

## **REAL PROPERTY COMMITTEE**

8:30 a.m., Friday, January 6, 2012

The regular meeting of the Real Property Committee was held at 8:30 a.m., Friday, January 6, 2012 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Buckhannon, Loftus and Stone, Administrator Tucker, Assistant to the Administrator Dziuban and City Clerk Copeland; a quorum was present to conduct business.

1. Past 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. Election of Chair and Vice Chair**

Councilmember Stone nominated Councilmember Loftus for Chair; Councilmember Buckhannon seconded, and Councilmember Loftus was unanimously elected Chair for 2012.

Councilmember Buckhannon nominated Councilmember Stone for Vice Chair; Chair Loftus seconded, and Councilmember Stone was unanimously elected Vice Chair for 2012.

### **3. Approval of Previous Meeting's Minutes**

**MOTION: Councilmember Stone moved to approve the minutes of the regular meeting of November 2, 2011 and the special meeting of December 2, 2011 as submitted; Councilmember Buckhannon seconded, and the motion PASSED UNANIMOUSLY.**

### **4. Citizens' Comments – None**

### **5. Comments from City Tenants, if necessary**

Chair Loftus asked Administrator Tucker if all marina tenants were current with rental payments to the City, and the Administrator reported that one (1) tenant, consistent with past behavior this time of year, is behind on the rent. The Administrator noted that a past-due notice had been sent to the tenant earlier in the week. Chair Loftus recounted that the Administrator had made every effort to counsel this tenant on the need to stay current with its obligations to the City; in addition, the City re-negotiated their lease to try to assist them achieve that goal and avoid this problem year after year as pointed out by Councilmember Stone.

Administrator Tucker reminded Committee members that the lease with the tenant does not require that the City "chase" them for payments. The letter that was sent calls attention to the facts that the tenant is behind on rent and on providing the City with the annual reports for calculating additional rent.

Committee members were in agreement that, from all appearances, business has been thriving at the restaurant and the off-season events appeared to draw good crowds.

Councilmember Stone expressed the opinion that the City should follow the terms of the lease and serve notice that they are in default.

Administrator Tucker suggested that, since the letter was sent this week, the City should give the tenant to the end of the month to become current. If that does not happen, the default letter can be sent at that time.

Responding to Chair Loftus' inquiry, the Administrator responded that the letter referenced rent for November and December 2011 as delinquent.

Administrator Tucker asked Director Kerr whether any marina tenants were behind on hospitality taxes; he replied that he was not aware of any delinquencies.

## **6. Old Business**

### **A. Update on Beach Restoration**

Administrator Tucker reported that the City has not received the permit that is required to begin work; in addition, she indicated that she has not completed her review of the monitoring report. The Committee has already been told that, according to the report, one (1) area of the beach has reached one (1) of the triggers outlined in the permit for shoal management, which is the reason this Committee voted to proceed with the engineering and design for the project.

Councilmember Stone complimented the Administrator on the letter sent to DHEC about the City's need for the permit to allow completion of the project before turtle season begins.

### **B. Update on Marina Dredging**

The Administrator noted that Jack Walker was travelling today and unable to attend the meeting, but he has assured her that he is in constant contact with Corps of Engineers who are promising that the issuance of the permit either the end of this week or the first of next week. The contractor is anxious to begin and to pull pipe. Responding to Chair Loftus' inquiry about ways to motivate the Corps, Administrator Tucker indicated that the Corps has a tremendous workload and everything is happening that can expedite the process. In the Administrator's view, once construction begins, the work will be completed in three to four (3-4) weeks.

### **C. Consolidated Budget for Activities Related to 1301 Palm and 1207 Palm**

Administrator Tucker stated that she had asked Director Kerr to attend this meeting to ensure that all of the Committee's questions could be answered and recalled that, at the last meeting, they had discussed the budgets for the improvements to City Hall with the budget for the demolition of and improvements to 1301 Palm because the two (2) projects share many similarities. At that meeting, the staff was charged with hiring a landscape architect to develop the best configuration; Kelly Messier was selected and assured Director that the work could be done in a timely fashion.

The bid for the demolition is almost ready to be advertised, and the Administrator expressed hope that the bids would come in lower than staff's estimate.

The informal budget that appears on the handout (copy attached to historical record of meeting) is closer to the costs the staff expects the combined project to be; the total budget is forty-nine thousand seven hundred dollars (\$49,700). Among the items included in the budget are temporary fencing to ensure the security at the Public Works Department and to minimize the eyesore that will be created with the demolition of the building and a contingency of ten percent (10%) of the expected cost, or forty-nine hundred seventy dollars (\$4,970). The staff anticipates the need for a tree buffer in addition to fencing since the height of the trucks is just under sixteen (16) feet; fifty-five hundred dollars (\$5,500) available in the Tree Fund should cover the cost of those trees. The FY12 budget earmarks fifteen thousand dollars (\$15,000) for rehabilitation of the building for a rental property that would be used toward this budget leaving a shortfall of thirty-four thousand one hundred seventy dollars (\$34,170) which could come from the Capital Projects fund.

Councilmember Buckhannon asked whether the ingress and egress to Public Works would remain the same; Administrator Tucker stated that, after walking over the site, the staff decided that this was the type of expertise they anticipated getting from the landscape architect. The City will need a topographical survey to determine if a reconfiguration is possible, but the hope is to eliminate the ingress/egress from Palm Boulevard for safety reasons. Turning radius is a very real concern for the garbage and ladder trucks, as well as saving the beautiful old oak.

Councilmember Stone expressed that, in his opinion, driveway configuration is a necessity. He then queried whether the fence at the rear of the property was on the property line or whether there was more property to consider. Director Kerr indicated that the fence was very near the property line. The City could encroach on those rear properties if it were the will of the Committee and City Council, but, in the sense of being the best neighbor possible, the Administrator had hoped that would not be necessary. Administrator Tucker added that she understood the intent of Council in acquiring those properties on 13<sup>th</sup> Avenue was that Public Works would ultimately need more space.

On the subject of the trees, Administrator Tucker commented that she does not want people to be looking into the Public Works location when travelling along Palm Boulevard; therefore, she envisioned a tree-line buffer blocking that view. Obviously any decision would be influenced by the landscape architect's input.

Councilmember Buckhannon asked if the surface would be paved over entirely. Director Kerr answered that the plan was for the lot to handle overflow parking for Council meetings and court; with that idea in mind, the staff preferred a somewhat green parking surface with a gravel drive aisle and sod parking off to the side, modeling the style of the County Park parking area. On the subject of reconfiguring Public Works, the drive aisle may also be an ingress/egress for garbage and fire trucks; if that is the case, a green drive aisle would not be considered. Assuming light usage, the staff would prefer for the surface not to be all asphalt, but something pervious.

Councilmember Buckhannon referred to the lot recently improved by the Methodist Church; Director Kerr said that it was "the best new example of a vegetative buffer" and was what staff was hoping to attain along the fence line.

Administrator Tucker remarked that it was an interesting challenge to have good visibility, to improve the ingress/egress and to gain parking spaces.

Councilmember Buckhannon asked the Administrator what she envisioned for the City Hall site; she referred to the drop-offs between the paved parking lot and the road and stated that the idea of creating ingresses and egresses was part of the reasoning in including the item in the FY12 budget, as well as improve the appearance and replacing the parking stops. Any real plan will come from the landscape architect's plan for the amount of money available.

By way of clarification, Director Kerr said the fenced area would be from existing wooden fence on Thirteenth Avenue to the gate behind the building space on the side of Palm Boulevard – basically filling the hole left by the removal of the building.

Treasurer Suggs joined the meeting to explain the expenses in the memo; she agreed that the expenses listed were referring to 1301 Palm solely. The fifteen thousand dollars (\$15,000) in the budget for 1207 Palm were not considered because that sum is intended to remain for use in improving that site alone; the budget being discussed is a further refinement of the costs to 1301 Palm Boulevard.

Chair Loftus asked what amount remained in the budget from the City Hall renovations; Councilmember Stone recalled that the remaining funds were a part of the FY11 budget surplus that was transferred to unspecified Capital Projects Fund as part of the five hundred seventy-eight thousand dollars (\$578,000). Treasurer Suggs reported that the balance left in the City Hall Renovation budget was ninety-four thousand dollars (\$94,000).

Administrator Tucker recounted that the original plan for the demolition of 1301 Palm Boulevard had been to develop the lot for overflow parking; City Council then decided to rent the building once City Hall renovations were completed. Once the Building Department relocated into City Hall, members of this committee toured the building to determine what would be needed to rent it; after the tour, the Committee recommended the demolition of the building. The Administrator stressed that the building needed to come down and to have “the least amount of unpleasant impact,” and a good plan was critical to achieving that goal.

Assuming this Committee, Ways and Means and City Council approve this plan, staff will develop a project worksheet to monitor the expenses monthly.

On the subject of the demolition bid, Administrator Tucker reported that the bid and accompanying contract have been through legal review and the insertion of the critical dates remains to be done.

Councilmember Buckhannon inquired whether Kelly Messier had worked on projects like this one in the past; Director Kerr said that she has not done so on the island. When he discussed the project with her, he inferred that she does a reasonable amount of commercial landscaping.

Councilmember Buckhannon then asked whether the project could be done within the limits of the original budgets of fifteen thousand dollars (\$15,000) for each property, or a total of thirty thousand dollars (\$30,000).

Administrator Tucker replied that this budget had been developed because she did not think the work needed to complete the task at hand could be done with the money budgeted. The Administrator added that she would not be doing her job if she were not to make it known that the funding was insufficient to complete the project. She described the project worksheet as containing the tasks required for each location consolidated into one (1) schedule; she reminded the Committee that staff has exhibited its ability to save money in every possible way. Administrator Tucker repeated that sufficient money for this project is available in Capital Projects and that this buffer would be an excellent use Tree Fund money.

Despite the fact that the site will be unattractive for a few weeks, Chair Loftus asked whether the temporary fencing could be eliminated to save money; in response, the Administrator indicated that security issues were the primary reason for the fencing.

Having been asked by the Administrator the question of whether money was available in the budget that would be appropriate for this task, Treasurer Suggs had answered that, for instance, eighty-five thousand dollars (\$85,000) is earmarked in the Capital Projects budget for the undergrounding of utility lines. Although the two (2) items are unrelated, the Committee could decide that a portion of the money could be redirected for this effort.

Councilmember Stone suggested that the City have the architectural drawings in-hand before proceeding with the demolition to be in a position to begin executing the final plan immediately and possibly eliminate the costs associated with temporary fencing entirely.

Director Kerr explained that certain elevation issues exist relative to the sharp slope from the sidewalk to the actual building site and the building demolition will exacerbate that hole. With this in mind, staff believes that some site work will be needed that would impede the implementation of the installation of the tree buffer and fence. In the Director's opinion, the condition of the site will be known only after the building is down, and the plan may need to be changed due to changes in the site.

Administrator Tucker stated that she would prefer to execute in the manner intended, go over budget and to minimize any negative public impact. The Administrator re-stated that staff has demonstrated on many occasions its ability to deliver a finished product under budget.

**MOTION: Councilmember Stone moved to recommend approval to Ways and Means the approval of \$5,500 from the Tree Fund for the tree buffer at 1301 Palm Boulevard; Councilmember Buckhannon seconded.**

Responding to Chair Loftus' inquiry, Treasurer Suggs stated that the Tree Fund Balance was forty-six thousand dollars (\$46,000) at June 30, 2011.

Councilmember Buckhannon asked for clarification on the irrigation system included in the budget; Director Kerr explained that the irrigation would be for the grassy sections of the entire site. As the Committee was considering ways to reduce costs, this Councilmember noted that sod is more expensive than rock to purchase and maintain; he recommended that the City determine the cost-savings to use rock thus eliminating the need for irrigation and future maintenance.

Councilmember Buckhannon queried the uses for money in the Tree Fund; the Administrator stated that, per the City code, the purpose is beautification, which is very general. The Councilmember then asked whether the Tree Fund could also pay for the services of the landscape architect. Administrator Tucker said that the services of a consultant had not been used in this way in the past, and she would need to check the code.

Councilmember Buckhannon expressed interest in using additional Tree Fund money for tasks listed, as well as eliminating others.

Treasurer Suggs stated that the FY12 budget earmarked the fifty-five hundred dollars (\$5,500) from the Tree Fund for 1207 Palm Boulevard was for actual plants. The Treasurer added that any use of the Tree Fund in excess of the amount budgeted would impact negatively the FY12 General Fund budget. Administrator Tucker explained that, in order to reach City Council's goal of ending the year three percent (3%) under budget, the City would need a savings of that figure plus some additional amount and not be over budget in the General Fund.

The Administrator's recommendation to the Committee was to approve the funds from the Tree Fund and to identify the source of the balance as the Capital Projects Fund.

**VOTE: The motion for use of the Tree Fund PASSED UNANIMOUSLY.**

Responding to Councilmember Buckhannon's inquiry about the cost for demolition, Administrator Tucker explained that the estimated cost was based on discussions with demolition contractors, and she repeated their comments that the sooner the bid is advertised the lower the bids will be.

Councilmember Buckhannon and Chair Loftus were in favor of moving forward with the project, but the Councilmember wanted to see the cost savings using rock rather than sod.

**MOTION: Chair Loftus moved to recommend to Ways and Means for the balance of \$34,170 to come from the Capital Projects Fund; Councilmember Stone seconded.**

Councilmember Buckhannon expressed a desire to see a breakdown of the costs associated with the improvements to 1207 Palm Boulevard to determine if a cost-savings could be achieved to apply to the budget for 1301 Palm Boulevard.

Chair Loftus asked Director Kerr whether he had determined how many parking spaces would be created by this project; he expressed the opinion that the landscaping could eliminate some parking spaces. The Director said that, thus far, he has been told that the driveway for 1207 Palm should line up to the driveway for 1301 Palm Boulevard; that loses two (2) spaces. The City expects to gain fourteen to sixteen (14-16) parking spaces at 1301 Palm Boulevard; therefore the net gain is in the neighborhood of fifteen (15) spaces. Chair Loftus noted that spaces at the rear of City Hall would also be lost when the area is landscaped. Responding, the Administrator stated that the City was waiting for the landscape architect to provide the best plan for landscaping and ingress/egress. Director Kerr added that, at present without a clearly delineated driveway, the space at the rear of City Hall is driven over multiple times a day in

addition to serving as parking for court and City Council meetings. He hopes that, with a clearly marked drive, the grass will be allowed to grow and tolerate being used once or twice a month for parking.

Chair Loftus questioned the need to remove the existing paved entrance on 13<sup>th</sup> Avenue to create a new one in line with Public Works or the parking area at 1301 Palm Boulevard. Director Kerr explained that the reasoning for developing the driveway opposite each other was for ease of the general public in accessing the overflow parking area.

When asked by Councilmember Buckhannon whether the Public Works vehicles would be expected to use the entrance off of 13<sup>th</sup> Avenue, Administrator Tucker stated that the question would ultimately be answered by the landscape architect. Despite taking measurements and studying turn radius, the staff is not sure that the goal of eliminating the Palm Boulevard entrance will be possible.

**VOTE: The motion PASSED UNANIMOUSLY.**

#### **7. New Business**

**Consideration of Contracts in Excess of \$10,000 – None**

#### **8. Miscellaneous Business**

Administrator Tucker announced that the Public Works Committee had delayed action on the potential improvement to the path used by Front Beach restaurants to get their garbage to the compactor. Since this improvement crosses over the City parking lot, which is under the purview of the Real Property Committee, she wanted the Committee to be aware. The Administrator reported that, in November 2011, the City was contacted by Coconut Joe's indicating that management was receiving complaints from employees about the physical difficulties they were having getting the garbage containers from the business, through the parking lot, to the compactor. Being suspicious of the complaints, the manager had made the trek himself and realized that his employees had a legitimate issue; he, therefore, appealed to the City to use money generated by tourism to improve the surface. Director Pitts has opined that a path needs to be able to support the weight of the trucks; he has gotten a quote of less than six thousand dollars (\$6,000). The members of the Public Works Committee decided that they would like to visit the site to better assess the problem before making a decision.

Chair Loftus commented that, since no other businesses have complained, possibly the business in question was overloading the containers causing them not to roll properly.

Councilmember Buckhannon asked whether all of the restaurants on Front Beach used the compactor; Administrator Tucker indicated that the Windjammer has its own, but the other restaurants do not have sufficient volume to have their own.

**Next Meeting Date: 5:30 p.m., Monday, February 6, 2012.**

**9. Executive Session – not needed**

**10. Adjourn**

**MOTION: Councilmember Buckhannon moved to adjourn the meeting at 9:55 a.m.; Councilmember Stone seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk