

**REAL PROPERTY COMMITTEE**  
9:30 a.m., Monday, November 6, 2017

The regular meeting of the Real Property Committee was held at 9:30 a.m., Monday, November 6, 2017 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmember Rice, Mayor ProTem Harrington, 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 were duly notified of the meeting in accordance with the Freedom of Information Act.

2. **Approval of Previous Meeting's Minutes**

**MOTION: Mayor ProTem Harrington moved to approve the minutes of the regular meeting of October 9, 2017 as submitted; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.**

3. **Citizens' Comments**

**Presentation about dredging Hamlin Creek at Breach Inlet – Steve Halleck**

Steve Halleck of 104 Palm Boulevard attended the meeting as a representative of a group of homeowners and business owners on the south end of the island, from the Boathouse toward the Exchange Club, with property on Hamlin Creek. He stated that, over the past few years, a mud bank has been building up underneath their docks, and it is now interfering with navigation; he added that, at low tide, the docks are resting on the mud. This common problem brought the residents together to investigate dredging the creek, and, since a public boat ramp is there that is inaccessible at low tide, the group thought that the City might be interested in a dredging project as well. His expressed purpose in attending today was to learn if the City had any interest in participating and if the City would support acquiring a permit for a project "in the public purpose" that would assist in the permitting process and allow for a closer spoil site, thereby, reducing the cost. He stated that the group has had conversations with Marcol Dredging about the permitting process, but they currently have no timeframe and no estimate of the cost.

Administrator Tucker reported that the City has had experience with similar projects, and she recalled a partnership for dredging of Morgan Cove; she explained that, in such situations, a group, homeowners association, etc. enters into an agreement with the City stating that the City will be the permittee and incur no expenses related to the project; the expense for the project would fall to the other party. She commented that the group of residents involved might have to form some type of association to enter into an agreement. The group gets the public purpose making the project less expensive but the City incurs no expense and gets its area dredged as well.

When Mr. Halleck asked for the Committee's perspective on his proposal, Councilmember Rice responded that the group should form some type of association and engage an attorney to draw up an agreement with the City stating that the City would be the permittee and the property owners would pay all of the costs for dredging that would include the City's boat ramp.

The Administrator told Mr. Halleck she would send him a copy of Morgan Cove's agreement.

Chris Crolley of Coastal Expeditions stated that his comments would add very little substance to his comments at the October meeting; he said that, driving home from the October Council meeting, he recalled his time working with the federal government and his experience having a business at the marina. He commented that the government's expenses today would much be less today if they had not gotten fifteen (15) years behind in the maintenance responsibilities; his conclusion was to be careful what one buys because the maintenance is an ongoing expense over time. He looked at the marina from that viewpoint and stated that the marina needs maintenance; he stated that, as a business owner, he has established an escrow account where he deposits money regularly knowing that, at the end of five (5) years, it will be spent and he will have to start all over again.

#### **4. Comments from Marina Tenants**

Per the terms of the Marina Outpost lease, Marina Manager Brian Berrigan informed the Committee that he plans to close the store the day after Martin Luther King Day, January 16<sup>th</sup>, for a period of three (3) days when he will replace air conditioners, replace the siding on the store and do some things in the attic, like add insulation.

#### **5. Old Business**

##### **A. Results of RFB 2017-04 Rebid for Front Beach Restrooms and Boardwalk Renovations**

Administrator Tucker reported that the City received two (2) bids for this project, i.e. a bid from IPW Construction and a bid from Phillip Smith, General Contractor; the bid tabulation was included in the meeting packet. She was confident that the Committee could take an action on the project at this meeting.

Director Kerr stated that the IPW bid was for five hundred thirteen thousand dollars (\$513,000) and the Phillip Smith bid was for four hundred eighty-nine thousand dollars (\$489,000); the bids were within budget. He reported that he and Mr. Smith were working on the bid amount for the public restroom renovation because, as presented, the bid amount exceeds the value of the fifty percent (50%) rule for the restrooms although by only a small amount. He has spoken with Mr. Smith relative to ways to get the cost under the fifty percent (50%) value; he explained that certain items would not count toward the fifty percent (50%) rule, such as demolition, administrative costs and lay-down and mobilization costs. In a meeting with Mr. Smith in a few days, the Director is confident that he and Mr. Smith will arrive at an acceptable figure; therefore, staff's recommendation is to proceed with the entire project with the low bidder Phillip Smith, GC, LLC.

**MOTION: Mayor ProTem Harrington moved to recommend to the Ways and Means Committee the award of a contract to Phillip Smith, GC, LLC, the low bidder, in the amount of \$489,622 for the public restroom renovation and boardwalk contingent upon the restroom renovations cost not exceeding the 50% rule; Councilmember Rice seconded.**

Director Kerr stated that currently the costs exceed the fifty percent (50%) rule by thirty thousand dollars (\$30,000).

Councilmember Rice asked when Mr. Smith planned to start the project in order to complete it for the start of the 2018 tourist season.

The Director said that he did not know when Mr. Smith would start, but a completion date was specified in the RFB. When the Councilmember asked about the permit for the boardwalk, the Director replied that the City has had a permit for a couple of years and, since it is good for five (5) years, time remains on it.

**VOTE: The motion PASSED UNANIMOUSLY.**

**B. Update on Beach Renourishment Project**

Administrator Tucker announced that the emergency berm project has been completed, and the plan is to start the project on the north end at the end of December or beginning of January. The project is to be complete before the start of turtle nesting season, and the Administrator noted that the project will moved quickly once it is started.

**C. Update on underground storage tank replacements RFB**

The Administrator told that Committee that getting the RFB ready for advertising has taken much longer than staff contemplated; she stated that getting the bid document into shape to advertise has been a struggle. Today it is eight to eight-five percent (80-85%) ready.

**D. Consideration of an amendment to ATM contract**

The Administrator noted that the Committee received a proposal from ATM in the meeting packet for the engineering associated with the preparation of construction documents, plans and permitting for the upland areas of the IOP Marina – the logical next step in the Marina Enhancement and Community Redevelopment Project. ATM has recommended that the landside improvements be made before those on the waterside. Since she received the proposal late on Friday, she has unanswered questions, but she voiced hope that the Committee would take action on it as long as all questions and/or concerns were answered in time for the Ways and Means Committee meeting on November 28<sup>th</sup>.

At this point, Kirby Marshall, Joe Mina, Site Civil Engineer for ATM, and Aaron Temple of Epic Engineering, who has been a member of the assessment team, joined the discussion.

Administrator Tucker stated that one (1) of her concerns was that this proposal might contain items that were in a previous proposal, so a reconciliation is necessary to determine that. Her second issue was that the total engineering cost for the project per ATM's calculations was four hundred twenty-two thousand seven hundred twenty-three dollars (\$422,723), and then, looking at this proposal, the engineering costs are not proportionate between the landside and the waterside.

Mr. Marshall stated that currently the computations have been done and ATM is ninety percent (90%) certain that all of the components will fit on the site; this proposal deals with the actual

engineering and design of systems, i.e. grading and the specific elevations for specific instructions for the site work contractor, utilities in terms of a totally new distribution system with piping, levels of piping and slopes, calculations of volumes, sewer and the demolition of the existing pump station, etc. This work will create a set of construction level documents that will allow a contractor to bid on the project and give the City a reliable number to go to construction. Exclusions are the traffic and wayfinding signs, no iconic entrance sign, all improvements to the waterside, the restrooms and the stand-up paddleboard building, the parking meter system and associated IT, marina permitting and permitting fees, and construction oversight, which the Administrator stated should be added back.

The Administrator asked Mr. Kirby to get with Director Kerr to find out whether the City Code will require the City to hire a firm to perform special inspections on this project, like the vehicle wash-down project.

Mr. Temple commented that special inspections will be needed for the fuel dispensing.

Councilmember Rice asked what the permit costs were for the upland improvements.

Mr. Mina explained that Task 1 is the design of the plans for the permit, the documents, the backup, and the calculations; Task 3 is completing the paperwork, conversations with the agencies for the process itself. He noted that the cost is a time and materials cost with a not-to-exceed number. He also stated that the design plans from Task 1 will be the permit plans as well.

Councilmember Rice then asked if there was a way for the biddable plans to be the construction plans, and Mr. Marshall answered that, in this case, he understood that the City wanted to bid this out relatively soon which will require ATM to do a "tremendous" amount of work in a short period of time to come up with plans that will enable contractors to come back with a reliable bid to the City. Due to the short timeframe, it is anticipated that contractors and/or permitting agencies may have comments about the plans that would require modifications, corrections or adjustments to the plans. Based on the timeframe in this case, ATM will come up with set of bid documents to enable contractors to come up with a price for the City, but things come out during the bidding process that initiate addenda or perhaps plan revisions to further help the contractor to provide a number. For this project, ATM thinks the process will continue post the award of a construction contract; issues could arise in the permitting process that would require modifications before the finalization of the plans resulting in a second round of construction plans.

Administrator Tucker explained that the assignment to ATM was that, if the City wanted to have the land-side improvements under construction expeditiously, what would ATM charge to amend their contract to assist in doing that. Bidding would likely be done with permits applied for but pending.

Chair Bergwerf pointed out that the year was nearly over and that this work could not be done in the boating season.

Councilmember Rice asked how long the construction would take; Mr. Marshall responded that, if the work could begin by the first of the year, the improvements could be completed before Memorial Day. He added that the project would be done in phases to avoid shutting down the

entire site; the goal would be to accomplish the work over the winter months and to be open prior the Memorial Day weekend.

On the electrical infrastructure, Administrator Tucker commented that it had developed over time and that, as a result, the desired level of shore power could not be taken to the Intracoastal Waterway side of the marina because of what is underground there now. She told Mr. Marshall that the City wants to have full service for the entire site.

Mr. Temple assured the Administrator that the situation would be rectified.

When Chair Bergwerf expressed concern about the amount included in the FY18 budget, the Administrator replied that, if the contract were to be awarded in the amount quoted, which likely will go up or down based on discussions at this meeting, the budget is sixty thousand dollars (\$60,000) short of the needed amount.

**MOTION: Councilmember Rice moved to recommend to Ways and Means the award of the contract to ATM to proceed with the next phase of work for the purpose of moving forward with the landside improvements; Mayor ProTem Harrington seconded.**

Referring to the sixty thousand dollar (\$60,000) number, Administrator Tucker explained that staff took the contracts to-date that the City is paying and what was paid in the past out of the budgeted amount, then applied this contract that is short because it does not include construction administration and that some of the time and materials tasks may be less than projected; the result of the calculation is that the budgeted amount is sixty thousand dollars (\$60,000) short to be able to fund it from the FY18 budget. She stated that the total amount budgeted for design and permitting of the upland portion of the Marina Enhancement Project in the FY18 budget was two hundred thirty-two thousand seven hundred fifteen dollars (\$232,715).

**VOTE: The motion PASSED UNANIMOUSLY.**

**E. Update on new beach access paths signage**

Assistant Fragoso reported that the City has paid the deposit to the contractor for the new signs; they will be placed on the beach access paths at 5<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, 21<sup>st</sup>, 25<sup>th</sup>, 28<sup>th</sup> and 42<sup>nd</sup> Avenues, at the Sea Cabins and at the public restrooms. The designer also worked on the City's wayfinding signs, so he is fully knowledgeable of the color pallet and style. Once the design is approved, the manufacture should take four to five (4-5) weeks. The sign material will be durable, capable of withstanding the salt air environment and require little in the way of upkeep.

Councilmember Rice recalled that these new signs will consolidate several signs into one (1) sign.

Administrator Tucker announced that the City has found someone who will repaint the existing wayfinding signs since some are quite faded.

**6. New Business – None**

**7. Miscellaneous Business**

**Tenant Rents Report** – Administrator Tucker stated that she would provide the information at the Ways and Means Committee meeting.

**Next Meeting Date:** 9:30 a.m., Tuesday, January 9, 2018 in the Conference Room

**8. Executive Session – not needed**

**9. Adjournment**

**MOTION:** Mayor ProTem Harrington moved to adjourn the meeting at 10:28 a.m.; Councilmember Harrington seconded and the motion **PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk