

**Charleston Naval Complex Redevelopment Authority/
Naval Base Museum Authority**

June 14, 2016
12:30 PM
RDA Board Room
North Charleston, South Carolina

MINUTES

Present: RADM William Schachte, Jr. (Ret) Chairman
Ron Anderson
Ms. Deborah Crosby Summey
Fred Kemmerlin
Alan Coker
Gene Hogan
Ronnie Givens (Phone Con)

Absent: Chris Sullivan, Vice Chairman
Randy Burbage, Secretary/Treasurer
Thomas Myers

Staff: Robert Ryan, Executive Director
Sean McDonell Operations Director
Austin Hilligas Business Manager
Les Lockard Maintenance Director

Advisors: Wilbur Johnson, Esquire Young Clement Rivers, LLP

Others: Bob King City of North Charleston
Sherrie Cooper Palmetto Railways
Jeff Baxter Cityvolve
Kellen Correia Friends of the Hunley
Dick Gregory CMMC
Burt Rhodes SVN
Don Campagna NOUS
Liza Reynolds City of North Charleston
Alex Pridgen City of North Charleston

1. Call to Order/Determine Quorum.(Agenda Item 1). The meeting was called to order at 12:29 PM by the Chairman, RADM Schachte, with a Quorum present.

2. Freedom of Information Act Report. (Agenda Item 2). Mr. Hilligas stated for the record that the Authority fully complied with the requirements of the Freedom of Information Act in providing notice of the meeting.

3. Approval of Minutes. (Agenda Item 3). RADM Schachte asked if there were any corrections/additions to the December 15, 2015 Board meeting. Mr. Kemmerlin asked that his name be added as absent from the meeting. Ms. Crosby-Summey made a motion to approve the minutes which was seconded by Mr. Coker and approved unanimously.

4. Approval of Agenda. (Agenda Item 4). Ms. Crosby-Summey made a motion to approve the Agenda as published and was seconded by Mr. Coker. The motion was approved unanimously.

5. Old Business/New Business. (Agenda Item 5).

(1) Financial Status Report. Mr. Ryan presented the budget update for FY15-16. The report covered the period July 1, 2015 to June 9, 2016 and was given for information only.

(2) Annual Audit Agreement. Each year, the Authority enters into a standard agreement for audit services. Wilson and Quirk, LLC has provided audit services to the Authority for many years now. Wilson and Quirk, LLC will provide annual audit services to the Authority in an amount not to exceed \$24,000. A copy of the engagement letter that explains the services to be provided was sent to all Board Members. Mr. Givens made a motion which was seconded by Mr. Hogan to approve the annual audit services agreement with Wilson and Quirk, LLC and authorize the chairman or other appropriate officers to execute all necessary and satisfactory documents and amendments. The motion was approved unanimously.

(3) Archiving and digitizing documents. In 2012, the Authority approved the digitizing and archiving of all of its documents since the Authority was created. Staff has been fearful of the fate of the Vault Drawings, but S.C. State Archives and History has now said they would take and store the drawings. However, beyond the drawings there is also microfilm and aperture cards that have to be digitized as a first step.

Palmetto Microfilm Systems, Inc., a State approved vendor, has submitted a proposal to take all actions necessary to provide the Department of Archives and History all the documents they require and to digitize all film and cards and put them into a searchable database for the estimated amount of \$124,956.00. If approved by the Authority the funds would come out of the miscellaneous contracts item of the budget.

That amount is large but this effort represents every structure that was ever constructed or destroyed on the former Charleston Naval Base from about 1900. Once completed the information will be safely electronically stored and deposited at Archives and History. Once these cards and films are digitized then the plans drawings will need attention.

Mr. Hogan made a motion to approve a contract with Palmetto Microfilm Systems, Inc. for archival services, and to authorize the chairman or other appropriate

officers to execute all necessary and satisfactory documents and amendments and to also further study the safest possible storage for the original plans. The motion was approved unanimously.

- (4) Rehabilitation of Quarter's "A". During the December 15, 2015 Authority meeting, the Authority authorized Authority Staff to amend the structural and building envelope repair design agreement to include the complete renovation of the structure, essentially adding expanded architectural, plumbing, mechanical and electrical design services to the design agreement. Given the historic significance of this structure and to prevent further deterioration of the facility, it was decided to continue the design effort while discussions continue regarding the addition of the facility to the MOA between the CITY and the Authority. It was further agreed that upon conclusion of the design and construction cost estimate, Authority Staff will request further approval of the Authority to proceed with construction of these improvements.

The design consultant has completed the design development stage of the design. They have submitted the documents to the State Historic Preservation Office (SHPO) and received comments from SHPO that are being addressed in the design documents. The design documents have also been submitted to the City of North Charleston for initial zoning, building and fire department reviews. The design consultant has prepared the construction cost estimate in the amount of **\$2,400,000.00**. Upon approval to proceed with bidding and construction, the design consultant will complete the construction documents phase of design (finalizing the details of all design elements and the bid documents) and submit the documents to the Office of State Engineer (OSE), SHPO and the CITY for final approval to advertise for construction. It is anticipated that the project could be advertised for construction bids in October 2016. This does not include landscape or hardscape costs.

As of May, the design consultant is especially concerned about the structural integrity of the two story front porch. They have noted that the support columns are compressing and have little confidence in the structure to remain standing in its current condition. They recommend either fully shoring the front porch or proceeding with removing the front porch as the construction documents recommend its removal and reconstruction anyway. The CITY has been notified of this situation.

Ms. Crosby-Summey made a motion to proceed with bidding and construction on Quarter's "A", subject to successful negotiations for a MOU with the CITY. The motion was seconded by Mr. Hogan and approved unanimously.

- (5) Redevelopment Partners. For the last few years, the Authority has given funds to the Regional Development Alliance and to the area Chambers of commerce. Berkeley and Dorchester Chambers have send letters requesting funding in the amount given to the Charleston Metro Chamber, which is \$50K. The Authority has also provided the Chambers with an additional \$50K each, in support of educational school opportunities in the tri-county area. All of these groups work for the economic vitality and quality of life for our area and certainly came together

when the former Base was closed. The Authority has not yet received requests from the Alliance or the Charleston Metro Chamber. Mr. Anderson made a motion which was seconded by Ms. Crosby-Summey to approve an investment of \$50k each to the Berkeley and Dorchester Chambers of Commerce and with the approval of the chairman to dispense funds upon receipt of a request from any of the other agencies. The motion was approved unanimously.

- (6) 2016-2017 Budget. Revenues for the 2015-2016 Budget were up and the S.C. Department of Revenue (DOR) still owes the Authority about \$2M that will get picked up in the Audit for this fiscal year.

The Authority still owns property that is leased by the SPA with the exception of the southern half of the Viaduct Bridge parcel, which is currently under condemnation proceedings by the Department of Commerce as it was last year. In Expenses Rural Development share is at 345%, but that is because income is at 106% and is a complete guess in any given year. All other areas of revenue for the 2016-2017 Budget are projected to be fairly consistent with the current budget with the exception of EDA reimbursement, which is finished. Lack of Bank Interest continues to plague the Authority. RDA Office Expenses have been reduced almost half as we continue to gather cost information. The Chapel renovation is complete with the exception of some exterior lighting that needs to be corrected and to keep its costs separated from H&I it is taken out of Facility O&M.

Included is a raise for employees in the 2016-2017 Budget of 3.25%, which reflects what State employees are going to receive this next fiscal year. Should the Authority choose to give Staff a raise, it will not increase the Personnel budget. The Executive Director's raise is for the Authority to decide.

Under Capital Improvement Projects \$7.5M has been allocated. There are a couple of projects that the Authority has committed to act on:

- 1) Noisette Creek Bridge repair
- 2) The renovation of Quarter's F. (design completed and under review)
- 3) The study and possible repair of Quarter's A. (design under review by SHPO and City)

With the passage of S.227 Authority funding is extended until 2021, but is capped at fiscal year 2014-2015 levels, so revenues are expected to be about \$7M and for expenditures to be about \$10.5M. The Authority's current total balance on hand is approximately \$31M.

Mr. Anderson made a motion to include the Executive Director in the 3.25% raise. The motion was seconded by Mr. Coker and approved unanimously.

Ms. Crosby-Summey made a motion to approve the 2016-2017 Budget and to reconcile expenses to accurately reflect expenditures as of the end of the fiscal year. The motion was seconded by Mr. Kemmerlin and approved unanimously.

The Chairman, RADM Schachte has asked that the sub-committee for a museum feasibility study, which is composed of Mr. Sullivan, Mr. Burbage and Mr. Hogan, RADM Schachte has removed his name, be reinstated to convene and get with the appropriate facilities people and the City to determine where the site for

construction of the museum will be and to report back to the Authority. RADM Schachte has appointed Mr. Burbage as Chairman of the sub-committee. No action is needed since the Chairman has the authority to appoint committees.

6. Date, Time and Location of the Next Meeting.
September 13, 2016, 12:30 PM, RDA Board Room

7. Adjournment. There being no further business to discuss Mr. Anderson made a motion to adjourn which was seconded by Mr. Coker and approved unanimously. The meeting adjourned at 1:05 PM.

RECORDED BY

APPROVED

Tommi Benton

September 13, 2016