lease (as modified by this Amendment) and this Amendment constitutes the final, exclusive and entire agreement and understanding between the parties with respect to the subject matter hereof, and all prior and contemporaneous negotiations, understanding and agreements between the parties as to the matters contained herein are expressly

merged into and superseded by this Amendment. Neither party has made or relied upon any representations, warranties or covenants relating to such subject matter except as specifically set forth in this Amendment. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent, or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

11. **Miscellaneous**. Except as herein expressly amended hereby, each and every term, condition, warranty and provision of the Lease shall remain in full force and effect, and is incorporated herein by this reference, such that the Lease and this Amendment shall be read and construed as one instrument, all of which are hereby ratified, confirmed and approved by the parties hereto. Landlord and Tenant each represent and warrant to the other that, as of the date hereof, neither party is aware of an event of default existing under the Lease. If there is a conflict between this Amendment and the Lease, then the provisions of this Amendment shall control. This Amendment may be executed by email, electronic or other digital signatures and in multiple counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute the same instrument. This Amendment will be effective immediately upon execution and delivery by the parties. This Amendment shall be governed by the law of the State of South Carolina, without reference to its choice of law rules.

*****Remainder of Page Intentionally Left Blank*****
[Signatures on Following Page]

IN WITNESS WHEREOF, the undersigned hereby execute and deliver this Sixth Amendment to Commercial Lease Agreement as of the Effective Date, representing and warranting by their signature that they are duly authorized and empowered to execute this Sixth Amendment to Commercial Lease Agreement.

LANDLORD:

CITY OF ISLE OF PALMS,
SOUTH CAROLINA

By: _____
Name: _____
Title: _____

TENANT:

MORGAN CREEK MARINA, LLC,
a South Carolina limited liability company

By: _____
Name: _____
Its: _____

EXHIBIT I

Site Plan

See attached.

EXHIBIT II

Improvements, Fixtures and Personal Property Owned by Landlord

1. Intellectual Property.

A. Tenant acknowledges that the Isle of Palms Marina trademark is a registered trademark of the City and is the City's sole and exclusive property. Tenant agrees to use this trademark only with permission of the City and in furtherance of the Tenant's Marina operations.

B. Tenant acknowledges that the internet domain names of "isleofpalmsmarina.com", "isleofpalmsmarina.net", "iopmarina.net", and "iopmarina.com" are the City's sole and exclusive property. Tenant agrees to use these domain names only with permission of the City and in furtherance of the Tenant's Marina operations.

C. Any customer lists regarding Tenant's operations at the Marina developed or obtained by Tenant shall be and remain the sole property of the City but may be used by Tenant.

2. Bulkhead – original
3. Bulkhead – constructed 2009
4. Boat Ramp
5. Dock and Pier System – replaced 2022
6. Dock and Pier System – "Intracoastal Dock" (not part of 2022 replacement)
7. Marine fueling system, pumps and dispensers connected to the following underground fuel storage tanks:
    a. DHEC Tank Number 18 – 12,000 gallon gasoline – Operation Date 5/15/2019
    b. DHEC Tank Number 19 – 12,000 gallon diesel – Operation Date 5/15/2019
8. TMS fuel control console – replaced 2022
9. Pump Out System – replaced 2022
10. Dock Utility Pedestals – replaced 2022
11. Safety Pedestals with Fire Extinguishers and safety rings – replaced 2022
12. Point of Sale revenue collection system in fuel dock office and admin office, VHF Radio console in fuel dock office – replaced 2022
13. Window A/C unit in fuel dock office– replaced 2022
14. Captains' bath facilities located in Marina Building
15. Water heater in Captain's Bath
16. Scale in Captain's Bath
17. One washing machine and one dryer for transient laundry
18. Window A/C unit in admin office – replaced 2021

EXHIBIT IV

Tenant's Operational and Service Requirements

1. Minimum Hours of Operation:

   Summer: 7:00 am to 7:00 pm, Seven (7) Days per Week

   Winter: 7:00 am to 5:00 pm, Seven (7) Days per Week

   Provided, however, the foregoing hours of operation are subject to modification from time to time for maintenance/repairs, federal and state holidays, casualty events and/or other matters beyond the control of Tenant.

2. Marine fuel sales (diesel, gasoline and LP gas)

3. Dock / boat slip rentals:

   Except as otherwise provided in the Lease, allocation, rates, terms and conditions to be determined by Tenant in its sole and absolute discretion

   Tenant shall use commercially reasonable efforts to provide IOP residents with priority opportunity to rent publicly available boat slips at standard rates to be determined by Tenant in its sole and absolute discretion on an as-available basis (must present valid evidence of IOP residence)

4. Boat ramp launching:

   IOP resident launch fee: Free (must present valid evidence of IOP residence)

   IOP employee and City Official launch fee: Free (must present City Identification Card)

   Non-resident launch fee: Fee to be determined by Tenant in its sole and absolute discretion

   Non-resident annual pass: Fee to be determined by Tenant in its sole and absolute discretion

5. Providing boat slips and dry boat storage spaces for use by individuals and, in Tenant's sole and absolute discretion, by commercial operators for charter fishing, charter cruising, kayaking, boat rental, low speed vehicle rental, paddleboard rental, eco-tour, and/or boat clubs in accordance with the Lease; provided, however, no portion of the Leased Premises shall be used for commercial parasailing tours or operations, jetski rentals or launching of jetskis to be used on a rental basis

6. Standard boat sewage pump-out service during business hours, subject to reasonable notice from applicable vessels and system functionality

7. Dry boat storage:

   Except as otherwise provided in the Lease, allocation, rates, terms and conditions to be determined by Tenant in its sole and absolute discretion

   No fewer than twelve (12) dry boat storage spaces shall be reserved for rental by IOP residents (must present valid evidence of IOP residence)

8. Safely maintain all facilities for which Tenant is responsible as provided in the Lease

9. Monitor underground fuel system for leaks

10. Regularly communicate with City Administrator as to any unusual occurrences, complaints, safety concerns, etc.

11. Provide an on-site dock master during all hours of operation

12. Enforce existing rules and regulations for Marina users and make changes as needed, subject to City's prior written approval

13. Promote a family-friendly atmosphere

14. Cooperate with other tenants at the Marina

15. Provide complimentary dock space for City of Isle of Palms vessels (Fire Department boat, wave runners) not to exceed five percent (5%) or more of the total linear footage of dock space within the Leased Premises in locations determined by Tenant in its sole and absolute discretion

16. Coordinate as needed with military or other government organizations as they occasionally train at the Marina

17. Provide transient boater restroom, bathing and laundry facilities

EXHIBIT V

List of Marina Assets Subject to Repair or Replacement by Landlord

1. The Tenant agrees to be responsible for all normal and routine maintenance to the following property. City agrees to be responsible for extraordinary repairs or replacements to the following assets, except for damage caused by Tenant's negligent or willful acts, in which case the repair or replacement shall be the responsibility of Tenant:

Marina Dock Fuel Dispensers and Marina Dock Transfer Fuel Lines connected to the following underground fuel storage tanks:

a. DHEC Tank Number 18 – 12,000 gallon gasoline – Operation Date 5/15/2019
b. DHEC Tank Number 19 – 12,000 gallon diesel – Operation Date 5/15/2019

Utility and Safety Pedestals, including all associated Electrical Systems.

2. City agrees to be responsible for all ordinary and extraordinary repairs or replacements to the following property, except for damage caused by Tenant's negligent or willful acts, in which case the repair or replacement shall be the responsibility of Tenant:

Bulkheads;
Pilings;
Dock Replacements, including the Floating Docks and Fixed Piers;
Underground transfer lines and underground fuel pumps; and
Underground fuel storage tanks.

Summary Report	
Title	**compareDocs Comparison Results**
Date & Time	7/22/2022 11:01:00 AM
Comparison Time	3.58 seconds
compareDocs version	v5.0.200.14

Sources	
Original Document	[#01935410.DOCX] [v10] Sixth Amendment to Commercial Lease Agreement (Marina Joint Ventures).DOCX
Modified Document	[#01935410.DOCX] [v12] Sixth Amendment to Commercial Lease Agreement (Marina Joint Ventures).DOCX

Comparison Statistics	
Insertions	39
Deletions	10
Changes	7
Moves	0
Font Changes	0
Paragraph Style Changes	0
Character Style Changes	0
TOTAL CHANGES	56

Word Rendering Set Markup Options	
Name	
Insertions	
~~Deletions~~	
Moves / ~~Moves~~	
Font Changes	
Paragraph Style Changes	
Character Style Changes	
Inserted cells	
Deleted cells	
Merged cells	
Changed lines	Mark outside border.

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after saving	General	Always
Report Type	Word	Redline
Character Level	Word	False
Include Comments	Word	False
Include Field Codes	Word	True
Flatten Field Codes	Word	False
Include Footnotes / Endnotes	Word	True
Include Headers / Footers	Word	True
Image compare mode	Word	Insert/Delete
Include List Numbers	Word	True
Include Quotation Marks	Word	False
Show Moves	Word	True
Include Tables	Word	True
Include Text Boxes	Word	True
Show Reviewing Pane	Word	True

Summary Report	Word	End
Detail Report	Word	Separate (View Only)
Document View	Word	Print

FOURTH AMENDMENT TO COMMERCIAL LEASE AGREEMENT

This FOURTH AMENDMENT TO COMMERCIAL LEASE AGREEMENT (this "***Amendment***") is made effective as of the _____ day of [ ], 2022 (the "***Effective Date***"), by and between THE CITY OF ISLE OF PALMS, SOUTH CAROLINA ("***Landlord***"), MORGAN CREEK MARINA, LLC, a South Carolina limited liability company ("***Tenant***").

RECITALS:

WHEREAS, Landlord and Marina Outpost, LLC, a South Carolina limited liability company ("***Marina Outpost***"), entered into that certain Commercial Lease Agreement dated as of January 4, 2008, as amended by that certain First Amendment to Commercial Lease Agreement dated as of April 25, 2012, as further amended by that certain Second Amendment to Commercial Lease Agreement dated as of July 24, 2012, as further amended by that certain Third Amendment to Commercial Lease Agreement dated as of February 26, 2015 (collectively, the "***Lease***"), pursuant to which Landlord has leased to Marina Outpost, and Marina Outpost has leased from Landlord, certain real property and improvements as more fully set forth in the Lease (the "***Property***").

WHEREAS, Marina Outpost is conveying its interest in the Property and assigning its rights and obligations in the Lease to Tenant in conjunction with the execution of this Amendment.

WHEREAS, in accordance with Section 44 of the Lease, Landlord consents to the conveyance of Marina Outpost's interest in the Property from Marina Outpost to Tenant and the assignment of Marina Outpost's rights and obligations under the Lease from Marina Outpost to Tenant.

WHEREAS, Landlord and Tenant further intend to amend certain terms and conditions of the Lease as more fully set forth in this Amendment.

NOW, THEREFORE, in consideration of the covenants and conditions set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Recitals; Definitions**. The foregoing recitals are incorporated herein by this reference as a material part of this Amendment. Capitalized terms used in this Amendment without definition have the meaning given such terms in the Lease.

2. **Consent to Assignment**. Landlord hereby consents to the conveyance of Marina Outpost's interest in the Property from Marina Outpost to Tenant and the assignment of Marina Outpost's rights and obligations under the Lease from Marina Outpost to Tenant.

3. **Reporting of Tenant Financials**. Notwithstanding anything in the Lease to the contrary, within ninety (90) days after the end of each Lease Year or partial Lease Year, Tenant shall provide Landlord a statement showing the "Annual Gross Receipts" and "Annual Gross Profit" (as such terms are used in the Lease) for each such Lease Year. Each such statement

furnished by Tenant shall be certified as correct by a certified public accountant licensed in the State of South Carolina. Any intentional or deliberate misrepresentation by Tenant of its "Annual Gross Receipts" or "Annual Gross Profit" in any such statement or other document or material provided to Landlord in relation thereto shall constitute an Event of Default under the Lease. A "Lease Year" refers to (i) each period of twelve consecutive months during the Lease Term commencing October 1 in any calendar year and ending on September 30 in the following calendar year, and (ii) the period of the Lease Term following the last full twelve-month Lease Year and ending upon the expiration or termination of the Lease.

4. **Assignment and Subleasing**. Section 44 of the Lease is hereby deleted in its entirety and replaced with the following:

"(a) Except as may otherwise be expressly permitted in relation to a Permitted Transfer as defined in Section 44(d) of this Lease, Tenant shall not, directly or indirectly, voluntarily or by operation of law, sell, assign, encumber, mortgage, pledge, or otherwise transfer or hypothecate all or any part of the Premises or Tenant's leasehold estate hereunder (each such act is referred to herein as an "***Assignment***") or sublet all or any portion of the Premises or permit the Premises to be occupied by anyone other than Tenant (each such act is referred to herein as a "***Sublease***") (any Assignment or Sublease may be referred to herein as a "***Transfer***"), without Landlord's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned or delayed. Other than Permitted Transfers, any attempted Transfer without Landlord's prior written consent shall be void and shall constitute an Event of Default under the Lease. If Tenant is a partnership or a limited liability company, any cumulative transfer of fifty percent (50%) or more of any direct or indirect partnership or limited liability company membership interests in Tenant to an entity or individual that is not currently a member or manager of Tenant or its parent entity or an Affiliate (as defined below) of any current member or manager of Tenant or its parent entity (a "***Controlling Interest***"), as applicable, shall constitute a Transfer and shall require Landlord's consent, which consent shall not be unreasonably withheld, conditioned or delayed. Without limiting the foregoing, it shall constitute a Transfer and shall require Landlord's consent if: (i) Tenant is a limited partnership, and there is a transfer of a general partner interest; (ii) Tenant is a limited liability company, and there is a transfer of any direct or indirect Controlling Interest held by any manager or managing member; or (iii) Tenant is a corporation, and there is a transfer of any direct or indirect Controlling Interest of the voting stock of the corporation. Notwithstanding anything in this Amendment or the Lease to the contrary, a transfer of any direct or indirect partnership or limited liability company membership interests in Tenant shall not constitute a Transfer that requires Landlord's consent so long as either Michael B. Shuler, Jr. or Zayd Hammam remains the manager ~~of Tenant~~or managing member of Tenant or otherwise retains control of Tenant. As used herein, "***control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person or entity, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise.

