



## **REAL PROPERTY COMMITTEE**

9:30 a.m., Tuesday, January 9, 2018

The regular meeting of the Real Property Committee was held at 9:30 a.m., Tuesday, January 9, 2018 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bell, Moye and Ward, Administrator Tucker, Assistant Administrator Fragoso and City Clerk Copeland.

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

Administrator Tucker welcomed the new members to the Committee and stated that she would chair the meeting since the Committee would not have its full complement of members until after the Special Election on February 13<sup>th</sup>, 2018; Councilmember Moye has agreed to serve on the Committee in the interim.

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

**MOTION: Councilmember Ward moved to approve the minutes of the regular meeting of November 6, 2017 as submitted; Councilmember Bell seconded and the motion PASSED UNANIMOUSLY.**

### **3. Citizen's Comments**

#### **Chris Crolley – Coastal Expeditions**

Staff learned after the Agenda was posted the Mr. Crolley was out of the country currently; he will appear on a future agenda.

Jim Raih, 3904 Cameron Boulevard, re-submitted a master parking plan for the marina that he developed several years ago when he applied to become a part of the marina redevelopment team. He offered it to the Committee for review. Having been a member of the Real Property Committee in the past, he acknowledged that the new members have a tremendous volume of materials to understand, and he wished them success in their endeavors.

### **4. Comments from Marina Tenants**

Jay Clarke, owner of Morgan Creek Grill and resident of 10 Seahorse Court, also welcomed the new members to the Committee and said that he has several items to bring before the Committee for consideration. The first item was the restaurant's desire to negotiate a long-term lease with the City; with three (3) years remaining on this current lease, Mr. Clarke has been unsuccessful in acquiring bank financing for improvements that are needed in the restaurant. He explained that the banks were reluctant to loan money to him when he cannot guarantee that the restaurant will continue in business for the term needed to repay the debt. A second issue that Mr. Clarke described as "urgent" was the need to replace the walk-in cooler/freezer; he distributed pictures

of the rotting timbers and support system under the cooler and small portions of the main kitchen and prep room that have resulted from the sweating of the cooler. He stated that the restaurant's position has been that the cooler and certain other items detailed in their lease are the property of the City and, as such, the City should be responsible for its replacement. In recent years, the City's desire has been for Morgan Creek Grill to assume the responsibility for everything contained in the envelope of the building; therefore, the City has contributed very little toward the upkeep of the building. He noted that Director Kerr has seen the damage, and Larry Cantley has run some preliminary cost estimates for the replacement and the repairs. He distributed copies of his March 2017 proposal to the members of the Committee for their review and consideration.

By way of information, Administrator Tucker stated that the City's position relative to the cooler has been that its replacement is the responsibility of Morgan Creek Grill per the terms of the lease. If the Committee were to enter into negotiations relative to the lease, the cooler could certainly be a consideration at that time. As the Committee reads the materials provided by Mr. Clarke, the Administrator asked that they keep in mind what kind of precedent they might be setting by stepping outside the terms of the lease; she also acknowledged the need for the replacement of the walk-in cooler.

Mr. Clarke distributed a schedule of the payments, taxes and licenses, Morgan Creek Grill paid to the City in 2015 and 2016. He added that the cooler was near failure and that, if it did fail, it was possible that the entire restaurant and at a minimum the entire first floor, would be forced to close; he, therefore, would like to move forward with its replacement as quickly as possible. He reiterated the problem of obtaining bank financing for such improvements based on his current lease.

Mr. Clarke also told the Committee that the restaurant was "in dire need of some parking control at the marina;" he stated that the tenants tried to cooperate last summer, but it failed. He then repeated his request for the City "to actively participate with the restaurant" in working through these parking issues as the restaurant's landlord; he stated that his employees complained about parking at the Recreation Center and that the restaurant had "incurred great expense" in renting two (2) vans to transport employees to and from the marina. He said that he would like for all of the tenants to come together with a mutually beneficial plan to handle parking at the marina.

In conclusion, Mr. Clarke asked for the status of approximately twenty-four thousand dollars (\$24,000) in invoices for damages received from Hurricane Matthew to City property at the restaurant.

Michael Fiem of Tidal Wave Watersports presented the Committee with a proposal for a partial resolution to the parking issues at the marina. He stated that the Isle of Palms was not the only beach community or marina with parking issues and that, at a conference in the fall, he spoke with owners of similar marina-based businesses to get ideas on how they had resolved their problem. One (1) idea particularly interested him and it was free transportation from Front Beach to the marina, which would lessen the traffic coming to the marina; he proposed calling the

operation Isle of Palms Adventures. He proposed having an information sales booth/booking stand in the central part of the City's business district; the concierge in the booth would be trained in all aspects of the marina and island businesses who choose to participate as well as have real time information about the happenings at the marina as explained in the handout distributed to the Committee. (A copy of the handout is attached to the historical record of the meeting.) The service would be funded through a commission-based structure with the participating businesses. Mr. Fiem stated that the booth's location would be vital to the service's success; he pointed to two (2) possible locations, i.e. the municipal parking lot or in front of the public restrooms on Front Beach.

From the Committee, Mr. Fiem asked for the City to work with them on a location and the type of structure they could have from which to operate, and he offered the City twenty-percent (20%) of the commission in lieu of rent.

Councilmember Bell praised Mr. Fiem for this creative idea to lessen the traffic/parking problems at the marina.

When asked by Councilmember Moye about benefits other than traffic and parking, Mr. Fiem said that many of their reservations come from people at Front Beach who have already parked in the City lots. If they decide to go to the marina, they must pack up their belongings, drive to the marina, try to locate the activity they want and again hunt for parking. Due to the poor signage at the marina, guests have difficulty locating the individual businesses and, as a result, are late to arrive at their destination; he thought this service would bring additional business to the marina and serve all of the marina tenants.

Voicing his confusion about who was in-charge of parking at the marina, Councilmember Bell said that his understanding was that each tenant was allocated a specific number of spots and that Brian Berrigan was the overall marina manager. He suggested that the marina tenants meet with Mr. Berrigan to devise a parking plan that would benefit all and that they do so before the beginning of another tourist season.

Speaking to the TidalWave proposal, Administrator Tucker recalled that the City was approached in the past with a similar, but less detailed, concept; she also recalled that Tidal Wave had at one time tried to do some promotion at Front Beach that the City had to shut down. One (1) difficulty was that the City's zoning regulations would not allow the outdoor sales; if the activity were to be done on Front Beach, an existing business would have to provide Tidal Wave a space within their business from which to operate. If the activity were to take place on City property, the City would have to enter into some type of lease and then determine if the City wanted a structure to be permanent. If the Committee chose to consider this concept in the future, it must be aware of the laws that would not allow it or arrange to make changes to the existing regulations. Another point made in previous Committee discussions was that, in some respect, to do this would assist with the parking/traffic issues at the marina, but, likely increase those issues at Front Beach.

Councilmember Bell questioned that any of the Front Beach businesses would consider this venture to be a contribution to them.

Councilmember Ward noted that the municipal parking lots were not filled every weekend as they were on holidays and holiday weekends. He asked Mr. Fiem how they would address those situations and how this proposal would affect Front Beach businesses.

## **5. Old Business**

### **A. Status of Beach Renourishment Project – Discussion of sand losses from Hurricane Irma**

Administrator Tucker recalled that all of Council had received a communication relative to a decision needed in dealing with the sand losses from Hurricane Irma; she noted that the City experienced three (3) storm events while planning this beach renourishment project. The documented sand losses within the project area from Irma were two hundred eighty-one thousand cubic yards (281,000 cu. yds.); City staff has been in discussions with FEMA since Hurricane Matthew relative to beach renourishment. FEMA grants require a twenty-five percent (25%) local match, which, for Irma losses, would be approximately five hundred thousand dollars (\$500,000). Before pushing FEMA further for a decision about including Irma sand losses with prior losses addressed in the current renourishment project, the staff must know from City Council whether the City would be prepared to commit the additional funds for the local match.

Project Engineer Steven Traynum stated that getting a renourishment project underway was very expensive, and, in a large scale dredging project, the cost to get the dredge on-site runs between two and a half million and four million dollars (\$2,500,000 – 4,000,000) before pumping any sand happens. For this project, the sand cost is reasonable; it is two dollars (\$2) less than the City paid in the 2008 project. The push for FEMA coordination regarding the Irma losses in the current project are to save the City the mobilization costs and to eliminate the need to obtain a permit for a new project. Mr. Traynum stated that the Hurricane Matthew losses were approximately two hundred sixty thousand cubic yards (260,000 cu. yds.); he explained that FEMA measures sand from the beach to about a mile offshore and defined the project area from 53<sup>rd</sup> to 17<sup>th</sup> tee box. Since that is the same project area as in 2008, FEMA considers it to be an engineered beach, and per FEMA regulations, the City monitors the beach every year. Using the cost of sand stated in the bid, the project cost for the inclusion of Irma losses is approximately one point seven million dollars (\$1,700,000) to which is added additional engineering and administrative costs for a total of one point eight million dollars (\$1,800,000). Mr. Traynum stated that a decision was needed quickly from City Council and from FEMA since the dredge was already in Charleston Harbor; the goal would be for the dredge not to return to certain areas of the beach to pump a second time because that increases their cost.

Administrator Tucker told the Committee that a date and time for a Special City Council Meeting would be established within a few days for the full Council to receive this information and to make a decision about the funding match. She said that she has sent an email with a fiscal analysis showing that the City can afford the local share match on this project although it was not budgeted for in FY18. One (1) benefit to the added sand quantity is that it will extend the life of the project.

Should the Irma losses be a separate project the cost would be approximately six million dollars (\$6,000,000).

Councilmember Bell recounted from the August 2017 Council meeting when Mayor Cronin stated that the project started out as a one million cubic yard (1,000,000 cu. yds.) project, but that the City had gotten to one point four million cubic yards (1,400,000 cu. yds.). With that in mind, he asked if the City was not solving the problem with that amount of sand. He also noted that the current project included a loan of one point two million dollars (\$1,200,000) for the City, and now the City's local funding would be increased by half a million dollars (\$500,000).

Mr. Traynum responded that the project, as originally defined, did solve the problem, but that the one million cubic yards (1,000,000 cu. yds.) was before losses from Hurricane Matthew. He explained that Coastal Science and Engineering (CSE) estimated the project costs based on eight dollars (\$8) per cubic yard, but the bid was six dollars (\$6) per cubic yard; with the savings, the volume was increased to put as much sand as possible on the beach. Now the beach has experienced another two hundred eighty-one thousand cubic yards (281,000) loss in Hurricane Irma, and CSE recommends putting as much sand on the beach as possible, within reason. He reiterated that the more sand added to the beach the longer the project will last.

Councilmember Bell asked if the City had considered going back to the Wild Dunes stakeholders with a request for additional money.

The Administrator replied that it had not been considered, but that the City could go back to them for a share of the FEMA local match.

On the subject of the loan contemplated in the funding of the renourishment project, the Administrator recalled from the November 2017 Council meeting that Councilmember Ward wanted the City staff to commit not to borrow money. With this additional quantity of sand, the City might still need to borrow money, but it could be a lesser amount; she noted that the goal was not to borrow any money. Administrator Tucker stated that some of the money would go toward cash flow during the project; until the project progresses, staff does not have a clear answer to the City's need to borrow money.

Mr. Traynum stated that a FEMA funding decision was waiting on the City's commitment to the local match; he also commented that the dredge was committed until March 30, 2018 and that the

City could get a three (3) week extension if needed for the additional volume. The project is expected to take approximately sixty (60) days to complete with normal weather conditions.

Administrator Tucker commented that, if the City cannot give FEMA a timely answer and if FEMA does not respond quickly so that the dredger can be informed, the City will not be able to get the price that it needs to go forward.

The Administrator added that sand naturally drifts west so the additional volume could ultimately benefit the areas on the Breach Inlet end of the beach.

Treasurer Suggs clarified that the budget for the beach renourishment project includes a loan of one point two million dollars (\$1,200,000), but the City could tap into accumulated Beach Preservation Fee Fund for an additional five hundred thousand dollars (\$500,000). She noted that the Beach Preservation Fee Fund is constantly building and that the City has other accumulated cash that could reduce the amount of a loan. She stated that the City could not totally avoid debt and have the half million dollars (\$500,000) currently being discussed.

#### **B. Status of beach access paths signage**

Assistant Frago commented that the proof for the signs was included in the meeting packet and that the signs were in production; they will be placed at the most heavily used beach accesses, i.e. 5<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, 21<sup>st</sup>, 25<sup>th</sup>, 28<sup>th</sup>, 42<sup>nd</sup>, the Sea Cabins and the public restrooms. She added that the new signs are to reduce the number of single message signs on the access paths; each sign cost thirteen hundred dollars (\$1,300) including taxes and installation.

### **6. New Business**

#### **A. Consideration of a request for parking in the municipal lots for guests of The Palms Hotel**

The Administrator recalled that, in past years, the vendor who leased the parking lot had an agreement with The Palms Hotel to allow their guests and employees to park in the municipal parking lot for an agreed-upon daily rate; since the City was now operating the municipal lots, a decision would be made by this Committee and City Council relative to any future agreement.

Representing the hotel at the meeting were Matthew Cunningham, Area Manager for Charlestowne Hotels, and Michael Tall, President and COO of Charlestowne Hotels. Mr. Cunningham said that, in the past, the hotel paid six dollars (\$6) per day per space occupied by their guests and employees in the municipal parking lot from mid-March through the week following the IOP Bridge Run; the hotel paid sixty-five to seventy thousand dollars (\$65,000 – 70,000) per year for parking. He added that the hotel averages between eighty-three and eighty-

seven percent (83 – 87%) occupancy and that the use of the parking lot was crucial to their success.

Administrator Tucker advised the representatives that the City expects to get a written proposal from the hotel relative to parking in the municipal lot.

They said that they would propose the same arrangement they had with Mr. Schupp of six dollars (\$6) per vehicle per day and that the vehicles would be tagged for ease of identification.

Assistant Fragoso informed Mr. Cunningham and Mr. Tall that the City increased the daily parking rate while The Palms Hotel was under renovation and that the fees were now eight dollars (\$8) per weekday and ten dollars (\$10) per day on the weekends.

Administrator Tucker stated that the customers and employees of other businesses on Front Beach who use the parking lot pay the current daily rate, and any decision by Council must be fair and equitable with the other businesses.

Mr. Tall asked if the City still sold annual parking passes for sixty dollars (\$60), and the Administrator replied that these passes were for employees of Front Beach businesses and were sold at the Public Safety Building.

Administrator Tucker cautioned that she did not think Council would entertain a proposal from The Palms Hotel to pay anything less than the current daily rate for its guests and employees; the City might consider different in-season and off-season rates.

Mr. Tall asked whether the businesses or individual employees paid for parking, and the Administrator said that some businesses pay and some businesses do not.

The Committee agreed to allow a proposal from The Palms Hotel to go directly to City Council and not to come before the Committee again in February.

**B. Discussion of RV parking at the marina site**

Administrator Tucker suggested that the Committee postpone this discussion until the end of the meeting since it would involve an Executive Session.

**MOTION: Councilmember Bell moved to re-order the Agenda to move the discussion of item B under New Business until after Miscellaneous Business; Councilmember Moye seconded and the motion PASSED UNANIMOUSLY.**

**7. Miscellaneous Business**

## **Tenant Rents Report**

Administrator Tucker reported that all tenants were current with their rent payments.

After a brief discussion about delaying the February meeting until after the Special Election was certified, the Committee set its February meeting date.

### **Next Meeting Date: 4:00 p.m., Thursday, February 8, 2018 in the Conference Room**

Councilmember Ward stated that he has a meeting at 11:00 a.m. that he was unable to reschedule; therefore, he would have to leave before the meeting adjourns.

## **6. New Business**

### **B. Discussion of RV parking at the marina site**

Administrator Tucker stated that historically the marina management has allowed RVs to park at the marina in the off-season for a fee, and the lease does not contain language that would prohibit it, nor does the City have any regulations that would prohibit it. If it was the will of this Committee and City Council to prohibit RV parking at the marina, an amendment to the City Code would be required.

Noting that he had been contacted by multiple residents on the issue, Councilmember Bell stated that he disagreed with the City's interpretation of the lease; on page 3 in Section 5 appears a statement that the marina was to be used for marina purposes, and he, personally, did not think that the parking of RVs at the site was a marina purpose. He does understand that the marina manager was providing island guests a convenience, but he said that the City does have a municipal parking lot that is virtually empty in the off-season.

The Administrator noted that, when the City began to get complaints from residents on this matter, she asked Mr. Berrigan not to allow RV parking over the holidays, and he did not do so.

Mr. Berrigan stated that he was trying to accommodate island residents when he allowed RVs to be parked at the marina when space was available and that the RV owners were typically visiting residents in Wild Dunes. He added that this activity predates his involvement with the marina and that it was not a significant revenue stream for the marina. If the residents were unhappy with the practice, Mr. Berrigan said he would not fight it.

Councilmember Bell said that he saw a big difference between parking a self-contained RV and a trailer pulled by a vehicle., and he added that he, personally, does not see any harm in having one or two (1-2) RVs at the marina, but he was concerned about setting a precedent and about the situation escalating to many RVs parking at the marina.

**8. Executive Session in accordance with S.C. Code Section 30-4-70(a)(2) to receive legal advice concerning potential claims related to the marina lease.**

**MOTION: Councilmember Ward moved to go into Executive Session at 10:50 a.m. to receive legal advice concerning potential claims related to the marina lease; Councilmember Bell seconded and the motion PASSED UNANIMOUSLY.**

When the Committee returned to open session at 11:08 a.m., the Administrator announced that no votes and no action were taken in Executive Session.

**MOTION: Councilmember Bell moved for the City to address RV parking by getting a clear definition of what they are, to view RV parking as an island-wide issue, not a marina issue, and to make a decision on how the City wants to regulate RV parking at the marina and elsewhere; Councilmember Moye seconded and the motion PASSED UNANIMOUSLY.**

**9. Adjournment**

**MOTION: Councilmember Bell moved to adjourn the meeting at 11:09 a.m.; Councilmember Moye seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk

## The Palms Hotel – Proposal for Use of Municipal Parking Lot for Guests and Staff

The Palms Oceanfront Hotel kindly request the following:

1. The City of Isle of Palms charge the Hotel a flat \$8.00 per vehicle per day (no weekend premium) from April 1 to September 30. The Hotel will supply each guest with a visible hang tag that has a “good through” date which will correspond to their departure date at the Hotel.
2. The City of Isle of Palms provide up to twenty-four (24) season passes for Hotel staff annually at the base price of \$60.00 per pass, per season. The Hotel requests that as a special consideration, The Hotel be allowed to have these passes become transferrable should any staff turnover occur. Hotel would purchase (with approval of the Council) a pass that will be registered to a specific employee at the Hotel (name, make/model/tag of vehicle, etc.) and supply to the City a monthly staffing report to account for any staff changeover at the property should it occur.
3. The Hotel will provide to the city treasurer, or any other parties requesting, a property management system report showing the total number of cars parked monthly in the lot during the dates outlined above, followed by a pre-made invoice showing the amount due. City to provide name and e-mail address of all individuals they wish to have copied on this reporting. Please note that this list would exclude any guests staying with the Hotel that have ADA/Handicap placards where this parking would be provided to them at no charge. The Hotel would expect that as we are not charging these guests, the City would not expect revenues for this as well.
4. A check would be issued by Hotel and presented to the City of Isle of Palms monthly following the mutual acceptance of our reporting and invoices.
5. Should any discrepancy arise, City of Isle of Palms will work with Hotel’s management to reconcile any billing/parking issues and come to a mutually agreed upon resolution. Disputes/discrepancies will be reported to the Hotel’s General Manager, Aaron Rowland at [ARowland@charlestownehotels.com](mailto:ARowland@charlestownehotels.com) with a CC to the Hotel’s Regional Director of Operations, Matthew Cunningham at [MCunningham@charlestownehotels.com](mailto:MCunningham@charlestownehotels.com).

I thank each of you in advance for your consideration of this proposal.

MATTHEW CUNNINGHAM, CHA  
area manager  
c: 703.628.2675  
[charlestownehotels](http://charlestownehotels.com)

## **IOP ADVENTURES.**

Our concept is to place an information / booking booth, along with free shuttle service to the marina and other businesses on the island.

Placement of this entity at a central location in the commercial district will make use of the resources that already in place.

- Parking
  - County Park
  - Other parking lots behind the commercial district.
- Proximity to the Connector
- Highly dense beachgoer population
- Other businesses close by.



### **How does it work?**

This centralized booking stand will allow for patrons to inquire, reserve, and have a designated location for pick up.

Patrons who are making reservations from the beach can also be directed to meet there.

Tourists who are enjoying the evening shopping and dining in this area can casually walk by and inquire. This will potentially attract people who otherwise were not aware of all the activities and businesses on the island.

Our concierge will be trained on all of the activities and businesses throughout the island and be able to help guide patrons to the best choice for them.

Our booking service will be offered to all businesses at the marina that wish to participate.

The booking system will be backed by *real time* reservation software already used by Wild Dunes, Tidalwave Watersports, Eco-tours, and Ocean Fitness. Marina Joint Ventures have begun to put into place the software for the boat rentals but have not yet activated it. The software is also used by many companies throughout the Low-country.

As stated Wild Dunes uses the software and offers free shuttle service for all patrons coming to the marina. The costs associated with this service are absorbed by the businesses in a form of commission. Our planned commission structure will be in line with what Wild Dunes currently offers.

### **Building and Location**

Building in an *optimum* location is a key component.

The location must have a few of the following in order to be effective!!

- At the commercial district along Ocean Blvd.



- During the day this will allow for customers to walk from the most trafficked area of the beach.

- Location in this area will maximize the use of already in place paid parking.
- While visitors are enjoying a dinner or shopping during the evening they will have the opportunity to come to the building and ask questions, book the reservation and know where to meet before there excursion.
- Building layout and location
  - It should be close to where the shuttle van will pick patrons up.
  - Building must have location so as to not cause congestion of sidewalks or streets.



The pictures above show the existing hut in the parking lot adjacent to the Sea Cabins. The main "hub" and pickup can occur here.



The picture above is the area in front of the restrooms on front beach. We would like to put a small stand there. No pickups would occur there. This second location is key for making sure all visitors are aware of our service.

## **Shuttle**

Our initial plan is to have a 15-passenger van.

- All insurances and licenses have already been taken into consideration.
- Our pickup location will be at the reservation booth in the commercial district.

## **Summary**

IOP is a wonderful place to be. It's a delicate balance of local living, visitors, and the businesses that serve the community. We believe that this is the first of many practices that can be put into place to make the island that we love a better place to be year round.

What do we need????

Asking you to work with us.

- Locations
- What type of temporary/permanent structure to consider.
  - Current building permits do not allow for any type of temporary "hut" or stand.
  - We Have ideas but are looking for direction.

We would like to offer the city 20% of our commission in lieu of rent for the first year. This will help get the project off the ground.

Future:

- Adding service for Morgan Creek Grill and other restaurants.
- Work with other communities to put in satellite locations.
  - Town Center
  - Down Town
  - Shem Creek

## Appendix

### Other Building ideas



This picture shows a stand in Key West. That area has been heavily congested for years. The city of KW and the business in the area came up with this concept in 2004.



Here is another option for something simple to go in front of the restroom.



This type is portable Tiki hut would be a good fit for in front of the restroom and provide a very "Beach-like" feel.



This type of building could be a future concept for the parking lot option.