

**Real Property Committee**  
5:30 p.m., Tuesday, February 4, 2014

The regular meeting of the Real Property Committee was held at 5:30 p.m. on Tuesday, February 4, 2014 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmember Buckhannon, Chair Loftus, City Administrator Tucker, Assistant to the Administrator Dziuban and City Clerk Copeland; the absence of Councilmember Bergwerf was excused. A quorum was present to conduct business.

1. Chair Loftus 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 Buckhannon moved to approve the minutes of the regular meeting of January 9, 2014 as submitted; Chair Loftus seconded and the motion PASSED UNANIMOUSLY.**

3. **Citizens' Comments – None**

4. **Comments from Marina Tenants**

Jay Clarke of Morgan Creek Grill stated that he and Brian Berrigan, marina manager, want the City to engage Tarkany and Associates and GEL Engineering to generate preliminary plans for the area of the marina from the entry way straight through to the TidalWave Watersports operation to create an enhanced entry, organized parking for both boat trailers and vehicles, as well as landscaping and new lighting. Mr. Clarke asked that the City pay these firms approximately twenty-five hundred dollars (\$2,500) each for their services, and they would like to have this phase completed by the end of the FY14 budget year. Mr. Clarke provided copies of the project quotes from each company to Administrator Tucker. Mr. Clarke stated that he would coordinate meetings between the marina tenants and the consultants at Morgan Creek Grill to ensure that a preliminary plan meets the needs of all. As for a timeline, he stated that he would like to have these preliminary drawings to present to the Real Property Committee at the March meeting.

Chair Loftus indicated that the City is required to abide by its Procurement Code that requires for goods and services to be bid on before awarding a contract to a vendor.

Administrator Tucker noted that she had not seen these documents before the meeting and was unable, on such short notice, to determine that the language was appropriate for the City. Based on the dollar amount involved, the City's Procurement Code is less restrictive, but she needed time to read and study the language and get legal feedback as well.

Mr. Clarke stated that he thought the Administrator was being very fair, and he indicated that he and Mr. Berrigan might be willing to pay for this work initially, expecting to be reimbursed by the City.

Assistant Dziuban mentioned that Mr. Clark had used the words "start-up" and "initial" more than once and asked if this work would be considered Phase 1 of a multi-phase project. Mr. Clarke

responded that this would definitely be considered Phase 1 and would likely generate conceptual drawings.

Chair Loftus asked the City Administrator to review the documents and communicate with the members of the Committee.

Mike Malley of Tidal Wave Watersports stated that Tidal Wave wanted to be an active participant in future discussions and would pay its share of the costs. Michael Fiem of Tidal Wave reiterated the fact that Tidal Wave wants to be a shareholder in the future of the marina with an active voice.

## **5. Old Business**

### **A. Update on Sea Cabins Pier**

Administrator Tucker reported that, as directed by the Committee, she has reached out to Sea Cabins to determine if there is any interest on their part to sell the pier.

Chair Loftus asked whether she had any communications with Charleston County about the pier; the Administrator answered that she had not, but would include them if agreeable to Sea Cabins officials.

### **B. Update on Electrical Service to Watersports Dock**

Administrator Tucker recounted that the last discussions on this subject were that the City was working with SCE&G to provide electrical service to the Tidal Wave dock. The initial discussions with SCE&G resulted in their placing more poles at the marina site; since then, staff met with SCE&G and John Shaffer of Ocean and Coastal Consultants at the site to walk the property involved. Staff made it clear that the immediate goal was to get power to the Tidal Wave dock minimizing the number of poles and defining a more long-term goal to get poles out of the vista and lines out of the air to maximize the amount of space and to make the marina more aesthetically pleasing.

In the course of this meeting, Administrator Tucker said that she learned that SCE&G is not as enthusiastic about the undergrounding of power lines as the City is; repairs to underground lines are more difficult.

SCE&G will be coming back to the City with more information on undergrounding lines at the marina.

At this time, John Shaffer reviewed the sketch of the electrical plan for the Tidal Wave dock that involves a replacement pole and transformer for the one in the ditch near the Phillip Smith property accompanied by an underground conduit to the pole at the concrete pad. The expense for this task will fall to the City because it is responsible for commercial service. Mr. Shaffer reminded the Committee that the rehabilitation of the dock and the electrical work were separated for the purposes of bidding, and the electrical has yet to be bid. The charge from SCE&G for the new pole is expected to be less than two thousand dollars (\$2,000).

Since there are unknown factors relating to the concrete pad, Administrator Tucker suggested that Mr. Shaffer check with Building Director Kerr to find any old plans the City may have.

Administrator Tucker reported that Assistant Dziuban spoke with Phillip Smith earlier in the day that the electrical and dock rehabilitation work will be starting imminently.

Michael Fiem voiced appreciation from the Tidal Wave team for the work to be done.

Chair Loftus asked how much money was in the City's non-standard service clause with SCE&G; she responded that the FY14 budgeted amount was seventy-five thousand dollars (\$75,000), but she was unsure of the total in reserves, possibly two hundred fifty to three hundred thousand dollars (\$250,000-\$300,000).

If the cost for undergrounding lines at the marina exceeds the City's balance in the non-standard service clause, the work can be done in phases until completed.

**MOTION: Councilmember Buckhannon moved to re-order the *Agenda* to consider the one (1) item of New Business, Award of Contract for Watersports Dock Rehabilitation; Chair Loftus seconded and the motion PASSED UNANIMOUSLY.**

## **6. New Business**

### **Consideration of Contracts in Excess of \$10,000 Award of Watersports Dock Rehabilitation**

In accordance with the City's Procurement Code, this project was subject to bid, and a mandatory pre-bid conference was held. Two (2) prospective bidders attended the pre-bid conference, and one (1) of them – Salmons Dredging Corporation – submitted a bid. Salmons met the requirements established in the bid document associated with licensing and insurance.

The base bid was fifty-five thousand dollars (\$55,000), and the additional of the alternate, an aluminum gangway, takes the total to sixty-two thousand eight hundred dollars (\$62,800).

Chair Loftus asked for the scope of work related to the replacement of the handrails. Mr. Shaffer stated that the new handrails will include new handrail posts every four feet (4 ft.) on center and new horizontal members and pickets every four inches (4 in.) on center to comply with the International Building Code. In addition, there will be sister splice-stringers, alternating on the interior or exterior, creating a uniform surface and locking at one-third intervals between each pile-bent to stiffen up the pier. The gangway design will eliminate the gap between the handrail and the handrail on the gangway; he added that the existing gangway could be used on a future project or for salvage.

**MOTION: Councilmember Buckhannon moved to recommend the award of a contract to Salmons Dredging Corporation for the rehabilitation of the watersports dock with the aluminum gangway at \$62,800; Chair Loftus seconded and the motion PASSED UNANIMOUSLY.**

Councilmember Buckhannon asked what dollar amount was expected for the electrical work, and Mr. Shaffer indicated that cost should be between twenty and twenty-five thousand dollars (\$20,000-\$25,000) with the underground conduit buried approximately thirty-six inches (36 in.) deep.

## **5. Old Business**

### **C. Update on Public Restrooms RFP**

Administrator Tucker reported that the City received proposals from three (3) good respondents, i.e. Liollo Architecture, Glick/Boehm and Associates and Clancy Wells Architects. By viewing the work they have done in the past, one can see that they have experience that is consistent with what the City has asked them to consider. A summary sheet, based on the RFP, is attached that shows how each responded. She reminded the Committee that architects do not bid, but they have provided the City with their qualifications, similar projects, their public and private experience, their experience with flood requirements and projects they have done in beach environments, etc. In addition, some provided project estimates to end-product costs to show how accurately they are capable of estimating very close to actual costs. Ultimately any one (1) of the three (3) is capable of performing the work, but looking at them from an aesthetical point of view, staff is recommending negotiating with the firms in descending order of preference as Liollo Architecture, Glick/Boehm and Associates and Clancy Wells Architects.

**MOTION: Chair Loftus moved to begin negotiations with architectural firms in the order recommended; Councilmember Buckhannon seconded and the motion PASSED UNANIMOUSLY.**

Councilmember Buckhannon asked the Administrator whether she had contacted Charleston County about funding the construction of new public restrooms. Administrator Tucker stated that the City's representative to County Council has come to the island and visited the public restrooms as well as the restrooms at the County Park; he was informed about the financial involvement of the County when the restrooms were initially constructed; and he left the Administrator and Mayor with the impression that the City would get County support. Until such time as the City has a location and probable costs, further dialogue is premature.

