

**REAL PROPERTY COMMITTEE
SPECIAL MEETING**

6:00 p.m., Tuesday, April 28, 2009

The Real Property Committee held a Special Meeting at 6:00 p.m., Tuesday, April 28, 2009 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Chairman Cronin and Councilwoman Rice, City Administrator Tucker, City Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland. Councilman Taylor's absence was excused

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. Discussion of Shack Location

At the Special Meeting of April 15, 2009, the Committee had requested that Chris Crolley of Coastal Expeditions consult with Director Kerr and Marina Manager Berrigan about the optimum location for the kayak shack, to prepare an operating plan for his business and to contact the appropriate state and federal agencies to determine if permitting would be required to launch kayaks behind the City docks. Mayor Cronin asked Mr. Crolley to come forward to summarize his findings.

Mr. Crolley explained that, in working with Director Kerr, the first option for locating the kayak shack was at the head of the City piers where it would become permanently anchored. He stated that Coastal Expeditions would bear the cost of relocating the structure. He recapped his operating plan by first listing the significant challenges for his business: as access to water, acquiring two (2) Jet-T docks from which to launch the kayaks and applying for an OCRM permit. Mr. Crolley reported that he had reached an agreement with TidalWave Water Sports to share water and that he has found a vendor for the Jet-T docks. He learned that the use of the Jet-T docks would required a Critical Area Permit from OCRM and that the City must apply for the permit as the owner of the docks. Mr. Crolley acknowledged the need to enter into a lease agreement with the City to operate his business at the marina off the City docks.

Councilwoman Rice asked Mr. Crolley what his plan would be if the OCRM permit takes sixty (60) or more days to be issued. Mr. Crolley indicated that he would continue to operate from the present location of the kayak shack until the permit comes through and the lease agreement with the City is signed. He noted that the vendor that will provide the Jet-T dock has them in stock and there would be no delay in acquiring and placing them once the permit is issued.

Director Kerr confirmed that the proposed location of the shack is outside the twenty-foot (20 ft) marsh setback. Mayor Cronin asked how many parking spaces would be lost when the shack is relocated, and Mr. Crolley stated that the shack would cover two (2) spaces.

Administrator Tucker commented that filing the permit application and following through the public notification and advertising process have costs associated with them; she stated that she thought it would take a minimum of sixty (60) days doing a “rush” effort to get the permit. Based on her experience with filing for permits, she stated engineering drawings would be required to accompany the filing. The Administrator concluded that the staff time and expenses related to the permit should be passed along to a third party despite the fact that the City would be the permit holder.

Other concerns voiced by the Administrator were that Coastal Expeditions had not presented any type of documentation of the other marina tenants’ reactions to his proposal for operating Coastal Expeditions. She also stated that she thought parking spaces where he proposed placing the kayak shack were those spaces made available to Morgan Creek Grill under the terms of their lease; therefore, Mr. Crolley would need a written agreement with them for the spaces. Mr. Crolley stated that he thought the spaces were on Marina Joint Ventures’ footprint; Administrator Tucker stated that he would need a written signoff from Marina Manager Berrigan. The Administrator added that Marina Joint Ventures has control of the section of the City docks where Coastal Expeditions plans to put the Jet-T docks; again the City would require feedback from them, and, the City would likely have to amend the management agreement that would allow the presence of Coastal Expeditions. Since TidalWave has agreed to share their water tap with Coastal Expeditions, the City would need a written statement from TidalWave indicating that relationship. Mr. Crolley indicated that he did not anticipate any problems with getting the documentation from TidalWave or from Marina Joint Ventures; he also stated that, as the permitting process becomes time consuming and requires engineering drawings and advertising, Coastal Expeditions would put them together for City approval, i.e. Coastal Expeditions would accept responsibility for filing for the permit upon receiving City approval.

Councilwoman Rice asked Director Kerr if they had looked at the area near Morgan Creek’s employee parking as a viable option for placement of the kayak shack; Director Kerr stated that location was the second option for Coastal Expeditions, but they prefer to be closer to the water. Director Kerr noted that he had looked at the locations in terms of code and traffic circulation.

Mayor Cronin commented that the major hurdles at this time were applying for and being granted the permit by OCRM, then getting the agreements with the other tenants at the marina as discussed earlier plus the lease agreement between Coastal Expeditions and the City.

Councilwoman Rice asked Mr. Crolley if Coastal Expeditions operated twelve (12) months a year; he answered that the busiest time was from March to November, but they were available throughout the year.

Administrator Tucker stated that the Committee should not be too quick to incur legal expense until the proposal was further along. She added that the City has good templates on its leases so it should not take much time to generate a lease.

Mayor Cronin encouraged Mr. Crolley to proceed because the proposal appeared to be a workable one and that the City wanted Coastal Expeditions to be part of the marina profile. The Mayor also commented that he thought the Jet-T docks were a good solution, and Mr. Crolley should start the permitting process immediately.

2. Discussion of Roof at Public Restrooms

Mayor Cronin asked that Director Kerr come forward to present the bids he had received. Director Kerr reported that he had gotten four (4) estimates – two (2) to repair the roof and two (2) to remove, reconfigure and replace the roof. By way of further explanation, Director Kerr recounted that the present roof has two (2) pitched sections with a flat section between them; the problems that have occurred are in the flat section of the roof where a skylight is located. The pitched sides of the roof are higher than the flat section, so, when it rains, water pools in the flat section of the roof.

The repair bids include taking up the existing flat roof, putting back a similarly shaped roof and deleting the skylight. These bids are in the range of seven thousand five hundred dollars (\$7,500).

The second set of bids is to completely restructure the roof with a pitch in the middle section and a new standing seam metal roof; the bids range from \$22,590.22 to \$47,500.

Mayor Cronin asked if the existing metal roof was in reasonable condition with additional life to it; Director Kerr responded that it was in good shape and had a good ten (10) years life remaining. The Mayor suggested replacing only the flat portion according to the bid that proposes adding a pitch to it, thereby eliminating the standing water. Director Kerr stated that, if the Committee opted to repair the roof, the bid with the slight slope would be his recommendation.

Councilwoman Rice questioned that such a repair could be done without there being some leaking at the seams, and she was dubious that the roof would last ten (10) years.

Director Kerr agreed that there are problems inherent in a flat roof, but he expressed his confidence in these contractors and the innovative ideas they set forth, i.e. adding the slight pitch to the repaired section. He added that he was convinced that the City would get ten (10) years' use with these repairs.

As the Mayor was offering a motion, Public Works Director Pitts stated that gutters also needed to be placed on the structure. Director Kerr noted that there was a laundry list of repairs that needed to be done to the public restrooms, including painting the inside and outside; on the gutters, Director Kerr said that, at a minimum, new downspouts should be installed.

Treasurer Suggs reported that there was a General Contingency in the amount of ten thousand dollars (\$10,000) that was available in the FY 09 budget in the Front Beach section of Municipal Accommodations Fee fund; there was also seven thousand five hundred dollars (\$7,500) in State Accommodations Tax specifically for the restrooms.

MOTION: Mayor Cronin moved to spend up to ten thousand dollars (\$10,000) from Municipal Accommodations Fee fund in the FY 09 budget for the purposes of repairing the flat section of the roof on the public restrooms using Cahill Contracting, LLC and Built to Order LLC and installing gutters as necessary; Councilwoman Rice seconded and the motion PASSED UNANIMOUSLY.

3. Discussion of Marina Management RFP

Council members Bettelli, Loftus and Piening were present for this discussion. Mayor Cronin noted that Councilman Piening had shared his thoughts on the RFP with the Administrator, and the answers would be forthcoming, but not tonight. Councilman Bettelli related that he, too, had submitted his comments with the City staff; he added that he thought it was important to maximize the revenue generated at the marina.

Mayor Cronin reiterated that the current RFP was seeking bids on both a lease and a management agreement; the intent of looking at both options was to see which offered the best financial avenue for the City and still provide the same, or better, level of service and the facilities available at the marina.

Councilman Loftus expressed agreement with Councilman Bettelli; he added that the marina is the City's "biggest jewel" and its revenue is an opportunity to keep taxes down for the residents of the island. He opined that the management agreement has worked well for the City, and he was not in favor of a lease agreement because it would remove the City's control as far as oversight of the marina.

Councilman Piening commented that the comments he had submitted was not an all-inclusive list. He remarked that it was obvious that the intent was to maximize revenue from this valuable asset; therefore, he thought the City should have some ideas, before the bids come in, about what would be a reasonable expectation from the marina, rather than wait for the bids to come in and select the highest.

Mayor Cronin asked the Administrator what was the timeframe for issuing the RFP. Administrator Tucker stated that staff had to come up with answers to the questions that had been posed; the RFP would have to be re-drafted; the new draft would have to be submitted to Council for review and comments. She thought it would be a six-week endeavor to accomplish all of these tasks, putting the release date at mid-June; at the same time, she noted that the RFP needed to be wrapped up or the City would have to extend the present management agreement.

Mayor Cronin suggested having it available by the first of June and having it outstanding for thirty (30) days; therefore, bids would be due the first of July for the contract award in August.

Administrator Tucker informed the Committee that, when the present management agreement was bid, consideration was given to indicating a minimum acceptable bid, but it was agreed that all of the bids would be for that minimum acceptable amount. She also stated that the bid with the lowest percentage was the one to whom the contract was awarded; Council made its decision based on experience of the bidder.

5. Adjourn

MOTION: Mayor Cronin moved to adjourn the meeting at 6:37 p.m.; Councilwoman Rice seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk