

**Real Property Committee**  
9:30 a.m., Thursday, February 2, 2017

The regular meeting of the Real Property Committee was called to order at 9:30 a.m., Thursday, February 2, 2017 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Harrington and Rice, Chair Bergwerf, City Administrator Tucker, Assistant Administrator Fragoso and City 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 Rice moved to approve the minutes of the regular meeting of January 9, 2017 as submitted; Councilmember Harrington seconded and the motion PASSED UNANIMOUSLY.**

**3. Citizens' Comments**

No one from the IOP Garden Club attended the meeting.

**4. Comments from Marina Tenants**

Jay Clarke, owner of Morgan Creek Grill, reported that he had met the City's insurance adjuster earlier in the week relative to the damage to the building from Hurricane Matthew and that he has gotten an estimate for the repairs. He also stated his desire was to begin discussions about the lease renewal for MCG; he indicated that, in the time that has lapsed since the discussions were suspended relative to the Marina Redevelopment Plan, he has continued to make repairs to the building. He indicated that he was interested in a sixteen (16) year extension that was discussed at the Real Property Committee meeting of February 8, 2016. Assuming that the lease extension was granted, Mr. Clarke assured the Committee that they would continue to improve the building to increase its property value and increase revenue for the City, among other things. The financial information on the restaurant has been updated and will be ready for the Committee's review at the March meeting. He indicated that he looked forward to getting all of the storm damage repairs done and mentioned that the walk-in freezer was in failure and must be replaced; he also acknowledged that City Council had agreed to reimburse the restaurant for the work necessary to remove standing water from beneath the restaurant. Mr. Clarke then stated that he did not believe the restaurant could get a termite bond until the walk-in freezer was replaced due to the condensation from it that drips into the structural timbers that will stay wet until the unit was replaced. He asked the Chair how he should proceed and how quickly they could move forward; he suggested that the Committee hold a Special Meeting dedicated to the restaurant lease. He reiterated that he needed the renewal in order to get financing to improve the building.

**5. Old Business**

**A. Discussion of Morgan Creek Grill Lease**

Councilmember Rice stated that she was not prepared to take any action at this meeting because she needed to familiarize herself with the discussions from the February 8, 2016 meeting.

Councilmember Harrington said that he, too, needed to review discussions from 2016 to familiarize himself with what each party had agreed to do.

Administrator Tucker recounted that MCG had appealed to the City to take on a certain expense that was not the City's responsibility to do and the City had agreed. A stipulation of that reimbursement was that the purpose of the work was to secure a termite bond; at the time Council agreed, no amendment was made to indicate that the replacement of the walk-in freezer would also be necessary to get the termite bond. The Administrator asked that Mr. Clarke be straightforward if he planned to ask the City to share in the expense of the walk-in freezer; she thought Council would not be happy, having financed the work they were told would get the City the termite bond, and then to be told that the restaurant still could not be bonded without the replacement of the walk-in.

Mr. Clarke clarified his earlier statements by saying that the possibility existed for the replacement of the walk-in freezer to be a negative factor in getting the termite bond; he has not confirmed that idea with the exterminating contractor.

The Administrator asked the Chair to tell MCG exactly what they should have for the March meeting, and the Chair indicated they should have updated financial information and a clear proposal stating exactly what the restaurant wants to achieve with this renewal. According to the Administrator, if MCG has anything that it expects the City to pay for or to share the expense of, it should be clearly stated in the request, as well as things that MCG is willing to pay for that the City should be aware of.

For Councilmember Harrington, the watch words were no ambiguity and transparency.

Carla Pope, Operations Manager for the restaurant, explained that they have been trying to get an extension to this lease for two (2) years, and they had been understanding of delaying action while the marina redevelopment plan was evolving. In an effort to make the lease fair to all parties, the restaurant agreed to assume responsibility for items in the lease that had been previously the responsibility of the City. She stated that the restaurant was in a critical time now with only three (3) years remaining on the lease; in order to function through cash-flow shortages in the winter months, they have lines of credit to keep the business operating and healthy. She stated that the restaurant was healthy now, but they have worked hard to make it successful and healthy. Ms. Pope assured the Committee that they would be fully prepared for the March meeting. She then asked the Committee if they wanted the restaurant to remain at the marina under the control of Jay Clarke and Carla Pope, or was the City going to let the lease expire and not renew. She stated that they were trying to be successful and continue to funnel revenue to the City; she opined that they have been good tenants and have dealt with the inadequacies of the marina site with very few complaints.

**MOTION: Chair Bergwerf moved to re-order the Agenda to address Item F under Old Business at this time in the meeting; Councilmember Harrington seconded and the motion PASSED UNANIMOUSLY.**

## **F. Update on Marina Redevelopment Plan**

Kirby Marshall of ATM was present to review the marina redevelopment plan and to answer any questions or concerns of the Committee. Since the last discussion, ATM has had the site surveyed that included a boundary survey and topography survey of the upland, and the bathymetrics from the water; this is information ATM did not have previously. With the new information, ATM was able to make sure that everything that has been discussed would fit on the site, and it did. They have been working to digitize the hand-drawn concepts developed for the master redevelopment plan. He then discussed the drawing starting with the ten foot (10 ft.) wide pedestrian and bicycle access to the marina, dedicated golf cart parking in multiple spots, angular parking spaces for larger boats with trailers, ADA access throughout the site, and the logic behind re-locating the landside fueling station. The number of trailer parking spaces has increased to fifty-seven (57) from forty-four (44) at the marina today; ATM personnel were still working on access to the bridge over the boat ramp. The City docks have been pulled out, more into the Intracoastal Waterway, and space has been integrated for the kayak dock. For the walking path around the marina, the walkway behind the restaurant was shown as cantilevered out around it, and public restrooms have been located behind the restaurant's stage.

Councilmember Harrington stated that distance to the garbage dumpsters appeared to be long for both the restaurant and the store.

Mr. Clarke said that the marina could possibly function with only three (3) dumpsters if they were emptied more frequently; he thought that a compactor might be needed.

The Chair recognized Bill Campbell, a resident of the island, a user of the marina and the owner of a nineteen (19) foot boat; he stated that he has three (3) areas of concern. He was opposed to the location of the upland fueling station in that, currently, boaters can make a wide arc. In the proposed spot, one must make a right angle turn to get to it; he defied Mr. Marshall to do that with his Explorer pulling a twenty-five foot (25 ft.) trailer assembly. In his presentation, Mr. Marshall stated that once boats were in the water, they could position along the docks on both sides; when that is done, Mr. Campbell questioned the amount of space remaining for the ingress and egress of other boats. In his opinion, boaters should be out of the ramp corridor as quickly as possible. His final issue was with the pedestrian walkover of the boat ramp; Mr. Campbell said that he has been looking at a sailboat with a nineteen foot (19 ft.) mast that would be too tall to get under the walkover.

Mr. Marshall noted that the redevelopment plan was still a work-in-progress, but he hoped to have the work completed to present to the Committee at the March meeting along with cost estimates.

Administrator Tucker stated that some changes were made to the plan in response to the Boating Infrastructure Grant (BIG) review committee that required immediate decisions; there was no time to pull the Committee together.

