

**Real Property Committee**  
4:00 p.m., Monday, August 6, 2018  
City Hall Conference Room  
1207 Palm Boulevard

**AGENDA**

1. **Call to Order** and acknowledgement that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.
  2. **Approval of Previous Meeting's Minutes**  
Regular Meeting of July 3, 2018
  3. **Citizens' Comments**
  4. **Comments from Marina Tenants**
  5. **Old Business**
    - A. Results of RFP 2018-01 – Engineering, Design and Permitting for Isle of Palms Marina Docks Rehabilitation
    - B. Update regarding 1100 Palm and right-of-way on Pavilion Drive
    - C. Update on Marina operations and requests for documentation
  6. **New Business**  
Unlicensed business operating at IOP Marina; no lease with City or marina
  7. **Miscellaneous Business**  
Tenant Rents Report
- Next Meeting Date: 4:00 p.m., Wednesday, September 5, 2018 in the Conference Room
8. **Executive Session**  
Upon returning to open session, the Committee may take action on matters discussed in Executive Session.
  9. **Adjournment**

## REAL PROPERTY COMMITTEE

4:00 p.m., Tuesday, July 3, 2018

The regular meeting of the Real Property Committee was called to order at 4:00 p.m., Tuesday, July 3, 2018 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Ferencz and Ward, Chair Bell, Interim City Administrator Fragoso, Attorney Halversen and City Clerk Copeland; a quorum was present to conduct business.

1. Chair Bell called the meeting to order and acknowledged that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.

2. **Approval of Previous Meetings' Minutes**

**MOTION: Councilmember Ferencz moved to approve the minutes of the regular meeting of June 6, 2018 and the Special Meeting of June 21, 2018 as submitted; Councilmember Ward seconded and the motion PASSED UNANIMOUSLY.**

3. **Citizens' Comments**

**Presentation of bike sharing program – Holy Spokes**

Rusty Streetman, 4004 Palm Boulevard, was present to voice his support for an event Tidal Wave Watersports was planning as a residents' only event after Labor Day; Michel Fiem has agreed to give all proceeds and any donations to the MUSC Shawn Jenkins Children's Hospital. Mr. Streetman stated that he was a member of the Foundation Advisory Board for the hospital, he reported that the new hospital will open in 2019, and it is on schedule and under-budget.

Michael Fiem introduced Shawn Flood and Katie Sims of Holy Spokes bicycle share program operating in Downtown Charleston; Mr. Fiem thought the program would help with mobility on the island and could be easily implemented here.

Mr. Flood stated that he is the founder and CEO of The Gotcha Group and Ms. Sims is the Vice President of the Mobility Division. He stated that it is a local company with offices in Downtown Charleston which has a very robust Mobility Division with the goal of getting people out of single occupancy vehicles using any kind of shared mobility, not just those Gotcha offers, decreasing traffic for a goal of zero traffic at some point in his lifetime. Gotcha owns the Holy Spokes Bike share system in Charleston that has just celebrated its first birthday; the City of Charleston and MUSC are its two (2) titled partners to bring two hundred fifty (250) shared bikes in twenty-seven (27) different corrals at different locations on the peninsula. Currently Holy Spokes has approximately thirteen thousand (13,000) members and fifty-three thousand (53,000) trips in that period of time. He noted that Holy Spokes is the only American made bike share company in the country; their bikes are custom made here in Charleston.

Councilmember Ferencz asked if the lack of bike lanes was a deterrent to bringing their service to the island.

According to Mr. Ford, the lack of bike lanes was quite typical of smaller municipalities; they have found that bike-share creates this mass of bikes that all look alike, and the data gathered from

their “Smart” systems provides solid support for where bike lanes were needed based on behaviors. The Committee urged Mr. Ford to send them additional materials on bike sharing.

#### 4. Comments from Marina Tenants

Michael Fiem indicated that he has heard the residents’ comments that they want something back from the marina, and he plans to counter those statements with an Isle of Palms Community Day hosted by Tidal Wave Water Sports. All residents of the island are invited to attend and to participate in any of the activities Tidal Wave offers free of charge; the plan is to hold this event all day on the Saturday after Labor Day. As noted by Mr. Streetman, all donations will go to the MUSC Children’s Hospital. Mr. Fiem concluded that he hopes that this will be the start of many annual Community Days.

Jay Clarke, owner of Morgan Creek Grill, asked the Committee to change the signage in the shared parking area to identify overflow parking for the restaurant. He asked the Committee to find out the restaurant’s rights related to violations occurring in their slips, i.e. boats left overnight in the slips without prior authorization from the restaurant’s management.

#### 5. Old Business

##### A. Results of RFP 2018-01 – Engineering, Design and Permitting for Isle of Palms Marina Docks Rehabilitation

Interim Administrator Frago announced that the City received three (3) proposals in response to the Request for Proposal (RFP); since the proposal were opened on June 25<sup>th</sup>, staff has not had time to evaluate them, to insure that they meet the specifications of the RFP and to check their references. Staff is, therefore, requesting additional time to make its recommendation for a contract award.

##### B. Update regarding 1100 Palm and right-of-way on Pavilion Drive

**MOTION:** Councilmember Ward moved to re-order the Agenda to hold an Executive Session at 4:25 p.m., in accordance with S.C. Code Section 30-4-70(a)(2), to receive legal advice concerning potential claims related to 1100 Palm Boulevard and right-of-way on Pavilion Drive; Chair Bell seconded and the motion PASSED UNANIMOUSLY.

Upon returning to open session at 4:35 p.m., Chair Bell stated that the Committee took no action or vote while in Executive Session.

**MOTION:** Councilmember Ward moved to re-order the Agenda to take action on matters discussed in Executive Session; Chair Bell seconded and the motion PASSED UNANIMOUSLY.

**MOTION:** Councilmember Ward moved to proceed with the survey of the property being discussed and to authorize the City’s Real Estate Attorney Sid Boone to go forward with the next steps as recommended to the Committee; Chair Bell seconded and the motion PASSED UNANIMOUSLY.

Attorney Halversen explained that the City was taking the steps necessary to obtain a clear title to the property.

Responding to Elliott Summey's concerns about the timeline, Director Kerr said that he has contacted John Wade, the surveyor, who indicated he would not be free to conduct the survey for six (6) weeks.

**C. Discussion of Ordinance 2018-09 – An Ordinance to allow public parking on lots located in SR-12, SR-2, LC and GC-1 Zoning Districts as a temporary use subject to certain conditions**

The Interim Administrator noted that City Council referred this ordinance back to the Real Property Committee for further study before Second Reading in an effort to avoid unintended consequences of allowing temporary parking in residential districts.

**Motion: Chair Bell moved to defer indefinitely Second Reading of Ordinance 2018-09; Councilmember Ward seconded and the motion PASSED UNANIMOUSLY.**

**D. Update on removal and replacement of underground storage tanks**

Interim Administrator Fragoso reported that the work is scheduled to begin at the Public Works site in two (2) weeks; Director Pitts met with the project consultant from Summit Engineering and the contractor Jones and Frank for the pre-construction meeting. This part of the project is expected to take four to five (4 – 5) weeks to complete.

**E. Status of the dumpster near The Dinghy**

Councilmember Ward stated that the proximity of the City's dumpster to The Dinghy has been a constant problem and the restaurant's owners want it relocated to the center of the parking lot surrounded by a cement wall. The hope is that the wall would be a deterrent to people leaving debris beside the dumpster, and he added that the current location was a haven for rodents and other pests. The Councilmember contended that the City needs to develop a permanent solution; it was not only an eye sore, but also is a health hazard.

Director Pitts reported that the City faces two (2) problems related to the dumpster; first was the dumpster and pad, and the second was illegal dumping. The pad and ramps are power-washed every Thursday by Public Works personnel when the dumpster is taken off the island; while off-island, Carolina Waste washes the dumpster before returning it. Staff has re-positioned surveillance cameras in an effort to determine who is responsible for illegal dumping.

**F. Review and update on Marina tenants' discussions**

Chair Bell commented that the City has sent a letter to its four (4) marina tenants in an attempt to gain a better understanding of what is operating at the marina and where the City's fiscal responsibilities lie. In the Committee's opinion, this data should have been done as an ongoing management practice of Council working with the City administration.

The Chair then read from the City Code, Chapter 3, Article B, Standing Committees, Section 1-3-31(6)(b)(c) as follows:

“The Committee’s duties are to:

- (b) Review policies and procedures regarding the use and maintenance of all real property owned, leased or controlled by the City and make recommendations to City Council as appropriate;
- (c) Monitor and review all existing or proposed leases of real property owned or to be leased by the City;“

In the budgeting process, Council discussed auditing the marina finances and included funding to do so in the FY19 budget. He stated that he did not know how any City could fiscally understand what was going on at the marina without understanding the leases that are operating and generating revenue for the City. As a sub-lessee, the business generates income, and, as the operator leasing to the sub-lessee, there would be an operating expense line that was the income to the City; therefore, “the expectation of the Real Property Committee would be that leases generating revenues, as operating expense, come in through the books that the City has the right to inspect and that those numbers are available to the City and part of the records and receipts which are in the lease so that we [the Real Property Committee] understand that we [the City} are fiscally operating the marina as we should be.”

In the meeting packets were copies of the letters sent to Marina Outpost, Marinas Joint Ventures, Tidal Wave Water Sports and Morgan Creek Grill. Currently staff is going through what it received from the tenants in response to the letters to determine if the business operations are in compliance with the lease, if the proper insurance is in place, etc.; if it is found that they are out of compliance, the Committee will use sound judgement and legal counsel to make sure the Committee is obtaining information as requested from the business operators.

Since the letters referenced a deadline, Councilmember Ferencz asked if the City was in receipt of the information requested.

The Interim Administrator responded that the City received a considerable amount of data on Thursday, which was the deadline, and although staff has not yet gone through the information, staff was encouraged by the volume of papers that everything was included. Staff was requesting additional time to examine the data provided to insure the City has, indeed, received all of the requested information.

Chair Bell thanked the marina tenants for their response to the letters.

## **6. New Business**

### **A. Unlicensed business operating at IOP Marina, with no lease with City or marina tenant**

This item was added to the Agenda at the request of the Chair, and he explained that, at a previous meeting, Mr. Berrigan presented the Committee with a list of the businesses operating out of the marina with whom he has leases. The Chair noted that non-lease charter boat captains were operating out of the marina, and he asked whether these businesses, not operating under lease control, should be required to carry the same insurance as the charter boat captain who does have a lease. He wanted an answer to this question because, according to the duties of the Committee as stated in the City’s Code of Ordinances, the Committee was responsible for protecting the City from lawsuits.

He was asking that the City staff and City Attorney investigate the answer to whether all businesses operating out of the marina should have the same insurance requirements.

When Councilmember Ferencz asked if an applicant for a business license was required to show proof of insurance, Director Kerr replied that the City Code specifies exactly what triggers are required to obtain a business license. The office staff checks what is presented against those triggers, and, if they meet the requirements set forth in the Code, the business license would be issued.

Councilmember Ferencz concluded that the Committee should look at whether it wants to mend the Code to add a requirement about insurance, and Chair Bell asked whether the insurance requirement for businesses at the marina could be different from those asked of a building contractor.

**B. Derelict of abandoned properties**

- 1. Definition**
- 2. Current ordinances**
- 3. Enforcement**

The Chair reported having residents contact him about one (1) property that was clearly abandoned and was now being used as a drug hangout. He said that he did not know what constituted an abandoned or derelict property according to the terms of the IOP Code of Ordinances, and he looked to Director Kerr for clarification. He noted that certain properties on the island were being neglected with grass growing two feet (2 ft.) tall and some houses have begun to cave-in and have obvious mold; in his mind, they are unmistakably abandoned, but he wanted to know what the City considered them to be.

The Chair acknowledged that the Code stated that the property would need to create a public safety hazard, but his question was if the potential for a public safety hazard, for instance an abandoned house becoming a place that could invite trouble, constituted a public safety hazard. Relative to the Code, he wanted to know what the City could do in such a situation. Or, looking at these properties, should Council consider changing the Code going forward so that these derelict or abandoned properties are no longer seen?

Having asked Director Kerr about specific properties, Councilmember Ferencz stated that, if the property owner pays the taxes and it is not obstructing the neighboring properties, the City can do nothing.

Since this is an issue that spans across the Police and Building Departments, Director Kerr explained that, from the Building Department's perspective, if the house was wide open with windows out and doors left ajar, the City can act to secure the property. If a teenager can gain access to the building, it would be considered unsecured. If a structure has become a habitat for all kinds of vermin, the City can have the building patched up leaving no access for the creatures, or, if a structure were falling over, the Building Department could become involved. These actions are the extent of the Building Department's involvement, but more restrictive ordinances could be passed.

When one (1) of these neglected buildings has grass that has grown to be three (3) feet high, the Livability Officer gets involved to get the property owner to cut the grass in some regular interval.

Chair Bell commented that, living close to one (1) of these derelict houses, reduces property values and negatively affects the island's aesthetics and the residents' quality of life.

Chair Bell opined that the City, once again, has certain ordinances that are not enforced, that could be better enforced through livability and then address what other things the City needed to do to address problem properties.

Having dealt with properties that are an eyesore and detracting from neighboring property values, Director Kerr said that, when the City addresses it, at the end of the compliance issue, the neighbors are not satisfied because the porch is still falling, the structure has not been power-washed and the paint is still peeling off. The Director expressed the opinion that what Chair Bell was looking for were ordinances that would have the teeth when enforced to mean that, at the end of the process, the property would no longer be pulling down home values around it.

Councilmember Ferencz asked when a house was considered abandoned by the City, and she gave as an example a house severely damaged by Hurricane Hugo, uninhabitable since that time and that has continued to deteriorate.

Director Kerr stated that the City Code does not make a distinction until the owner stops paying the property taxes.

Chair Bell stated that the members of the Committee felt that enforcement could more aggressive in dealing with the abandoned and derelict properties on the island.

Interim Administrator Fragoso stated that the Livability Officer is aggressive when he identifies a property; he seeks out the property owner to remedy the situation in a reasonable amount of time.

Director Kerr added that the owners of a handful of properties will do the minimum to come into compliance with the demands of the Livability Officer and then ignore the property until they are contacted again.

The Chair agreed that it was a complex problem that he did not think the Committee should take on at this time.

### **C. Discussion of restrictions to non-conforming use ordinance**

At the June City Council meeting, the staff and the City Attorney were tasked with drafting ordinance language that would limit off-street parking at non-conforming uses on the island; the suggested changes were included in the meeting packet.

Chair Bell explained that the intention was to prohibit overflow parking from business-oriented venues into SR-1 non-conforming parking lots like a church, the Citadel Beach House parking lot, the Lutheran Center, etc. He stated that the Committee must acknowledge that a broad-based change like this will affect every property on the island that is zoned SR-1 non-conforming.

A companion amendment allows two (2) years from the effective date of the ordinance to bring non-conforming to conforming. Already in the ordinance is the statement that

“Whenever a non-conforming use is discontinued for a period of three hundred sixty-five (365) days such use shall not be reestablished and all subsequent use shall conform . . .”

From discussions with Director Kerr, Chair Bell learned that few of these properties are conforming and have been used for any general purpose parking in that period of time; assuming that this ordinance passes, the City must move toward a sunset period.

The Chair identified the specific problem the ordinances address as the overflow from Wild Dunes into residential areas, and the Committee wants to be cautious of solving the problem the right way without unintended consequences. He noted that the Committee has no intention of allowing overflow parking in residential neighborhoods and they are not hampered by any time restraints. Wild Dunes has made presentations to both the Ways and Means Committee and City Council stating that they plan to park the construction vehicles associated with the new hotel in the Citadel Beach House parking lot. If the City could stop parking at the Citadel Beach House, the alternative would be for the construction vehicles to be parked on Palm Boulevard where the City has no control, under current ordinances, to prohibit any public parking from 41<sup>st</sup> to 57<sup>th</sup> Avenue.

According to Councilmember Ward, the Committee wants to insure that, once the hotel is open, Wild Dunes' use of the Citadel parking area will stop, i.e. no parking for employees; no parking for guests of the new hotel; and no parking for guests attending a conference or other Wild Dunes venue.

Attorney Halversen stated that the sunset period could be any length of time decided upon by City Council; in addition, she left in the option to designate it a City-sponsored event giving Council some flexibility after the sunset period is over if special circumstances came up.

For the Chair, the problem has two (2) possible solutions; the first being a change to the current ordinance as has been discussed and suffer the repercussions of its being applied to all such properties in the SR-1 district, and the second was an assurance the City could trust that overflow parking at the Citadel Beach House would not happen again. He noted that the final decision was likely to come from The Citadel in saying that would allow the parking during the construction, but would not be allowed after that.

Attorney Halversen said that the Chair might want to amend the motion to include only SR-1 zoning since, as presented, the change would be for all zoning districts.

Director Kerr understood that the Committee was dealing with one (1) specific issue, and, in his opinion, the ordinance presented was very broad and would have repercussions that would impact The Exchange Club, the Lutheran Retreat Center, the Methodist Church, etc. He said that it was not unusual for places on the island to have flexibility in who parks where, and, frequently, the City does not know whether an event is being held at the Retreat Center or the Methodist Church. He expressed the opinion that the Committee could accomplish its goal with a written agreement with Wild Dunes or the Citadel Beach House; he added that the City has used the Citadel parking lot in the past and that lot was a strong contender to park for marina employees. He opined that the Committee was going at a very narrow problem with a broad solution that will have repercussions all over the island.

**MOTION: Chair Bell moved to make the proposed changes in non-conforming uses for SR-1, SR-2 and SR-3 zoning districts and to move the action to City Council; Councilmember Ward seconded and the motion PASSED UNANIMOUSLY.**

## 7. Miscellaneous Business

Interim Administrator Fragoso stated that all rents due to the City were current.

The Committee agreed not to convene a meeting in August, 2018.

**Net Meeting Date: 4:00 p.m., Wednesday, September 5, 2018 in the Conference Room.**

**8. Executive Session** on potential claims related to the marina leases – not needed

**9. Adjournment**

**MOTION: Councilmember Ward moved to adjourn the meeting at 5:25 p.m.; Chair Bell seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk

DRAFT

**City of Isle Palms**

**Summary of Bids Received - Marina Dock Rehabilitation RFP**

<b>Scope of Work</b>	<b>Jon, Guerry, Taylor &amp; Associates</b>	<b>SHFR Waterfront Solutions</b>	<b>Applied Technology Management</b>
<b>Prioritization and recommendations for repair or replacement</b>	Assess existing docks, utilities and other marina components. Evaluate existing information and develop prioritization repair/replacement plan	Provide opinion on accuracy of Limited Conditions Assessment and remaining useful life of docks. Make recommendations on priorities for repair and/or replacement	Develop a preliminary prioritization and phased plan and cost estimates
	\$ 3,000	\$ 3,750	\$ 3,000
<b>Planning and Design</b>	Develop a phased master-plan for the repair/replacement of docks, gangways, piles, electrical, plumbing, etc.	Develop phased plan for docks and utility systems rehabilitation. SHFR will prepare up to two alternative rehab plans and provide estimated costs for each phase. During planning and design process, SHFR will meet with regulatory agencies to identify any potential permitting challenges.	Develop detailed repair/replacement plan and cost estimates
	11,100	9,750	7,100
<b>Permitting</b>	Preparation and submittal of complete joint USACE and OCRM permit application. Permit application fees included.	Preparation and submittal of complete joint USACE and SCDHEC-OCRM permit application package. Permit application fees included.	Hold pre-application meetings to determine if individual permit is required or if work can be approved via a repair/maintenance authorization. Preparation and submittal of joint USACE and OCRM permit application. Permit application fees not included.
	13,000	7,500	12,500
<b>Total Cost w/o Alternates</b>	<b>\$ 27,100</b>	<b>\$ 21,000</b>	<b>\$ 22,600</b>

**City of Isle Palms**

**Summary of Bids Received - Marina Dock Rehabilitation RFP**

Scope of Work	Jon, Guerry, Taylor & Associates	SHFR Waterfront Solutions	Applied Technology Management
<b>Alternate #1 - Plans, Specifications and Bid documents</b>	Develop complete set of engineering drawings for the improvements and bid package. Oversee bidding process and facilitate selection of contractor.	*assumes design and construction of the entire facility and one bidding process. Develop construction plans and technical specifications for bidding process. Oversee bidding and contract negotiation services, and assist City in contractor selection. SHFR requests re-evaluating fees after completion of Planning and Design phase.	*alternate quote includes detailed designs specifications for the gangway, floating docks and marine utility systems on the fuel dock only. Preparation of bid package, including drawings, technical specifications and front end documents, bidding administration, evaluation and negotiation, and contractor selection.
<b>Total Alternate #1</b>	\$ <b>60,000</b>	\$ <b>82,000</b>	\$ <b>39,400</b>

<b>Alternate #2 - Construction Administration</b>	Construction administration and oversight services	SHFR requests re-evaluating fees after completion of Planning and Design phase.	*alternate quote assumes 1 month construction duration. Additional construction administration services at a rate of \$4,000/month
<b>Total Alternate #2</b>	\$ <b>20,000</b>	\$ <b>50,000</b>	\$ <b>17,300</b>

**City of Isle Palms**

**Summary of Bids Received - Marina Dock Rehabilitation RFP**

Scope of Work	Jon, Guerry, Taylor & Associates	SHFR Waterfront Solutions	Applied Technology Management
<p><b><i>Other Items for Consideration</i></b></p>	<p>Designed IOP Marina bulkhead</p> <p>City has experienced multiple issues with the bulkhead</p>	<p>Project Lead passed away</p> <p>SHFR Waterfront Solutions will be dissolved</p> <p>Principal Engineer will create own engineering firm: Bolchoz Marine Solutions</p> <p>Principal Engineer Bolchoz mostly works out of Florida</p>	<p>Worked with the City in the development of the Marina Redevelopment Master Plan</p> <p>Prepared and submitted BIG grant application on behalf of the City</p> <p>Secured BIG grant funds for the replacement of the fuel dock, fuel hut, fuel dispensers, hose reels and distribution lines</p> <p>Currently working on the Dewees Marina project</p> <p>Team is professional, responsive</p>