

**REAL PROPERTY COMMITTEE**  
8:30 a.m., Wednesday, November 2, 2011

The regular meeting of the Real Property Committee was held at 8:30 a.m. on Wednesday, November 2, 2011 in the Conference Room of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmember Stone, Mayor Cronin, Chair Loftus, City Administrator Tucker and City Clerk Copeland; invited guests attending were Jack Walker of GEL Engineering and Dr. Tim Kana and Steven Traynum of Coastal Science and Engineering. A quorum was 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 October 12, 2011 as submitted; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.**

3. **Citizens' Comments** – None

4. **Comments from City Tenants** – None

5. **Old Business**

**A. Update on Beach Restoration**

1. **Consideration of Sole Source Proposal from CSE for 2012-2014 Beach Condition Monitoring in the Amount of \$160,702**
2. **Consideration of Sole Source Proposal from CSE for Coastal Engineering, Design and Construction Administration for a Shoal Management Project in the Amount of \$277,757**

Administrator Tucker recounted that, as discussed at the previous meeting, one (1) area of the beach has met the trigger described in the permit to require action; the Committee charged staff with authorizing Coastal Science and Engineering (CSE) with generating a design to allow the City to proceed with a renourishment project as soon as the City receives the permit from the Corps of Engineers.

Included on the meeting's agenda are two (2) items related to the beach; one (1) is for ongoing monitoring of the island's beach in the amount of one hundred sixty thousand seven hundred two dollars (\$160,702), and the second is for the design of the project in the amount of two hundred seventy-seven thousand seven hundred fifty-seven dollars (\$277,757). Both proposals are sole source. Administrator Tucker explained that one (1) of the two (2) contains an element that is a "fail safe" because the content of the Corps permit is unknown at this time. This inclusion will eliminate the need to come back to the Committee to modify the proposal should the Corps permit contains all of the monitoring activities that they requested. Mr. Traynum reported that he has learned that there is a real possibility that the biological monitoring will not be required, which means that the cost will be reduced by the amount of the biological monitoring on the shoal management project.

Mr. Traynum explained that, if the 2012-2014 monitoring proposal is approved by the City, Task 9, in the amount of seventeen thousand two hundred fifty-nine dollars (\$17,259), in the shoal management project proposal would be eliminated since the monitoring proposal covers the entirety of the island's beach.

Responding to Councilmember Stone's query, Mayor Cronin stated that the existing monitoring contract with CSE expires with the City's receipt of the July 2011 monitoring report. Mr. Traynum added that all aspects of beach monitoring required by the 2008 permit have been met.

Mayor Cronin confirmed that the monitoring proposal is for the continuing monitoring of the entire island's beach front and that the proposal is a three (3) year commitment for one (1) monitoring per year. The Mayor asked Mr. Traynum when the monitoring would take place and was told that it would take place in the summer.

The Mayor voiced conflicting feelings about the timing of an annual monitoring. He explained that, if the monitoring is in July before hurricane season, there is good data before a storm event to present to FEMA for assistance with beach renourishment. On the other hand, the island experiences what he described as near-misses that damage the beach, but the extent is not determined for nearly a year.

Dr. Kana commented that, in the end, what is most important is to know how much sand is on the beach before the storm – whether it is two (2) months or six (6) months before – that will establish “the underlying condition, the overall health of the beach.” The post-project survey in 2008 established the condition of the beach and established the July timeframe for future monitoring.

Administrator Tucker indicated that fifty thousand dollars (\$50,000) was earmarked in the FY12 operating budget for ongoing beach monitoring, and the original project budget specified seven hundred thousand dollars (\$700,000) for post-project monitoring, a large part of which has been spent. The Administrator stated that the City can accommodate the three (3) years' monitoring proposal in the budget process.

**MOTION: Mayor Cronin moved to approve the proposal from CSE as submitted as a sole source for beach monitoring for 2012-2014 in the amount of \$160,702; Councilmember Stone seconded.**

Administrator Tucker voiced concern about the level of expense being discussed versus the available money and was nervous that sufficient funds would be available once the bids are received to execute with the project.

Chair Loftus asked for an explanation of the different annual costs figures on page 8 of the monitoring proposal; Mr. Traynum explained that, in 2011, CSE did a vertical aerial over-flight of the island which allows for geo-referencing the image to pick out longitude and latitude and that provides a good method of data analysis. This type of imagery increases the cost by approximately ten thousand dollars (20,000) and would be repeated in 2013; therefore, the difference in costs between the years.

Administrator Tucker re-stated her understanding of the Mayor's comments that this monitoring proposal is to be considered an ongoing activity of the City rather than any portion of it being tied to the 2008 project; therefore, the 2012-2014 monitoring proposal would be a separate project worksheet with the identified source of money being the City's money set aside for beach restoration. The shoal management project would remain in the existing beach restoration project worksheet.

Mayor Cronin explained his opinion that, if the City never does another beach restoration project, the City needs to continue to monitor the condition of the beach from Breach Inlet to Dewees and needs to budget accordingly.

Chair Loftus commented that the source of funds for monitoring should be tourism funds, and the Administrator confirmed that State ATAX has been the source.

**VOTE: The motion PASSED UNANIMOUSLY.**

On the subject of the shoal management project, Mayor Cronin repeated his understanding that, when looking at the task descriptions on page 15 of the proposal, the environmental monitoring contingency, Task 10, may be eliminated as a requirement when the Corps issues the permit and that the post-project survey and summary, Task 9, are included in the proposal just approved. Mr. Traynum and Dr. Kana agreed that the Mayor was correct, and Dr. Kana added that the costs are on a time and expense basis and are "not to exceed" amounts. Removing these two (2) tasks mean a project cost of one hundred nineteen thousand two hundred ninety-eight dollars (\$119,298).

The Mayor inquired whether CSE would have a person on-site in the execution phase of the project; Mr. Traynum responded that, included in the costs, are several trips for him to the island, but a person to count the trucks would also be needed. CSE recommended hiring a local person, and a cost factor of twenty-five dollars (\$25) per hour, including overhead, was part of the project budget. The project is expected to take forty-five (45) days to complete.

Dr. Kana explained that the task of knowing how much sand is moved in this project will be more difficult than in the off-shore dredging done in 2008. He explained that CSE has found it most cost effective to count the number of trucks by an observer; the observer counts the number of truckloads, and CSE periodically surveys sections of the beach, but not at the level done in 2008. At the end of the project, CSE will perform a condition survey that will tell exactly how much sand was actually moved.

Mayor Cronin asked whether the truckers were paid by the number of truckloads or by the volume of sand, and Dr. Kana answered that it can be priced per truckload, which is the easiest way, or it can be an equipment rental taking the chance that the contractor will work through the weather and work efficiently. Dr. Kana added that the more controls placed to ensure that a specific quantity of sand is moved from point A to point B, the higher the unit price will be.

According to Dr. Kana, if the project were to be done on an equipment rental basis, CSE would set a cap for how much time the contractor has to move the sand; once the time has lapsed, the contractor quits and the movement of sand onto the beach is completed. If the City wanted to

guarantee a specific quantity of sand is moved to the beach, the unit price will likely be higher, as will the surveying costs to confirm the volume. Dr. Kana explained that the thresholds that CSE must go by for the borrow area limit excavation further landward than four hundred (400) feet; he continued that, if the material is depleted, the contractor will be out of work for several months until more sand is deposited. Mr. Traynum noted that a pre-construction survey to determine, as close as possible, the volume of sand available to be moved is a part of the proposal.

**MOTION: Mayor Cronin moved to proceed with a sole source award to CSE for the engineering, design and construction administration of the shoal management project in an amount not to exceed \$260,499, which includes a contingency of \$141,201 for environmental monitoring; Councilmember Stone seconded.**

Assuming the proposal is approved by the Ways and Means Committee and City Council and the Corps of Engineers issues the permit, Administrator Tucker asked how soon the project would begin. Mr. Traynum repeated that CSE would need to perform the pre-construction survey and to complete the bid specifications and package. Mayor Cronin interjected that the City wanted the bid package sent only to qualified bidders, but the City had no way to qualify them and would be counting on CSE to do that. Dr. Kana indicated that CSE would hold a mandatory pre-bid meeting and ask for *bona fide* references. Mr. Traynum remarked that the construction phase should take only forty-five (45) days, and the project must be completed by April 30, 2012; he anticipates construction in February.

Administrator Tucker reminded Mr. Traynum and Dr. Kana that CSE has models of the City's contracts and specifications that have already been through legal review; she asked that they use those models to eliminate the need the City to incur the expense for a second legal review.

Chair Loftus noted that the island frequently endures severe weather in January that inflicts a beating on the beach; he suggested that construction begin in February or March. Councilmember Stone indicated that March can be a high occupancy month for the island, and the Mayor added that Easter is on April 8.

**VOTE: The motion PASSED UNANIMOUSLY.**

#### **B. Update on Dredging**

Administrator Tucker reported that significant progress has been made on the dredging project since the October meeting. The Administrator re-stated the issues that have impacted the project budget as (1) taking the spoil to a different, more distant site, (2) dredging to a depth of twelve (12) feet, (3) expanding the scope of the project into the IntraCoastal Waterway and (4) acting independent of other stakeholders. A project budget was developed and distributed at the previous meeting, and, as the Administrator pointed out, the City does not have adequate sources of money identified in the FY12 Operating Budget to cover the identified expenses. The task before the Committee is to identify the source of funds to cover the overage of approximately three hundred forty thousand dollars (\$340,000); the staff is recommending funding the overage from the Unreserved Marina Fund which, at June 30, 2011, had a balance exceeding one million dollars (\$1,000,000).

After Administrator Tucker reviewed Unreserved Marina Fund year-end balances for the past several years, Chair Loftus noted that the fund could be replenished to its current level in three to four (3-4) years. The Administrator reminded the Committee that the budget was composed of estimates until the project is bid, but a source of money needed to be identified.

Mayor Cronin recounted that the total budget is approximately six hundred forty thousand dollars (\$640,000); of the total, the FY12 budget has earmarked three hundred thousand dollars (\$300,000), and the balance could come from the Unreserved Marina Fund.

**MOTION: Mayor Cronin moved to increase the dredging project budget to \$646,165 and the additional funds, not in the FY12 budget come from the Unreserved Marina Fund; Chair Loftus seconded and the motion PASSED UNANIMOUSLY.**

Administrator Tucker reported that the construction documents are posted on the City's website for bidders, GEL is pre-qualifying bidders, and ad was in Sunday's *Post and Courier*. The bid opening is scheduled for November 28; therefore, this Committee set a special meeting to review the bids and award the contract at 8:30 a.m. on Friday, December 2, 2011.

On the topic of the bids, Mr. Walker reported that he has had requests for seven (7) packages; three (3) bidders had been pre-qualified.

### **C. Update on 1301 Palm Boulevard**

The Administrator reported that the fiber optics have been moved, but the electrical work remains to be done before the building can be demolished. Although the demolition has not been bid, the City does have the necessary permits.

#### **6. New Business**

**Consideration of Award of Contracts in Excess of \$10,000 – None**

#### **7. Miscellaneous Business**

Administrator Tucker reported that all City tenants are current with the rental payments.

**Next Meeting Date: 8:30 a.m., Friday, January 6, 2012**

#### **8. Executive Session – not necessary**

#### **9. Adjourn**

**MOTION: Councilmember Stone moved to adjourn the meeting at 9:37 a.m.; Mayor Cronin seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:  
Marie Copeland, City Clerk