

Real Property Committee
Special Meeting
5:30 p.m., Monday, February 16, 2015

A Special Meeting of the Real Property Committee was called to order at 5:30 pm., Monday, February 16, 2015 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf and Buckhannon, Chair Loftus, City Administrator Tucker, Assistant Administrator Dziuban, Planning Director Kerr and Clerk Copeland; a quorum was present to conduct business. From Automated Technology Management were personnel to make the presentation, Kirby Marshall and Justin Davis.

1. Chair Loftus called the meeting to order and acknowledged that the press and public were notified of the meeting in accordance with the Freedom of Information Act.

2. Presentation by ATM

Kirby Marshall and Justin Davis, representing Automated Technology Management (ATM), stated that ATM is a marine engineering firm with a specialty of marina planning and development; the presentation is in response to Isle of Palms' RFP 2014-08, Comprehensive Redevelopment Master Plan for Isle of Palms Marina. (The full presentation is attached to the historical record of the meeting.) In response to the RFP, ATM compiled a multi-disciplinary team; they have worked on over six hundred fifty (650) projects worldwide and their hub is in Mount Pleasant. The team is to be made up of ATM, Design Works – a renowned land planning firm in Charleston, Epic Engineering – a mechanical and electrical firm with whom ATM has worked for over twenty (20) years, CDM Smith – traffic experts, and GEL Surveying.

Mr. Marshall listed some of the challenges a team would face in producing a comprehensive redevelopment plan for the marina are:

- An aging infrastructure in the docks;
- Parking for customers at Morgan Creek Grill in conjunction with parking for people using the boat ramp;
- Routing people into the site appropriately;
- Trailer storage;
- Fuel pumps in the middle of the property;
- Integrated parking between trailers, restaurant and watersports activities; and
- Overflow parking on 41st Avenue and Waterway Boulevard.

ATM has secured in excess of thirteen million six hundred thousand dollars (\$13,600,000) in Boating Infrastructure Grants (BIG) for public and private clients in the United States; these grants fund publicly accessible, transient boating infrastructure for non-trailerable boats (26 feet and longer), which is applicable to a portion of the Isle of Palms marina.

US Fish and Wildlife also has a pumpout grant to facilitate the installation of marina pumpouts for wet slips; these grants can be used for waterside and upland elements on the sewer side, including engineering costs.

SC Department of Natural Resources also has Water Recreation Grants which provides funding for publicly accessible water access projects; currently in excess of six hundred forty thousand

dollars (\$640,000) is available for Charleston County that could be used for various aspects of the IOP marina.

Mr. Marshall stated that ATM sees the redevelopment plan as a “responsible, sustainable, long-term road map for the property.”

Mr. Davis said that one advantage to having a comprehensive plan is that it will be a source for the answers to many questions that arise. In Mr. Marshall’s opinion, having a definitive answer often negates any anger or frustration voiced by a caller; the plan would tell you what could and could not be done and the reasons behind the answer.

Chair Loftus asked Mr. Marshall how long the process would be if the City were to accept their proposal and how would Council know that the City could follow-through.

Mr. Marshall responded that going through the steps outlined would assist with making many of the decisions. The steps will determine the market demand, the cost for a particular project, the debt requirement for it and the return on the project; the results of the steps will assist with determining the viability of any particular project at the marina. Mr. Marshall indicated that they would assist the City by developing a phased, annualized pro forma to understand each of the investment decisions. He added that stakeholders would strongly influence the priorities of the phasing.

Chair Loftus referred to the scope of work and stated that a parking study should be done in the middle of the summer, not in March as indicated.

Mr. Marshall responded that the timing as presented was in direct response to the RFP timing since an interim parking program for 2015 was requested. He added that ATM has great familiarity with the site by being at the marina on Memorial Day or July 4th; if that were not the case, ATM would not be comfortable with doing a parking study in the off-season.

Councilmember Bergwerf stated the cost for the comprehensive plan would be about one hundred thirty thousand dollars (\$130,000) if the City took advantage of the savings shown, and Mr. Marshall confirmed. The Councilmember noted that the marina has a limited footprint, and residents of Waterway Boulevard do not want trailers parked in front of their homes. She commented that she does not understand why the City should spend this much money when every penny in the City’s budget is precious. The areas that she thought were problematic were parking and the docks, and she indicated that she was not in favor of dry-stack boat storage at the marina.

Mr. Marshall commented that, beyond a straight parking analysis, they would also determine if the City was utilizing the asset to its fullest, if it was being used most efficiently, etc.; he described the master plan as a road map for what the City wants the marina to be and what it could be.

Mr. Davis stated that ATM would not take a Band-Aid approach; they would understand what was actually happening at the marina, what is possible and to ensure that the redevelopment was done correctly so that this group would not be meeting again in five (5) years.

Chair Loftus asked what services the City would get from ATM after the sale was completed, i.e. would ATM manage a parking lot project or do the engineering or what?

Mr. Marshall replied that ATM has that capability; ATM would develop a preliminary plan for the parking area that the City could implement with specific ideas that could be sent to a general contractor for execution. He noted that ATM has the capability moving forward to facilitate grant funding applications, the engineering design, the permitting, the bidding and the construction administration, but they do not go into a project assuming that these tasks would follow. He stated that ATM could take the City from ground-breaking to ribbon-cutting, but they would not recommend a project, for instance, a dry-stack, if it was not going to be good and feasible for the City.

Assuming the City can agree on a price and enters into an agreement with ATM, the Chair asked how they would be paid, i.e. a retainer for "x" number of years, per project, etc.

Mr. Marshall indicated that ATM would provide the City a proposal to answer that question. Currently they have initially proposed one hundred sixty-nine thousand dollars (\$169,000) for the complete marina redevelopment plan that includes all of their team members. From that point forward, the City can decide how it wants to proceed, i.e. a grant application, an engineering design for stormwater improvements and permanent parking lot; ATM would provide the City with a pro-posal for each task.

Administrator Tucker explained the type of financial arrangement the City has with Coastal Science and Engineering where the initial planning was a six (6) figure planning endeavor, and the City has had subsequent amendments to that contract or new contracts for implementation and offshoots, such as the surveying work they do. The Administrator assumed that she thought an agreement with ATM would work much the same. After the master plan is done, the City can later choose to implement a portion of it; to continue the relationship with ATM, the City would modify the original agreement to execute the plan.

For projects that ATM has completed, the Administrator expressed a desire to have seen before and after aerials of them as part of the presentation. Listening to the presentation, she noted that Mr. Marshall said that he had been a user of the IOP marina on multiple occasions; she commented that she had wondered about, possibly, altering the proposal to say what they would do first, second, and so on, if they were the decision makers. The Administrator continued that it was clear the priority for the Committee members was parking, but, as a user, would that be his priority as well. In addition, Administrator Tucker reported that there have been a number of stakeholder meetings and pre-planning sessions, nothing to the level ATM is proposing or was in the RFP, and there might already be some pretty tired people when it comes to more discussions about what the marina should look like. In conclusion, the Administrator explained that the way she often tackles projects is to start with a blank canvas then add the elements needed or required; for example take the five (5) acre marina site then add a store, docks, a restaurant, a boat ramp, and maybe a spot for watersports and paddle boarding and kayaking. That plan could then be overlaid on the present configuration to determine what elements could be modified to get closer to the ideal. Administrator Tucker explained that, in the overall scheme of things, the marina generates very little revenue for the City, but it is a hugely valuable asset that makes the

Isle of Palms a better City, gives people a better a better quality of life and makes the City a desirable place to live and visit. She voiced the opinion that she did not think that anything could be done on the five (5) acre site to make it generate more money for the City, so it was about maximizing how it becomes a valuable asset in terms of quality of life.

Chair Loftus added that he believes the marina to be a driver to rental income on the island. He added that, if a study was to be done, he was confident that they would find that a dry-stack would be highly profitable. The Chair said that it was difficult to balance the resident asset and the commercial asset.

Mr. Marshall agreed that parking is a mess at the marina, the docks are listing due to age and the charter operations, which is great to have them available as well; he commented that there are challenges with the restaurant because the first thing one sees is a dumpster and some pallets. These are definitely things that need to improve, but ATM thought the Planning Commission had put together a comprehensive RFP that addressed the project pretty much as ATM would approach it and would "give the City an incredible value."

Mr. Davis suggested that people may be tired of discussing plans for the marina because nothing has come from them, nothing has been executed. He stated that ATM wants "to give the City a concerted master plan that implementable and that actually works."

According to the Chair, a bid challenge was to get Council to seek the funds to implement parts of the master plan; speaking for himself, Chair Loftus said that he "would be happy to go out to get a bond for a million dollars (\$1,000,000) to redefine the parking lot that would totally upgrade the site from the beginning and the City would get better utilization than it does now." He was doubtful that he could get Council to go along.

Administrator Tucker noted that, when an item comes up to improve the marina, the discussion among Council is "how do we know this is the right thing to do when the City does not have an overall plan?" and "would the parking change when the docks are upgraded?" In the end, it becomes a "chicken and the egg" scenario and all the while the asset is declining.

Since all members of the Committee were not in attendance, those present were amenable to have Mr. Marshall and Mr. Davis make their presentation one (1) more time to the full City Council.

Councilmember Bergwerf stated that she would not be in favor of an interim parking plan. Mr. Marshall stated that their proposal includes both an interim parking plan for 2015 and a long-term solution to the parking issues, but to make the parking efficient at the marina, a dramatic change is called for.

3. Adjourn

MOTION: Councilmember Bergwerf moved to adjourn the meeting at 6:58 p.m.; Chair Loftus seconded and the motion PASSED UNANIMOUSLY.