(b) Except as otherwise provided herein, no Transfer permitted under the Lease, whether with or without Landlord's consent, shall release Tenant or change Tenant's

primary liability to pay rent to Landlord and to perform all other obligations of Tenant under the Lease. Landlord's acceptance of rent from any other person is not a waiver of any provision of the Lease. Consent by Landlord to one Transfer is not consent to any subsequent Transfer. If Tenant's transferee defaults under the Lease, Landlord may proceed directly against Tenant without pursuing remedies against the transferee. Landlord may consent to subsequent Transfers of the Lease by Tenant's transferee, without notifying Tenant or obtaining its consent. Such action shall not relieve Tenant's liability under the Lease. Notwithstanding the foregoing or anything else in the Lease or this Amendment to the contrary, upon any Assignment of the Lease by Tenant for which Landlord has provided its prior written consent, Tenant shall be released from liability under the Lease.

(c) Tenant's request for consent to any Transfer shall be accompanied by a written statement setting forth the details of the proposed Transfer, including the name, business, and financial condition of the prospective transferee, the term of any Sublease and the amount of rent and security deposit payable under any partial Assignment or Sublease, and any other information reasonably requested by Landlord. Tenant shall provide to Tenant signed copies of all instruments and other documents evidencing any Transfer permitted under the Lease.

(d) Provided that no Event of Default shall have occurred and be continuing and subject to the terms and condition set forth herein, Tenant may make any of the following Transfers (each such Transfer a "***Permitted Transfer***" and each such transferee a "***Permitted Transferee***") without the consent of Landlord:

(i) the Sublease of the marina deli to Saltworks Catering Co., LLC.

Notwithstanding the foregoing, under no circumstance shall the term of any Permitted Transfer to a Permitted Transferee exceed Tenant's right to possession of the Lease Premises."

5. **Related Party Transactions**. Notwithstanding anything in the Lease to the contrary, under no circumstance shall Tenant enter into any Permitted Transfer or other sublease, license, or agreement for the use or occupation of any portion of the Leased Premises with any Affiliate (as hereinafter defined) of Tenant (a "***Related Party Agreement***") other than a Related Party Agreement that is entered into on an arm's length basis with terms no less favorable to Tenant than those that could reasonably be obtained from an unaffiliated third party and rental rates or other user fees payable to Tenant no less than one hundred twenty percent (120%) of the applicable Prevailing Market Rental Rate (as hereinafter defined). As used in this Amendment, the term "***Affiliate***" shall mean and refer to, with respect to any person, any other person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such person. For purposes of this definition, "***control***" when used with respect to any specified person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise, and the terms "controlling" and "controlled" shall have correlative meanings. As used in this Amendment, the term "***Prevailing Market Rental Rate***" shall mean and refer to the arm's-length, fair market rental rate or user fees for the sublease, license, or agreement for the use or occupation of any portion of

the Leased Premises entered into on or about the date on which the Prevailing Market Rental Rate is being determined hereunder. The Prevailing Market Rental Rate shall be either (a) such amount as may be mutually agreed upon by Landlord and Tenant, or (b) if Landlord and Tenant are unable to agree upon the Prevailing Market Rental Rate, such amount as determined in accordance with this Section 8. If Landlord and Tenant are unable to agree upon the Prevailing Market Rental Rate within thirty (30) days after receipt of a written request by either party for a determination thereof, Landlord and Tenant each shall, within ten (10) business days, select a Qualified Appraiser (as hereinafter defined). Landlord's Qualified Appraiser and Tenant's Qualified Appraiser shall then, within ten (10) business days following their appointment, designate a third Qualified Appraiser. If Landlord's Qualified Appraiser and Tenant's Qualified Appraiser cannot agree on the third Qualified Appraiser within the 10-business day period, Landlord and Tenant shall promptly make application to a court of competent jurisdiction seated in the county in which the Leased Premises is located, to name the third Qualified Appraiser. The three (3) Qualified Appraisers shall determine the Prevailing Market Rental Rate payable as rent or other user fees for the applicable sublease, license, or agreement for the use or occupation of the applicable portion of the Leased Premises and notify Landlord and Tenant of their determination within thirty (30) days following the appointment of the third Qualified Appraiser. The decision of a majority of the three Qualified Appraisers, acting as experts and not as arbitrators, shall be binding and conclusive on the parties. Landlord and Tenant shall each be responsible for the costs of expenses of their own Qualified Appraiser and shall each be responsible for one-half (1/2) of the costs and expenses incurred by the third Qualified Appraiser. As used in this Amendment, the term "***Qualified Appraiser***" shall mean an appraiser that: (i) is duly licensed in the State; (ii) has at least ten (10) years' experience, on a full-time basis, with ownership, operation, and leasing of marinas and related facilities in the same general geographic area as that in which the Leased Premises are located; and (iii) is independent and has no then-pending or past brokerage relationship with any or all of Landlord, Tenant, and any Affiliates of either or both of Landlord and Tenant.

6. **Management and Alterations to Parking Spaces**. Notwithstanding anything in the Lease to the contrary, Tenant shall be entitled to (a) manage, operate and charge usage fees for that portion of the Premises consisting outdoor parking spaces within the Marina parking lot (the "***Marina Store Parking Spaces***") upon such terms and conditions as it may determine in its sole and absolute discretion; and (b) reconfigure and/or construct alterations, additions and improvements upon the Marina Store Parking Spaces without the consent of Landlord, provided, however, that (i) under no circumstance shall such reconfiguration, alteration, addition or improvement of the Marina Store Parking Spaces impede or preclude pedestrian and vehicular access, ingress and egress to and from the Marina and 41st Avenue, and (ii) any reconfiguration, alteration, addition or improvement of the Marina Store Parking Spaces with a cumulative cost in excess of $100,000.00 shall be subject to the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed.

7. **Permitted Use**. In addition to those uses set forth in Section 6 of the Lease and notwithstanding anything in the Lease to the contrary, Tenant shall be permitted to use and occupy the Premises for counter-style general food service with commercial kitchen operations and beer and wine sales, subject, however, to the following terms and conditions:

(a) Table service (including the taking of orders and delivery of food and beverages) shall not be permitted, other than the bussing of tables; and

(b) Sales of food, beer and wine for on-site consumption shall be permitted subject to the following:

(i) Consumption of food, beer and wine by patrons shall be restricted to the interior of the Premises and the outdoor patio portion of the Premises, with seating for no more than twelve (12) persons within the interior of the Premises;

(ii) ~~Neither sales~~ Sales of beer and wine for consumption within the permitted areas of the Premises shall not be permitted after sunset;

~~nor consumption~~ (iii) Consumption of beer and wine within the permitted areas of the Premises shall not be permitted after ~~sunset~~dark;

~~(iii~~(iv) No music other than ambient background music shall be permitted to be played or broadcast within those portions of the Premises used for on-site sales and consumption of food and beverages, and no live ~~or amplified~~ music shall be permitted on the outdoor patio portion of the Premises under any circumstance;

(~~iv~~v) Alcohol sales for on-site consumption shall be made exclusively as a self-serve, retail transaction at the sales counter within the Premises, and under no circumstance shall the sale of liquor, the use of bar tabs, the operation or employment of a bar or bartender or the provision beverage service be permitted; and

~~(v~~(vi) Tenant covenants and agrees to use reasonable, good faith efforts (i) to restrict consumption of beer and wine to those portions of the Premises expressly permitted under the Lease (as modified by this Amendment), including, without limitation, providing signage at the Premises denoting the limitations on the on-site consumption of alcohol, and (ii) to discourage and prohibit ~~and remove~~ congregations and gatherings of persons in possession of open containers of beer or wine outside of those portions of the Premises expressly permitted under the Lease (as modified by this Amendment). Tenant acknowledges and agrees that Landlord has jurisdiction to enforce the foregoing restriction of consumption of beer and wine according to the terms contained herein. So long as Tenant complies with its obligations under this Section 7(b)(v), Landlord acknowledges and agrees that on-site consumption of alcohol by third parties that occurs beyond the permitted areas set forth in the Lease shall be considered incidental in nature and shall not be a default by Tenant under the terms of the Lease.

8. **Site Plan**. Exhibit I of the Lease is hereby deleted in its entirety and replaced with Exhibit I of this Amendment, which is attached hereto and incorporated herein by reference.

9. **Update of Landlord's Personal Property**. Exhibit II of the Lease is hereby deleted in its entirety and replaced with Exhibit II of this Amendment, which is attached hereto

and incorporated herein by reference, to update and identify the personal property owned by Landlord at the Leased Premises leased to Tenant and to be maintained by Tenant or Landlord in accordance with the Lease and Exhibit II of this Amendment.

10. [**Prepayment of Base Rent**.[1] Notwithstanding anything in the Lease to the contrary, Tenant shall, on a one-time basis, prepay to Landlord the annual Base Rent due for the succeeding twelve (12) full calendar months occurring from and after the Effective Date. In consideration of this prepayment of Base Rent, Landlord waives any guaranty required by the Lease.]

~~9~~11. **Entire Agreement**. The Lease (as modified by this Amendment) and this Amendment constitutes the final, exclusive and entire agreement and understanding between the parties with respect to the subject matter hereof, and all prior and contemporaneous negotiations, understanding and agreements between the parties as to the matters contained herein are expressly merged into and superseded by this Amendment. Neither party has made or relied upon any representations, warranties or covenants relating to such subject matter except as specifically set forth in this Amendment. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent, or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

~~10~~12. **Miscellaneous**. Except as herein expressly amended hereby, each and every term, condition, warranty and provision of the Lease shall remain in full force and effect, and is incorporated herein by this reference, such that the Lease and this Amendment shall be read and construed as one instrument, all of which are hereby ratified, confirmed and approved by the parties hereto. Landlord and Tenant each represent and warrant to the other that, as of the date hereof, neither party is aware of an event of default existing under the Lease. If there is a conflict between this Amendment and the Lease, then the provisions of this Amendment shall control. This Amendment may be executed by email, electronic or other digital signatures and in multiple counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute the same instrument. This Amendment will be effective immediately upon execution and delivery by the parties. This Amendment shall be governed by the law of the State of South Carolina, without reference to its choice of law rules.

*****Remainder of Page Intentionally Left Blank*****
[Signatures on Following Page]

[1] NTD: Optional provision regarding a one-time prepayment of one year's Base Rent in lieu of a corporate guaranty from Coastal Marina Holdings, LLC

IN WITNESS WHEREOF, the undersigned hereby execute and deliver this Fourth Amendment to Commercial Lease Agreement as of the Effective Date, representing and warranting by their signature that they are duly authorized and empowered to execute this Fourth Amendment to Commercial Lease Agreement.

LANDLORD:

CITY OF ISLE OF PALMS,
SOUTH CAROLINA

By: _____
Name: _____
Title: _____

TENANT:

MORGAN CREEK MARINA, LLC,
a South Carolina limited liability company

By: _____
Name: _____
Its: _____

EXHIBIT I

Site Plan

See attached.

EXHIBIT II

Landlord's Personal Property

1. Fuel system and above ground dispensing equipment connected to the following underground fuel storage tanks:
    a. DHEC Tank Number 20 – 8,000 gallon gasoline – Operation Date 5/15/2019
    b. DHEC Tank Number 22 – 8,000 gallon gasoline – Operation Date 5/15/2019
2. Tonka bait freezer 7x8x6
3. Built-in merchandise coolers
4. Awnings

Summary Report	
Title	**compareDocs Comparison Results**
Date & Time	7/22/2022 10:56:31 AM
Comparison Time	3.11 seconds
compareDocs version	v5.0.200.14

Sources	
Original Document	[#01935411.DOCX] [v10] Fourth Amendment to Commercial Lease Agreement (Marina Outpost).DOCX
Modified Document	[#01935411.DOCX] [v14] Fourth Amendment to Commercial Lease Agreement (Marina Outpost).DOCX

Comparison Statistics	
Insertions	9
Deletions	5
Changes	9
Moves	0
Font Changes	0
Paragraph Style Changes	0
Character Style Changes	0
TOTAL CHANGES	23

Word Rendering Set Markup Options	
Name	
Insertions	
~~Deletions~~	
Moves / ~~Moves~~	
Font Changes	
Paragraph Style Changes	
Character Style Changes	
Inserted cells	
Deleted cells	
Merged cells	
Changed lines	Mark outside border.

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after saving	General	Always
Report Type	Word	Redline
Character Level	Word	False
Include Comments	Word	False
Include Field Codes	Word	True
Flatten Field Codes	Word	False
Include Footnotes / Endnotes	Word	True
Include Headers / Footers	Word	True
Image compare mode	Word	Insert/Delete
Include List Numbers	Word	True
Include Quotation Marks	Word	False
Show Moves	Word	True
Include Tables	Word	True
Include Text Boxes	Word	True
Show Reviewing Pane	Word	True

Summary Report	Word	End
Detail Report	Word	Separate (View Only)
Document View	Word	Print

SIXTH AMENDMENT TO COMMERCIAL LEASE AGREEMENT

This SIXTH AMENDMENT TO COMMERCIAL LEASE AGREEMENT (this "***Amendment***") is made effective as of the _____ day of [ ], 2022 (the "***Effective Date***"), by and between THE CITY OF ISLE OF PALMS, SOUTH CAROLINA ("***Landlord***"), MORGAN CREEK MARINA, LLC, a South Carolina limited liability company ("***Tenant***").

RECITALS:

WHEREAS, Landlord and Marina Joint Ventures, Inc., a South Carolina corporation ("***Marina Joint Ventures***"), entered into that certain Commercial Lease Agreement dated as of September 10, 2009, as amended by that certain Amendment to Commercial Lease Agreement dated as of June 2, 2010, as further amended by that certain Second Amendment to Commercial Lease Agreement dated as of April 25, 2012, as further amended by that certain Third Amendment to Commercial Lease Agreement dated as of July 24, 2012, as further amended by that certain Fourth Amendment to Commercial Lease Agreement dated as of February 26, 2015, as further amended by that certain Fifth Amendment to Commercial Lease Agreement dated as of November 10, 2020 (collectively, the "***Lease***"), pursuant to which Landlord has leased to Marina Joint Ventures, and Marina Joint Ventures has leased from Landlord, certain real property and improvements as more fully set forth in the Lease (the "***Property***").

WHEREAS, Marina Joint Ventures is conveying its interest in the Property and assigning its rights and obligations in the Lease to Tenant in conjunction with the execution of this Amendment.

WHEREAS, in accordance with Section 9(A) of the Lease, Landlord consents to the conveyance of Marina Joint Ventures' interest in the Property from Marina Joint Ventures to Tenant and the assignment of Marina Joint Ventures' rights and obligations under the Lease from Marina Joint Ventures to Tenant.

WHEREAS, Landlord and Tenant further intend to amend certain terms and conditions of the Lease as more fully set forth in this Amendment.

NOW, THEREFORE, in consideration of the covenants and conditions set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Recitals; Definitions**. The foregoing recitals are incorporated herein by this reference as a material part of this Amendment. Capitalized terms used in this Amendment without definition have the meaning given such terms in the Lease.

2. **Consent to Assignment**. Landlord hereby consents to the conveyance of Marina Joint Ventures' interest in the Property from Marina Joint Ventures to Tenant and the assignment of Marina Joint Ventures' rights and obligations under the Lease from Marina Joint Ventures to Tenant.

3. **Removal of Shared Parking from Leased Premises; Site Plan**.

(a) Exhibit I of the Lease is hereby deleted in its entirety and replaced with Exhibit I of this Amendment, which is attached hereto and incorporated herein by reference.

(b) Notwithstanding anything in the Lease to the contrary, that portion of the Property shown and designated as "Shared Parking Lot" on Exhibit I of the Lease (the "***Shared Parking Lot***") shall not constitute all or any portion of the Leased Premises (as defined in the Lease) leased from Landlord to Tenant pursuant to the Lease. Except as otherwise provided herein, Tenant shall not be entitled (i) to control or manage the parking operations on the Shared Parking Lot, or (ii) to charge or collect fees from persons using the Shared Parking Lot. Landlord and Tenant acknowledge and agree that Landlord shall be solely responsible for the ownership, management, and operation of the Shared Parking Lot at all times from and after the Effective Date, and that Tenant and its licensees and invitees shall have no right to utilize the parking spaces in the Shared Parking Lot except as may be hereafter permitted by Landlord. Notwithstanding the foregoing or anything else in the Lease to the contrary, Tenant and its employees, agents, invitees and licensees are granted non-exclusive access easements over, across, through and upon the Shared Parking Lot and other adjacent property owned by Landlord as necessary to enable Tenant to operate and use the Leased Premises for the purposes permitted under the Lease. For the avoidance of doubt, the portions of the Property shown and designated as "Private Parking Lot" and "Exclusive Parking Lot Marina Joint Ventures" on Exhibit I of the Lease are and shall remain part of the Leased Premises leased from Landlord to Tenant pursuant to the Lease.

4. **Reporting of Tenant Financials**. Notwithstanding anything in the Lease to the contrary, within ninety (90) days after the end of each Lease Year or partial Lease Year, Tenant shall provide Landlord a statement showing the "Annual Gross Receipts" and "Annual Gross Profit" (as such terms are used in Exhibit III of the Lease) for each such Lease Year. Each such statement furnished by Tenant shall be certified as correct by a certified public accountant licensed in the State of South Carolina. Any intentional or deliberate misrepresentation by Tenant of its "Annual Gross Receipts" or "Annual Gross Profit" in any such statement or other document or material provided to Landlord in relation thereto shall constitute an Event of Default under the Lease. A "Lease Year" refers to (i) each period of twelve consecutive months during the Lease Term commencing October 1 in any calendar year and ending on September 30 in the following calendar year, and (ii) the period of the Lease Term following the last full twelve-month Lease Year and ending upon the expiration or termination of the Lease.

5. **Assignment and Subleasing**. Section 9 of the Lease is hereby deleted in its entirety and replaced with the following:

"9. ASSIGNMENT OR SUBLEASE BY TENANT.

(a) Except as may otherwise be expressly permitted in relation to a Permitted Transfer as defined in Section 9(d) of this Lease, Tenant shall not, directly or indirectly,

voluntarily or by operation of law, sell, assign, encumber, mortgage, pledge, or otherwise transfer or hypothecate all or any part of the Leased Premises or Tenant's leasehold estate hereunder (each such act is referred to herein as an "***Assignment***") or sublet all or any portion of the Leased Premises or permit the Leased Premises to be occupied by anyone other than Tenant (each such act is referred to herein as a "***Sublease***") (any Assignment or Sublease may be referred to herein as a "***Transfer***"), without Landlord's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned or delayed. Other than Permitted Transfers, any attempted Transfer without Landlord's prior written consent shall be void and shall constitute an Event of Default under the Lease. If Tenant is a partnership or a limited liability company, any cumulative transfer of fifty percent (50%) or more of any direct or indirect partnership or limited liability company membership interests in Tenant to an entity or individual that is not currently a member or manager of Tenant or its parent entity or an Affiliate (as defined below) of any current member or manager of Tenant or its parent entity (a "***Controlling Interest***"), as applicable, shall constitute a Transfer and shall require Landlord's consent, which consent shall not be unreasonably withheld, conditioned or delayed. Without limiting the foregoing, it shall constitute a Transfer and shall require Landlord's consent if: (i) Tenant is a limited partnership, and there is a transfer of a general partner interest; (ii) Tenant is a limited liability company, and there is a transfer of any direct or indirect Controlling Interest held by any manager or managing member; or (iii) Tenant is a corporation, and there is a transfer of any direct or indirect Controlling Interest of the voting stock of the corporation. Notwithstanding anything in this Amendment or the Lease to the contrary, a transfer of any direct or indirect partnership or limited liability company membership interests in Tenant shall not constitute a Transfer that requires Landlord's consent so long as either Michael B. Shuler, Jr. or Zayd Hammam remains the manager ~~of Tenant~~or managing member of Tenant or otherwise retains control of Tenant. As used herein, "***control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person or entity, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise.

(b) Except as otherwise provided herein, no Transfer permitted under the Lease, whether with or without Landlord's consent, shall release Tenant or change Tenant's primary liability to pay rent to Landlord and to perform all other obligations of Tenant under the Lease. Landlord's acceptance of rent from any other person is not a waiver of any provision of the Lease. Consent by Landlord to one Transfer is not consent to any subsequent Transfer. If Tenant's transferee defaults under the Lease, Landlord may proceed directly against Tenant without pursuing remedies against the transferee. Landlord may consent to subsequent Transfers of the Lease by Tenant's transferee, without notifying Tenant or obtaining its consent. Such action shall not relieve Tenant's liability under the Lease. Notwithstanding the foregoing or anything else in the Lease or this Amendment to the contrary, upon any Assignment of the Lease by Tenant for which Landlord has provided its prior written consent, Tenant shall be released from liability under the Lease.

(c) Tenant's request for consent to any Transfer shall be accompanied by a written statement setting forth the details of the proposed Transfer, including the name, business, and financial condition of the prospective transferee, the term of any Sublease

and the amount of rent and security deposit payable under any partial Assignment or Sublease, and any other information reasonably requested by Landlord. Tenant shall provide to Tenant signed copies of all instruments and other documents evidencing any Transfer permitted under the Lease.

(d) Provided that no Event of Default shall have occurred and be continuing and subject to the terms and condition set forth herein, Tenant may make any of the following Transfers (each such Transfer a "***Permitted Transfer***" and each such transferee a "***Permitted Transferee***") without the consent of Landlord:

(i) Subleases, licenses, or similar agreements for the use or rental of boat slips and/or dry boat storage spaces with individual boat owners for non-commercial purposes; and

(ii) Subleases, licenses, or similar agreements for the use or rental of boat slips and/or dry boat storage spaces with commercial operators (each, a "***Commercial Agreement***") for charter fishing, charter cruising, kayaking, boat rental, low speed vehicle rental, paddleboard rental, eco-tour, and/or boat clubs (each, a "***Commercial Use***"); provided, however, that (A) any Commercial Use comprising fifteen percent (15%) or more of the total linear footage of dock space within the Leased Premises, whether as a result of a single Commercial Agreement or multiple Commercial Agreements in the aggregate, shall be subject to prior written approval of Landlord, such consent not to be unreasonably withheld, conditioned or delayed; ~~and~~ (B) under no circumstance shall more than thirty-three percent (33%) of the total linear footage of dock space within the Leased Premises be subleased, licensed or otherwise used or occupied by one or more boat club operators; and (C) no boat club operator shall use dry boat storage within the Leased Premises for long-term storage of boat club boats or operation of such boat club but may utilize the dry boat storage within the Leased Premises for temporary storage of boat club boats for maintenance/repairs or in the event of a casualty, hurricane or other extreme weather event. Subject to the limitations set forth in the foregoing ~~subsections~~ subsection (~~A) and (B~~B), subsection (C) and Section 8 of this Amendment, Landlord hereby acknowledges and agrees that Coastal Marinas, LLC is an Affiliate of Tenant, expressly consents to ~~[that/those certain]~~ any Commercial Agreement(s) ~~dated [ ]~~ for the operation of a boat club within the Leased Premises entered into by and between Tenant and Coastal Marinas, LLC from time to time (the "***Coastal Marinas Agreements***"), and agrees that no additional consent or approval by Landlord of the Coastal Marinas Agreements shall be required with respect to subsection (A) above. Subject to the limitations set forth in the foregoing subsections (A) and (B) and Section 8 of this Amendment, Landlord hereby acknowledges and agrees that Tenant may enter into one or more Commercial Agreement(s) for one or more Commercial Uses with Affiliates of Tenant from time to time and agrees that no additional consent or approval by Landlord of such Commercial Agreements shall be required.[1] For purposes of the foregoing

[1] ~~NTD: Subject to Council review/approval of boat club contract in accordance with subsection (A).~~

calculations, Landlord and Tenant acknowledge and agree that the total linear footage of the dock space within the Leased Premises is deemed to be 2,600 linear feet.[2]

Notwithstanding the foregoing, under no circumstance shall the term of any Permitted Transfer to a Permitted Transferee exceed Tenant's right to possession of the Leased Premises.

6. **Tenant's Operational and Service Requirements**. Exhibit IV of the Lease is hereby deleted in its entirety and replaced with Exhibit IV of this Amendment, which is attached hereto and incorporated herein by reference.

7. **Alterations to Exclusive Parking Lot**. Notwithstanding anything in the Lease to the contrary, Tenant shall be entitled to reconfigure and/or construct alterations, additions and improvements upon that portion of the Leased Premises shown and designated as the "Exclusive Parking Lot" on Exhibit I of the Lease (the "***Exclusive Parking Lot***") without the consent of Landlord; provided, however, that (a) under no circumstance shall such reconfiguration, alteration, addition or improvement of the Exclusive Parking Lot impede or preclude pedestrian and vehicular access, ingress and egress to and from the Marina and 41st Avenue; (b) any reconfiguration, alteration, addition or improvement of the Exclusive Parking Lot with a cumulative cost in excess of $100,000.00 shall be subject to the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed; and (c) under no circumstance shall all or any portion of the Exclusive Parking Lot or the Leased Premises be used or operated for the construction or operation of a vertically oriented dry stack boat storage facility consisting of boats stacked one on top of another in a vertical fashion. For the avoidance of doubt and notwithstanding the foregoing to the contrary, Tenant is permitted to provide and operate "dry boat storage" as set forth in Exhibit IV of the Lease by storing boats within the Exclusive Parking Lot on a single horizontal plane provided that boats are not stored or stacked one on top of another in a vertical fashion. ~~Except as may be otherwise required by the laws, regulations or rules of applicable governmental authorities, Tenant shall not~~ Tenant may use motor vehicles, forklifts or other machinery ("***Equipment***") in the storage, parking or transport of boats to, from or within the Exclusive Parking Lot provided that such Equipment does not emit or cause unreasonable beeping, noise or vibration to be transmitted outside of the Premises to such a degree as to be objectionable to Landlord ("***Noise Prohibition***"). Notwithstanding the foregoing to the contrary, the Noise Prohibition shall not apply to the use of Equipment or other construction vehicles or machinery in conjunction with any reconfiguration, ~~any other tenants of the Marina, or any adjoining property owners~~ alteration, addition or improvement of the Leased Premises in accordance with the Lease.

