



**SURFSIDE BEACH TOWN COUNCIL SPECIAL MEETING MINUTES  
TOWN COUNCIL CHAMBERS  
FRIDAY, AUGUST 16, 2019 ♦ 10:00 A.M.**

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**1. CALL TO ORDER.** Mayor Childs called the special meeting to order at 10:00 a.m. Mayor Childs, Mayor Pro Tempore Pellegrino, and Councilmembers Dietrich, Johnson, Ott, Scoles, and Stevens were in attendance. A quorum was present. Others present: Town Attorney Crosby; Town Administrator Pieper, and Town Clerk Herrmann.

**2. PUBLIC COMMENTS – AGENDA ITEMS.** (3 minutes).

Mr. Bill Howard, representing Atlantic Restaurant Group, LLC, a pier tenant, said after the pier was destroyed by Hurricane Matthew in 2016 they all knew the pier would be rebuilt one day. Many times he said they would work with the council any way they could. There has been a good working relationship with the town. The current lease has 12 years remaining. He has had no communication from the city in reference to the restaurant building process, and while he agreed it is time to start construction, there are many loose ends that he believed should be discussed with council in private. Since there's been so many misunderstandings about his restaurant remaining as a tenant, he requested an invitation to executive session for the discussion. Mayor Childs said no; the executive session is for council only. Mr. Howard reiterated that there were many issues to discuss, and in his opinion, it's confidential information. There was no communication for over a year. He met with Mayor Childs and the administrator who told him they were working on it, and that was the end of the subject. They're very interested in trying to move this forward (*time ended*) and we feel that we need to talk to y'all so you understand.

Mr. Lavern Kreklau, South Hollywood Drive, said no disrespect to Mr. Howard, but he believed RFPs (requests for proposals) should be done before anyone is allowed to contract for the new space. Perhaps someone has a really good idea about a different business to place there.

Mr. Gene Connell, attorney for Atlantic Restaurant Group, LLC, said the current lease runs another 12 years. They would like to resolve the matter and get an additional 20 or 25 year lease. In his opinion, his client is legally entitled to continue its lease. An additional term would offset the cost of up-fitting the restaurant which is estimated between \$400 to \$500 thousand dollars. At this time, they didn't know if they would get just a building shell, or whether it would already be fitted with bathrooms, air conditioners, heating, plumbing, etc. All of those questions were undecided. He reiterated that council should consider an additional lease and what would be included in the space.

Mr. Bob Hellyer, 7<sup>th</sup> Avenue North, said everyone knows pier construction will begin shortly and the current buildings will be torn down and rebuilt. He understood that FEMA will pay \$9.5 million for the pier, but the town has to pay \$4.5 million or more for the buildings. The plans show the diner will be about 60% larger, so that justifies a higher rent. Our town needs to do something to recover the expense of the buildings. He was not suggesting that Mr. Howard shouldn't have the lease, but the right thing would be to have a consultant evaluate the costs and determine fair market rental.

Ms. Terri Lauer, Harbor Lights Drive, reminded everyone that many individuals promised transparency during their campaigns. Everyone is entitled to be place a bid. She did not understand how the present situation came about, nor did she support any one in particular. A well published open bid would bring new businesses. The new plans look very nice, but whoever the tenant might be, bids should be open. Bring transparency back as your campaigns promised.

53 **3. BUSINESS.**

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55 **A. Executive Session. Pursuant to Freedom of Information Act §30-4-70(a)(2)**  
56 **discussion of negotiations incident to proposed contractual arrangements, specifically**  
57 **Atlantic Restaurant Group, LLC.** Mr. Stevens moved to enter executive session at 10:09 a.m. Mr.  
58 Dietrich and Ms. Scoles second. All voted in favor. **MOTION CARRIED.** Mr. Dietrich moved to reconvene  
59 regular session at 10:56 a.m. Mr. Stevens second. All voted in favor. **MOTION CARRIED.** Mayor Childs  
60 said for the record that no action was taken during executive session.

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62 **B. Motions or directions resulting from executive session.** Mr. Johnson moved to  
63 authorize the town administrator to negotiate amendments to the current pier [restaurant] lease to  
64 amend the terms not to exceed 20 years. Mr. Dietrich and Mr. Stevens second. All voted in favor.  
65 **MOTION CARRIED.**

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67 Ms. Crosby said this action was a vote to amend the current lease. She explained that Surfside  
68 Beach Town Council entered into a lease agreement with Atlantic Restaurant Group in 2012 for four (4)  
69 five (5) year terms, totaling 20 years. The lease is currently in term two, and that is a binding contract.  
70 The new pier will be different premises, so that will require amendment to that lease should Council be  
71 successful renegotiating an amended lease with the tenant. Any agreement must be mutual and binding  
72 on the parties. There are really only two options with regard to the new public space: (1) Council can  
73 negotiate an amendment, but we don't know whether that will be successful or (2) Council can end the  
74 current binding contract with Atlantic Restaurant Group, which has provisions for breach, termination and  
75 damages. Again, Town Council has voted to seek to amend the lease for the new space to amend the  
76 premises in the lease with Atlantic Restaurant Group so that the termination provisions would not apply  
77 and Town Council would not face litigation; initiate litigation, nor respond to litigation with regard to  
78 Atlantic Restaurant Group.

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80 **3. ADJOURNMENT.** Mr. Stevens moved to adjourn the meeting at 10:59 a.m. Mr. Dietrich  
81 second. All voted in favor. **MOTION CARRIED.**

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83 Prepared and submitted by,

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85 Approved: August 27, 2019

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87 Debra E. Herrmann, CMC, Town Clerk

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89 Robert F. Childs, III, Mayor

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92 David L. Pellegrino, Mayor Pro Tempore

93 \_\_\_\_\_  
94 Bruce Dietrich, Town Council

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96 Mark L. Johnson, Town Council

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98 Ron Ott, Town Council

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100 Debbie Scoles, Town Council

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102 Randle Stevens, Town Council

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