

Committee on Real Estate

January 10, 2024

A meeting of the Committee on Real Estate was held on this date at 3:03 p.m. via Zoom.

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

PRESENT

Committee members: Mayor Cogswell, Councilmember Gregg, and Councilmember Waring.

City Staff and Others: Mollie Conner, Julia Copeland, Christopher Morgan, Malena Dinwoodie, Robert Summerfield, Melissa Cruthirds, Magalie Creech, Geona Shaw-Johnson, Jason Kronsberg, Taylor Sterba, and Robinson Villa.

Councilmember Waring called the meeting to order.

The meeting was opened with an invocation provided by Councilmember Waring.

Approval of Minutes

- December 18, 2023

On a motion of Councilmember Gregg, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the December 18, 2023, meeting.

- a. **Approval of a Fourth Amendment to the Option to Lease with Lowline Housing, LP, Inc. The Amendment provides Lowline Housing, LP, Inc., the additional time needed to secure funding to finalize the development of the Lowline Affordable Housing Development, which includes 55 units of rental housing for persons earning from thirty (30%) to eighty (80%) percent of the Area Median Income. A Ground Lease Agreement for sixty (60) years is associated with this development and will be executed at commencement of the lease. The housing site is located off of King Street on Peninsula Charleston. The property is owned by the City of Charleston. (TMS# 460-04-04-118) [Ordinance]**

Ms. Shaw-Johnson said Item A was a request to approve a Fourth Amendment to the Option to Lease with Lowline Housing, LP. She said Lowline Housing, LP, responded to a request for proposals about two years ago to build 55 units of affordable housing on the Lowline. The City of Charleston invested its land as part of an option to lease in a ground lease and had committed about \$1.9 in TIF dollars that would go towards the development. She said Robinson Villa and the team at NHE had been trying to finalize financing on the project because of the delays at State Housing. The cost that they had incurred in order to build had changed substantially. She said they had applied for funding sources more recently from Charleston County in order to finalize the deal. They were asking that their option to lease be extended through June of this year at which time they believed they would be able to move forward quickly thereafter.

Councilmember Waring asked if the development team could respond to the shortfall in the amount.

Mr. Villa said it was a \$1.5 million shortfall and the vast majority of it was coming from construction costs that had increased over the last 12 to 14 months, but he believed that most of that had stopped. He said they were working on a new construction method for the project that they hoped would save not only on construction cost but also on insurance cost. He said they had requested \$1 million from Charleston County that would help with a big portion of the gap and he was hopeful they could solve the rest of the gap with better interest rates and some construction cost savings.

Councilmember Waring asked when he thought he would hear from the county.

Mr. Villa said they submitted the request on the 15th of December and he would reach out to them soon.

Ms. Shaw-Johnson said they indicated they would have answers out by the end of the month.

On a motion of Mayor Cogswell, seconded by Councilmember Gregg, the Committee voted unanimously to approve Item A.

- b. **Authorization for the Mayor to execute the Infrastructure Development Agreement and Escrow Agreement for Major League Baseball improvements to the Joe Riley Baseball Stadium, in a form approved by the City of Charleston Real Estate Department, Legal Department and Budget, Finance and Revenue Collections Department. The property is owned by the City of Charleston. (Joe Riley Baseball Stadium) (Portion of TMS# 460-00-00-019)**

Ms. Copeland said on May 22, 2023, Council adopted a Memorandum of Understanding laying out the financial commitment of \$4.2 million for Major League Baseball upgrades and improvements. The MOU contemplated a later creation of an Escrow Agreement that would detail how the money went in, who was paying it, and how. She said they were currently working through a Long Form Development Agreement with outside Counsel along with Counsel for the RiverDogs. She said they were asking for authorization from the Mayor to execute it once it got through Legal, Real Estate, and Finance.

On a motion of Councilmember Gregg, seconded by Mayor Cogswell, the Committee voted unanimously to approve Item B.

- c. **Please consider the following annexations:**

- (i) **1419 River Front Drive (0.34 acre) (TMS# 352-10-00-031), West Ashley, (District 9). The property is owned by Michael and Jacey Verdicchio.**
- (ii) **1916 2nd Drive (0.21 acre) (TMS# 350-05-00-008), West Ashley, (District 7). The property is owned by Susanne Aberbach-Marolda.**
- (iii) **2413 Savannah Highway and 2417 Savannah Highway (0.82 acre) (TMS# 310-06-00-054 and 310-06-00-053), West Ashley, (District 5). The property is owned by Timberwolf SC LLC.**

Ms. Conner said C(ii) was deferred. The applicant wanted to defer it so they could look at zoning.

On a motion of Councilmember Gregg, seconded by Mayor Cogswell, the Committee voted unanimously to approve Item C(i). and C(iii).

There being no further business to discuss, the meeting was adjourned at 3:12 p.m.

Brittany Pinckney
Assistant Clerk of Council