8. **Related Party Transactions**. Notwithstanding anything in the Lease to the contrary, under no circumstance shall Tenant enter into any Permitted Transfer or other sublease, license, or agreement for the use or occupation of any portion of the Leased Premises with any Affiliate (as hereinafter defined) of Tenant (a "***Related Party Agreement***") other than a Related Party Agreement that is entered into on an arm's length basis with terms no less favorable to Tenant than those that could reasonably be obtained from an unaffiliated third party and rental rates or

---

~~[2] NTD: Desiree to confirm total linear square footage of dock space.~~

other user fees payable to Tenant no less than one hundred twenty percent (120%) of the applicable Prevailing Market Rental Rate (as hereinafter defined). As used in this Amendment, the term "***Affiliate***" shall mean and refer to, with respect to any person, any other person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such person. For purposes of this definition, "***control***" when used with respect to any specified person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise, and the terms "controlling" and "controlled" shall have correlative meanings. As used in this Amendment, the term "***Prevailing Market Rental Rate***" shall mean and refer to the arm's-length, fair market rental rate or user fees for the sublease, license, or agreement for the use or occupation of any portion of the Leased Premises entered into on or about the date on which the Prevailing Market Rental Rate is being determined hereunder. The Prevailing Market Rental Rate shall be either (a) such amount as may be mutually agreed upon by Landlord and Tenant on an annual basis, or (b) if Landlord and Tenant are unable to agree upon the Prevailing Market Rental Rate, such amount as determined in accordance with this Section 8. If Landlord and Tenant are unable to agree upon the Prevailing Market Rental Rate within thirty (30) days after receipt of a written request by either party for a determination thereof, Landlord and Tenant each shall, within ten (10) business days, select a Qualified Appraiser (as hereinafter defined). Landlord's Qualified Appraiser and Tenant's Qualified Appraiser shall then, within ten (10) business days following their appointment, designate a third Qualified Appraiser. If Landlord's Qualified Appraiser and Tenant's Qualified Appraiser cannot agree on the third Qualified Appraiser within the 10-business day period, Landlord and Tenant shall promptly make application to a court of competent jurisdiction seated in the county in which the Leased Premises is located, to name the third Qualified Appraiser. The three (3) Qualified Appraisers shall determine the Prevailing Market Rental Rate payable as rent or other user fees for the applicable sublease, license, or agreement for the use or occupation of the applicable portion of the Leased Premises and notify Landlord and Tenant of their determination within thirty (30) days following the appointment of the third Qualified Appraiser. The decision of a majority of the three Qualified Appraisers, acting as experts and not as arbitrators, shall be binding and conclusive on the parties. Landlord and Tenant shall each be responsible for the costs of expenses of their own Qualified Appraiser and shall each be responsible for one-half (1/2) of the costs and expenses incurred by the third Qualified Appraiser. As used in this Amendment, the term "***Qualified Appraiser***" shall mean an appraiser that: (i) is duly licensed in the State; (ii) has at least ten (10) years' experience, on a full-time basis, with ownership, operation, and leasing of marinas and related facilities in the same general geographic area as that in which the Leased Premises are located; and (iii) is independent and has no then-pending or past brokerage relationship with any or all of Landlord, Tenant, and any Affiliates of either or both of Landlord and Tenant.

9. **Marina Store; Alcohol License**. Reference is made to that certain Commercial Lease Agreement dated as of January 4, 2008 between Landlord and Marina Outpost, LLC, a South Carolina limited liability company ("***Marina Outpost***"), as amended by that certain First Amendment to Commercial Lease Agreement dated as of April 25, 2012, as further amended by that certain Second Amendment to Commercial Lease Agreement dated as of July 24, 2012, as further amended by that certain Third Amendment to Commercial Lease Agreement dated as of February 26, 2015, as assigned by Marina Outpost to Tenant as of the date hereof, and as further

amended by that certain Fourth Amendment to Commercial Lease Agreement dated as of the date hereof between Landlord and Tenant (collectively, the "***Marina Store Lease***"), pursuant to which Landlord has leased to Tenant (as assignee of Marina Outpost), and Tenant has leased from Landlord, certain real property and improvements commonly known as the "Marina Store" as more fully set forth in the Marina Store Lease (the "***Marina Store Leased Premises***"). As set forth in the Marina Store Lease, Tenant is permitted to sell food, beer and wine for on-site consumption at the Marina Store Leased Premises. Tenant covenants and agrees to use reasonable, good faith efforts (i) to prohibit the consumption of beer and wine by patrons of the Marina Store Leased Premises within the Leased Premises leased to Tenant pursuant to the Lease (as modified by this Amendment), and (ii) to discourage and prohibit ~~and remove~~ congregations and gatherings of persons in possession of open containers of beer or wine within the Leased Premises leased to Tenant pursuant to the Lease (as modified by this Amendment). Tenant acknowledges and agrees that Landlord has jurisdiction to enforce the foregoing prohibition of consumption of beer and wine according to the terms contained herein. So long as Tenant complies with its obligations under this Section 9, Landlord acknowledges and agrees that on-site consumption of alcohol by third parties that occurs beyond the permitted areas set forth in the Marina Store Lease shall be considered incidental in nature and shall not be a default by Tenant under the terms of the Lease.

10. **Update of Landlord's Personal Property**.

(a) Exhibit II and Exhibit V of the Lease are hereby deleted in their entirety and replaced with Exhibit II and Exhibit V of this Amendment, which are attached hereto and incorporated herein by reference, to update and identify the personal property owned by Landlord at the Leased Premises leased to Tenant and to be maintained by Tenant or Landlord in accordance with the Lease, Exhibit II and Exhibit V of this Amendment.

(b) Exhibit VI and Exhibit VII of the Lease are hereby deleted in their entirety.

11. [**Prepayment of Base Rent in Lieu of Guaranty**.[1] Notwithstanding anything in the Lease to the contrary, Tenant shall, on a one-time basis, prepay to Landlord the annual Base Rent due for the succeeding twelve (12) full calendar months occurring from and after the Effective Date. In consideration of this prepayment of Base Rent, Landlord waives any guaranty required by the Lease.]

~~10~~12. **Entire Agreement**. The Lease (as modified by this Amendment) and this Amendment constitutes the final, exclusive and entire agreement and understanding between the parties with respect to the subject matter hereof, and all prior and contemporaneous negotiations, understanding and agreements between the parties as to the matters contained herein are expressly merged into and superseded by this Amendment. Neither party has made or relied upon any representations, warranties or covenants relating to such subject matter except as specifically set forth in this Amendment. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent, or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

[1] NTD: Optional provision regarding a one-time prepayment of one year's Base Rent in lieu of a corporate guaranty from Coastal Marina Holdings, LLC

~~11~~13. **Miscellaneous**. Except as herein expressly amended hereby, each and every term, condition, warranty and provision of the Lease shall remain in full force and effect, and is incorporated herein by this reference, such that the Lease and this Amendment shall be read and construed as one instrument, all of which are hereby ratified, confirmed and approved by the parties hereto. Landlord and Tenant each represent and warrant to the other that, as of the date hereof, neither party is aware of an event of default existing under the Lease. If there is a conflict between this Amendment and the Lease, then the provisions of this Amendment shall control. This Amendment may be executed by email, electronic or other digital signatures and in multiple counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute the same instrument. This Amendment will be effective immediately upon execution and delivery by the parties. This Amendment shall be governed by the law of the State of South Carolina, without reference to its choice of law rules.

*****Remainder of Page Intentionally Left Blank*****
[Signatures on Following Page]

IN WITNESS WHEREOF, the undersigned hereby execute and deliver this Sixth Amendment to Commercial Lease Agreement as of the Effective Date, representing and warranting by their signature that they are duly authorized and empowered to execute this Sixth Amendment to Commercial Lease Agreement.

LANDLORD:

CITY OF ISLE OF PALMS,
SOUTH CAROLINA

By: _____
Name: _____
Title: _____

TENANT:

MORGAN CREEK MARINA, LLC,
a South Carolina limited liability company

By: _____
Name: _____
Its: _____

EXHIBIT I

Site Plan

See attached.

EXHIBIT II

Improvements, Fixtures and Personal Property Owned by Landlord

1. Intellectual Property.

A. Tenant acknowledges that the Isle of Palms Marina trademark is a registered trademark of the City and is the City's sole and exclusive property. Tenant agrees to use this trademark only with permission of the City and in furtherance of the Tenant's Marina operations.

B. Tenant acknowledges that the internet domain names of "isleofpalmsmarina.com", "isleofpalmsmarina.net", "iopmarina.net", and "iopmarina.com" are the City's sole and exclusive property. Tenant agrees to use these domain names only with permission of the City and in furtherance of the Tenant's Marina operations.

C. Any customer lists regarding Tenant's operations at the Marina developed or obtained by Tenant shall be and remain the sole property of the City but may be used by Tenant.

2. Bulkhead – original
3. Bulkhead – constructed 2009
4. Boat Ramp
5. Dock and Pier System – replaced 2022
6. Dock and Pier System – "Intracoastal Dock" (not part of 2022 replacement)
7. Marine fueling system, pumps and dispensers connected to the following underground fuel storage tanks:
    a. DHEC Tank Number 18 – 12,000 gallon gasoline – Operation Date 5/15/2019
    b. DHEC Tank Number 19 – 12,000 gallon diesel – Operation Date 5/15/2019
8. TMS fuel control console – replaced 2022
9. Pump Out System – replaced 2022
10. Dock Utility Pedestals – replaced 2022
11. Safety Pedestals with Fire Extinguishers and safety rings – replaced 2022
12. Point of Sale revenue collection system in fuel dock office and admin office, VHF Radio console in fuel dock office – replaced 2022
13. Window A/C unit in fuel dock office– replaced 2022
14. Captains' bath facilities located in Marina Building
15. Water heater in Captain's Bath
16. Scale in Captain's Bath
17. One washing machine and one dryer for transient laundry
18. Window A/C unit in admin office – replaced 2021

EXHIBIT IV

Tenant's Operational and Service Requirements

1. Minimum Hours of Operation:

   Summer: 7:00 am to 7:00 pm, Seven (7) Days per Week

   Winter: 7:00 am to 5:00 pm, Seven (7) Days per Week

   Provided, however, the foregoing hours of operation are subject to modification from time to time for maintenance/repairs, federal and state holidays, casualty events and/or other matters beyond the control of Tenant.

2. Marine fuel sales (diesel, gasoline and LP gas)

3. Dock / boat slip rentals:

   Except as otherwise provided in the Lease, allocation, rates, terms and conditions to be determined by Tenant in its sole and absolute discretion

   Tenant shall use commercially reasonable efforts to provide IOP residents with priority opportunity to rent publicly available boat slips at standard rates to be determined by Tenant in its sole and absolute discretion on an as-available basis (must present valid evidence of IOP residence)

4. Boat ramp launching:

   IOP resident launch fee: Free (must present valid evidence of IOP residence)

   IOP employee and City Official launch fee: Free (must present City Identification Card)

   Non-resident launch fee: Fee to be determined by Tenant in its sole and absolute discretion

   Non-resident annual pass: Fee to be determined by Tenant in its sole and absolute discretion

5. Providing boat slips and dry boat storage spaces for use by individuals and, in Tenant's sole and absolute discretion, by commercial operators for charter fishing, charter cruising, kayaking, boat rental, low speed vehicle rental, paddleboard rental, eco-tour, and/or boat clubs in accordance with the Lease; provided, however, no portion of the Leased Premises shall be used for commercial parasailing tours or operations, jetski rentals or launching of jetskis to be used on a rental basis

6. Standard boat sewage pump-out service during business hours, subject to reasonable notice from applicable vessels and system functionality

7. Dry boat storage:

   Except as otherwise provided in the Lease, allocation, rates, terms and conditions to be determined by Tenant in its sole and absolute discretion

   No fewer than twelve (12) dry boat storage spaces shall be reserved for rental by IOP residents (must present valid evidence of IOP residence)

8. Safely maintain all facilities for which Tenant is responsible as provided in the Lease

9. Monitor underground fuel system for leaks

10. Regularly communicate with City Administrator as to any unusual occurrences, complaints, safety concerns, etc.

11. Provide an on-site dock master during all hours of operation

12. Enforce existing rules and regulations for Marina users and make changes as needed, subject to City's prior written approval

13. Promote a family-friendly atmosphere

14. Cooperate with other tenants at the Marina

15. Provide complimentary dock space for City of Isle of Palms vessels (Fire Department boat, wave runners) not to exceed five percent (5%) or more of the total linear footage of dock space within the Leased Premises in locations determined by Tenant in its sole and absolute discretion

16. Coordinate as needed with military or other government organizations as they occasionally train at the Marina

17. Provide transient boater restroom, bathing and laundry facilities

EXHIBIT V

List of Marina Assets Subject to Repair or Replacement by Landlord

1. The Tenant agrees to be responsible for all normal and routine maintenance to the following property. City agrees to be responsible for extraordinary repairs or replacements to the following assets, except for damage caused by Tenant's negligent or willful acts, in which case the repair or replacement shall be the responsibility of Tenant:

Marina Dock Fuel Dispensers and Marina Dock Transfer Fuel Lines connected to the following underground fuel storage tanks:

a. DHEC Tank Number 18 – 12,000 gallon gasoline – Operation Date 5/15/2019
b. DHEC Tank Number 19 – 12,000 gallon diesel – Operation Date 5/15/2019

Utility and Safety Pedestals, including all associated Electrical Systems.

2. City agrees to be responsible for all ordinary and extraordinary repairs or replacements to the following property, except for damage caused by Tenant's negligent or willful acts, in which case the repair or replacement shall be the responsibility of Tenant:

Bulkheads;
Pilings;
Dock Replacements, including the Floating Docks and Fixed Piers;
Underground transfer lines and underground fuel pumps; and
Underground fuel storage tanks.

Summary Report	
Title	**compareDocs Comparison Results**
Date & Time	7/22/2022 10:59:29 AM
Comparison Time	3.53 seconds
compareDocs version	v5.0.200.14

Sources	
Original Document	[#01935410.DOCX] [v10] Sixth Amendment to Commercial Lease Agreement (Marina Joint Ventures).DOCX
Modified Document	[#01935410.DOCX] [v14] Sixth Amendment to Commercial Lease Agreement (Marina Joint Ventures).DOCX

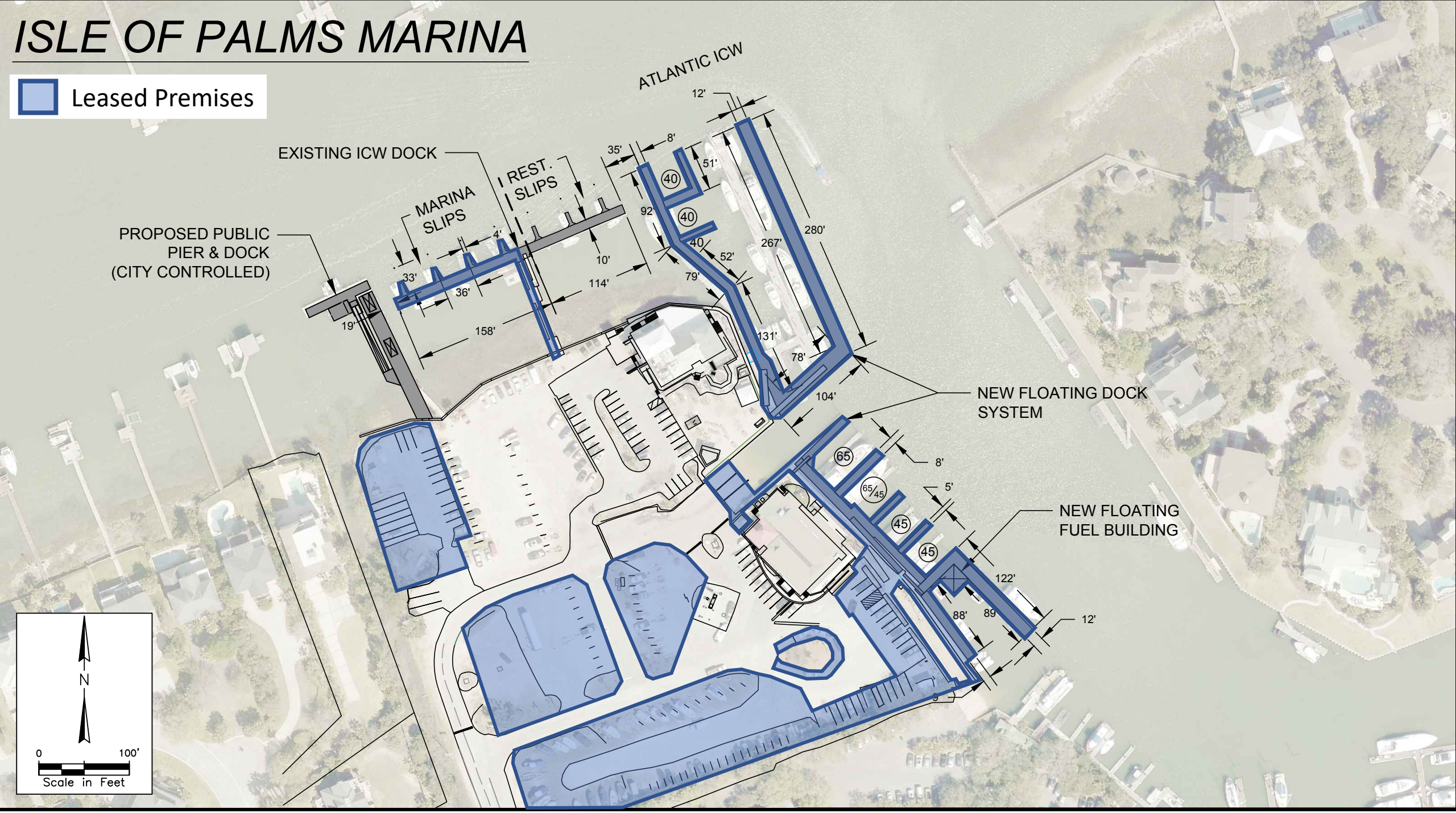
Comparison Statistics	
Insertions	43
Deletions	10
Changes	8
Moves	0
Font Changes	0
Paragraph Style Changes	0
Character Style Changes	0
TOTAL CHANGES	61

Word Rendering Set Markup Options	
Name	
Insertions	
~~Deletions~~	
Moves / ~~Moves~~	
Font Changes	
Paragraph Style Changes	
Character Style Changes	
Inserted cells	
Deleted cells	
Merged cells	
Changed lines	Mark outside border.

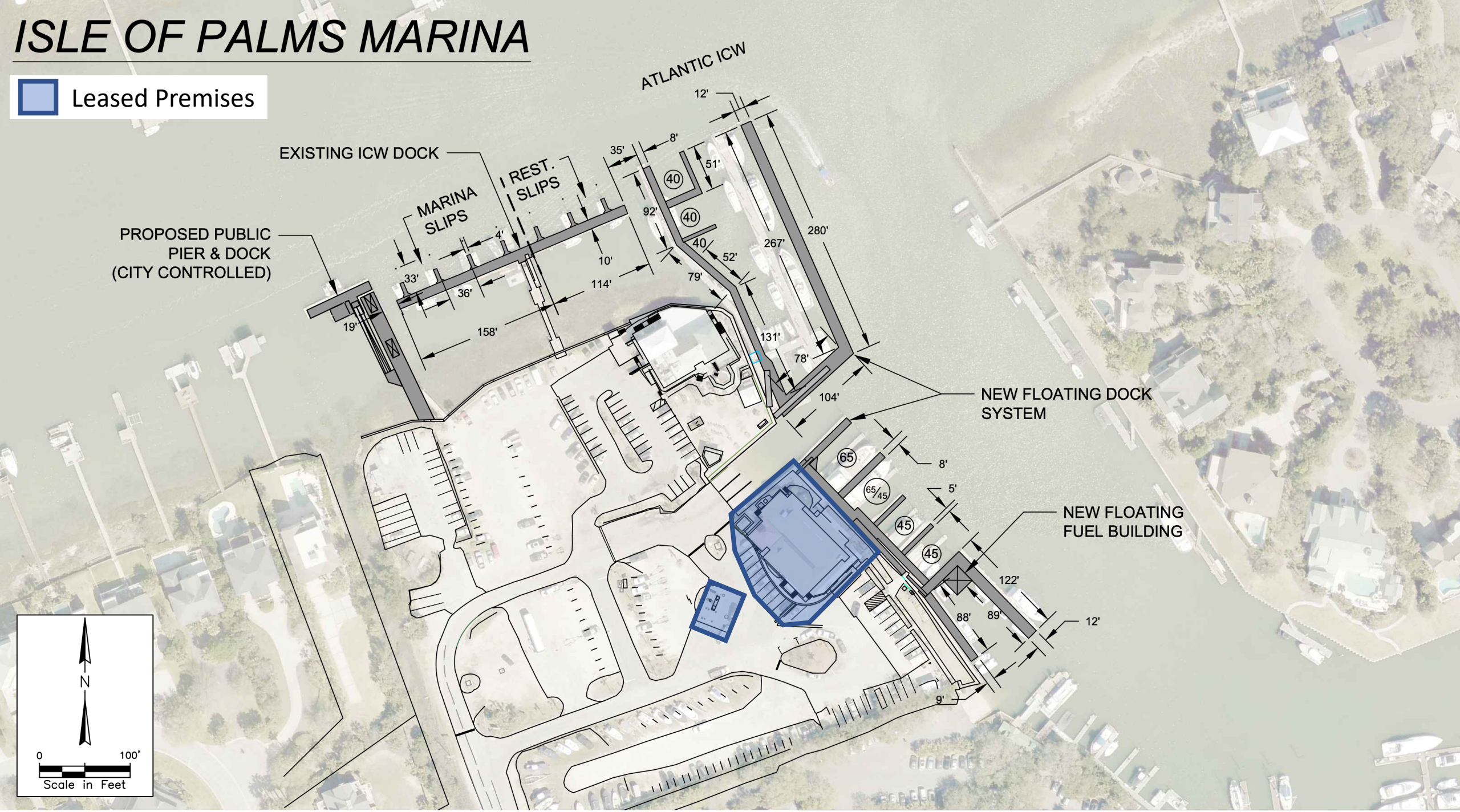
compareDocs Settings Used	Category	Option Selected
Open Comparison Report after saving	General	Always
Report Type	Word	Redline
Character Level	Word	False
Include Comments	Word	False
Include Field Codes	Word	True
Flatten Field Codes	Word	False
Include Footnotes / Endnotes	Word	True
Include Headers / Footers	Word	True
Image compare mode	Word	Insert/Delete
Include List Numbers	Word	True
Include Quotation Marks	Word	False
Show Moves	Word	True
Include Tables	Word	True
Include Text Boxes	Word	True
Show Reviewing Pane	Word	True

Summary Report	Word	End
Detail Report	Word	Separate (View Only)
Document View	Word	Print

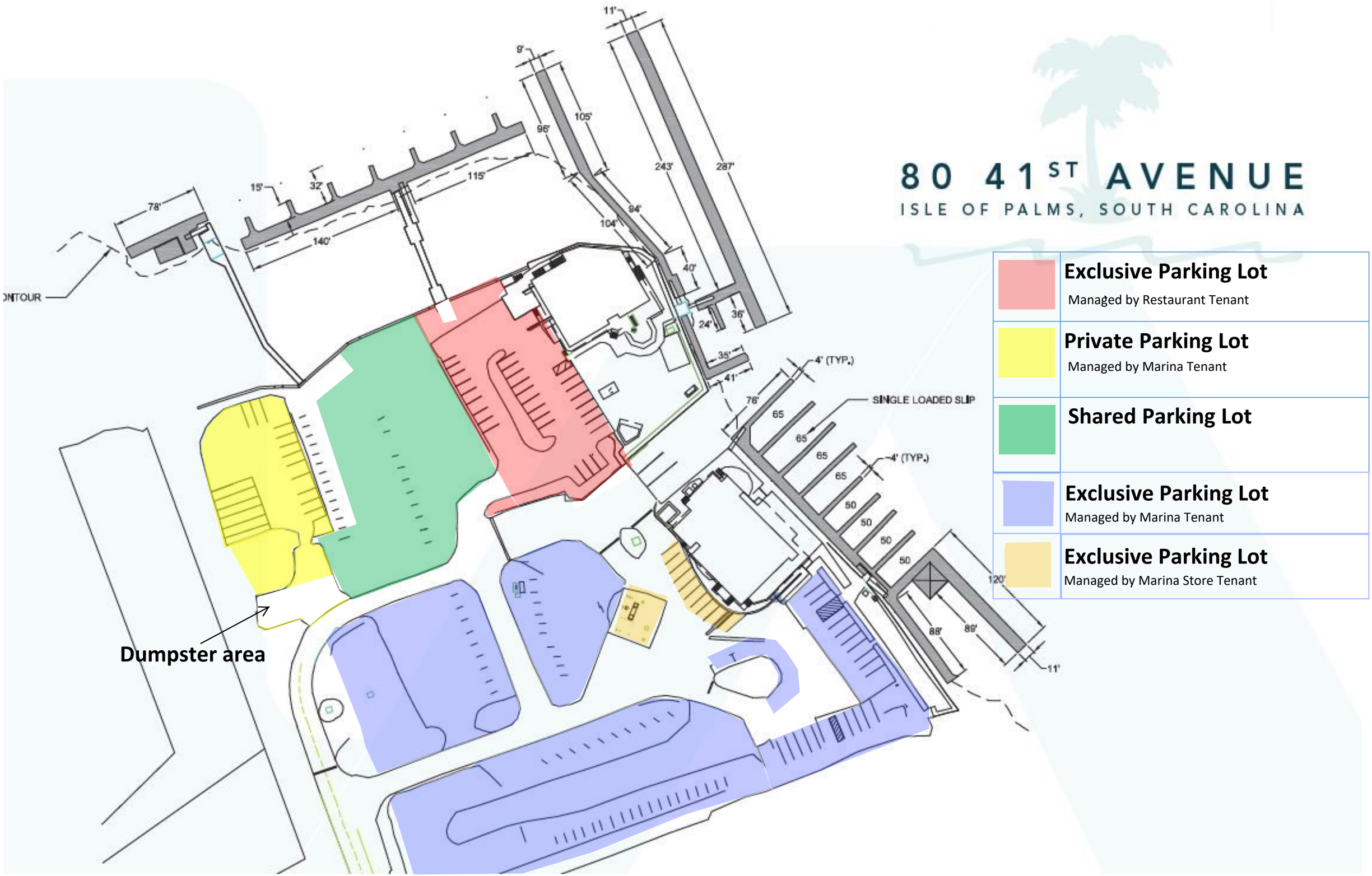
ISLE OF PALMS MARINA



ISLE OF PALMS MARINA



Parking Plan



CITY OF
ISLE
OF
PALMS
South Carolina

MEMO

To: City Council

From: Desirée Fragoso DFH

CC: Deputy Administrator, Human Resources Manager, City Department Heads

Date: July 7, 2022

Re: Proposed changes to annual leave accrual rates and holidays observed

In 2021, the City worked with Evergreen Solutions who conducted a thorough wage and compensation study and provided recommendations for the adoption of a highly competitive compensation system than enhances strong recruitment and employee retention. As part of this process, City Council adopted a compensation philosophy that established all employees should be at least at the standard market rates and above standard market rates for public safety personnel.

City Council approved the recommendations for targeted salary adjustments, and these went into effect on January 1, 2022.

The wage and compensation study found that while the City's medical deductibles, dental and vision premiums, and retirement benefits were competitive with our peers, dependent medical premiums and annual/vacation leave accrual rates were potential areas of improvement.

The staff analyzed the annual vacation accrual policy from peer municipalities that are competitors for talent and developed the attached proposal for consideration by City Council. The proposal would increase the annual vacation accrual by 5 days, creates a new category for time of service between 6 and 15 years and maintains the maximum annual carry-forward limit to 30 days.

Additionally, staff evaluated the holidays observed by surrounding municipalities. The City of Isle of Palms observes 11 holidays, same as Sullivan's Island, City of Charleston, North Charleston and the Federal Government. The Town of Mount Pleasant, Charleston County and Summerville observe 12 holidays, while Goose Creek and Folly Beach only observe 10. If the City wanted to consider adding (1) day to the holidays observed by the City, the fully loaded cost of an additional holiday would be approximately $13,000.

City of Isle of Palms, SC
Annual Leave Accrual Rates
Comparison with neighboring communities & Proposal for IOP

Current

Isle of Palms	
Time of Service	**Annual accrual rate**
0 - 12 months	5 days
1-5 years	10 days
5+ years	15 days
Carry over limit	30 days

Sullivan's Island	
Time of Service	**Annual accrual rate**
Up to 10 years	10 days
11 - 20 years	15 days
21+ years	20 days
Carry over limit	15 days
*Employees required to use 1 week of vacation each year.	

Mount Pleasant	
Time of Service	**Annual accrual rate**
Upon hire	15 days
1- 5 years	18 days
6-10 years	22 days
11-15 years	25 days
16-20+ years	28 days
Carry over limit	36 days

Kiawah Island	
Time of Service	**Annual accrual rate**
0- 12 months	5 days
1- 9 years	20 days
10-20 years	25 days
20+ years	30 days
Carry over limit	15 days
*Employees expected to use all accrued time off in the calendar year.	

Folly Beach	
Time of Service	**Annual accrual rate**
0 - 12 months	6 days
1-5 years	12 days
6-10 years	15 days
11-15 years	18 days
15+ years	21 days
Carry over limit	45 days

Proposal

Isle of Palms	
Time of Service	**Annual Accrual Rate**
0-12 months (17%)	10 days
1-5 years (23%)	15 days
6-15 years (35%)	20 days
16 + years (24%)	25 days
Carry over limit	30 days

1. Dept. Heads start accruing at the 15 days rate at hire.
2. Encourage employees to take at least 1 week of annual leave per year (consecutively).
3. All employees would start accruing at the new rate upon Council approval.

City of Isle of Palms, SC

Holidays Observed by Sorrounding Municipalities

Holidays Observed	***Sullivans Island**	**Mt. Pleasant**	**Charleston**	**North Charleston**	**Charleston County**	**Goose Creek**	**Folly Beach**	**Summerville**		**Isle of Palms**
New Year's Day	X	X	X	X	X	X	X	X		X
Martin Luther King Jr.		X	X	X		X	X	X		X
Presidents Day		X	X	X	X			X		X
Good Friday		X					X			
Memorial Day	X	X	X	X	X	X	X	X		X
Juneteenth			X	X	X					
July 4th	X	X	X	X	X	X	X	X		X
Labor Day	X	X	X	X	X	X	X	X		X
Veteran's Day	X		X	X	X	X		X		X
Thanksgiving Day	X	X	X	X	X	X	X	X		X
Day after Thanksgiving	X	X	X	X	X	X	X	X		X
Christmas Eve	X	X			X	X	X	X		X
Christmas Day	X	X	X	X	X	X	X	X		X
Day after Christmas	X				X			X		
Personal Day of Choice	X	X								
Total	**11**	**12**	**11**	**11**	**12**	**10**	**10**	**12**		**11**

FY22 Vehicle Specification	
PU5 - Truck, Pickup, 1/2 ton Crew Cab 4x4 DNR (Vehicles used to build spec: 2021 Ram 1500, 2021 Ford F150, 2021 Chevy Silverado 1500)	

NOTE: Vendors must complete all blocks highlighted in BLUE below. Failure to complete ALL blocks highlighted in BLUE may deem your offer non-responsive.

Vendor Name:	***Vic Bailey Ford***
Vendor-suggested Model Name and Model Number:	***F150 - W1E***
Base Price:	***$34,827.00***

NOTE: If Add is included in the base price enter $0.00 in the BLUE cell below and

Measures & Capacities	Requirement	Required Equipment	Requirement	Additions	Add-on Amount	Addition Comments
Doors - Min. #	4 full doors	Floor Mats	No	Bluetooth/Hands Free Calling	**$0.00**	This option is standard.
Drive Type	4x4 per state spec, with auto locking hubs, positive traction/limited slip differential, and add option for larger differential ratio from factory standard.	Flooring	Vinyl	From Short Bed to Long Bed	**$601.00**	
Engine - Cylinders	V8 w/HD Oil Cooler	HD Oil Cooler	Required	Larger Differential Ratio	**$150.00**	
Engine - Fuel Type	Flex Fuel or Unleaded Regular	HD Front Stabilizer Bar	Required	Securable Folding Bedcover (hard surface)	**$880.00**	
Engine - Liters	5.0L	HD Transmission Cooler	Required	Spray-in Bedliner	**$525.00**	
Engine - Min. Horsepower	350	Intermittent Wipers	Required	Winch-Steel Cable (per state spec)	**$0.00**	
Engine - Min. Torque (ft.lbs.)	375	Locking Tailgate	Required			
Fuel Capacity	24 gal. min., with skid plate on 4x4 as per state standard spec for 4x4	Power Brakes	Required	**Deduction**	**Deduction Amount**	**Deduction Comments**
GVWR - Min/Max (lbs.)	6800/7350	Power Door Locks w/Keyless Entry	Required	From Positive Traction/Limited Slip to Standard Axle	**$332.00**	
Head Room - Front (Min. In.)	39	Power Driver Seat	No (Unless standard)	Privacy Glass to Factory-Std. Solar glass	**$146.00**	
Head Room - Rear (Min. In.)	38	Power Side Mirrors (Passenger & Driver)	Required	Winch-Synthetic Rope (per state spec)	**$1,818.00**	
Keys	3 (see std. specs)	Power Steering	Required			
Passengers - Min. #	6	Power Windows	Required			
Payload - Min. (lbs.)	1500	Factory-Std. Solar Glass	Required if privacy glass spec deleted			
Towing - Min. (lbs.)	4500	Privacy Glass LE&DNR (per state spec)	Required w/deduct option			

Transmission Type	Automatic (min. 5-speed), with HD Trans. Cooler	Radio Noise Suppression	Required (see std. specs)			
Vehicle Height - Min. (in.)	73	Rearview/Backing Camera	Required			
Vehicle Length - Min./Max. (in.)	227/233	Seating Configuration	Front: Manual Split Bench; Rear: Foldable Bench			
Vehicle Wheelbase - Min./Max. (in.)	139/146	Seating Construction	Vinyl			
Vehicle Width - Min. (in.)	78	Spare Tire	Full Size			
		Steps/Running Boards	See Std. Specs			
		Adjustable Steering Column	Required			
		Tires	All-Terrain, 265/70R17 (standard factory tires if deducted to 4x2)			
		Tow Package (per state spec)	Required			
		Winch-Synthetic Rope (per state spec)	Required w/deduct option			

DELIVERY INFORMATION		
	Distance from Dealership to SFM Delivery Point (In Miles)	10
	Amount of Base Price Allocated to Delivery to SFM	$20.00
This field will automatically populate from the Delivery Information entered above.	Price Per Mile Contractor May Charge	**$2.00**
Enter the days ARO in the BLUE cell	DAYS ARO:	160

PRICE CALCULATIONS **(These cells automatically populate)**	
Base Price:	$34,827.00
Total of All ADDS:	$2,156.00
25% of all ADDS:	$539.00
Total of All DEDUCTS:	$2,296.00
25% of All DEDUCTS:	$574.00

Evaluated Amount:	**$34,792.00**	**ENTER THIS AS YOUR BID IN SCEIS**

BOARD OF ZONING APPEALS
4:30pm, Tuesday, July 12, 2022
1207 Palm Boulevard, Isle of Palms, SC

MINUTES

1. Call to order

Present: Brian Abel, Elizabeth Campsen, Glenn Thornburg, Arnold Karig, and Douglas Kerr, Director of Planning

Absent: Ted McKnight

2. **Approval of Previous Meeting's Minutes**

MOTION: Mr. Karig made a motion to approve the minutes of the June 7, 2022 meeting, and Mr. Thornburg seconded the motion. The minutes passed unanimously.

3. **Swearing in of applicants**

Ms. Campsen swore in the applicant.

4. **Home Occupations**

A. **1012 Ocean Boulevard**

Director Kerr reminded the Board that this application for a Special Exception from Papi's Taqueria was deferred until ownership of the adjacent properties could be clarified. The deck they are seeking to build is technically on the adjacent property. However, the properties are owned by the same individual.

The request is to allow for the outdoor sale of food and drink at new side deck that will be built to the left of Papi's. As this is located in GC2, the Board of Zoning Appeals can approve the outdoor sale of food and drink. The applicant has indicated he will follow all parameters as required by a special exception. A similar request in 2017 was approved with conditions of limiting the time of the sale of food to 11am-10pm Sunday-Thursday, 11am-11pm Friday and Saturday, no live outdoor music acoustic or amplified, and no electronic devices playing music.

Eric Eval, one of the four owners of Papi's, said the fence was built to the left and would like the deck from the fence to the edge of the property. The area will be used for outdoor seating and dining. It will be operated as it has been in the past, Tuesday-Sunday, 11am-10pm. He indicated that the prior exceptions work well for them.

DRAFT

MOTION: Ms. Campsen made a motion to approve the request as submitted while extending the same 2017 conditions to this request. Mr. Karig seconded the motion. The motion passed unanimously.

5. **Miscellaneous Business**

Director Kerr reminded Board members of the Code of Conduct recently adopted by City Council for all members of City boards and commissions. Signature is voluntary

6. **Adjournment**

Mr. Karig made a motion to adjourn and Mr. Abel seconded the motion. The meeting was adjourned at 4:41pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

Planning Commission Meeting
4:30pm, Wednesday, July 13, 2022
1207 Palm Boulevard, Isle of Palms, SC and
broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to Order**

Present: Steve Corney, Ron Denton, David Cohen, Sue Nagelski, Sandy Stone, Jeffrey Rubin, and Douglas Kerr, Director of Planning

Absent: Marty Brown

2. **Approval of minutes**

Mr. Stone made a motion to approve the minutes of the June 8, 2022 regular meeting. Mr. Corney seconded the motion. The motion passed unanimously.

5. **New Business --** none

6. **Old Business**

A. **Discuss Transportation Element of Comprehensive Plan Update**

Director Kerr reviewed the work done by the Planning Commission on this element to date, including the work of discerning options provided by Stantech to help alleviate some traffic concerns across the island.

He also referred to the redline draft included in the meeting packet and reviewed the proposed changes. In addition to the presentation from Stantech, the Transportation Element will also include the City's Beach Management Plan, the City's agreement to work with SCDOT on the study of the IOP Connector and Hwy17 Corridor, and updated traffic counts specific to the traffic on the Connector.

After some discussion of the formation of a traffic issues-related work group, the Planning Commission determined this to be an issue they will continue to study, discern, and provide options and feedback to City Council. Commissioners would like this work to be in collaboration with SCDOT.

The Planning Commission would also like to see funding added to FY24 for a comprehensive traffic study and to implement some of the ideas from Stantech identified by the Commission to be most feasible.

DRAFT

Director Kerr said the Beach Management Plan is in the review process now. Its updated version will be included in the Transportation Element.

In addition to the above, Commissioners felt it was important to stress the need for funding to solve the identified traffic issues. They would also like to hear more from the Fire and Police Departments regarding their views and concerns about island traffic. Director Kerr stated that Chief Cornett has indicated that the restriping of the Connector has not been the source of any safety-related concerns to date. He will ask members of both departments to attend the August Planning Commission meeting to give an assessment of the current state of traffic affairs.

The Transportation Element will be discussed again at the August meeting.

B. **Update on short-term rental recommendations and implementing a cap**

Director Kerr reported that City Council heard from Dr. Brumby McLeod from the College of Charleston at their July 13 workshop. He discussed trends related to short-term rentals across the country as well as his recommendations regarding the implementation of a cap.

Director Kerr said he is unsure how quickly City Council will take up this issue for further discernment and action. He noted that they are seeing a significant uptick in the number of short-term rental licenses being issued, many of them in Zone 2.

Discussion ensued about how short-term rental tracking is handled by City staff and whether or not it is necessary to zone the island. They discussed the idea of placing a cap across the entire island and allowing the market to determine where the rentals are. Discussion also ensued about the efficacy and unintended consequences of implementing caps in zones.

7. **Miscellaneous Business**

Director Kerr will add a briefing and discussion of the Code of Conduct to the legal briefing the Commissioners receive at the beginning of the year.

8. **Adjournment**

Mr. Corney made a motion to adjourn, and Mr. Cohen seconded the motion. The meeting was adjourned at approximately 6:06pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

ACCOMMODATIONS TAX ADVISORY COMMITTEE
1:00pm, Tuesday, July 19, 2022
1207 Palm Boulevard, Isle of Palms, SC and
broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to order**

Present: Doug Truslow, Ray Burns, Barb Bergwerf, Chas Akers, Gloria Clarke, Rebecca Kovalich (via Zoom)

Absent: Chrissy Lorenze

Staff Present: Administrator Fragoso, Treasurer Suggs

2. **Approval of the previous meetings' minutes**

MOTION: Ms. Bergwerf made a motion to approve the minutes of the June 20, 2022 meeting. Mr. Akers seconded the motion. The minutes passed unanimously.

MOTION: Ms. Bergwerf made a motion to approve the minutes of the June 16, 2022 ATAX orientation. Mr. Akers seconded the motion. The minutes passed unanimously.

MOTION: Mr. Truslow made a motion to reorder the agenda to allow for grant application requests to be heard first. Mr. Burns seconded the motion. The motion passed unanimously.

3. **New Business**

A. **Consideration of application for funding from the VFW in the amount of $30,000 for tourism enhancement program**

Mr. George Page and Mr. Buddy Gillam of the VFW came before the Committee requesting $30,000 in funding for maintenance and upkeep of the VFW post. Mr. Page explained the use of last year's grant of $15,000 to reimburse for the costs associated with repairing the fence that helps protect sand dunes, the walkway shower which can be used by anyone, and the new entrance and brick courtyard. The entrance is safer, wider, and wheelchair accessible. He said over 1000 people use this space every weekend. He said ten times more visitors than veterans use the sidewalk. Both Mr. Page and Mr. Gillam spoke at length about the ways in which the VFW post supports the island, the residents and visitors, and how it draws people to the island, being the most popular VFW post in the state.

DRAFT

They said they will use the funding to "continue to make IOP and our facility one of the best destinations for servicemen and women, tourists and visitors." The funding will reimburse the post for the costs of upcoming projects such as fencing, decking, the painting of a mural, roofing, elevator, and work on the front steps and landing. Mr. Gillam noted that the post allows beach access and is used by non-profit organizations for meeting space. Mr. Page said that the post's visitor log is evidence of how many people it draws to the island.

Membership requirements were briefly discussed.

When asked if the City can award money not tied to a specific project and if the City is exposed to any liability with regards to a construction project, Administrator Fragoso responded, "No, I don't believe the City is. I would say though that for the spirit of transparency and in light of some of the concerns that this committee has highlighted in the past about wanting to have a mechanism to confirm after a grant has been granted, to have a mechanism to confirm that those funds were used in fact for what the project it was requested. I would courage the VFW to provide a list of specific projects that they would allocate some of this money to, and then in a year or whatever period we deem necessary, maybe in a year or two, we can just verify that those funds were used for those specific purposes. I think that would strengthen the application and would address some of the concerns about what the $30,000 are going to be used for. Because State law does define tourism-related expenditures as maintenance-type activities in civic and cultural organizations. I think that this would fall under that. But again, just to confirm, trust but verify."

After further discussion about whether this request was for reimbursement of projects that have already been completed or for future projects, Mr. Page and Mr. Gillam were asked to amend the application to reflect a particular project or projects and come back to the Committee for consideration. It was suggested that the elevator work would be an appropriate project for these funds to go towards.

B. **Consideration of application for funding from the Carolina Surf Club in the amount of $1,000 for the surfcam webpage**

Mr. Jim Radley, of Hartnett Boulevard and representing the Carolina Surf Club, came before the Committee requesting their continued sponsorship of $1,000 to help fund the costs associated with the surfcam webpage. In addition to the surfcam, this webpage provides visitor information related to traffic, parking and lodging on the island. Monthly expenses related to the surfcam webpage are approximately $350/month. ATAX monies have been used to support the page since 2015 and the City is listed as a sponsor.

Mr. Radley indicated that the surfcam and its sponsorship do not provide income to the club, and that profits are from annual membership dues which support a variety of community social activities.

MOTION: Mr. Truslow made a motion to approve the application from the Carolina Surf Club in the amount of $1,000. Ms. Bergwerf seconded the motion. The motion passed unanimously.

4. **Financial Statements – Finance Director Debbie Suggs**

Director Suggs said that not much has changed since the June meeting. There is over $2M in the bank with another $650,000 anticipated from the 4th quarter ATAX payment net the portion that goes to the CVB. Staff is recommending the approval of the two budget overages from Public Safety.

MOTION: Mr. Burns made a motion to approve the budget overages for (2) Police Dodge Durangos, $3,430 higher than budget and Fire Self-Breathing Apparatus, $72 higher than budget. Ms. Bergwerf seconded the motion. The motion passed unanimously.

5. **Old Business**

A. **Discussion and consideration of proposed FY23 budget from the Charleston Visitors Bureau for the City's 30% state ATAX funds for tourism promotion and advertisement**

Administrator Fragoso said this item is back before the Committee at the request of City Council who would like for the Committee to vote on the proposed FY23 budget from the Charleston Visitor's Bureau.

Lori Smith, COO and Chris Campbell, Communications Director of the CVB, returned to answer questions from the previous meeting and to provide additional information regarding their proposed FY23 budget. Revenue sources for the CVB are made up of ATAX monies (~32%), Business/Memberships (~38%), and grants from the State (~29%). A pie graph showed that of the 10 municipalities whose ATAX dollars go to the CVB, the Isle of Palms contributes 3.6%.

Ms. Smith gave an overview of the budget expense methodology that was discussed at length at the June meeting. She also gave a high level review of the proposed FY23 budget of IOP-related expenditures. She spoke briefly about the four websites that provide visitor and business information about the Isle of Palms and a list of those IOP businesses that have responded to the CVB's invitation to be on the IOP-specific websites. The City is working with the CVB to grow that list of businesses.

Ms. Smith said that short-term rental owners benefit from the branding and reputation of the Isle of Palms and the Charleston area. She will provide KeyData to show the efforts of their promotion of the area.

Ms. Smith said that the budget expense methodology has been shared with Kiawah Island. They are waiting to hear from TERC about standardized reporting before they share it with other municipalities. Once they receive that standardized report, they will be able to share an accounting of the FY22 expenditures.

Mr. Akers expressed concern about a heavy investment in print media and how the Isle of Palms is represented alongside the other Charleston area municipalities the CVB represents. He would like to know that IOP is receiving a top representation in the CVB's marketing. Mr. Akers also pointed out that should IOP decide to use another DMO they would not be able to benefit from the tourism promotional grants provided to the CVB by the State. He stressed the importance of continuing to improve the working relationship with the CVB.

MOTION: Ms. Bergwerf made a motion to approve and recommend to City Council the proposed FY23 budget of the Charleston Visitor's Bureau. Ms. Clarke seconded the motion.

Discussion ensued about the City's alternatives for a DMO. Administrator Fragoso reminded the Committee that until the City approves another DMO as eligible for funding, the CVB is the only option. State law directs that the money go to an approved DMO. She confirmed that there is language in the City's FY23 budget that allows City Council to direct some of the 30% funds to another DMO if an eligible option becomes available.

Mr. Burns asked if voting on this motion nullifies the language in the budget. Administrator Fragoso responded, "I don't think it does. You are approving a budget. We pay the CVB quarterly, and as no other option exists, the CVB is the option available today…Once a viable, eligible alternative is identified by Council, then I just don't see what other alternative there is that would be approved by State law."

VOTE: A vote was taken as follows:

Ayes: Clarke, Bergwerf, Akers
Nays: Truslow, Burns, Kovalich

The motion failed.

6. **New Business**

C. **Discussion of recommendation for the City to issue a Request for Proposals in FY24 for the management and expenditure of the 30% State ATAX funds for tourism promotion and advertisement**

Mr. Burns asked to discuss with the Committee the idea of issuing an RFP in FY24 for alternative DMOs to potentially share the 30% tourism promotion and advertisement funds. Mr. Burns said he would like more accountability and traceability of the monies as well as an increase in off-season and group sales. He expressed concern that there is no competition in the process.

Ms. Clarke said the newly-formed Chamber of Commerce is not the vehicle for that level of promotion. The City needs an organization that is well tied to the hotels. She also said that $1M is not a lot of money for a large-scale marketing campaign. Ms. Bergwerf added that it could be years before the Chamber is ready to handle a marketing campaign of that level.

Administrator Fragoso reminded the Committee of the ATAX Taskforce's recommendations to City Council: improve the City's relationship with the CVB while requesting more accountability and direct focus on IOP, support the IOP Chamber of Commerce so that in the future they could "fill some gaps" related to tourism promotion, and for the City to advocate for changes to State law that mandates the expenditure of the 30%. Mayor Pounds is currently working to form a coalition of mayors around the state to pursue changes to the legislation.

Administrator Fragoso asked to understand the assignment Mr. Burns is wanting staff to complete. Mr. Burns said the assignment would be to issue an RFP after the first of the year for the allocation of FY24's 30% funds. He said it could give the Chamber time to put plans together to compete for the 30% funds. He said that while the ATAX revenues have increased, the City has little to no say about how that money is spent.

Administrator Fragoso said, "They [the CVB] have been here two times asking for feedback on the budget and what kind of initiatives or specific focus you want, we want to see, the Committee wants to see. That is what this exercise is for, is to allow this Committee to provide feedback and guidance and essentially ask them, we want to see this. You all have to define what you are not seeing that you want to see and direct them to provide you all a proposal to do what we want to see. That is how I understand the process of them coming with a proposed budget, similar to what they would be submitting through request for proposals."

Mr. Burns said he does not see feedback or interaction over the course of the year. Ms. Clarke and Ms. Bergwerf said that all tourism-related revenues are up and the City does not need constant interaction with the CVB.

Administrator Fragoso asked what it is the Committee can ask of the CVB to get their support. "What kind of feedback can we provide to the CVB, who is currently our DMO, in their workplan that we are not seeing that we would like to see and we are telling them to develop for us for the benefit of the island?"

Mr. Burns said he would like to see an accounting of the FY22 expenditures. He knows that it is not possible to see that prior to approval of the FY23 budget.

Administrator Fragoso said the Committee needs to tell the CVB why their budget was not approved. "If we don't provide that feedback then how can we expect something different that will likely address the deficiencies that we are seeing today? We are not having that conversation, and I think that is a way that we can provide to the CVB some guidance, what from the budget we don't like that we would like to see."

Mr. Akers said he understands the Committee's concerns and challenges. But he said some of the concern is more about the legislation that requires the City to spend this money in specific ways. He believes looking at the law is important. He would like an understanding of the CVB's overall marketing plan and how that is spent "so that we have an understanding that we are getting fair representation of best of the best…More importantly, what has not been brought here that I think everyone needs to understand is really what that value, that additional percentage of matched dollars is and how we benefit from that, and that maybe another organization could not provide because they could, in theory, be doubling the amount of marketing exposure."

7. **Miscellaneous Business**

The next meeting of the ATAX Committee will be held on Tuesday, August 23, 2022 at 1pm.

8. **Adjournment**

Mr. Truslow made a motion to adjourn, and Mr. Burns seconded the motion. The meeting was adjourned at 3:24pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

ENVIRONMENTAL ADVISORY COMMITTEE
4:00pm, Thursday, July 14, 2022
1207 Palm Boulevard, Isle of Palms, SC
and broadcasted live on YouTube: https://www.youtube.com/user/cityofisleofpalms

MINUTES

1. **Call to order**

Present: Deb Faires, Linda Plunkett, Mary Pringle, Doug Hatler, Jonathan Knoche, Belvin Olasov, Sandra Brotherton

Absent: Grace Jurgela

Staff Present: Director Kerr, Council Member Bogosian

2. **Approval of previous meeting's minutes**

MOTION: Dr. Plunkett made a motion to approve the amended minutes of the June 9, 2022 meeting, and Mr. Hatler seconded the motion. The amended minutes passed unanimously.

3. **Citizens' Comments** -- none

4. **New Business** -- none

5. **Old Business**

A. **Wildlife**

Director Kerr referred to the revised draft ordinance prohibiting holes above the mean high tide line. He said it had been sent to some members of the Public Works Committee who were fine with it. Ms. Pringle suggested changing the wording to use landward or seaward. She also shared a picture of a large hole left on the beach at Wild Dunes. She said she receives calls about large holes on the beach almost daily. Director Kerr said this ordinance will give the officers and BSOs a tool to tell people they need to fill in the holes. If signage and the ordinance prove to not be enough in reducing the problem, then more work may be needed in the future.

Committee members agreed to keep the size of holes out of the ordinance as holes of any size are problem for safety and wildlife reasons. Council Member Bogosian agreed it will be easier to pass an ordinance that does not include holes sizes and specifications.

Director Kerr said he would change the wording of the ordinance to state that digging holes landward of the mean high tide water line is prohibited.

DRAFT

MOTION: Dr. Plunkett made a motion to recommend the amended ordinance to City Council for approval. Mr. Knoche seconded the motion. The motion passed unanimously.

Ms. Pringle shared information about the larger lease tern colony on the beach this year, stating there are approximately 20 chicks in the colony. She also said that there are 35 turtle nests on the beach this year. Unfortunately, coyotes have destroyed 6 of them.

She also shared a mass stranding of great sheerwaters at the beginning of the month. None of them survived. Some carcasses were sent off for further study. It is likely they were suffering from lack of food due to their long journey across water.

Discussion ensued about ways in which to manage the coyote population. Director Kerr said he would review the data collected by the police department and keep the matter on the agenda.

B. **Litter – consider Fisher Recycling proposal**

Director Kerr said the proposal from Fisher Recycling includes the placement of two collection bins on the island. They will be emptied once a week. The annual cost is $9600, which could be offset by grant money. Suggested locations for the bins were the marina and the Harris Teeter parking lot.

MOTION: Dr. Plunkett made a motion to recommend to City Council the approval of a one-year contract with Fisher Recycling with the caveat of no future City liability after the collection of the glass. Ms. Faires seconded the motion.

Director Kerr said he believes City Council would be fine with the expenditure for this effort even if there is no grant funding. Dr. Plunkett said that Sarah Lyles of Palmetto Pride spoke highly of Fisher Recycling.

VOTE: The motion passed unanimously.

Ms. Brotherton asked for an update on the cigarette butt cannisters. Director Kerr said Asst. Director Asero is shepherding the project and more cannisters have been installed at the public dock. They are being used and emptied, but the number of butts being collected is not being counted. Director Kerr said he would speak with Asst. Director Asero about coming up with a way to measure how much is being collected.

Ms. Brotherton asked about more signage on the cannisters. Ms. Lee said they have attempted to contact Surfrider about appropriate signage but they have received no response. Ms. Brotherton said she would reach out to them about the seven signs the City needs.

C. **Water Quality – update on Master Drainage Plan**

Director Kerr said Davis & Floyd are developing plans for some key drainage projects. They are also reviewing the City's standards with regards to water quantity. They have identified two properties on the island with drainage issues as a result of City regulations to determine what was done and what can be done to improve the City's response in the future. Suggestions for improvements to the standards will be brought before the Committee in the future.

Director Kerr said they are still working to set up a meeting with Charleston County Stormwater to get direction from them about handling a potential water quality problem.

6. **Miscellaneous Business**

Ms. Pringle shared information from Administrator Fragoso about Palmetto Pride grants for watergoats to help collect litter flowing downstream. She would like to discuss at a future meeting places across the island that could benefit from this sort of technology.

Mr. Olasov said that while the City Council is not likely to sign a Climate Change Resolution, he suggested hosting a presentation for City Council on climate science to generate their support for future climate actions. Director Kerr said he would put the matter on a future meeting agenda to discuss how that might come together.

Director Kerr said City Council's adoption of a Code of Conduct for members of all boards and commissions will be on the next agenda.

8. **Adjournment**

Dr. Plunkett made a motion to adjourn, and Ms. Brotherton seconded the motion. The meeting was adjourned at 5:11pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

GLASS RECYCLING DROP OFF STATIONS
ISLE OF PALMS
March 22, 2022

Who we are:

- We have been offering commercial recycling collection in Charleston since 1992.
- Locally owned and a Woman Owned Small Business

What:

- Glass Only Recycling Drop Sites around the island

When:

- Weekly recommended in high season.
- Off season, schedule will vary
- Collections days available are Monday – Fridays.

Where:

- Proposed at the following locations:
  41st Avenue Fire Station or lot
  Harris Teeter parking lot

Why:

- BECAUSE THE GLASS IN THE CHARLESTON COUNTY BLUE BINS IS NOT BEING RECYCLED. IT IS BEING LANDFILLED!
- Social Responsibility
- Isle of Palms would be the **FIRST** municipality to implement in this region of SC.
- Public recognition – Press Releases, Social Media, Statewide recognition
- We have the experience and the collection capacity
- People will do it!

