



**SURFSIDE BEACH TOWN COUNCIL WORKSHOP
TOWN COUNCIL CHAMBERS
115 US HIGHWAY 17 NORTH, SURFSIDE BEACH, SC
MARCH 23, 2018 AT 2:00 P.M.**

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:

| Reconstruction Design | Cost |
|---|----------------|
| • buildings as they currently exist | \$865,000 |
| • buildings as they currently exists with an optional restaurant rooftop seating | \$1.19 million |
| • enlarge buildings to OCRM (Office of Coastal Resource Management) approved setback and add third building | \$1.58 million |
| • enlarge buildings to OCRM approved setback, add third building, and restaurant rooftop | \$2.16 million |
| • enlarge buildings to OCRM approved setback, add second story to each building | \$2.76 million |
| • constructing the foundation to add a third building or second stories in the future | |
| • Any combination of buildings and stories council so desires | |

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) |

Town Council Pier Workshop
March 23, 2018

60 Mr. Traudt explained that the town's is in very good financial condition. Obtaining loans or issuing bonds
61 for construction for any of the options should be easily repaid. Conservative income estimates for the building
62 rentals based on 2016 were used. Certainly, when the new buildings are erected, additional rental income will be
63 derived from additional square footage, and current commercial rental rates. Town Council asked staff to obtain
64 some current rental amounts for commercial buildings. Mr. Pellegrino asked if there would be any prepayment
65 penalties. Mr. Traudt explained that the loan agreement would include language to ensure there were no early
66 payment penalties. Ms. Samples said that Ms. King needs to be involved in this, because she understands the town's
67 financial condition.

68
69 Ms. Samples was concerned that the pier did not provide Americans with Disabilities Act (ADA) access via
70 a ramp. Mr. Roehm explained that a ramp would not work too well, because the pier is being raised at least 10 feet
71 to meet current flood requirements. In addition to the iconic stairs, elevator access was added to comply with ADA.
72 Mr. Ott believed a ramp was mandatory. Mr. Roehm explained that access was required; the elevators provided
73 access.

74
75 Mr. Pellegrino asked if there was any way to expedite the process. Mr. O'Mara said there are some FEMA
76 requirements over which the town has no control. However, we can work on the design and the procurement
77 simultaneously. So, there are specific questions that need to be answered before we can actually even submit this
78 request to FEMA for review. Those questions cannot be answered until Town Council provides formal direction on
79 the building design.

80
81 Ms. Samples asked if there was any differentiation between FEMA and OCRM for design and construction.
82 Mr. O'Mara explained that the building foundation would be part of the pier structure, so nothing could begin until
83 FEMA reviewed and approved the pier plans.

84
85 Mr. Pellegrino said basically, we're looking at project completion in 2021. Mr. O'Mara said currently the
86 critical path is dependent upon the council choosing a building design so it could be submitted to FEMA. Of course,
87 the project would be completed sooner, if council decided to construct one-story buildings, and not expand. Some
88 work can be done simultaneously with FEMA review; just construction.

89
90 Mr. Courtney asked what the timeline is to demolish the existing pier and buildings. Mr. Sigman said the
91 actual demo would take about two months. He didn't recommend doing so until FEMA approved the plans. Mr.
92 O'Mara said this entire team would work to limit potential revenue loss through the timing of construction start
93 through completion.

94
95 Mr. Courtney wanted to hear from the public. It was important to hear from the taxpayers, who would pay
96 the bill. Ms. King said that actually the cost to construct the buildings would be paid by accommodations and
97 hospitality tax revenues, both of which are derived from tourists, and rental income from the pier enterprise fund.
98 There is no cost to the taxpayers for this project.

99
100 Mr. Jeff Hines, 13th Avenue North, said I would like to see the city improve the pier. We want to increase
101 business and increase tourism. Our city is growing. I think our entertainment infrastructure needs to grow, as well.
102 Please consider increasing the buildings some. I am really excited about the rooftop bar-restaurant option. I think
103 that would be a true asset to town.

104
105 Ms. Patricia Magliette, Harbor Lights Drive, said we saw that there was an elevator for the handicapped.
106 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
107 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.
108 We deserve to get equitable income. I don't think a lease should be locked in for 20 years, but maybe four years or
109 two years. These buildings are going to have to be insured so the taxpayers don't take a hit if something happens.

110
111 Ms. Betty Lowery, 4th Avenue North asked if we have an elevator, does ADA require that we also have a
112 ramp. The current ramp is there because we had trouble getting up. Gravity tends to take care of getting down. How
113 would people get off the pier, if the elevators are not available? Rooftop dining on it's a lovely, romantic idea, but
114 the higher you go the more wind. I hate eating on that little balcony at River City Café. We are at war with the
115 seagulls, or I'm having a hard time keeping French fries on my plate. The same thing happens at Gulf Stream
116 Marina's deck dining. Will the elevator go all the way up to the rooftop dining to make it accessible for the workers?
117 How will furniture be placed on the rooftop? Also, rooftop dining is not functional all year long. Most of the time,

Town Council Pier Workshop
March 23, 2018

118 there is nobody at the outside dining areas we currently have. There are no seating places on the diagram for the
119 pier. Some type seating needs to be provided. I showed some of you the wood inlays on Jeanette's Pier at Nags
120 Head. These are not just memorials, but also provide income. In my opinion, two-level restaurants are difficult to
121 operate based on the failure of River City Café's second story. We need to be very careful how we design those
122 buildings. Is there going to be a water line at the end of the pier for fishermen to cut up their catch?
123

124 Mr. Nick Delaplane, 13th Avenue North, said I really appreciate you all saying we can't make a decision
125 without more information. I hoped that today that the consultants would have provided some various options for
126 rental income and loan scenarios. There will be additional square footage from which rental income will be derived.
127 There are people in town who are looking at opportunities for growth and to ensure that their taxes stay low. The
128 costs are minimal for town the size and with the cash flow we already have. This is the biggest opportunity that we
129 are going to have for years to come. We need to do this right and have some current information to make informed
130 decisions.
131

132 Mr. Boyd Sadler, 8th Avenue South, This is going to be an exciting project. There are some things that we
133 weren't given information on alternative sources. An elevator is necessary if the pier will be that much taller. Maybe
134 an inclinor which could parallel the staircase with alternate power sources, because power goes out. Another
135 option would be needed for a two-story building, which I'm not in favor of. In my opinion, we will have difficulty
136 filling three leases that are productive. I do believe the public should be included in any lease granted by this town
137 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
138 happen. Come up with something that's a little more creative. I think an elevator would inefficient. I've been trapped
139 in one before; not fun, especially on a hot day.
140

141 Mr. Brady Simpson, Caropines, said I spend all my money in Surfside, and all these people that come from
142 out of town do, too. They are the ones that keep Surfside up using the restaurants and all the businesses. If it wasn't
143 for tourists, we would have no business. Residents would have to pay double taxes. The way this was presented the
144 tourists and visitors don't have any say at all.
145

146 Mr. Steve Taylor, 7th Avenue North, said nice job; we're making progress. We've come a long way. I think,
147 unfortunately, some of it has to do with the fact that other people suffered and FEMA got more money. Nonetheless,
148 we may benefit. There's gonna be a lot of design decisions made going forward, but I would like to see us stick
149 somewhere between option one and two with the opportunity to go forward. You know, if we need a second-story,
150 or whatever, let's not jump off the bridge the first time out.
151

152 Ms. Linda Woodlief, Sparrow Drive, said I think the potential is there if you choose Option 2 that includes
153 Building C. You could rent that building for weddings, family reunions, church groups, or all kinds of things. The
154 potential with weddings is huge. I think that would just be a great asset for the city.
155

156 Ms. Diane Farrington, 15th Avenue South, said I must be the only one here that likes liquid libation and
157 dancing. I would love to see something like that at the end of the pier. I like Option 1.
158

159 Ms. Lynn Livesay, 10th Avenue South, said I'm all for Option 2, with the ability to build another floor, if
160 necessary. We need a switchback ramp. The access to the elevator on this particular drawing is it really clear. I guess
161 there would be a very large ramp to access the elevator. Stairs are not needed if we have a switchback ramp and an
162 elevator. I like option two, because you can go forward. I'm really unhappy that we can't make a decision get
163 started.
164

165 Ms. Samples said I remain a strong proponent of Option 2. I do not support a second story on any building
166 at the pier, not just because of aesthetics or the character of that area, but the cost.
167

168 Mr. Courtney was also concerned about the height limits. A rooftop restaurant will need some protection
169 from the sun and bad weather. I have concern about the cost to the taxpayers. Ms. King reiterated there would be no
170 cost to the taxpayers for the pier project.
171

172 Mr. Ott said what we have here is one of the biggest projects the town has ever done. We need to need to
173 have a lot of meetings. The only decision we've actually made is to build the pier out of concrete. We have to meet
174 maybe a workshop every week until we figure out exactly why and how we're going to complete the project. We
175 need workshops with our neighbors in the audience.

Town Council Pier Workshop
March 23, 2018

176
177 Mayor Childs called for concurrence to meet on Monday, March 26th at 6:00 p.m. to decide on the building
178 style. **Council CONCURRED.**
179

180 Ms. Kim Harris, 5th Avenue North asked if the pier elevation was 16 feet from the parking lot. Mr. Sigman
181 said the parking lot is elevated and the 16 feet is an estimate. We will know more once the survey is done. The
182 elevations on the diagrams are the flood elevations from the National Flood Insurance Program, not estimated
183 heights. Ms. Harris said okay and asked Mr. Sigman if his company had experience building this type pier. Mr.
184 Sigman said this is the first pier of this type in all of South Carolina. His company has built many piers and
185 waterfront structures all over the place, including piers in the Charleston area. He explained that part of the pier
186 pilings would be precast; pile caps would be poured on site to ensure proper bonding. Ms. Harris asked how long
187 construction would take. Mr. Sigman said pier construction will take between nine and 12 months. Ms. Harris asked
188 who was responsible for lost revenue while the pier was closed. Ms. Sharon Kramer from Pier Outfitters said its
189 lease expires this December, so there is no issue where they are concerned. Mr. Bill Howard, Surf Diner, said he will
190 work with the town and was very open to negotiations. We understand closing the businesses is necessary to move
191 forward with the project.
192

193 Mr. Ott asked what made this construction type unique. Mr. Sigman said the concrete construction is new
194 to South Carolina. Panama City, Florida is home to the Dan Russell Pier, a/k/a Russell Fields Pier. He would
195 provide information on that pier for council to consider. This type construction has great success in Florida and on
196 the Gulf Coast. Ms. Samples asked that information on the Dan Russell Pier be placed on the town's website.
197

198 Mr. Stevens said he has a study about the piers in Florida, if anyone would like to have it emailed to it.
199 Since 1983 no wood piers have been built in Florida. Piers are a great money makers. When we build this pier, it
200 should be a destination that will create revenue. I like the idea of having at least one building with two stories, and
201 the opportunity to build up in the future.
202

203 Mayor Childs said the engineers also talked about the possibility of making the pier foundation strong
204 enough to add the third building in the future. Mr. Sigman said that was correct. Mayor Childs said that's an option.
205

206 Mr. Courtney was concerned that second story buildings would not be rentable, because of the history at
207 River City Café. He asked where the Russell Fields Pier was located. Mr. Sigman said Panama City, Florida.
208

209 Mr. Nick Delaplane, 13th Avenue North, said, I appreciate you trying to have a meeting soon as you can
210 because you want to get things going. What I haven't heard is that you're going to have any more information than
211 you have today. Everyone is asking the same questions: how high will it be; what is the real income? I'm suggesting
212 that somebody get the information for you before Monday's meeting. I agree with Mr. Stevens that piers are
213 moneymakers.
214

215 Mayor Childs said that pier, the restaurants and those shops are moneymakers. This is going to be built to
216 bring revenue into this town. Like Mr. Stevens said, this is going to generate a lot of revenue for the town. We have
217 to keep that in keep that in mind when we look at all the figures that are going out.
218

219 Ms. Betty Lowery, 4th Avenue North, said the Outer Banks and Ocracoke have been slammed repeatedly by
220 hurricanes. Jeanette's Pier is still there; it's survived every hurricane. The larger the committee, the harder it is to
221 make a decision. I know you want to please all the voters, but at some point council will have to put on 'your big
222 girl panties' and make a decision. Every one of us in this town cannot put our finger in that decision.
223

224 Mr. Stevens asked how tall each story of the structure would be. Mr. Roehm said that had not been
225 determined, but the average room height was 10 feet. Mr. Stevens presented various scenarios for discussion to
226 which Mr. Roehm responded from the audience.
227

228 Council held a lengthy discussion regarding various building designs, maximum heights, options to
229 construct the pier foundation to support a second story on each building in the future and financing. Staff was
230 directed to get information on commercial rental rates and the Russell Fields Pier for the Monday meeting.
231

232 Mr. Bill Howard, owner of Surf Diner, said I would assume that we would be running that second story
233 since it's over our restaurant. I would assume there would be one kitchen. We purchased the extra 15 feet of property

Town Council Pier Workshop
March 23, 2018

234 and gave it to the town so the restaurant could be enlarged. We have plans with engineering and drawings. We also
235 assume we will be paying more rent, and that negotiations are forthcoming, because will be closed down for a year
236 or longer. There are a lot of assumptions here that we would love to work out with the city of Surfside. We would
237 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
238 Surfside Beach has ever had. If you have any questions. I'm available anytime. This is for Town Council to decide;
239 not the public, because the public puts their faith into you when they elected you. I think it is confusing with too
240 many people involved.

241
242 Mr. Pellegrino thanked everyone for coming and for their comments. Thank you to the consulting and
243 engineering team.

244
245 Mr. Courtney thanked everyone very much for coming.

246
247 Mr. Ott also thanked everyone for their questions. I hope you're here Monday with more questions, and
248 maybe a couple of answers.

249
250 Mayor Childs said let's all hope we get this thing going quickly, without too many questions.

251
252 Mayor Childs declared the workshop adjourned at 3:41 p.m.

253 Prepared and submitted by

254
255
256 _____
257 Debra E. Herrmann, CMC, Town Clerk

258
259 VOTE:

Yes

No

SURFSIDE BEACH TOWN COUNCIL

260

261 _____
262 Robert F. Childs, III, Mayor

263

264 _____
265 Ron Ott, Mayor Pro Tempore

266

267 _____
268 Timothy T. Courtney, Town Council

269

270 _____
271 Mark L. Johnson, Town Council

272

273 _____
274 David L. Pellegrino, Town Council

275

276 _____
277 Julie M. Samples, Town Council

278

279 _____
280 Randle M. Stevens, Town Council

281
282 Clerk's Note: This document constitutes minutes of the workshop that was digitally recorded, and is not intended to
283 be a complete transcript. Appointments to hear recordings may be made with the town clerk; a free copy of the
284 audio will be given to you provided you bring a new, unopened flash drive. In accordance with FOIA §30-4-80(A)
285 and (E), workshop notice was distributed to local media and interested parties via the town's email subscription list.
286 The notice was posted on the entry door at Town Council Chambers. Workshop notice was also posted on the town
287 website at www.surfsidebeach.org and the marquee.