

REAL PROPERTY COMMITTEE
8:30 a.m., Thursday, September 8, 2011

The regular meeting of the Real Property Committee was held at 8:30 a.m. on Thursday, September 08, 2011 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmember Stone, Mayor Cronin, Chair Loftus, Administrator Tucker, Assistant to the Administrator Dziuban and City Clerk Copeland, as well as Jack Walker from GEL 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 July 8, 2011 as submitted; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments** – None

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

Chair Loftus inquired about the status of rents due from City tenants and was told that all tenants are current; the City is currently waiting on year-end financial information from Tidal Wave and Morgan Creek Grill.

5. Old Business

A. Update on Beach Restoration

Assistant Dziuban reported that the island had sustained some erosion as a result of Hurricane Irene, but the damage had not been as severe as anticipated. Coastal Science and Engineering (CSE) did come and perform a post-incident survey that they recorded.

In addition, the Assistant reported that the City has received the permit from DHEC, but still awaits a Corps of Engineers permit. The permit does not include any of the extreme special conditions that were brought up in the public comments, for instance, the permit contains language that asks the City to make efforts to "minimize lighting" on the beach, but does not require a lighting survey or study; as a result, the extra expense for permit conditions, in CSE's opinion, should be approximately five thousand dollars (\$5,000). The permit does allow for work to be done in turtle hatching season, not nesting season, as long as special care is taken not to disturb the turtles.

Both Chris Jones, the City's coastal engineer, and CSE have studied the permit and are comfortable with the City's signing and returning the permit. Dates of importance for the permit are the date on which the appeals period ends, September 14, and the date by which the permit must be signed and returned September 30, 2011.

MOTION: Mayor Cronin moved to approve the permit as submitted; Councilmember Stone seconded, and the motion PASSED UNANIMOUSLY.

Assistant Dziuban continued that, once signed, a copy will be sent to the Corps of Engineers who will then initiate work of their permit.

Mayor Cronin expressed concern that the Corps of Engineers will carry some kind of unusual or unexpected stipulation that will present a problem for the City and impede proceeding with the project.

The Mayor added that Hurricane Irene had damaged golf course at Ocean Club; Lowe Wild Dunes Investors have sought and been granted an emergency permit to truck in sand. He suspects that the work should have started on Tuesday or Wednesday of this week

B. Update on Dredging

1. Consideration of No Cost Change in Scope for Critical Line Verification

Assistant Dziuban noted that three (3) developments have come about related to dredging since the last meeting. The City has received the Consent Agreement for use of the disposal site, and the issue of fees for use of that site has been settled. The fees will entail a check to Charleston County Public Works for mosquito abatement; OCRM needs mosquito abatement at all of its disposal sites.

Councilmember Stone queried that the mosquito abatement would be for disposal sites that are closer to urban areas as opposed to the marshes behind Isle of Palms; Assistant Dziuban agreed that the abatement would not necessarily occur at the City's disposal site.

Chair Loftus questioned the cost of this in-kind service and was told that the cost would be one and a half dollars (\$1.50) per cubic yard of material, which is estimated to be twenty-two thousand cubic yards, for a total of thirty-three thousand dollars (\$33,000).

The 2003 dredging permit only permitted dredging in Morgan Creek, not turning into the Intra-coastal Waterway, but this project needs to enter the IntraCoastal Waterway. The modification request to enter the Waterway has been officially submitted along with a request to increase the depth to twelve feet (12 ft.). No dredging has been done in the Waterway for some time; therefore, the agencies are requiring certain testing, among them is a critical line verification, which GEL says can be done with a change in scope of their original proposal. Mr. Walker has indicated that something in the original proposal has been deemed unnecessary and can be eliminated making this change in scope a no-cost change; Assistant Dziuban added that this change has been authorized by staff and completed in order to keep the project on time.

MOTION: Councilmember Stone moved to approve the no-cost change in scope to the GEL contract; Mayor Cronin seconded

In response to Chair Loftus request for clarification of the critical line verification, Mr. Walker explained that it is identifying and getting verification from OCRM that where South Carolina regulatory authority stops. Mr. Walker added that the critical line is typically where vegetation changes.

Vote: The motion PASSED UNANIMOUSLY.

2. Consideration of Agreement with GEL for Sampling and Analysis Plan in the Amount of \$2,800

This item also relates to the fact that this dredging project will move into the Waterway, which has not been dredged in long period of time; therefore, the permitting agencies want to know what will be in the spoil materials. The agencies want to know if the spoil will be contaminated with any kind of chemicals, and the way to determine the answer is to sample the materials that will be dredged. The state does have an exemption to the sediment sampling which states that if eighty-five percent (85%) of the material is as large as, for example, a grain of sand, the agencies will feel confident that more sophisticated chemical testing is unnecessary because the larger grain size will not absorb the same kind of materials that the smaller, silt-like particles will. Therefore, the first step is to determine the size of the material to be dredged, which is a less expensive test; if the material is of sufficient size, no further testing is required. If the material is less than eighty-five percent (85%) of the large particles, then the City will be required to proceed with more expensive testing to determine what chemicals the smaller grains may have absorbed.

The first step in the process is for the Corps of Engineers to accept GEL's plan for performing the sampling; GEL's plan is to collect sufficient samples at one (1) time in hopes that the materials meet the criteria for the exemption, but obtaining enough material to do the further chemical testing if necessary. At this meeting, staff is seeking approval of the sampling and analysis plan to be sent to the Corps; the cost of the plan is twenty-eight hundred dollars (\$2,800). The grain collection and size testing, including the plan cost, will total approximately ten thousand dollars (\$10,000); should the sediment testing be required, the cost will be on the order of thirty-five thousand dollars (\$35,000) – again, this figure includes the initial ten thousand dollars (\$10,000).

Mr. Walker expressed the opinion that the City stands a good chance of having the samples meet the eight-five percent (85%) exemption; he based his opinion on a conversation with the dredger who performed the work on the previous project. Mr. Walker also opined that dredging to a depth of twelve feet (12 ft.) will save the City money in the long run because the City will get a longer life from this dredging project.

Assistant Dziuban asked Mr. Walker for a timeline for approval of the sampling plan; he responded that he would have the plan to the Corps within three to four (3-4) days from the time he receives approval from the City. The Corps has agreed to expedite processing of the plan; therefore, Mr. Walker thought plan approval would be received in the next thirty (30) days. Once the plan has been approved, GEL will submit a proposal for collections the samples for grain size analysis; the collection will take about a week. In sixty (60) days from giving approval of the sampling and analysis plan, the City should know whether the spoil material meets the exclusion criteria.

MOTION: Councilmember Stone moved to approve up to \$30,000 for GEL sampling and analysis plan, the initial sampling and subsequent testing, if required; Mayor Cronin seconded.

Administrator Tucker noted that the activity described in the motion will be a change order in the existing GEL contract.

VOTE: The motion PASSED UNANIMOUSLY.

Mayor Cronin voiced concern that the sampling would create problems in completing the dredging project in the allowable window. Mr. Walker commented that the sampling being discussed only affected the IntraCoastal Waterway and that work could proceed in Morgan Creek. Regarding how the project could be bid, the Administrator explained that the IntraCoastal Waterway portion of the dredging could be included as an alternate in the bid package.

Mr. Walker indicated that the bid package was nearly complete and GEL could provide some estimates on the cost of dredging; the hydrographic survey will provide information on the exact amount of material to be removed.

Administrator Tucker informed the Committee that staff would be meeting with Mr. Walker after this meeting to discuss the project budget.

Assistant Dziuban asked Treasurer Suggs to join the discussion to discuss the status of the finances for the project. The Assistant remarked that the FY11 Budget earmarked one hundred thousand dollars (\$100,000) for design, engineering and permitting; the FY12 Budget has allocated three hundred thousand dollars (\$300,000) for construction. In a quick review of a project budget, the known and anticipated expenses are approximately four hundred fifty thousand dollars (\$450,000), putting the project fifty thousand dollars (\$50,000) over budget. The Administrator pointed out that the number could be higher, because the budget is still being refined.

Administrator Tucker noted that the new expenses, like those in the motion just approved, could be marked to come from the Marina Fund when the motions for their approval are made. Staff anticipates having a more accurate project budget for the next meeting.

Responding to the Chair's question, Treasurer Suggs stated that the Marina Fund has approximately one million dollars (\$1,000,000). The one hundred thousand dollars (\$100,000) in the FY12 Budget came equally from State and Municipal Accommodations Taxes; the construction budgeted for in FY12 comes equally from State Accommodations Taxes, Hospitality Taxes and the Marina Fund. The Treasurer stated that, with a Marina Fund balance of one million dollars (\$1,000,000) and the accommodations taxes having paid a substantial amount of the costs, paying these additional fees from the Marina Fund was reasonable.

The Administrator suggested refining the previous motion to specify that the testing be paid from the Marina Fund when the motion moved forward to Ways and Means.

Amendment: Mayor Cronin moved to amend the previous motion for up to \$30,000 for the sampling plan and subsequent testing to be paid from the Marina Fund; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.

C. Update on 1301 Palm Boulevard

Assistant Dziuban informed the Committee that asbestos/hazardous materials testing has been contracted at fourteen hundred dollars (\$1,400), the lowest of three (3) competitive bids; Chief Graham will coordinate with the vendor to get the work done. Obtaining quotes for the boring and pulling of the wires for the computers and electronic gate remain the responsibility of the department managers; once accomplished, the Request for Bid (RFB) for demolition can be advertised.

6. New Business

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

7. Miscellaneous Business

Next Meeting Date: 8:30 a.m., Wednesday, October 12, 2011 in 2nd Floor Conference Room of City Hall.

8. Executive Session – not needed

9. Adjourn

MOTION: Mayor Cronin moved to adjourn the meeting at 9:04 a.m.; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk