

## **COMMITTEE ON REAL ESTATE**

March 22, 2016

A meeting of the Committee on Real Estate was held this date beginning at 3:34 p.m. at Charles Towne Landing, Founders Hall, 1500 Old Towne Road.

Notice of this meeting was sent to all local news media.

### **PRESENT**

Councilmember White, Chair; Councilmembers Waring, Riegel and Moody and Mayor Tecklenburg **Staff:** Colleen Carducci, Director of Real Estate Management, Frances Cantwell, Corporation Counsel, Adelaide Andrews, Deputy Corporation Counsel, Christopher Morgan, Director of Planning, Rick Jerue, Senior Advisor to the Mayor, and Laura Cabiness, Director of Public Service.

The meeting was opened with an invocation by Councilmember Riegel.

### **APPROVAL OF MINUTES**

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the March 7, 2016 meeting.

### **REQUEST AUTHORIZATION FROM THE MAYOR TO EXECUTE THE ATTACHED TEMPORARY CONSTRUCTION EASEMENT AGREEMENT BETWEEN THE CITY OF CHARLESTON AND E.C. LOFTS, LLC [A PORTION OF MOULTRIE STREET (PAPER RIGHT-OF-WAY)]**

This is for a residential development that this LLC is building at the corner of Meeting and Huger Street. They have existing residential units to the west of this property. The City has a paper street, a portion of Moultrie Street, directly to the north of the property. We will be allowing them to use that property for three years with an extension up to 6 months for the cost of \$12,000 per year. If there is an extension request, it will be \$1,000 per month. The use by E.C. Lofts will be for the construction of their project, to allow for the crane to swing, as well as construction staging, equipment, and the sort. We're protected in the agreement because of they must maintain insurance and there's an indemnity provision that they must provide to the City. We expect that the construction will begin May 1<sup>st</sup>.

Councilmember Moody confirmed that it's going to be a laydown area, in addition to the flyover for the crane. He inquired about the paper street. Ms. Andrews stated that it's a portion of Moultrie. She's not sure if it's ever been used. Councilmember Moody asked if there were any designs on the \$36,000 and if it could be used West Ashley. Councilmember Waring stated that when they paid for the laydown for the Market Street Drainage Project, they paid a lot more per month. Mayor Tecklenburg stated that this development will be in the Cooper River Development TIF District. We haven't had any borrowings on that development, but the value of the development will be all incremental property tax and will bring quite a bit of revenue in the future. Councilmember Waring stated that in December, we approved streetscape improvements for Huger Street for about \$2.4 million. When new developments come in, they're responsible for the streetscape along their property lines. Our bid went out before this project went through, so he would hope that we're not going to pay for the streetscape in front of this development. That should reduce the cost of our streetscape. The monies that we paid came out of the Mitigation Agreement money as a result of the bridge coming down. The money could have been used for the building of affordable housing. Because of the timing issue, we felt that the government would take the money back so we pressed forward with the streetscape. If we're going to have some savings in that, we should ask the Department of Transportation if we could use that savings for affordable housing. Councilmember Riegel asked how much was in it. Councilmember Waring stated that it was \$3 million, but about a \$.5 million was used for a manhole. The Chair inquired if it's already been appropriated for one project. Councilmember Waring stated that we appropriated to have the bid, but we haven't approved the expenditure yet.

Mayor Tecklenburg stated that he believed that the funds for the Huger Street streetscape improvements didn't include any drainage improvements. We have a real significant problem at Huger and King that needs to be fixed also. There are more needs than dollars. Ms. Cabiness stated that their intention was to apply for a Hazard Mitigation Grant for the drainage at King and Huger and that general area. They're working with Chief Brack on that. Councilmember Waring stated that even if the savings went to drainage instead of affordable housing, we shouldn't pay for the streetscape in front of this property. The Chair inquired where they were with this and whether it was finalized. Councilmember Waring stated that we haven't finalized payment for it. He's unsure if bids were received back. Mayor Tecklenburg stated that bids haven't come back. Capital Projects is looking to put out an RFP on it. The Chair stated that if they haven't sent out the RFP yet, then the scope of work hasn't been identified yet. Mayor Tecklenburg stated that he would check into it.

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to approve the request for authorization from the Mayor to execute the attached Temporary Construction Easement Agreement between the City of Charleston and E.C. Lofts, LLC [a portion of Moultrie Street (paper right-of-way)].

**CONSIDER THE FOLLOWING ANNEXATIONS:**

- (i) 2066 Vestry Drive (TMS# 355-14-00-022) 0.28 acre, West Ashley (District 2)
- (ii) 604 Savannah Highway (TMS# 421-03-00-179) 0.24 acre, West Ashley (District 11)
- (iii) Savannah Highway (TMS# 286-00-00-033) 16.01 acres, West Ashley (District 5)

Mr. Morgan stated that Vestry Drive is a single-family residence. 604 Savannah Highway is a residential office in Charleston County and will be coming into the City as the same. It's at the corner of Parish and Savannah Highway. The last annexation is west of Main Road, on the northern side of Savannah Highway. It's a cleared tract that will be designated for General Business. Councilmember Moody asked if 604 Savannah Highway fronted Savannah Highway. Mr. Morgan confirmed. Councilmember Morgan stated that the house on the other side of the street fronts Parish Road. He wanted to be sure that it doesn't set a precedent. We've been pretty consistent going down Savannah Highway. If it fronts on Savannah Highway, it could be RO. He is going to be consistent. Mr. Morgan stated that it's been an office for many years.

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee on Real Estate voted unanimously to approve the annexations listed above.

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ON BEHALF OF THE CITY THE NECESSARY DOCUMENTS TO LEASE OR LICENSE FROM CHARLESTON COUNTY, FOR A PERIOD OF SIXTY DAYS, A BUILDING KNOWN AS THE COUNTY WORK CENTER FOR USE AS A TEMPORARY SHELTER FOR THOSE DISPLACED FROM THE HOMELESS ENCAMPMENT KNOWN AS "TENT CITY", AND TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH PROFESSIONAL SERVICE PROVIDERS FOR THE PROVISION OF SERVICES TO CLIENTS AT THE TEMPORARY SHELTER.**

On the motion of Councilmember Moody, seconded by Councilmember Riegel, the Committee on Real Estate voted unanimously to add this item to the agenda.

We're asking that the Committee recommend to Ways and Means and the full Council that the Mayor be given the authority to enter into a short-term lease with the County, which would enable the opening of a temporary shelter on or about April 4<sup>th</sup>, the target date to start moving people who haven't been relocated from Tent City. The County will be taking this up tonight on their agenda. The consideration would be nominal, but the City would insure the building, provide security, operate the shelter for the period of time

and pay the utilities. We don't have the final document. Given the short period of time and the simplicity of the Lease, we'd ask that you allow the Legal Department to approve the form of the Lease and the Mayor to sign when ready. Councilmember Riegel stated that for the people who would be at this facility, there would be a requirement for food and sanitary items. He asked where that funding would come from. Ms. Cantwell stated that the second part of the resolution. The service providers would be providing social services, mental health, WIC, and those sorts of things. There has been a tremendous volunteer effort spearheaded by the Mayor. People have been bringing food and we're trying to organize that and provide a safe, clean place for these individuals. The goal is to find everyone a home by the end of the 60 days.

Councilmember Moody inquired about an estimate of what it might cost and where is the money coming from. Mayor Tecklenburg stated that he doesn't have a firm number because we don't have the agreement from the County yet. The initial funding will come from our Homeless to Hope Fund along with the \$35,000 from the City. Councilmember Moody asked if that will be sufficient. Mayor Tecklenburg stated that we've been raising some other funds. He's going to try to get as much volunteer effort as possible in order to operate it. The Sheriff, if the County agrees, will provide breakfast and lunch. The volunteer groups that have been feeding at Tent City have agreed to come to the warming shelter to serve an evening meal. All of the food will be donated, so it will be a matter of a very minimal onsite staff to man it and have supervision. The funding for that will come out of the Homeless to Hope Fund. Councilmember Moody stated that was his concern. There are a lot of things here. The good thing is it's only 60 days. If it's longer, it will have to come back to us. Hopefully, the cost won't be that great. Mayor Tecklenburg stated that it won't.

Councilmember Riegel asked if this lease is being negotiated through Sheriff Cannon or does it have to go to Charleston County Council for their approval and when. Ms. Cantwell replied it's before County Council tonight. The Chair asked if we're not sure, from a financial standpoint, what the recommendation from County Council is going to be. Ms. Cantwell stated that we don't have the terms of the lease tied down. The discussions that we've had are along the lines of nominal consideration and triple net. Mayor Tecklenburg stated that they're providing the building and we're paying the expenses. The Chair asked how much time has passed since the press conference today. Mayor Tecklenburg stated that it's been about 6 weeks and we've helped relocate about 10 people per week. The Chair asking if the thinking is that the 60 days will be sufficient to help us find permanent solutions for the remaining 44 people. Mayor Tecklenburg stated that's the intention. We have no intent on asking for an extension or renewal.

Councilmember Moody asked if the Ways and Means agenda needs to be amended as well. Ms. Cantwell stated that it could be noted in the Real Estate report that this was an amended agenda.

On the motion of Councilmember Waring, seconded by Councilmember Riegel, the Committee on Real Estate voted unanimously to approve a Resolution authorizing the Mayor to execute on behalf of the City the necessary documents to lease or license from Charleston County, for a period of sixty days, a building known as the County Work Center for use as a temporary shelter for those displaced from the homeless encampment known as "Tent City", and to enter into a Memorandum of Understanding with professional service providers for the provision of services to clients at the temporary shelter.

Councilmember Waring stated that True Value on Wappoo is up for foreclosure. It's a deficiency sale. It was auctioned off once. They owed about \$500,000. It could be a good area for a farmer's market in West Ashley. The initial bid was \$367,000. We have maybe a week and a half to make an assessment. Maybe the City should look into buying that. He saw the opportunity and wanted to bring it forward for discussion. Councilmember Moody asked if there was any other use that it could be used for. Councilmember Waring stated that the building occupies the whole lot. There is some parking next to it, but it's not up for foreclosure. Perhaps, the City could work out something in regard to parking. If not a farmers market, it could be used for something else. Councilmember Moody suggested that they ask Amanda (Herring) to look at that. She been looking at property that might be available, but she would need to move quickly.

Mayor Tecklenburg asked how much debt is on it. Councilmember Waring stated that it's about \$500,000, but the mortgager that bid \$367,000. Councilmember White inquired about the tax assessed value on it.

Councilmember Waring stated he was unsure. Councilmember Moody stated that we need to have Ms. Herring assess it quickly. Ms. Cantwell stated that there would have to be a special meeting. Councilmember Waring stated that's more than the Mayor could approve unilaterally. Councilmember Riegel asked if they wanted to act on it tonight. Councilmember Waring stated that we have time to make the assessment. The Chair stated he asked about the tax assessed value because he presumes the site is worth significantly more than that and someone in the private sector will pay that. He knows there have been talks of a farmers market for West Ashley, but he's unsure if there's been an identified funding source. Councilmember Waring stated that \$.5 million was identified in this budget for it. Councilmember Moody stated that the store covers 90% of the lot. In order to make a farmer's market, half of the building or the back would need to get cut off and there would need to be parking. Councilmember Waring stated that it's an L-shaped piece of land. Councilmember Moody asked if that's enough parking. Councilmember Waring stated that it would be great if the City had both of them. It's worth the look. Buying spaces on Highway 61, Sam Rittenberg or Savannah Highway will be a lot more expensive than that. Mayor Tecklenburg stated that they would look into it.

Councilmember Riegel stated that there's been a lot of discussion about the pending gas station at the old Piggly Wiggly site in Councilmember Shahid's district. Mayor Tecklenburg stated that there may be a number of citizens here tonight to be heard on it. Councilmember Riegel stated that it's owned by Faison out of Charlotte. That's a marvelous gateway into our City and we could do so much more with that facility. Councilmember Shahid is not in favor of the gas station. There are going to be a lot of people here tonight about that. Mayor Tecklenburg stated that he's not in favor of that use on that property, but they do not require rezoning. The community doesn't favor something that's allowed by zoning right for the development of the property. Our staff has urged the owner of the property to consider other uses. We told them that they're going to have a difficult time in approvals from the Design Review Board (DRB) because our citizens won't be happy with that use there. It's their legal right to apply and take it to DRB. Councilmember Riegel stated that he spoke in front of DRB and they do a marvelous job with the Shadowmoss and Bees Ferry shopping center. Mayor Tecklenburg stated that, given the triangular shape of the lot, due to setbacks, even if it did make it through DRB, they really can't use this triangle, so you could have a pocket park to at least make the entry attractive and hide what's behind it. Councilmember Moody stated that the suicide merge there has always been a problem. That would be a great opportunity to put a roundabout there. As far as a park is concerned, the roundabout would be decorated with a fountain with flowers and signage saying West Ashley. Councilmember Waring stated that there's also the opportunity to make it more pedestrian friendly. People can't get from one side to another. Councilmember Moody stated that if we get this TIF District, that's the perfect example of how we could take the TIF money and make something spectacular with it.

Mayor Tecklenburg asked Mr. Morgan if he had any additional insight on this. Mr. Morgan stated that they're close to coming to DRB, but he's not sure of the exact timing. Staff knows the community's concerns, as well as concerns about the design. They've been talking to Faison about ways to make it a higher quality design. Councilmember Moody confirmed that this issue was not on the agenda tonight. He stated that Faison is a good developer. He's very favorable to them and wants to help them, but wondered if there was a way to suggest they do something else. Faison bought the land and they want something there. Councilmember Waring stated that it may be good to have a meeting with the principals of Faison in the Mayor's office. Councilmember Moody said the people who are positively inclined for the gas station is that they're tired of seeing the empty building, the clutter and the property not being maintained. That's not a reason to settle. Councilmember Riegel stated that Faison was marvelous when he worked with them on another development. Councilmember Waring stated that this is the gateway to West Ashley and is just as important as Sergeant Jasper. The vision of the traffic circle and fountain would be beautiful.

There being no further business, the meeting was adjourned at 4:10 p.m.

Techina Jacques

Council Secretary