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Supplementary Information for Town Council

Surfside Beach, South Carolina

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What Direction Does Staff and the Working Group Need?

- Staff and the working group need to understand the scope of work desired by Town Council.
 - Does Council agree that expanding the footprint is prudent?
 - If so, can Option 1 be eliminated?
 - If Council is in agreement that expanding the footprint is necessary, what / how much space would Council like to add?
 - Rooftop deck over existing restaurant?
 - This location could minimize obstruction of view given proximity to the shore
 - Storage for existing restaurant?
 - Possibly solved with second story / rooftop deck
 - New retail?
 - Arcade?
 - Flex space / community space?
 - Combination of the above?
 - Understanding these preferences will enable the architect / engineering team to revise plans to provide the appropriate square footage.
 - The design will be flexible, so final decisions regarding the use of space can be made later.

- The design phase cannot begin until this direction is provided.

What Direction Does Staff and the Working Group Need?

Summary of Current Options

- Town has already received approval by the Ocean and Coastal Resource Management (the “OCRM”) for the expanded footprint.
 - Options 1-3 all fit within this OCRM approval.
 - A change in OCRM approved plan would result in a delay of the project.

- **Option 1** is existing footprint
 - Total Leasable Area = 5,028 SF

- **Option 2** is the most square footage allowed by OCRM for a single story facility.
 - Total Leasable Area = 9,726 SF (nearly doubles the current space)
 - Restaurant is 30% larger
 - Restaurant deck is 50% larger
 - Building C is added and could be used for multiple purposes
 - Flex space / community space, arcade or retail (among many others)

- **Option 3** is the most square footage allowed by OCRM
 - Footprint doesn’t expand (Option 2 includes maximum footprint) but second story added to entire facility
 - Total Leasable Area = 18,080 SF (3.5 times the current space)

Revenue Generated From Existing Businesses

Bait and Tackle & Surf Diner – Town Revenue:

- 2016: \$134,000
- 2017: \$141,000

Other 2016 Revenues

- Pier Admission \$69,000
- Fishing \$135,000
- Parking \$162,000

- Total 2016 Revenues: \$500,000

Summary of Building Options with Concrete Pier

	Option #1 Existing Bldgs.	Option #2 with Bldg. C	Option #3 A, B & C - Two Story
<u>Project Cost</u>			
Estimated FEMA Grant Amount:	\$ 9,750,000	\$ 9,750,000	\$ 9,750,000
Estimated Additional Project Cost (Town Share):	515,000	1,230,000	2,410,000
Total Project Cost:	10,265,000	10,980,000	12,160,000

Estimated Annual Revenues Available for Debt Service:

Accommodations Fund:	\$ 50,000	\$ 50,000	\$ 50,000
Hospitality Fund:	106,000	106,000	106,000
Pier Enterprise Fund:	364,000	364,000	364,000
Total:	520,000	520,000	520,000

Coverage of Revenues over Debt Service

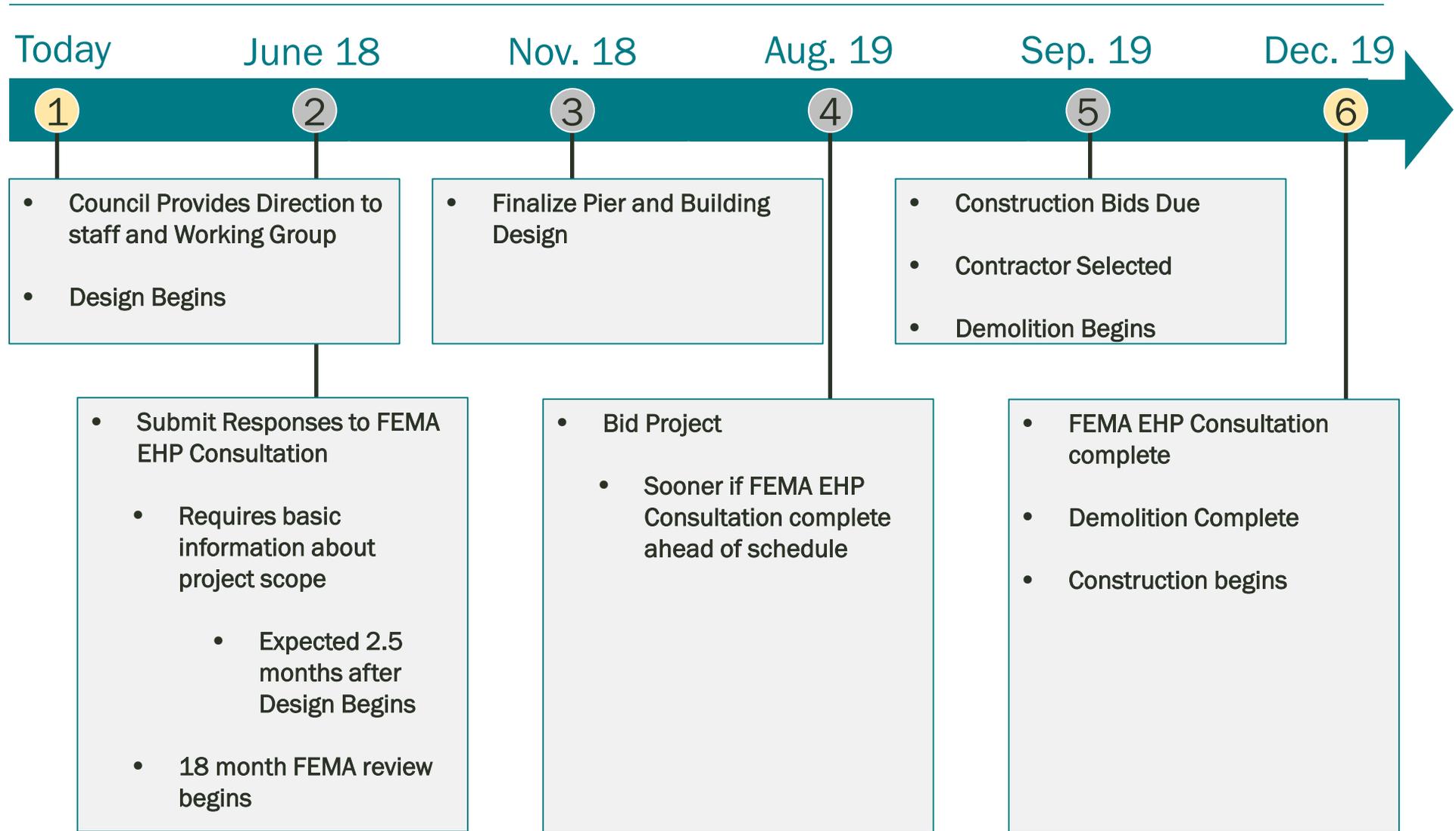
Total Revenues Available:	\$ 520,000	\$ 520,000	\$ 520,000
Estimated Debt Service Payment:	114,000	152,000	297,000
Debt Service Coverage:	4.58x	3.43x	1.75x

Town Share (Debt):	\$ 515,000	\$ 1,230,000	\$ 2,410,000
Interest Cost:	91,000	385,000	753,000
Total Principal and Interest:	606,000	1,615,000	3,163,000

- Preliminary; subject to change as plan of finance is finalized

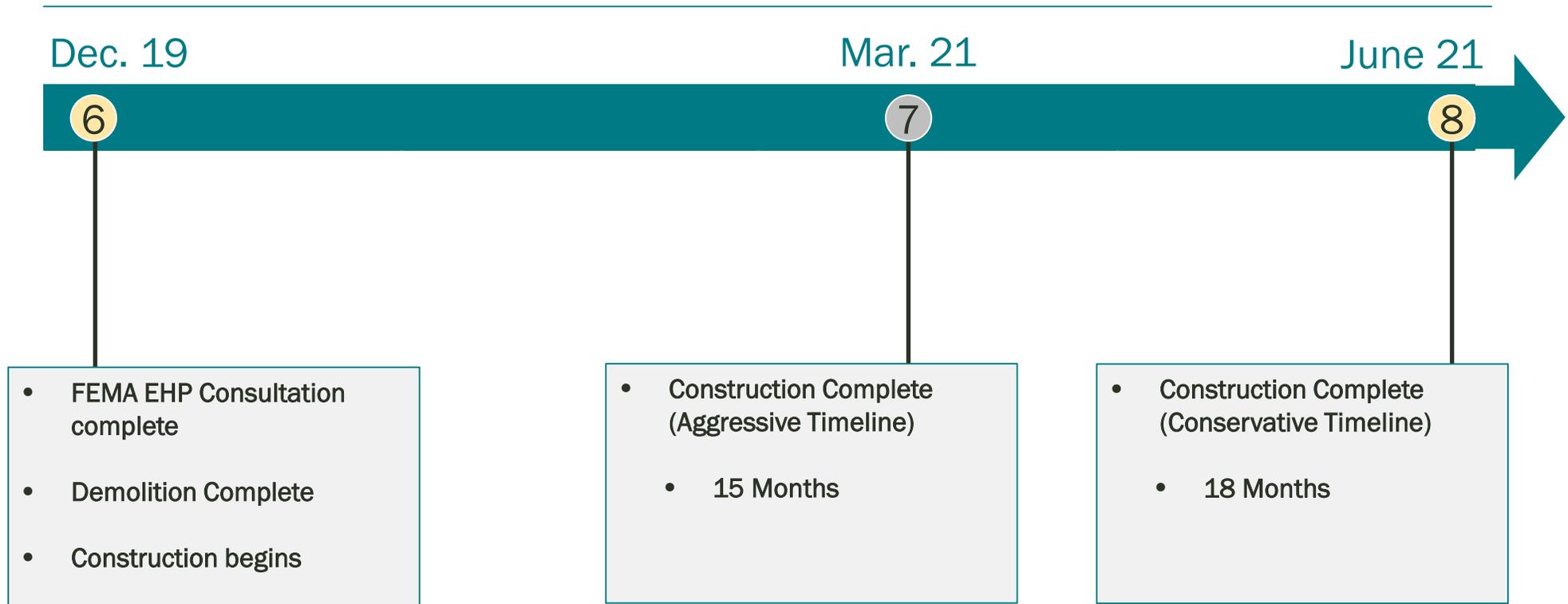
- Option 2 nearly doubles the current space, and if identical agreements are negotiated, could produce \$130,000 - \$140,000 (per audited financials) of incremental revenues to the Town. This would cover most of the new debt payment for the project.
- Option 3 represents 3.5x the space currently in place. It would require an additional \$150,000 of revenue over Option 2 to cover its cost. If all new space was occupied and paid amounts similar to the current tenants, incremental revenues could cover the new debt payment for the project.

Surfside Beach Pier Project – Next Steps



• If the FEMA EHP Consultation is complete before the 18 month estimate, the calendar could be shortened by a similar amount

Surfside Beach Pier Project – Next Steps



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