

REAL PROPERTY COMMITTEE

9:30 a.m., Monday, January 9, 2017

The regular meeting of the Real Property Committee was called to order at 9:30 a.m., Monday, January 9, 2017 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Harrington and Rice, Administrator Tucker, Assistant Administrator Fragoso and Clerk Copeland; a quorum was present to conduct business.

1. Past 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 November 8, 2016 as submitted; Councilmember Harrington seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments – None

Proposed Mayor Carmen R. Bunch Park Beautification – IOP Garden Club

The City was contacted by the IOP Garden Club with a proposal to beautify this small park, but no one is present today. The caller was advised that the park does not have irrigation making it challenging to come up with a workable plan; the garden club representative was also told that they would need to present their plan to this committee.

Councilmember Rice asked whether the City had put benches in the park; Administrator Tucker said that it could be done.

4. Comments from Marina Tenants

Jay Clarke of Morgan Creek Grill reported that the restaurant has sent the City a copy of an estimate for a roof air conditioner that sustained damages in Hurricane Matthew. He originally was told that it was covered under the restaurant's insurance, but it is not; therefore, he concluded that it was covered under the City's policy. He stated that he was anxious to get the settlement because the unit also provides heat to the upper deck, kitchen and restrooms; staff has placed temporary heaters in them for the past couple of nights with personnel to monitor them around the clock. Mr. Clarke also informed the Committee that he has an estimate coming for the replacement of the walk-in freezer and the rotted flooring underneath it; he will share it with the Committee when it arrives.

Motion: Councilmember Rice moved to add the election of Chair and Vice Chair to the Agenda; Councilmember Harrington seconded and the motion PASSED UNANIMOUSLY.

Election of Chair and Vice Chair

Councilmember Harrington nominated Councilmember Bergwerf as Chair; Councilmember Rice seconded and the vote was unanimous for the nominee.

Councilmember Harrington then nominated Councilmember Rice to serve as Vice Chair; Councilmember Bergwerf seconded and the vote was unanimous in support of the nominee.

5. Old Business

A. Discussion of Bulkhead Assessment – JMT

At the November meeting, Committee members reviewed the options for solving the problem with the bulkhead as defined in the work product from the assessment by JMT, and the consensus of the Committee and City staff was that the problem needed to be fixed before proceeding with further marina enhancement activities. Since the island has a citizen who has experience in this field, he was asked to do a peer review of that work product, and he did a very thorough job of studying the problem and the fixes presented. One (1) of the comments the City received was a concern that a problem might exist at the mudline that would not be solved by the options presented by JMT, and he suggested that the City get an answer to that question before proceeding with any other task.

Councilmember Rice explained that the resident suggested to camera the wall itself to confirm that it is in “good shape.”

David Osgood of JMT responded that they did a visual inspection of the outside to include the coating, the interlocks and the welds in the locations where there are welded connections, and found one (1) broken weld. They took cameras for inspection of the inside and did not find problems with any of the sheets they viewed; in some of the photographs, they could see the length of the wall from the inside.

Councilmember Rice quoted from the peer review as follows:

“ . . . could also be leaking from sheet pile driven out of interlocks near the bottom mudline. Should probably do an underwater inspection to rule this out conclusively.”

Mr. Osgood state that, at low tide, one can see the mudline, therefore, an underwater inspection is not necessary; JMT personnel did inspect the interlocks, but did not see evidence of driving damage or leaking through them.

Administrator Tucker indicated that now the Committee needed to make a recommendation to the Ways and Means Committee as to which solution they viewed as having the most longevity and surety to the City, Option 2 for three hundred ten thousand dollars (\$310,000).

Councilmember Rice also thought that this bulkhead work should be done in conjunction with the replacement of the underground storage tanks at the marina.

Administrator Tucker looked to Mr. Osgood for his recommendation on the timing for the bulkhead fix, i.e. the two (2) projects simultaneously or one (1) following the other. Based on the location of the fuel tanks, Mr. Osgood noted that one (1) project would not interfere with the other.

Marina Manager Berrigan noted that the fuel lines would have to be shut down when the excavation of the location where the fuel lines go out to the docks occurs; he indicated that he

would prefer to have the fuel shut off one (1) such time, meaning that the wanted to see the two (2) projects done simultaneously.

The bulkhead project is expected to take one hundred ten (110) days because the weeps are to be replaced and they are only exposed at low tide – only two or three (2-3) can be done a day. Once the weep holes are replaced, the work will be relatively non-invasive.

If the Committee were to recommend Option 3, the redundancy offered by the 57 stone fill for filtration would be lost. Mr. Osgood said that Option 2 offered the best security against a future failure.

Responding to Councilmember Harrington's concern, Mr. Osgood said that, if the new weep holes fail, one would see the sand flowing through again.

Quoting again from the peer review about Option 2, Administrator Tucker said "provided that there are no problems at the mud line, this is the option that is the most sure fix," and Mr. Osgood has assured the Committee that no problems exist at the mud line. On Option 3, the peer review states that "may not get a good seal at drains."

The Administrator confirmed that the Marina Manager strongly believes the two (2) projects should be done in the fall, preferably October.

MOTION: Councilmember Rice moved to recommend to the Ways and Means Committee that the fix to the bulkhead issue identified as Number 2 be the one (1) pursued with alternates included in the bid and that the project be done in tandem with the underground fuel tank replacement and undertaken in the fall of 2017, no sooner than October 1; Councilmember Harrington seconded and the motion PASSED UNANIMOUSLY.

B. Status of Renovations to Public Restrooms

Administrator Tucker explained that this item was on the Agenda because timing issues need to be discussed with the Committee; Seth Cantley from Liollo was present for the meeting to answer questions and provide feedback.

Based on a new assessment and a new interpretation of the fifty percent (50%) rule, the Committee has decided to look at renovating the building, and the elected body has expressed its desire for changes to begin as quickly as possible. In looking at the timing for it, staff has determined that the restrooms would be out of service through July 4th.

Director Kerr reiterated the sense of urgency to get the work done, and Liollo looked at their design schedule with an overlay of meetings and approvals for the cost of the renovation. With very compressed bid turn-arounds, the start date was getting into mid-June; he noted that the City has not been successful in the past when giving contractors/vendors a short time to respond to bids. Staff decided that the best course of action would be to get all of the approvals, quotations for the work contracts, etc. done now in preparation for the work to begin in late August or early September.

Chair Bergwerf asked if the outdoor showers could be done for this season separate from the renovations to the building.

Director Kerr said that he had discussed dividing the project into two (2) phases, but to do so would impact the design costs because the structural engineers would be designing two (2) sets of plans.

The Director indicated that the City would have the same problem of compressing actions into a short time frame.

Mt. Cantley stated that the handicap access to the restrooms was from the showers and boardwalk area for ADA compliance for the building; he added that he thought the City would get a more competitive bid by having one (1) contractor do all of the work, rather than two (2) small projects. Another benefit to delaying the project is that Liollo has found that contractors who would do this type of project continue to be very busy with repairs from Hurricane Matthew.

Councilmember Harrington agreed that postponing the work to the end of summer was not ideal, but noted that the restrooms were still functional, but, based on the information, he agrees that the project should be delayed.

Councilmember Rice asked if the stall doors could be replaced because they are badly rusted, and, therefore, unsafe.

Chair Bergwerf stated that she thought that part of the plan was to remove the plywood ceiling thereby opening up the space to windows that are at the top of the walls. She commented that she wanted to get something done for this season.

Director Kerr responded that he could see no way to get the doors replaced without two (2) contracts; he also said that he expects the doors to be custom-made. In addition, he advised the Committee that each mobilization adds to the cost and affects the fifty percent (50%) rule. He told Councilmember Rice that he would look into removing the rust from the doors.

Administrator Tucker explained that the project could proceed now, but the City would have to provide restrooms somewhere, most likely mobile bathrooms in the municipal parking lot, meaning the loss of revenue for the spaces occupied. The alternative is to wait until after August 21st, the day of the solar eclipse when the island is anticipating many visitors.

Since Liollo is at the conceptual stage now, Mr. Cantley said that the design drawings would be ready in the spring because they want the contractors to have the summer to produce their responses to the bid.

MOTION: Councilmember Harrington moved to re-order the Agenda to address Item A under New Business at this time; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.

6. New Business

A. Discussion of drainage issue at Morgan Creek Grill

Administrator Tucker reported that the problem of the standing water under Morgan Creek Grill (MCG) was brought to the City's attention initially as a result of the termite inspection and was reinforced by the contractors on the bulkhead.

Mr. Clarke said that he hired John Wade to survey the elevations of the property adjacent to the loading dock that would then feed into the existing storm drain in the restaurant parking lot. The job would consist of installing a new storm drain at the MCG loading dock and plumbing the existing storm downspouts into that storm drain as well as the condensation from the air conditioning. He reported that Director Kerr had contacted the proper government agency and was told that the water could go into the storm drain; additionally, he thought that this work would not interfere with any part of the marina redevelopment project. Mr. Clarke has gotten two (2) quotes; the first is from Carolina Professional Builders in the amount of fifteen thousand five hundred dollars (\$15,500) and the second from Landscape Pavers in the amount of twelve thousand six hundred fifty-eight dollars (\$12,658). He explained that Ledford's would not treat or bond the building for termites until this work is done; to-date there is no evidence of termite damage to the structure. Mr. Clarke stated that water has been pooling under the restaurant as long as he has occupied the building and that the building was bonded in the past; the City has made a change in its termite coverage that requires that this work be done.

Based on what he has learned about a French drain system, Councilmember Harrington questioned that the work described by Mr. Clarke would truly be necessary if the water were directed to the French drain system that is part of the bulkhead resolution. The Administrator voiced concern that draining into the French drain system would not meet NPDES standards.

Director Pitts commented that stormwater must be filtered, like it was by passing through the vegetation of a ditch; going directly into the storm drain, the water would be dumped directly into the Intracoastal Waterway. He also cautioned Mr. Clarke to be mindful of the proximity of the grease traps to the collection box.

Director Kerr voiced concern over whether the French drain system could handle the added volume of water from the restaurant.

Chair Bergwerf concluded that draining into the French drain was not a viable solution to the water under the restaurant.

Administrator Tucker said that the definitive answer should come from Charleston County's NPDES personnel. She stated that what Morgan Creek Grill is proposing sends the water to the existing drainage ditch, so it would be acceptable from an NPDES perspective. The Administrator stressed that the water under the restaurant needs to be resolved now and when the bulkhead work will begin has yet to be determined.

When the Administrator stated that, under the terms of the MCG lease, the City was not obligated to pay for this work, Mr. Clarke repeated that the water under the restaurant has been there as long as he has operated the restaurant; therefore, he did think the City should cover the expense.

Mr. Clarke said that he was certain that the work could be completed soon and in just a matter of days.

Councilmember Harrington noted that this work was to be done to the infrastructure of City-owned property, and he thought that the City should bear the cost.

Councilmember Rice asked Mr. Clarke if the restaurant would be willing to split the expense with the City, and he repeated his position.

MOTION: Councilmember Harrington moved to recommend to the Ways and Means Committee to authorize Morgan Creek Grill to proceed with this repair subject to approval and inspections by the appropriate agencies and to reimburse them in an amount not to exceed \$15,500 for the work to re-direct storm water away from the restaurant; Councilmember Rice seconded.

Administrator Tucker stated that, if the City were to cover or share the expense, it would be an act of goodwill on the part of the City. Since the consensus was to pay or share the expense, the Administrator remarked that a contract in excess of ten thousand dollars (\$10,000) requires a RFP.

The Administrator suggested that MCG pay the contractor initially and then invoice the City for reimbursement after the work has been inspected and approved.

VOTE: The motion PASSED UNANIMOUSLY.

C. Status of 49th Avenue beach access

Director Kerr reported that the OCRM permit dictated the elevation of the project, and John Wade surveyed the property and set the marks for the grading contractor to meet. The grading contractor has come close to those marks; there is an amount of sand on the beach that needs to be added. Once that is done, the path needs to be re-surveyed and provide that survey, documenting that the City has matched the correct elevation, to OCRM. The work needs to be completed, documented and sent to OCRM in order to be complete; the Director anticipates this to be accomplished in the next thirty (30) days.

D. Status of Local Comprehensive Beach Management Plan

Administrator Tucker recalled that the Plan has been out for public comment, and OCRM had asked that certain changes be made. Those changes were addressed in the document, and the City anticipates approval in the near future. The agencies the City is working with now, i.e. FEMA, State Emergency Preparedness Division, and the permitting agencies, have been made aware that the City is operating under the old plan, but the updated plan is in the final approval stage.

E. Update on Beach Restoration

According to the Administrator, this project is at the forefront of activities currently; last week two (2) meetings were held associated with the restoration project. In one (1) meeting, staff met with

FEMA representatives associated to the damages sustained from Hurricane Matthew; discussions included the emergency berm repair and the more long-term project from 53rd Avenue to Dewees Inlet and Breach Inlet to 14th Avenue. The second meeting was called by the Wild Dunes Community Association (WDCA) to meet with the stakeholders about their share of the five million dollars (\$5,000,000) that needs to come from them for the fifteen million dollar (\$15,000,000) initiative. Everyone is committed financially to the project, but three (3) of the homeowners' associations (HOAs) are arguing the basis for the commitment and have committed a lesser amount than is required, leaving a gap of two hundred fourteen thousand dollars (\$214,000). The discussions were about fairness and how the shortage could be funded and by whom and how the project could possibly be redesigned; little progress was made. The decision was for everyone to walk away, think about what had been said and to meet again maybe this week. Also in the plan is for representatives of WDCA to meet with representatives of the state Parks, Recreation and Tourism Committee (PRT) in Columbia to discuss the issue of public access.

The City reviewed the grant process with WDCA and noted that it lacked the documentation of the local share to be complete, that the permit is out on public comment until January 17th, and they were shown how to make comments on the OCRM and Corps of Engineers permit. Possible obstacles were also discussed, and it was noted that none of the funding scenarios include the FEMA money because the City has not yet received a grant award from them for either Joaquin or Matthew.

In addition, the Second Stone Fleet was discussed and how the City has decided to avoid the proposed historic district for harvesting sand for this particular project, but the City will continue to pursue a mechanism for compromise regarding it. One thing that has been talked about is the production of a documentary about the Second Stone Fleet that could be aired on history channels, the Discovery channel, educational television, etc., covering its significance as a way to allow the City to disturb the area.

The City has always stayed out the private funding side; therefore, ignoring the dissent of the three (3) HOAs, the City plans to send out the cover letters and stakeholders' agreements in the mail this week. Funds are due February 1, 2017.

Responding to the Chair's question about the state funds, the Administrator said that the state will not accept an application until the City can document that it has all of the other money in the bank; the state grant would pay for fifty percent (50%) of the construction cost for the project.

Although the City has not received the money from Lowe's, it has received a commitment for it. The City has also received checks from some stakeholders prior to their receipt of the stakeholders' agreement from affected properties who have experienced this before and who have confidence in the City's ability to execute.

With the time involved in completing the state grant application and the time for PRT to respond, a project for this winter is not possible; it will have to be at the height of tourist season and in turtle nesting season. The stakeholders do not want to wait another year for action to be taken.

OCRM has decided that the wave dissipation devices are not effective, and although they are not the City's responsibility, they must be removed by the property owners before the project can begin.

The Committee does not need to take any action at this time; the Administrator agreed to inform the Committee about the project money received by the February 1 deadline. The Administrator explained that the homeowners' association could place a lien on any stakeholder who does not pay his share.

F. Update on Marina Redevelopment Plan

Assistant Administrator Fragoso reported that ATM has received the survey and some minor work remains to be completed on the survey of the site plan. The completion date for the tasks approved by Council in September 2016 is the end of April 2017.

6. New Business

B. Consideration of beautification of City parking lot next to City Hall

Chair Bergwerf stated that she had asked for this item to be included on the Agenda because she thinks the view from the street should be blocked by some trees; she suggested that the trees that separate the parking lot from Memory Park be transplanted to the street side of the lot, thereby integrating the parking lot and the park.

Councilmember Rice added that the park area also be integrated with the bike lane coming off the Connector; it would be a good spot for cyclists to stop and get water since a water fountain is already there.

The Administrator reported that one (1) of the priority requests for TST funds in recent years has been improvements for bicycles and pedestrians to the intersection of the Connector and Palm Boulevard. Since the City owns the property at the corner, except the right-of-way, it could give permission for a bike path to come through the property, opening up Memory Park and the parking lot. The Public Works Committee selected these improvements as its Number One priority for submission to TST for funding in 2018.

Since the Administrator did not think funding would be available in FY17, she suggested that funding for beautification be included in the FY18 budget.

On the subject of landscaping, Councilmember Rice asked about the status of the City's landscape contractor; Assistant Administrator Fragoso reported that the current contract will expire soon, and the City will then bid the contract. When asked if the City was going to include additional requirements, Councilmember Rice was told that maintenance of some of the beach access paths was going to be added; the existing contract has a very detailed scope.

The Administrator was in favor of providing the contract to the Committee members for their review and comments; she said that, personally, she would like to see more color more times of the year.

C. Consideration of improving signs at beach access paths

The Chair offered as an example of the issue she was addressing the 5th Avenue beach access where about seven (7) different signs at installed with a variety of messages; the beach access paths on Sullivan's Island are rough-hewn, four by six (4 x 6) boards that combine the messages that appear on multiple signs at IOP. If the board were to be taller and wider, a bench could be constructed at the bottom, providing a place where beach goers could stop and gather themselves before preceding to their vehicles. Chair Bergwerf acknowledged that such signs could not be placed at all beach access, but could be added to the most popular to start. She recommended that staff contact Sullivan's Island to learn about the cost, and Councilmember Harrington volunteered to take pictures of a couple of their signs and send them to Committee members.

Mary Pringle of the Turtle Team mentioned to the Chair that some of the access signs on the beach are missing; the Chair asked whether the City was waiting on FEMA funds to replace them.

The Administrator answered that the signs have been included in an insurance claim and in a FEMA request for the portion not covered by insurance.

The Chair thought they should be replaced before tourists return to the island because she considers their absence to be a safety issue.

7. Miscellaneous Business

Tenant Rents Report

Administrator Tucker indicated that she had not gotten the information from the Treasurer, but would have it for the Council meeting.

Next Meeting Date: 9:30 a.m., Thursday, February 2, 2017 in the Conference Room

8. Executive Session – not needed

9. Adjourn

MOTION: Councilmember Rice moved to adjourn the meeting at 11:22 a.m.; Chair Bergwerf seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk