

COMMITTEE ON WAYS AND MEANS

February 12, 2019

A meeting of the Committee on Ways and Means was held this date beginning at 4:46 p.m.

PRESENT (13)

The Honorable John J. Tecklenburg, Mayor

Councilmember White	District 1	Councilmember Waring	District 7
Councilmember Shealy	District 2	Councilmember Seekings	District 8
Councilmember Lewis	District 3	Councilmember Shahid	District 9
Councilmember Mitchell	District 4	Councilmember Griffin	District 10
Councilmember Wagner – <i>arrived at 4:52 p.m.</i>	District 5	Councilmember Moody	District 11
Councilmember Gregorie	District 6	Councilmember Jackson	District 12

1. INVOCATION:

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

2. APPROVAL OF MINUTES:

On a motion of Councilmember Seekings, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve the minutes of the January 8, 2019 and January 22, 2019 Committee on Ways and Means meetings.

3. BIDS AND PURCHASES:

On a motion of Councilmember Mitchell, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve the bids and purchases as follows:

TRAFFIC AND TRANSPORTATION: ACCOUNT:230000-52066 APPROPRIATION: \$48,750

Approval to increase amount of Short Engineering contract (Solicitation #18-P012R) from \$39,500 to \$48,750 to cover the additional cost of the Pedestrian Improvements Project. 2018 funds encumbered. PR185698

INFORMATION TECHNOLOGY: ACCOUNT:235000-52206 APPROPRIATION: \$306,072

Approval of Microsoft Cloud Storage service with WH Platts, the sole source vendor, to provide appropriate video storage and archiving for the Police Department's body-worn and vehicle video systems. This will be billed monthly by WH Platts/IRSA Video to the City of Charleston at \$25,506 per month for 12 month period.

INFORMATION TECHNOLOGY: ACCOUNT:161000-52206 APPROPRIATION: \$43,449.22

Approval of renewal of Annual Maintenance and Support for the Electronic Document Management System (EDMS). State Contract: 4400016689; EDMS is used for processing, accessing and storing all digitized documentation to include City records, archives, drawings and plans.

4. POLICE DEPARTMENT: APPROVE EXTENSION OF AGREEMENT BETWEEN CPD AND CHARLESTON HOUSING AUTHORITY. CHA PAYS CPD FOR FIVE OFFICERS ASSIGNED TO COVER CHA PROPERTIES.

On a motion of Councilmember Lewis, seconded by Councilmember Griffin, the Committee on Ways and Means voted unanimously to approve the extension of Agreement between CPD and Charleston Housing Authority. CHA pays CPD for five officers assigned to cover CHA properties.

5. POLICE DEPARTMENT: APPROVE THIRD AMENDMENT RENEWING AGREEMENT BETWEEN CHARLESTON DORCHESTER MENTAL HEALTH CENTER (CDMHC) AND CPD IN THE AMOUNT OF \$20,000 WHEREIN CDMHC PROVIDES CPD WITH A FULL TIME MENTAL HEALTH PROFESSIONAL WHO PROVIDES SERVICES TO CHILDREN AND FAMILIES IN DOMESTIC VIOLENCE CASES.

On a motion of Councilmember Shahid, seconded by Councilwoman Jackson, the Committee on Ways and Means voted unanimously to approve the Third Amendment renewing Agreement between Charleston Dorchester Mental Health Center (CDMHC) and CPD in the amount of \$20,000 wherein CDMHC provides CPD with a full time mental health professional who provides services to children and families in domestic violence cases.

6. PUBLIC SERVICE: APPROVAL TO APPLY FOR A FEMA GRANT APPLICATION IN THE AMOUNT OF \$694,821.57 THAT REQUIRES A CITY MATCH OF \$69,482. IF APPROVED, THIS GRANT WOULD FUND 3 PROPERTY MITIGATION PROJECTS (2 ACQUISITION/DEMOLITION AND 1 STRUCTURAL ELEVATION). DUE TO TIME CONSTRAINTS, THE APPLICATION WAS SUBMITTED ON JANUARY 29, 2019. THE CITY MATCH REQUIRED IS \$69,482.

Councilmember Gregorie said he knew there was a deadline the City had to meet, but was concerned about spending money without it coming through City Council, particularly when it went beyond the \$40,000 rule. Before the applications were submitted, procedurally, Council should have discussion and determine whether or not they would support it before they spent the City's money.

On a motion of Councilmember Griffin, seconded by Councilmember Shealy, the Committee on Ways and Means voted unanimously to approve to apply for a FEMA grant application in the amount of \$694,821.57 that requires a City match of \$69,482.

7. PUBLIC SERVICE: APPROVAL OF SPRING-FISHBURNE US 17 PHASE 4 FEE AMENDMENT #17 WITH DAVIS AND FLOYD IN THE AMOUNT OF \$505,688 TO INCLUDE ADDITIONAL DESIGN ELEMENTS MOVED FROM DIVISION IV, PROJECT ENHANCEMENTS, DESIGN REVISIONS DUE TO AS-BUILT CONDITIONS AND OTHER ANCILLARY ITEMS, VALUE ENGINEERING, MITIGATION SUPPORT, AND PROGRAM ADMINISTRATION. FEE AMENDMENT #17 WILL INCREASE THE PHASE 4 PORTION OF THE OVERALL PROFESSIONAL SERVICES CONTRACT BY \$505,688 (FROM \$879,065 TO \$1,384,753). THE FUNDING SOURCE FOR THIS WORK IS THE STATE INFRASTRUCTURE BANK (SIB), THE DRAINAGE FUND, AND THE KING STREET GATEWAY TIF. (DEFERRED)

Item #7 was deferred on the agenda, and no action was taken.

8. PUBLIC SERVICE: APPROVAL OF SPRING-FISHBURNE US 17 PHASE 4 FEE AMENDMENT #18 WITH DAVIS AND FLOYD IN THE AMOUNT OF \$6,831,772 TO PROVIDE CONSTRUCTION ENGINEERING AND INSPECTION (CEI) SERVICES TO SUPPORT THE CONSTRUCTION OF THE PHASE 4 PUMP STATION WET WALL AND OUTFALL. FEE AMENDMENT #18 WILL INCREASE THE PHASE 4 PORTION OF THE OVERALL PROFESSIONAL SERVICES CONTRACT BY \$6,831,772 (FROM \$879,065 TO \$7,710,837). THE FUNDING SOURCE FOR THIS WORK IS THE STATE INFRASTRUCTURE BANK (SIB), THE DRAINAGE FUND, AND THE KING STREET GATEWAY TIF.

9. PUBLIC SERVICE: APPROVAL OF SPRING-FISHBURNE US 17 PHASE 4 CONSTRUCTION CONTRACT WITH CONTI CONSTRUCTION, INC., IN THE AMOUNT OF \$51,933,757 TO CONSTRUCT THE PUMP STATION, WET WALL, AND OUTFALL OF THE SPRING-FISHBURNE DRAINAGE PROJECT. WITH THE APPROVAL OF THE PROJECT BUDGET, STAFF IS AUTHORIZED TO AWARD AND/OR AMEND CONTRACTS LESS THAN \$40,000, TO THE EXTENT CONTINGENCY FUNDS EXIST IN THE COUNCIL APPROVED BUDGET. THE CONSTRUCTION CONTRACT WILL OBLIGATE UP TO \$51,933,757 OF THE \$65,909,935.70 PROJECT BUDGET. THE FUNDING SOURCES FOR THIS WORK ARE THE STATE INFRASTRUCTURE BANK (SIB) (\$39,000,000), KING STREET GATEWAY TIF (\$8,500,000) AND THE DRAINAGE FUND. (\$18,409,935.70).

Chairman White asked Steve Kirk, Project Manager, to summarize the changes for the Committee. Chairman White said his understanding was they had moved some portion of Phase V into IV. He asked what the cost differential was and also wanted to discuss the \$30 million gap in Phase V to the degree that they had an identified funding stream or an indication of what they would be doing.

Councilmember Wagner arrived to the meeting at 4:52 p.m.

Mr. Kirk said some of the items that were moved from Phase V into Phase IV were the bar screens for the trash removal and also the sedimentation basin, so when the system was dewatered, it would remove the sediment and pollutants from going into the river. He believed those items were about \$500,000. Chairman White asked if dewatering meant the pump station drawing water out and not the gravity component. Mr. Kirk said they would have a fully-functioning gravity system at the end of Phase IV, which was the goal of moving the items to Phase IV. The dewatering pumps sat at the bottom of the wet well, about 175 feet down. Those were used to dewater the entire tunnel system. Ninety to 99% of the time, the tunnel system would remain inundated because its purpose was to convey water, not detain it. It was not for storage, but for moving the water. So, if they had a fully-functioning system, they would need the dewatering pumps to pull the water down into the system to maintain or inspect it. Councilmember Gregorie asked for clarification and whether or not the \$31 million would build the pump station. Mr. Kirk said he believed the costs for Phase IV were \$59.1 million. Chairman White said when they last spoke about this in Ways and Means specific to Phase V, a gap in funding was identified due to overruns in cost to construct Phase V. That was going to leave a gap of funding in the vicinity of \$30 million. That number then changed to \$40 million, so it was somewhere between \$30 million and \$40 million. He said that was a massive hole to fill, and his concern was that if Phase V was a critical component for finishing the project, before they wrote a \$51 million check to finish Phase IV, he wanted to make sure they understood the endgame for Phase V. Mr. Kirk said the goal at the end of Phase IV was to have a fully functioning system, so they could have it flow out like gravity. Phase IV was fully funded, and for the \$30 million gap for Phase V, the City had not identified the funds, but at the end of Phase IV, the City would have a fully-functioning gravity system. There would not be pumps to move the water, but at low tides specifically, the water would move at about 250,000 gallons per minute. So, the issues they currently had at low or moderate tide would be significantly alleviated.

Chairman White said it never seemed to be the City's luck to have problems at low tide. They had massive storms at the worst time. Without the pump station, the impact of the tunnel system was minimal at best as a gravity station alone. Mr. Kirk said if it hit at high tide, once the tide turned, the water would start flowing out much faster than it currently flowed out. Councilmember Gregorie asked if the \$31 million was for completion of Phase IV. Chairman White said it was \$51 million for Phase IV. Councilmember Gregorie said they were getting two different figures. Amy Wharton, CFO, said that it was \$43 million overall. \$31 million was for Phase IV, and about \$11.7 million was for Phase V.

Councilmember Seekings asked with regards to the gravity system, if there would be so much pressure that they could move water from minus 120 feet to plus 4 feet and get it into the river. Mr. Kirk said that because of the elevation difference of the Peninsula and the river, it would move. Councilmember Seekings asked when the City placed the pump station, if the pump could pump out at any rate at high tide with a storm coming in. Mr. Kirk said that at high tide, it would be about 360,000 gallons per minute. Chairman White added that was with the completion of Phase V.

Councilmember Seekings said that with no pump, the water was not going out at high tide.

Councilmember Shahid asked if at high tide, the water would just be retained in the tunnel. He asked what the capacity was. Mr. Kirk said the conditions would be similar to what they had today. As the tide turned, the water would move out. Councilmember Shahid said the water would sit there without any pumps and asked how long it would sit there and what the capacity was of the tunnel. Mike Horton of Davis & Floyd said there had been similar questions at different levels, and they had done some modeling to show the differences. He said there was a tremendous benefit, even with fluctuating tides, without having the large pumps in place. They would still have street flooding during the higher tides, but they were looking at about an hour and a half of flooding as opposed to a full day. He said the gravity capacity was more than ten times the current capacity. That was without the large pumps in place and Phase V being completed. It was a significant increase in the system's capacity over what it was today.

Councilmember Shahid asked if it were high tide, and there was a significant rain storm or some other problem, if the water would go into the tunnel and be retained so the water would have somewhere to go aside from remaining on the street. Mr. Kirk said if the tunnel was dewatered, it had some place to go, but the main purpose of the tunnel was for conveyance. Councilmember Shahid said this was a benefit even without the pump because the water had a place to go. Mr. Kirk confirmed.

Chairman White said there would be water in the tunnels all the time. He said the reality was if the tunnel was already half-way full because it hadn't been dewatered, it was not going to be a place to retain water. It was not going to take water off of the street until the tide turned. Councilmember Shahid said it would take some water off of the street, and there was a benefit regardless of whether the pumps were there or not. Mr. Kirk confirmed.

Councilmember Griffin asked if they passed this item today, if they would have a functioning system. Mr. Kirk confirmed. Councilmember Griffin said it would not be the best system because they would not have a pump station, but it would be functional. Mr. Kirk said they would have a fully-functional gravity system. Councilmember Griffin said if they did not fund it today, they would still not have a fully-finished Phase IV. Mr. Kirk confirmed. Councilmember Griffin said he saw an interview with Governor McMaster, and he had said the project had to get done. Councilmember Griffin asked if he offered insight or if the SIB would be willing to give the City any more money or help for the project. Mayor Tecklenburg said the Governor did have some funds through HUD mitigation that the State received recently. They met in person with the Department of Administration, and they were accepting proposals for mitigation grants. In order to qualify, the City was partnering with the Medical University and the Hospital District to extend the President Street tunnel a little further south, as was originally planned 12 years ago. Mayor Tecklenburg said the Governor understood and supported that. The City planned to submit a proposal for some funding from the mitigation funds. Mayor Tecklenburg said that the shortfall fell to Phase V. With Phase IV, if they approved it and it proceeded, they would have a functioning system, which was more than a little better than what they had now. The flow rate would be ten times what the current rate was.

It would be a huge improvement. It would be two years before Phase V would come back to Council, and in the meantime, between the Governor, the State, and the City's partnership with the Army Corps of Engineers, they needed to find State and Federal funds to help them. He appreciated the leadership of the Governor, not just helping them get I-526 completed, but forming a Floodwater Commission. Mayor Tecklenburg said he had a real Statewide view on dealing with the issue of floodwaters, but his comment was the cost of not finishing the project was extraordinary, and he was committed to helping them find some money. Councilmember Griffin asked what the City's shortfall was for Phase V. Mayor Tecklenburg said it would be based on today's projection. Councilmember Griffin said he knew it was going to move up. Ms. Wharton said that right now, it was a little over \$11 million.

Councilmember Gregorie asked about the total mitigation dollars the Governor had referenced. Mayor Tecklenburg said it was \$159 million, but it was for statewide uses, and he would have a number of applications from other towns that had been flooded by Hurricane Florence. Mayor Tecklenburg said the City should qualify for some, but the money had to be spread around.

Councilmember Wagner asked if the Phase V pumps were included in the projected shortfall as they knew it right now. Mr. Kirk confirmed. Councilmember Wagner said they did not have a lot of time to find the money.

Chairman White said that as they did not have a definitive answer for funding of Phase V, and it was two years away, they could anticipate an increase. When he reviewed the work to be completed in Phase IV, it appeared there were certain portions of Phase IV that were tied directly to the construction of the pump station, just not the pumps themselves. Mr. Horton said there were conduits being placed into the concrete structure. The foundation was provided, so there were components that would facilitate construction, but there was very little work going on that had little value at the current completion state, other than conduits or something that needed to be put in to lessen the cost burden on Phase V. If Council chose to leave those items out, they would have a significant increase in the total project cost. Chairman White asked if there were any opportunities to do value engineering in Phase IV to help any carryover into Phase V as that would shore up some of the gap. He also asked if had they begun contemplating working on value engineering for Phase V knowing the gap that existed. Mr. Kirk said that within the current contract, there were value engineering mechanisms present, and they could work with the contractor to reduce the cost of Phase IV. Chairman White asked how much it would be reduced. Mr. Kirk said they really did not have a figure. Mr. Horton said the low bid contractor issued a letter where they found about \$200,000 or more of savings that might be offered. There was a contract revision for a cost reduction proposal that could be exercised. Chairman White asked if that was prior to asking them to do any additional value engineering. Mr. Horton confirmed. Mr. Kirk said it was a quick look-over and would require further vetting. There was a cost proposal mechanism to work through the process. Chairman White said it had become abundantly clear that although Phase IV created a gravity system that was better than what they had today, it was not what the project was intended to do, which was Phase V. He did not think there was any disagreement that they wanted Phase V completed to bring the project to its full capacity, but his challenge was he still had not heard

definitively where they were going to find the money to complete the final phase. Before they signed off on Phase IV, he felt compelled to find some opportunities for value engineering, and whatever came out of Phase IV could help offset Phase V. Then, they could value engineer Phase V. He could appreciate \$100,000, but it wasn't even a rounding error on a \$100 million project, so they had to dig deeper and find better opportunities for cuts.

