

## COMMITTEE ON REAL ESTATE

January 8, 2019

A meeting of the Committee on Real Estate was held this date beginning at 4:13 p.m. at City Hall, 80 Broad Street, First Floor Conference Room.

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

### PRESENT

Chairman Moody, Councilmember White, Councilwoman Jackson, Councilmember Waring and Mayor Tecklenburg **Staff:** Susan Herdina, Colleen Carducci, Matt Frohlich, Amy Wharton, Tracy McKee, and Bethany Whitaker, Council Secretary

The meeting was opened with a moment of silence provided by Councilmember White.

### Approval of Minutes

On the motion of Councilmember White, seconded by Councilwoman Jackson, the Board voted unanimously to approve the minutes of the December 18th Real Estate Meeting.

**Request approval of the Second Amendment to Agreement to Buy and Sell Real Estate whereby amending the closing date to occur on or before January 31, 2019 and authorizing the mayor to execute further 30-day extension amendments as needed. The property is owned by Edward K. Pritchard. (Nassau Street; TMS: 459-05-03-005)**

Ms. Carducci stated that this was the Pritchard parcel that they had talked numerous times about. In this extension, because there were Title issues that were continuing to be resolved, they were requesting that, as part of the agreement, at the Mayor's discretion, they would have the ability to continue to extend it to allow as much time as necessary to clear the Title, so that when the City purchased it, it would be without any of the current encumbrances. The property owner was working on that and he kept thinking that it would be resolved at the end of the month.

Chairman Moody said if they didn't proceed with clearing the Title, it could continue to extend. Ms. Carducci said that the City wanted the parcel, and so it was good to keep this in place. They didn't want someone else to step in and acquire it. They had closed on the other parcel which fronted on Nassau, so this parcel was important. There were legal court issues that had to be addressed to clear the Title. They had gone through a quiet Title Proceeding and were waiting on the judge's opinion. There were also some liens against the property that had to be cleared. Councilmember Waring said that the City wanted the parcel when it came to squaring off the area. They were working on the price. They were getting close, they just weren't quite there yet.

On the motion of Councilmember Waring, seconded by Councilwoman Jackson, the Committee unanimously approved the above item.

**Request approval for the Mayor to execute the Purchase and Sale Agreement whereby the City transfers a 539 square foot portion of City owned property located on Dills Bluff Road to Galphin Lee**

**Jackson III. The property is owned by the City of Charleston. (Dills Bluff Road; TMS: 428-00-00-003)**  
**[Ordinance]**

Ms. Carducci stated that there were two parcels owned by the person acquiring this triangular piece that was on the City's property. The reason they were requesting it was that they had two grand trees on the only road frontage they had to Dills Bluff Road and the frontage was on a curve and not as wide as it should be to put a driveway out onto Dills Bluff Road. So, the parcel that the City had was attached to a part of a parcel that the City bought with Greenbelt Grant funds. So, as part of this, the City was required to get approval from the County for the transfer of the small triangle piece. So, the purchase price of \$4, 100 would be returned to Charleston County and available to the City to use towards other acquisitions or improvements permitted under the Greenbelt Program. But, it would be required to be a part of a future grant application. The buyer was paying for the cost of the appraisal that the City had done. It was to save the trees and have a safe egress for the development of one or two single-family homes.

On the motion of Councilmember White, seconded by Councilwoman Jackson, the Committee voted unanimously to approve the above item.

**Miscellaneous Business**

- a. Councilmember Waring said that he had some questions about the lease with IAAM. He had seen that there was a provision for Convenience for both parties to be able to give 60 day notice and be out of the lease and he didn't think they needed to have that provision in there. That was something he wanted to have a discussion on at City Council.

Chairman Moody said he knew there had been discussion on that. They knew that they would have to give the IAAM more. Councilmember Waring said they wanted to break ground in late Spring. This was for 24 months and then month-to-month after that. He thought the 24 months was fine, unless there was a delay. But, right now, either party could give 60 days' notice and tell the IAAM they had to leave. He asked why that would be there. Ms. Herdina said that they traditionally included, in the agreements, termination for convenience and termination for cause. The termination for convenience was generally there in the event that there was some fiscal situation that would require them to not go forward with the agreement. She thought that provision could come out if Council wanted to do that. So, they would still have termination for default. Mayor Tecklenburg said that if he recollected correctly, they still hadn't heard back officially from IAAM a few weeks ago. He asked if they had responded yet. Ms. Herdina said that Ms. Halversen had been working on this and had reached out to them a few times to ask if they had any changes or comments and hadn't heard back. So, it would be Council's discretion to either go forward and approve it, or defer. If they moved forward, they would have to come back with changes. Chairman Moody asked if they could give second reading and if they didn't hear anything before the next meeting, they could give it third and ratification. Councilmember Waring said he thought it was an automatic provision. He asked what situation would come up that they would have to give 60 days' notice. Councilwoman Jackson said she thought they were all in agreement with taking that provision out, but they hadn't heard any response to the

original contract. Chairman Moody said that they should get the contract how they were comfortable with it at City Council and send it to them and ask them to respond to it. Ms. Herdina said that one of the reasons they had moved this so quickly, was because they wanted to move in this month. They could report out at Council that there was a discussion and a recommendation to remove the termination for convenience clause.

Mayor Tecklenburg asked if the IAAM would be vacating 113 Calhoun by taking this over at the Maritime Center. Councilmember Waring said he thought that was what the contract said. Ms. Carducci said she thought their intentions were to keep both. The staff size they would have would need both. Chairman Moody said the Church wasn't expecting to get it for a few years. Councilmember Waring said he would check with them and asked if anyone had addressed parking. Ms. Carducci said there had always been spaces set aside for the IAAM, so they would be using part of the allocation that would otherwise be available after construction.

- b. Ms. Carducci stated that she had put in her resignation and would be moving to Minnesota. She had loved working with all of them very much. She would be moving to be closer to her family and assist with her mother. This would be her last meeting. Chairman Moody thanked Ms. Carducci for everything she had done for the City. Ms. Carducci said her heart had been with WestEdge because they had been working on that project since she had started with the City over 15 years ago. She loved that project and thought it was a great opportunity to develop that part of the City. It was hard work, and expensive, but would be great as it was completed. Mayor Tecklenburg stated that he wanted to personally thank Ms. Carducci for her service to the City and her expertise. He had met Ms. Carducci when he was a Commercial Realtor negotiating with the City. No one ever got an easy deal out of Ms. Carducci because she was always looking out for the City's best interest.
  
- c. Mr. Frohlich said he wanted to follow up on 134 Cannon Street and handed out a document that contained revenues and expenditures for the next ten years. Chairman Moody asked where they were on this project. Mr. Frohlich said this was informational. Scott Watson said this was the first they were looking at this all together. They were aware of the difference. The more they could utilize the building, the more they could balance the numbers. Councilmember Waring said that for Community Giving, he had seen \$25,000 to PURE. Mr. Watson said it wasn't to PURE. It was to the Center to help subsidize the rents of agencies/artists that didn't have the ability to pay the prevailing rate and instigate programs like summer camps. Councilmember Waring said that should be reflected in the costs. Mr. Watson said it was reflected in the revenue aspirations. They were planning to do it every year. A big part of the project was for people who had been priced out of their neighborhoods. Chairman Moody asked how this was being funded. Ms. Wharton said it would be out of the General Fund. Chairman Moody asked if it could be funded from Hospitality or Accommodations. Ms. Wharton said they would have to let it run for a little while to see how many tourists they would get, and then they could consider that. Right now, it was considered local. Mr. Watson said that the plan was to embrace the culture of the Cannonborough/Elliottborough area and African American culture on the

Peninsula over the arc of history. They could eventually make the case that it was a heritage-specific cultural center and should be funded from Hospitality. Chairman Moody asked if this was similar to the Charleston Symphony Orchestra. Ms. Wharton said they did do audits and the Orchestra was required to report how many tourists they were serving. A tourist was defined as 50 miles outside of Charleston. Chairman Moody said he had asked how many rounds of golf were paid for by people that were outside of Charleston at the Municipal Golf Course, and it came back at around 6-10%. Mr. Watson said that they tracked and audited this religiously. Councilmember White asked, that of the \$117,000 in 2019 of revenue, how much of that had been identified. Mr. Watson said that the number in the budget was just over 2/3's of that. That took into account PURE's year-round lease for office space, PURE's seasonal use for at least 25 weeks, Piccolo Spoleto, MOJA, etc. They would surpass that number by the time they got to MOJA. Councilmember Waring said that they should send the dates that had not been committed to the Councilmembers, so that they could get them out to different groups and constituents.

Having no further business, the Committee adjourned at 4:43 p.m.

Bethany Whitaker  
Council Secretary