CALL TO ORDER. Mayor Childs called the workshop to order at 2:00 p.m. Mayor Childs, Mayor Pro Tempore Ott, and Councilmembers Courtney, Johnson, Pellegrino, Samples and Stevens were in attendance. A quorum was present. Staff present: Town Clerk Herrmann, Finance Director King, Police Chief Hofmann, and Public Works Director Adair. Consultants present: Mark O’Mara and Kevin Fuller, Haggerty Consulting; Jonathan Sigman, Collins Engineers and project manager for pier reconstruction; Troy Roehm, LS3P Architects; Tyler Traudt, First Tryon Advisors, and Gary Pope, Pope Flynn Bond Counsel.

Mr. Adair welcomed the consultants and explained that the pier was substantially destroyed almost a year and half ago during Hurricane Matthew. The town has under gone a long process to get FEMA (Federal Emergency Management Agency) to reimburse it for the majority of construction cost. We have reached agreement for close to $10 million between FEMA (75% contribution) and the South Carolina Emergency Management Division (25% contribution) (SCEMD). This workshop will explain several design options.

Mr. O’Mara presented the PowerPoint, a copy of which is on file. The pier is required to be reconstructed in the same footprint. There are certain procurement requirements and environmental and historic preservation compliance requirements attached to Federal Funding. Those requirements bring additional costs and delays to the project. For instance the environmental consultation is absolutely required for FEMA public assistance programs. The approval may take up to 18 months to complete, and construction cannot begin until that is completed. He did not believe it would take that long, but that was worst case scenario.

Mr. Sigman explained that the pier would be reconstructed in the current foot print and the pilings would be concrete construction. The deck would be concrete with break-away wood panels. Because the flood zone elevations change drastically in the area where the buildings are situated, it is critical that Town Council determine a building design so work can proceed. For instance, if the third building is constructed and extends into the 22 foot elevation zone, then the entire building has to meet that height restriction, plus the town’s 3 foot freeboard requirement. The pier design should require only minor maintenance during the first 25 years. Concrete design has significant resilience to storms.

Mr. Roehm presented several building design options, which are:

<table>
<thead>
<tr>
<th>Reconstruction Design</th>
<th>Cost</th>
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<tbody>
<tr>
<td>buildings as they currently exist</td>
<td>$865,000</td>
</tr>
<tr>
<td>buildings as they currently exist with an optional restaurant rooftop seating</td>
<td>$1.19 million</td>
</tr>
<tr>
<td>enlarge buildings to OCRM approved setback and add third building</td>
<td>$1.58 million</td>
</tr>
<tr>
<td>enlarge buildings to OCRM approved setback, add second story to each building</td>
<td>$2.16 million</td>
</tr>
<tr>
<td>constructing the foundation to add a third building or second stories in the future</td>
<td>$2.76 million</td>
</tr>
<tr>
<td>Any combination of buildings and stories council so desires</td>
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</tbody>
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Mr. O’Mara stressed again that until council made a decision on the building design no other work could move forward. FEMA must review and sign off on the final pier design prior to starting construction or the funding will be jeopardized. The original FEMA grant estimate was about $92,000. In August 2017, the amount was $5.6 million. The current and final FEMA Public Assistance Grant value is $9,749,552, which is a capped grant meaning that FEMA will never grant additional funding beyond this amount. There is no cost to the town for the pier reconstruction. The total is comprised of

- “In-Kind” repairs $8,267,018
- Hazard Mitigation $1,482,534
- Direct Administrative Cost $197,669 (reimbursement for managing and administering the project)
Mr. Traudt explained that the town’s is in very good financial condition. Obtaining loans or issuing bonds for construction for any of the options should be easily repaid. Conservative income estimates for the building rentals based on 2016 were used. Certainly, when the new buildings are erected, additional rental income will be derived from additional square footage, and current commercial rental rates. Town Council asked staff to obtain some current rental amounts for commercial buildings. Mr. Pellegrino asked if there would be any prepayment penalties. Mr. Traudt explained that the loan agreement would include language to ensure there were no early payment penalties. Ms. Samples said that Ms. King needs to be involved in this, because she understands the town’s financial condition.

Ms. Samples was concerned that the pier did not provide Americans with Disabilities Act (ADA) access via a ramp. Mr. Roehm explained that a ramp would not work too well, because the pier is being raised at least 10 feet to meet current flood requirements. In addition to the iconic stairs, elevator access was added to comply with ADA. Mr. Ott believed a ramp was mandatory. Mr. Roehm explained that access was required; the elevators provided access.

Mr. Pellegrino asked if there was any way to expedite the process. Mr. O’Mara said there are some FEMA requirements over which the town has no control. However, we can work on the design and the procurement simultaneously. So, there are specific questions that need to be answered before we can actually even submit this request to FEMA for review. Those questions cannot be answered until Town Council provides formal direction on the building design.

Ms. Samples asked if there was any differentiation between FEMA and OCRM for design and construction. Mr. O’Mara explained that the building foundation would be part of the pier structure, so nothing could begin until FEMA reviewed and approved the pier plans.

Mr. Pellegrino said basically, we’re looking at project completion in 2021. Mr. O’Mara said currently the critical path is dependent upon the council choosing a building design so it could be submitted to FEMA. Of course, the project would be completed sooner, if council decided to construct one-story buildings, and not expand. Some work can be done simultaneously with FEMA review; just not construction.

Mr. Courtney asked what the timeline is to demolish the existing pier and buildings. Mr. Sigman said the actual demo would take about two months. He didn’t recommend doing so until FEMA approved the plans. Mr. O’Mara said this entire team would work to limit potential revenue loss through the timing of construction start through completion.

Mr. Courtney wanted to hear from the public. It was important to hear from the taxpayers, who would pay the bill. Ms. King said that actually the cost to construct the buildings would be paid by accommodations and hospitality tax revenues, both of which are derived from tourists, and rental income from the pier enterprise fund. There is no cost to the taxpayers for this project.

Mr. Jeff Hines, 13th Avenue North, said I would like to see the city improve the pier. We want to increase business and increase tourism. Our city is growing. I think our entertainment infrastructure needs to grow, as well. Please consider increasing the buildings some. I am really excited about the rooftop bar-restaurant option. I think that would be a true asset to town.

Ms. Patricia Magliette, Harbor Lights Drive, said we saw that there was an elevator for the handicapped. There's got to be ramps in case of fire. We would like to have these meetings in the evening so people who work can attend. I'd like to see the taxpayers have some say in who gets to rent these places; open deal rents that are fairly bid. We deserve to get equitable income. I don’t think a lease should be locked in for 20 years, but maybe four years or two years. These buildings are going to have to be insured so the taxpayers don't take a hit if something happens.

Ms. Betty Lowery, 4th Avenue North asked if we have an elevator, does ADA require that we also have a ramp. The current ramp is there because we had trouble getting up. Gravity tends to take care of getting down. How would people get off the pier, if the elevators are not available? Rooftop dining on it's a lovely, romantic idea, but the higher you go the more wind. I hate eating on that little balcony at River City Café. We are at war with the seagulls, or I'm having a hard time keeping French fries on my plate. The same thing happens at Gulf Stream Marina’s deck dining. Will the elevator go all the way up to the rooftop dining to make it accessible for the workers? How will furniture be placed on the rooftop? Also, rooftop dining is not functional all year long. Most of the time,
there is nobody at the outside dining areas we currently have. There are no seating places on the diagram for the pier. Some type seating needs to be provided. I showed some of you the wood inlays on Jeanette’s Pier at Nags Head. These are not just memorials, but also provide income. In my opinion, two-level restaurants are difficult to operate based on the failure of River City Café’s second story. We need to be very careful how we design those buildings. Is there going to be a water line at the end of the pier for fishermen to cut up their catch?

Mr. Nick Delaplane, 13th Avenue North, said I really appreciate you all saying we can’t make a decision without more information. I hoped that today that the consultants would have provided some various options for rental income and loan scenarios. There will be additional square footage from which rental income will be derived. There are people in town who are looking at opportunities for growth and to ensure that their taxes stay low. The costs are minimal for town the size and with the cash flow we already have. This is the biggest opportunity that we are going to have for years to come. We need to do this right and have some current information to make informed decisions.

Mr. Boyd Sadler, 8th Avenue South, This is going to be an exciting project. There are some things that we weren’t given information on alternative sources. An elevator is necessary if the pier will be that much taller. Maybe an inclinator which could parallel the staircase with alternate power sources, because power goes out. Another option would be needed for a two-story building, which I’m not in favor of. In my opinion, we will have difficulty filling three leases that are productive. I do believe the public should be included in any lease granted by this town, so there is no cronyism. We don’t need a 30 year lease on anything in this town. You never know what’s going to happen. Come up with something that’s a little more creative. I think an elevator would inefficient. I’ve been trapped in one before; not fun, especially on a hot day.

Mr. Brady Simpson, Caropines, said I spend all my money in Surfside, and all these people that come from out of town do, too. They are the ones that keep Surfside up using the restaurants and all the businesses. If it wasn’t for tourists, we would have no business. Residents would have to pay double taxes. The way this was presented the tourists and visitors don’t have any say at all.

Mr. Steve Taylor, 7th Avenue North, said nice job; we’re making progress. We’ve come a long way. I think, unfortunately, some of it has to do with the fact that other people suffered and FEMA got more money. Nonetheless, we may benefit. There’s gonna be a lot of design decisions made going forward, but I would like to see us stick somewhere between option one and two with the opportunity to go forward. You know, if we need a second-story, or whatever, let’s not jump off the bridge the first time out.

Ms. Linda Woodlief, Sparrow Drive, said I think the potential is there if you choose Option 2 that includes Building C. You could rent that building for weddings, family reunions, church groups, or all kinds of things. The potential with weddings is huge. I think that would just be a great asset for the city.

Ms. Diane Farrington, 15th Avenue South, said I must be the only one here that likes liquid libation and dancing. I would love to see something like that at the end of the pier. I like Option 1.

Ms. Lynn Livesay, 10th Avenue South, said I’m all for Option 2, with the ability to build another floor, if necessary. We need a switchback ramp. The access to the elevator on this particular drawing is it really clear. I guess there would be a very large ramp to access the elevator. Stairs are not needed if we have a switchback ramp and an elevator. I like option two, because you can go forward. I’m really unhappy that we can't make a decision get started.

Ms. Samples said I remain a strong proponent of Option 2. I do not support a second story on any building at the pier, not just because of aesthetics or the character of that area, but the cost.

Mr. Courtney was also concerned about the height limits. A rooftop restaurant will need some protection from the sun and bad weather. I have concern about the cost to the taxpayers. Ms. King reiterated there would be no cost to the taxpayers for the pier project.

Mr. Ott said what we have here is one of the biggest projects the town has ever done. We need to need to have a lot of meetings. The only decision we’ve actually made is to build the pier out of concrete. We have to meet maybe a workshop every week until we figure out exactly why and how we’re going to complete the project. We need workshops with our neighbors in the audience.
Town Council Pier Workshop  
March 23, 2018

Mayor Childs called for concurrence to meet on Monday, March 26th at 6:00 p.m. to decide on the building style. **Council CONCURRED.**

Ms. Kim Harris, 5th Avenue North asked if the pier elevation was 16 feet from the parking lot. Mr. Sigman said the parking lot is elevated and the 16 feet is an estimate. We will know more once the survey is done. The elevations on the diagrams are the flood elevations from the National Flood Insurance Program, not estimated heights. Ms. Harris said okay and asked Mr. Sigman if his company had experience building this type pier. Mr. Sigman said this is the first pier of this type in all of South Carolina. His company has built many piers and waterfront structures all over the place, including piers in the Charleston area. He explained that part of the pier pilings would be precast; pile caps would be poured on site to ensure proper bonding. Ms. Harris asked how long construction would take. Mr. Sigman said pier construction will take between nine and 12 months. Ms. Harris asked who was responsible for lost revenue while the pier was closed. Ms. Sharon Kramer from Pier Outfitters said its lease expires this December, so there is no issue where they are concerned. Mr. Bill Howard, Surf Diner, said he will work with the town and was very open to negotiations. We understand closing the businesses is necessary to move forward with the project.

Mr. Ott asked what made this construction type unique. Mr. Sigman said the concrete construction is new to South Carolina. Panama City, Florida is home to the Dan Russell Pier, a/k/a Russell Fields Pier. He would provide information on that pier for council to consider. This type construction has great success in Florida and on the Gulf Coast. Ms. Samples asked that information on the Dan Russell Pier be placed on the town’s website.

Mr. Stevens said he has a study about the piers in Florida, if anyone would like to have it emailed to it. Since 1983 no wood piers have been built in Florida. Piers are a great money makers. When we build this pier, it should be a destination that will create revenue. I like the idea of having at least one building with two stories, and the opportunity to build up in the future.

Mayor Childs said the engineers also talked about the possibility of making the pier foundation strong enough to add the third building in the future. Mr. Sigman said that was correct. Mayor Childs said that's an option.

Mr. Courtney was concerned that second story buildings would not be rentable, because of the history at River City Café. He asked where the Russell Fields Pier was located. Mr. Sigman said Panama City, Florida.

Mr. Nick Delaplane, 13th Avenue North, said, I appreciate you trying to have a meeting soon as you can because you want to get things going. What I haven't heard is that you’re going to have any more information than you have today. Everyone is asking the same questions: how high will it be; what is the real income? I’m suggesting that somebody get the information for you before Monday’s meeting. I agree with Mr. Stevens that piers are moneymakers.

Mayor Childs said that pier, the restaurants and those shops are moneymakers. This is going to be built to bring revenue into this town. Like Mr. Stevens said, this is going to generate a lot of revenue for the town. We have to keep that in keep that in mind when we look at all the figures that are going out.

Ms. Betty Lowery, 4th Avenue North, said the Outer Banks and Ocracoke have been slammed repeatedly by hurricanes. Jeanette’s Pier is still there; it’s survived every hurricane. The larger the committee, the harder it is to make a decision. I know you want to please all the voters, but at some point council will have to put on ‘your big girl panties’ and make a decision. Every one of us in this town cannot put our finger in that decision.

Mr. Stevens asked how tall each story of the structure would be. Mr. Roehm said that had not been determined, but the average room height was 10 feet. Mr. Stevens presented various scenarios for discussion to which Mr. Roehm responded from the audience.

Council held a lengthy discussion regarding various building designs, maximum heights, options to construct the pier foundation to support a second story on each building in the future and financing. Staff was directed to get information on commercial rental rates and the Russell Fields Pier for the Monday meeting.

Mr. Bill Howard, owner of Surf Diner, said I would assume that we would be running that second story since it’s over our restaurant. I would assume there would be one kitchen. We purchased the extra 15 feet of property
and gave it to the town so the restaurant could be enlarged. We have plans with engineering and drawings. We also assume we will be paying more rent, and that negotiations are forthcoming, because will be closed down for a year or longer. There are a lot of assumptions here that we would love to work out with the city of Surfside. We would love to have a second floor, mainly for storage, an open dining area, and a deck. We want the pier to be the best icon Surfside Beach has ever had. If you have any questions. I'm available anytime. This is for Town Council to decide; not the public, because the public puts their faith into you when they elected you. I think it is confusing with too many people involved.

Mr. Pellegrino thanked everyone for coming and for their comments. Thank you to the consulting and engineering team.

Mr. Courtney thanked everyone very much for coming.

Mr. Ott also thanked everyone for their questions. I hope you’re here Monday with more questions, and maybe a couple of answers.

Mayor Childs said let's all hope we get this thing going quickly, without too many questions.

Mayor Childs declared the workshop adjourned at 3:41 p.m.

Prepared and submitted by

Debra E. Herrmann, CMC, Town Clerk

VOTE:  Yes  No

SURFSIDE BEACH TOWN COUNCIL

________________________
Robert F. Childs, III, Mayor

________________________
Ron Ott, Mayor Pro Tempore

________________________
Timothy T. Courtney, Town Council

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Mark L. Johnson, Town Council

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David L. Pellegrino, Town Council

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Julie M. Samples, Town Council

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Randle M. Stevens, Town Council

Clerk’s Note: This document constitutes minutes of the workshop that was digitally recorded, and is not intended to be a complete transcript. Appointments to hear recordings may be made with the town clerk; a free copy of the audio will be given to you provided you bring a new, unopened flash drive. In accordance with FOIA §30-4-80(A) and (E), workshop notice was distributed to local media and interested parties via the town’s email subscription list. The notice was posted on the entry door at Town Council Chambers. Workshop notice was also posted on the town website at www.surfsidebeach.org and the marquee.