Councilmember Moody said he wanted to make sure he understood the numbers. He said there were about \$2 to \$4 million in enhancements. Mr. Kirk said they were \$750,000. Councilmember Moody said he thought the number was \$2 million at their last meeting. His understanding was that they were \$41 million short, \$26 million on Phase IV, and \$15 million on Phase V. Councilmember Moody asked where the \$51 million came from other than the contract they were getting ready to sign. Councilmember Moody said it was not the overage, and Ms. Wharton confirmed. He said they were still dealing with \$26 million on Phase IV. Ms. Wharton said it was \$43 million give or take. He said they were \$26 million short on Phase IV. If they signed the contract, they needed to be able to pay \$26 million. Out of the \$26 million, he asked about \$17 million. Ms. Wharton said \$17.8 million was drainage, and \$8.5 million was the King Street TIF. Chairman White said the documents said \$18.4 million was coming from the drainage fund. Ms. Wharton said that was the total project, but it was \$17.8 million. Councilmember Moody said to fund the \$26 million, they had \$18.4 million out of the drainage fund and the rest of it out of the TIF. The money coming out of the drainage fund bothered him because the City had a long list of projects that were already in the queue for drainage, and he was told that there was money left to fund the projects in the queue over a period of time. Ms. Wharton confirmed. Councilmember Moody said the problem was new stuff and where they would find the money. If the Governor could provide some of the \$18 million, he asked if they could get to more projects. Ms. Wharton said it would free up the drainage funds. Councilmember Moody asked about the timeframe for new flood projects. Ms. Wharton said they did that through 2023. Councilmember Moody said they had four years out where they had no money to take on any new projects, and that was a problem. He said they had not even talked about Phase V. He asked if the \$6 million set aside for the Calhoun/West project would be available and if other items could be moved around. He was worried they were locking themselves in for a long period of time with no new projects. Ms. Wharton said they could, depending on how much because they were already under contract with Davis & Floyd for Calhoun/West. If the City did not use all of the \$6 million, the money could be diverted to another project. They could look at all of the projects, and they would have to prioritize.

Councilmember Moody said he had asked whether or not there would be any value in having a third party review before they went further, and they were somewhat up against a timeframe with agreeing to the contract. While he was leaning towards supporting the contract, he would have to tell constituents they had no money to do anything else.

Councilmember Waring said he did not think they had sacrificed enough. He said he was told by Mr. Kirk that there were 16 to 17 enhancements to the project. He asked if those enhancements could be eliminated to reduce the costs. He said that \$200,000 on a \$180 million project was an insult from a value engineering standpoint. He asked if the project, as originally

envisioned, could be completed successfully without some of the enhancements. Mr. Kirk said the enhancements were for service and operative ability. Councilmember Waring said he understood that, but if the enhancements weren't completed, he asked if the project would still work. Mr. Kirk said the lifespan of the components would be significantly reduced. Councilmember Waring said, at a previous meeting, Mr. Kirk referenced going to a thicker grade of steel because of the Calhoun project and maintenance. He asked if the original steel that was envisioned for the project would suffice and said that answer had not been provided. Every enhancement or change to the scope of the project was still in place. They had not seen a side-by-side to say how much those enhancements had cost. Mr. Kirk said they were on the table for value engineering. Councilmember Waring said they heard today after the December and January special meetings that value engineering rendered \$200,000. He said they needed more information from Ms. Wharton on what the \$18 million from the City's drainage fund was costing them. He said he did not know what projects over four years would be eliminated. There was \$5 million to complete King/Huger. They had projects since 1984 that had not been funded. They did not raise taxes to generate the revenue to put those fixes in place. He said they currently had flooding because the ditch was clogged, the pipe was too small, or a combination of both. He asked how many people would continue to flood. That information was not being provided before they voted, and they had a right to know that. They had a right to know the cost of the enhancements they had been asking about for six weeks. He said he was not ready to vote on it.

Mayor Tecklenburg said he wanted to address the issue of no new projects and funding. He said that Ms. Wharton was referring to the drainage fund. He said they must seek other sources and could not rely entirely on the drainage fund to build their way out of the situation they were in. There were other projects that would be accomplished while the drainage fund recovered. When the County widened Glenn McConnell Parkway, the Half Cent Sales funds would help the City pay for the Lake Dotterer project. The City had allocated funds from the TIF district for the King/Huger Street project. Hospitality Funds were also important. The City received a total of about \$30 million a year in different Hospitality and Accommodations funds, and he felt a lot better about their chances this year with the State Legislature giving the City authority to use those funds for drainage projects. He said they were not going out of business, they would just have to think outside the box and find the other sources of revenue in order to complete the projects they needed. The City was unfortunately under a deadline because they couldn't expect the construction vendor to hold their pricing. They had already been kind enough to extend their guaranteed price twice, and they were at the end of that window. To delay further would necessitate rebidding the project out with the prospect that prices could escalate even more. He knew other priorities needed to be made on what was left, and they had been talking about that for a while. That was going to be one of the contract manager's number one tasks, to look at the 1984 recommendations of the Master Drainage Plan. They had to pick and put them in a priority order and find the funding. He reiterated what the Governor had said, which was the cost of not getting the project completed was extraordinary. The impact on 650 acres on the West Side of the Peninsula, the main thoroughfare, the Septima Clark Parkway, the impact on mobility, the impact on the Hospital District, was important. Phase IV would get them a functional system, much improved over what they had. It was a pathway to final completion, and he asked Council to support the item.

Councilmember Waring said the program of work for the Calhoun/West Drainage Project could be amended. He said the majority of the \$6 million could be transferred to the project. They knew Calhoun/West was going to be more than this project, and they did not have those dollars. They would have to wait to get the funding on it, and it made sense to take \$6 million from Calhoun/West project and put that towards Spring/Fishburne to allow more money to go west of the Peninsula. They had about \$1 million or \$1.5 million to complete a bike path from the Lowline to Morrison Drive through an area that flooded. He said that \$1.5 million could go towards Spring/Fishburne. He said west of the Peninsula was West Ashley, James Island, and Johns Island. He had asked for a comparison of the enhancements, and they had not gotten them. They had not received which items could be value engineered out. Mayor Tecklenburg said he believed that had been addressed. They came back to Council about two weeks ago to ask if there was anything they had asked about that they had not received. They were willing to meet with them and provide further information, but he did not believe they had heard back from anyone on that. Councilmember Waring said they heard from Davis & Floyd that they could value engineer \$200,000. Mayor Tecklenburg said they had talked about that at their last workshop meeting. Councilmember Waring said that taking the money out of the two projects they had discussed instead of the drainage fund, which could fund projects across the City, would reduce the money to \$10.5 million coming out of the drainage fund versus \$18 million. Mayor Tecklenburg said that decision could be made about the funds that were currently applied to other projects, including Calhoun/West. It had other implications, and he was happy to bring that to Council at the next meeting and have that decision made.

Councilmember Griffin said it would be proper for them to see what those implications would be. They were talking about a project with an exceeded pricetag, and they had a project that hadn't even started yet. He asked which one was more of a priority. They talked about the limited revenue sources for programs off of the Peninsula, and the Church Creek TIF would take ten years before it could do anything. He said they had projects over the rest of the City that had to be completed, and they were going to be struggling to find the money. They would have to beg other entities like the County to give them Greenbelt funding, and he did not see how they could put their fate in someone else's hands. He wanted to know what the implications were and wondered if they could use more than \$8.5 million from the King Street Gateway TIF. There had to be other ways to do it. He asked if the Governor gave them money back, if they could put the money back into their stormwater fund? Mayor Tecklenburg said it would credit to the drainage fund, and Council would have to decide at some point the priorities of other projects versus proceeding with Phase V. Councilmember Griffin asked if they took money out of the drainage fund if they would have a way of crediting it back. He thought that was a big question because there were other ways they could get the money.

Councilwoman Jackson said she appreciated that they had options, but they currently had a decision to spend money that was a critical path. She would never say they should hold off on the project until they found out if they would be credited the money towards the drainage fund. They would not stop doing this project as they were too far in. She thought they were great ideas, and

her understanding was they would be completing the Stormwater Budget in another month or so, and they should be looking at what their priorities were, but this was a priority. She thought they should be voting based on that fact tonight.

Councilmember Lewis asked if the Mayor had received a commitment from the Army Corps of Engineers. Mayor Tecklenburg said that it was a process, and just like deepening the Charleston Harbor to 52 feet, there were no guarantees that the Federal Government would help fund it, but they were. The first thing that had to be done was have the Army Corps of Engineers vet the project, design it, and have it ready. That was what they were doing in partnership with the Army Corps of Engineers. It applied specifically to the Peninsula of Charleston, both protection and being able to deal with water. He said they were on the right pathway to be eligible for Federal funding. Councilmember Lewis said they had some money to beautify Septima Clark Expressway and asked if it was possible to get money from the Federal Highway Administration to help with the project as it was a State and Federal Highway. Mayor Tecklenburg said his understanding was the drainage portion of this project was not eligible for that program. Councilmember Lewis said he agreed with Councilmember Waring regarding the Lowline. He knew they could not do anything with that, but if they could move that money and put it into drainage, at the will of Council, that was money they could use because they hadn't started Huger Street, and they needed to complete that before the Lowline. Mayor Tecklenburg said he agreed, and he did not believe they had a firm commitment on Lowline funding other than a discussion of \$150,000 to help move forward the design and planning. Councilmember Seekings said it was from the Recreation Bond.

Councilmember Mitchell asked how much money they had spent on the Septima Clark Parkway. Ms. Wharton said that it was approximately a little over \$100 million. Councilmember Mitchell said that money had been spent, and he did not believe in throwing away money. If they did not do anything at all, things would get worse like a house never being finished. He understood what everyone was saying, but did not want to stop after already spending the money. They would have to find the money somewhere else to complete the rest of the project.

Councilmember Seekings said this was a project that was clearly overbudget, they didn't expect it, and they were trying to find ways to pay for it. They were looking into the future for Phase V. He said they had discussed using money from other projects towards Spring/Fishburne, but the more they took from other projects, the further out the completion of those projects would become. Without a list of priorities, they had a huge problem. He alluded to the Mayor's analogy of the harbor deepening. They spent a lot of money upfront for the harbor deepening to design it, so when they went to the Federal Government for funds, they could show them what the City was doing. He said there was no way they could go to other funding sources for Spring/Fishburne and ask them to fund projects that the City had not prioritized and that weren't ready with a design. If they took money from other projects, they would not be able to get funding from anywhere else if the City could not show what it was going to do and in what order. The project clearly had to move forward, but they also could not shut down the City's ability to seek other funding sources at the same time. They could not take money from other projects like Church Creek and Calhoun/West because they had to have a plan, priority, and design. They needed to complete it, and it would be painful, but

they could not shut everything else down to do it. They could not wait until 2023 to ramp everything back up. Then, they would be looking at 2030. He said he thought Mark Wilbert, Chief Resilience Officer for the City, would agree.

Councilmember Moody asked about the funding sources listed on the routing form for the item and if they were locked in or if they could substitute other funding that did not commit the drainage fund. He said there was money being left in projects for downtown, but the money being taken out of the drainage fund was everybody else's. He thought they needed to move forward on this phase and get it functional as a gravity flow project and figure out how they would come up with the \$18 million, not just from the drainage fund, but whether or not they could go back to the SIB, the TIF, or the Governor. They needed to work on the priorities.

