

COMMITTEE ON REAL ESTATE

September 12, 2016

A meeting of the Committee on Real Estate was held this date beginning at 5:24 p.m. at City Hall, 80 Broad Street, First Floor Conference Room

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

PRESENT

Councilmember White, Chair; Councilmembers Waring, Riegel (via teleconference) and Moody and Mayor Tecklenburg **Staff:** Colleen Carducci, Director of Real Estate Management; Christopher Morgan, Director of Planning; Frances Cantwell, Corporation Counsel, Janie Borden, Assistant Corporation Counsel, Laura Cabiness, Director of Public Service and Rick Jerue, Senior Advisor to the Mayor **Also Present:** Michael Maher and Tim Domin

The meeting was opened with an invocation by Councilmember Waring.

APPROVAL OF MINUTES

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the August 15, 2016 meeting.

APPROVAL OF A ONE-DAY RENTAL IN THE AMOUNT OF \$500 (FOR DAMAGE DEPOSIT ONLY; RENTAL FEE WAIVED) FOR MOJA ARTS FESTIVAL TRIBUTE LUNCHEON ON OCTOBER 15, 2016. THIS PROPERTY IS OWNED BY MAGNOLIA PLANTATION. (MAGNOLIA PLANTATION AND GARDENS; 3550 ASHLEY RIVER ROAD).

APPROVAL OF A RENTAL IN THE AMOUNT OF \$300 FOR ANNUAL MOJA ARTS FESTIVAL GOSPEL CONCERT OCTOBER 2, 2016. THIS PROPERTY IS OWNED BY TRINITY UNITED METHODIST CHURCH. (TRINITY UNITED METHODIST CHURCH; 273 MEETING STREET).

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously approve the two items listed above.

REQUEST APPROVAL FOR THE MAYOR TO EXECUTE THE ATTACHED LEASE AGREEMENT WHEREBY THE CITY LEASES TO THE MEDICAL UNIVERSITY OF SOUTH CAROLINA 70 SPACES LOCATED AT STONEY FIELD PARKING LOT. THIS PROPERTY IS OWNED BY THE CITY OF CHARLESTON. (TMS: 460-00-00-007 AND 460-00-00-031)

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to request approval for the Mayor to execute the attached Lease Agreement whereby the City leases to the Medical University of South Carolina 70 spaces located at Stoney Field Parking Lot. This property is owned by the City of Charleston. (TMS: 460-00-00-007 and 460-00-00-031).

REQUEST APPROVAL FOR THE MAYOR TO EXECUTE THE ATTACHED EXCLUSIVE STORM WATER DRAINAGE EASEMENT WHEREBY RICHARD R. KNOTH IS PROVIDING THE CITY WITH AN EXCLUSIVE 15-FOOT WIDE PERMANENT STORM DRAINAGE EASEMENT. THIS PROPERTY IS OWNED BY RICHARD R. KNOTH. (GREENLEAF STREET; TMS: 464-00-00-042)

The Chair confirmed that the cost for us was specific to the exact dollar amount that he owed us as back rent for the barn facility. He asked if Mr. Knoth has vacated that property. Ms. Carducci replied yes. The Chair inquired about whether there was an appraisal to see if we were paying less or more than we should be paying for this. Ms. Carducci stated that we had an appraisal done, but it was for less than they wanted.

Their appraisal when they acquired the property was \$190,000. Our appraisal said that the value after the taking was \$155,000. The difference is about \$35,000. If we had agreed to 20% higher, it was get us to \$41,750 for the value. They have asked for it to be wiped clean. We need that site for the easement. We don't want to have to go through condemnation. We felt that this was a value that could be supported given that we were so close to what the value of the taking could be. The Chair asked what project the easement would help to facilitate. Ms. Cabiness stated that it's a new, small project. The properties that have been developed are continuing to have flooding problems and there are no easements from the area that floods to the outfalls, so we have to acquire those. One of the pipes runs under an existing building and it's completely blocked up. This is going to give us the ability to find a new way to direct that drainage, lace that pipe, and try to make a connection and improve the drainage in that area. The Chair asked where the property is. Ms. Cabiness stated that it's Greenleaf and Meeting Street. Mayor Tecklenburg stated that it's the next right hand turn after the Pepsi warehouse on Meeting Street. When it rains hard, a little flash flood appears at that spot. It's a good spot to have an easement. He asked how much Mr. Knoth owed us. The Chair stated that it was \$43,359.43. Councilmember Waring confirmed that this easement would help the City be able to cure the flooding problem.

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to request approval for the Mayor to execute the attached Exclusive Storm Water Drainage Easement whereby Richard R. Knoth is providing the City with an exclusive 15-foot wide permanent storm drainage easement. This property is owned by Richard R. Knoth. (Greenleaf Street; TMS: 464-00-00-042).

REQUEST APPROVAL FOR THE MAYOR TO EXECUTE THE ATTACHED CONTRACT OF SALE WHEREBY THE CITY INTENDS TO PURCHASE FROM THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION .0168 ACRES OF LAND LOCATED AT THE SOUTHEASTERN QUADRANT OF THE INTERSECTION OF LEE AND MEETING STREET, KNOWN AS PARCEL K, FOR \$44,000. THIS PROPERTY IS OWNED BY SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION. (SOUTHEASTERN CORNER OF LEE AND MEETING STREET; TMS: 459-05-04-217)

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to request approval for the Mayor to execute the attached Contract of Sale whereby the City intends to purchase from the South Carolina Department of Transportation .0168 acres of land located at the southeastern quadrant of the intersection of Lee and Meeting Street, known as Parcel K, for \$44,000. This property is owned by South Carolina Department of Transportation. (Southeastern corner of Lee and Meeting Street; TMS: 459-05-04-217).

REQUEST APPROVAL FOR MAYOR TO EXECUTE THE ATTACHED LEASE AMENDMENT FOR A TEMPORARY FIRE STATION TO BE BUILT IN ACCORDANCE WITH THE TERMS OF THE LEASE. THIS PROPERTY IS OWNED BY GUY P. MCSWEENEY. (CAINHOY ROAD; TMS: 263-00-01-062)

The Chair stated that he thought the site already had a property on it that we were leasing. Ms. Carducci replied no. The temporary fire station is in a development that has buildings, but this fire station will be built on raw land there. The Chair stated that he thought there was already a building there. He stated that this would put us out to 2017 before we would be able to occupy the space. He asked if Chief Brack has done the measurements for the impact for insurance on this site location for the people that have been impacted negatively in that area. Ms. Carducci stated that Chief Brack has said that this puts her in the area where she needs to be to substantially affect their insurance rates. The Chair stated that because of the distance between some of the neighborhoods and the closest fire station, their insurance premiums, in some cases, have doubled. This will make a significant impact. As quick as we can make this happen, we need to do so.

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to request approval for Mayor to execute the attached Lease Amendment for a temporary fire

station to be built in accordance with the terms of the lease. This property is owned by Guy P. McSweeney. (Cainhoy Road; TMS: 263-00-01-062).

REQUEST AUTHORIZATION FOR THE MAYOR TO EXECUTE THE ATTACHED TRI-PARTY AGREEMENT TO PROVIDE INTERIM FUNDING FOR WESTEDGE INFRASTRUCTURE COSTS BETWEEN THE CITY OF CHARLESTON, SC, MEDICAL UNIVERSITY FOUNDATION, AND HORIZON PROJECT FOUNDATION, INC. THIS PROPERTY IS OWNED BY THE CITY OF CHARLESTON AND MUSCF. [HORIZON REDEVELOPMENT PROJECT AREA (THE "TIF DISTRICT")]

AUTHORIZE MUSCF AND HPF TO AMEND THE ACQUISITION AGREEMENTS FOR PHASE 1A AND 1B TO EXTEND THE CLOSING DATES AS DETERMINED BY THE BOARD OF DIRECTORS OR EXECUTIVE COMMITTEE OF HPF. THIS PROPERTY IS OWNED BY MUSCF.

Ms. Carducci stated that this agreement is specific to the second phase of the infrastructure. It's relating to the roads and improvements that are needed for the first big phase where the Publix will be located on Lockwood and Spring. It will be the roads that come through there. There's a lot of infrastructure. This is only to cover for the interim period per the agreement we brought to you at the previous meeting regarding the TIF reimbursement. This allows MUSC and the City to fund the gap between the resources that HPF has available at the time that those funds are needed and at the time the TIF starts funding. Once the TIF starts funds at a point where it's sufficient to do a bond borrowing, that will repay the City and MUSCF for this interim financing. The Chair inquired about the estimated timeline for the TIF to repay. Ms. Carducci stated that we expect it to be about 2020. The Chair asked if the 50/50 split was \$4.8 million per group. Ms. Cantwell stated that it was \$2.4 million. Ms. Carducci stated that there's also a request that HPF needs from City Council for an extension on the closing date of Phase 1A. This allows them to extend the agreement for the closing, which is scheduled before the end of this month. There will be a groundbreaking. Mr. Maher stated that the amount in there now is predicated on the land sale proceeds. In this agreement, it's predicated on the closing on the 10 WestEdge site. The 22 WestEdge site is scheduled between now and the middle of January. The land sale proceeds from that will also be applied to the infrastructure, so it will reduce that exposure by roughly \$2 million.

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to approve the two items listed above. This is the second phase. The first phase, we approved a \$3 million requirement, and now we think it's a little more. Although we're getting the money back, it delays a year or two before we can spend it for a park or some other purpose. This makes sense to do and we're committed. On both of these matters, we have to reserve hard dollars to meet this need. Councilmember Waring asked if the funding is coming out of the City's reserves. Mayor Tecklenburg stated that they haven't allocated this \$2.4 million yet. The money that we will need in 2017 for the first WestEdge road, about \$3 million, we know we have reserved from last year's budget. Councilmember Moody stated that having a discussion is a part of our budget process. He wasn't sure if the land sales account has any money in it or not. Mayor Tecklenburg stated that it's gone. Councilmember Moody stated that we have the old Piggly Wiggly site and inquired if that would be sold. Councilmember Waring added that we have the old IAAM site also. Councilmember Moody stated that we have a lot of things around. We need to do some planning and make some decisions in our budget process as to how that should be done.

Mayor Tecklenburg stated that he is in full support of what we're doing. The City is going to get its money back, but it does impact our cash flow. He wants Council to be aware of that.

UPDATE AND POTENTIAL ACTION ON MEDIATION REGARDING 11 TODD STREET

Mr. Domin stated this is for the Crosstown Drainage Project. We met with the landowners and went to mediation. We can acquire the ½ of Todd Street that they own for \$30,000. Our appraisal was over \$19,000. Their appraisal was about \$114,000. We will only occasionally need this property for vacuum

trucks to pull in, be off Shepard Street and clean out the equipment near there. What was important to them was that they be able to negotiate back some parking rights. This involves a grant back of a parking easement that is subordinate to our rights to utilize the property in order to service the Crosstown drainage shaft and to be able to maintain it in the way that we need to. Councilmember Moody inquired if we have to give them 24 hours' notice so that they can remove the cars. Mr. Domin stated that it's 48 hours, but if need it on speedier terms, we have to pay to tow the car out. It's not expected to be a big problem. It's an office. If we need to get in there on normal business hours, we can knock on the door and ask them to remove the vehicle. The Chair asked if that's in addition to the financial concessions we're making. Mr. Domin replied that is correct. He stated that if they didn't have that parking, it would be a nonconforming use. The Chair confirmed that the asking price was \$30,000.

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to give authority to consummate this deal and easement with the terms as approved by the City attorney Frances Cantwell.

CONSIDER THE FOLLOWING ANNEXATIONS:

- (i). 614 Stoneboro Court (TMS#343-15-00-099) 0.23 acre, James Island (District 11). The property is owned by Erin Hitchinson.
- (ii). 2027 Woodcliff Street (TMS# 355-15-00-060) 0.23 acre, West Ashley (District 2). The property is owned by Nicholas and Elaine Boyer.
- (iii). Secessionville Road (TMS# 427-00-00-006, 427-00-00-116, 427-00-00-117, 427-00-00-250 and 427-00-00-251) 2.14 acres, James Island (District 6). This property is owned by ION Venture LLC.
- (iv). Grimball Road Extension (TMS#427-00-00-086) 0.79 acre, James Island (District 6). This property is owned by Johnny Troutman and Eunice Troutman.
- (v). 1830 Maybank Highway Extension (TMS# 343-04-00-007) 1.0 acre, James Island (District 11). This property is owned by Maria and Steven Mungo.

On the amended motion of Councilmember Moody, seconded by Councilmember Riegel, the Committee voted unanimously to approve the first four annexations listed above (614 Stoneboro Court, 2027 Woodcliff Street, Secessionville Road, and Grimball Road Extension).

Councilmember Waring stated that on 1830 Maybank Highway Extension, the owner wants to annex into the City. He has R-4 zoning in the County. The City doesn't have R-4 or something compatible. Mr. Morgan clarified as far as the setbacks, the County's R-4 is 5-foot side setbacks. The City's SR-1, which is most compatible in terms of density has a 9-foot required side setback. Councilmember Waring stated that for this owner to come in, he has to annex into the City and then get a variance, which isn't guaranteed. The City should have a process where they would be able to grandfather or accommodate people who want to annex. He questioned why they should have to take an extra risk to come into the City for a use that they already have. Ms. Cantwell stated that if the house already exists and he annexes in, it would be grandfathered. He would not have to apply for a variance to keep what he has. The only time there would be an issue is if there was a fire or if the house was destroyed, but our current zoning ordinance allows you to put it back within a certain period of time. Councilmember Moody stated that it was 3 years. Mr. Morgan stated that in this case, he's voluntarily demolishing the existing house on the property and wants to build new. One of the incentives for the owner is that he believes our review process is faster than the County. Ms. Cantwell stated that he can't create his own hardship. She asked if he wants to build as close as he was before. Mr. Morgan stated that it's a little bit further back than he was

before. The problem is that he did all of his plans to the County's specifications. Now that he wants to annex, he'd have to redo all of his plans. Ms. Cantwell stated that he can't tear the house down and build it back up. Councilmember Waring asked if the owner was living there now. Mr. Morgan stated that he was unsure. Councilmember Moody inquired about what the setbacks were. Mr. Morgan stated that it's 5-feet in the County and 9-feet in the City. Councilmember Waring stated that he could always build in the County and then annex. Councilmember Moody stated that the owner is going to have to decide whether he wants a 9-foot setback or a faster review process. Councilmember Waring stated that he could also take his chance with the variance. He asked Mr. Morgan about his thoughts on the variance. Mr. Morgan stated that it depends on what the adjoining neighbors feel. The Chair asked whether it should be deferred until the owner weighs his options. Ms. Cantwell stated that it can receive first reading and if he changes his mind, he can withdraw his application before it gets second and third readings. Councilmember Waring stated that the owner said that he had support from neighbors on both sides. The Chair asked if he could make an application for a variance without being annexed into the City. Mr. Morgan stated that he could make an application, but the Board couldn't take any action on it until he was annexed into the City.

On the motion of Councilmember Moody, seconded by Mayor Tecklenburg, the Committee voted unanimously to approve the annexation listed above for 1830 Maybank Highway Extension.

There being no further business, the meeting was adjourned at 5:54 p.m.

Techina Jacques
Council Secretary