Mr. Kirby reported that the grant application was submitted to the federal agency early in September; once all applications were received, they were sent to the Ranking Committee in early December. During that time, Mr. Marshall indicated that to receive questions from either the district or regional U.S. Fish and Wildlife person who was in-charge of projects or the Ranking

Committee itself was not unusual. In December, ATM received questions on the application for the IOP Marina Redevelopment Plan, specifically to the restaurant day dockage. Fish and Wildlife was interpreting that the day dockage as presented on the plan was benefitting the restaurant only as a for-profit enterprise; according to Mr. Marshall, it was something of a gray area in the application guidelines. After consulting with Mr. Clarke, he was able to report that, although Morgan Creek Grill did get local residents who were coming to eat, he also got people traveling the Intracoastal Waterway who not only eat, but also visit the other sites around the marina, and perhaps stay a little while to visit the beach and shops. In addition, some boaters have used the docks as refuge from storms on the Waterway and local inlets. Mr. Marshall, therefore, informed the Committee that the docks were a part of the overall marina and not dedicated for use by the restaurant only, but, Fish and Wildlife, in turn, requested that the City commit to provide, at least, two hundred ninety-one feet (291 ft.) of dedicated transient dockage along that dock or they might deem the application to be ineligible. When Mr. Marshall asked if that area could be removed from the application, he was told it could not. After conferring with Administrator Tucker, Mr. Marshall told the Committee that the City would commit to two hundred ninety-one feet (291 ft.) of dock space dedicated to transient docking. In doing so, the fishing pier grant which the City was going to use to help fund that area of the marina docks by moving it out, changing it around and upgrading it was significantly impacted.

At this time, the BIG application is under consideration; the fishing pier grant has been completed for submission, but shows the dock as a fishing pier for the City; by dedicating the dock space to transient boaters, submitting that application would create a conflict.

The City should hear the results of the BIG grant in a month or six (6) weeks, and, depending on the results, the City can make a decision on the fishing pier grant.

## **B. Status of renovation of public restrooms**

Administrator Tucker reported that the City has begun to do small things to improve the restrooms for the fast-approaching tourist season; those improvements include the exterior mural, relocation of the showers away from the building, and interior painting by volunteers from Island Realty and AmeriCorp. Rec Department personnel have also helped; they have installed new hand dryers, new lights and mirrors, patched the hole in the door of the handicap stall on the women's side, installed a new baby changing table and fixed plumbing leaks on the women's side. The City has also gotten pricing for new plumbing fixtures, stall doors and frames, as well as the cost of sealing the floors. The discussion for this meeting was whether to move forward to seal the floors which has never been done; over the years, they have absorbed suntan and body oils, things people have spilled, etc.

Director Kerr stated that staff was seeking direction from the Committee on three (3) items, and they were replacing the plumbing fixtures, sealing the floors and replacing the stall doors.

The Director stated that the one (1) estimate he has received for new plumbing fixtures, i.e. sinks, toilets, urinals and faucets, was seventeen thousand five hundred dollars (\$17,500). The con for replacing them now was that the work would apply to the fifty percent (50% rule); but, in addition, the fear exists that, if the work were done now as opposed to a contractor coming in August for the major renovation, the City might not get the best pricing. The original pricing for the project

as a whole was twenty thousand dollars (\$20,000) for replacing the fixtures; he, therefore, concluded that the pricing was not an issue. The Director did point out that, when the big project begins in August, the new fixtures could be damaged or could be removed from the building to avoid damaging them. Based on the information he has gathered, the Director recommended that the Committee proceed with that work now.

Councilmember Rice did not want to lose the momentum that has built up and thought the City should proceed; she commented that she was very pleased with the progress that has been made already. She did ask the Director to price out a long, trough-like sink as opposed to individual ones.

He told the Committee that, if the trough-like sink was too expensive, he would get individual sinks, but, if on the other hand, if the pricing was within budget, he would get the trough-like ones.

**MOTION: Councilmember Rice moved to authorize up to \$20,000 for replacing all of the toilets, sinks, urinals and faucets in the public restrooms; Councilmember Harrington seconded.**

Councilmember Rice suggested that Director Kerr get a recommendation from the plumbing supplier if he thought the consolidated system would be workable in the conditions that exist in the public restrooms.

When the Administrator asked the Committee to give Director Kerr a preference on the material, Councilmember Bergwerf thought stainless steel would be better for the trough-like system, but, if individual sinks are installed, they should be porcelain.

**VOTE: The motion PASSED UNANIMOUSLY.**

On the subject of sealing the floors, Director Kerr reported having three (3) quotes, two (2) from one contractor; they range from eighteen thousand dollars (\$18,000) down to about forty-two hundred dollars (\$4,200). He explained that one (1) quotation was to remove all of the fixtures, pour new concrete because the existing floor is so saturated that the sealant would not properly adhere and some cracks are there. This contractor said, based on aesthetics and adhesion issues, the best option would be to pour a new quarter inch ( $\frac{1}{4}$  in.) layer of concrete over the entire surface to achieve a perfect finish; this is the highest bid.

Director Kerr explained the process was one where the contractor grinds off the concrete that is there, covers that new surface with muriatic acid to remove the contaminants, and then put on a two-part epoxy paint that they claim is about as durable as any floor can be. In a normal application, the expected life is fifteen to twenty (15-20) years for the surface; in the City's application, the life will be approximately five (5) years. Assuming the floor has been properly maintained, at the end of five (5) years, one would only need to rough-up the floor and re-apply the top coat. This process is the same for both contractors.

When Directors Pitts and Kerr discussed sealing the restroom floors, Director Pitts said that sealing the floors would create a slicker surface that cannot be power-washed because power-washing would erode the surface quicker than normal wear and tear, and sealing the floors would

commit the City to future maintenance – resealing every five (5) years. The contractors assured Director Kerr that they would put non-slip grit into the paint to make the floor less slippery.

According to the Director, the lowest bid to seal the public restroom floors was forty-two hundred thirty-five dollars (\$4,235), and it came from a contractor with whom the City has experience.

Director Kerr noted that painting was specifically excluded from the fifty percent (50%) rule.

**MOTION: Councilmember Harrington moved to authorize up to \$5,000 to seal the floors in the public restrooms; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.**

Moving the discussion forward to the replacement of the stall doors, Director Kerr reported the he was getting pricing for cutting out all of the steel doors and replacing them with new. After speaking with two (2) steel door installers, they agreed that the new door frames should not go to the concrete floor, but they marveled at how well the existing door frames have lasted since steel, typically, did not do well in marine environments. In the original project bid, the contractor estimated the cost to be twenty thousand dollars (\$20,000), but this would be a decision to be made later.

Director Kerr recalled from the January meeting a discussion about completing the major project before the beach season, but, in meeting with these individual contractors, they have all been leery of a deadline to beat the opening of the season. If the City wants to do that, it must be very responsive to them in getting the work authorized; the Director worried that if another month passed for this Committee to meet and then go through Ways and Means and City Council, meeting a deadline before the season started would be impossible since all of the items were special order items.

Administrator Tucker expressed hope that the Committee did not feel the need to delay on the recommendations it was making and that the authorizations that have been given in this meeting would be sufficient to go forward. She reminded the Committee that included in the FY17 budget was one hundred nine thousand eight hundred twenty dollars (\$109,820) for the architectural and engineering for the replacement of the public restrooms and she was confident that, despite paying Liollo for their design work, sufficient funds remained to cover these expenses. Director Kerr stated that he thought that fifty thousand dollars (\$50,000) of that money has already been committed to-date. The Administrator stated that, until the ceiling of one hundred nine thousand dollars (\$109,000) was reached, the Committee was operating within the current budget and could proceed with these smaller elements without going through Ways and Means and City Council.

**MOTION: Chair Bergwerf moved that, for the things authorized today and that are contemplated in the FY17 budget, staff is permitted to move forward as long as they do not exceed the \$109,820 in the FY17 budget for A&E on the replacement facility; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.**

As noted previously, the existing frames are in good shape; so much so that one (1) contractor proposed to cut the partition doors to the same elevation as the bottom of the partition, but re-use

the existing frames, and smooth them to install new doors. The other contractor would replace them entirely. In conversations with Liollo, they have struggled with a decision on the best idea.

When the Chair asked if the plan was to replace the doors with steel, Director Kerr replied that was true, and, when she asked if there were other materials available, the Director again responded that there were. Director Kerr stated that he had not gotten a clear consensus on materials from the two (2) contractors and Liollo; some thought that City would not get the longevity from another material since the steel that has been there for twenty-five (25) years. But the other school of thought was that a thick, solid plastic material would not have the rust issue, but they did not know that it would withstand twenty-five (25) years of abuse like the steel.

**C. Status of 49<sup>th</sup> Avenue beach access**

Director Kerr reported that the work has been completed; it has been surveyed and the survey has been submitted to OCRM to close out the permit. The City needs OCRM to confirm that the work done, documented and met the permit the City applied for and committed to do.

**D. Status of Local Comprehensive Beach Management Plan**

Administrator Tucker reported that the revised document should go before Council for final approval this month.

**E. Update on beach restoration**

According to the Administrator, yesterday was the deadline for all of the private stakeholders to get their money to the City; once the entries are made to the spreadsheet, the City will know that it has received the five million dollars (\$5,000,000) requested from them, less about eighteen thousand dollars (\$18,000). She also stated that the City has not yet received all of the signed agreements, but she did not believe that was the result of any objections. One (1) of the stakeholders requested that the agreements be recorded, and, if the City goes forward with that suggestion, the recommended strategy would be for the City attorney to craft an amendment document to make the agreements recordable instruments, and then to reach out to the stakeholders again indicating that a stakeholder had made the request, and that the City needs to hear from the stakeholder if he/she wants their individual document recorded. For those who want a recorded document, the City would handle the process for the cost of recording. The request came from a new stakeholder that contends that, when he purchased his property, a failure occurred along the line, with the realtor or the attorney or someone else, to inform him that an erosion problem existed in his area of the beach and that, if the original documents had been recorded, they would have been pulled up in a title search and, therefore, a topic of discussion.

The next step was to confirm that the entire five million dollars (\$5,000,000) was in the bank and to demonstrate to SCPRT that the local share was in place, and the Administrator with assistance from Assistant Frago and Director Kerr can then complete the grant application and put the package together to submit to them. The City will be requesting six million dollars (\$6,000,000) from PRT, but no one knows whether the City will receive all or part of the funding request.

In terms of decision-making, the most recent contract with Coastal Science and Engineering (CSE) has taken the City through the permitting phase of the project; the permits have been issued with certain stipulations to which the City must respond and adhere. Presently the City does not have a coastal engineer on-board for the remaining steps in the project, which are to assemble the contract documents, the post-bidding documents, bid the contract and award the contract and supervise construction to the completion of the project. The question before the Committee was whether to award a sole source contract to continue the relationship with CSE or to go out for competitive bidding to see who else could provide the same services to the City. Reasonable cost for these services is approximately half a million dollars (\$500,000). The Administrator reminded the Committee that all of the beach restoration and shoal management projects the City has undertaken have been with CSE providing the necessary services. To proceed with a competitive bidding process would delay the project and further contribute to having a project in tourist season or the fall, which could happen regardless, because of other stipulations.

If the City were to contract with CSE, the Chair asked for the estimated start time; she added that residents do not want to wait until the fall.

Despite repeated questions on when the project will start, Administrator Tucker could not commit to a start date because she did not know what the stipulations imposed with the grant would be. If there were no stipulations put on the grant stating, for instance, that the project could not happen during turtle nesting season, the grant application was acted upon expeditiously, and the City was awarded the grant in the amount requested, the City would be positioned to do the restoration project in the summer season as in 2008.

Councilmember Harrington opined that the City would not see a measurable difference in cost if the project were to be bid; therefore, he supported staying with CSE.

In Councilmember Rice's mind, the benefit of having CSE who has been with the City for the most recent beach renourishment and shoal management projects means they know the history and the nuances of the IOP beach. She, too, supported staying with CSE.

When Councilmember Rice asked if the source of funds was the Beach Preservation Fee Fund, the Administrator responded that the funds would come from money the City was holding for the stakeholders, approximately two point eight million dollars (\$2,800,000) from the City, and the balance of funds from the 2008 project. The Administrator noted that FEMA funds have not been included in the calculations for this project.

**MOTION: Councilmember Harrington moved to recommend the award a sole source contract to CSE in an amount up to \$510,000 for the phase of the beach restoration project that will involve the bid package, the competitive bidding, the award of the contract and supervision of the contract through the end of the project; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.**

Chair Bergwerf asked what would happen if the City did not get the state grant, and the Administrator stated that the scope of the project would have to be re-evaluated. She said that



she would look at the available funds and likely alter the bid package so that it would contain alternatives for different volumes of sand.

The Administrator said that the City did not know what the disposition was going to be in terms of federal reimbursements (FEMA) because the beach did not lose a lot of sand in either Hurricanes Joaquin or Hurricane Matthew; since the City is not certain that it will receive that money, it has not included in the funding scenario.

**F. See pages 3 and 4.**

**G. Proposal from Stantec for signs at beach access paths**

(A copy of the proposal is attached to the historical record of the meeting.)

Chair Bergwerf thought that the price quoted was much too high; just the upfront costs were in excess of eighteen hundred dollars (\$1,800); she thought Stantec was making these access signs a much bigger project than was originally intended. The Chair suggested that the City get more realistic cost estimates from sign makers; the signs on Sullivan's Island cost approximately nineteen hundred dollars (\$1,900) each. The Chair thought the City should have two (2) designs, a smaller one (1) for the minor accesses and a big one (1) for the major ones like 5<sup>th</sup> Avenue, and start with a few of them spread out over the island.

Assistant Administrator Fragoso stated that Stantec has said that they were willing to modify their proposal.

For the City to spend ten thousand eight hundred dollars (\$10,800) before one (1) sign was constructed was "outrageous" to the Chair.

When the Administrator asked for direction on moving forward, Chair Bergwerf wanted Director Kerr to work with the Committee to devise a prototype, and, not to copy the signs of Sullivan's Island exactly although they are very efficient, practical and nice looking.

Assistant Administrator Fragoso asked if the Chair envisioned all of the signs having a bench as was discussed at the January meeting; Chair Bergwerf replied that she thought the benches would be located at the most heavily trafficked beach accesses and at the handicap accesses. She also voiced confidence that staff could take the photograph of the signs being considered to develop a prototype and get an estimated cost.

The Chair also mentioned that all of the access signs were not visible from the street, and the Administrator noted that any signs put in the right-of-way require an encroachment permit from SCDOT and must be DOT regulation signs, which the example would not meet because it was not break-away. The Administrator said that she was aware of some local governments who ask for forgiveness, but she does not know that their signs were in the right-of-way. She also stated that it has not been the practice of the Isle of Palm not to be in compliance on the right-of-way with SCDOT's sign regulations. If the sign were place off of the right-of-way, it might not be visible from the road.

The Chair stated that the goal would be to have one (1) of these signs at every beach access despite the anticipated cost; according to the Administrator, the island has at least fifty-eight (58) beach accesses.

Chair Bergwerf asked that more research be made into placing the signs on City property, not in the right-of-way.

**6. New Business - None**

**7. Miscellaneous Business – None**

Marina Tenant Reports – All tenants were current with their rent payments.

**Next Meeting Date:** 9:30 a.m., Monday, March 6, 2017 in the Conference Room.

**8. Executive Session – not needed**

**9. Adjournment**

**MOTION: Councilmember Rice moved to adjourn the meeting at 11:12 a.m.; Councilmember Harrington seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk