

**REAL PROPERTY COMMITTEE**  
1:00 p.m., Wednesday, March 10, 2010

The Real Property Committee held its regular meeting at 1:00 p.m., Wednesday, March 10, 2010 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmember Stone, Mayor Cronin and Chair Loftus, City Administrator Tucker, Carla Pope and Jay Clarke of Morgan Creek Grill, Chase Fields for the IOP Marina and City Clerk Copeland.

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 February 4, 2010 as submitted; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.**

3. **Citizens' Comments**

Dan Harvey, 106 Grand Pavilion, thanked the Committee for its support for the sand fencing that will be placed over the weekend from 57<sup>th</sup> to Beachwood East.

Diane Oltorik, 15 Ocean Park Court and a member of the Planning Commission, had requested to be on the meeting Agenda to discuss Front Beach parking. Ms. Oltorik reported that the Planning Commission was addressing parking management, and she expressed the opinion that a recommendation would come from the Commission to limit parking along Palm Boulevard. To accomplish this goal, she stated that parking in the City's lots needed to be maximized. She referenced the April 2008 Beach Management Plan that states there are three hundred twenty (320) parking spaces in the large parking lot; through her own measurements, Mrs. Oltorik calculated three hundred eighty-three (383) parking spaces in that lot.

Referring to an email she had sent to Chair Loftus, she commented on the questions included there for which she was seeking answers at this meeting. They are as follows:

“1) In the primary City lot, there are numerous “items” along the back L-shaped fence, including many trailers, pipes, a backhoe truck, a dumpster and a large dump truck that appears to hold mulch, as well as a couple dozen trash cans. So I am wondering if these items will be stored elsewhere in our busy months, so that an additional couple dozen spaces or so would open up.”

Administrator Tucker indicated that Bill Schupp, who leases the City parking lots, and Public works Director Pitts were present to respond to her inquiries. Mr. Schupp reported that the backhoe, truck and trailers have been moved, and the area has been cleared. The third trailer belongs to a private citizen, and he will either reclaim it or it will be disposed of clearing the way for vehicle parking. The cement pad is used to support trash dumpsters. The majority of the yellow barrels will be placed on the beach, but a single row along the fence will remain until needed. Mr. Schupp explained that the gate in the Water Commission fence must be unobstructed, but cleaning out this area will provide ten to twelve (10-12) parking spaces.

"2) Also, in the front of this lot is the recycling station, another dumpster, and a stack of wheel stops. Is there another location for these items?"

Mr. Schupp stated that the wheel stops will be placed in the center area of the smaller parking lot behind the Public Safety Building.

"3) The new lot behind the Public Safety Building is an "L" shape, with the back area being much wider than the front. But there are only wheel stops along the 3 sides of the perimeter of this area, leaving a very wide, open center area unused. Is it possible to reconfigure this parking scheme (maybe perpendicularly to the front area) in order to add additional spaces?"

Mr. Schupp repeated that the extra wheel stops will be placed in that center area adding fifteen to twenty (15-20) parking spaces.

"4) As to question #3, who has the lease for managing this parking area and what are the responsibilities assigned to the lessee?"

Mr. Schupp confirmed that he is the lessee; he added that, from 8 a.m. until 6 p.m., the lots are under his jurisdiction, but that, from 6 p.m. until 8 a.m., the lots are under the Police Department's jurisdiction.

Mr. Schupp indicated that, on a busy weekend, he gets as many as four hundred (400) vehicles in the large parking lot, and there are one hundred fifteen (115) spaces in the small lot.

"5) One of our PC members, Bev Ballow, has asked me to inquire as to what the terms of Mr. Schupp's contract are and when his lease is up for renewal."

Chair Loftus said he would forward the lease to her later today. Mr. Schupp stated that the parking lot lease will expire in three (3) years and that the lots will be opened for the season on Monday, March 15, and would remain open through September.

Mrs. Oltorik stated that she had been trying to arrange a meeting between the Chairman of Beachside, the Zoning Administrator and Charleston County Parks and Recreation to discuss increasing parking at the County Park. Mayor Cronin recalled that there were some restrictions imposed by Beachside about the parking at the County; Administrator Tucker suggested that Mrs. Oltorik contact Davie Bowie of Parks and Recreation who is involved with and knowledgeable of the Isle of Palms park.

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

Chase Fields represented the Marina management because Mr. Berrigan was ill. He reported that they have been busy readying the marina for the coming season with landscaping and lining the parking lot, as well as working on the kayak hut to determine its best and most profitable use. He stated that he has been obtaining copies of business licenses for the businesses that operate out of the marina. He informed the Committee that business is still slow at the marina; there have been only two (2) fishing charters in four (4) months.

**MOTION: Mayor Cronin moved to reorder the Agenda to discuss item 7.C at this point in the meeting; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.**

**7. New Business**

**C. Consideration of Agreement to Offer Low-Speed Vehicle Rentals at Marina**

Mark Fiem of Tidal Wave Water Sports explained that he and his brother, Michael, were investigating the possibility of renting low-speed vehicles from the marina because of the parking and traffic issues on the island and the general push to be eco-friendly; he was present to determine if the Committee would entertain amending their lease to include this additional business before investing more time. He has learned that rental golf carts are not allowed in Wild Dunes.

Mayor Cronin informed Mr. Fiem that, in order to operate a rental business from the Marina, a zoning variance would be required.

In response to Chair Loftus' question about the size fleet they would have, Mr. Fiem said they were considering ten (10) vehicles that they would house in Mount Pleasant. The vehicles would be transported to the island as rentals were requested.

Mayor Cronin was relatively certain that Wild Dunes does not allow golf cart rental, but low speed vehicles are entirely different. He stated that the reason that rental golf carts are not allowed in Wild Dunes is because there is not proof of insurance and no indication that the driver is a licensed. On the other hand, low speed vehicles are registered by the state like automobiles. In order to operate this type business, the business operator would be required to have the appropriate insurances and the renters would be required to show proof of liability insurance.

Mr. Fiem stated that he and his brother would compile a business plan and present it to the City Administrator Tucker stated that all legalities should be covered in the business plan.

Chair Loftus allowed Hal Martins to speak on the low-speed vehicles issue; Mr. Martins stated that he had been renting low speed vehicles for about a year. He asked whether re-zoning might be granted elsewhere if it were allowed at the marina.

Mayor Cronin responded that a re-zoning would be through a Special Exception granted by the Board of Zoning Appeals and would be only allowed in the Commercial District. Administrator Tucker suggested that Mr. Martins contact Director Kerr with his questions.

**MOTION: Councilmember Stone moved to reorder the Agenda to discuss Item 7.B at this time; Mayor Cronin seconded and the motion PASSED UNANIMOUSLY.**

## **B. National Marina Day**

Mr. Fields stated that Mr. Berrigan, Carla Pope of Morgan Creek Grill and other tenants at the marina were discussing an event for the marina, but were not focusing on National Marina Day, June 12, but something more specific to the island and probably before June 12.

Mr. Fiem explained that the idea behind National Marina Day was to promote the environment, how boaters can be environmental friends and to make boaters aware of the eco-systems around marinas and how they affect it. It was intended to be an informational day for boaters.

## **5. Morgan Creek Grill Report – Carla Pope**

Ms. Pope informed the Administrator and the Committee that the amendment to the lease would be executed and returned to the City by the end of the week. She thanked the Committee for their efforts on behalf of the restaurant in negotiating the lease amendment, and she expressed the opinion that it would be beneficial for Morgan Creek Grill and for everyone in the long run. Ms. Pope recounted that, beginning in July 2009, the restaurant had started to trend upward, and, except for December, the trend continues; therefore, she expressed optimism about the coming season for the restaurant and the marina as a whole. She commented that discussions were ongoing about National Marina Day and that there would be more information at a coming meeting.

Ms. Pope reported that the parking lot was in very bad condition and that Mr. Berrigan was getting estimates to have it re-surfaced, at least the graveled portion. She invited the Committee members to come to the marina to meet with her or Mr. Clarke for a tour of the site.

Councilmember Stone asked about the status of a parking plan or overall marina plan. Administrator Tucker responded that a group of Citadel cadets had taken as a project developing an informal parking plan for the marina; they made an initial report in May 2009, but had not presented a final report. A complete marina enhancement has been postponed due to the City's financial constraints and other marina issues that took priority, such as the bulkhead replacement and dredging.

In addition to the parking lot, Ms. Pope expressed concerns over the lighting in the parking lot, particularly the remote area where employees park. She reported that the light at the entrance sign does not work.

On the subject of the lease amendment, Ms. Pope stated that she and Mr. Clarke were very pleased to be able to utilize the dock for possible charters, and she noted that Mr. Clarke was looking into ways to make it more user friendly for both smaller boats and the larger charter boats. Mr. Clarke added that he was investigating what was required to improve the fingers and move a piling or two (2); he stated that he would check with Director Kerr about permitting requirements.

Administrator Tucker said he would need permission from both the Corps of Engineers and OCRM.

## **6. Old Business**

### **A. Update on Beach Restoration**

As Mr. Harvey mentioned at the beginning of the meeting, the poles and mesh needed for the sand fencing are on the ground and ready for installation as soon as the City gets the construction placard from OCRM tomorrow. Administrator Tucker stated that Coastal Science and Engineering is working on the proposal for additional survey work that would take place in March and September each year. Results of the compaction measurements indicate that a span of approximately five hundred feet (500 ft) of beach has become so compacted that it needs to be tilled; the sand has become so tightly compacted that the turtles cannot dig their nests. On the subject of the focused erosion, the Administrator reported that she is generating the letter to the stakeholders explaining the present situation and asking their approval to use existing funds to move forward with the project. She stated that the original agreement did not provide for such a request of the stakeholders; therefore, an amendment to the original agreement had to be drafted.

Bill Casey, 811 Palm Boulevard, asked who the stakeholders were and what were their responsibilities; the stakeholders are the Wild Dunes Community Association, the property owners of Summer Dunes Lane and others the Administrator could not recall from memory. The responsibility of those stakeholders is to provide funding for the project, and the City holds the funds in escrow for purposes of the beach restoration project. Mr. Casey asked if the taxpayers of the Isle of Palms were among those stakeholders; Administrator Tucker assured him that remaining funds were all private.

### **B. Update on Morgan Creek Grill Lease Amendment**

Administrator Tucker noted that Ms. Pope had given her a letter earlier in the meeting stating that the amended lease would be executed and delivered to City Hall by the end of the week.

## **7. New Business**

### **A. Review of Operating Budgets for FY 2010-2011**

Administrator Tucker noted that this would not be the last opportunity the Committee would have to see and act on these budgets; she stated that she would be discussing the bolded figures which represent increases from the prior year's budget.

#### Marina Fund Revenue

Marina operations lease income	\$172,000
Annual base rent of \$150,000 plus approximately \$22,000 in additional rent.	

The Administrator explained that the restaurant lease income reduction was based on the suspension of the additional rents provision until 2013 as a result of the lease amendment.

The next section of revenues reflect transfers in and out from other funds; when the City purchased the marina then refinanced that debt, some of that is paid from other funds that are transferred in and treated as revenue for the marina. All are planned payments and related to bond indebtedness payments.

Transfers in for debt service – Hosp Tax \$181,959  
FY11 amount = 1/3 of total Marina debt service.

Councilmember Stone asked whether these payments reflected money borrowed for the bulkhead replacement; Administrator Tucker replied that this was total marina debt in aggregate.

Transfer in from Hosp Tax for dredging 50,000  
Transfer in from State ATAX for dredging 50,000  
These expenses were approved for the present budget year, but no progress has been made, so these 2 lines represent re-budgeting. The Administrator reported that the Morgan Creek Association has requested a meeting.

#### General and Administrative

Debt service interest \$165,876  
Interest is going down as the debt is reduced; both the Marina and bulkhead GO bonds.

Chair Loftus questioned the need for ten thousand dollars (\$10,000) as contingency for maintenance and service contracts. The Administrator stated that this figure was a place holder for items that come up that do not fall under anyone's contract for repair or replacement.

The Chair also wanted to know what kind of advertising was being placed for the marina; Administrator Tucker stated that the City placed ads in "Marina Guide" and "Waterway Guide." He asked whether there was any advertising for the Marina on the internet; Mr. Berrigan stated that he was considering replacing "Marina Guide" with Marinas.com

#### Marina Store

#### Marina Operations

#### Marina Restaurant

#### Marina Waverunner Operations

These budgets show little change other than removal of items that are the tenant's responsibility.

#### Front Beach Area

Some of these items were seen previously on the Capital Budgets because they were "big ticket" items, but are actually operating budget items. These expenses are paid through Municipal Accommodations Fees.

Front Beach electricity & gas	\$5,000
Based on 12 months' actual plus 5% SCE&G rate increase.	
Front Beach telephone and cable	1,500
Service to ER call boxes.	
Front Beach water and sewer	8,400
Based on 12 months' actual.	
Front Beach maintenance and service contracts	74,380
Includes replacement lighting project (partially offset by grant) meter maintenance, sidewalk repairs and parking lot maintenance are routine annual expenditures.	
Front Beach machinery and equipment repair	3,000
Increase based on actual.	
Front Beach street signs	15,000
Previously discussed with Capital Budget; includes both poles and signs.	

Chair Loftus stated that he had gone to Front Beach to look at the signs earlier in the day and did not feel this expenditure was warranted. He suggested that this line be removed, and Mayor Cronin agreed.

Front Beach Insurance	1,462
Includes 5% increase from carrier.	
Front Beach Capital Outlay	29,500
Also moved from Capital Budget. \$3,500 to replace worn benches, trash receptacles; \$18,500 to replace parking ticket devices; \$7,500 for public art.	

Referencing a tight economy, Chair Loftus stated that he could not support the expenditure of seventy-five hundred dollars (\$7,500) for public art. The Administrator noted that the item was here under Municipal Accommodations Fee, but, when originally discussed, it was to be paid from "Aisle of Palm" funds that have restrictions on how they can be used. Mayor Cronin agreed and stated that the funds have not been used for five (5) years. Chair Loftus asked if those funds could also pay for the benches and trash receptacles; Administrator Tucker said they could. The Committee decision was to remove the public art, benches and trash receptacles from this budget and place under the "Aisle of Palms" fund.

#### Public Restrooms/Front Beach Area Maintenance

Maintenance and service contacts	\$7,500
Increase based on actual.	
Insurance	2,229
Includes 5% increase from carrier.	

These expenditures are paid from the State Accommodations Taxes Fund.

Administrator Tucker reported that the City has consistently received complaints from one of the City's neighbors on Front Beach about the water runoff from the public showers; the City has received an estimate to correct the problem in the amount of twenty-five hundred dollars (\$2,500). She said that the neighbor has said the runoff has damaged their property; they have just renovated and do not want the damage to continue. She asked that the Committee advise her on how they want to handle the matter.

Mayor Cronin stated that the City's activities should not affect its neighbors adversely, so the problem should be fixed. According to the Administrator, correcting the problem involves removing the existing slab and replacing it with a new slab at a new slope so that the water runoff will be re-directed.

**MOTION: Mayor Cronin moved to approve the budget with changes to the Ways and Means Committee; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.**

**D. Consideration of Award of Contracts in Excess of \$10,000 - None**

## **8. Miscellaneous Business**

### **Marina Rents Report**

Administrator Tucker gave the following marina rents report:

- Barrier Island LLC – Additional rent past due, late rent payments and late fees unpaid;
- Marina Outpost – Late fee due on prior payments in a very small amount;
- Schupp Enterprises – waiting on paperwork (Mr. Schupp indicated he had it with him);
- Tidal Wave Water Sports – waiting on data for additional rents for 2009; and
- Marina Joint Ventures – paid in full.

**Next Meeting Date: 8:30 a.m., Friday, April 9, 2010**

Bill Casey, 811 Palm Boulevard, asked Chair Loftus to explain the City's plan for its real estate holdings, particularly the lots behind the Public Works' area and the land on which the Building Department is located. Chair Loftus responded that the plan for the Building Department was to demolish the building and turn the property into a parking lot, but he was unaware of any master plan for the two (2) lots adjoining the Public Works location.

Since Mayor Cronin has been involved with the City's government for a long period of time, Mr. Casey posed the same question to him. The Mayor commented that parking is a major problem on the island and noted that the City had recently taken title from DOT to the property at the end of Carolina and Palm Boulevard where he hopes parking will be made available. Mayor Cronin then shared his personal dream for the properties behind Public Works – that at some time in the future the City could acquire the other two (2) lots on the road, one of which is for sale now, but the City does not have the funds to buy it. He stated that he had spent the previous afternoon at Charleston County in an effort to obtain Green Belt funds to buy the lot to create a community park environment with water access. In addition, having this property would provide an access to the IntraCoastal Waterway in the middle of the island for public safety that Chief Graham believes to be very important.



**9. Executive Session**

**MOTION: Mayor Cronin moved to go into Executive Session at 2:42 p.m.; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.**

The Committee returned to regular session at 2:48 p.m.; Chair Loftus announced that no action and no votes had been taken in Executive Session.

Before adjourning, Chair Loftus asked whether there was general agreement among the Committee members not to accept comments and or questions from the audience after the time for Citizens' Comments has passed. Administrator Tucker suggested that a statement be made at the beginning of the next meeting that there could be dialogue during a meeting with tenants of the marina, the parking lots lessee or department managers, but the time for public input was only at the beginning of the meeting. She indicated that such dialogue with these persons could confuse other members of the audience about their ability to speak during the meeting. The members of the Committee were in total agreement.

**10. Adjourn**

**MOTION: Mayor Cronin moved to adjourn the meeting at 2:50 p.m.; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted;

Marie Copeland  
City Clerk