



TOWN OF SURFSIDE BEACH ♦ TOWN COUNCIL CHAMBERS
May 10, 2011 ♦ 6:30 P.M.

TOWN COUNCIL
REGULAR COUNCIL MEETING

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1. **CALL TO ORDER**

Mayor Deaton called the meeting to order at 6:30 PM. Mayor Deaton, Mayor Pro Tem Childs and councilmembers Blair, Smith, Dodge, Johnson and Samples. There was a quorum. Staff present: Administrator Duckett; Deputy Administrator, Fellner; Clerk, Pinnell, Police Chief, Frederick; Fire Chief, Packard and Building Director Donevant. Attorney Mr. Moss was also present.

2. **INVOCATION AND PLEDGE OF ALLEGIANCE.**

Councilmember Mark Johnson gave the invocation and Mayor Deaton led the pledge of allegiance.

3. **AGENDA APPROVAL**

Mr. Smith made a motion to approve the agenda. Mr. Childs seconded the motion. **All voted in favor. MOTION CARRIED.**

4. **MINUTES APPROVAL** – Regular meeting held April 26, 2011.

Mr. Samples made a motion to approve the minutes from April 26, 2011 as corrected. Mr. Childs seconded the motion. **All voted in favor. MOTION CARRIED.**

Mayor Deaton stated that if anyone from the public has spoken on the pier issue previously he asked that they defer their comments to allow others to speak. This item would be limited to 5 speakers at 3 minutes each to allow 15 minutes on this subject. Other agenda item comments would be welcomed.

5. **PUBLIC COMMENTS- Agenda Items only 3 minutes per speaker**

Randle Stevens, 412 1st Ave. N.: “I want to speak on the pier resolution. I’m glad this was brought up. After reading the Myrtle Beach Herald information, the WMBF, Sun News and Facebook page called Surfside Free Press, I was able to come to a conclusion that, why should the citizens take half of what they were offered last year versus this year. According to the Myrtle Beach Herald . . .”

Mayor Deaton: “Sir I’m going to ask you not to quote the newspapers. If you have a public comment, make the comment . . .”

Mr. Stevens: “This is a public comment. You offered \$120,000 a year or \$600,000 over 5 years plus \$205,000 in renovations for a total of \$805,000 to the citizens of Surfside Beach for the pier plus 5% of all gross income over one million dollars. Then this year we get offered \$280,000 over 5 years to the citizens, \$135,000 in pier renovations totaling a total of \$415,000 totaled. That’s kind of like if I had a house and I rented it for \$1,000 last year and this year I came up and I said well I’ll take \$500,000 for it. It just doesn’t make good business sense. This is a business as you said, Mayor, this is a business meeting, so, it should be handled as a business and we should get the best bang for our buck. According to the minutes you just approved,

52 on line 1084 through 1086 and I quote councilman Smith, 'keeping in mind that 12
53 people have looked at it and rejected it because the cost of repair', (***) should have
54 a restaurant or we should reject the one and only bid. My question is who were those
55 12 other people? I haven't heard anything about anybody bidding. I know I've been
56 a real estate broker since 1983 and one of the things you're going to require a real
57 estate broker is to let you know everybody that's seen the property and being that this
58 property has one thing that is very valuable to it, location, location, location. It
59 should be worth a heck of a lot more than what we been asked for it or been offered.
60 In closing, basically, this is a bad deal for the citizens. I'm all for renting the place
61 but I want the best deal all the way around. If you can't get the best deal and you
62 can't be completely transparent in what you do then you all are cheating the citizens.
63 Maybe some of you, maybe all of you, I don't know. That's . . . you have to look at
64 yourself and decide that, but basically this is a bad deal for the Town of Surfside.
65 Thank you."

66
67 **Mayor Deaton:** "Thank you sir and I want to mention, please do not come up here
68 and quote newspapers. If you have a comment, make it your own comment. Yes, sir.
69 Please do not blurt out information; be considerate of other individuals."

70
71 **Mr. Samples:** "Mr. Mayor, point of order."

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73 **Mayor Deaton:** "Mr. Samples, let's get through this please."

74
75 **Mr. Samples:** "We do, but I think it's unfair of you to apply restrictions to the
76 citizens who have three minutes to speak and then they're going to sit down."

77
78 **Mayor Deaton:** "Certainly, and I agree with that but they do not need to read the
79 newspaper. I think we're all capable of reading newspapers and I think that
80 newspapers are based on, sometimes, misinformation, sometimes half truths,
81 sometimes they get it right, but I would prefer to hear what these public comments are
82 from these individuals, not from our local media."

83
84 **Mr. Samples:** "Mr. Mayor that is your opinion and you are certainly entitled to that
85 opinion."

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87 **Mayor Deaton:** "Yes sir, go ahead sir."

88
89 **Ron Ott, 7th Ave. N. :** "Yes the pier and the pier has been drug out a little too long
90 and one of the worst things we can have in a business situation is emotions and
91 there's a lot of people very emotional over this. Some of the problem I see is that we
92 have to have this Council, who we voted in, all the residents here, work together as
93 one unit and they have to work together and say everything's open and this is the way
94 I feel, you know, it's a sad situation that it's been going on for as long as it is and we
95 need to put somebody in there, of course, it's a business. Let me voice my opinion
96 on, if Bill Rempfer's involved in this he's got my vote because I like the man. I trust
97 him and he's a man of his word."

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100 There was applause in the audience.

101
102 **Mayor Deaton:** “Ladies and gentlemen, I’m sorry, please, I’m sorry, please do not
103 clap, please do not boo, please do not jeer.”

104
105 **Mr. Ott:** “I’m sorry, I didn’t do that for . . .anything like that.”

106
107 **Mayor Deaton:** “I know you did not sir, I’m just cautioning the audience. Thank
108 you. We have two sides here and respect each others’ side.”

109
110 **Mr. Ott:** “. . . and that’s what we have to stop, we have to work for just Surfside
111 Beach and I ask you please just, for this Town, do it for the Town, not for anybody’s
112 agenda, nobody has an agenda, just the Town, that’s why we put you in those little
113 seats up there. Please do that for the people of Surfside Beach.”

114
115 **Kathy Goddard, 320 15th Avenue South:** “I’ve lived here since Hugo, 1989 and I’ve
116 never seen such a mess as all of you have put this Town in right now and I think
117 everything ought to be cleared off and we ought to start the bidding all over again and
118 forget this, if you can’t be forthright and be honest, then you can’t be anything.
119 That’s what this Town, that’s why I moved here and we’ve had all these deals going
120 and these backroom talks and it’s got to stop. I say if Mr. Rempfer wants it then just
121 stand up and say you do. Don’t be trying to get somebody else to do a job for you
122 and I’m sick of it, I’m sick of the dirtiness of this and I didn’t vote for all of you for
123 this Town to be in this mess.”

124
125 **John Ard, 612 Cypress Drive:** “Mr. Mayor, if I recall correctly in the newspaper the
126 day after the last meeting you made a statement in there that this kept a small group
127 of Surf . . . a small group. I’d like to inform you that this small group represents a
128 very large group of Surfside; people that are intimidated to come to these meetings on
129 the count of the stuff that we see up here and on the count of the way that you do
130 people. That’s my opinion. I’m entitled to it and you are very, very unfair in what
131 you do.”

132
133 **Bud Joynes, 15th Ave S. 616:** “Mayor, councilmen, councilwomen, I’m going to tell
134 you the same thing that you’ve probably been told a thousand times is we need a
135 restaurant. I’m not going to get into fact, numbers, because I really don’t know all
136 the numbers about this but we need a restaurant. The businesses are being effected;
137 not only at the pier but across the street and several other places. I think the hotel’s
138 going to be opening soon so that’s the basic thing and a lot of the people that use that
139 pier would have breakfast there all the time, at that restaurant, and I think that that’s
140 what we need, is a restaurant, now I don’t know about numbers and stuff like that but
141 anyway, thank you very much.”

142
143 **Shelby Smith, 911 Cedar Drive N.:** “My last visit to the Council was October 26th. I
144 gave you this sheet and a request to keep Nibils restaurant and in this write up of
145 reasons; that would have been a prudent thing to do. I mentioned goodwill, that the
146 accountants; that term is used, has prudent value, this pier has prudent value. It has
147 more value than is being entertained now, so this resolution is indeed a wise move to
148 enhance this pier to its value, it’s reasonable value for the Town. I think leadership is

149 a wonderful thing. I think leadership is stepping up to the issues. Stepping up and
150 doing what's right for the Town; another \$50,000 in this picture is represented \$137 a
151 day, maybe that's a few, a few parking meters a day revenue, think about it; this is the
152 Town focal point. The pier is a major piece of this Town so I agree we ought to back
153 off and put something in there that really is worthy, worthy of Surfside Beach. Thank
154 you."

155
156 **Mayor Deaton:** "Sir, please don't clap, sir."
157

158 **Kurt Kremer, Owner Pier Outfitters:** "We desperately need a restaurant in there.
159 My revenue is down, so far in the month of April is 22 percent. Our pier admission
160 revenue is down 15 percent. Parking revenue is down 25 percent. If the numbers
161 hold up like this we're not going to make it; the pier is going to be . . . you know,
162 there's not going to be anything left at the pier for anybody to go to. That's why I ask
163 you to please put your differences aside and consider this as a life saving measure to
164 all the other businesses that are involved here. I've heard the number \$135,000 in
165 renovations, I spent 30 years in construction; I don't think it's enough, I think they're
166 going to spend way more money than that. That's a benefit directly to the Town that
167 goes on. We don't know if this new law is going to be ratified by the Governor so
168 please put us a restaurant in there, I need it bad. Thank you."
169

170 **6. COMMUNICATIONS: Presented by Administrator Jim Duckett**

171 **a. Myrtle Beach Area Chamber Presentation: Brad Dean and Faye Creel**
172 Mayor Deaton thanked Mr. Dean for all he does for this community. Mr. Brad
173 Dean, Myrtle Beach Chamber introduced himself and Faye Creel. Mr. Dean gave
174 handouts to Council. Mr. Dean reported on upcoming promotions for the area
175 that will not cost the taxpayers of Surfside anything; the funds come straight out
176 of the State matching funds and accommodations taxes. Two promotions will
177 occur in Surfside Beach and they will feature Surfside Beach. There will be a
178 video shot in Town and there will be television promotions, one during a prime
179 time movie on a Sunday night in key markets in North Carolina and the other is a
180 televised broadcast. Unlike the other advertising the Chamber normally runs to
181 promote the entire area this will specifically promote Surfside Beach. Mr. Dean
182 stated that he feels these promotions will benefit the area. It will build awareness
183 of the area. Faye Creel, manager of the South Strand office, spoke. Ms. Creel
184 stated that the crews coming in to film will be staying in Surfside Beach. Reel
185 Time with Gino is one of the films; they will be filming or showing one minute
186 segments during an 8 PM to 10 PM timeslot. Their interviews are set up with the
187 Mayor, a representative from Celebration Theatre and Mark Lazarus at Wild
188 Water and Wheels. They will also be shooting general shots throughout Surfside
189 Beach and they will also have a giveaway. The other station is doing a text in
190 drawing. Ms. Creel thanked Ms. Fellner, Mr. Duckett, Mayor and Council.
191 Council will be notified of the airings with the first one to be on June 12th.
192

193 **b. Building Report**
194 The building department issued a total of 129 permits in the past month totaling
195 \$17,958.75. 102 business licenses, including renewals, were issued for a total of
196 approximately \$18,000. There were 50 office consultations, 72 inspections and
197 45 code enforcement occurrences. Under stormwater: staff is evaluating all

198 parcels within the Town to make certain stormwater drainage easements are
199 recorded in the Horry County Courthouse. This will allow for the Public Works
200 department to inspect these areas and make corrections or enhancements as
201 needed. Under training: The Director attended a FEMA and Energy Code
202 training this month receiving CEU's required to maintain her Floodplain Manager
203 status and her Building Official certification.

204
205 **c. Police Report**

206 The Police Department transitioned to peak season operational status effective 1st
207 of May. The Beach Services schedule is fully implemented, as is the Parking
208 Enforcement Team. PTO for officers will now be curtailed whenever possible,
209 and training activities will be minimized. An emphasis shift from traffic to
210 proactive anti-criminal patrols in the residential and beach access areas has been
211 implemented. Recognitions: On April 16th, the efforts of officers Dave Butler
212 and David Turbeville, Corporal Lee Black, and Sergeant Don Sliker resulted in
213 the arrest of an individual and the seizure and return of items stolen from three
214 vehicles. Officer Brian Clark, seasonally assigned as a Beach Patrol Officer,
215 detained a suspect just prior to the break-in. The suspect was a fugitive from
216 Missouri and has been extradited there. Sergeant Don Sliker and Corporal Chris
217 King were investigating a store owner's tip regarding a partial ID on a burglary
218 suspect from last October. Using social media research and local law
219 enforcement contacts Sliker and King were able to fully ID and locate the first
220 suspect within 24 hours and, eventually, arrest all three suspects including one
221 who had relocated to Greenwood County, SC. Under training: Sergeant Rodney
222 Keziah was certified as Training Manager by the SC Criminal Justice Academy
223 after completing a mandatory four-day training. He has since enrolled all of our
224 sworn officers into the online training system and much of the monthly, in-service
225 training is now conducted utilizing this format. Beach Patrol Officers Brian Clark
226 and Al Sanabria along with fill-in Beach Patrol Officers corporal Ken Hofmann
227 and officer, David Turbeville completed their annual lifeguard recertification.
228 Detective Matt Prock completed a Crime Scene Photography course conducted in
229 Conway. Sergeant Keziah and the Police Chief attended a training session
230 regarding public sector drug and alcohol screening policies and procedures and
231 are, subsequently, in the process of implementing changes to the frequency of
232 random urinalysis testing within the Police Department. High Risk Law
233 Enforcement Activities: There were 2 taser incidents, there were no injuries or
234 vehicles damaged. Under notable events: Police Department was able to repaint
235 nine first responder, marked, vehicles in a new black and white color scheme at
236 no cost to the Town. Studies have shown that two-tone, light/dark, police vehicles
237 are many times more visible to the public, both while stationary and in motion.
238 Members of the public consider officers in black and whites more approachable,
239 which incorporates our initiative to directly interact with residents, visitors, and
240 business owners. Statistically, heightened visibility of patrol vehicles by
241 perpetrators serves to discourage criminal activity.

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d. Fire Report

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e. Administrator's Report

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7. **BUSINESS**

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a. Proclamation #11-73: Peace Officers Memorial Day Proclamation

Clerk Pinnell read the proclamation that is on file. Chief Frederick stated that this is an annual request on behalf of police officers; it concerns the police survivors lobbying support group for the family members of officers slain and disabled in the line of duty.

b. Decision Paper: Pier Restaurant Lease Resolution

Mr. Childs made a motion to suspend the rules for discussion. Mr. Smith seconded the motion. **All voted in favor. MOTION CARRIED.**

Mayor Deaton asked Mr. Rempfer, who was in the audience, if he had representatives in the house, his attorney or broker, with him. Mr. Rempfer stated that both individuals were in the audience. Mayor Deaton stated that the Town broker was not yet in attendance. Mayor Deaton asked the Town attorney, Ken Moss to lead a discussion on a lease for the pier restaurant space. Mayor Deaton stated that normally a lease would be done in executive session. The Town broker, Mr. Daughn arrived and Mayor Deaton asked him to join attorney Ken Moss at the podium. Mr. Moss confirmed that normally contractual matters are

291 held in executive session. Mayor Deaton stated “we have everyone in here who’s
292 been involved with this negotiation. We have two attorneys, we have two
293 brokers.”

294
295 Mr. Samples asked if Mr. and Mrs. Sifonios were in attendance. Mayor Deaton
296 stated “we have Mr. Rempfer and we also have the other guarantor”. Mayor
297 Deaton stated that these are all of the players that there has been so much
298 controversy over “that there’s been backroom meetings and hiding and
299 negotiations. These are all professionals. We have two attorneys here. I know
300 that our attorney is probably one of the best real estate attorneys in the State of
301 South Carolina. I know, for a fact, that our broker is one of the best brokers in the
302 State of South Carolina. I assume that these attorneys are as well and the brokers
303 are as well for Mr. Rempfers side. We have all the players here, ladies and
304 gentlemen. This is full disclosure. This is transparency.” At the podium were
305 guarantors Bill Rempfer, Gary Sedlack and their attorney Bob Guinn and broker
306 James Cole. The Town broker, John Draughn and Town attorney Ken Moss were
307 also at the podium.

308
309 Mayor Deaton stated that the Council will be allowed to question the individuals
310 if they would like to. Mayor Deaton asked “how did we get here and where do
311 you feel like we are?”

312
313 Mayor Deaton asked if anyone wanted to start the dialogue. Mayor Deaton asked
314 Mr. Moss to give the background. Mr. Moss asked how far back the Mayor
315 wanted to go regarding the background. Mayor Deaton asked if the front row
316 could be cleared to allow the individuals at the podium to sit. Mr. Samples stated
317 that he has no problem having Mr. Moss give the background but asked if the
318 Mayor could explain. Mayor Deaton stated that “we’re to a point now where
319 there’s been so many accusations, innuendos and misinformation that we’ve got
320 all the players that have participated here.” Mayor Deaton stated that Mr.
321 Rempfer and his partner have come forward “as guarantors and you’re going to
322 hear that tonight and they’re going to explain that to you”.

323
324 Mayor Deaton stated that as opposed to going into executive the individuals will
325 be allowed to speak and Council can question them individually. Mr. Samples
326 asked Mr. Moss if he would be able to take Council back to 2010 when Council
327 first approved the original RFP “it was in February of 2010 and we put it on the
328 street and, like I said in my decision paper, we learned last week, publicly that one
329 of the members of the LLC from the original bid appears to be a member of the
330 current LLC?” Mr. Moss stated that he can go back to that timeframe but in
331 regard to the members of an LLC he does know if he could respond to that
332 because he does not know the answer. Mr. Moss stated that when the Town
333 purchased the pier his firm had just become involved in representing the Town
334 and inherited a contract to purchase a pier which he had some concerns about but
335 it was closed. Subsequent to that, the pier location rented by Nibils restaurant
336 expired and it was his and attorney Smiths recommendation for the Town to go
337 through the procurement policy and bid it out because it was a public asset and
338 this was then done. The Town accepted this advice and an RFP was adopted
339 which they had assistance in drafting and it then went out for bid. When it came

340 back there were concerns about the bids received. One was not responsive, the
341 current restaurant operator was not responsive at all and there was a bid his firm
342 had concerns about because of the affiliation with the prior Administrator. There
343 was no bid the Town could accept. Because there was no other choice it was bid
344 out again. Fast forwarding a few months, Councilman Smith, along with some
345 other councilmembers, were very interested in the terms of the lease agreement
346 that went out in the second RFP but Mr. Smith was the primary contact for Mr.
347 Moss. They were tasked with trying to simplify the lease and to make it a little
348 more tenant friendly to encourage additional bidders and “low and behold and
349 probably because of the publicity, we didn’t get any bidders on the second go
350 around either.” Mr. Moss stated that this was frustrating since if there was just
351 one responsive bidder, under the Town procurement policy, the Council could
352 have negotiated with that bidder as a sole source party. Mr. Moss stated that if the
353 proprietors of Nibils wanted to stay here and they submitted a bid they could have
354 negotiated with the Town and probably got better terms than they had but they
355 chose not to do that. Mr. Moss stated that it was bid out twice and there was no
356 bidder and he did not feel a judge would take issue if the Town then decided to
357 enlist the services of a professional real estate broker to try to market the space for
358 sale and perhaps through professional marketing activities the Town could find a
359 tenant where the RFP process had failed. Some of the Town Council had
360 concerns about this and at the assistance of some of the members a request was
361 made to the Attorney General about that and the opinion was concurrence. The
362 Attorney General agreed that this is what the Town should do. The Town
363 retained John Draughn and his firm to market the pier property to find a tenant
364 which he did. Mr. Moss stated that he was not involved in the procurement of
365 Mr. Draughn adding that he knows Mr. Draughn and has a great deal of respect
366 for him, but is not sure how all this occurred but he does know him
367 professionally. Mayor Deaton asked if Mr. Moss would like to refer this to Mr.
368 Draughn at this time. Mr. Moss stated that he preferred to finish. Mr. Moss
369 stated that he is aware that Mr. Draughn met with several prospective tenants and
370 he knows that he had discussions with them and he knows that some offers were
371 made. Mr. Draughn narrowed it down to what was thought to be the best three
372 candidates and they were presented to Council in an anonymous fashion which
373 seemed appropriate at that time because there was so much concern about who the
374 parties were. They were assigned anonymous names and were listed as A, B and
375 C. One of these was selected, which he understands is the person the Town
376 currently has a lease agreement with. Mr. Moss stated that he would not go into
377 any other details since it was discussed in executive session and this could not,
378 under the code of laws, be disclosed. The person the Town has the contingent
379 contract with was the person who presented the best deal of the three. After this
380 point, due diligence was done, the press did not give them time to do there due
381 diligence; the due diligence was done as they should have and they came across
382 some concerns about the two contingencies. The Town Administrator, himself
383 and attorney Guinn met with Mr. Rempfer which was the first time Mr. Moss ever
384 met Mr. Rempfer. This was discussed and it was brought back to Council. Mr.
385 Moss stated that there are some things better discussed in executive session but he
386 is comfortable with the history he just presented. Mr. Moss stated that he does
387 not understand the allegations that there had been any other closed meetings
388 because he was unaware of any.

389
390 Mayor Deaton then asked Mr. Draughn to continue adding that no one on Council
391 has a license to practice law or a license to broker real estate but Mr. Moss and
392 Mr. Draughn do and he has a lot of confidence in them. Mr. Draughn stated that
393 the spreadsheet listing A, B and C were collectively given a counter proposal.
394 This was rejected by all three applicants and asked the attorney, Mr. Moss, if this
395 could be discussed. Mr. Moss stated that items discussed in executive session
396 should not be discussed. Mr. Samples asked if Council could waive their
397 privilege under executive session. Mr. Moss stated that this is not a privilege like
398 an attorney/client privilege, it is a law. Mr. Samples stated that he has an attorney
399 who takes a different view. Mr. Samples stated "if Council wished to waive it
400 under executive . . . what transpired. . ." Mr. Moss stated that he does not believe
401 that Council can waive it because it is a law and not a privilege. It is a law of the
402 Town of Surfside as it is codified in, he believes, article 2-52. Mayor Deaton
403 stated "we really don't need to get into a legal debate. We're going to depend
404 upon the person with the license to practice law in the State of South Carolina."
405

406 Mr. Moss stated that the section states "that it shall be unlawful for a member of
407 council or person in attendance to disclose to another person or make public the
408 substance of a matter disclosed in executive session. 2-52 subsection D." Mr.
409 Moss added that this is not a privilege that is waivable, it is a law. It would take
410 an ordinance of the Town to overrule this law. Mr. Draughn stated regardless of
411 what took place in executive session, counteroffers were presented to all three
412 prospective tenants and they were rejected outright. One of the prospective
413 applicants completely went away, one came back with a variation and then a third
414 came back with another variation; this is the variation the Council acted on two
415 weeks ago. The letter of intent was originally submitted in the earlier executive
416 session. This document has subsequently been drafted into a lease document that
417 was signed by the Sifonios' two weeks ago and this is the document being
418 considered tonight. Mayor Deaton stated that there was quite a bit of activity and
419 the property was shown numerous times. Mr. Draughn confirmed this and added
420 that they continue to show the property; it is still active and available in MLS
421 today. If a new proposal were to come forward today he would be obligated by
422 South Carolina law to present it to the property owners immediately but there
423 were none at this time. Mayor Deaton asked if anyone on Council had any
424 questions for Mr. Draughn. Ms. Blair stated "I first feel the need to say that, in
425 the spirit of transparency, and I can only speak for myself, but I knew nothing
426 about this plan for this presentation. I feel totally blindsided by all of this and I
427 just felt the need to get that out there. I mean, this whole thing was prefaced with
428 here's transparency, well, not with Council, so I just wanted all of you to know
429 that at least, from my standpoint, I knew nothing." Ms. Blair asked Mr. Draughn
430 about his statement 'in a vague sense counter proposals were offered' and what he
431 meant by that. Mr. Draughn stated that he meant that only to the extent that we
432 cannot discuss them in open council are they vague. Mr. Draughn stated that he
433 went back to all three applicants with the same proposal; ongoing negotiations
434 wanted to be continued adding that this was back in February and so much time
435 has passed since this time. Currently it is the middle of the spring season and
436 time is of the essence in a market like Surfside where there is a smaller window
437 for businesses; the summer is the busiest time of the year. Mr. Draughn stated

438 that he believes the meeting was held February 21st and the counter offers were
439 sent the next day. Mr. Samples stated that he believes that the meeting was
440 actually held March 4th; this was the first special session that Town Council had.
441 Mr. Draughn stated that he is referring to the date on the spreadsheet he
442 distributed to Council. Mr. Samples stated that the letter of intent provided to
443 Council expired when it was presented to Council. Mr. Draughn stated that the
444 letter of intent is non-binding; it is a simple document that can be negotiated until
445 there is a contract. Mr. Smith asked if Mr. Draughn could talk about his
446 marketing plan and how many people he actually showed the property to. Mr.
447 Draughn stated that he showed the property to approximately six or seven
448 prospects. His firm also corresponded with e-mails and photographs to explain
449 that the Town wanted a family style restaurant similar to what they had and that
450 there was an implied obligation to serve breakfast, lunch and dinner and to
451 maintain a family atmosphere. Mr. Draughn stated that they spoke to people that
452 wanted to do oyster bars and shooter bars and margarita bars and they
453 intentionally gave them documents that indicated very strongly that the Town
454 wanted what they had previously. Mr. Draughn stated that the property has been
455 on the internet, they have had television interviews on site and it is posted on
456 popular websites and is very easy to find. They continue to deal with inquiries
457 today. Mr. Smith asked if they received any inquiries outside of South Carolina.
458 It was confirmed that they received inquiries from California, Nebraska, Florida,
459 Texas; most have come from North and South Carolina and most have been from
460 Horry and Georgetown County adding that he feels this is a local opportunity.
461 People from other states are not normally viable prospects because most of them
462 have never been to South Carolina; they are just inquiries. Mr. Samples asked in
463 talking to the prospects how he described the condition of the restaurant. Mr.
464 Draughn stated that they were told it is being leased in "as is" condition; they
465 were urged to retain their own architect or engineer so that there were no
466 representations made. The property was available for inspection seven days a
467 week; they could pick up or sign out keys or have a broker join them. There were
468 pictures of the space available as well. Mr. Draughn stated that most of his
469 photos showed the positives of the space. Mr. Draughn stated that most people
470 understood "as is" and knew the previous tenant had been there for 23 years and it
471 was basically described as a 35 by 50 foot empty box. One reputable company
472 told him that they would spend \$150,000 in the kitchen alone but this is what they
473 would do in a standard kitchen. Mayor Deaton asked Mr. Draughn if he
474 participated in any secret meetings with councilmembers. Mr. Draughn stated
475 that this is his third or fourth meeting and none have been secret in nature except
476 for executive sessions.

477
478 Ms. Dodge stated that the lease she voted for was for Mr. and Mrs. Sifonios; they
479 were the only two signers and they were not here. Ms. Dodge stated that there is
480 a step missing. There are other people here to speak but the Sifonios' are not
481 present to speak. Mr. Moss stated that he does not know Mr. and Mrs. Sifonios.
482 They had an attorney representing them and he has never met them or dealt with
483 them directly.

484

485 Ms. Dodge asked “but shouldn’t they be here to speak if they were the signors of
486 the lease, if I understand correctly and correct me if I’m wrong, it seems as if
487 we’re going to have people speak who were not involved with that lease.”
488

489 Mr. Moss stated that their attorney is here and the intention always was that they
490 may create a corporation, LLC and this has been known adding that he does not
491 fully understand their business plan but whether Council wants to speak with
492 them is a decision for the Council.
493

494 Ms. Dodge stated that she just thought she missed a step and this was the reason
495 for her question.
496

497 Mr. Samples asked if there was somebody here representing the Sifonios’. Mayor
498 Deaton stated that Mr. Guinn was available. Mr. Samples stated that he would
499 like to go on the record “as, of course, Ms. Blair did earlier, because this has
500 clearly been orchestrated and there’s no problem with that. There’s no problem
501 with that; that’s the way things are done, but it’s clearly been orchestrated by a
502 number of people who, I don’t believe a majority on Council, knew of this.”
503

504 Mayor Deaton stated that it was certainly not a majority adding that this has been
505 a request by individuals to be able to speak and give the other side. “beyond the
506 accusations, innuendos and rumors.”
507

508 Mr. Samples stated that it is a shame that it has taken so long, since February or
509 March, there were special meetings March 4th and the last special meeting was
510 held April 15th and there was one special meeting in between those meetings. Mr.
511 Draughn referred to the meeting agenda of February 22nd when Council went into
512 executive session.
513

514 Mayor Deaton asked Mr. Rempfer to submit the letter of intent to the clerk adding
515 that only Mr. Rempfer can release the letter. The Town has been under a
516 confidentiality agreement which is signed by the Town of Surfside Beach and this
517 is one reason why they had to be careful not to violate the agreement. Mayor
518 Deaton stated that Mr. Rempfer has now stepped forward and everything now is
519 forthcoming. Mr. Johnson stated that he was unaware that he was going to see a
520 “dog and pony show this evening”. Mr. Johnson stated that he has some concerns
521 adding that this is the first time that the Council has been given a hint of an
522 apparent LLC being formed and members of an LLC coming forward and agrees
523 that it was orchestrated. He stated that this was orchestrated to blind side people
524 and added that this is not what transparency is all about. Mr. Johnson stated that
525 he would allow people to speak and answer questions but “good luck in changing
526 some minds up here.”
527

528 Mayor Deaton stated that he does not know if this was the intent. Mr. Moss stated
529 that great care was taken in the draft lease proposal to protect the Towns’ interest
530 in the event that someone did want to create a corporation or LLC specifically if
531 the Sifonios wanted to do that; the Council has to consent to the assignment. The
532 reason this was done in the draft documents was because often times when there
533 are parties that go into a restaurant or business venture they don’t completely have

534 their business plan developed. They don't need to spend a lot of time and effort
535 in developing details of a business plan if they don't have an agreement made. In
536 the lease the Town authorized the contingent lease agreement that had provisions
537 in it that would require the assignment to be approved by the Town. Mr. Moss
538 stated that he feels it is fair to say that he, Mr. Draughn, the administrator and
539 several members of Council if not all, have known that an LLC or corporation
540 may be created. The best that could be done was to require it to come back to the
541 Town Council which they did. Mayor Deaton asked the clerk to read the letter of
542 intent. Mr. Samples clarified that it is a non-binding letter of intent. The
543 following is a copy of the letter of intent:

544
545 This Letter of Intent expresses the basis under which CENTURY 21 Strand
546 Group, acting on behalf of client (the "Lessee"), seeks to enter into lease
547 agreement (the "Lease") of approximately 1,800 Square Feet (the "Property") as
548 outlined in Exhibit "A", attached to and made an equal part of this Letter of
549 Intent.
550

551 It is further understood that while this Letter of Intent sets forth the basic
552 business terms of the proposed Lease, it does not constitute a binding contract or
553 an agreement to enter into a binding contract, nor are any legal obligations
554 intended to be created by this Letter of Intent. This Letter of Intent is a
555 preliminary summary of terms and is for discussion purposes only. Neither party
556 shall be contractually bound until such time as a mutually satisfactory lease
557 agreement (the "Agreement") has been executed.
558

559 The Lessee is comprised of individuals residing in the Town of Surfside, South
560 Carolina, with credit scores of 750+ and a minimum of \$100,000 of operation
561 capital with bank references. At such time upon a meeting of the minds, the
562 individuals plan to form a corporation for the operation of a restaurant at the
563 Space. Although the individuals do not wish their identities to be made public at
564 this moment, they will at the Owner's request, pending the execution of an
565 agreement of confidentiality.
566

567 Following are the basic terms and conditions upon which the Lessee would
568 contemplate entering into said Lease.
569

570 **The Property:**
571 The Property, formerly known as Nibils Restaurant is comprised of
572 approximately One Thousand Eight Hundred Square Feet with Tax Map #195-
573 04-09-001, and located at 11 South Ocean Boulevard in Surfside Beach, South
574 Carolina as outlined in Exhibit A.
575

576 **Initial Term:**
577 The initial term of this Lease shall be for a period of five (5) years commencing
578 April 1, 2011, and terminating March 31, 2016. Lessor shall allow Lessee to
579 enter said property March 1, 2011 to commence space up-fit. Lessee will present
580 proof of insurance to Lessor with policy effective date of March 1, 2011.
581

582 **Optional Terms:**
583 Lessee shall have the option to renew lease for up to two (2) additional five (5)
584 year terms. The first such renewal term, if exercised, shall commence on April 1,

585 2016 and terminate on March 31, 2021. The second such renewal term, if
 586 exercised, shall commence on April 1, 2021 and terminate on March 31, 2026.
 587

588 **Rent:**

589 Lessee shall pay to Landlord rent during each term according to the following
 590 schedule:
 591

592 **Initial Term:**

593

<u>Term Year</u>	<u>Annual Rent</u>	<u>Plus % of Gross Sales</u>
594 2011	\$50,000.00	0.00%
595 2012	\$50,000.00	0.00%
596 2013	\$55,000.00	0.50%
597 2014	\$60,000.00	0.50%
598 2015	\$60,000.00	0.50%

600

601 **First Renewal Term:**

602

<u>Term Year</u>	<u>Annual Rent</u>	<u>Plus % of Gross Sales</u>
603 2016	\$70,000.00	1.00%
604 2017	\$70,000.00	1.00%
605 2018	\$70,000.00	1.00%
606 2019	\$70,000.00	1.00%
607 2020	\$70,000.00	1.00%

608

609

610 **Second Renewal Term:**

611

<u>Term Year</u>	<u>Annual Rent</u>	<u>Plus % of Gross Sales</u>
612 2021	\$76,000.00	1.00%
613 2022	\$76,000.00	1.00%
614 2023	\$76,000.00	1.00%
615 2024	\$76,000.00	1.00%
616 2025	\$76,000.00	1.00%

617

618

619 **Purpose:**

620 The Lessee represents said purpose of leasing property is to operate restaurant on
 621 year round basis servicing breakfast, lunch, & dinner. Lessor also plans on
 622 obtaining permits to serve alcohol beverages.
 623

624 **Capital Improvements**

625 The Lessor plans on improving the building for the term of the lease which is and
 626 will be also a benefit to the Lessee. These improvements would include; New
 627 heating and Air (14,000), new electrical (20,000), new plumbing (11,000), new
 628 hood system(19,000), repairs to roof (6,000), new flooring (5,000), Paint and
 629 wall repairs w/ new sheetrock (14,000), redo on all kitchen walls, (9,000), install
 630 of gas lines (4,000),Install alarm system (4,000) and misc labor (29,000). These
 631 are all improvements that would stay with building. This would be over 130,000
 632 into the building by the lessor, even before opening and does not include
 633 equipment, demo, permitting, and environmental needed to open.
 634

635 In addition to capital improvements, the lessor also plans on investing upwards of
 636 one hundred-fifty thousand(150,000) in equipment, to include but not limited to,
 637 walk-in cooler and freezer, all kitchen stainless steel, ovens, grills, sinks,

638 dishwasher, kitchen prep tables, décor for dining area, all new plates, silverware,
639 glassware, tables, chairs, and any other improvements needed to launch a grand
640 re-opening of what lessor feels is one of the target spots in Surfside that needs to
641 be a focal point in the Town. With the help from the Town, lessor feels they can
642 regain the draw that this Pier needs to help generate revenue to the Town of
643 Surfside and make this site a destination for tourists and locals alike that come
644 and visit and or make the Grand Strand their home.

645
646 **Agreement Fees:**

647 Lessee and Lessor shall pay their own legal fees, overhead, and expenses related
648 to entering into formal Agreement.

649
650 **Expiration of Intent:**

651 This Letter of Intent will expire at 9:00 a.m. Friday, February 25, 2011.

652
653 This Letter of Intent is only an expression of our mutual intent concerning some
654 aspects of the proposed transaction described above, it being understood that all
655 of the material terms of the proposed transaction are not yet agreed upon between
656 the parties and must still be agreed upon to their mutual satisfaction. It is
657 understood that except as provided in the immediately preceding paragraph, (i)
658 no liabilities or other obligations of any kind whatsoever are intended to be
659 created hereby between the parties, (ii) this Letter of Intent is not intended to
660 constitute a legally binding contract to consummate the transaction referred to
661 above nor an agreement to enter into a legally binding contract, (iii) the parties
662 propose to proceed in negotiating, to their mutual satisfaction, all of the terms,
663 provisions, and conditions of the Lease Agreement.

664
665 **Broker Involvement**

666 The Lessee and Lessor each represent and warrant that they are being represented
667 by real estate brokers in connection with the transaction. The brokerage fee due
668 for services rendered in connection with the consummation of the transaction
669 contemplated herein is understood to be Six Percent (6.00%) of Initial Five Year
670 Gross Lease Amount and shall be paid by Landlord. Each party hereby agrees to
671 indemnify, defend and hold the other harmless from and against any claims
672 arising from a breach of the foregoing representation and warranty.

673 Please indicate your acceptance of these terms by executing a copy of this Letter
674 of Intent and returning it to my direct attention.

675
676 Mayor Deaton asked Mr. Guinn and Mr. Moss if they negotiated the lease that
677 was accepted by this Council based on this letter of intent. Mr. Moss stated that
678 they coordinated their efforts to draft a lease that Mr. Guinn's clients felt
679 comfortable with and he on behalf of the Town was comfortable with. Mayor
680 Deaton asked Mr. Moss if he was influenced by any councilmembers or if he
681 participated in any secret meetings. Mr. Moss answered that he did not have any
682 secret communication with councilmembers.

683
684 Mr. Johnson made a motion to go back under the business portion of the agenda.
685 Mayor Deaton stated that he feels Council needs to hear from Mr. Rempfer first
686 since everyone has wanted to hear from him. Ms. Blair seconded the motion. Mr.
687 Smith stated that he feels Council should hear the complete story otherwise the
688 public will leave saying they never heard from Mr. Rempfer and he would like to

689 give him a chance. Ms. Blair stated that Council is being presented with people
690 who have never been formally presented to Council as being a part of this action
691 and she does not understand why Council is talking to them at this point. Ms.
692 Blair asked clerk Pinnell to read the signatures on the letter of intent. Clerk
693 Pinnell stated that there are no signatures and it was confirmed that no names
694 were noted in the content of the document she held. Mr. Draughn stated that a
695 copy of the letter is signed by the broker, Mr. Cole. Mr. Cole stated that he is
696 representing the group which the letter states where there would be a group
697 formed upon acceptance of the lease. It was confirmed that Mr. Cole is a licensed
698 broker in the State of SC. Ms. Blair stated there is a motion on the floor. Mr.
699 Samples asked who made up the group or was this confidential. Mayor Deaton
700 stated that the two partners were willing to speak if Ms. Blair would retract her
701 motion. Mr. Samples stated that the Mayor could have lead Council through this
702 from the beginning and a lot of time could have been saved adding that it is
703 “apparent that you have information that the rest of us don’t”. Mayor Deaton
704 stated that he has no information; he just has all the players adding that he has not
705 spoken to any of these individuals. Ms. Blair stated that this was her point; these
706 players have never formally been presented in any form or fashion to the Council.
707 Mayor Deaton stated that they are being presented in a public forum now.

708
709 Some people in the audience were speaking out. Ms. Blair asked for order adding
710 that the Mayor would call order on anyone else. Mayor Deaton asked for the
711 people in the audience to be quiet and maintain order in the room. **Ms. Blair, Mr.**
712 **Johnson, Ms. Dodge and Mr. Samples voted for. Mr. Smith, Mayor Deaton**
713 **and Mr. Childs voted against. MOTION CARRIED.**

714
715 Ms. Blair stated that she had a motion and to introduce the motion she wanted to
716 say that she heard some things this evening that she feels are very relevant to the
717 direction Council takes at this point; one being from Mr. Smith who said that this
718 pier is certainly a prudent value to this Town. Ms. Blair had also made some
719 statements at the last meeting that it should be a core and focal point of Surfside
720 Beach and it should be utilized to its utmost value for the residents first and
721 foremost and then certainly if it pleases the residents it will certainly be a draw for
722 the visitors and tourists as well. Ms. Blair stated that she feels it is time to stop
723 banging heads against the wall and “bruising our own spirit and move forward
724 with making the adjustments that we need to make to have this pier what it needs
725 to be. We’ve invested a lot of money here and it needs to be of the utmost value
726 to us all.” Ms. Blair added that she feels this has been an arduous and contentious
727 process many time but sometimes motions are made with the best of intentions
728 and maybe an important issue isn’t always before us or available at the time of a
729 vote. Ms. Blair stated that at the time of the executive session when they
730 originally voted there had been some very important information that was not
731 provided to Council and had that been available to Council at that time the signed
732 lease was presented, the vote may have been quite different at that time. Ms.
733 Blair made a motion that this body, the Town Council of Surfside Beach, rescind
734 the vote of April 15th, 2011 regarding the proposed lease with Mr. and Mrs. John
735 Sifonios. Mr. Moss stated that he is troubled by this particular motion although
736 there is another motion that could serve the same purpose. “When this Council
737 made a decision on the 15th that decision could have been reconsidered upon a

738 motion from the prevailing side and a recues of votes so long as it happened
739 before the minutes were approved. Now the minutes were approved on the
740 meeting of April 26th and so that action was taken so I want to be clear and I want
741 to make sure the Council is clear that a decision now to reconsider the vote is not
742 really something that is appropriately done.”

743
744 Mr. Samples: “She didn’t say reconsider.”
745

746 Mr. Moss: “I understand that, but the reason I point this out was I want to make
747 sure that all the councilmembers are clear on that. This would not be a motion to
748 reconsider that action. That can’t be done at this point. A motion to rescind the
749 contingent lease agreement is something that this Council can entertain, however,
750 and frankly to protect this Town and frankly to protect my firm and myself, if that
751 motion is seconded and if that motion is going to be considered I encourage the
752 Town to discuss it in executive session before any action is made to rescind that
753 lease.”
754

755 Mr. Moss went on the state that the motion to rescind the lease agreement needs a
756 majority of Council to pass but strongly urged Council to convene in executive
757 session before any action is acted upon. Mr. Johnson asked Mr. Moss to give
758 detail as to why the Council should meet in executive session to consider this.
759 Mr. Moss stated “because you have authorized the entry of a contingent contract
760 and whether or not those contingencies have been satisfied may be a contested
761 issue. In other words the Town could be sued.” Mr. Moss stated that he does not
762 know if that will happen and does not know if there is a substantial likelihood or
763 possibility but he feels that Council needs to hear his concerns in executive
764 session prior to any action being taken on a motion such as the one made by Ms.
765 Blair. Mr. Johnson asked if Mr. Moss was aware of any signed contract. Mr.
766 Moss stated that he is only aware of the authority and direction that this Council
767 gave to the Administrator upon a contingent basis; he is not aware of anything
768 that has been signed. Mr. Samples asked Mr. Duckett if he is aware of any signed
769 contract by anyone that had or appeared to have authority to sign a contract on
770 behalf of the Town of Surfside Beach. Mr. Duckett answered that he is not aware
771 of any contract being signed on behalf of Surfside Beach. Mayor Deaton stated
772 that he came up with a list of pros and cons for the taxpayers of Surfside Beach
773 regarding the pier.
774

775 **Pros**

- 776 • The Town will have a tenant on the pier for the upcoming season.
- 777 • The Town will derive income from this.
- 778 • New jobs will be created.
- 779 • The parking lot will generate increased revenue.
- 780 • The tenant will make an initial investment of \$135,000 in landlord-
781 owned improvements.
- 782 • The Town will have an enhanced asset at no expense.
- 783 • The building will be made ADA compliant (with regard to the new
784 standards that take effect in 2012) at no expense to the Town.
- 785 • The pier will enjoy greater pedestrian traffic which will serve to increase
786 the patronage of our other pier businesses.

- 787 • The Town will not be in breach of its lease (Page 12 “Landlord’s consent
- 788 will not be unreasonably withheld”).
- 789 • The Town will not be sued for the breach of the lease.
- 790 • The pier will remain a focal point for the area of our guests.
- 791 • The Pier Enterprise Fund will remain healthy enough to effect repairs on
- 792 the pilings that need to be done.
- 793 • The Pier Enterprise fund will remain healthy enough to make the annual
- 794 payments back to the General Fund which is about one point something
- 795 million dollars of tax money.
- 796 • Residents will recognize this is a win-win for the Town
- 797

798 **Cons**

- 799 • Bill Rempfer will be the tenant’s guarantor and a few residents and some
- 800 council members don’t like him personally.
- 801

802 Ms. Blair asked for point of order. Ms. Blair stated that she believes that the

803 Mayor call people down on that same thing week after week after week adding

804 that she does not appreciate his last comment.

805

806 There was applause in the audience.

807

808 Mayor Deaton stated the Cons:

809

810 **Cons**

- 811 • The Town will NOT have a tenant on the pier for the upcoming season.
- 812 • The Town will NOT derive income from the pier restaurant space.
- 813 • New jobs will NOT be created.
- 814 • The parking lot will generate a DECREASED amount of revenue.
- 815 • The tenant will NOT make an initial investment of \$135,000
- 816 • The Town will NOT be afforded an enhanced asset at no expense.
- 817 • The building will NOT be made ADA compliant (with regard to the new
- 818 standards that take effect in 2012).
- 819 • The pier will enjoy a DECREASE in the amount of pedestrian traffic
- 820 which will serve to decrease the patronage of our pier businesses.
- 821 • The pier will NOT remain a focal point for our guests.
- 822 • The Pier Enterprise Fund will NOT remain healthy enough to effect
- 823 repairs on the pilings.
- 824 • The Pier Enterprise Fund will NOT remain healthy enough to make
- 825 annual payments back to the General Fund.
- 826 • If the Town does any renovations it will come out of the taxpayers
- 827 pockets
- 828

829 Mr. Samples stated that Council has struggled with this issue for far too long and

830 he wishes that the leadership on both sides of this deal “had stepped up to the

831 plate months ago but instead we have agonized over it and the fact remains, the

832 fact remains, that there was another bid whether it was a stupid overpriced bid a

833 year ago, that’s a fact, for the same property, it’s a fact that the previous tenant,

834 after 10 years in a lease with a tough business man, Mr. Sam Scalise, who doesn’t

835 give nothing away, there was no giving into Nibils or Jack Cahill, that was a

836 tough lease. He was paying \$72,500 plus all the cost of the utilities. If you

837 owned a piece of property that was run down, you would not be satisfied in taking
838 the offer that we've received; taking an offer similar. You don't give away things
839 for 15 years, 15 years, 2026, no, this Town needs to find the money to make the
840 investments, even if we have to take it out of our fund balances, Mr. Mayor, so
841 that we can market this property, which is a jewel, but we need to exercise good
842 stewardship and, unfortunately, we're going to have to suffer through, in my
843 opinion, this summer and I will say, I don't know if it's true or not but I watched
844 the news and I appreciate Mr. Rempfer giving an interview last week to one of the
845 local TV stations." Mr. Samples stated that he heard that it would take three
846 months to get that space up and open and it's currently the middle of May and the
847 way the Town works, even if the Town agreed tonight to have a lease it would not
848 have a lease for awhile "because we just don't move that fast and it's going to
849 take some time beyond that, so we're at the end of July and if you're at the end of
850 July in our seasonal economy you've missed it." Mr. Samples added that it has
851 to be marketed and supports the motion that was made.

852
853 Mr. Smith stated that "after calling for transparency this gang of four looks like
854 they orchestrated how they would shut down transparency."

855
856 There were comments in the audience. Mayor Deaton asked the audience to quiet
857 down adding that everyone has a right to their opinion.

858
859 Mr. Smith stated that he is not sure where some individuals got the numbers from
860 but the pending lease over 10 years including the \$135,000 worth of repairs is
861 equal to \$825,000. If Mr. Cahill was paying \$72,500 a year over 10 years that's
862 only \$725,000 which is less than \$825,000 adding that Mr. Cahill had not agreed
863 to do any repairs and did not even try to bid for it when he could have. Mr. Smith
864 stated that he feels the Council would be prudent to accept the lease presented.

865
866 Mr. Childs stated that this restaurant space is not the only thing at stake adding
867 that he truly believes that if the Town does not put a restaurant on the pier that
868 Pier Outfitters will suffer due to the lack of customers who would frequent the
869 restaurant. The walk-ons at the pier and the use of the parking meters would be
870 minimized. The Town cannot afford to wait any length of time to fill the space
871 and with the current number of foreclosures and gas prices going up daily the
872 Town cannot let the pier become a white elephant and receive no income for the
873 Town. After the bidding process failed the Town is lucky to find one business
874 that is interested and asked the Council please look at the big picture for the Town
875 and to support the lease for the restaurant at the pier.

876
877 Ms. Dodge stated that she has an e-mail from Mr. and Mrs. Mays who operate Sea
878 Dogs Ice Cream shop at the pier. It is a much smaller area than the restaurant and
879 they pay \$32,000 a year and she feels that this would put things in perspective of
880 what the Town can get with the lease or a restaurant adding that she does not
881 think it is a bargain at all.

882
883

884 Mr. Johnson stated that he did not have anything written down so he did not have
885 an agenda coming in. Mr. Johnson stated that this is not about personalities; it is
886 not about one person trying to get a lease for the pier; it's not about another
887 person trying to get a lease on the pier. What the Council did, in his opinion, was
888 they rushed to judgment in getting something done and what he would like to do
889 is back out, take a look at it, there is legislation now that could potentially help the
890 Town. It is on the Governor's desk and may or may not be signed but if it is it
891 would give the Town leeway to do improvements at the pier. Improvements can
892 still be done at the pier regardless of legislation being signed. The pier is the
893 jewel of the Town and Council needs to do what is right for the citizens of the
894 Town. It needs to be made better for the long term. Mr. Johnson stated that he
895 feels that 15 years for lease is "crazy". He was in business and added that he
896 would have loved to have had a 15 year lease. This is what turned him off of the
897 situation although he did originally vote for it and apologized to the Town
898 residents because he voted for it. Mr. Johnson stated that he feels the Council
899 needs to back up and do what is right.

900
901 Ms. Blair stated that Mr. Johnson is correct Bill 3586 was proposed by the areas
902 own representative, Mr. Hardwick and Senator Cleary and the final vote in the
903 Senate had been unanimous. Ms. Blair stated that Representative Hardwick had
904 indicated that he saw no reason why the Governor would not sign it. This
905 legislation would allow the Town to be able to add amenity structures to the pier
906 without permits from OCRM a division of DHEC as long as the Planning and
907 Zoning officials are there to authorize construction. This gives the Town control
908 to have a vision for the pier and to make it into whatever it wants it to be within
909 certain guidelines. This is about the Town taking control. The Council was in the
910 position where they felt like they should move forward without appropriate and
911 complete information presented at the time. This is the Councils time to rethink
912 that decision and to know that the Town can regain and make it what the citizens
913 want it to be and not what a private individual wants it to be.

914
915 Ms. Dodge seconded the motion. Mr. Moss stated that once again he would like
916 to renew his concern and recommended the Council reconvene in executive
917 session before the motion is voted on. Mr. Smith made a motion to go into
918 executive session to hear Council. Mayor Deaton stated that there is already a
919 motion on the floor and it needs to be rescinded or voted on. **Ms. Blair, Mr.
920 Johnson, Ms. Dodge and Mr. Samples voted for the original motion. Mr.
921 Smith Mayor Deaton and Mr. Childs voted against. MOTION CARRIED.**
922 Mayor Deaton stated to please note that the attorney advised Council not to take
923 that vote in public session.

924
925 Mr. Samples stated that he does not feel Council has resolved the issue. Mr.
926 Samples made a motion to convene the pier committee of the whole at the May
927 24th, before the May 24th Town Council meeting at 5:30 PM to discuss
928 opportunities and future uses of the pier including setting dates for public
929 workshops. Ms. Dodge seconded the motion. **Ms. Blair, Mr. Johnson, Ms
930 Dodge and Mr. Samples voted for. Mr. Smith, Mayor Deaton and Mr.
931 Childs voted against. MOTION CARRIED.** Mr. Samples made a motion to
932 direct the administrator to prepare exhibits for the committee of the whole

933 meeting including any preliminary design work that has already been done or that
934 is in progress. Present an updated pier financial operating plan for the fiscal year
935 2010 through 2012 time frame including known funded and unfunded
936 maintenance needs for the pier and its related structures and develop a schedule of
937 the committee of the whole hearings and workshops to encourage public input on
938 the future use and amenities at the pier. Ms. Dodge seconded the motion. **Ms.**
939 **Blair, Mr. Johnson, Ms. Dodge, Mayor Deaton, Mr. Samples and Mr. Childs**
940 **voted for. Mr. Smith voted against. MOTION CARRIED.** Mr. Samples
941 made a motion the Town Council direct the Administrator to request Mr. Draughn
942 and Coldwell Banker withdraw the listing agreement. Ms. Dodge seconded the
943 motion. It was confirmed that Mr. Samples intent was to pull the listing off the
944 market. Mr. Johnson stated that he does not see why it could be kept on the
945 market and questioned the expense involved. **Ms. Dodge and Mr. Samples**
946 **voted for. Ms. Blair, Mr. Johnson, Mr. Smith, Mayor Deaton and Mr. Childs**
947 **voted against. MOTION FAILED.**
948

949 **8. PUBLIC COMMENTS – Agenda Items only – 5 minutes per speaker**

950 *Jackie Rempfer, 426 S, Poplar, daughter-in-law of Bill Rempfer and daughter of*
951 *Sonia and John Sifonios:* “As far as I am concerned, Ann Dodge, my parents came
952 here for week and stayed with me in Surfside and you said that there’s a step missing?
953 My dad and my stepmom were here. I’m a little shaken up because this is ridiculous
954 and everyone was contacted on this Council to meet with them, to talk with them and
955 only two people would talk and that was a public thing. You guys all act like you
956 didn’t know about that, okay? The reason why Bill Rempfer’s involved is because
957 he’s my father-in-law trying to help my father and I think that this is . . . you guys are
958 going to have a pier sit there now; there’s nothing more unattractive than an empty
959 pier. All our little skateboarders are going to vandalize it. In order to make
960 renovations you have to raise taxes, okay, in this economy and I guarantee you guys
961 have a . . . that pier’s going to sit there now and look like, horrible, and this is just
962 ridiculous. If you took this contract to any other state and there was no name, you
963 know, two lawyers just looked at, good business is good business and you guys don’t
964 know good business. This is ridiculous. I cannot believe how, it’s like a circus. You
965 scare away everybody including Nibils, now my father. It’s ridiculous. It’s like . . . I
966 don’t understand. I’ve never seen this in my life. This would never fly anywhere
967 else. It’s like I’m embarrassed to say I live here, honestly. That’s all.”
968

969 *Diana Taylor, 7th Ave N.:* “I have followed this whole process very carefully and this
970 could have all been very simple. I’m embarrassed for the Sifonios; that their name
971 was dragged through the paper and it could have been solved so easily. An executive
972 session at the Sifonios and Bill Rempfer would have met each and every one of you
973 then you could have . . . and presented their overview plans this could be done with
974 and, that hasn’t happened, has it? And anything that I know, that’s exactly how it’s
975 approached. Thank you for listening.”
976

977 *Gene Maruca, 7th Ave S.:* “I’ve been in Town for 28 years. I’ve known most of you
978 all that time or since you’ve been here. I’ve heard Bill Rempfers name many times,
979 never met him personally, but I have to admire what he’s done for this community. If
980 you look around at the investments he made, they’re attractive in comparison to
981 what’s around him and what he upgraded or remodeled. Now, in my mind, there

982 were errors made, poor decision made, on both sides of the argument. Let's put that
983 aside; let's look at what the business man did and what he's accomplished and what
984 could be accomplished on that property. I suggest that he and the Council at least get
985 together and see, even at this late date, if something could be worked out for the
986 betterment of the entire Town. Thank you."

987
988 **Joyce O'Brien, 7th and Myrtle S.:** "I'm just confused by the whole thing and I really
989 have no qualms about what happens to the pier but as a person in this community, in
990 my mind, I have to think back, how we got here and how we got here was we had a
991 terrific restaurant on the pier that did terrific business. The town bought the pier. I
992 didn't vote, no one asked me if I wanted to buy it. I thought it belonged to the Town.
993 I don't know who bought the pier. I didn't, I don't know if any of these people did?
994 No one was asked. We bought a pier that was in disarray; no one checked it first to
995 see if it was a good purchase which, as far as I know, it turned out not to be. We have
996 debt now because we have to repair the whole thing and I'm sorry but I didn't know
997 the Cahills that well but I loved their restaurant. They were always good people; they
998 were always friendly. I had to stand in line to get a table and I know why they're
999 gone and I think you all forgot that it was the deceit that brought us to this. It was the
1000 lying and the deceit. I remember hearing that his sign was taken down and he was
1001 still in business and you're wondering why people are questioning what's going on,
1002 this is why, this is why. How do you take a business sign down on a man who's
1003 bringing in revenue to the Town for all those years and he's still in business and you
1004 take his sign down? And you wonder why people are questioning things? I mean I
1005 had a personal incident where someone, from the Town, was opening contract bids
1006 behind closed doors and you wonder why we're distrustful, I mean, come on. I'm
1007 not, you know, I'm not a professor but do you need a degree to figure this stuff out?
1008 We've been lied to; we've been . . . it's been deceit, it's been lies; it's been who's
1009 doing this, who's doing that. I mean, my God that's, you know, look at yourself in
1010 the mirror in the morning. I love this Town. Most of these people love this Town
1011 and one of the things I love the most about this Town was the pier. We want a decent
1012 place to replace Nibils; that's all. We want decent people running it. We want honest
1013 people. We want what we want, it's our Town and we want what we lost. We want a
1014 Nibils to replace Nibils. We want people standing in lines to wait for a table; that's
1015 what we want and, you know, I appreciate the members of council that want to step
1016 back and look at this because there's a lot to look at. Lift the carpet and look under
1017 the rug; there's a lot to look at there. Thank you."

1018
1019 **John Ard, 612 Cypress Drive:** "I've been sitting right here tonight and I wasn't
1020 going to get up here and speak tonight. Somebody asked me not to but I'm going to
1021 have to go against their wishes and do it anyway. All the stuff's been going on here
1022 tonight with you all. I've been sitting up here and there's three people on that
1023 Council up there, three people, every time something's done, every time something to
1024 ask it's the same thing. Just sitting in my chair right there tonight, what about here
1025 over here in this section I hear a lot of comments going on. If these people's got
1026 something to say, if they's kin of Rempfer (***) or whoever they kin to. Come to the
1027 podium and say it (***). Don't sit back there behind people's backs saying it. I'm
1028 going to tell you what, if there's a man amongst you up there tonight and there's three
1029 of you up there and you know who I'm talking to. Why don't you be a man or you be
1030 a mouse. Get the hell up and resign you position right now immediately."

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There were jeers in the audience. The Mayor asked them to hold on.

Mr. Ard: “Do you want me to leave?”

Mayor Deaton : “No sir.”

Carrie Johnson, 9th Avenue S: “I would just like to applaud the Council that decided to take a step back and not rush into something and just to let you know I was down by Sam’s Corner last Saturday night and it was exploded with kids and we’re not even in the season and they’re in there playing video games and people were all over. Kids spend money when adults don’t have it. I would suggest that you maybe put some video games in that space for the summer time. You get kids in there, while they’re in there playing the games, parents are going to pay and go take a walk on the pier. They’re all going to want a hotdog and some ice cream when they’re done. That would be a way to generate some revenue, when the season’s over take it out and do the repairs that you need then you can get a good decent tenant in there. Thank you.”

Walter Bowers, 624 Surfside Dr.: “I think, you know, this, a lot of this is about here in Surfside is we’re a community; we’re all people here, all together here. I think we’re losing sight of why we’re here. I think, you know, we’re not Myrtle Beach, and we’re not down the street too much. I mean we’re here as a small town and you know where you seem to be concerned, you know, investment you’re going to have (***) Town. Well if you look at like Bill Rempfer where you look at it down here and you drive down the street and you see what this man has built and it’s a beautiful thing, I mean, you don’t go invest the money this man has invested in this community just not to, for nothing, and you guys are worried about Bill Rempfer and that stuff and his involvement in all this. I think, I think if you look at the community he is building around all of us is a small community that I think it would be a very, very good investment, I mean, it’s dollars well spent if you look up here, you know, you ask this man and others involved to spend \$135,000 in a building that they’ll walk away from in years. That’s a lot for a man to put on himself. I think, I think to all you guys, I mean, let’s get this community together as a community and just look around at what this man here has done in this community, it’s amazing, amazing and that’s all. Thank you.”

Glenn Curtis, 257 Palladium Dr.: “Since all this stuff has been going on we’ve been looking like jerks in the paper and everything else and thank you for stepping back and taking a look. Instead of going through all this, keep on going through it constantly, looking the way we are, how about we just put the whole damn thing up for sale. Get the city council away from it, get something done, and Mayor, Mr. Mayor, sit back, please, thank you.”

Debra Herrmann, 11 N. Cedar Dr: “First I was happy to hear that in that original intent there was a contingency to allow assignment of the lease that must be approved by Council. Had I known that I would have not been so anxious about the whole situation because in my mind it was a done deal without any other action. The other thing is, is the statement was made earlier by someone that it’s typical in business in

1080 other states to withhold disclosure of people who are interested in making a deal, well
1081 honey, we're in the South, that's just not the way it's done here. We just don't do
1082 that. The other thing is the option to renew the lease for five years at the lessees
1083 option. I would hope the Council is intelligent enough to never give that full option to
1084 a lessee, at minimum it should be a lease that's extended upon approval by both
1085 parties. We can't just give our Town away nilly willy. Who do, we don't know
1086 what's going to happen in the next 10 years; we don't know what's going to happen
1087 in 5 years. If Hugo comes back, it probably won't have the same name but it would
1088 have the same effect. We need to be prepared to look at other options and I think that
1089 by your action tonight to step back and look at things again you're going to have a
1090 clearer vision of what the Town needs, personally, I think we should take the Town
1091 pier, the Town pier, we own it, we citizens own it, and develop it for use as a venue
1092 for events and everybody's like 'we need a restaurant, we need . . . " well (***) let's
1093 see, there's Nibils, what's gone, so we have River City, we have Myers ice cream, we
1094 have Scotty's bar, we have Bubbas Café, the Holiday Inn has a restaurant so we've
1095 got lots of restaurants right there within a one block district. We probably don't need
1096 another restaurant, yes it would generate money, but personally as a long time
1097 resident in this Town and I venture to say I've lived here at least as long as anyone
1098 else in the room, I would rather see my tax dollars go up a little bit so we can use that
1099 for the public. Thank you."

1100

1101 **9. COUNCIL COMMENTS**

1102 *Ms. Blair:* "Thank you all for coming. Have a great week. I think I've said enough.
1103 Have a great night."

1104

1105 *Mr. Johnson:* "Thank you ladies and gentlemen for coming out. We're trying to do
1106 the peoples' business and have a safe trip home. Thank you."

1107

1108 *Ms. Dodge:* "First off I want to say I don't have any personal animosity or any bad
1109 feelings towards the Sifonios' who applied to lease the pier nor to Mr. Rempfer, I do,
1110 however, have a problem with what appeared to me and, again, I'm going back to
1111 newspaper articles for most of my information, but it appeared to me there was
1112 manipulation behind the scenes regarding this lease, if that is factual, that's wrong
1113 and I really would not want to have a business dependent upon that. I think taking a
1114 step back no matter what and taking a clean look at things is the best way to go. I
1115 want to thank Mrs. Johnson for her practical ideas for using the pier; they can be done
1116 really inexpensively and we can let the kids have a great time down there. Ms.
1117 Herrmann, you're amazing, thank you. You had some good comments too. There are
1118 more people in this community who could share their ideas on that pier and we could
1119 make that place the most successful place in the whole area and we don't have to go
1120 through all this turmoil. My head is just going to explode from this evenings'
1121 happenings. Thank you."

1122

1123 *Mr. Smith:* "I think the Council made a bad decision tonight according to the
1124 numbers that was presented in the public comments on agenda items, about a year
1125 ago we turned down a lease valued at about a million dollars over ten years and
1126 tonight we've turned down one valued at about \$825,000 over ten years and so now
1127 we got one that's valued at zero. Maybe this Council was looking for the lowest bid
1128 and that's what we got, zero."

1129
1130 **Mr. Samples:** "I don't know if we made the wrong decision or the right decision, I
1131 guess time will tell. What I want to say is that it really is about the business of the
1132 Town, it ain't about personalities, somebody's got to sweeten the pot, you know, it is,
1133 it is, a public asset, it is the Town . . . peoples asset. The fact of the matter is, right
1134 now, we're comparing where we've been, what we've had with unknown. I think we
1135 all recognize that that property is in a state of disrepair and it's something that I think
1136 that we can . . . we need to involve the citizens; we need to hear more from the
1137 owners. Town Council don't own that property; we're temporary stewards. One
1138 thing I can tell you, in my opinion, a lease that runs to 2026 that we're receiving
1139 \$76,000 plus half a percent of the gross, in my opinion, is a bad deal for the Town
1140 and I've been consistent in that view. I wish we had more competition at the outset. I
1141 wish we had more competition at the end and for the life of me I don't understand
1142 why we didn't. I do think that, clearly, we, in the leadership positions, bear some
1143 responsibility for creating an atmosphere over the last 14, 16 months that discouraged
1144 competition but I will say, according to what I read that purported to be from the
1145 State Ethics report, it's no wonder if you have a former Chief Administrative Officer
1146 who turns out to be part of a group seeking the bid on the pier it's no wonder that
1147 somebody, you know, business people might be suspect about putting in a bid for it,
1148 it's no wonder and we have to work real hard from this point on to make sure that the
1149 discussion, the steps that we take are open, transparent, calm, level headed and I'll
1150 say this, Bill, I wish you'd come up front earlier, okay? I mean that's just one man to
1151 another man as opposed to all the confidentiality. This is a small town and I think
1152 you've done great things along that Highway 17; you should be chairman of the
1153 Beautification Committee that this Town is going to set up, one of these days. But
1154 anyway, I appreciate the interest of the citizens and you know we're going to disagree
1155 on things, but you know that's the way things work. Hopefully we will remember
1156 that what we're trying to do is serve the community. We've got the support, the
1157 economics, because that keeps the community healthy. We also got to take care of
1158 our environment because that's what brings the tourist to Town. Take care."

1159
1160 **Mr. Childs:** "I agree with Mr. Maruca, Mr. Rempfer has done a lot for the Town and
1161 I don't . . . I didn't hear one time mentioned and I don't know the exact figures but I
1162 don't think anybody here matches the money he contributes to our Rec Department;
1163 the money he gives and to turn one of the biggest taxpayers that we have in this Town
1164 I don't think anybody can match him what they pay in taxes. I just think it's a real
1165 shame and it shouldn't have happened."

1166
1167 **Mayor Deaton:** "Ladies and gentlemen I'd like to thank you for being civil tonight.
1168 This is a very difficult process. It's not a competition up here. You've seen a good
1169 exercise in government is what you've seen. The majority rules on the Council; the
1170 majority moves forward; that's my job to, per say, be the referee at times but what
1171 you've seen tonight is a good exercise in government; people agree to disagree and
1172 you move forward with the decisions made up here by the majority; that's . . . the
1173 authority is inherited by the majority and that's all. No one up here has individual
1174 authority; it's only by a majority action that this Council moves forward and that's
1175 what it's done tonight so everyone have a good evening please drive safely; watch out
1176 for the storm. Thank you.

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10. ADJOURNMENT

Mr. Johnson made a motion to adjourn. Mr. Smith seconded the motion. **All present voted in favor. MOTION CARRIED.** The meeting was adjourned at 8:21 PM.

Approved: May 24, 2011

Sharon Pinnell, Town Clerk

K. Allen Deaton, Mayor

Roderick E. Smith, Town Council

Vicki W. Blair, Town Council

Ann Dodge, Town Council

Douglas F. Samples, Town Council

Mark L Johnson, Town Council

Robert F. Childs, III, Mayor Pro Tempore

Clerk's Note: This document constitutes minutes of the meeting, which was audio taped. This meeting was transcribed by Clerk Pinnell. In accordance with FOIA, meeting notice and the agenda were faxed and/or emailed to local media and interested parties. A complete list is on file in the clerk's office. The agenda was posted on bulletin boards outside Council chambers and in the Town hall reception area. Meeting notice was also posted on the Town marquee. When (***) is used a section of the transcription is inaudible.