

REAL PROPERTY COMMITTEE
5:30 p.m., Wednesday, September 4, 2013

The regular meeting of the Real Property Committee was held at 5:30 p.m. on Wednesday, September 4, 2013 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Loftus and Buckhannon, Chair Stone, Administrator Tucker, Assistant to the Administrator Dziuban and City Clerk Copeland; a quorum was present to conduct business.

1. Chair Stone 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 Loftus moved to approve the minutes of the regular meeting of August 14, 2013 as submitted; Councilmember Buckhannon seconded and the motion **PASSED UNANIMOUSLY.**

3. **Citizens' Comments** – None

4. **Comments from Marina Tenants** – None

5. **Old Business**

A. **Status of Tidal Wave Watersports Dock Replacement**

Administrator Tucker reported that, as per the Committee's request, a meeting was held involving all parties associated with the dock replacement, i.e. City staff, the Fiem brothers, Phillip Smith, Jay Clarke, Brian Berrigan and John Shaffer. All of the possibilities were discussed and everyone had an opportunity to opine regarding what should happen next; a considerable amount of time was spent discussing the future plans for the reconfiguration of the entire marina site. The suggestion was made that replacement of the Tidal Wave dock should stop and energies put into the marina enhancement project, ensuring that what was being done with the dock replacement was consistent with the future of the marina. The discussion finally honed in on what should be done with the Tidal Wave dock now - was it possible to wait longer for the replacement? Could minor re-designs be made to the existing proposal? Mr. Shaffer has generated a very informal sketch that takes the existing permit and scales down the operational structure and moves the stationary part of the dock a little farther from the Smith's property line. Additionally, Mr. Shaffer made a trip to the marina for a visual examination of the dock, and his assessment of the docks is as follows:

- The handrails are very dangerous and need to be replaced;
- The repairs made after the dredging are holding;
- The walkway, the stationary part of the dock, is not to commercial standards as it is a residential dock; therefore, it was not built to withstand the load capacity it handles;
- Although not viewed at dead-low tide, there were no major signs of rot in the visible portion of the piling; and
- In his opinion, the dock is not in a state of imminent failure, but there are areas of concern.

In the Administrator's view, the Committee's options are as follows:

- Move forward with the permit as originally designed;
- Move forward with alternate sketch; or
- Shore up identified areas of concern, postponing the replacement until such time as there are plans for the complete marina enhancement project.

Administrator Tucker voiced concerns about the available money in the Marina Fund and how long it might be before any forward movement is made toward the marina enhancement. In the meantime, there are specific safety issues about the existing Tidal Wave dock.

Mr. Shaffer did list pros and cons to his new sketch; the pros are that it maintains docking space on the inboard side of the north end of the proposed floating dock, it maintains the same dimensions and impacts as the original proposed structure, which is important for regulatory permitting, and it increases by twenty feet (20 ft.) the distance from the proposed covered pierhead to the Smith's property line. The only con he stated is that the new sketch maintains the approximate same distance between the existing fixed structure and the Morgan Creek docks.

The Administrator related that, in discussions about the bid package, alternates would be included, such as the re-use of anything that could be re-used, and Marina Manager Berrigan had requested that the use of concrete as an alternate material.

Mr. Smith re-stated that his primary concern is having his property impacted more in the future than it is today; he added that he and his wife are very opposed to the increased size of the operations structure that will obstruct the view from his property. He described the proposed structure as the biggest on the waterway from the island to Patriots Point. Mr. Smith said that he does not want to negatively impact Tidal Wave's business, but he believes that there must be other options if the City slows down to investigate them. He had hoped to have more docks between his property and Tidal Wave, but the consensus from the meeting was that Tidal Wave needs to stay where it is for safety reasons.

Michael Fiem stated that he wants to work with Mr. Smith and had thought from conversations earlier in the day that they were close to an agreement.

Chair Stone re-stated his understanding that the crux of the disagreement relates to the size of the roof on the operations structure; he asked Michael Fiem if the roof could be scaled back more, and the response was that it could.

After more discussion, Mr. Smith and the Fiem brothers have been asked to meet to resolve the problem as soon as can be arranged; once a resolution is met, they need to notify the City Administrator so that a special meeting Real Property Committee can be called. The Administrator reminded the Committee that the goal had been to get the project bid so construction could take place over the winter months when Tidal Wave is not operational; any significant change to the building will likely mean modifications to the permit which will delay moving forward.

Councilmember Loftus asked how a proposed change will affect the funding for the project. If Mr. Shaffer has to re-design the plans and resubmit the permit, there will be a cost component. If the Morgan Creek docks are to be re-designed, the Administrator expects the costs to double what has been paid already. Responding to Councilmember Loftus' question, Administrator Tucker said that the engineering and design for the project was less than thirty thousand dollars (\$30,000), and the budget for construction is three hundred twenty-nine thousand dollars (\$329,000). Councilmember Loftus voiced agreement with Mr. Smith about spending so much money for an entity that brings only eighteen thousand dollars (\$18,000) in rent to the City each year; he expressed interest in ways that will bring the costs down.

B. Status of RFB for Replacing Fuel Dispensers at the Marina

Assistant Dziuban reported that the City had received one (1) bid for the land-based fuel dispensers at the marina, and the bid tabulation had been included in the meeting packet. The City received advice from one (1) potential bidder that it might be necessary for the City to upgrade the two (2) systems, point-of-sale and Veeder Root, that work with the fuel dispensing system, so the upgrade was included in the bid as an alternate. The bid for the fuel dispensers of fifteen thousand five hundred twenty-six dollars (\$15,526) is well below the budget of thirty-thousand dollars (\$30,000); the alternate is for the point-of-sale and Veeder Root systems and are in addition to the fuel dispensers. Since the Veeder Root system can be married to the operating system of the new dispensers, it does not need to be replaced, but there is benefit to replacing the point-of-sale system at about eleven thousand dollars (\$11,000). Both the fuel dispensers and the point of sale system can be replaced for the thirty thousand dollars (\$30,000) budgeted. After further communication, it was learned that a newer and better point-of-sale system will be released soon, so staff believes that there is merit in delaying a decision on the point-of-sale system. The Administrator said that a later award to the same vendor for the point-of-sale will not be a new bid.

Councilmember Loftus asked if the point-of-sale system could also work in the store, but Assistant Dziuban said it will not; it is important to the fuel management and fuel dispensing system.

The Councilmember then asked if the new fuel dispensers would have smart phone technology; Assistant Dziuban responded that the answer to this type of question is why staff wants to delay a decision on the point-of-sale.

MOTION: Councilmember Loftus moved to recommend an award of a contract to Central Industries, Inc. for the base bid of \$15,525.95 for new fuel dispensers for the marina; Councilmember Buckhannon seconded and the motion PASSED UNANIMOUSLY.

6. New Business

A. Consideration for Applying for a Standby Permit for Erosional Area of Breach Inlet

Administrator Tucker explained that this item is on the agenda based on the presentation by Coastal Science and Engineering (CSE) at the August City Council meeting where Steven Traynum had stated that the erosional triggers, defined in the permit, for the northeast end of the island had been met. When asked if the same were not true for Breach Inlet, Mr. Traynum responded that the answer was likely to be yes, but the City does not have a permit under which to act at Breach Inlet. If CSE's prediction that Breach Inlet will begin to accrete is inaccurate, it may be prudent to have a permit that would allow the City to take an action if the erosion continues and reaches a crisis point. Since the City has been setting aside funds in the Beach Maintenance Fund, there is sufficient funding to task CSE with putting together a standby permit under which the City may act if the area at Breach Inlet continues to deteriorate.

Councilmember Loftus asked how long it would take to get the permit; the Administrator said that the putting the permit application is not a long process, delays come with getting approvals from OCRM and the Corps of Engineers. Since CSE has been monitoring Breach Inlet as part of the on-going beach monitoring service, the Administrator anticipates they will develop the permit application rather quickly. He voiced approval of getting a price from CSE for generating the permit application, and the other Committee members concurred.

The Committee agreed that the proposal from CSE could be put on the Ways and Means Committee agenda without getting prior approval from them.

B. Consideration of Contract in Excess of \$10,000 – None

7. Miscellaneous Business

Marina Rents Report

Administrator Tucker reported that all monthly rents owed to the City are current. On the subject of additional rents, the City has received the data from Morgan Creek Grill's additional rent and a partial payment; additional rent for Marina Joint Ventures based on their fiscal year are due November 1, 2013; no additional rent is due from Marina Outposts based on their financial statements; and additional rent from Schupp Enterprises for the Front Beach parking lots is due October 30, 2013.

Next Meeting Date: 5:30 p.m., Thursday, October 3, 2013 in the Conference Room.

8. Executive Session – not needed

9. Adjourn

MOTION: Councilmember Loftus moved to adjourn the meeting at 6:30 p.m.; Councilmember Buckhannon seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:
Marie Copeland
City Clerk