

**REAL PROPERTY COMMITTEE**  
8:30 a.m., Tuesday, October 5, 2010

The regular meeting of the Real Property Committee was held at 8:30 a.m. on Tuesday, October 5, 2010 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmember Stone (arrived late), Mayor Cronin and Chair Loftus, City Administrator Tucker, Marina Manager Berrigan, Michael Fiem of Tidal Wave Water Sports, Assistant to the Administrator Dziuban and City Clerk Copeland. There was a quorum present to conduct business.

1. Chair Loftus 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.

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

**MOTION: Mayor Cronin moved to approve the minutes of the regular meeting of September 9, 2010 as submitted; Chair Loftus seconded and the motion PASSED UNANIMOUSLY.**

**3. Citizens' Comments**

Jim Raih, 3904 Cameron Boulevard, identified himself as a real estate developer and long-time resident of the island. He referenced plans from the Isle of Palms Water and Sewer Commission to replace the drainage lines along 41<sup>st</sup> Avenue; Mr. Raih suggested that, due to the extent of work in the Water Commission's project and Charleston County's intent to repave the road at the end of the project, timing would be advantageous for the City to carry through with plans for a gateway to the IOP Marina and that funds be allocated for that purpose in the FY2012 budget.

Chair Loftus asked whether residents along 41<sup>st</sup> Avenue would be allowed to place objects or landscaping in the right-of-way when the project was completed. Administrator Tucker referred to an email she had sent to Council, accompanied by correspondence from SCDOT relative to the Water and Sewer project, stating that, if residents wanted to replace the obstructions that are removed for the project, they must apply for and receive an encroachment permit from SCDOT before replacement. The Chair then asked who would be responsible for enforcement, and the Administrator stated that the responsibility for enforcement would fall first to SCDOT, then the IOP Water and Sewer Commission and, lastly, to the City.

**4. Marina Manager's Report – Brian Berrigan**

Manager Berrigan was pleased to report that business appears to look good for the winter – the marina is near capacity for the first time in three (3) years. Many tenants have prepaid; Mr. Berrigan thought that customers' purse strings were loosening up, and people were moving South once again. Work to install a laundry facility at the store will be finishing up this week; it will be available for use by transient boaters. The marina manager announced that Morgan Creek Grill management has agreed with his proposal to install a gate at the dock behind the restaurant; he noted that he would bear the expense of having the gate installed. He proposes installing an aluminum gate four to six feet (4-6 ft.) in height (not tall enough to block the view) in an effort to deter the thefts and vandalism that took place toward the end of the summer. Chair

Loftus expressed the opinion that, at a height of four feet (4 ft.), persons interested in stealing would simply jump over.

**MOTION: Mayor Cronin moved to authorize Manager Berrigan to purchase and install a gate at the restaurant dock, at his expense, at a height not to exceed 6 feet; Chair Loftus seconded.**

Administrator Tucker warned Mr. Berrigan that he would receive complaints about the gate, and he stated that he would prefer to deal with the complaints over the vandalism and thefts that cost him tenants over the summer. Chair Loftus suggested that, when confronted, Mr. Berrigan should point out that the gate has been installed due to the vandalism and thefts that have taken place. Mr. Berrigan added that the marina at the Isle of Palms was the only lowcountry marina without a gate.

**VOTE: The motion PASSED UNANIMOUSLY.**

Chair Loftus inquired of the marina manager if the vandalism and thefts were a continuing problem; Mr. Berrigan stated that the marina had not experienced a problem in the past ninety (90) days.

Mr. Berrigan commented that he was also interested in adding security cameras to the restaurant side of the marina; Chair Loftus asked Mr. Berrigan to provide the Committee with a detailed proposal for the next meeting.

The Chair also reminded Mr. Berrigan of the need to report each instance of thefts and/or vandalism to the Police Department; he commented that the Police Department has been very successful at recovering stolen items.

On the occasions that Mr. Berrigan is unable to attend the Real Property Committee meetings, he indicated that Chase Fields will attend in his place.

Mr. Berrigan explained that he has gotten quotes from several electrical companies to replace the electrical lines going to the docks behind the restaurant; the quotes range from seven thousand two hundred to twenty-five thousand dollars (\$7,200 - \$25,000). This electrical work was not done when the bulkhead was replaced because the City was assured that safety was not an issue; Mr. Berrigan states that safety is an issue today. Mr. Berrigan expressed his opinion that the work should be the City's financial responsibility, but he would prefer to handle the project based on his prior working relationship with the company that submitted the lowest bid and be reimbursed by the City. Mr. Berrigan was again asked to provide the materials to the City Administrator and Committee for study before the next meeting.

Administrator Tucker stated that, due to the spread in the bids, staff must be assured that the bids have the same scope, and she expressed concern about funding from the FY11 budget.

In conclusion, Mr. Berrigan asked for time at the November meeting to present the Marina Master Site Plan that a consultant has produced.

5. **Morgan Creek Grill Report** - No one from Morgan Creek Grill attended the meeting.

6. **Old Business**

**A. Update on Beach Restoration**

Assistant Dziuban reported that Coastal Science and Engineering (CSE) is on the verge of sending the permit application to OCRM for the focused erosion issue. Chris Jones, the City's engineer, and CSE have been working through the language of the application, and the City will be preparing and sending the final affidavits to CSE today to accompany the application.

Once OCRM receives the permit, they will have a period of review, and, subsequently, OCRM will submit the project to the public for comment.

**B. Update on Dredging**

Discussion postponed until Councilmember Stone arrives.

**C. Update on Energy Grant for Front Beach Lighting**

The RFP for this project has been issued, and the bid opening is scheduled for Thursday, October 28, 2010. Because the project is funded in-part by federal stimulus funds, some paperwork requirements involve the Davis-Bacon Wage act and a buy-American materials provision; the grant must be executed by the end of March 2011. The timeline follows that the bid would go through the Committee process in November with the award of a contract at the City Council meeting of November 16, and the work would take place from the end of November through February, if necessary. Director Kerr wrote the bid specifications; therefore, he will provide project oversight for the City.

In response to Chair Loftus' question about the work interfering with the annual Christmas tree lighting, Administrator Tucker stated that the lighting would take place as scheduled, but sections of the lights may be out for periods of time. The Administrator noted that this project has a limited scope – only the center section of lights at Front Beach will be replaced with the embedded lights.

**B. Update on Dredging**

Administrator Tucker reported that she had presented a draft agreement at the most recent meeting with the parties interested in participating in the dredging project. Pursuant to the Committee's direction, the agreement was drafted for the City to pay its pro-rata share of the spoil material removed from the City's marina site leaving the bulk of the expense to the Morgan Creel Harbor Association (MCHA) because they have the largest quantity of spoil material. In correspondence from the president of the harbor association, he expressed the following concerns over the structure of the agreement:

- The City should pay a larger pro-rata share of other components of the project, such as, repairs to the spoil site and mobilization;
- MCHA's timeline is 2012;

- The MCHA contends that the project should remain that of the engineers they have hired to do the work up to this point because, otherwise, they would be paying for a duplication of efforts; and
- If the City wants an alternate engineer to protect the City's interests, it should bear the full cost.

Based on MCHA's response, the Administrator expressed the opinion that more negotiation was needed or the City needed to proceed with dredging the marina on its own.

Mayor Cronin summarized the Administrator's comments by stating, "They [MCHA] didn't like anything we [City] proposed." MCHA represents the repair of the Goat Island spoil site as a fixed cost of half a million dollars (\$500,000), and they want the City to share in that cost as an equal partner when only ten to fifteen percent (10-15%) of the total spoil materials will come from the marina. In addition, the Mayor pointed out that waiting another year to dredge the marina puts it in jeopardy.

Administrator Tucker reminded the Committee that funds for engineering and permitting for a dredging project are included in the FY11 budget and, as previously committed, a letter has been sent to the Corps of Engineers requesting the facts related to the Goat Island spoil site.

Mayor Cronin voiced his opinion that the Committee should determine what is best for the City and proceed; if the other parties want to participate, then so be it.

Chair Loftus expressed his opinion that the project was critical for the marina and should not be delayed and that to have two (2) dredging projects at different times would be most disruptive. He asked if further negotiations would succeed in bringing the other players to an agreement.

The Administrator pointed out that, without the dredging project being a public-purpose project, the other participants do not have a cost effective alternatives of disposing of the spoil material; the Goat Island site would not be an option for their spoil materials if they do not join with the City.

**MOTION: Mayor Cronin moved for staff to proceed with generating an RFP for engineering and permitting for a dredging project for the Isle of Palms marina; Councilmember Stone seconded.**

Chair Loftus asked to be excused from voting on the motion since he is a member of the Morgan Creek Harbor Association and because he believed his participation would reflect a conflict of interest.

**VOTE: The motion PASSED UNANIMOUSLY, with one (1) member abstaining.**

#### **D. Update on Tidal Wave Request Regarding Lease Options**

The Administrator explained that Mark Feim, who typically handles this side of the Tidal Wave business, had received a flu shot the previous day, had developed the flu and was unable to attend today's meeting; his twin Michael was present representing Tidal Wave's interests.

Administrator Tucker reported that she was in receipt of a draft of the second amendment to the Tidal Wave lease that provides for a term of five (5) years with three (3) successive five-year (5 yr.) renewal options; the Administrator noted that the Committee and Mr. Feim needed to agree that the term as defined in the new amendment is acceptable. In addition, the existing lease is restrictive in that it specifies the number of vehicles Tidal Wave is allowed to have and defines the space for parking those vessels when not in use; based on Mark's comments in a previous meeting about requesting a longer lease term in order to grow the business and to replace some of their aging vessels, the Administrator needed to know if changes needed to be made to that section of the lease. Administrator Tucker asked whether growing their business meant more vessels and, therefore, the need for more space; did growing the business mean they would have additional offerings or was it having a better financial position in order to acquire financing to replace their existing fleet?

Mr. Feim explained that Tidal Wave was seeking financial stability through the longer lease term for the purpose of future business modeling for financial institutions; he stated that Tidal Wave was in its fifth (5<sup>th</sup>) year of operation, and they were looking at newer, more efficient and larger vessels, as well as expanding their business to other sites in the area. He stated that they have no plans to increase the number of boats at the IOP Marina, but they would add jet skis to fulfill requests. Mr. Feim commented that they would like to upgrade and add to the jet dock resulting in increased space in the water; Tidal Wave would be content with the parking and work space that is available to them through the existing lease.

Administrator Tucker listed the specific restrictions in the lease as sixteen (16) personal water crafts, three (3) motor boats, eight (8) parking spaces and eighteen (18) launchings per day, and Mr. Feim expressed that these numbers would be sufficient.

Mayor Cronin offered to provide a copy of the draft to Mr. Feim for him and his brother to review and to get back with the City Administrator prior to November's meeting.

Administrator Tucker noted that one (1) change had been added to the lease amendment that was not in the existing lease; it is a statement that, when the marina enhancement is done and things are moved around, the tenants will be guaranteed a space at the marina, but that space may not necessarily be the same location they occupy before the enhancement.

## **7. New Business**

### **Discussion of IOP Farmers Market**

Chair Loftus recounted that Diane Oltorik had suggested, at the September meeting, that the City sponsor a farmers market on the newly acquired space next to the Post Office on Palm Boulevard; the Chair thought it was a creative idea worth exploring. He thought it would be attractive to both residents and visitors and revenue-generating for the City. (The Administrator distributed an overhead photo of the proposed site.) The issue today was two-fold:

- Did the Committee want to pursue the idea?
- If so, how to proceed?

Mayor Cronin pointed out that the undeveloped area attached to the City's property is part of the postal service's lease with the Beach Company. In addition, the City's space is very limited and that, without the cooperation of the postal service for parking, a farmers market would be very difficult to implement. On the other hand, the Mayor indicated that City parking lots could be used in the off-season where there is space for both vendors and parking. Mayor Cronin ended with the statement that he did not know what should be provided in order to have a farmers market – electricity, tents, etc.

Chair Loftus offered that a market could start off small with possibly ten (10) suppliers and expand later, assuming that the market proved to be viable. For tents, the Chair suggested that the City might purchase the used tents from Mount Pleasant that the City had borrowed for the Connector Run. With the parking limitations, he voiced the opinion that many residents would choose to walk to the market.

Mayor Cronin expressed the thought that post office more likely to agree to the use of their parking lot if the market were to be held on Sundays.

Councilmember Stone thought that the City parking lots would require less work for the City should the decision be to proceed with a farmers market. The City Administrator noted that the parking lot leases run from April 1 through September 30; on October 1, the City again assumes control of the lots.

Chair Loftus explained that his vision of a farmers market would coincide with the growing season, May through September; he noted that a great deal of the support for a farmers market on the island would come from the short-term renters or seasonal residents. He suggested Saturday afternoons between 2 p.m. and 6 p.m. when renters typically arrive on the island and the post office is closed.

Councilmember Stone asked what kind of liability the City would have if it were to sponsor a farmers market. Administrator Tucker explained that each seller would be required to provide proof of insurance naming the City as "an additional insured."

Chair Loftus suggested that the City could follow the models established by Mount Pleasant and the City of Charleston for their markets. Assistant Dziuban commented that she had researched the Mount Pleasant farmers market, and she related that Mount Pleasant has an extensive legal agreement that considers all possible contingencies for the vendors to sign – rules and regulations, insurance liability, how a vendor qualifies for participation, what the vendor would sell with a description of the product(s), what happens if something is sold that is bad, etc.

In response to the Mayor's concerns about managing a farmers market, Administrator Tucker noted that Mount Pleasant has a department that oversees their market.

Administrator Tucker expressed concern over issues that should be given consideration before moving forward beginning with the feelings of the island's business community about a farmers market that would compete for their business in some areas. The Administrator indicated that the City could create tensions with Mount Pleasant in that the island's market would potentially be taking business away from their farmers market. The Administrator suggested that a core

group of energetic citizens be selected to research answers to the many questions that had come from today's discussion and to report back to the City.

Mayor Cronin suggested that first the City talk with the Postal Service regarding use of their parking lot and second appoint a citizens' committee, to include Diane Oltorik, to gather the facts and make some initial decision regarding an Isle of Palms farmers market.

Bill Schupp noted that Goose Creek had started a farmers market that had not succeeded; they might have some valuable insights to share as the City considers embarking on a like project.

Administrator Tucker suggested that the subject of an island farmers market be presented to City Council for discussion at the next meeting before approaching any citizens about serving on a committee. The Administrator pointed out that a decision about using the post office's lot could not be made solely by the postal service; a final decision would come from the property owner, The Beach Company. The Administrator also questioned approaching the post office or The Beach Company before getting the full support of Council to proceed.

## **8. Miscellaneous Business**

Chair Loftus recalled that Councilmember Stone had requested information on the success of the City's parking lots, and Bill Schupp, lessee of the City's lots, was asked to attend the meeting to provide the data.

Administrator Tucker noted that Councilmember Stone had asked about the revenue generated by the parking lots; she reported that, at the June 30, 2010 year end, the parking lots had generated ninety-five thousand two hundred seventy-nine thousand dollars (\$95,279) which is nearly sixteen thousand dollars (\$16,000) more than was anticipated. In addition, the Administrator noted that FY10's revenue was close to the FY08 revenue number of one hundred seven thousand two hundred eighty-one dollars (\$107,281), which is significant because there were more spaces in FY08 than today.

One concern for Councilmember Stone relates to the work being done by the Planning Commission to generate a parking plan for the island; he asked Mr. Schupp how often the lots were full, forcing guests to be turned away, and whether the resulting closings tended to occur at certain hours of operation. Mr. Schupp responded that the lots had been closed fewer times in 2010 than in 2009, and closings primarily occur on holiday weekends and, probably, ten to twelve (10-12) times over the season. If the lots are going to fill to capacity, it typically happens between the hours of 11:30 a.m. and 2 p.m. Mr. Schupp explained that the lots never really close, but, as one (1) vehicle leaves, another enters. Mr. Schupp added that the level of parking also depends on the tides; when the tide is high early in the morning, the lots are full; once the tide comes in and begins to shrink the beach, people begin to leave. In Mr. Schupp's opinion, Palm Boulevard took away a lot of business from the City parking lots; he stated that the volume of cars was down from 2009.

Chair Loftus remarked that the Planning Commission was investigating an island-wide sticker system for parking; he expressed his opinion that this system would drive day-trippers to the City lots.

Mr. Schupp described situations when visitors get to the island and see traffic backed up at the County Park, they tend to turn left and park along Palm Boulevard. He suggested that signage, as visitors approach the Palm Boulevard and 14<sup>th</sup> Avenue intersection, directing people to the City lots via a right turn onto Palm, might eliminate some of the parking on Palm Boulevard between 21<sup>st</sup> and 41<sup>st</sup> Avenues.

Based on the volume of garbage, the beach was crowded all the way to Dewees Inlet according to Mr. Schupp, who also contracts with the City to collect garbage off the beach.

Responding to Councilmember Stone's question about parking patterns, Mr. Schupp stated that visitors are parking in the post office's parking lot on Saturdays and Sundays to avoid paying to park. Mr. Schupp has also noticed that the volume of parking along Palm Boulevard has increased significantly and along the avenues, as well. Mr. Schupp commented that the City lots have one (1) significant advantage over the County lot, and that is the fact the City lots are open twenty-four (24) hours a day, seven (7) days a week.

Administrator Tucker made the following comments relative to the parking discussion:

- Mr. Schupp should pay close attention to the parking plan as it unfolds, because the outcome could have some kind of impact on the City parking lots;
- Mr. Schupp was asked to indicate on a City map the placement of signage directing visitors to the public lots; and
- Mr. Schupp should submit a formal request to the City to extend the parking lot leases to run concurrently with the trash removal contract.

**Next Meeting: 8:30 a.m., Thursday, November 11, 2010.**

**9. Executive Session – not needed**

**10. Adjourn**

**MOTION: Mayor Cronin moved to adjourn at 10 a.m.; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland

City Clerk