

PUBLIC WORKSHOP

6:30 p.m., Tuesday, July 17, 2012

City Council held a Public Workshop at 6:30 p.m. on Tuesday, July 17, 2012 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Buckhannon, Carroll, Loftus, Stone, Thomas and Ward, Mayor Cronin, Administrator Tucker, Attorney Halversen, Assistant to the Administrator Dziuban and City Clerk Copeland.

1. Mayor Cronin called the workshop to order at 6:52 pm and acknowledged that the press and public had been duly notified in accordance with the Freedom of Information Act.
2. **Discussion of Possible Transfer of Cassina Avenue and 18th Avenue to Adjacent Commercial Property Owner**

Mayor Cronin explained that, at the June City Council meeting when the transfer of Cassina and 18th Avenues came up for Second Reading, many questions arose; based on the discussion, the Mayor decided that a public airing on the subject would dispel misunderstandings and questions. Leonard Way of Pastime Amusement was present to provide more details of the proposed rehabilitation of the shopping center and was available to answer concerns of the community.

Mr. Way explained that the shopping center was originally developed in the 1950s and is now in need of renovation; the space including the 'Long Island Café' to Beachside Real Estate will remain, and the space from the 'Long Island Café' to the liquor store and the out building will be removed. Subject to the costs and the FEMA fifty percent (50%) rule, the building formerly housing the dry cleaners will be reused, but the space occupied by the grocery store must be demolished and the space raised over three (3) feet. The road way composed of 18th Avenue and Cassina Avenue has been a stone and dirt road since the center was developed; it also needs to be updated. Paving these roads is a requirement of the anchor tenant with whom Pastime Amusement is in negotiations; the tenant needs a paved road for their semi-trucks to deliver merchandise.

Mr. Way noted that the ownership of 18th Avenue is in question; the road has never been formally dedicated to the public. Rather than to contest the ownership, Pastime Amusement proposed to take ownership, pave the road and assume the responsibility for future maintenance of it, thereby adding the road back onto the tax rolls and providing revenue to the City.

Mr. Way recounted that he had been asked at the previous meeting how the redevelopment would impact the surrounding neighbors; he directed attention to an enlarged aerial view of the shopping center and pointed out that directly behind it is a marsh area owned by SCDOT that buffers the few houses that are on the water. The area adjacent to 18th Avenue is covered by trees and zoned residential; it is not part of the redevelopment of the shopping center, and no plans exist to make it part of the shopping center.

In addition, Mr. Way presented an artist's rendition of the shopping center as it will appear after the renovations with a new grocery store as the anchor tenant and some renovations to the existing façade. The outparcel building will be similar in nature.

Mayor Cronin stated that Pastime Amusement will be spending approximately six million dollars (\$6,000,000) on the full project. Mr. Way indicated that the plan includes more than one million dollars (\$1,000,000) in site work that includes paving the road and re-working the water and sewer easements underneath.

Two (2) real estate firms and the liquor store will have the option of relocating to the outbuilding or vacating. Mr. Way remarked that he had met with these tenants the prior day and that, with some modifications to meet their individual needs, they are pleased with the plan.

Mayor Cronin repeated that the anchor tenant is requiring the paving of the road; Mr. Way confirmed and stated that Pastime Amusement had considered paving the road several years ago when they were in negotiation with another possible tenant.

The Mayor recalled that the question had been asked, "Why would Pastime Amusement not go ahead to pave the road without gaining ownership to secure the anchor tenant?" Mayor Cronin then noted that a financial institution will not lend money to a company to do a major improvement to property it does not own.

Another concern from the previous meeting was what if, at some point in the future, Pastime Amusement was to abandon 18th Avenue and build out the shopping lot on the currently zoned residential thereby encroaching onto the residential units on 20th Avenue. Mayor Cronin reported that, from an earlier discussion, Mr. Way had indicated that if he were to be deeded the road he would be willing to accept some restrictions on 18th Avenue being maintained in its present location.

Mr. Way conceded that "a certain level of deed restriction is inevitable with any kind of development." He noted that the initial term for a grocery store is twenty (20) years with an option for another twenty (20) years; he stated that, as long as a grocery store is in that location, the landlord, Pastime Amusement, must provide access for their semi-trucks.

As to turning the adjacent residential property into part of the shopping center, Mr. Way explained a request to change the zoning would have to be approved by City Council; such a request was made several years ago and was "soundly rejected." The City's Zoning Administrator has told Mr. Way that he can have three (3) residential lots from this parcel, and that is all; therefore, the Beach Company, the property owner, has no plans for the lot.

If the roads are deeded to Pastime Amusement, Mr. Way indicated that there will be no need for a variance of any kind – not parking, building, landscape or setback – from the City. If the roads are not deeded to Pastime, they will need a ten (10) foot setback at the back corner of the new building.

Councilmember Carroll asked if the City were to pave the road and grant the setback, would Pastime Amusement be happy? Mr. Way responded that they would not be because any taxpayer being asked to support a two hundred fifty-thousand dollars (\$250,000) expenditure for a roadway that, to date, is not used, would have the expectation of using it. Trucks making deliveries to the liquor store and restaurant are on the premises for extended periods of time;

they pull into the parking lot because they are too large. If it is a public roadway, they will not be allowed to block it for the time that it takes to offload the merchandise, speculated Mr. Way.

Councilmember Ward remembered that, when the issue was first presented to City Council, they were given the option of deeding the roads to Pastime Amusement or paving the roads while retaining ownership. Mr. Way agreed that was the case originally. Mr. Way recalled that, at the Council meeting, he had understood that the City would be dependent upon Charleston County to get the road paved; he is on a timeline and cannot wait for the road to be paved. Mr. Way indicated that he needs the roads paved months before the construction of the new building is completed. In Mr. Way's opinion, the best use of public money is to let a private developer pave the road.

Councilmember Ward also remembered that Mr. Way had said that he would know who the anchor tenant was to be in about a month; since three (3) weeks have passed, Councilmember Ward asked Mr. Way if he was ready to divulge the name of the anchor tenant. Mr. Way stated that he was under a confidentiality agreement not to disclose the name of the anchor tenant; in addition, Mr. Way explained that all of the details of an agreement have not been agreed upon so that any announcement would be premature.

Mayor Cronin informed the public in attendance that they would now have an opportunity to express their concerns about the transfer of roads.

Pat Endel, 11-B Twenty-second Avenue, opined that a decision on the ownership of the road was premature without a development plan on the adjoining residential lot.

Buddy Thomas of Long Island Café stated that Pastime Amusement was the party that has maintained the road for the twenty-five (25) years he has been a tenant. He agreed with Mr. Way that one cannot drive a vehicle on the road without "bottoming out," and it is only used by commercial trucks. He concluded that he "would like to get rid of that dust bowl."

John Crouch, 29 Twenty-fourth Avenue, suggested that the City should keep 18th Avenue and deed Cassina to Pastime Amusement, thereby giving public access to the residential lot on 18th while the need for the setback variance disappears. Mr. Crouch is also an architect who offered his own idea of how the area around the intersection at 14th Avenue and Palm Boulevard should be developed.

Wayne Moseley, owner of the 'Red and White' grocery, stated that he has operated his business in the shopping center for twenty-eight (28) years with Pastime Amusement as his landlord. He stated that he will not be a part of the redevelopment nor was he afforded the opportunity to be a part of the shopping center's redevelopment. He described Pastime Amusement as "arrogant, elitist and condescending not only to the residents and his family, but also to the City of Isle of Palms."

Mr. Way interjected that what Mr. Moseley had stated was "categorically false;" according to Mr. Way, Mr. Moseley approached Pastime Amusement several years ago with a concept of a 'Fresh Market-style' store. An analysis by Pastime Amusement had determined that the cost

would be greater than Mr. Moseley could pay; in addition, Mr. Way said he was unable to garner financing for an independent operator.

Mr. Moseley countered that he was never asked to present his financial statements.

Marjorie Swanson, 1700 Dunes Boulevard, stated that she was very concerned that the City would consider giving the roads away with nothing in return. She also wanted to know if the City had a guarantee that the anchor tenant was going to be a grocery store and, without a guarantee, how did they know? She inquired of Mr. Way whether Pastime Amusement's having ownership of the road would mean that vehicles, other than those belonging to employees or making deliveries, would not be allowed on the road. He responded that it would be like any other shopping center where the public could drive, but it would be privately owned and privately maintained. Ms. Swanson then asked if people would be allowed to walk on it, and again Mr. Way said there would be no restrictions. She asked if any buffer would be added to the rear of the shopping center; he said they have no intention to making any changes to the marsh area owned by SC DOT. After learning that The Beach Company owns the residential lot along 18th Avenue, she stated that the lot could become commercial and added to the shopping center.

Bev Ballow, 3009 Waterway, thanked City Council for the cautious and thoughtful approach to this issue, which she described as giving away valuable real estate with nothing in return. She also expressed the opinion that the restrictions and the final plan should be required to be presented before any final decision is made by Council.

Dennis Samuelson, 7 Driftwood Lane and a tenant of Pastime Amusement, stated that this is a simple matter of economics. He stated that the road is in terrible condition and commented that the City "should be ashamed." In his opinion, if the City can give this property away, get it added to the tax rolls and begin to receive revenue, the decision "was a no-brainer." He stated that he supported the transfer of ownership to Pastime Amusement.

Jill Conway, 3 Twentieth Avenue, questioned how people knew about the meeting; she only learned about it by called City Hall to ask a question. In her opinion, there was not enough transparency; she was told by the City that no meeting announcement would be in *The Island Eye* because there was not enough time, but the meeting would be noticed on the message board at 14th and Palm. Ms. Conway related that she had received a letter from the City alerting her to this meeting. Ms. Conway indicated that she was pleased with the questions asked by City Council at the June meeting and their decision to postpone Second Reading. As a resident of Twentieth Avenue, she voiced concern that a future Council would allow the residential lot to be rezoned commercial. She stated that she would like to see The Beach Company make a concession with a buffer between the lot and the residences on Twentieth Avenue. She urged Council to remain vigilant about future plans since Mr. Way had indicated at the previous meeting that they could come back to the City in the future to have the residential lot rezoned commercial.

Jan Schrieber fifty (50) years in retail. She asked Mr. Way if a traffic study had been done as she was c, a resident of Sandy Lane in Beachside, commented that she and her husband have a combined oncerned about ingress/egress from the shopping center. Mr. Way responded that no formal study had been necessary because the overall size was not being increased. He

stated that the number of ingresses/egresses was going to be reduced from five (5) to three (3) with a designated entrance and exit for delivery vehicles; the exit will be a right turn only onto the Connector. In addition, he said that the anchor tenant had done its own demographic studies.

Jamie Hollingsworth and his brother own Beachside Realty and Beachside Vacations and are tenants in the shopping center. They have two (2) large storage units at the rear of the shopping center for storage of paper products and linens. He said that he was pleased to see the entrance at the laundry being closed and was looking forward to having the road paved for easier access to the rear of the building and the storage units, as well as having someone committed to maintaining the road. If the City were to pave the roads, the maintenance and upkeep would be a long-term expense to the City.

Gray McCauley, 1900 Waterway, suggested keeping 18th Avenue and deeding Cassina Avenue to Pastime Amusement. She noted that control, once given away, is lost forever. She reminded the Council that they are dealing with The Beach Company, a very large company; she stated her opinion that large companies are not the most civic-minded and do not necessarily give back to the community.

Annette Whitmer, 1706 Dunes Boulevard, expressed concern that the residential lot will become commercial, the road will be abandoned and the entire area will be a shopping center. She worries that, once lighted, the back of the shopping center will be like a football field. She asked at what hour the semi-trucks would be making deliveries and whether any Councilmembers had heard the noise when the dumpsters are emptied. Ms. Whitmer said that the residential lot and the neighborhood that surrounds the shopping center have to be considered along with the growth of the shopping center.

Jack Hurley, 25 Twenty-second Avenue, stated that 18th Avenue and the residential lot need to be "dressed-up a bit."

Jan Rivers, 618 Palm Boulevard, reminded those present that Mr. Way had stated earlier that The Beach Company had tried seven (7) years ago to get the lot rezoned commercial and that they have been told repeatedly that it will not happen. She closed asking, "What makes you think they will stop?"

Nancy Mackey, Wildwood, suggested that the City lease the roads to Pastime Amusement in order to retain control.

Bill Hart, 17 Twentieth Avenue, said that he hopes that the ownership of the road can be established. He indicated that someone had been filling in the lot for some period of time.

Mayor Cronin commented that to determine the ownership of the road could well take two (2) years in the courts.

Mr. Hart continued that he was concerned about the residential lot and thought there should be a buffer between it and any commercial property. He voiced agreement that the lot needs to be

cleaned up, as well as the marsh area to the rear; he informed the Council that a squatter is living part-time in a shack he has built behind the shopping center near the Connector.

John Crouch, who spoke earlier, asked Mr. Way if Pastime Amusement had considered moving the new construction closer to the street that creates more of a downtown feel as opposed to a suburban feel. The design presented at this meeting looks to be more “old school” than modern in Mr. Crouch’s opinion.

Councilmember Bergwerf repeated the concern that 18th Avenue will always remain in the same place; Mayor Cronin assured her that, if the road is conveyed to Pastime Amusement, a deed restriction can be added to the conveyance that restricts that road to that space, and the road could not be relocated without the City lifting that restriction.

Councilmember Loftus thanked the citizens for coming out to voice their concerns. Repeating comments made at the City Council meeting, Councilmember Loftus stated that he thought the Planning Commission should be involved in the decision-making process. On the subject of the ownership of the road, he noted that The Beach Company has not paid taxes on the road for the life of the shopping center; he expressed the opinion that “the founding fathers of the City” assumed ownership of the road as they outlined the street plan. He stated that he thought the process was being rushed and that more due diligence was needed before a decision was made. He concluded that he had heard nothing in this meeting that would change his mind about conveying these streets.

3. Adjourn

Mayor Cronin closed the workshop at 7:50 p.m.

Respectfully submitted:

Marie Copeland
City Clerk