Councilmember Shahid said they had a project that was too big to fail. The City had invested so much money and time into the project, they could not let it fail. They were taking money from other projects. He said he understood Councilmember Waring's frustration, particularly with West Ashley and how it would impact West Ashley projects. He referenced a photograph from July 20th when the City experienced a heavy rain, and motorists were stranded on the Septima Clark Parkway. He said he was not happy with it, and they needed to have communication with their Public Works Committee, so they received regular updates on this project and all other major projects. That way they could be told about things in advance, so that they were not blindsided years down the road by a project that was too big to fail, and they had to pay the bill. He said he wanted a commitment that if they approved the project, they received regular updates at the Public Works Committee. If it was bad news, he wanted to be advised of it in advance. They were blindsided by this, and that was the frustration Councilmembers were expressing. Councilmember Lewis asked Councilmember Shahid if he was making a motion that the Public Works and Utilities Committee receive a monthly update. Councilmember Shahid said he was making that motion, and Councilmember Lewis seconded the motion.

Councilmember Wagner said the more he heard, the more he was convinced they had zero choice in the matter. The City had the money to complete Phase IV, and they either stopped the project or they went forward with it. He could not see a way they could vote against it. About six to eight weeks ago, they were told one of the enhancements removed something that was installed two years ago and put in something better. He said that under contract law, that was not an enhancement. That was called a latent defect, and the City did not have to pay. They did not pay to fix someone else's mistake. Someone had put the wrong thing in, making it a requirement to fix it, and it was an unknown defect when it was installed. He said the money was there, and they could not stop the project, but they could keep from getting blindsided again by any overage. They needed to be kept aware of the project's progress and the ability to get final funds.

Councilmember Gregorie said he agreed with the Governor that if they did not do something, the cost would increase, but it worked both ways. In 1984, if the City had completed the recommended projects, \$100 million would have taken care of everything. The people who were bearing the costs were people who lived in the neighborhoods that had been flooding for 30 to 50

years. If they looked at the money spent on drainage on James Island in comparison to other parts of the City, he said it was almost null and void. The City could not ignore the Central Park/Wambaw issue, and if they were saying there would not be any money left to start design on the project, then they were doing a disservice to James Island. All of the money had been used on the Peninsula, West Ashley had received pumps, and in most other areas in the City, they had invested dollars in drainage to the cost of the residents on James Island. He agreed they were going to have to complete the project, but he asked at what cost. They had to do something for the people on James Island because they had not invested there at all. He thought they needed to bite the bullet and take care of the issue, but not at the expense of people who had been flooding for 40 to 50 years. He did not know what was left in the Stormwater Budget and asked if there was any money to allocate. Mayor Tecklenburg stated that Council had approved a Stormwater Budget before the end of 2018 that included the Department, maintenance, and they hired two new project managers. That was part of their regular operating stormwater budget, but what he heard being discussed was the prioritization of the City's future Capital Projects Stormwater Budget. Councilmember Gregorie said that was what he was talking about. Ms. Wharton clarified that it was the Drainage Budget. Councilmember Gregorie said Councilmembers representing the island agreed with him that they needed to find money for James Island as property values could start going down.

Mayor Tecklenburg said he did not see it as an either/or situation. Councilmember Waring said he did not hear anyone say the City was not going to do the project. He was asking about raiding the drainage fund, and there were additional sacrifices to be made as there were areas west of the Peninsula that had been waiting since 1984 that would go unfunded. He wanted to make sure if they voted for this, they still had the flexibility to look at different funding sources. Councilmember Griffin asked if they could make an amendment to find alternative funding sources. Chairman White said his biggest challenge was that they could not stop now because they had \$100 million worth of project that currently did nothing. At the end of the day, they had to do something. He asked what that something was and how they would pay for it. He had yet to hear a definitive answer as to how they would pay for it. They were getting ready to discuss new ways they could solve flooding, but they would be draining the drainage fund of almost \$18 million until 2023 with no new projects. He said this did not make sense and was concerned where it led them. Even if they could finish Phase IV and get a gravity system, but not ever do what they wanted it to do, he had the sense that no one thought they would get Phase V done. Where was the money coming from? They had just discussed dumping money out of the drainage fund, and no one wanted to give up money from other projects. It wasn't magic, and the math had to work. Chairman White said his understanding from listening to Mr. Kirk was that there were opportunities to value engineer, which may include some of the enhancements, but that was within the current contract. Mr. Kirk confirmed, and Chairman White asked what the process looked like. Mr. Kirk said that once the contract moved forward, the contractor would present a cost savings proposal to the City under the CEI contract. The design engineer would review the cost savings proposals, fully vet them as to whether or not they would be acceptable, and the cost savings would be split between the City and the contractor. Chairman White said there would be some game for Davis & Floyd if they found some ways save money. He said that if they were to move forward with this tonight, that was a must, and there was no question that they had to institute that process immediately before the

project really began moving forward through Phase IV. They talked a lot about the problems in neighborhoods as a result of the drains not being wide enough, they were clogged up, they needed check valves, and these were items that \$18.5 million could help fund. They were getting ready to write a check that said 'not until 2023.' He thought they really had to consider those two things and asked if they wanted to entertain an amendment to the motion to make sure that those two components were included. Councilmember Seekings asked for the motion to be restated.

Councilmember Moody said he thought they could add other sources that might be available. He said that was his point, so that they were not locked in. Chairman White asked who made the original motion. The Clerk said the original motion was made by Councilmember Mitchell, seconded by Councilmember Seekings. She said that the amendment was made by Councilmember Shahid, seconded by Councilmember Lewis regarding monthly updates. Councilmember Shahid said he would amend his motion to include other funding sources and/or any other sources available. Chairman White asked him to add that they would institute value engineering with their contract.

Councilmember Lewis said he would also amend his motion from once a month to every two weeks. When the Committee on Public Works and Utilities met, they needed to receive an update on the project. He said that needed to be an agenda item until they completed the project.

Councilmember Waring said they needed to form an ad hoc committee regarding the other funding sources, so as not to deplete the drainage fund. He said it worked very well with the budget. Chairman White suggested reconvening the budget committee to review this one item. Chairman White asked if that could be made a part of the motion. Chairman White said they would amend the motion to reconvene the Ad Hoc Budget Committee to review the funding sources outside of the SIB and the TIF money.

On a motion of Councilmember Mitchell, seconded by Councilmember Seekings, the Committee on Ways and Means voted unanimously to approve of Spring-Fishburne US 17 Phase 4 Fee Amendment #18 with Davis and Floyd in the amount of \$6,831,772 to provide construction engineering and inspection (CEI) services to support the construction of the Phase 4 pump station wet wall and outfall and Spring-Fishburne US 17 Phase 4 Construction Contract with Conti Construction, Inc., in the amount of \$51,933,757 to construct the Pump Station, Wet Wall, and Outfall of the Spring-Fishburne Drainage Project, as amended, to include other available funding sources, institute value engineering, receive biweekly updates regarding the project at the Committee on Public Works and Utilities, and reconvene the Ad Hoc Budget Advisory Committee to review other funding sources.

Chairman White said that Item #7 was deferred because it was a \$500,000 bill that had not been authorized to be paid, and it needed to go back through Public Works and Utilities.

10. LEGAL DEPARTMENT: APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE HISTORIC CHARLESTON FOUNDATION AND THE CITY OF CHARLESTON NOT TO EXCEED \$225,000 FOR THE DUTCH DIALOGUES

Councilmember Shealy said he was a fan of the Dutch Dialogues, but City needed to put in storm surge gates that would cost \$1.5 million, and they still did not know where the money was going to come from. He said Councilmember Griffin had done a great job bringing them the money to do one of the phases for the Church Creek Study. The Dutch Dialogues were just another study, and they were not completing the Church Creek Drainage Basin study they currently had. They needed to allocate their funds. They had just depleted their drainage fund, and they had no idea where the money was going to come from on a study that had already been completed. He said he understood that Historic Charleston Foundation would match some funds, but the City could not afford another study until they started moving forward on the studies they had completed already.

Councilmember Moody said he thought it was a strange agreement because it did not specify the total cost. Someone else was running it, but they were contributing \$225,000. It was also another study, and the last time they did something similar, it was the West Ashley Revitalization Study.

Mayor Tecklenburg said the MOU was with the Historic Charleston Foundation, and it was designed to have the Foundation help the City carry the weight. The total cost was right at \$425,000. The Historic Charleston Foundation had pledged \$25,000, MUSC had pledged \$25,000, the Nature Conservancy had pledged \$25,000, and Charleston Water Systems had already pledged \$25,000. There were a couple of other anonymous donors that had also pledged money. The total would exceed \$425,000 if they were to spend their full \$225,000 commitment. It was his belief with the other anonymous pledges that it would be less. Mayor Tecklenburg said that the Dutch Dialogues offered a different mindset about managing water, and the Church Creek Drainage Basin was a perfect example. The City did a study with Weston and Sampson, and from an engineering point of view, there were great recommendations, and this was an opportunity to take another look at how to manage water there. If a couple of landowners came forward and proposed the use of property for sizeable retention areas within the retention basin, there was a possibility that instead of paying for a \$27 million pump system, they could do it in a more natural way with real estate that could hold and manage water. They could save considerably on what Mr. Horner had suggested in the study. They currently had this opportunity since they proceeded with the purchase of almost 42 properties that would be demolished which could be areas for retention and other uses. He thought the dialogues offered a different point of view that would be very beneficial not only in the Church Creek Drainage Basin, but could be applied to other water ecosystems in the City.

Councilmember Lewis asked the Clerk if they were in violation of the Rules of Council because the meeting had run over and if they should have begun City Council at 5:00 p.m. The Clerk said it was in the rules that the meeting should start at 5:00 p.m., but they often ran over the 5:00 start time. Councilmember Lewis said that when they ran over, someone needed to make a motion to adjourn and begin City Council and come back to finish Ways and Means. The Clerk said that was correct. Councilmember Lewis made a motion to adjourn Ways and Means and begin the City Council meeting. Councilwoman Jackson seconded the motion.

Chairman White said they could do that, but he was not sure it would speed up the process

because they had to come back to the Real Estate report. Councilmember Lewis said there were people waiting to hear matters that would go before City Council. Mayor Tecklenburg said he thought they were pretty close as this was the last item on the agenda, and he thought the Real Estate report would be brief.

On a motion of Councilmember Lewis, seconded by Councilwoman Jackson, the Committee on Way and Means considered adjourning to begin the City Council meeting. The motion failed 11 to 2.

The vote was not unanimous. Councilmember Lewis and Councilwoman Jackson voted in favor of the motion.

Councilmember Lewis said they needed to amend the Rules of Council because they were not acting in accordance to the rules.

Councilmember Shahid made a motion to extend the Committee on Ways and Means meeting. Councilmember Griffin seconded the motion.

On a motion of Councilmember Shahid, seconded by Councilmember Griffin, the Committee on Ways and Means voted to extend the Committee on Ways and Means meeting.

The vote was not unanimous. Councilmember Lewis voted nay.

Chairman White asked if there was any further discussion on Item 10.

Councilmember Waring said he heard Councilmember Shealy and asked if the engineering community could be approached to help contribute towards the Dutch Dialogues. Mayor Tecklenburg said they were a part of it. Councilmember Waring said they had not contributed financially, and he thought there were other sources beyond the City of Charleston to make sure this happened. Mayor Tecklenburg said the memorandum called for the Historic Charleston Foundation to continue to raise money. He said if \$425,000 were raised, it would cost the City nothing. He did not expect that to happen, but they had a couple of very strong prospects that were interested in major funding for this initiative. Councilmember Seekings said that by his calculation, they were already up to \$325,000, so the City would only be in for \$100,000. Councilmember Waring said they should make the motion for \$100,000.

Councilmember Griffin said that he was told early in the project that the City would only contribute \$50,000. Chairman White said they had studied until they could study no more. He said they had studied Church Creek and others, but it was time for them to start doing and stop studying. They would find out that they may have some great ideas that they could not afford, so they should take the money and fix some of the things that they knew they had problems with. He said his comments had nothing to do with Historic Charleston Foundation, and it was tremendous that they were willing to partner and participate, but he couldn't continue to support doing more studies.

Mayor Tecklenburg said he wanted to point out that they did budget the item in their budgeting process at the end of the year. Chairman White said he argued against it then, too.

On a motion of Councilwoman Jackson, seconded by Councilmember Seekings, the Committee on Ways and Means considered voting to approve a Memorandum of Understanding between the Historic Charleston Foundation and the City of Charleston not to exceed \$225,000 for the Dutch Dialogues. The motion failed 7 to 6.

Mayor Tecklenburg, Councilmember Mitchell, Councilmember Gregorie, Councilmember Seekings, Councilmember Shahid, and Councilwoman Jackson voted in favor of the motion.

Councilmember Griffin made a motion to approve the Memorandum of Understanding not to exceed \$125,000. Councilmember Shealy seconded the motion.

On a motion of Councilmember Griffin, seconded by Councilmember Shealy, the Committee on Ways and Means voted to approve a Memorandum of Understanding between the Historic Charleston Foundation and the City of Charleston not to exceed \$125,000 for the Dutch Dialogues.

The vote was not unanimous. Chairman White and Councilmember Lewis voted nay.

11. THE COMMITTEE ON REAL ESTATE: (MEETING WAS HELD ON FEBRUARY 12, 2019 AT 3:00 P.M., CITY HALL, 80 BROAD STREET, FIRST FLOOR CONFERENCE ROOM)

- a. Request authorization for the Mayor to execute an easement agreement, together with the appropriate easement drawing, under which the City will grant an underground electric line easement to South Carolina Electric & Gas Company (“SCE&G”), together with the ability for SCE&G to install pad mounted transformers, switch gears, and other necessary apparatus and equipment on the City’s property lying to the south of Savannah Highway (U.S. Highway 17), designated as Charleston County TMS Nos. 350-00-00-072 and 350-00-00-073, commonly known as the site for Fire Station No. 11. The Mayor will be authorized to execute the easement and drawing without further action by City Council upon approval of the final form of the agreement by Corporation Counsel.
- b. Update on Longborough Exchange Agreement between City and Longborough Homeowners’ Association
- c. Update on the Charleston Technology Center
- d. Consider the following annexation:
 - (i) A vacant lot on Stinson Drive (TMS# 350-05-00-095) 0.99 acre, West Ashley (District 11). The property is owned by Rale MGMT LLC.
- e. Executive Session in accordance with Section 30-4-70(a)(2) of the South Carolina Code for

the receipt of legal advice concerning potential claims related to the Middleborough Development. The Committee may or may not take action after returning to open session.

Councilmember Moody, Chair of the Real Estate Committee, reported that Item 'a' was authorization for the underground wiring at the new Fire Station on Highway 17, and it was approved. Relating to Item 'b,' there was a tentative agreement with the Longborough HOA. There were six-tenths of an acre that would be a passive park. It would be maintained and policed by the City. There would be very minimal parking, but it was not reserved for the public or the homeowners. There would be six days of use by the HOA. There was currently a pier there that would be torn down. There would be a new pier with two docks at the end. One of the docks would be private, and the other would be public. The City would pay for the construction, but the private part would be locked and used by the homeowners. There would be marsh around the property that would be donated to the City from the Beach Company. There would also be some naming rights on the park, and Councilmember Gregorie had recommended a name, which would need to be approved. Councilmember Moody said this was the framework of the agreement that was going to the HOA's board for approval. The final version of the agreement would come back to Council at their second meeting in March. They also received an update on the Charleston Technology Center, which was the Digital Corridor property at 997 Morrison Drive. There was also one annexation, which was approved. They also went into Executive Session to talk about the Middleborough Development to receive legal advice, and no action was taken. Councilmember Moody moved for adoption of the report, and Councilmember Waring seconded the motion.

Councilmember Gregorie asked if they were approving allowing the discussions to continue, and Councilmember Moody confirmed. He said they were not approving the agreement. Councilmember Seekings asked if this was post-litigation and something they would have to file for court approval and if there was an appeal. Susan Herdina, Corporation Counsel, said the City lost its claim against the Beach Company. That was the end of the litigation, and there was no pending litigation. They had continued to talk over the last couple of years, and they finally had a resolution.

On a motion of Councilmember Moody, seconded by Councilmember Waring, the Committee on Ways and Means voted to approve the report of the Committee on Real Estate as presented and recommended giving first reading to the following bill:

An ordinance to provide for the annexation of a vacant lot on Stinson Drive (0.99 acre) (TMS# 350-05-00-095), West Ashley, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 11. The property is owned by Rale MGMT LLC.

There being no further business presented, the Committee on Ways and Means adjourned at 6:19 p.m.

Jennifer Cook
Assistant Clerk of Council