### **D. Review of Revenue Projections for FY15 Budget**

Administrator Tucker remarked that this was the first Committee to begin budget preparations by seeing revenue projections at the beginning of the process rather than last; she explained that the cover sheet was a summary of the information that follows. The revenue estimates are staff's best projections based on actual information year-to-date; none of these projections anticipate changes to revenues. Once expenses are introduced and discussions take place on ways to reduce them, it may also be an opportunity to explore ways to increase revenues to the City.

Also included in meeting packets was an analysis of potential new revenue for the City; these include business license fees, franchise fees and parking lots and meters. Currently the City charges off-island businesses one hundred fifty percent (150%) of the rate for on-island

businesses; most surrounding municipalities charge non-resident businesses two hundred percent (200%) of resident rates. If the City were to increase non-resident business licenses to two hundred percent (200%), the City would see an additional one hundred sixty-three thousand dollars (\$163,000) a year. A second option for business licenses would be an across-the-board increase of fifteen percent (15%); this would generate an additional one hundred four thousand dollars (\$104,000). A third option is to do both the non-resident increase and fifteen percent (15%) increase to generate approximately two hundred sixty-eight thousand dollars (\$268,000) in additional revenue.

Franchise fees for both Comcast and SCE&G are currently set at three percent (3%), but the City can increase franchise fees to five percent (5%). Both Sullivan's Island and Mount Pleasant have franchise fees for both at five percent (5%), while Folly Beach has five percent (5%) for Comcast and three percent (3%) for SCE&G. If the City were to increase franchise fees to five percent (5%), the following revenues would be created:

Comcast	\$ 62,852
SCE&G	\$245,059

Parking at the County Park is seven dollars (\$7.00); parking in the municipal lot is six dollars (\$6.00). If the City were to increase to match the County Park, approximately twenty-nine thousand two hundred dollars (\$29,200) in additional revenue could be generated.

Doubling the parking meter rate to two dollars (\$2.00) per hour would increase revenue by approximately two hundred ten thousand dollars (\$210,000) per calendar year, somewhat less per fiscal year, and increasing by fifty cents (\$.50) would create approximately one hundred five thousand dollars (\$105,000) per calendar year. Administrator Tucker noted that, if the City wants to increase the parking meter rate, the decision must be made soon; the meters are currently being programmed in order to be operational on March 1<sup>st</sup>.

Another option relative to the parking meters would be to operate the meters twelve (12) months a year; this could generate approximately forty-two thousand dollars (\$42,000) a year. Chair Loftus stated that he did not think the residents would tolerate that change, and the Administrator commented that she thought this would be an unpopular idea.

Chair Loftus asked whether the fees for using charge cards would be collected at the meters; he stated that he was opposed to the subsidizing the use of credit cards. Administrator Tucker said that she did not have a definitive answer at this moment because Treasurer Suggs is in discussion with the parking meter programming people and BB&T. The Administrator assured the Chair that the City's goal was for the processing of credit cards to be revenue neutral.

Councilmember Buckhannon asked if the ceiling for franchise fees as set by the state; Administrator Tucker stated that she would need to refresh herself with the law since the City has not looked at franchise fees for a couple of years, but she was relatively confident that the franchise fees were sent in December; therefore, any increase would effect on six (6) months of the fiscal year.

Another issue being worked on is positions in the City that are tourism-related and the justification for paying the related wages from tourism funds. Councilmember Buckhannon was pleased to know this work was being done; he thought the City might learn that more salaries can be paid from tourism funds.

Chair Loftus stated that he would like to see which positions in the City are essential to operate for a year-round population of four thousand (4,000) people. With that information in mind, all other positions would be needed to support tourism on the island.

**7. Miscellaneous Business**

**Tenant Rents Report**

Administrator Tucker reported that all tenants are current with their monthly rent and one (1) tenant still owes twenty thousand dollars (\$20,000) in additional rent, which they intend to pay by April. The Administrator confirmed that the tenant is charged a penalty for late payment, and they do pay the penalties.

**Next Meeting Date: 5:30 p.m., Wednesday, March 5, 2014 in the Conference Room.**

**8. Executive Session – not needed**

**9. Adjournment**

**MOTION: Councilmember Buckhannon moved to adjourn the meeting at 6:25 p.m.; Chair Loftus seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk