

REAL PROPERTY COMMITTEE

8:30 a.m., Tuesday, October 13, 2009

The regular meeting of the Real Property Committee was held at 8:30 a.m. on Tuesday, October 13, 2009 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Committee members Rice and Taylor, Chairman Cronin, City Administrator Tucker, Assistant to the Administrator Dziuban, Jay Clarke and Carla Pope of Morgan Creek Grill and City Clerk Copeland.

1. Chairman Cronin called the meeting to order and acknowledged that the press and the public had been duly notified of the meeting in accordance with the Freedom of Information Act.

2. Approval of Previous Meeting's Minutes

MOTION: Councilwoman Rice moved to approve the minutes of the regular meeting of September 1, 2009 as submitted; Councilman Taylor seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments** – None

4. Marina Manager's Report – Brian Berrigan

Mr. Berrigan submitted an email about the past month at the marina that is attached to the historical record of the meeting. In the email, Mr. Berrigan stated that business has been down considerably and that September's business had been the worst under his management. While business has been slow, he indicated that a roof overhang for the dock fuel dispensers has been installed, a diesel fuel hose and internal computer for the diesel pump were replaced, the dock office has been renovated and a concrete enclosure for the oil recycling has been constructed.

5. Morgan Creek Grill Report – Carla Pope, Operations Manager

Ms. Pope reported that the restaurant had been the only Isle of Palms' restaurant that participated in the "Taste of Charleston" on Sunday, October 11. The cruises sponsored by the restaurant have been fairly successful, and there is only one (1) more scheduled for this year. Replacing the cruises will be Saturday afternoon oyster roasts with live music.

Members of the Committee remarked about the advertising the restaurant was doing, and Ms. Pope noted that she and Mr. Clarke had remained committed to advertising through the difficult economic times.

6. Old Business

Update on Beach Restoration Project

On the subject of sand fencing, Assistant Dziuban reported that the riparian property owners have been notified; the notification has been in the newspaper; the permit application has been executed by the City Administrator and sent to OCRM. Once the permit has been issued, the project will proceed.

Assistant Dziuban noted that Coastal Science and Engineering (CSE) has completed its most recent survey of the area and have submitted a brief summary indicating that the shoal has re-attached to the island. They also stated that there are signs of growth in the dunes before the installation of the sand fencing.

The final beach restoration update related to a communication from DNR stating that they have reviewed the most recent benthic sampling and that they are watching the progress very closely. DNR believes that a better gauge of the benthic organisms growth to pre-restoration levels in the borrow site will occur at the two (2) year mark. Although the City cannot control the benthic growth, the effect on the City would come in future restoration projects and the ability to use the same or a nearby borrow site. Additionally, US Fish and Wildlife has performed its own sampling using agency-approved methodology.

7. New Business

A. Discussion of Morgan Creek Grill Lease Re-negotiation

Jay Clarke, owner of Morgan Creek Grill, confirmed that the Committee members were in receipt of copies of a lease proposal for the restaurant; he indicated that there are several substantial changes included in the lease, one of which is an extension of the terms of the lease to allow him to project timing to continue improvements to the restaurant. He noted that the improvement plans follow his initial vision for Morgan Creek Grill to become an institution on the island. (Mr. Clarke complimented the City on the positive aesthetics achieved by the recent bulkhead replacement.) Parts of his plans are augmentation to the landscaping, installation of irrigation, etc. Ms. Pope explained that Mr. Clarke's reference to build out on the upper deck and on the grounds could increase the seating capacity from three hundred to three hundred fifty (300-350) presently to push the capacity to six hundred (600). Mr. Clarke stated that another important proposed change was to the additional rent percentage, which has been based on a break-even analysis done by the restaurant's accountant. New elements in the lease are the inclusion of the restaurant docks to eliminate any ambiguity and permission to put an excursion vessel at the dock. He commented that, in his opinion, a good lease would cover every problem that could arise in the future and lock in a resolution.

Councilman Taylor asked that Mr. Clarke prepare a summary of the changes in the lease he is proposing, as well as how he intended to achieve a seating capacity of six hundred (600); Mr. Clarke agreed to get such a document to Administrator Tucker by the end of the week.

Mr. Clarke confirmed to Councilman Taylor that he was willing to bear the cost of the improvements he described in exchange for an extended lease.

There were other issues related to the lease discussed in general, but actual lease negotiations will take place after the Committee members have the summary of changes. Administrator Tucker stated that she planned to involve the City's attorney once the parties involved have agreed on the components they are will to negotiate; Councilman Taylor was clear that he would prefer that the lease remain a triple net lease as it currently is. The Committee agreed to set a special meeting after the Administrator received the information from Mr. Clarke.

B. Tenant Rents

Administrator Tucker noted that Treasurer Suggs has been tied up getting the final information to the auditors by the end of October; therefore, the Administrator does not have the rent data, but will provide it at the Ways and Means meeting next week.

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

8. Miscellaneous Business

Administrator Tucker asked Mr. Clarke and Ms. Pope about the status of an accident earlier in the year when a restaurant patron fell in the parking lot; Ms. Pope reported that the accident claim has been closed out.

Next Meeting Date: 8:30 a.m., Friday, November 6, 2009

Administrator Tucker reported that the replacement of the swing span of the Ben Sawyer Bridge is scheduled to take place in November; when it does, not only will the bridge be closed, but also the IntraCoastal Waterway will also be closed to traffic. She suggested that the restaurant join with the marina to invite mariners to stay at the IOP Marina and dine at Morgan Creek Grill during that time. The Administrator noted that the Coast Guard is responsible for informing mariners when the Waterway will be closed, and she was certain the marina manager would be notified accordingly.

9. Executive Session, not needed

10. Adjourn

MOTION: Councilman Taylor moved to adjourn the meeting at 9:23 a.m.; Chairman Cronin seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk