

REAL PROPERTY COMMITTEE
5:30 p.m., Tuesday, September 9, 2014

The regular meeting of the Real Property Committee was held at 5:30 p.m., Tuesday, September 9, 2014 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmember Bergwerf, Chair Loftus, Administrator Tucker, Administrator to the Administrator Dziuban and City Clerk Copeland. Councilmember Buckhannon was absent, but 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 Bergwerf moved to approve the minutes of the regular meeting of August 4, 2014 as submitted; Chair Loftus seconded and the motion PASSED UNANIMOUSLY.

MOTION: Chair Loftus moved to re-order the *Agenda* to discuss the item under *New Business, Consideration of Transfers to IOP Water and Sewer Commission*; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

6. **New Business**

Consideration of Transfers to IOP Water and Sewer Commission

Administrator Tucker stated that this action was a matter of housekeeping, which has been discussed at City Council meetings. The issue started when the Water and Sewer Commission was formed; at that time, it was given control and management of the water/sewer systems as its charge. Since that time, there have been City assets of which the Commission and its rate-payers have had control and use; these assets have not been property transferred to the IOP Water and Sewer Commission. The assets include some real estate as well as infra-structure on some of the real estate, such as a deep well on the Breach Inlet end of the island, the offices on Palm Boulevard and elevated storage tank, pump stations throughout the island and a combination of three (3) parcels joined into one (1) that is the site of the waste-water treatment plant at 41st Avenue and Waterway Boulevard. The goal from this meeting is to recommend to City Council to pass an ordinance that would transfer these properties to the IOP Water and Sewer Commission; the transferal would include a reversionary clause that, if in fact the real estate were not needed by the Commission in the future, the properties would revert to the City. The Administrator directed the Committee's attention to the proposed ordinance that would be recommended to Council, as well as the deeds that have been prepared through the joint efforts of Lucas Padgett of the McNair Firm, the attorney for the Water and Sewer Commission, and City Attorney Halversen.

The Administrator voiced her speculation on what occurred many years ago that the question was asked, when the IOP Water and Sewer Commission was formed, whether the City had to transfer these assets and were told that the transfer was not required now and could be considered in a future time. And it appears that "the future time" never arrived. Administrator

Tucker continued that the City is not required to do this, but, if it is not done, the City is faced with the complication that these assets are not on the City's books, which would have to be fixed.

Lucas Padgett introduced himself to the Committee to provide some history relative to this situation. He related that The Beach Company sold the water company to the City; subsequently, an election was held by statute, and the overwhelming vote was for the City to have control of the water and sewer system. Some time later, a referendum was held and the citizens voted to have a Commission of Public Works. The Commission was established in 1992. At that time, the assets, control and management was transferred to the Commission; at the same time, bond issues were taken over by the rate-payers; therefore, the assets were paid for by the rate-payers of the utility system. For the reasons noted, the assets are not the obligation of the City of Isle of Palms, but of the IOP Water and Sewer Commission. This transfer equates to clearing up an administrative oversight.

Administrator Tucker informed the Committee members that this complication does not exist for the portion of the system in Wild Dunes; evidence has been located that all administrative work was completed.

MOTION: Chair Loftus moved to recommend to City Council the approval of the ordinance to transfer assets defined in the ordinance to the IOP Water and Sewer Commission; Councilmember Bergwerf seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments – None

4. Comments from Marina Tenants – None

5. Old Business

A. Discussion of Cost Estimates for New Public Restrooms

Representing Liollio Architecture were Seth Cantley and Rick Bousquet; Mr. Reiff delivered the presentation. After the Administrator confirmed that all members of the Committee had the information provided in meeting packets, Mr. Bousquet stated that Liollio's most recent tasks on the proposed replacement of the Front Beach restrooms were programming of the restroom facilities and generating cost estimates for the two (2) locations under consideration.

Mr. Cantley repeated that the two (2) sites being considered were the existing location at Front Beach and the larger municipal parking lot. He reported that they agreed that there were certain things that they considered to be the same for the two (2) sites; they are:

- The time of construction: The plan is to complete the design by the end of January 2015 and to advertise the bid packets toward the end of summer, giving the contractor time to set up to reduce time at the site;
- Demolition: No matter which site the City chooses for the new facilities, the existing restrooms must be demolished.

- Materials, both interior including the fixtures, and exterior The ideal material will be durable for both public use and the salt-air environment.
- Building programming: The programming system was devised to meet the City's needs, the number of fixtures, and the space and movement including the shower facility for either site; the square footage and number of fixtures are the same for both sites.
- Cost contingencies: Fifteen percent (15%) has already been factored into the costs for design and five percent (5%) for construction has also been factored in.

The square footage was based off the programming for the number of sinks, toilets and urinals, baby-changing stations, ADA and family restrooms with some additional footage to meet the needs of the growth anticipated. There is also a square footage dedicated to the exterior which will be ramps, landings and waiting spaces for the outside, geared to a family-friendly focus as well as being functional.

In looking at the cost impact, there will be additional costs for elevating the structure at the site on Front Beach, meaning that ramps and stairs with landings will be necessary for access. Another factor that increases the overhead at the Front Beach is that the site is very tight for getting pile drivers and bulldozers situated.

According to Mr. Cantley, there are costs savings in constructing in the present location are that there is a foundation on which to build the showers. The ability to connect the proposed new beach access walkover will also generate a cost-savings. The existence of utilities at this site to tap into will also keep costs down.

For the site in the municipal parking lot, factors that will impact the cost are bringing new utilities to the site, keeping the showers in their present location at Front Beach as well as the cost of demolishing the existing restrooms.

Savings to be recognized by using the parking lot are that the site is at grade level for construction as well as the elimination of the need to elevate the structure and the need for the ramps and landings which account for almost one thousand square feet (1,000 sq. ft.). That this is a larger site will take way the issues of equipment at site.

The cost estimates for the two (2) sites are:

Existing space at Front Beach	\$1,111,456
Municipal Parking Lot	998,838

Councilmember Bergwerf asked what the next step should be.

Administrator Tucker commented that her understanding from previous meetings was that the existing site was the best site for a new facility. Using the parking lot would mean a loss of revenue to the City due to the parking spaces lost to the structure. The Administrator added that, with the recent experience the City has had with flood insurance, it is possible to construct a flood-proof building according to the code, but, unless the City were will to self-insure for flood, a restroom facility in the parking lot should be elevated.

Councilmember Bergwerf confirmed that the consensus of Council has been to build at the existing site since there may be a need for a second restroom in that area in the future.

Chair Loftus remarked that the most important issue was usability, and, in his opinion, the existing site answers that need better than the parking lot.

Chair Loftus asked how comfortable Liollo was with the cost estimates since construction is about eighteen months (18 mo.) in the future.

Mr. Reiff responded that the cost estimators were given that timeframe, and they were charged with thoroughly investigating their cost projections. He stated that he was comfortable with the costs as stated based on the percentage markup the estimators used.

MOTION: Councilmember Bergwerf moved to proceed with plans to construct new public restrooms in the existing location on Front Beach; Chair Loftus seconded and the motion PASSED UNANIMOUSLY.

B. Discussion of Marina Outpost and Marina Joint Ventures Leases

Administrator Tucker reported that the leaseholder has expressed a desire to renew both leases, and, after a conversation with Brian Berrigan, she has received a draft lease from his attorney where the possibility of meshing both the Marina Outpost and Marina Joint Venture leases into one (1) is introduced, going with a much longer term and having a much clearer relationship with the City, excluding such things as the bulkhead, the underground storage tanks and other items.

Councilmember Bergwerf stated that she was unsure of the pros and cons of merging the two (2) leases.

Chair Loftus suggested that the merging of the leases and extending the term should be discussed by full Council at the Ways and Means meeting, assuming that the Administrator will get legal advice on the contract and do any additional work necessary. He noted that the discussion could take place at the September or October Ways and Means meeting. With the suggested changes, the Chair questioned that the leases needed to be bid again.

Administrator Tucker recalled that legal advice had been that extending the term of the lease did not require the lease to be re-bid. The Chair wanted clear legal direction relative to merging the leases.

The Administrator also reminded the Committee that a citizen had spoken at the most recent Council meeting who felt that, although the City was not required to re-bid the leases, it should re-bid them before entering into a lease of such length.

Administrator Tucker stated that, if the legal advice is to re-bid the leases, she speculated that the leaseholder would renew the leases as they are.

C. Report on Marina Stakeholders' Meeting

Administrator Tucker stated that a meeting of marina stakeholders was held on August 27th with approximately fifteen (15) people attending, including staff and the consultant; there was representation from the vacation rental community, the Wild Dunes Community Association, the marina tenants and some of the neighbors. In the Administrator's opinion, the discussion had been a good one with good participation by those present; the attendees were asked to respond to survey questions; minutes were taken; and a follow-up meeting was scheduled. The focus of the discussion was the water side of the marina.

D. Discussion of Fencing Refurbishment near Municipal Lots

The Administrator reported that the City has received an estimate of twenty-two hundred eighty-five dollars (\$2,285) from David Kennedy to sand and scrape the rusted areas, apply a rust inhibitor to the fencing, seal with a top coat and replace the rusted finials.

Responding to Councilmember Bergwerf, Director Kerr said that the fencing to be addressed would be primarily the sections at the Oceanside Inn and at the Windjammer.

Chair Loftus asked if this expense was included in the budget. Administrator Tucker explained that the expense is not specifically mentioned in the budget, but she indicated that it could be charged to Front Beach maintenance.

MOTION: Councilmember Bergwerf moved to approve the expense of \$2,285 for painting portions of the fencing at Front Beach; Chair Loftus seconded and the motion PASSED UNANIMOUSLY.

E. Discussion of Beach Accesses Relative to Handicap Improvements

Administrator Tucker reported that Directors Kerr and Pitts have been working on this issue and Director Kerr is present to report their findings. The Directors agreed that the 9th Avenue beach access would be the easiest and the best beach path to make handicap accessible. As the first step of that process, the access was surveyed; the survey found that the entire path has migrated and is on private property. The path needs to be moved twenty feet (20 ft.) toward the commercial area. Director Kerr stated that he and Director Pitts were surprised to learn that the mobi-mat is not ideal for handicap access. He stated that the City is working with OCRM to cut the new path; he added that he would like to install a compacted base out of a material that meets OCRM specifications in order to keep the mobi-mat from shifting. In addition, the City would like to use a wider mobi-mat. Director Kerr indicated that the City is getting quotes for the compaction from Peterson Grading.

The Administrator confirmed that wooden walkways, similar to those on Sullivan's Island, were discussed as well as attempting to build some sort of flat space just before the dunes. There are two (2) differences between the Isle of Palms and Sullivan's Island with respect to dune walk-overs, and they are (1) that many of the IOP beach paths are very long and (2) the most recent information from OCRM prohibits a platform at the end of the path. The areas where these

handicap accesses would be most appropriate could be leveled until one gets close to the beach where there are large dunes to be crossed.

After Directors Kerr and Pitts drove the beach, they decided that the only other beach access that could be modified as handicap accessible is 42nd Avenue because there is no primary dune and it is relatively flat and short. A viewing platform could be set in a place that would meet OCRM approval and would be far back from the beach, but would still provide a reasonable view of the ocean due to the flatness. Director Kerr noted that 42nd Avenue would probably provide for a better final product, but it would require paving of additional parking spaces and a new walkover; he added that residents in that area have typically not been pleased with improvements the City has made.

The Administrator reported hearing from a resident on 33rd Avenue whose spouse is physically challenged requesting that something be done in the vicinity of 33rd Avenue; with a high dune at the end, Directors Kerr and Pitts believe that the odds are pretty low.

Chair Loftus suggested going forward with 9th Avenue and then improving 42nd Avenue in a year of two (2). He added that this was something that the Wild Dunes Community Association should also consider doing.

Councilmember Bergwerf stated that she thought providing handicap access to the beach was an excellent use of funds generated by the Beach Preservation Fee.

7. Miscellaneous Business

Tenant Rents Report

Administrator Tucker reported that all tenants were current with the monthly rent; Morgan Creek Grill has paid ten thousand dollars (\$10,000) toward the fifty thousand dollars (\$50,000) owed in additional rent. The City has not yet received the financial statement from Tidal Wave Watersports, but they typically do not owe additional rent.

Chair Loftus stated that the shoal on the north end of the island did not appear to be close enough for the project scheduled for November.

The Administrator noted that the project could be delayed a month, but to do so would require OCRM approval.

The Administrator noted that the public hearing on parking will be at 6:00 p.m. on October 2nd at the Recreation Center.

Next Meeting Date: 5:30 p.m., Thursday, October 9, 2014

8. Executive Session – not needed

9. Adjourn

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

Respectfully submitted:

Marie Copeland
City Clerk