

Response to Lee & Associates "Call for Offers"

80 41st Avenue

Isle of Palms, South Carolina



Isle of Palms – 80 41st Avenue

Background & Qualifications

LOWE, in partnership with Ravenel Commercial Properties and Marina Joint Ventures, is pleased to present the following proposal to the City of Isle of Palms. Combined, LOWE, Ravenel Commercial Properties, and Marina Joint Ventures (the “Group”) provide a collaborative team with the necessary background, expertise, and capital to serve the residents of Isle of Palms. This proposal is in response to the “Call for Offers” issued by Lee & Associates in June 2019.



LOWE, a private real estate company founded in 1972, has made significant investments in the Charleston area over the past 30 years. Since acquiring the resort assets at Wild Dunes Resort in 1990, they have developed additional resort assets in excess of \$150 Million, including the Boardwalk Inn Hotel, The Village Condominiums, The Sweetgrass Pavilion Conference Center, Palmetto Hall, The Palm Cove Pool, and multiple food & beverage outlets. They are currently developing a 153-key full service hotel at Wild Dunes Resort that is scheduled to open in 2021. LOWE currently oversees the operation of seven different food & beverage outlets as well as a large scale catering/banquet services operation on the Isle of Palms. In January of 2017, they purchased 176 & 186 Concord Street in downtown Charleston from the SC Ports Authority for \$38,000,000. They have completed the entitlement process for the project and are planning to break ground on a 225-key hotel later this year. They currently have \$2 Billion of commercial, mixed use, hospitality, and residential project entitlements and developments planned or underway across the US. Historically, LOWE has acquired, developed, or managed more than \$28 Billion of real estate including over 150 Food & Beverage outlets. LOWE’s mission is to build value in real estate for those we serve by creating innovative, lasting environments and meaningful experiences that connect people and place.



RAVENEL
COMMERCIAL PROPERTIES

Ravenel Commercial Properties (RCP) is a full-service real estate firm with diverse interests in commercial property. The company was formed in 2015 and is owned by local attorney, Mr. Joseph Rice, who is a long-time business associate and adviser to Mr. Brian Berrigan, the owner of Marina Joint Ventures. RCP serves its clients in all aspects of commercial real estate, including brokerage, property management, commercial development, consulting, and construction and maintenance.



Marina Joint Ventures, Inc., was formed in 1999 by Mr. Brian Berrigan, the owner of Lowcountry Boat Rentals and co-owner/managing partner of the Isle of Palms Marina Market. Serving as its President and Operations Manager since January 1999, Mr. Berrigan has an extensive history at the Isle of Palms Marina. He has recruited and sustained a strong, efficient, and loyal team of dedicated employees that serve his customers and Isle of Palms residents. Mr. Berrigan

excels at maintaining the Marina's operating efficiency and culture of exceptional customer service.

The Proposal

The Group is proposing to lease the current restaurant space. The concept for the restaurant space will continue to be a casual destination for local residents and visitors to the Isle of Palms with updates to décor, programming, menus, and service. The menu will feature not only low country favorites but classic and contemporary regional comfort and seafood dishes from across the United States and the Globe with emphasis on quality and freshness as well as respect to the region's food heritage. The menu offerings will be tailored to each of the unique dining areas of the space. The bar will feature fun seasonal cocktails inspired by the views and surroundings of the location, ice cold beer from everyone's favorites to Charleston's exceptional local breweries, and a curated yet approachable wine list that accentuates the food offerings. Service will be casual, fun, and family friendly with a dedication to hospitality and service delivery. The proposal includes funding the capital to make all of the restaurant improvements that the Group believes will be necessary. LOWE will use its local management team to operate the restaurant utilizing its staff from the largest hospitality labor pool on the Isle of Palms. LOWE currently oversees the operation of seven different food & beverage outlets and a large-scale catering/banquet services operation on the Isle of Palms.

In conjunction with leasing the Marina restaurant, the Group desires to align all existing leases associated with the Marina Property and also proposes the following:

What we can provide:

- Invest capital for the repairs to the current Restaurant Building as deemed necessary by the Group
- Invest up to \$4.3MM in capital improvements for the Marina docks that is currently an obligation of the City of Isle of Palms
- Invest the capital the Group deems necessary to make improvements to the parking lot
- Provide a 10% Discount at Marina Restaurant for full-time Isle of Palms residents
- Provide Public Space with Pier for full-time Isle of Palms residents to launch Kayaks/Paddle Boards
- Free Boat Launching for full-time Isle of Palms residents
- First right of refusal on any proposed dry-stack storage for full-time Isle of Palms residents
- Fund Future Capital Improvements to Restaurant and Marina Market to enhance the property and the experiences for residents and visitors as deemed necessary by the Group
- Provide all capitalization for future redevelopment of the site in an effort to improve and enhance the property for the residents and visitors of the Isle of Palms

Making it happen:

- Exclusive negotiation with the City of Isle of Palms for a period of 120 days from acceptance of this proposal
- The Group to secure a 99 Year lease term for the entire property (including Marina, Restaurant, and Water Sports Dock) with no resets or escalation (Annual rent at \$1/year)
- The Group to secure rezoning for the property in conjunction with stakeholders to create the highest and best use for an economically viable project
 - Potentially to include: Dry-stack, Residential, Office, Food & Beverage/Restaurant, Retail, Event Space, Hospitality, etc.

Benefits:

For the Residents:

The Group's proposal has given significant consideration to the overall benefits that can and will be provided to the full-time residents of the Isle of Palms, specifically focusing on enhancing the accessibility and economics for the full-time Isle of Palms residents. This public-private partnership will provide the capital necessary to fund the much-needed improvements, residents will ultimately benefit with a much improved site plan with enhanced access to the water. With a resident friendly and family friendly restaurant (with discounts for full-time residents), a public space and pier for residents to enjoy/launch paddle boards & kayaks, free resident boat launching, and improved parking, the Marina will be a place for Isle of Palms residents and visitors to enjoy for years to come. In sum, this partnership will provide a shared vision that integrates community goals, site capacity, and economic feasibility.

Financial Benefits to the City of IOP (Current & Future):

- The City will not need to borrow the \$4.3MM needed to fund the improvements to the Marina docks.¹
 - The City will not incur the principal and interest on \$4.3MM, of \$965,900/year in debt payments and will save cash flows on principal payments
 - The budgeted annual accommodation tax funds of \$724,412/year can be utilized elsewhere in lieu of repaying \$4.3MM in debt
 - Increases the bond capacity for future borrowing if needed for other City needs
 - Positive impact on the City's credit rating
- The City will not have to budget and pay for the needed improvements to the marina parking lot
- Relieves the city of future capital improvement projects inherent in the existing marina lease

1. Sources: Minutes of Special Ways & Means Committee 6/6/2019, City of IOP FY2020 budget final 6/21/2019, and FY20 budget for 50% of ATM professional services related to dock replacement project – 75% of Debt Service Payments on Revenue Bond for Future year



LOWE

Dan Battista

Senior Vice President

Dan is responsible for Lowe's hospitality, master planned resort communities and commercial development and investment activities in the southeast and Caribbean region with offices based in Charleston SC. He is involved in all aspects of the development process including sourcing projects, securing entitlements, working closely with the construction and sales and marketing teams and transitioning projects from development to operations. While with Lowe he has been involved in development projects totaling over \$1 billion, most recently overseeing the \$100 million condominium and conference center development at Wild Dunes, the current Wild Dunes hotel expansion and the firm's new \$150 million 225 key downtown Charleston waterfront hotel. Dan and his family spend time enjoying all of the wonderful things Charleston has to offer, including exploring the City's historic landmarks and dining at its many fine restaurants.

Education: Lafayette College, BA; Columbia Business School, MBA.

Selected Project Experience:

- Wild Dunes Resort - 3,000-acre master planned coastal resort which includes a 93-room hotel, 165 resort condominiums and two golf courses located just outside of Charleston, SC
- Wild Dunes Resort Hotel Expansion - currently under development, 225,000 SF 153-room hotel with 30,000 SF of meeting space, 10,000 SF (14 treatment room) destination spa, new bar and restaurant with expanded resort pool facilities
- Charleston Waterfront Hotel - currently under development, 230,000 SF 225-room hotel on the waterfront in historic downtown Charleston, SC. Hotel includes the expansion of the Riley Waterfront Park, restaurant, bar, cafe, rooftop bar & lounge, ground floor retail, destination spa, and resort pool
- Terranea Resort - 102-acre coastal resort includes 360-room hotel, oceanfront bungalows and 82 for-sale villas and casitas, located in Rancho Palos Verdes, CA
- Suncadia Resort - 6,300 acre resort in Roslyn, WA with a 245-room Lodge offering individually owned guestrooms, as well as 18-room inn and three golf courses
- Stowe Mountain Lodge - 372-unit hotel at base of ski resort in Stowe, VT
- Victory Ranch - 6,000 acre master planned community with golf course located in Kamas, UT





LOWE

Mike Mansager

Vice President

Mike is responsible for and heads up all design and construction activities on projects for the southeast and Caribbean region and is based in the Charleston SC regional office. He has project management responsibilities that extend to all product types including an expertise in multifamily mixed-use developments as well as hospitality projects. Prior to joining Lowe he was a Vice President, with a 22 year career, at Clark Construction responsible for preconstruction and construction of numerous and notable projects in the DC and surrounding area. Mike and his family enjoy boating, fishing and the many activities associated with living along the wonderful lowcountry waterways.

Education: Purdue University, BSCE. LEED AP

Selected Project Experience:

- Wild Dunes Resort Hotel Expansion - currently under development, 225,000 SF 153-room hotel with 30,000 SF of meeting space, 10,000 SF (14 treatment room) destination spa, new bar and restaurant with expanded resort pool facilities
- Charleston Waterfront Hotel - currently under development, 230,000 SF 225-room hotel on the waterfront in historic downtown Charleston, SC. Hotel includes the expansion of the Riley Waterfront Park, restaurant, bar, cafe, rooftop bar & lounge, ground floor retail, destination spa, and resort pool
- National Science Foundation Headquarters - 705,000 SF build-to-suit office development project in Alexandria, VA
- The Hepburn – a 12-story, 195-unit luxury apartment community located on Connecticut Avenue in Washington, DC
- Fort Totten Square - \$150 million urban development of 8.6 acre mixed- use property with 350 apartments and 120,000 SF of retail near the Fort Totten Metro station in Washington, DC
- CityVista - Urban development of a 1.3 million square foot mixed-use community containing 441 condominium units, a 244-unit apartment building and 120,000 SF of ground floor retail in Washington, DC
- Washington Hilton Hotel - \$150 million renovation and restoration of 1,070-room hotel including 110,000 SF of meeting and event space plus the preparations for the development of a luxury residential tower (The Hepburn) in Washington, DC





Ravenel Commercial

R. Tucker Ervin

Senior Director of Real Estate

R. Tucker Ervin, Senior Director of Real Estate, jointly manages Ravenel Commercial Properties with its Broker-in-Charge. Mr. Ervin is responsible for the strategic oversight of the company and is involved in all day-to-day operations within the firm. His focus is on the creation of investment strategies, capital markets activity, investment origination, and overseeing the portfolio performance and execution.

Prior to joining Ravenel Commercial Properties, Mr. Ervin was a Director of Finance at Greystar Real Estate Partners, where he spent seven years serving in multiple roles within the company. Most recently, he was responsible for the capitalization and structuring of multifamily investments across the United States. In this capacity, Mr. Ervin was actively involved in project underwriting, transaction structuring, syndicated finance, and legal documentation, to secure over \$5.7 billion in financing. During his tenure with Greystar, he also served as part of the portfolio management team and investment strategy team working on Greystar's flagship value-added fund, totaling over \$4.5 billion in assets. Before joining Greystar, Mr. Ervin worked as a portfolio analyst with JP Morgan Private Bank in New York designing and implementing investment portfolios including equities, fixed income, structured products (equity, FX, rates), and alternative investments.

Mr. Ervin received a BA in Business Administration with a concentration in Finance from the College of Charleston. He previously served on the Board of Directors for the First Tee of Charleston and is actively involved in the community. Mr. Ervin lives in Mt. Pleasant with his family.





Marina Joint Ventures

Brian Berrigan

President & Operations Manager

Mr. Berrigan, a former Isle of Palms long-time resident, previously owned Tidal Wave Water Sports, located at the Isle of Palms Marina from 1996-2006. He is a member of the Isle of Palms Exchange Club, board member of Shem Creek Inn Homeowner's Association, and is a member of the Hilton Head Preparatory School Board of Trustees. He resides in Mt. Pleasant with his wife, Beth, and two teenage daughters, where he serves as his Homeowner Association's Board President.