How:

- Minimum Administration Lift for the City
- Fisher supplies and distributes and maintains wheeled carts at sites*
- Designated sites will have signage*
- Grants available through Fisher industry connections.
- Education of residents and rental units can be managed through a City of IOP contact and a Fisher representative along with DHEC. Facebook pages, rental postcards, and other marketing material is available through DHEC
- Opportunity for Corporate Sponsorships available

COST is under $10K:

- **1x/wk for (2) stops @ 52 weeks = $9,600**

2750 Avenue B North ~ North Charleston, SC ~ 29405 ~ Phone: 843.554.6099 Fax: 843.554.5011
www.fisherrecycling.com

Sincerely,

Elizabeth Fisher
Elizabeth Fisher
Owner
843-554-6099
elizabeth@fisherrecycling.com
@fisherrecycling – Instagram
Fisher Recycling – Facebook
www.fisherrecycling.com

Sec. 5-4-15. Beach regulations.

(A) No land or building situated in whole or in part in a critical area as defined in S.C. Code 1976, § 48-39-10, as amended, shall be used, occupied, constructed, altered or moved without compliance with the State of South Carolina Beachfront Management Act (S.C. Code 1976, § 48-39-10 et seq., as amended).

(B) No land, building or other manmade structure situated in whole or in part landward of the critical area as defined in S.C. Code 1976, § 48-39-10, as amended, but within a two hundred fifty-foot (250') radius of the mean high-water mark of the Atlantic Ocean, Breach Inlet, or Dewees Inlet, shall be used, occupied, constructed, erected, altered or moved except in compliance with the requirements set forth in this section and all other requirements set forth in this chapter or any other City ordinance.

(1) Only beach-compatible sand may be used for any erosion control or beach renourishment activities. Sea walls, revetments, bulkheads, groins, rip-rap or any other hard erosion control structures or devices are strictly prohibited. Hard erosion control structures or devices shall include bags with a capacity greater than five (5) gallons per bag. Hard erosion control structures or devices shall not include bags containing beach-compatible sand with a capacity of five (5) gallons or less per bag, subject to the following restrictions:

(i) No straps, soldier piles, tape, wire, rope, or any other material or device shall be used to hold together or fasten any sand bags in place;

(ii) No filter cloth, geotextile fabrics, mats or other underlayments shall be placed in conjunction with the use of any sand bags; and

(iii) All sandbags shall be commercially manufactured for the purpose of holding sand, be tan, off-white or white in color, and manufactured with single layer fabric, with a grab tensile strength not exceeding three hundred (300) pounds or a trapezoidal tear strength not exceeding one hundred (100) pounds.

(2) Walkways over sand dunes which meet all of the requirements of S.C. Code 1976, § 48-39-130(D), as amended, and all regulations promulgated thereunder, shall be allowed.

(3) Placement of sand fence and installation of vegetation in accordance with OCRM Critical Area Regulations R.30-13 shall be allowed.

(4) Other than walkways over dunes, sand fencing and vegetation, no alteration of primary oceanfront sand dunes shall be allowed.

(C) No person shall obstruct any beach or beach access within the City. Violation of this section shall be a misdemeanor, and punished in accordance with the provisions of section 1-3-66.

(1) For purposes of this section, the term "beach access" means any public route of ingress to and egress from the beach.

(2) For purposes of this section, the term "obstruct" or "obstruction" means any act or occurrence that inhibits pedestrian use of the beach access, including but not limited to the placement of vegetation or fencing within the beach access, the erection of any barrier within the beach access, any change in topography in the beach access, or the placement of any material in, on, over, under or touching the beach access that impedes or adversely affects pedestrian use.

(3) The City shall have the right to remove all obstructions to the beach or beach accesses. In removing such obstructions, the City, its employees, contractors and agents, may enter onto private property in order to remove the obstruction.

(4) All costs of removal, including costs of personnel and equipment and any reimbursement for damage, shall be borne by the person placing or creating the obstruction.

(5) The following activities are deemed to be obstructions to beach access, and are punishable in accordance with section 1-3-66:

(a) It shall be unlawful to drive a vehicle on any public beach or beach access, except as follows:

(1) Vehicular use of the beach and beach access which is determined by the City Council to be for public health and safety purposes;

(2) Emergency use of the beach and beach accesses by emergency vehicles; or

(3) Other vehicular use of the beach or beach accesses approved by City Council.

(b) It shall be unlawful to park a vehicle in the public right-of-way in such a manner as to block or obstruct use of a beach or beach access.

(D) *Digging holes.* Anyone digging a hole on the beach shall restore the sand to its natural condition before leaving the beach and no later than thirty (30) minutes prior to sunset as stated by the National Weather Service. Any digging above the mean high-water line is prohibited. Authorized personnel, including members of the Island Turtle Team, City employees performing work related to beach preservation, and others approved by the City shall be exempt from the application of this section.

ORDINANCE 2022-06

AN ORDINANCE TO PRESENT A REFERENDUM QUESTION TO THE CITIZENS OF THE CITY OF ISLE OF PALMS AT THE NEXT GENERAL ELECTION ON THE QUESTION OF WHETHER THE ELECTORS APPROVE REDUCING THE SIZE OF THE CITY COUNCIL FROM 8 MEMBERS TO 6 MEMBERS.

WHEREAS, The City of Isle of Palms was incorporated in 1953 and operates under a City Council form of government consisting of the Mayor and eight Council Members; and

WHEREAS, Candidates for City Council run in non-partisan, at-large elections for staggered, four-year terms; and

WHEREAS, City Council has debated and considered whether the reduction of the number of City Council members will create a more efficient legislative body while remaining accessible to the public, representative of the citizens of this City, and sufficiently diverse to continue providing exceptional governance in the public's interest; and

WHEREAS, City Council believes that the public's interests will be well served by presenting a referendum question to the Citizens of the City of Isle of Palms concerning their preference on whether to reduce the size of City Council; and

WHEREAS, the referendum question will be placed on the ballot for the next general election to be held on November 8, 2022.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, IN CITY COUNCIL ASSEMBLED:

SECTION 1. That a referendum shall be added to the November 8, 2022 general election ballot to read as follows:

"Shall the City of Isle of Palms reduce the size of its City Council from a Mayor and eight (8) Council Members to a Mayor and six (6) Council Members?

To preserve the staggered terms of City Council, one Council Member seat will be eliminated at the expiration of the 2020-2024 term and a second Council Member seat will be eliminated at the expiration of the 2022-2026 term.

YES •

NO •

Those in favor of the question shall deposit a ballot with a check or cross mark in the square after the word 'YES,' and those voting against the question shall deposit a ballot with a check or cross mark in the square after the word 'NO.'"

SECTION 2. The City Administrator is hereby authorized and directed to undertake any and all additional acts necessary and proper for the holding of the referendum described herein pursuant to applicable law.

SECTION 3. That should any part of this Ordinance be held invalid by a Court of competent jurisdiction, the remaining parts shall be severable therefrom and shall continue to be in full force and effect.

SECTION 4. That all ordinances or parts of ordinances conflicting with the provisions of this Ordinance are hereby repealed insofar as the same affect this Ordinance.

SECTION 5. That this Ordinance take effect and be in full force immediately.

PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS, ON THE _____ DAY OF _____, 2022.

_____
Phillip Pounds, Mayor

(Seal)

Attest:

_____

Nicole DeNeane, City Clerk

First Reading:_____

Public Hearing:_____

Second Reading:_____

Ratification:_____

ORDINANCE 2022- 05

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR OF THE CITY OF ISLE OF PALMS TO EXECUTE THE NECESSARY DOCUMENTS TO ENTER INTO THAT CERTAIN FOURTH AMENDMENT AND CONSENT TO ASSIGNMENT OF COMMERCIAL LEASE AGREEMENT FROM MARINA OUTPOST, LLC TO MORGAN CREEK MARINA, LLC, ATTACHED HERETO AS EXHIBIT I AND INCORPORATED HEREIN BY REFERENCE.

WHEREAS, Landlord THE CITY OF ISLE OF PALMS, SOUTH CAROLINA ("*Landlord*") and Marina Outpost, LLC, a South Carolina limited liability company ("*Marina Outpost*"), entered into that certain Commercial Lease Agreement dated as of January 4, 2008, as amended by that certain First Amendment to Commercial Lease Agreement dated as of April 25, 2012, as further amended by that certain Second Amendment to Commercial Lease Agreement dated as of July 24, 2012, as further amended by that certain Third Amendment to Commercial Lease Agreement dated as of February 26, 2015 (collectively, the "*Lease*"), pursuant to which Landlord has leased to Marina Outpost, and Marina Outpost has leased from Landlord, certain real property and improvements as more fully set forth in the Lease (the "*Property*"); and

WHEREAS, Marina Outpost is conveying its interest in the Property and assigning its rights and obligations in the Lease to MORGAN CREEK MARINA, LLC, a South Carolina limited liability company ("*Tenant*") in conjunction with the execution of this Amendment; and

WHEREAS, in accordance with Section 44 of the Lease, Landlord consents to the conveyance of Marina Outpost's interest in the Property from Marina Outpost to Tenant and the assignment of Marina Outpost's rights and obligations under the Lease from Marina Outpost to Tenant; and

WHEREAS, Landlord and Tenant desire to further amend the Lease, as more fully set forth in the Fourth Amendment to Commercial Lease Agreement, attached hereto as Exhibit I and incorporated herein by reference; and

WHEREAS, City Council finds that leasing the Property under such amended terms to MORGAN CREEK MARINA, LLC will serve the interest of the public health, safety, welfare and general convenience of the residents of the City of Isle of Palms; and

WHEREAS, S.C. Code sections 5-7-40 and 5-7-260 require that City Council act by ordinance in leasing any lands of the municipality.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, IN CITY COUNCIL ASSEMBLED:

SECTION 1. City Council authorizes the City Administrator to execute the Fourth Amendment to Commercial Lease Agreement between the City of Isle of Palms and MORGAN CREEK MARINA, LLC which is attached hereto as Exhibit I and incorporated herein by reference.

SECTION 2. That should any part of this Ordinance be held invalid by a court of competent jurisdiction, the remaining parts shall be severable therefrom and shall continue to be in full force and effect.

SECTION 3. That all ordinances or parts of ordinances conflicting with the provisions of this Ordinance are hereby repealed insofar as the same affect this Ordinance.

SECTION 4. That this Ordinance shall take effect and be in full force immediately.

PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS, ON THE _____ DAY OF _____, 2022.

_____
Phillip Pounds, Mayor

(Seal)
Attest:

_____
Nicole DeNeane, City Clerk
First Reading:_____
Public Hearing:_____
Second Reading:_____
Ratification:_____

EXHIBIT I

(ATTACH FOURTH AMENDMENT)

ORDINANCE 2022- 04

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR OF THE CITY OF ISLE OF PALMS TO EXECUTE THE NECESSARY DOCUMENTS TO ENTER INTO THAT CERTAIN SIXTH AMENDMENT AND CONSENT TO ASSIGNMENT OF COMMERCIAL LEASE AGREEMENT FROM MARINA JOINT VENTURES, INC. TO MORGAN CREEK MARINA, LLC, ATTACHED HERETO AS EXHIBIT I AND INCORPORATED HEREIN BY REFERENCE.

WHEREAS, Landlord THE CITY OF ISLE OF PALMS, SOUTH CAROLINA ("*Landlord*"), and Marina Joint Ventures, Inc., a South Carolina corporation ("*Marina Joint Ventures*"), entered into that certain Commercial Lease Agreement dated as of September 10, 2009, as amended by that certain Amendment to Commercial Lease Agreement dated as of June 2, 2010, as further amended by that certain Second Amendment to Commercial Lease Agreement dated as of April 25, 2012, as further amended by that certain Third Amendment to Commercial Lease Agreement dated as of July 24, 2012, as further amended by that certain Fourth Amendment to Commercial Lease Agreement dated as of February 26, 2015, as further amended by that certain Fifth Amendment to Commercial Lease Agreement dated as of November 10, 2020 (collectively, the "*Lease*"), pursuant to which Landlord has leased to Marina Joint Ventures, and Marina Joint Ventures has leased from Landlord, certain real property and improvements as more fully set forth in the Lease (the "*Property*"); and

WHEREAS, Marina Joint Ventures is conveying its interest in the Property and assigning its rights and obligations in the Lease to MORGAN CREEK MARINA, LLC, a South Carolina limited liability company ("*Tenant*") in conjunction with the execution of this Sixth Amendment to Commercial Lease Agreement; and

WHEREAS, in accordance with Section 9(A) of the Lease, Landlord consents to the conveyance of Marina Joint Ventures' interest in the Property from Marina Joint Ventures to Tenant and the assignment of Marina Joint Ventures' rights and obligations under the Lease from Marina Joint Ventures to Tenant; and

WHEREAS, Landlord and Tenant desire to further amend the Lease, as more fully set forth in the Sixth Amendment to Commercial Lease Agreement, attached hereto as Exhibit I and incorporated herein by reference; and

WHEREAS, City Council finds that leasing the Property under such amended terms to MORGAN CREEK MARINA, LLC will serve the interest of the public health, safety, welfare and general convenience of the residents of the City of Isle of Palms; and

WHEREAS, S.C. Code sections 5-7-40 and 5-7-260 require that City Council act by ordinance in leasing any lands of the municipality.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, IN CITY COUNCIL ASSEMBLED:

SECTION 1. City Council authorizes the City Administrator to execute the Sixth Amendment to Commercial Lease Agreement between the City of Isle of Palms and MORGAN CREEK MARINA, LLC which is attached hereto as Exhibit I and incorporated herein by reference.

SECTION 2. That should any part of this Ordinance be held invalid by a court of competent jurisdiction, the remaining parts shall be severable therefrom and shall continue to be in full force and effect.

SECTION 3. That all ordinances or parts of ordinances conflicting with the provisions of this Ordinance are hereby repealed insofar as the same affect this Ordinance.

SECTION 4. That this Ordinance shall take effect and be in full force immediately.

PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS, ON THE _____ DAY OF _____, 2022.

_____
Phillip Pounds, Mayor

(Seal)
Attest:

_____
Nicole DeNeane, City Clerk
First Reading:_____
Public Hearing:_____
Second Reading:_____
Ratification:_____

EXHIBIT I

(ATTACH SIXTH AMENDMENT)