

REAL PROPERTY COMMITTEE

9:30 a.m., Monday, May 8, 2017

The regular meeting of the Real Property Committee was called to order at 9:30 a.m., Monday, May 8, 2017 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending were Councilmembers Harrington and Rice, Chair Bergwerf, 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 April 3, 2017 as submitted; Mayor ProTem Harrington seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments

Chair Bergwerf reported that the Committee was in possession of a letter from Councilmember Kinghorn asking that the Committee consider boondocking in the municipal parking lot in the off-season as a source of additional revenue for the City. (A copy of the letter is attached to the historical record of the meeting.)

4. Comments from Marina Tenants

Carla Pope, Operations Manager for Morgan Creek Grill (MCG), reported that, on the advice of Council, a new lease amendment proposal will be presented at the June meeting. She also reported that the storm drain to eliminate standing water under the restaurant has been completed and that they will have shuttle service operational by the Memorial Day weekend to transport their employees from off-site parking to and from the restaurant.

5. Old Business

A. Reduction and prioritization in project scope related to marina enhancement elements

Kirby Marshall from ATM attended the meeting to answer questions and to assist the Committee as it works to reduce the cost of the improvements to the marina from six million four hundred thousand dollars (\$6,400,000). He reported that he had reviewed the minutes of the meeting of April 3rd and had responses/solutions to the concerns the Committee voiced at that meeting as follows:

- Dedicated fishing dock – He stated that it is very difficult to incorporate a fishing dock in a marina setting; he suggested waiting on the results of the grant application before picking a location;
- Dedicated dock for kayak launching – The dock for kayak launching was intended for the kayak business operating at the marina; this matter also rests with the outcome of the grant application;

- Pedestrian bridge over the boat ramp – To replace the bridge, the new drawing shows a dedicated crosswalk at the top of the boat ramp, possibly, with a gate on either side; the current plan also eliminates vehicular traffic in the area of the ramp;
- Fuel island location – Although Marina Manager Berrigan disagreed, Mr. Marshall supported the relocation of the landside fuel station because a fundamental tenant of marina planning was to get vehicular traffic away from the boat ramp, and it would be easily accessible for by standard vehicles and vehicles pulling boats.

Chair Bergwerf asked Mr. Berrigan, the Marina Manager, to voice the reasons that he was opposed to moving the fuel station, and they are as follows:

- If moved, a vehicle with a long tow would be sticking out into the lane of traffic, preventing vehicular traffic from accessing the fuel island;
- For the safety of pedestrians, preventing vehicles from getting into the queue for the boat ramp would be the key;'
- Mr. Berrigan was very concerned about vehicles pulling boats creating a backup as they line up to get fuel, possibly to the point of blocking the fire station next door;
- Another issue for the marina manager was space for delivery vehicles to get in and out from the store.

When the Administrator asked if leaving the fuel island where is it would save money, Mr. Marshall said that it would not.

In discussing school bus drop-offs, Mr. Marshall and Mr. Berrigan agreed that the buses could be directed across the boat ramp into the over-sized parking spaces after de-boarding the children near the store.

At the previous meeting, the number of ADA gangways was thought to be excessive; Mr. Marshall explained that, per the Department of Justice Accessibility Guidelines, one (1) ADA accessible route must go to every different use within the marina that was being altered. The ADA gangway to the fuel dock could be eliminated, but the gangway should stay.

Michael Fiem of TidalWave Watersports said that he and his brother agreed with Manager Berrigan about the location of the land-side fuel island; he thought that the traffic issue was going to be solved more with signage on a daily basis. On the subject of a fishing dock, he agreed with Mr. Marshall that fishing and a marina did not mix; he commented that he has watched people fish from the end of the dock across from their business and never seen anyone catch a fish.

Administrator Tucker stated that the Committee had not discussed how much the Boating Infrastructure Grant (BIG) was driving what the City wanted to achieve at the marina and drive inflexibility with the design. Although the BIG grant at four hundred fifty thousand dollars (\$450,000) was a considerable amount of money, the overall project is far more expensive; she wondered that, if the Committee let go of what they must do to qualify for the grant, how much the recommended design would change.

Mr. Marshall opined that it would not change the design at all; it might, on the other hand, change some of the usage of the docks, particularly the Intracoastal docks because a certain length of that dock was dedicated to transient boats to satisfy the BIG review Committee. He added that docks were sitting in the same configuration ATM would have recommended for the next ten or fifteen (10-15) years; the rest of the outside docks, particularly the large dock on the outside of the marina which is falling in, were dedicated for transient boats. In his opinion, the plan has not been changed to fit the grant; instead they have tried to fit the grant application to the usage of the site.

In an update on the BIG grant, Mr. Marshall said that he had attended the South Carolina DNR Boating Infrastructure Seminar, and some representatives from US Fish and Wildlife were also in attendance to discuss the status of the grants. He learned that approximately twenty-five (25) Tier 2 BIG applications were submitted from across the country; the ranking committee has reviewed them and selected ten (10) for an award, but the names have not been announced. He added that, for the first time ever, applications for more than one hundred thousand dollars (\$100,000) were sent to the Secretary of the Interior for his review, and no movement on the grants has taken place and no timetable has been established for a decision.

The Administrator noted that, no matter the outcome of the grant application, the City will require financing for the marina project.

As the Committee moved forward with paring down the project, and, thereby, reduce the cost, Chair Bergwerf stated that the Committee had unanimously agreed at the March meeting to eliminate everything associated with the pedestrian bridge over the boat ramp and that saved one hundred twenty thousand dollars (\$120,000).

Mr. Marshall commented that the team at ATM had also reviewed the costs to decide what elements were not essential to the project and could be done in the future, and he recalled that Marina Manager Berrigan had agreed to cover the costs of the tractor shed, saving fifty thousand dollars (\$50,000). Other suggestions for deferral or exclusion were reducing the landscaping, postponing the public restrooms from Phase I, streamlining the gangways and integrating the kayak launch dock with the Intracoastal dock.

Councilmember Rice asked why the kayak launch could not remain in its existing location toward the TidalWave dock on the Intracoastal Waterway.

Speaking as a marina business owner, Michel Fiem explained that his insurance company would have issues with him allowing privately-owned jet skis on his dock, and he thought the kayak business would have the same problem.

Councilmember Rice thought that the City would see a cost-savings if the business were to remain in its current location; she pointed out that the proposed new location was originally to be for Coastal Expeditions.

Councilmember Rice stated that she was very confused about how the parking kiosk system would work; she asked who would be responsible for monitoring it, for issuing tickets and for collecting the money from them.

From the parking and traffic assessment, the original master plan included credit card kiosks at the end of the parking aisles where the driver would get the voucher and put it on his dashboard of his vehicle; the systems would be implemented with the annual passes sold. The key to an essential computer system was one (1) managed by the marina manager and enforced by the City's Police Department.

Chair Bergwerf voiced skepticism about adding a totally new area for police officers to monitor because they are pushed to the limits once the season begins, and the cost to the system was substantial at ninety-five thousand dollars (\$95,000).

Mr. Marshall recalled that the parking and traffic were one (1) of the fundamental, underlying concerns with the facility as it is now – chaos. The team found the kiosk system to be the best method to control that without a controlled-access or gate structure, which no one was interested in; therefore, the need for real enforcement from the City would likely be more intense in Year 1 as people are learning about the system.

According to Mr. Marshall, the revenue from the kiosks would go to the marina manager as it does now; that being the case, Chair Bergwerf thought that the responsibility for enforcement should fall to the marina manager as well. She also did not like the fact that the City purchased the marina for the residents of the island, and it now plans to charge the residents to park when all they want to do is drink a beer and enjoy the water.

Councilmember Rice suggested that the parking system be added at a later date at no cost to the City.

Councilmember Rice voiced her concern about the amount of area that would be covered by impervious surface; she also asked why erosion and sediment control were not part of demolition and grading.

Mr. Marshall explained that demolition and grading was the physical pushing the dirt around; the erosion and sediment control were the silt fence and other things on the side to protect the creek and the intakes.

He agreed that the paving dollars were very high; he was today proposing that only the main drives in the vehicular parking areas and that the individual parking spaces would be improved gravel that is pervious, allowing stormwater penetration, and more stable than now. He explained that the paving around the fuel island would be heavy-duty concrete and that it would be over the underground storage tanks to protect them.

Although the upland public restrooms was a good idea, Chair Bergwerf thought that it could also be delayed; she noted that the need is seasonal and the delay would represent a savings of one hundred twenty thousand dollars (\$120,000).

When the Chair asked about the amount estimated for electrical and lighting, Mr. Marshall said that this would be for the site, not the docks and that it represented gutting the site and adding new infrastructure throughout the site and with new electrical distribution. The plan also included

integrated site lighting in the parking areas and along the shore; the lighting would be very basic and Spartan.

Chair Bergwerf asked for an explanation of potable water and sewer for one hundred fifty thousand dollars (\$150,000), and Mr. Marshall stated that, like the electrical, the plan was to completely replace the water and sewer lines and the lift station on-site and go with a gravity-feed system.

The perimeter boardwalk appeared in the Marine Elements because the cantilevered section behind the restaurant would likely have to be built from the water and would require permitting from OCRM. Mr. Marshall noted that it could be a second phase initiative; the City could get it permitted and hold the permit until funds were available to construct it.

Councilmember Rice asked Mr. Marshall to distinguish between a boardwalk and a sidewalk.

The boardwalk around the perimeter would be a timber frame type boardwalk, like the one (1) at Shem Creek, with a wooden rail on the outside that would tie into the boardwalk at the store. The sidewalk was intended to provide ways to get around the site more safely. The bicycle path between the marina and Fire Station 2 would have an asphalt surface.

About the boardwalk, Administrator Tucker commented that people would love the ability to go to the marina and just walk around without spending any money and that it was the best answer for people who do not live on the water. For those reasons, she thought that the boardwalk was the best response to residents' desires, and she was reluctant to take it away from the project.

Chair Bergwerf remarked that the current plan has sixteen (16) bike racks which she thought were too many; she recommended reducing the number to eight (8) and cutting the landscape budget by half. The Committee agreed to cut the landscaping to one hundred thousand dollars (\$100,000).

According to Mr. Marshall, mobilization was estimated to be one hundred thousand dollars (\$100,000) because several contractors would be working at the site and each will have a specific mobilization charge.

Since dredging must happen with or without the marina redevelopment plan, the Committee agreed that the inclusion of the dredging costs distorted the cost of the project; removing the dredging reduces the project cost by six hundred fifty thousand dollars (\$650,000).

Responding to Mayor ProTem Harrington's concern about the silting generated by the 41st Avenue ditch, the Administrator explained that two (2) issues are involved, i.e. the first being that it is an important ditch to the island's drainage system and the second being that the ditch has sensitive vegetation growing in it that make it a wetland area. Another nuance is that SCE&G has an underground feed that runs very near the outfall in the Intracoastal Waterway; when the City dredges, special care must be taken not to intrude on the cable perimeter.

The Administrator recalled that another Councilmember had suggested constructing a pervious structure over the ditch to get utilization of the space.

Returning to the subject of the dedicated kayak dock, Mr. Marshall stated that he and Mr. Berrigan had discussed the possibility of the operator funding the improvement since they will get the sole benefit from it.

When the question was repeated about why the kayak business could not remain in its current location, Mr. Marshall replied that the length of the dock has been dedicated to transient boats in the BIG application.

Councilmember Rice proposed that the Committee forego the BIG grant, leave the kayak business in its present location and dedicate the new kayak dock to the residents use.

Mr. Marshall again said that the City could get the permit for the kayak dock and phase it in later.

Neither the Chair nor Councilmember Rice were supportive of phasing the kayak dock in later because it is the only marine element strictly for the residents.

When questions were asked about the fire extinguishers, Mr. Marshall stated that they would be placed throughout the marina in accordance with NFPA requirements. He stated that the standpipe system could be eliminated in favor of portable fire carts, but to do so would likely require a change in the City's fire code. The Committee chose to delay a decision on the standpipe system until Chief Graham could offer a recommendation.

Councilmember Rice noted that these reductions made to the cost estimates would also impact the soft costs and contingency for the project.

Mr. Marshall reported that the Clean Vessel Act provides up to seventy-five percent (75%) reimbursement for the marine pump-out costs through a non-competitive grant; the marina project could be reduced by another thirty-thousand dollars (\$30,000).

New Total Cost Estimates: Upland Elements	
Original Sub-total	\$2,352,153
Reductions/Deferrals	<u>468,500</u>
New Upland	\$1,883,653
Marine Elements	
Original Sub-total	\$3,019,650
Reductions/Deferrals	<u>801,990</u>
New Marina	\$2,217,660
Total Estimate-Construction Costs	\$4,101,313
Soft Costs (10%)	410,131
Contingency (10%)	<u>410,131</u>
Revised Project Costs	\$4,921,575
Total reductions and deferrals	\$1,270,490.

The Committee agreed that the decision they have not yet made was to leave the fuel island in its present location, the recommendation from ATM, or to leave the island in its current location, the preference of the marina manager. Manager Berrigan said that he was trying to isolate the boat ramp traffic from other pedestrian and vehicular traffic, and he felt that was better achieved by leaving the fuel island where it is.

Administrator Tucker noted that the language used in the referendum should note borrowing in the amount of five million five hundred fifty thousand dollars (\$5,550,000) that includes the dredging project; she said the language might be about borrowing but an amount greater than the cost of the marina redevelopment project itself would be requested.

Manager Berrigan stated that the City staff needed to develop a Plan B if the referendum failed because work needs to be done at the marina.

Chair Bergwerf commented that was part of the education of the residents prior to the referendum, and she added that the optimum would be for the tenants' rent to repay the debt as they have the debt incurred with purchasing the marina. She stated that it was crucial that the project not force a tax increase.

Administrator Tucker pointed out that the original marina debt has not only been paid off by tenant rents but also tourism funds, and the City would be looking to do that again.

When the question was asked about presenting the referendum for the first phase of the project only, the Administrator stated that, if the referendum, as a total package, failed, City must decide what on the Plan B, and such a plan should be discussed before the referendum. She stated that she anticipated political fallout if voters thought the City was holding back anything related to the marina improvements or the total cost when presented with the referendum question; she added that she has sensed a desire on the part of the residents to have a voice in project, whether it be positive or negative.

MOTION: Mayor ProTem Harrington moved to keep the fuel island in its existing location at the marina; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.

Administrator Tucker reiterated that, in order for the referendum to be on the November ballot, the language of the referendum questions must be submitted to the Charleston County Board of Elections in August.

Mr. Marshall informed the Committee that he could have the revised cost estimates available to them later in the day, and new conceptual drawings could be available next week.

B. Discussion of Morgan Creek Grill lease amendment – Tenant not prepared.

C. Discussion of replacement of walk-in freezer at Morgan Creek Grill – Deferred to the June meeting.

D. Recommendation of award of landscaping maintenance and garden services contract

The Administrator noted that the meeting packet contained the bid tabulation for this Request for Bid showing bids ranging from sixty-four thousand eight hundred dollars (\$64,800) to two hundred fifty-five thousand three hundred dollars (\$255,300). The recommendation from staff is to accept the bid from The Greenery; they adhered to all of the bid requirements and were the lowest bidder to do so. If the Committee decides to move the recommendation to the Ways and Means Committee, the Administrator thought it would be beneficial to ask them to attend the June meeting so that the City's vision could be fully explained to them.

MOTION: Councilmember Rice moved to recommend to the Ways and Means Committee the award of the City-wide landscaping contract to The Greenery; Mayor ProTem seconded and the motion PASSED UNANIMOUSLY.

E. Consideration of proposal for beach access signs

Assistant Fragoso reported that the City had received two (2) proposals for new beach access signs; one (1) came from the vendor in Minnesota who constructed and installed the beach management signs in the amount of fourteen to fifteen hundred dollars (\$1,400 - \$1,500) including installation depending on the number of signs ordered. A second estimate was submitted by the local vendor who did the wayfinding signs and the Carmen R. Bunch Park sign at fifteen hundred fifty-eight dollars (\$1,558), including installation.

The Committee agreed that they would rather work with a local vendor and that the question now was how many signs to order; Assistant Fragoso recalled that the original thought was to get signs for the ten (10) most heavily trafficked beach access paths.

Since the tourism season has gotten off to an early start, Councilmember Rice suggested waiting until the end of the season to purchase and install the signs.

The Administrator commented that the vendor might have a problem guaranteeing the price if the purchase was not made for several months.

Chair Bergwerf asked Assistant Fragoso to find out how long the vendor would hold the price and when he would be available to construct them.

F. Update on work at the public restrooms

In a memo from Director Kerr, Assistant Fragoso reported that the floors were painted and the new fixtures (toilets, sinks and urinals) were installed last week and that Liollio continues to work on the design. At the end of the summer, the toilet stall doors will be replaced and the major work will be done. Liollio is also working with pricing consultants to insure that the cost of the work to be done will fall under the fifty percent (50%) rule. She also told the committee that the Director and Administrator Tucker had met with the volunteer coordinator with Keller Williams Real Estate about their painting the back side of the restrooms to make it consistent with the colors in the

murals; additionally, the City has learned that the neighboring condominium owners have spoken with Greta Kreusi about painting a mural on the back side.

Director Pitts told the Committee that the new yellow barrels were being deployed on the street-side of the beach access paths as quickly as the palm trees are painted on them. Based on her observations, Councilmember Rice asked that additional trash barrels were needed at the public restrooms; Chair Bergwerf thought that the problem was that the existing barrels were not being serviced on a timely basis.

6. Consideration of suggestions for use of City property to generate revenue in the off-season

Administrator Tucker stated that options for generating additional revenue from City-owned properties could be anything that Committee members thought would be possible, would require very little cost to implement, would not generate a need for additional personnel and, based on citizens' comments, would not be visibly objectionable, in order to avoid increasing property taxes. Suggestions that have been discussed included keeping the parking kiosks operational year-round, some type of storage (boats, RVs, etc.) in the municipal parking lots in the off-season and other properties where the City could charge for parking, like Breach Inlet and the vacant lot beside City Hall.

Although the vacant parking area at Breach Inlet is the property of SCDOT, Administrator Tucker voiced confidence that they would allow the City to regular parking there; the lot holds twenty-four (24) cars, but has lined parking spaces for eleven (11) cars.

Assistant Fragoso mentioned that that this topic was discussed by the Public Safety Committee, and they felt that the revenue to be generated there would be negligible in comparison to the cost of equipment and installation.

As an avid camper, Councilmember Rice said that she was surprised by the comments citizens made about using the large municipal parking lot for boondocking; she opined that the Committee would need to do extensive research if they intended to recommend it to the full Council.

On the other hand, Councilmember Rice thought that boat storage in the off-season was a viable alternative for increasing revenue.

Mr. Berrigan commented that the demand for boat storage was seasonal and that the charge would have to be very cheap to compete with storage areas in Mount Pleasant; he did not think the endeavor would generate much revenue for the City.

Statements were made that residents might prefer the parking lot to their yards and that residents of Wild Dunes were not allowed to keep their boats at their properties. The Administrator commented that the only options for Wild Dunes' residents were to keep their boat in the water all year or to take it to Mount Pleasant for storage in the off-season.

Mr. Berrigan quoted his rates as two hundred dollars (\$200) per month for year-round storage and two hundred dollars (\$200) a week in-season.

Chair Bergwerf questioned that, if boats were to be stored in the lot, would additional lighting be necessary as well as more surveillance cameras; the Administrator remarked that additional cameras were being installed before the season started.

The only problem Councilmember Rice foresaw would be a boat owner who did not remove his boat in the spring.

Chair Bergwerf wanted the concept of boat storage in the off-season for boats in the municipal parking lot to proceed. She wanted staff to figure out how many boats could be stored, how it would be managed, how much to charge, whether additional resources and/or personnel would be needed and, if so, how many lights to add, etc. for discussions to be continued at the June meeting.

7. Miscellaneous Business

Administrator Tucker reported that all marina tenants were current with their rent.

Next Meeting Date: 9:30 a.m., Monday, June 12, 2017 in the Conference Room

8. Executive Session – not needed

9. Adjournment

MOTION: Councilmember Rice moved to adjourn the meeting at 11:45 a.m.;
Chair Bergwerf seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk