Real Property Committee

9:30 a.m., Tuesday, November 8, 2016

The regular meeting of the Real Property Committee was held at 9:30 a.m., Tuesday, November 8, 2016 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms South Carolina. Attending the meeting were Councilmembers Harrington and Rice, Chair Bergwerf, Administrator Tucker, Assistant Administrator Fragoso and Clerk Copeland; a quorum was present to conduct business.

1. Chair Bergwerf 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: Councilmember Harrington moved to approve the minutes of the regular meeting of September 8, 2016 as submitted; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.

MOTION; Councilmember Rice moved to approve the minutes of the Special Meeting of September 16, 2016 as submitted; Councilmember Harrington seconded and the motion PASSED UNANIMOUSLY.

MOTION: Councilmember Harrington moved to approve the minutes of the regular meeting of October 10, 2016 as submitted; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments

Presentation by Johnson, Mirmiran & Thompson (JMT) on the Results of the Marina Bulkhead Evaluation

David Osgood, an engineer representing JMT, stated that he had done the field work for the report; upon visiting the marina, Brian Berrigan, marina manager, voiced concerns about the amount of soil he was routinely adding on the landward side of the bulkhead. In investigating the site, the first observation was that the weep holes in the wall were failing, allowing the soil to fall out; the concern was the volume of soil that was being added and that it exceeded the amount visible from outside the wall. Before recommending that the weep holes be replaced, JMT wanted to be sure that nothing else was happening to cause the erosion.

JMT was given all of the documents from the construction documents, including the geotechnical reports and borings from the original design; they were, in turn, given to the geotechnical staff at JMT. If the marina had a major settlement issue behind the wall, it would risk the buildings and parking lots adjacent to it. JMT did an analysis of the borings in an effort to investigate more thoroughly, they had and also cut five (5) cores, or observation holes, through the concrete cap of the bulkhead, to investigate the conditions between the walls and under the concrete cap. The amount of fill being lost ranges from two feet (2 ft.) in some areas to as much as four feet (4 ft.); there were a few locations where it was still in place. Most of the wall in front of the marina store was completely voided underneath the entire run. The chances of the settlement occurring below are basically impossible; this was substantiated by some of the pictures included in the report that

show standing sand behind the wall in the areas where it is leeching through. JMT believes that there is any no extra geotechnical settlement that anyone could have foreseen occurring.

JMT's coastal specialist analyzed the number of recent storms and the king tides; based on the analysis, she concluded that most of the fill is washing out into the Intracoastal Waterway.

JMT states that

"Based on our observations, it can be stated to a reasonable degree of engineering certainty that we are confident the weep drains are faulty, were damaged somehow or were not installed properly during construction which is negatively impacted by sheetflow of rainwater running into the wall, therefore, causing the fill between the original wall and the new sheet pile wall to erode."

The deficiencies to be remedied are

- (1) A large number of the two inch (2 in.) in diameter well-points installed in the wall as weep drains are faulty;
- (2) A large quantity of fill between the walls is missing or has been lost through the seep holes; and
- (3) Another considerable factor in the missing fill is the apparent lack of consideration of the surface flow during a rainfall event.

Based on those deficiencies, JMT has the following recommendations to the City:

- (1) There is always the "do nothing" option.
- (2) To provide the most longevity and surety to the City, JMT recommends demolishing the concrete cap in order to gain access to the back of the steel sheet pile wall to gain access to the back of the steel sheet pile wall and expose the buried timber wall. Excavate the fill between the walls along the entire length of the bulkhead and remove the existing weep drains. Each weep drain location will then be replaced with a JETfilter®, or engineer approved equivalent product, the entire excavation lined with fill fabric and backfilled with a combination of SDOT #67 stone, pea gravel and quality fill material. Other activities, described in the report, will also need to occur to give the City the best results; this solution will take approximately one hundred ten (110) days and cost an estimated three hundred ten thousand dollars (\$310,000).
- (3) A less invasive option would be to demolish the current weep drains in place and refitting with JETfilter®, or other engineer approved equal product, utilizing the same hole. It would then be recommended to demolish the concrete cap, back fill, as necessary, the void areas between the two (2) walls, installing the French drain or curb and gutter system behind the timber wall and recast the concrete cap. With this option, there is no excavation or installation of 57 stone, the contractor would replace the weep drains from the upside and back fill sand. With all of the work included, this method would take approximately ninety (90) days and cost approximately two hundred sixty thousand dollars (\$260,000).
- (4) The least invasive option would be to demolish the current weep drains in place and refitting with JETfilter®, or engineer approved equal product, utilizing the same holes and back filling the voids, without complete demolition of the concrete, by pumping fill material through the various core hold locations. This method would take an estimated fifty-five (55) days and cost approximately one hundred eighty thousand dollars (\$180,000). While the least expensive repair option, it is very unlikely that this will provide a one hundred percent (100%) fill of the void.

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Administrator Tucker's first question was about what kind of permitting would be required and whether each option has the same permitting requirements. Mr. Osgood responded that the project should not require any permitting for the options presented because it would be considered a minor repair to the existing wall, i.e. maintaining the existing wall.

Councilmember Rice inquired about the availability of contractors and was told that they could potentially have to wait due to the work created by Hurricane Matthew. Mr. Osgood stated that the only part of the work that would require any type of specialty work is the work on the opposite side of the wall because it will be over the critical line.

One (1) drawback to option 2 is that the work can only be done at low tide.

In the least expensive option, would there be a risk that the problem would continue over time, and the City would have to pay the additional money anyway. According to Mr. Osgood, if the weep drains were replaced, the problems should stop.

Councilmember Rice said that she was not prepared to make a decision because she knew other people she wanted to consult.

Mr. Berrigan indicated that he agreed with Councilmember Rice in that he would like more time to study the report prepared by JMT; if the City were to select option 2 that will require one hundred ten (110) days, it must be coordinated with other projects that might be going on, for example the replacement of the underground fuel tanks. He also voiced alarm over the statement "Once an option is selected, more detailed estimates could be provided through further engineering and analysis."

The Administrator asked Mr. Osgood if there were any marinas or bulkheads in the area that may have experienced something similar and had to go back and retrofit. She thought it would be helpful to reach out to them and learn about their experience. Mr. Osgood agreed to research and get back to her, and he added that, typically, the problem is that the bulkhead was constructed without any weep drains.

4. Comments from Marina Tenants – None

5. Old Business

A. Public Restrooms – Evaluation of amount of possible work to be done based upon new appraised value

Administrator Tucker explained that this work had taken a long time because the City has had a hard time getting contractors to respond because they are so busy since Matthew.

Director Kerr started with the handout about the fifty percent (50%) rule; he explained that it was based on the original analysis, but the numbers have been updated, but, generally the pros and cons still hold true despite being several years old. He reviewed the financial analysis as follows:

New 2016 appraised value	\$325,000
50% of appraised value of structure	\$162,500
Cost of repairs done in prior 5 years	<0>
if work begins October 2017	
Limit of work that can be done	\$162,500

Contractor's estimate to replace fixtures, \$173,000 add ventilation, repair rust and paint

In the second page listing the repairs, Director Kerr commented that the estimate of twenty-thousand dollars (\$20,000) for doors and petitions has not be confirmed by the contractor; he also informed the Committee that the one hundred seventy-three thousand dollars (\$173,000) does not include design, permitting, demolition and the showers, which will not count against the fifty percent (50%) rule.

In the Director's opinion, some costs could be refined or something eliminated in order to stay under the ceiling of one hundred sixty-two thousand five hundred dollars (\$162,500). Whether or not painting would count against the fifty percent (50%) rule would be dependent on how it is done; if the painting were to be done by City staff, it woulddoes not go against the fifty percent (50%).

The biggest con at this point is that, if the City spends the full fifty percent (50%) and a storm were to blow off a section of the roof, the building would have to be demolished and rebuilt. Committee members remarked that the building has withstood severe weather thus far without serious damage.

To compound issues, the City has received the preliminary, updated flood maps that are a year to eighteen (18) months from being adopted, and, in these maps, the public restrooms go from a V zone to a zone identified as AO. This AO zone would still require elevation, but would allow flood proofing, which is not allowed in the V zone. Director Kerr stated that he did not know, from an engineering stand point, whether it was possible to flood proof a building in a V zone, but if it were possible, the City could arrange to have it flood proofed, making it flood compliant and no longer subject to the fifty percent (50%) rule. The question to be answered by an engineering analysis is whether or not the building, as it stands today, could withstand the pressure of the water if it were flooded up to three feet (3 ft.). The Director reiterated that the new flood maps and associated requirements were twelve to eighteen (12-18) months away being applicable. He also explained to the Committee that he did not want to underplay the amount of work necessary to flood proof the building; to structurally reinforce an existing wall would going to be a major undertaking.

Councilmember Rice repeated that the present conditions in the public restrooms were deplorable and some kind of improvement must be done before the coming beach season.

Director Kerr suggested that the Committee go through the proposal and detail it out because the scope of work is very narrow. Staff felt that priorities should be getting natural light and ventilation into the building and getting rid of the rust and making it really clean inside. The idea for adding windows is to have a two (2) bank of windows right under the roof.

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Chair Bergwerf recalled discussions of just knocking out some of the cement blocks at the roof line.

Director Kerr responded that staff has discussed knocking out the blocks and putting in possibly the glass-block panes to let light into the building. Many of the plumbing lines have been cut and patched over the years, so the intention is to re-plumb the portion of the lines that feed the toilets and sinks. New toilets and sinks would be installed. The plywood ceilings would be replaced by slats that would allow air to go up into the attic, escape the restrooms with two (2) exhaust fans above them on each side – one fan would draw air in and the second would blow it out. The electrical wiring for the lights and all of the lighting would be replaced also. The partitions would be replaced with a slick plastic material that is made into partition doors and would withstand the abuse and salt air environment. Included in the accessories were the grab rails for the handicap accessibility components, toilet paper holders, etc. Once the work has been completed, someone walking into the building and, other than being clean and with more light and fresh air, it would still be very much the same building that is there now, but it would be considerably better than it is now.

When Councilmember Harrington asked for an explanation of the difference between maintenance and construction; he did not think the replacement of toilets and sinks should be included against the fifty percent (50%) rule. The Director said that the key distinguishing factor between the two (2) was that whether the work requires a permit; he also noted that the building permit requirements do not allow costs to be subdivided out if there are multiple components to a project. The various components are combined into one (1) contract that counts against the fifty-percent (50%) rule. If the City were to do the work unrelated to the contract, it would not count against the rule, but Director Kerr expressed the opinion that the City would prefer to have all of the work done by one (1) contractor at the same time.

Administrator Tucker stated that, due to the dollar amount, this work would have to be bid out.

The Administrator also told the Committee that, if in eighteen (18) months the new regulations stand, to build a new facility would likely be less than the one point three million dollars (\$1,300,000) originally thought since it would not have to be elevated as much. Staff is not evaluating what it would cost for a new facility, but is waiting until a final decision on the flood map is made.

If the Committee were to proceed with these improvements, Director Kerr asked if an engineering analysis of possible flood proofing would be beneficial.

Before the work can go out to bid, the City would need to get bidding documents and guidance from an architect or engineer.

When the FY17 budget was prepared, consideration was given to doing something about the public restrooms during the year; it includes approximately one hundred ten thousand dollars (\$110,000) related to engineering and design for new restrooms in contemplation of constructing a new building. If the engineering for these changes were to be less, some funds would be

available in this budget year to accomplish some of the work, and savings in other parts of the budget might be sufficient to make up the difference.

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Voicing skepticism, Administrator Tucker said that she was reluctant to do the renovations and the flood proofing; she thought a better approach would be to complete this list of work and to look at the flood proofing later.

Looking into the future, Director Kerr stated, that, if the City goes through this effort and the quotes received are all too high, i.e. exceeding the threshold of one hundred sixty-two thousand five hundred dollars (\$162,500), the Committee would need to prioritize the list of work or try to negotiate a lower price.

The Director also sought guidance from the C[MCI] ommittee about whether to design and bid the restroom improvements with the showers and boardwalk or to bid them separately; he did note that, for the efficiency of going through the process as a staff, doing them together as one (1) project would be optimal.

MOTION: Councilmember Rice moved to proceed with the preparation of design documents to bid the improvements to the public restrooms, the exterior showers and the handicap accessible boardwalk; Councilmember Harrington seconded.

Director Kerr confirmed that OCRM has issued the permit for the boardwalk.

Councilmember Rice thought that the Committee and staff should take whatever steps possible to complete the restrooms improvements before the season begins in earnest in May.

The Administrator said that the Committee needed to discuss logistics since, typically few, if any, Committee meetings occur in December. She, therefore, asked if the Committee wanted to offer staff parameters relative to the design and someone to produce the design. Up to this point, all of the work has been done by Liollio Architecture; Administrator Tucker asked whether the Committee wanted to continue with Liollio or, since this project is smaller, look to a smaller firm. If staff can engage a company to begin work on the design quickly, it might save a month for the Committee to select a design firm that would then need a month to do the design and prepare the bid documents, another month for the bids and the award of a contract. Spring would be looming and the Committee would again have to decide whether to proceed with the project or wait until after the season.

Chair Bergwerf voiced the opinion that the restroom improvements was not complicated and should not require any "fancy" design work.

Director Kerr explained that the boardwalk and shower would need design work, and, since the work involves cutting into the walls, input from a structural engineer was necessary.

Since Liollio has knowledge and experience with the building, Councilmember Harrington was in favor of continuing with them; he added that to do so might be more cost efficient.

Administrator Tucker stated that it would be good if the contract award for engineering and design could be awarded in November so they could be working through December to prepare bid documents that could be advertised.

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Responding to Councilmember Rice, the Administrator commented that the contract to be awarded would be for design, bid documents and construction oversight as well.

Director Kerr indicated that he has spoken with Liollio, and they had given him the impression that they could have a proposal for inclusion in meeting packets for November 15th.

AMENDMENT: Councilmember Rice amended the motion to include "in an amount not to exceed \$50,000;" Councilmember Harrington seconded and the amendment PASSED UNANIMOUSLY.

AMENDED MOTION: The amended motion PASSED UNANIMOUSLY.

On a related subject, Councilmember Rice recalled a conversation from a previous meeting that the attendant appears not to report issues on a timely basis so that they can be handled by the City.

Chair Bergwerf said that, since the attendant apparently spends most of her time in the small room in the public restrooms, most people are unaware that someone is on duty; she indicated that one (1) thing that should be included in the new design was to have a large window in the door into the small office area.

Director Kerr reported that the attendant tends to keep the door closed and that someone must knock if he/she is needed for some reason.

The Administrator reported that the person with the contract is a subsidiary of "My Favorite Things;" years ago, City Council decided that they wanted a person there any time the facility was open. The attendant restocks supplies as they are needed, clean things and is supposed to notify the City when something needs to be repaired. Administrator Tucker said that time has come to re-bid that contract; the contract actually expired several years ago and has been automatically renewed on an annual basis. She did caution the Committee that bids come could come in for much more than the City is currently paying because it is difficult to find people who will do that kind of work.

Councilmember Rice supported re-bidding the contract, but, in the interim, she thought it would be beneficial to meet with the "My Favorite Things" representative to review the contract.

From previous talks with this company, Director Kerr said they understand the Attendant's job to include carrying out the trash, minor cleaning, re-stocking the paper supplies and reporting to "My Favorite Things" who contacts Director Pitts, who is already overwhelmed; therefore, at times, things "fall through the cracks."

Director Kerr thought that the City needed two (2) separate contracts, i.e. one (1) who takes inventory of the facility, lights and plumbing, etc. on a regular daily basis and a second contract for the attendant. In his opinion, to expect Director Pitts to put his work aside for a morning to

replace a light bulb was cumbersome and inefficient process; the City does not have the manpower to tend to all of those things all of the time.

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B. Status of 49th Avenue beach access

Administrator Tucker reminded the Committee that the City obtained a permit to repair the 49th Avenue beach access and awarded a contract for the work prior to Hurricane Matthew; as a result of Matthew, changes to the configuration have occurred and might require less work than originally planned.

Director Kerr reported that, a few days after Matthew, the contractor that was on the beach to construct the protective dunes actually did eighty percent (80%) of the work needed for the 49th Avenue access. With this work done, the scope of the contract with Petersen Grading was significantly changed; the problem is that what is at that access now does not comply with the stipulations of the OCRM permit. OCRM defined very specific elevation requirements in the permit, i.e. that the grade go from seven (7) at the road down to six (6) and have a berm at the end; that has not yet been done, but getting to that point should be relatively easy now. The surveyor has set the grades according to OCRM's permit, and then Petersen Grading will finish the job in a couple of weeks.

C. Status of Local Comprehensive Beach Management Plan

Administrator Tucker was pleased to report that the City has gotten all of the comments back from OCRM and has begun to respond to them; that work product is in Chris Jones' hands to draft them to send back to OCRM to ensure that the City has satisfied the concerns they had. None of OCRM's comments were unsurmountable, but more things they wanted the City to think about and speak to in the Plan. The Administrator said that she was hopeful that the update would be complete in about six (6) weeks.

D. Update on beach restoration

The Administrator said that the post-Matthew survey has been done, and the City has received the updated results from Coastal Science and Engineering concerning losses associated with Hurricane Matthew. Following the same model that was used after Joaquin, the FEMA pro-rated share would be one million two hundred forty-three thousand dollars (\$1,243,000) relative to the quantity of sand lost which was eighty-four thousand eight hundred twelve cubic yards (84,812 cu. yds.). Administrator Tucker reminded the Committee that FEMA will only allow work to be done in the area they describe as an engineered beach, a beach created with a beach renourishment project. If the City should decide to expand the scope to include areas outside the 53rd Avenue to Dewees Inlet area, it could not look for FEMA participation.

In other happenings, the State Historic Preservation Office (SCHPO) has become compliant to listen to an alternate proposal as a result of excellent advocacy on the City's behalf from the City's contact in the state Emergency Management Division. The City will be requesting the ability to harvest, if necessary, within the area that is designated as a proposed historic district. The permit application was sent in showing more areas of harvest than just that area, but the City wants to maintain the possibility of going there under certain conditions if pumping out of some of the other

areas and encountering bad material. The City needs to be able to go forward with that advocacy for future renourishment projects.

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The Wild Dunes Community Association (WDCA) has notified the participants in the next beach restoration project what their share of the expense will be, which is important because the City is working on the grant application to be submitted to the state for funding a portion of the fifteen million dollar (\$15,000,000) project. The application will be incomplete and will not be accepted until the City can demonstrate that it has all of the money.

The Administrator then conveyed Jim Smiley's message as she understands it, and she does think it is worthy of consideration. When the City began its beach restoration initiative in 2007, it was in response to a critical situation, and the project was structured around that critical situation. The City did look at other beach communities that were doing beach restoration, Hilton Head being one (1); in the Administrator's opinion, they have one (1) of the best programs in the state, they have been doing it a long time, it is very comprehensive and does encompass their entire shoreline. If it should be the will of Council, the permit could be modified to include other areas of the island that need beach renourishment with the same dredging company and the same trucking company; it would require boosters on the pumps, that are an added cost, for a rough estimate of four million dollars (\$4,000,000) added to the project. In Administrator Tucker's opinion, to consider that option was in keeping with the City's position that it is responsible for the entire shore line; that is the premise under which the City has done the survey monitoring and the additional monitoring at Breach Inlet when it appeared to be in critical shape. Other than emergency work that was done after Matthew, renourishment projects have not been designed to include the entire seven miles (7 mi.) of shoreline. Therefore, the question is whether or not there is appetite for quickly amending the permits and the additional expense, should it be affordable, to add those areas on the western end of the island, i.e. approximately from 10th Avenue to Breach Inlet.

Chair Bergwerf asked if the survey results indicate that work is needed on the western end of the island, and the Administrator confirmed that there had been sand loss along the western end.

As a resident of that area of the island, the Chair stated that this area often has sand loss, but it always comes back.

According to the Administrator, the question is that there has been sand loss from Matthew and does the City want to replace it with an expansion of the project that is proposed to begin in January 2017.

Based on Mr. Smiley's comments, Councilmember Rice considered taking a percentage, maybe two percent (2%), of ATAX money to go to renourishment as a budgeted item all the time; she thought there was an excess, and that it was legal to use ATAX funds in this way.

Administrator Tucker thought that the WDCA has scheduled a meeting for November 11th, but an invitation was not extended to the City to attend, but she thought that attendance by Councilmembers would be not be a problem. The purpose of the meeting is to brief the property

owners who will have to pay the money, and, although she will not be able to attend, the Mayor is planning to be there; she noted that she did not know whether Coastal Science and Engineering (CSE) would be represented.

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Chair Bergwerf commented that sand was still being pushed up around 8th and 9th Avenues; she wanted to know if the property owners were paying for the work.

Administrator Tucker confirmed that the owners were financing the work; these people have gotten their own emergency orders from OCRM.

6. **New Business –** None

7. Miscellaneous Business

Tenant Rents – All tenants are current.

Conscious of timing, Administrator Tucker stated, that, if there is a desire to amend the permit and to do restoration in areas west of 53rd Avenue, the decision needs to be made now so a recommendation would need to be made to the Ways and Means Committee and Council next week.

Chair Bergwerf said that she did not know enough to make a decision on the permit; the information was "too new."

Councilmember Rice said that she needs to make a field trip to the portion of the beach being considered for inclusion; she indicated that she has walked it and seen the dangling steps, but four million dollars (\$4,000,000) is a lot of money. She would also like to hear the thinking from CSE; she asked the Administrator if someone could attend the meeting on Tuesday.

Mr. Smiley stated that, regardless of doing a project between 10th and Breach Inlet and regardless of the additional cost, he wants to have Council consider the island's public beach as a unit, and do what is necessary to maintain it as the lovely beach that it is. He also would like to end the thinking that this is a Wild Dunes project that the City is "acting as front man for;" the City has done that for years, and thus far, it has worked because there have not been any "hotspots" outside of Wild Dunes. That has contributed to the island-side mentality of them versus us.

Mr. Smiley opined that the City should submit its OCRM permit application "knowing whatever needs to be done is going to be done or that [the City] cannot afford to do it." Since the permit application was filed on November 2nd, Mr. Smiley was of the opinion that the application should be amended now to include "restoration of sand deficient areas on the entire beach."

Councilmember Rice voiced concern about how stakeholders should be approached on the west end of the island; she thought the idea of using a percentage of ATAX funds annually for beach restoration was a very sensible one.

Chair Bergwerf contended that the City has always taken care of the entire beach and that, in her opinion, the public relations had created the "them versus us" attitude on the island.

The Administrator said that the strategy would be to amend the permit and the area for additional dredging could be bid as an alternate, but the four million dollars (\$4,000,000) is a complication that was not anticipated in the budget. She added that the City did not know how the property

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owners in that area would feel about participating in the funding; Administrator Tucker noted that CSE had indicated that the modification could be accomplished with little work on their part and at a small price.

Chair Bergwerf stated that this is an area of the beach that she walks on every day, and she sees a beach that is in the condition it was fifteen (15) years ago. The beach before Matthew was the result of "incredible accretion" that now has been lost; based on the rate of accretion, she questioned the need for a renourishment project on the west end of the island. She indicated that she needed much more information from the experts to support a project; she repeated that the beach is where it was years ago.

Mr. Smiley agreed with the Chair, but added that getting the modified permit for the entire island, the City would be free to address erosion problems as they come up.

MOTION: Councilmember Harrington moved to recommend to the Ways and Means Committee amending the permit for beach renourishment to include the entire shoreline; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.

Next Meeting: 9:30 a.m., Monday, January 9th in the Conference Room.

- **8. Executive Session –** not necessary
- 9. Adjournment

MOTION: Chair Bergwerf moved to adjourn the meeting at 11:10 a.m.; Councilmember Harrington seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland City Clerk